

TOWN OF WELLESLEY



REPORTS TO THE ANNUAL TOWN MEETING

**MONDAY, MARCH 28, 2022
7:00 P.M.**

Zoom Videoconferencing Platform

**by the
ADVISORY COMMITTEE**

**SELECT BOARD
CLIMATE ACTION COMMITTEE
COMMUNITY PRESERVATION COMMITTEE
NATURAL RESOURCES COMMITTEE**

Please read this Report and bring it with you to Town Meeting.

For more information and updates, please visit www.WellesleyMA.gov.

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TOWN OF WELLESLEY



ADVISORY COMMITTEE LETTER ANNUAL TOWN MEETING, MARCH 28, 2022, at 7:00 p.m.

TERM ENDS 2022

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

TERM ENDS 2023

Shawn Baker, Secretary
Tom Cunningham, Vice Chair
Jake Erhard
Jeff Levitan
Doug Smith

TERM ENDS 2024

Susan Clapham
Al Ferrer
Wendy Paul
Pete Pedersen
Madison Riley

To the Town Meeting Members of the Town of Wellesley:

March 11, 2022

Welcome to Annual Town Meeting (ATM) 2022. I am writing on behalf of the Advisory Committee to give you an overview of how to prepare for Annual Town Meeting.

This year, notable matters coming before you at the 2022 ATM include:

- A proposed balanced budget for FY23, including operating and capital items (Article 8)
- Funding for the relocation of the Land Use Division to leased space (Article 17)
- Funding for the Police Radio Tower (completion of Wellesley Communications Center Project; Article 18), Walnut Street Project (Article 19), Middle School Paving Project (Article 20), and High School Replacement Lights Project (Article 21)
- Establishment of a Study Committee to evaluate current Town Meeting practices and procedures, and whether the Moderator's term of office should be extended from one year to three years (Article 24)
- Authorization for the Select Board to issue one-day liquor licenses for events by for-profit enterprises (Article 27)
- Authorization for alcohol use on public Rights of Way in connection with liquor licenses issued by the Select Board (Article 28)
- Amendment of the Zoning Bylaws including: modification of allowed General Residence District uses in an area of Washington and Worcester Streets; rezoning of two parcels on Washington Street from Single Residence to General Residence; addition of new Sustainability, Accessory Dwelling Unit, and Gun Shop provisions; and other items relating to definitions, clarifications, and reordering/renumbering of bylaw sections (Articles 33 through 43)
- A Citizen's Petition asking Town Meeting to advise the School Committee that Academic Excellence takes priority (Article 44)
- Note: Funding requests for future PFAS water treatment and a stormwater enterprise fund are expected to be deferred.

Attached you will find the *Reports to the Annual Town Meeting* containing the Advisory Committee's recommendations to the 2022 ATM (the "Advisory Report") along with related Board and Committee reports. Advisory encourages Town Meeting Members to read the material in advance of Town Meeting and, as it is extensively referred to during the sessions, to have it readily available as a reference. The Advisory Report will be also posted on the Town's website at <http://www.wellesleyma.gov>, along with the Town's proposed budget at this year's www.Wellesleyma.gov/2022budgetbook.

For issues of particular interest, Advisory's agendas and minutes are available at <https://wellesleyma.gov/AgendaCenter>, and videos of the meetings themselves with proponent presentations, input from other interested parties, Q&A, and Advisory discussions are available at <https://www.wellesleymedia.org/advisory.html> along with the written materials used for each meeting at <https://wellesleyma.gov/DocumentCenter/Index/1270>.

All warrant article proponents will be making live presentations at the ATM. In addition, those warrant article proponents who choose to do so may pre-record more in-depth presentations that will be available for viewing prior to the start of the ATM on March 28."

In addition, please review the Guidelines for Conduct at the Annual Town Meeting, included in the Advisory Report as Appendix A. Although this ATM will be conducted via the Zoom platform, the Moderator will endeavor to follow the same processes and abide by the same guidelines as if we were meeting in person, making only those minor procedural adjustments that may be necessitated by the fact that the ATM will be conducted remotely rather than being held in person.

Again, Advisory encourages Town Meeting Members to review all materials in advance of ATM.

In the last two years, Advisory took note of the need to reduce and defer capital spending to retain flexibility for the uncertainties and risks introduced by COVID-19, and to ensure Town operations could continue without interruption. At the time, Advisory looked carefully at the specific decisions on what should proceed and what should not to determine that the future was not compromised by underinvesting in required maintenance and upgrades.

Similarly, this year, as the Town's finances have bounced back and funds are now available to catch up on deferred projects, hire needed staff, and pursue a variety of ongoing and new initiatives, Advisory has endeavored to satisfy itself, through questions and discussions, that each proposal prudently addresses the Town's needs effectively and efficiently. As always, for all issues, Advisory worked to determine that proposals are workable, that current and potential future impacts have been thoroughly thought through, and that there is a full understanding of potential short- and long-term cost implications.

The Advisory Committee was continually impressed by the dedication, expertise, and knowledge of all those who presented to us throughout the year, their patience in responding to Advisory's many comments and questions, and their commitment to making Wellesley a better place to live. More broadly, the Committee is profoundly grateful for the many hours that all elected and appointed officials, Town employees, and other concerned citizens devote to make our Town run so efficiently and effectively. Wellesley is fortunate to have both an excellent, dedicated, and highly professional staff, and a volunteerism tradition that is alive and well and thriving.

I want to personally recognize the sterling collegiality and hard work of the Advisory Committee members in their commitment to making sure Town Meeting Members are well-informed and fully prepared for Town Meeting.

As always, Advisory welcomes input during Citizen Speak at our meetings and via email (advisorycommittee@wellesleyma.gov).

Sincerely,

Neal Goins, Chair
Advisory Committee

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Town-Wide Financial Plan Fiscal Year 2023 Annual Town Meeting Submitted by the Select Board

February 28, 2022

Dear Town Meeting Members:

Please find the Fiscal Year 2023 Town-Wide Financial Plan (TWFP) for the 2022 Annual Town Meeting ("ATM"). This document contains the following sections:

- Overview
- COVID-19 Update
- Financial Plan Components
- Revenues
- Status of Reserves
- FY23 Budget Cycle
- Key Budget Drivers
- Future Projected Capital Projects and Borrowing Needs
- FY23 Operating and Capital Budget Requests
- Conclusion

Overview

The Wellesley Town Bylaws (Section 19.16) require the Select Board (the Board) to coordinate the annual preparation and execution of the Town-Wide Financial Plan (TWFP). The TWFP is constructed using the information submitted by each board pursuant to the provisions of Sections 6.15 and 11.11 of the Town Bylaws. The TWFP also includes estimates and financial assumptions approved by the Board for all other line items for out-year projections.

In preparing the TWFP, the Board takes into account the following factors:

- The Town's ability to generate the anticipated real estate property taxes and to fund any deficit balance;
- The level of need for all proposed expenditures;
- Alternatives to any of the various sources and uses of funds in the TWFP, including Community Preservation Committee (CPC) funds, borrowing, grants, and gifts.

Working with departmental staff and other Town officials, the Board is proposing a balanced budget of \$199,137,988 for fiscal year 2023 (FY23, the year beginning July 1, 2023). This budget assumes the use of \$2,652,036 from reserves/Free Cash to balance the budget.

Highlights:

- Significant local revenue growth of 14.04% over FY22, with rebounds in Licenses and Permits, Motor Vehicle Excise, and Meals/Hotel/Motel Tax.

