

TOWN OF WELLESLEY



ADVISORY COMMITTEE LETTER Annual Town Meeting — Monday, April 26, 7:00 pm Zoom Video Conference

TERM ENDS 2021

Julie Bryan, Chair
Jeff Levitan
Bill Maynard, Vice Chair
Deed McCollum
Mary Scanlon

TERM ENDS 2022

Jennifer Fallon
Neal Goins, Secretary
John Lanza, Vice Chair
Corinne Monahan
Patti Quigley, Vice Chair

TERM ENDS 2023

Shawn Baker
Tom Cunningham
Lauren Duprey
Jake Erhard
Doug Smith

To the Citizens of the Town of Wellesley:

April 5, 2021

Annual Town Meeting (ATM) will convene on Monday, April 26th, 2021 at 7 PM on the Zoom platform. All residents are welcome to attend. The proceedings may be followed on Wellesley Media Corporation's Government Channel (Comcast Channel 8, Verizon Channel 40). The ATM will also be live streamed at www.wellesleymedia.org/live-streaming.

I am writing on behalf of the Advisory Committee to provide you an overview of the budget for Fiscal Year 2022 (FY22), which runs from July 1, 2021 to June 30, 2022, and to briefly describe several other significant matters that Town Meeting will take up.

Notable matters coming before the 2021 ATM include:

- An increase in the Town Clerk salary (Article 6)
- A proposed balanced budget for FY22, including both operating and capital items, and a transfer from Free Cash (Article 8)
- Design funding for the Town Hall Interior Renovation (Article 17)
- A proposal to authorize the Select Board to seek special legislation to allow the Select Board to issue liquor license to restaurants and function rooms with fewer than 50 seats (Article 21)
- A proposed bylaw change to allow Town Meeting Members to opt out of receiving a paper copy of the Advisory Report (Article 23)
- A proposal to adopt greenhouse gas emission goals and to amend the Bylaws describing the name and description of the work of the Sustainable Energy Committee (Article 24)
- A proposal to amend the Bylaws to establish an Affordable Housing Trust Fund and to change the Bylaws to reflect the establishment of an Affordable Housing Trust (Articles 26 and 27)
- A Citizen's Petition to change the zoning of a property currently split between Single Residence and Business (Article 30)

A comprehensive *Reports to the Annual Town Meeting* containing the Advisory Committee's recommendations and all related board and committee reports to the 2021 ATM will be mailed to all Town Meeting Members. The Advisory Report will also be posted on the Town's website at <http://www.wellesleyma.gov>. Copies of the report will be available at the Town Clerk's office and at the Wellesley Free Library. In addition, the Town will post the 2021 Budget Book at <http://Wellesleyma.gov/2021budgetbook> (note that at the time this letter went to print, the 2021 Budget Book was not yet available. Please continue to check the Town website and Budget Book link for updates).

The Advisory Committee appreciates the dedication, expertise and knowledge of all those who presented to us throughout the 2020-2021 fiscal year as we prepared for ATM. Advisory is also grateful for the many hours that elected and appointed officials, Town employees, and other concerned citizens devote to make our Town run so efficiently and effectively. This year was especially challenging given the uncertainties surrounding revenue streams, Town operations, School operations and other services due to the ever-changing nature of the COVID-19 pandemic.

Advisory has been consistently impressed with how the Town officials and volunteers have navigated the roadblocks in the operation of our Town since the arrival of COVID-19 in March of 2020. Our Town's excellent, dedicated and highly professional staff is supported by the countless committed volunteers in Wellesley that share a common goal of making Wellesley a better place in which to live. At no other time has this commitment been so evident.

I personally want to recognize the hard work of the Advisory Committee for their diligence in making sure all Town Meeting Members are well-informed and fully prepared for Town Meeting. The Advisory Committee always welcomes input, whether through the Citizen Speak opportunities that are available at all our meetings or via email at advisorycommittee@wellesleyma.gov.