- The Town's reserves have risen to \$32,503,359 (19.61% of revenue) due to multiple factors, including a rebound in revenue, turn back from the previous year departmental budgets as a result of decreased departmental spending during the pandemic, favorable health insurance position, and the Board's decision to bolster reserves in FY21 and FY22 in light of financial uncertainties.
- Moderate increase of 2.73% in health insurance benefits, with various health insurance carrier rates growing 3.5 to 9.2%.
- Select Board operating budget guideline was set at 2.75%, and Debt Policy guideline was set at 6.8% of recurring operating revenues, the high end of the allowed range (for reference, the range allowed under the Debt Policy is 6.2 to 6.8% of operating budget).
- Actual proposed increase in the operating budget for FY23 is 2.86% and budgeted capital requests for FY23 total \$11.7 million (6.8% of recurring operating revenues).
- Proposed application of \$2,652,036 from Free Cash to balance the budget.
- Proposed funding of \$3,638,985 in Free Cash for several previously deferred projects and initiatives.
- The proposed transition of the Land Use Departments (Building, Natural Resources, Planning, and Zoning Board of Appeals) to leased office space will create a new line item that is being funded with \$397,100 in Free Cash.
- New benefit eligible positions related to strategic plans and the Unified Plan are once again incorporated into the budget, after a two-year hiatus due to financial uncertainties arising from the pandemic.
- The Five-Year Capital Plan outlines cash capital and debt funded capital projects, including both inside-the-levy and debt exclusion projects.
- The American Rescue Plan Act of 2021 (ARPA) has provided meaningful relief to municipalities and has replaced \$1.5 million in lost revenue to the Town for FY22 and will replace \$1.5 million in lost revenue in FY23.
- The Town applied and received \$1.5 million in Norfolk County ARPA funds for the interim PFAS mitigation in FY22; the Board is considering the use of additional ARPA funding through Norfolk County to fund \$2.45 million in FY23 for the Walnut Street reconstruction.
- Part-time employment has been challenging for recruiting and retention of critical job functions. Three departments (Climate Action Committee, Planning Department, and Natural Resources) are each proposing to upgrade one part-time position to a full-time position with the impact of associated benefit costs included in the budget.
- The Town was able to borrow for the Hardy and Hunnewell Elementary School debt at a 2.2% interest rate, which is significantly lower than the 4% that was previously projected.

Revenues

The revenues for the FY23 General Fund Budget total \$199,416,632 or a 8.92% increase compared to the FY22 approved budget. The 9.07% increase reflects the addition of \$6.2 million in exempt debt added to the tax rolls for the Hardy and Hunnewell Elementary Schools. The year-over-year standard revenue growth is only 5.5%. As a result of the borrowing for the school projects, both the revenue and the corresponding expenses will increase significantly from FY22.

The Board made conservative assumptions on local revenue growth taking into account historic trends and the continued impact of COVID-19 on specific sectors. Property taxes are assumed to increase by \$5,310,470 or 3.68% based upon the provisions of Proposition 2 ½ and added New Growth assumed at \$1.7 million. Local Receipts, which include revenue from Motor Vehicle

Excise Tax, Investment Income, Meals/Hotel/Motel Tax, and building fees are expected to increase by \$1,465,677 or 14.04%.

Parking revenue for both parking meters and commuter lots has been slowly rebounding but has not yet returned to the previous level of self-sustainment. Metered parking is nearing past revenue trends, but revenue from commuter parking lots continues to lag substantially compared to previous years. The Traffic and Parking Budget, generally a self-sustaining fund, requires a subsidy of \$505,291 for FY23 to maintain operations, which reflects approximately 56% of anticipated expenses. It is likely that the traffic and parking operations will require evaluation for several more years as we continue to see the impact of COVID-19 on commuting behaviors.

Health Insurance

Health insurance spending was favorable in FY21. Enrollments were lower than budgeted, resulting in an increase of \$2.2 million in the Town's reserve levels. In years past, Wellesley's health insurance collective bargaining agreement has focused on Fallon as the lowest cost carrier option. In FY22, Fallon Health Care announced their departure from the Health Insurance Market. As a result of Fallon's departure, Blue Cross Blue Shield will now be the lowest priced carrier in the West Suburban Health Group model, effective July 1, 2023. In an effort to mitigate the impacts of Fallon's departure from the market, the West Suburban Health Group injected \$4.8 million in reserves to model a recast of rates for FY22 without Fallon, resulting in increases from 3.5 to 9.2% in health insurance rates across all town insurance offerings. The anticipated FY23 increase takes into account reduced premium splits for Harvard Pilgrim and Tufts and the realignment of Fallon subscribers to a modified Blue Cross Blue Shield premium.

The Town's Memorandum of Agreement with the unions for health insurance was extended in FY22 for one year and is set to expire on June 30, 2022. The Town and unions commenced bargaining in September and have recently negotiated a three year extension on the agreement through FY25. Total settlement costs are within the budgeted 2.7% increase in Employee Benefits.

Key Financial Policies

The Board has two key financial policies that were instituted to balance prudent operational and capital spending and establish and maintain an appropriate level of reserves. The Debt Policy was established in FY19 and sets an annual spending limit on capital funded with cash (referred to as "cash capital") and capital funded with inside-the-levy debt projects within a range of 6.2 to 6.8% of recurring operating revenues. The Financial Reserves Policy, established in FY13, requires reserves to be maintained within a range of 8 to 12% of the currently budgeted operating revenues. This policy-based approach is designed for the following purposes:

- To ensure an affordable and predictable level of spending to adequately maintain town assets, and that funds available for operating budgets are not adversely affected by increased capital spending,
- To maintain the Town's top tier bond rating,
- To ensure short term cash availability where revenue is unavailable, in case of emergency or unanticipated needs,
- To provide for investment income,
- To provide for stable tax rates, and
- To enable planning for contingencies and long-term needs.

Operating Budget Guidelines

The modest rebound in revenue assumptions allowed for a slight increase over the previous budget guideline, and the Board issued a 2.75% operating budget guideline for both Town and School departments. The year-over-year operational increase proposed for FY23 is just above target at 2.86%.

In efforts to catch up on some capital spending deferred by the global pandemic, the Board agreed to target the high end (6.8%) of the Debt Policy threshold. To increase the 6.8% band on the Debt Policy, the Board pulled several large projects out of cash capital to fund through separate Annual Town Meeting articles with Free Cash, funding an additional \$3,638,985 in projects and bringing the total cost of Cash Capital Projects in FY23 to \$10,657,572. The Board further agreed to fund the first year of operating and capital expenses for the proposed Land Use Department relocation project with Free Cash in the amount of \$397,100. In future years, the Land Use Departments Lease costs will be part of the operating budgets and a line item in Article 8.

Status of Reserves

As reported in the Interim Budget Update in October 2021 to Special Town Meeting, reserves remain high because of increased departmental turnback, and FY21 and FY22 decisions to bolster reserves to allow flexibility in responding to the global pandemic. In July 2021, with continued COVID-19 restrictions and modified operations throughout the fiscal year, departmental operating turnback was \$8.5 million: Town departments turned back \$3.2 million, the School Department turned back \$3.2 million, and health insurance turnback was \$2.2 million, bringing the Town's reserves to \$32,503,359 or 19.61% of revenue.

Strategic Approach to Reserves Management

Reserves are now substantially above the 8 to 12% policy range. Operating budgets through the pandemic were not cut in FY21 or FY22, but capital was deferred. As local receipt projections rebound, the reserves are a mechanism to catch up on deferred capital.

In determining a strategic approach to reserve management in the FY23 budget, the Board considered the following:

- Application of Free Cash to larger capital projects that were previously under consideration for cash capital funding. In doing so, more opportunity was created for smaller capital projects across several departments;
- Supporting catching up on deferred capital projects by setting the Debt Policy guideline at the upper level of 6.8% in the FY23 budget;
- The finite capacity of town departments to absorb capital increases and the associated workload by recalibrating the timing of some projects over the next few years;
- Deployment of Free Cash for costs associated with the proposed Land Use Department relocation;
- Deployment of Free Cash to assist in balancing the budget;
- Managing reserves to help fund future major capital projects while also maintaining strong reserves to support continued excellence in bond ratings and thereby lowering funding costs.

The above strategic approach resulted in funding capital projects totaling \$3,638,985 from Free Cash and a total of \$10,657,572 in capital projects overall in FY23.

Deployment of Free Cash to assist in balancing the budget is anticipated to revert to the Board's typical use of approximately \$2.5 million annually to keep the reserve levels within the Financial Reserve Policy. In review of reserve levels this year, the Board aims to bring reserves back within the 8 to 12% range, and may ultimately propose using reserves to reduce the overall tax impact of the Town Hall Interior Renovation.

Looking Forward

Due to the economic disruption from COVID-19 and the unknown recovery timeline, the Board anticipated a 2.5% budget guideline in its Fiscal Year 2022 Town Wide Financial Report projections for FY23 through FY25. As the FY23 budget was being prepared, it was evident that the Town is rebounding, and the Board was able to increase the budget guideline to 2.75%. For out-years (FY24 through FY26), assumptions have been raised slightly and reflect an average 3% increase. The Town's long-term response to the global pandemic is still evolving and operational aspects of government are under review. The out-year projections will be evaluated annually to monitor ongoing inflation and supply chain concerns, and the Town's financial ability to attract and retain qualified employees. With so many unknowns at this time, the Board is modeling a consistent spending increase that is affordable within our revenue expectations, and sufficient to allow progress toward individual board objectives. Maintaining slightly higher reserves will allow us to fund the capital plan in a thoughtful manner after considering available funding and personnel resources.

School union contracts expire on June 30, 2022, and will be negotiated for FY23-FY25 along with a three-year health care agreement with all unions for FY23-FY25. Increases in health insurance rates are expected to be variable over the next several years and will be monitored closely by the West Suburban Health Group.

In FY23 and beyond, careful consideration is needed to coordinate initiatives from all departmental strategic plans, the town-wide Unified Plan, Housing Production Plan, Climate Action Plan, and Sustainable Mobility Plan to balance priorities, identify synergies, and determine available financial resources to support the Town's many ambitious goals.

The Town will be in a strong position to continue to avoid Proposition 2 ½ operating overrides by holding inside-the-levy and cash capital spending within the Debt Policy range of 6.2 to 6.8%, and by holding Town and School operating budgets to forecasted increases over the next three years. Current cash capital and debt service requests will lead to projected deficits in future years, and the Board will endeavor to smooth out these expenditures and remain within the range of the Debt Policy. The FY23 budget catches up significantly on capital items with a total capital expenditure of nearly \$15 million inclusive of Cash Capital (\$6.7 million), Free Cash capital expenditures (\$3.9 million), and inside the levy borrowing (\$5 million).

By adhering to budget guidelines for the next several years, the Town should be able to avoid an operating override and use additional reserves to fund major capital projects such as the Town Hall Interior Renovation.

Debt Funded and Free Cash Funded Capital Projects

The Walnut Street reconstruction is the only General Fund debt funded project included on the warrant for the 2022 Annual Town Meeting. The Select Board is also considering using funds from the American Rescue Plan Act (ARPA) for all or part of the Walnut Street project to further reduce this year's inside-the-levy borrowing.

The Board proposes to fund four long-planned projects with Free Cash: the relocation of the Land Use Departments to leased space, a Police Radio Antenna, the Middle School paving project, and the installation of LED lighting at the High School. The Town continues to proactively manage its debt by containing costs on construction projects, and by applying savings to other projects to reduce future borrowing costs. A list of such debt rescissions or transfers of debt borrowed but not spent are included in Article 46 on the warrant.

Plans for Debt Exclusions

The Board continues to plan for significant capital projects that we anticipate bringing to the voters for approval as debt exclusions in the next one to five years. The Major Project Financing Schedule currently includes one potential debt exclusion for the Town Hall Interior Renovation in December 2022, several large inside the levy projects which are detailed in the Attachment C – The Five-Year Capital Plan, and one potential debt exclusion for Preschool at Wellesley Schools (PAWS) in December 2027.

Interior renovation of the 1883 Town Hall

Over the past six years, Town Hall has undergone study, design, and completion of the exterior envelope restoration. Multiple phases of both the exterior and interior proposals have been brought forward to Town Meeting for appropriation. A critical factor that must be recognized is that the proportion of building work and the cost of the exterior project has triggered compliance with the American with Disabilities Act (ADA). The Town has received several extensions that expire in February 2025, by which time the Town must have completed necessary renovations to comply with the ADA laws. The necessary work to meet ADA, coupled with the aging building systems, led the Select Board to a determination that the renovation of the Town Hall interior must be completed. The Board has evaluated the costs to either fully renovate the interior or simply complete the necessary work to comply with ADA, and has found that the complete interior renovation is the correct choice for the long-term use of the building at a lower total cost than incrementally improving the building.

The Town Hall Interior Renovation has followed the typical three step Town Meeting process. An interior space utilization and visioning study of the building was completed in 2018 (Phase 1 of the Permanent Building Committee process) and identified serious deficiencies, including insufficient space for meetings, offices, and storage; lack of secure storage for vital records; lack of security for financial transactions; insufficient parking; air quality issues; moisture infiltration; handicap accessibility deficiencies; and a lack of clear wayfinding. Moreover, the major building systems (boiler, HVAC) are at the end of their useful life and need to be replaced. The Select Board is cognizant that the central Town offices do not meet the requirements of federal or state disabled persons' accessibility laws and do not provide universal access for residents, visitors, and employees. The feasibility study initially recommended the construction of a Town Hall Annex and a feasibility study for the Annex was completed in 2019. Due to COVID-19, the Select Board eliminated the Town Hall Annex plans prior to the 2020 Annual Town Meeting. Through Facilities Management Department capital funds, the Town Hall interior feasibility study was refreshed in an effort to reduce project costs, and the supplemental study was completed in November 2020.

The 2021 Annual Town Meeting approved \$1.8 million for schematic design through bidding (Phase 2 of the PBC process). The Town Hall Interior project is currently entering Design Development. The Town Hall Interior project will seek a debt exclusion of

approximately \$19 million for construction funds (Phase 3 of the PBC process) at Special Town Meeting in Fall 2022, followed by a town-wide vote in December 2022. It is likely the Select Board will propose the use of Free Cash to reduce the overall debt exclusion.

New Major Capital Projects

Projects added in FY22 to the Facilities Master Plan as outlined in Attachment C - The Five-Year Capital Plan include the Department of Public Works (DPW) Park and Highway Building and the DPW Recycling and Disposal Facility Administration Building. These projects are in the feasibility stage and the funding for inside-the-levy borrowing will be evaluated as they progress.

Morses Pond Beach and Bath House Improvements

The Recreation Commission began working with Weston and Sampson to conduct a Final Master Plan of the Morses Pond Beach and Bath House in 2019. Following the initial study, it was determined the work to the Bath House would trigger review by the Permanent Building Committee and a \$175,000 Feasibility and Design Study was conducted in partnership with the Recreation Commission and Facilities Management Department. The proposed scope of the project will be to provide ADA access, reposition the bathhouse, improve walking trails, and expand the use of the Morses Pond facility to three seasons. The Community Preservation Committee (CPC) has been supportive of the project, and has identified funds to assist with the design and construction. It is anticipated that CPC would fund \$800,000 at the 2023 Annual Town Meeting for schematic design through permitting followed by a \$4.6 million CPC appropriation at the Fall 2024 Special Town Meeting.