Sincerely,

Julie Bryan, Chair
Advisory Committee

Key Features of the Proposed FY22 Budget July 1, 2021-June 30, 2022

	FY21 Budget	FY22 Request	\$ Inc/(Dec)	% Inc/(Dec)
Sources of Funds				
Taxes	\$139,002,423	\$ 144,277,484	\$ 5,275,061	3.8%
State Aid	10,700,206	10,885,925	185,719	1.7%
Local Revenue	11,004,683	10,592,688	(411,995)	-3.7%
Free Cash to balance	2,639,066	3,781,347	1,142,281	43.3%
Other free cash items	1,225,409	113,787	(1,111,622)	0.0%
Other Sources	1,858,351	441,045	(1,417,306)	-76.3%
CPA Funds	549,500	575,000	25,500	4.6%
CPA to offset debt	553,444	549,444	(4,000)	-0.7%
Exempt Debt	10,409,960	10,979,648	569,688	5.5%
Total Sources	\$177,943,042	\$ 182,196,368	\$ 4,253,326	2.4%
Uses of Funds				
School	\$ 80,379,651	\$ 82,540,254	\$ 2,160,603	2.7%
Other Town Departments	40,903,585	41,822,558	918,973	2.2%
Employee Benefits	32,398,243	32,593,654	195,411	0.6%
Cash Capital	3,881,232	4,260,119	378,887	9.8%
Debt Service (inside Levy)	5,000,000	5,900,000	900,000	18.0%
Other Uses	4,416,928	3,550,691	(866,237)	-19.6%
Exempt Debt	10,963,404	11,529,092	565,688	5.2%
Total Uses	\$177,943,042	\$ 182,196,368	\$ 4,253,326	2.4%
Surplus/(Deficit)	\$ (0)	\$ (0)		

Sources of Funds:

The 3.8% increase in taxes reflects the allowed growth in the levy limit (2.5%) and \$1.8 million of new growth. State Aid is project to increase by \$185,719. The 3.7% decrease in Local Revenue reflects the assumptions on reductions of motor vehicle excise tax, investment income, and meals and hotel/motel tax previously identified. The significant reduction of -76.3% in Other Sources recognizes the \$1,264,100 lost in Parking Meter Receipts in FY21.

Uses of Funds:

Schools: The Wellesley Public Schools FY22 budget assumes a full return to in-school learning for all students. The district worked hard to meet the Select Board's 2.5% budget guideline, and the proposed 2.69% increase reflects the cost of contractual step and cost-of-living increases only. there is no net increase in full-time-equivalent staffing despite provision for addressing educational gaps created by the pandemic. The budget does not include any Strategic Plan or Critical Need investments.

Other Town Departments: The 2.3% increase in Other Town Departments is consistent with the budget guideline of 2.5%, wage increase levels recommended by the Human Resources Board (2.0%) and various adjustments in other expenses for all departments. The Town request includes a provision to provide funding for open town union contracts for FY21 for the FMD Custodians should the Town settle. As with the Schools, there are no new positions proposed on the Town side, although the Sustainable Energy Committee (SEC) is proposing to increase the hours of the director.

Capital Spending and Inside-the-Levy borrowing: Inside-the-levy debt service is up 18% to \$5,900,000 based on borrowing approved at the fall STM (Library Roof, Library Interior, and Sprague Chiller), and the proposed borrowing for Town Hall Interior

Schematic Design, Grove Street Reconstruction, and the Dispatch Communication Overhaul. Cash capital in the FY22 budget is \$4,260,119. This is an increase of 9.8% from FY21, but that is against an FY21 budget that was significantly lower than normal, and the proposed FY 22 budget is still lower than earlier cash capital requests which averaged just under \$6 million in FY18-20. Despite the increase, appropriations for Cash Capital plus Inside the Levy Debt Service will be 6.2% of Revenue, at the low end of the Select Board's debt policy of 6.2% to 6.8%.