DPW Park and Highway Building

An FY19 study evaluated key staff support spaces consisting of men's locker rooms, the kitchen, and the lunch/break/training rooms and found the spaces have not been updated since the building was constructed in 1947. These facilities are inadequate from a perspective of age, functionality, circulation, adjacencies, and layout. The women's locker room was updated within the past 10 years but is undersized. The study also assessed the building, including the brick masonry walls, windows, concrete floor slabs (elevated and slab-on-grade) and the wash bay, all of which are original, 70-year-old construction. There are numerous age-related and structural deficiencies. The study included an existing conditions phase, programming phase, and development of new layout options that better support DPW operations and staff. A proposal for design funds will come before the 2023 Annual Town Meeting in the amount of \$1.1 million, and if passed, construction funds would be sought with the DPW Administration Building at a fall 2024 Special Town Meeting. At present, construction funds are estimated at \$6.4 million.

DPW New Administration Building at the Recycling and Disposal Facility (RDF)

The last major renovation at the RDF was in 1997. A study was recently completed which focused on the Administration Building, the Baler Building, and the Incinerator Building. This study assessed a number of issues with building envelopes, including roofing, walls, windows, foundation waterproofing, and doors. The study also evaluated the current operations and adequacy of the Administration Building. It was determined that this building was not large enough for the current functions and that the 22-year old building systems were largely past their service lives. Construction of a new, larger Administration Building was recommended within the footprint of the existing building (requiring swing space included in the budget). Design funds would be sought at the 2023 Annual Town

Meeting in the amount of \$500,000 and construction funds would be sought at fall 2024 Special Town Meeting. The construction funds are estimated at \$2,800,000.

The Board's approach to departmental capital requests is to assess and prioritize projects to manage the annual operating costs of the Town. In doing so, the impact to taxpayers will be moderated as much as possible, while still maintaining the high level of services that residents have come to expect.

Town-Wide Financial Plan

Overview of Relief Funding for COVID-19 Expenses

There has been little change regarding COVID-19 relief funding since the Board's October 2021 update to Town Meeting. The Town continues to emerge from the financial impacts of the COVID-19 pandemic which impacted FY20, FY21, and FY22. State and federal assistance has come in several waves and will continue to provide relief.

Federal Consolidated Appropriations Act

In December 2020, Congress passed the Federal Consolidated Appropriations Act (Act), providing \$900 billion in stimulus relief in response to the COVID-19 pandemic. The Act allowed for Coronavirus Aid, Relief, and Economic Security (CARES) funds to be extended from December 30, 2020, to December 31, 2021, while also providing additional modest resources for schools. With the ability to expend CARES funds through the end of 2021, the Town was able to cover the anticipated COVID-19 costs associated with operations, including the significant salary costs of the Remote Learning School through June 30, 2021. The Town received \$2,616,201 in CARES funds and has expended all funds as of October 2021.

Federal Emergency Management Agency (FEMA) Reimbursement

On January 21, 2021, by Presidential Order, FEMA reimbursement was increased from 75% to 100% and eligible costs were expanded to include vaccine distribution costs, personal protective equipment (PPE), cleaning and sanitization costs, and school reopening costs. FEMA continues to issue revised guidance on implementation, and the Town is currently awaiting approval of submitted reimbursements of \$391,397.49 in Town expenses. Thus far, the Town has received \$365,638.00 in reimbursements submitted by the School Department for the school COVID-19 testing program. Additional reimbursements from FEMA will be added to Free Cash.

American Rescue Plan Act (ARPA)

On March 11, 2021, the President signed the American Rescue Plan Act (ARPA) into law. The law provides for financial assistance to municipalities and schools through direct local funds and through allocated county funds. Wellesley is eligible for the following:

- Approximately \$3 million in local funds (half of which was received in FY22)
- Approximately \$5.4 million available through an application process administered by the Norfolk County Commissioners
 - \$1.5 million was expended in FY22 on Interim PFAS Mitigation
 - Select Board considering application of these funds towards the Walnut Street Reconstruction Project

- Competitive grants from the Commonwealth which are still being developed. (The Commonwealth received \$2.8 billion in ARPA funds.)

The eligible uses for ARPA funds fall into these broad categories:

- Response to the public health emergency
- Premium pay to employees providing essential work
- Revenue replacement to support government services impacted by COVID-19
- Investments in sewer, water, or broadband infrastructure

ARPA funds are prohibited from being used for the following:

- To offset a reduction in taxes
- To offset or reduce pension obligations
- To service debt for infrastructure investments (qualifying infrastructure projects must be pay-as-you-go investments)
- To increase reserves or stabilization funds.

The Town has included \$1.5 million in ARPA funds, used as lost revenue and flowing through Free Cash, to offset costs in the FY23 budget. As noted above, the Town has also received \$1.5 million in Norfolk County ARPA funds to pay for the interim PFAS mitigation approved at the Special Town Meeting in October 2021. ARPA funds must be obligated by December 31, 2024, and must be expended by December 31, 2026.

Total COVID Funding Assistance Available and Application of Funds:

	<u>Federal and State Assistance</u>		<u>3/2020 - 9/2021</u>
Municipal CARES Allocated	\$	2,616,201.00	
Schools CARES Allocated		\$1,097,100.00	
School ESSR Grant		\$123,519.00	
School CARES Remote Learning		\$101,127.00	
Schools through 6/30/21			\$ (3,065,799.69)
Health Dept.			(24,230.00)
Election			(81,058.00)
Morses Pond Summer Operations FY20,FY21,FY22			(143,832.00)
Personnel Backfill (Non-School)			(90,939.00)
Cleaning/Disinfection			(298,456.00)
Technology (Non-School)			(50,614.00)
Legal			(68,355.00)
Food Programs			(72,499.31)
Library			(42,164.00)
Subtotal CARES/Grants	\$	3,937,947.00	\$ (3,937,947.00)
CARES Available			\$ -
Potential FEMA Reimbursement	\$	757,035.00	
ARPA - Local Funds	\$	3,000,847.00	
Revenue Replacement FY21			\$ (1,500,000.00)
ARPA - County Funds (less 3% county admin. fee)	\$	5,401,746.67	
Interim PFAS Mitigation			\$ (1,500,000.00)
ARPA - Available	\$	8,402,593.67	\$ 5,402,593.67

FEMA funds are reimbursements of qualifying expenditures, and when the reimbursements are received the funds become operational turnback and flow to Free Cash. It should be noted the Town has received all but approximately \$391,000 in FEMA Reimbursement to date.

Financial Plan Components

The Board is responsible for preparing the TWFP which includes a forecast of the Town's sources and uses of funds for the current year (annual budget) and for the two following years (the "out years"). The Board establishes current year budget guidelines, cognizant of reserve implications, and works with the various Town boards to achieve a balanced budget. Projections are developed for subsequent years so that the Board may determine whether there will be sufficient revenue to meet needs or any requests for new initiatives. The TWFP also includes projected capital needs for the next five years for the various departments and information regarding the proposed financing for these items.

Reserves

The Town intentionally increased its financial reserves during the last 14 years and, on December 10, 2012, the Board adopted a formal Financial Reserve Policy which informed the recommendations in this annual TWFP. Reserves are comprised of the Town's certified Free Cash and Stabilization Funds. Free Cash is the sum of funds appropriated and raised by the Town, but not expended in the years for which the funds were appropriated, plus anticipated revenues, minus uncollected taxes of prior years. Stabilization Funds are special accounts created to provide reserves (savings) for different types of variable expenditures. These Stabilization Funds help to smooth out the impact of capital projects or provide insurance against unexpected expenditures.

Pensions, Other Post-Employment Benefits(OPEB) and Health Insurance Costs

The Town makes an annual contribution to the Wellesley Contributory Retirement System, a defined benefit pension plan administered by the Wellesley Contributory Retirement Board. The proposed contribution for FY23 represents 4.27% of the Town's annual budget. Current employees contribute up to 11% of their salaries to the system, depending upon date of hire. An independent actuary engaged by the Retirement Board biannually calculates the annual contribution the Town must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees. The funded status, using the market value of assets, was 77.66% as reflected in the actuarial valuation performed as of January 1, 2021, with full funding expected by 2030. The Retirement Board decreased the investment assumption in 2021 from 6.625 to 6.0% as an assumed actuarial rate of return on investment. Management continues to factor updated valuations into TWFP projections.

Similarly, health insurance costs and the liability for postemployment health care benefits for certain retirees and their dependents (OPEB) are key considerations in the TWFP. The Town has undertaken a number of proactive steps over the last ten years to reduce current costs and amortize the unfunded OPEB liability. With the current actuarial valuation, completed as of December 31, 2020, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 74 and 75, the funding status has improved to 56.7%. The Town currently appropriates 0.52% of its annual budget to OPEB, and current estimates indicate that this obligation will be fully satisfied by 2030. Like the Pension, the OPEB investment assumption has been reduced from 6.625 to 6.0%.

Balanced Budget

Once balanced, the annual budget is presented by the Board to the Annual Town Meeting, together with comments and recommendations of the Advisory Committee. Town Meeting votes

on the budget and thereby establishes the level of budgetary control, defining the level at which expenditures may not exceed appropriations. This level is typically tracked at the individual department salary and expense level. The state-of-the-art financial system has a number of built-in controls, and department managers have ready access to their updated budgets.

Revenues

Real Estate and Personal Property Taxes

Wellesley's primary source of revenue is real estate taxes. In the FY23 budget, taxes represent 83.2% of the estimated revenues, of which 87.38% are from residential assessments.

State Aid

In FY23, the Town is receiving approximately 5.5% of its revenue in the form of State Aid, of which 86.5% is for educational purposes, and 13.4% is state revenue assessments to other government agencies. State revenue assessments are not available to fund the Town's budget. Current projections show only a modest increase of 1.97% in FY23.

State Revenue Trend

	Final 2018	Final 2019	Final 2020	Final 2021	Final* 2022	Budget 2023	Governor 2023
State Aid							
Chapter 70	\$ 8,399,961	\$ 8,955,295	\$ 9,273,504	\$ 9,273,504	\$ 9,407,484	\$ 9,601,379	9,536,724
	\$ 8,399,961	\$ 8,955,295	\$ 9,273,504	\$ 9,273,504	\$ 9,407,484	\$ 9,601,379	9,536,724
Other school	\$ -	\$ -	\$ -		\$ 5,633	\$ 5,633	7,027
	\$ 8,399,961	\$ 8,955,295	\$ 9,273,504	\$ 9,273,504	\$ 9,413,117	\$ 9,607,012	9,543,751
Unrestricted (UGGA)	\$ 1,294,148	\$ 1,339,443	\$ 1,375,608	\$ 1,375,608	\$ 1,423,754	\$ 1,449,596	1,462,195
All other	\$ 65,540	\$ 53,236	\$ 65,462	\$ 51,094	\$ 45,401	\$ 45,401	49,149
Total	\$ 9,759,649	\$ 10,347,974	\$ 10,714,574	\$ 10,700,206	\$ 10,882,272	\$ 11,102,009	11,055,095
Assessments	\$ 1,239,371	\$ 1,260,154	\$ 1,262,442	\$ 1,308,172	\$ 1,309,563	\$ 1,309,563	1,356,345
Net	\$ 8,520,278	\$ 9,087,820	\$ 9,452,132	\$ 9,392,034	\$ 9,572,709	\$ 9,792,446	\$ 9,698,750

Local Receipts

Over the past two years, the most significant financial impact of COVID-19 has been the anticipated negative impact on local revenue and parking receipts. The good news is that the Town is seeing a turnaround, and based upon FY21 and FY22 performance so far, the TWFP projects a significant increase of 14.04% in local receipts in FY23. Local receipts represent 6% of the Town's revenue. Most local receipts (72%) have been from motor vehicle excise and permits and licensing.

Local Receipts Trend

	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Budget FY22	Budget FY23
Local Receipts						
Motor Vehicle Excise	\$ 5,749,176	\$ 5,814,076	\$ 5,463,429	\$ 5,547,986	\$ 5,200,000	\$ 5,550,000
Investment Income	760,311	1,644,747	1,761,606	353,917	190,688	350,000
Licenses and permits	4,049,311	3,617,016	2,043,985	2,700,054	2,366,000	2,700,000
One time 40R Permit	-	-	-	1,140,730	-	-
RDF	817,862	594,114	663,669	741,786	650,000	650,000
Pilot payments	76,490	76,443	76,442	76,465	76,000	76,000
Parking Fines & Forfeits	466,684	577,555	452,093	302,411	200,000	300,000
Meals tax, hotel/motel	752,908	771,564	682,286	505,715	200,000	550,000
Recreation transfer	79,227	13,682	-	38,227	-	-
Penalties, Interest on Taxes	248,217	425,077	253,628	629,987	250,000	250,000
Rentals	169,038	180,728	198,929	212,586	100,000	180,000
Fees	116,737	109,180	109,851	108,155	90,000	100,000
Departmental	164,646	87,406	133,786	100,259	60,000	100,000
All other	54,884	14,324	328,079	308,553	58,435	100,800
Total	\$ 13,505,491	\$ 13,925,912	\$12,167,783	\$ 12,766,831	\$ 9,441,123	\$10,906,800

The drop in revenue from the Town's traffic and parking operations has been an ongoing concern since 2020. The Traffic and Parking operations have historically been self-funding, but as remote work opportunities have expanded, the use of commuter lots has declined. The Select Board is encouraged by a recent slow and steady return of commuters to public transportation. The Massachusetts Bay Transportation Authority (MBTA) has increased train service as part of its "Regional Rail" service initiative. Service to Wellesley is no longer limited to clusters of trains during traditional morning and evening commuting hours, as the MBTA is now offering "Clock Face Scheduling" on weekdays with trains throughout the day. Further, the Board has authorized a pilot program to allow overnight parking at the Tailby lot between January 1, 2022, and June 30, 2022, to support downtown residents and their guests while providing additional revenue.

At the close of FY21, traffic and parking revenue had risen from 2% of the FY20 total (as of October 2020) to 26% of the FY20 total, and 20% of the FY19 total. In FY22, the Board subsidized the entire budget for traffic and parking with just under \$900,000 from Free Cash. In FY23, the Board is anticipating a revenue shortfall of approximately \$500,000 and is proposing to subsidize the Traffic and Parking Fund for one more year while continuing to evaluate the rebounding revenues. The subsidy this year is within the general operating budget and does not require additional Free Cash.

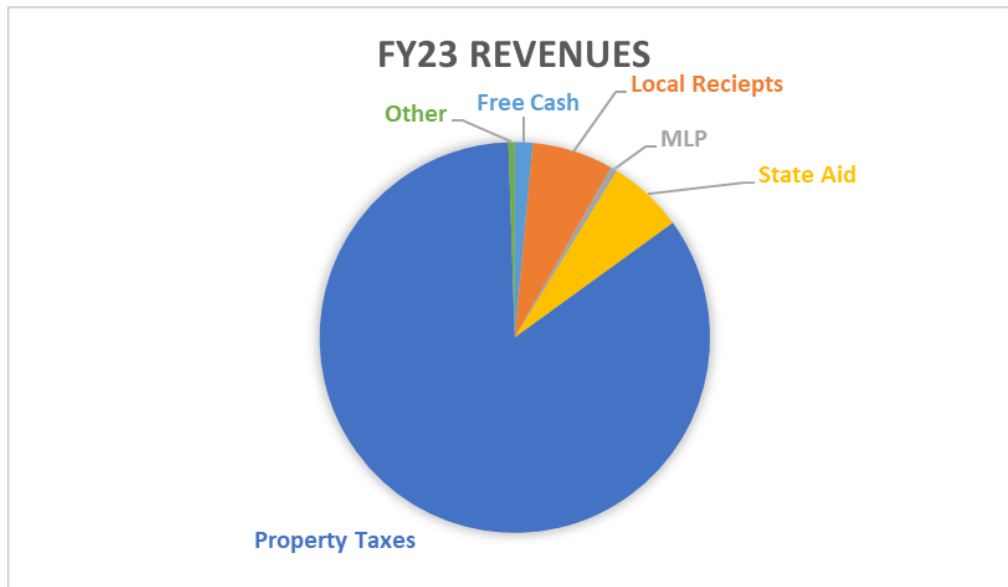
Additional revenue includes an annual contribution of \$1 million to the Town from the Wellesley Municipal Light Plant.