Use of Free Cash, Reserves and Reserve Policy - The Town will use \$3,781,347 in free cash to balance the FY22 budget. This is 43.3% above a year ago, and generally above past years. The increase for FY22 is largely related to using free cash to offset the revenue shortfall in Parking and Traffic revenues. In addition, the town will use \$113,787 of Free Cash to add to stabilization funds. The total uses of free cash of \$4,495,134 are below levels of the recent past.

Reserves: The Town's fiscally responsible, conservative budgeting leads to Free Cash being available at fiscal year-end for the next year's budget without compromising the Town's reserve levels, projected to be 12.5% of Revenues at June 30, 2021 (continuing a three-year trend of exceeding the Town's Financial Reserves Policy range of 8% - 12%). Additions to Free Cash come from prior year unused budgeted funds (i.e., turn backs) and greater than expected Town Revenues.

COVID-19 Related Government Assistance - For FY21 the Town received Federal Relief commitments (most notably the "CARES Act") totaling more than \$3.9 million with the majority of that (\$2.9 million) used in support of the Schools. The Federal Consolidated Appropriations Act passed this past December extended the date for COVID-19 related costs that could be reimbursed to December 31, 2021. With the extension of the deadline for the use of funds, the Town will not require any supplemental appropriations relating to School and Town operations for FY21. The Town will be monitoring unemployment costs for teachers who were hired for this school year for the RLS. As Federal assistance continues to be expanded, the Town may be able to absorb those costs without a supplemental budget request. If not, the Town will submit supplemental budget requests at the anticipated fall 2021 Special Town Meeting.

The American Rescue Plan was recently passed into law. The law provides for financial assistance to municipalities and schools but specific information and spending requirements have yet to be issued. Funds are anticipated to provide assistance to programs and projects directly impacted by COVID-19, including school reopening assistance (PPE, ventilation, COVID-19 testing, vaccinations, class size, etc.)

Looking Ahead - The Town is contemplating three major projects that will require voter-approved debt exclusions. These large capital projects over the next four or more years will likely cost more than \$145 million. The majority of this sum will be for the replacement of the Hunnewell and Hardy elementary schools. The Hunnewell project will be funded in the typical way the Town funds large capital projects. For the Hardy project, the Town is partnering with the Massachusetts School Building Authority (MSBA) and may be eligible for reimbursement of up to 30%, or approximately \$17 million, of the project costs which would reduce the aggregate figure cited above. Construction funding for renovation of the interior of the Town Hall would, like the elementary school projects, require a voter-approved debt exclusion. These projects, as with any significant addition to excluded debt, will put upward pressure on property owners' tax bills.

The Advisory Committee voted unanimously to recommend Town Meeting take favorable action on the Omnibus Budget.

For more detailed information on the Budget, please see the Budget Book, the Town-Wide Financial Plan, and the Advisory Report, all available on the Town website.



Advisory Committee
Town Hall
525 Washington Street
Wellesley, MA 02482

PRSR STD
U.S. Postage
PAID
Boston, MA
Permit No.: 56467

RESIDENTIAL CUSTOMER WELLESLEY, MA

TOWN OF WELLESLEY

ANNUAL TOWN MEETING
April 26 at 7:00 pm



Advisory Committee Letter

Key topics Annual Town Meeting will be asked to consider:

- An increase in the Town Clerk salary (Article 6)
- A proposed balanced budget for FY22, including both operating and capital items, and a transfer from Free Cash (Article 8)
- Design funding for the Town Hall Interior Renovation (Article 17)
- A proposal to authorize the Select Board to seek special legislation to allow the Select Board to issue liquor license to restaurants and function rooms with fewer than 50 seats (Article 21)
- A proposed bylaw change to allow Town Meeting Members to opt out of receiving a paper copy of the Advisory Report (Article 23)
- A proposal to adopt greenhouse gas emission goals and to amend the Bylaws describing the name and description of the work of the Sustainable Energy Committee (Article 24)
- A proposal to amend the Bylaws to establish an Affordable Housing Trust Fund and to change the Bylaws to reflect the establishment of an Affordable Housing Trust (Articles 26 and 27)
- A Citizen's Petition to change the zoning of a property currently split between Single Residence and Business (Article 30)