Free Cash

Free Cash is made up of revenues in excess of budget projections, budget turn-back (amounts budgeted but not spent), and other timing differences.

	FY18	FY19	FY20	FY21	FY22
Free Cash					
<i>Beginning of year</i>	\$ 12,109,416	\$ 14,615,285	\$ 16,171,779	\$ 18,175,871	\$ 25,830,840
<i>Uses</i>	(4,093,089)	(5,040,670)	(6,408,475)	(4,495,134)	(10,828,076)
Net Free Cash generated	6,598,958	6,597,164	8,412,567	12,150,103	5,300,000
<i>End of year</i>	\$ 14,615,285	\$ 16,171,779	\$ 18,175,871	\$ 25,830,840	\$ 20,302,764

For the FY23 budget, the proposed use of \$2,652,036 in Free Cash to balance the budget represents 1.4% of the estimated revenues. Free Cash is generally deployed for one-time costs including capital investments and the commencement of new initiatives such as the relocation of the Land Use Departments in this year's proposed budget. The Select Board has typically used \$2.5 million of Free Cash to balance the budget, and often after lengthy budget discussions may opt to close any remaining deficits with additional Free Cash. This budget would add \$152,036 in Free Cash to close out the FY23 Budget.



Status of Reserves

The Town's reserves rose to \$32,503,359 (19.61% of revenue) due to multiple factors, including a rebound in revenue, decreased departmental spending during the pandemic, favorable health insurance position, and the Board's decision to bolster reserves in FY21 and FY22 in light of financial uncertainties.

The Town's Financial Reserve Policy stipulates reserves should range from 8 to 12% of budgeted operating revenue. The Government Finance Officers' Association recommends maintaining balances of reserves in the amount of 5 to 15% of Budgeted Operating Revenues. In July 2021, with continued COVID-19 restrictions and modified operations throughout the fiscal year, departmental operating turnback was high at \$8.5 million. Town departments turned back \$3.2 million, the School Department turned back \$3.2 million, and the Health Insurance turn back was \$2.2 million, bringing the Town's reserves to \$25,830,840 or 19.64% of revenue.

The Special Town Meeting in October 2021 appropriated \$3,264,838 in Free Cash to supplemental budget appropriations for FY21 and FY22 (\$300,000), Hunnewell School Swing Space (\$2.8 million), and the Facilities Management Department Union Contract Settlements (\$164,838).

Current reserves are at 17.72% prior to any appropriation at the 2022 Annual Town Meeting, with School FEMA Reimbursements totaling \$529,945, Town FEMA Reimbursements anticipated to be \$391,000, and the release of \$306,144 from the Permanent Building Committee of Middle School Building System funds.

Reserves Projection

Reserves as of 6/30/2021	<u>Amount</u>
Free Cash	\$ 25,830,840
General Purpose Stabilization fund	3,692,805
Other Stabilization Funds	2,979,714
	\$ 32,503,359
FY22 Revenue	\$ 165,733,774
Sources and (Uses) of Reserves in FY22	
Appropriations at STM 10/2021	
FMD Contracts	(164,838)
Increase 2022 Legal Budget	(150,000)
Swing Space	(2,800,000)
School FEMA (reimbursed 2022)	365,638
School FEMA (reimbursed 2022)	164,307
PBC MS Piping	306,144
FEMA	391,000
Estimated Reserves as of 6/30/22	\$ 30,615,611
FY23 Revenue	\$ 172,731,661
% of Revenue	17.72%
% of Revenue Without Special purposeStabilization Funds	16.00%

Under Massachusetts Department of Revenue (DOR) rules, the Free Cash balance and the General Purpose Stabilization Fund are reserves specifically available for appropriation by Town Meeting for any lawful purpose. Appropriations from the Stabilization Fund require a two-thirds vote by Town Meeting, whereas appropriations from Free Cash require a majority vote. The balance of the General Purpose Stabilization Fund as of June 30, 2021, was \$3.69 million.

The Municipal Modernization Act of 2016 created an additional reserve fund opportunity for special education funding and the Town responded by creating a Special Education Reserve Fund at ATM in 2017. Revenues from Medicaid receipts related to special education were deposited into the fund at that time, with the plan to continue to build the fund in subsequent years. Article 11 on this year's warrant recommends appropriation of \$275,000 in revenues from Medicaid receipts. Over the past three years, deposits of \$750,000 have been made to the Special Education Reserve Fund to further protect the School budget from unforeseen special education outplacement costs. Funds deposited in a Stabilization Fund can be redirected for another purpose with Town Meeting authorization. The Special Education Reserve Fund's maximum balance is 2% of Wellesley's actual net school spending. Following this year's appropriation of Medicaid the funds, the stabilization fund will be nearing maximum contribution levels. This year the Board will continue to support the funding of the Special Education Reserve Fund to ensure that a reliable level of reserves is available should either the State be unable to meet its circuit breaker obligations, or the School Department experiences unanticipated out-of-district placements or other extraordinary expenses.

The FY23 budget continues the past practice of contributing Free Cash equal to turnback amounts for the Injured-on-Duty stabilization fund under Article 10 (\$38,605), and the RDF Baler Fund under Article 12 (\$11,512). The following chart summarizes revised projections reflecting the anticipated use of Free Cash towards the FY23 Budget and the impact to the Town's anticipated reserve balances on June 30, 2022:

<i>Reserves as of 6/30/2021</i>	<u>Amount</u>
Free Cash	\$ 25,830,840
General Purpose Stabilization fund	3,692,805
Other Stabilization Funds	2,979,714
	\$ 32,503,359
FY22 Revenue	\$ 165,733,774
<i>Sources and (Uses) of Reserves in FY22</i>	
Appropriations at STM 10/2021	
FMD Contracts	(164,838)
Increase 2022 Legal Budget	(150,000)
Swing Space	(2,800,000)
Appropriations at ATM 2022	
Balance 2023 Budget	(2,652,036)
Snow & Ice	(400,000)
Add to IOD Stabilization	(38,605)
Add to Baler Stabilization	(11,512)
Add to SPED Stabilization - Medicaid	(275,000)
Potential funds available for capital	
ATM22 MS Paving	(2,193,856)
ATM22 HS ECM	(1,250,000)
ATM 22 Land use (Operation and Capital)	(397,100)
Police Antenna	(195,129)
School FEMA (reimbursed 2022)	365,638
School FEMA (reimbursed 2022)	164,307
PBC MS Piping	306,144
FEMA	391,000
Estimated Turnback	4,000,000
<i>Estimated Reserves as of 6/30/22</i>	\$ 27,202,372
FY23 Revenue	\$ 172,731,661
% of Revenue	15.75%
% of Revenue Without Special purposeStabilization Funds	14.02%

FY23 Budget Cycle

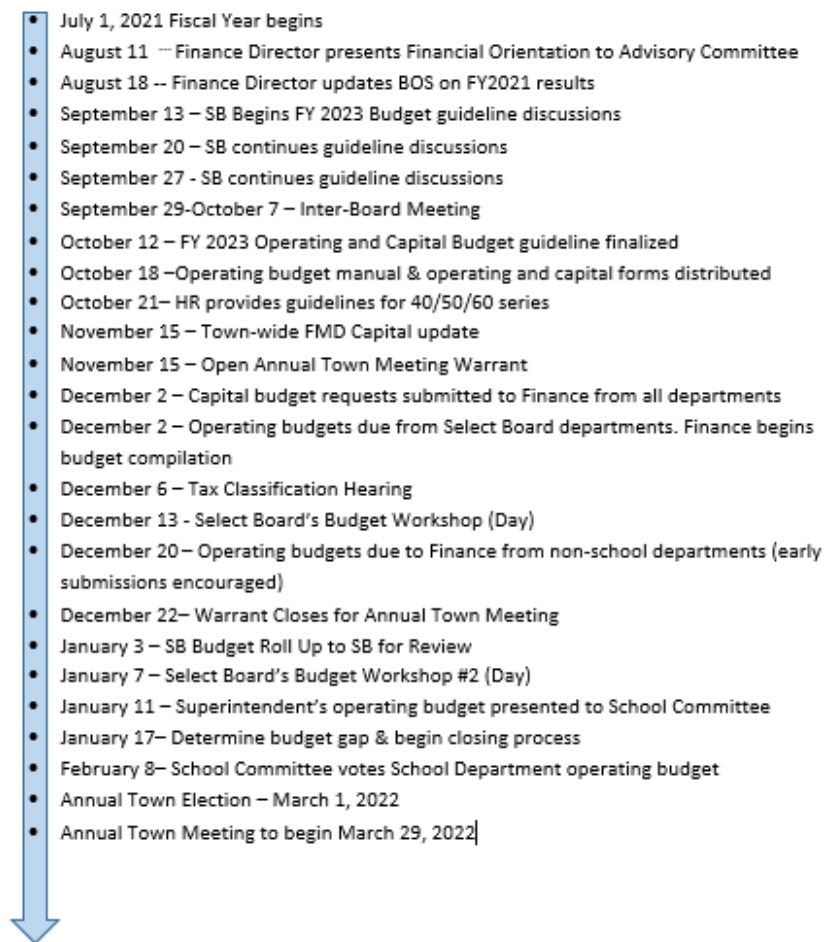
The Town budget cycle usually begins in July with the Board having initial discussions with the larger departments, including the School Department, the Facilities Management Department (FMD), and the Department of Public Works (DPW). This year's budget process followed the Budget Submission Timeline detailed below. (For a full review of the Town Budget Preparation Manual, please see Appendix A)

In the early stages of the budget preparation, the Board reviews an analysis of current revenues and revenue enhancement opportunities. After factoring in fixed costs, such as employee benefits, issued debt, and past service liabilities, the Board develops budget guidelines to help allocate remaining available funds among the departments. Guidelines for FY23 were finalized October 12, 2021. After guidelines are set, each board is expected to develop a budget falling within guideline. New initiatives and costs beyond guideline are discussed and evaluated by the Board and the Advisory Committee during the budget cycle. Other funding mechanisms (such as

an override or debt exclusion) may be proposed if a critical initiative cannot be funded with the current resources.

Under the Town bylaws, the Select Board is responsible for coordinating the annual budget submissions for all boards; coordinating the timing of capital requests and determining methods for financing capital needs; estimating available revenues; and developing the Town-Wide Financial Plan and Five-Year Capital Plan. Under the direction of the Select Board and Executive Director, the Finance Department has developed standard formats for departmental requests, these submissions are used to accurately create (1) the “Sources and Uses” format required by Article 19.16.1; (2) the Town-Wide Financial Plan; and (3) the Five-Year Capital Plan. The format includes a departmental narrative outlining departmental responsibilities and current objectives with emphasis on current year needs, a revenue summary, and detailed operating budget requests showing a four-year history.

Budget Submission Timeline



Key Budget Drivers

Each year at ATM, the Board and staff update the Town-Wide Financial Plan with input from the Town departments, boards, and committees, guided by the conservative financial policies

adopted over the last decade. As in prior years, the key issues impacting the Town's financial planning include:

- Growth in personnel costs
- Employee benefit costs
- Facilities and other capital needs

Growth in Personnel Costs

The largest recurring item in the year-over-year growth of the Town budget is the cost of wage increases ("Cost of Living Adjustments" or COLA) for existing employees. Each year the Human Resources Board evaluates increases for non-union municipal personnel and compares salary ranges to maintain competitive. Most Town employees are unionized, and their annual wage increases are a subject of collective bargaining. There are 14 unions representing 1,129 employees, the largest of which is the Teachers Association. As stated above, the teachers union contract expires June 30, 2022. At the Fall 2021 Special Town Meeting, the last of the Town's contracts was approved through June 30, 2023. In February, the Town has completed a three-year extension on health care benefits for FY23 to FY25.

In addition to the COLA noted above, the union contracts also provide for an additional annual "step" increase for teachers and other employees who have not yet reached the top step, and "lane" increases for teachers as they attain additional academic degrees. The teachers' contract currently provides for 16 steps and the value of each step increase is approximately 4.2%. Most Town union contracts provide for 4 to 8 steps, and an average step increase of 5.3 to 5.6%. In recent years, longevity has been added in step form to a number of contracts for employees. Thus, employees who have not reached the top step generally receive total annual wage increases in the range of 6 to 8%.

Each year, the cost of step increases is partially offset by savings resulting from the retirement or departure of employees who are replaced by new employees at a lower step level ("turnover savings"). Thus, in departments with steps, the changing composition of the work force affects the budget over time. However, in the case of the School Department, the average experience level of teachers has increased over the past ten years. Currently (FY23), approximately 59.5% of the teachers are at the top step, and the others are still moving on steps. Along with increases in special education costs, the School's personnel costs have grown at a faster rate than other departments' budgets.

Employee Benefit Costs

Employee benefit costs will total nearly \$33.5 million in (17.3% of the Town's total budget) and during the past ten years, benefit costs have been the fastest growing component of the overall Town budget. The principal components of this cost are:

- Health insurance premium costs for active and retired (non-Medicare eligible) employees and other associated benefit costs - \$21.4 million
- Pension plan contributions - \$8.5 million
- Other Post-Employment Benefits (OPEB) funding - \$3.45 million

Health Insurance

The Town procures health insurance for active employees and retirees through the West Suburban Health Group (WSHG), a consortium of nine towns and two educational entities. Health insurance is a mandatory subject of collective bargaining, so the Town cannot unilaterally make plan design changes. The Town has successfully bargained with its employee groups and implemented a number of plan changes in recent years, which have helped control rising costs.

The most recent adopted contract will begin on July 1, 2022, in which the Town will continue to offer high deductible or benchmark plans for employees. The WSHG was made aware in March 2021 that Fallon Health Care would be leaving the commercial health care market. Fallon's departure would leave WSHG with three health insurance carrier options for employees starting FY23: Blue Cross Blue Shield, Harvard Pilgrim, and Tufts, with Blue Cross Blue Shield being the least expensive plan option. BCBS as the low carrier option still increases costs in the range of 8.7 to 9.2% from the lower cost Fallon plans. The Town has agreed to maintain a 78% contribution rate to Blue Cross Blue Shield and has reduced the contribution rate to 60% for Harvard Pilgrim and Tufts and will maintain the 50% contribution rate for the Harvard Pilgrim PPO plan. The Town will continue to offer various incentives to employees to lower costs, including an opt-out provision and high deductible options.

Pension Plan Contributions

Municipal employees in Massachusetts are not eligible for Social Security. In lieu of a Social Security benefit, the Town maintains a defined-benefit pension plan for retired employees other than teachers, and the benefits are identical to those offered by other cities and towns in Massachusetts. Teachers participate in a similar plan operated by the Commonwealth. However, unlike a defined-benefit pension plan in the private sector, municipal employees contribute toward the cost of their pension. Any municipal employee hired after 1996 is required to contribute 9% of annual pay plus 2% of pay over \$30,000.

Employee contributions to the Town of Wellesley pension plan during calendar 2021 totaled \$4.1 million and are estimated to total \$4.2 million in calendar 2022. The Town will make an annual contribution of \$8.5 million in FY23. The Enterprise funds (Water, Sewer and Electric) also contribute the employer portion for their employees. Approximately 66% of the contribution by the Town this year will be allocated to accrued liabilities from prior years.

Other Post-Employment Benefits (OPEB)

The Town is also obligated to subsidize a portion of the health insurance premiums for all retirees (Other Post-Employment Benefits or OPEB). Medicare-eligible retirees are required to enroll in Medicare and the Town pays 50% of the cost of a Medicare supplement plan and 50% of the Medicare Part B premium.

The latest actuarial valuation of the Pension liability was performed as of January 1, 2021. The actuarial valuation is on a two-year cycle and the next valuation will be performed January 1, 2023, although it will not be available until May 2023. The following table summarizes the Town's unfunded liabilities related to Pension and OPEB, based on employee service to date:

	<u>Pension</u>		<u>OPEB</u>	
Measurement Date	1/1/2021		12/31/2020	
Accrued Liability	\$	242,973,730	\$	132,313,690
Actuarial Value of Assets	\$	242,973,730	\$	75,024,303
Unfunded Liability	\$	43,104,963	\$	57,289,387
Funded Ratio		84.93%		56.7%
Full Funding Year		2030		2030
Assumed Rate of Return		6.0%		6.0%

The actuarial funding schedule for the pension plan calls for a \$351,609 increase in pension funding in FY23 (exclusive of enterprise funds). The 2017 and 2019 actuarial valuation of the pension plan called for a reduction of the investment return assumption from 6.75% to a more conservative rate of 6.625%. The most recent actuarial valuation of the pension plan was performed on January 1, 2021, and reduced the rate of return further to 6.0%.

The OPEB actuarial valuation is on a two-year cycle with the new valuation performed on December 31, 2021. The interest rate was decreased to 6.0% and certain mortality assumptions were updated. The funding schedule was historically designed to fully fund liability by 2037; however, the Town is currently tracking to be fully funded as of 2030 even with the reduction in the rate of return. The funding plan currently requires the Town to contribute a flat \$3.4 million each year until 2023, in addition to the increasing premium subsidies for current retirees ("pay-as-you-go costs"). From 2023 until 2030 the remaining payment will be \$3,450,000.

<u>OPEB Funding</u>					
	FY19	FY20	FY21	FY22	FY23
Inside the levy	\$ 3,432,000	\$ 3,432,000	\$ 3,432,000	\$ 3,432,000	\$ 3,450,000
	\$ 3,432,000	\$ 3,432,000	\$ 3,432,000	\$ 3,432,000	\$ 3,450,000

Unlike many other communities, Wellesley is fully funding the ARC (Annual Required Contribution), as defined in the Government Accounting Standards Board pronouncements related to OPEB. As a result, the Town can discount the unfunded OPEB liability using an assumed market rate of return, whereas communities that are not funding the ARC are required to use a risk-free rate of return. New municipal accounting rules took effect at the beginning of FY18 which required municipalities to report pension and OPEB liabilities on their balance sheets. Wellesley's proactive funding approach favorably distinguishes our community, as the Town is further along in meeting its obligations than many other towns.

Future Projected Capital Projects and Borrowing Needs

Capital Budget Requests

Each year, boards submit a detailed five-year capital plan, and it is critical to include all anticipated capital needs for that five-year period, including cash capital and projects financed by debt or any other source. This year's Budget Book details the finalized five-year capital requests submitted. The final Five-Year Capital Plan reflects the most up-to-date project costs. Capital requests are intended to support the department's strategic direction, and the financial and operational impact of each requested capital purchase should be quantified. Because financial resources are limited, boards are asked to internally prioritize capital needs and should fully research the cost of each

item to better inform the discussion of which projects should be funded in a given year. Doing a thorough job of analyzing capital needs can help avoid sudden unanticipated requests in the current budget cycle, and greatly aids the financial planning process. It should be noted that with any significant rise in the inside-the-levy borrowing, available funding for cash capital projects is restricted. Capital requests added in a given budget year without prior notice are generally deferred unless required by a federal or state mandate.

As previously described, the Select Board has adopted a Debt Policy that limits combined capital and debt service expenditures to 6.2 to 6.8% of budgeted (inside-the-levy) revenues. The purpose of this policy is to provide sufficient funds to maintain Town assets, while avoiding operating overrides or compromising operating budgets. In review of the Five-Year Capital Plan requests, the total cost is rising in the out-years far in excess of the 6.2 to 6.8% debt policy range and is hovering around the 7% range for FY24 and FY25. During the budget process, departments are sometimes asked to reduce their capital requests in order to bring overall requests into alignment with the debt policy range. Staying within the range requires close coordination and communication between the Finance Department and all department heads.

The combined inside-the-levy (cash capital and debt service) financing budget for FY23 is \$11,737,443 or 6.8% of revenue. Of the \$11.7 million, \$5 million is for inside-the-levy debt service, therefore there is a maximum of \$6.7 million available for all cash capital projects. In FY24-FY26, based upon projected inside-the-levy borrowing, there is currently projected between \$5 million and \$7 million available for cash capital.

Budget Assumptions

MIIA, the Town's insurance company currently values Wellesley's assets at \$427,026,953 inclusive of buildings and contents. It is the Town's responsibility to maintain those assets or replace them as they reach the end of their useful life, making capital project needs and costs a major factor in out-years. The Board works to prioritize and balance needs with inside-the-levy borrowing, cash capital, and major project funding through debt exclusions. The Board considers funding capacity when issuing the Budget Guidelines and this year allowed for the use of the higher end of the debt policy range of 6.8% given the rebound in revenues.

The budget assumptions established for FY24 through FY26 have taken into consideration various factors including:

- Sustainability of economic growth;
- Increased costs of goods and services;
- Rising costs of health insurance;
- Potential for increased costs to address both Town and School strategic initiatives such as implementation of the Climate Action Plan, Sustainable Mobility Plan, Diversity, Equity, and Inclusion efforts, and downtown revitalization, and
- Unknowns of ongoing impacts of COVID-19 including impacts to Traffic and Parking revenue.

The projections below are reflective of any projected union settlements, which will be evaluated and negotiated on an individual basis. The projected budget assumptions are as follows:

Revenues

- | | |
|--------------------|---|
| • Levy growth | 2.5% plus \$1.5 million of new growth in FY24-F26 |
| • State Aid | 2% increase for FY24-26 |
| • Local revenue | 2% increase for FY24-FY26 |
| • Use of Free Cash | \$2.5 million/year |

Expenses

- Town Personal Services/Expenses average 3.0% FY24-FY26
- School Personal Services/Expenses average 3.0% FY24-FY26
- Pension per approved funding schedule
- Health Insurance 7%
- Other employee benefits 0%

Combined with significant capital expenditure reductions, these budget assumptions allow the Town to strive to reach balanced budgets in the out-years. Any increases in expense estimates may require operational overrides or reductions in departmental operations.

Exhibit II

	<u>FY22</u> <u>Budget</u>	<u>FY23</u> <u>Request</u>	<u>\$</u> <u>Inc/(Dec)</u>	<u>%</u> <u>Inc/(Dec)</u>	<u>FY24</u> <u>Projection</u>	<u>FY25</u> <u>Projection</u>	<u>FY26</u> <u>Projection</u>
Sources of Funds							
Taxes	\$ 144,418,814	\$ 149,729,284	\$ 5,310,470	3.7%	\$ 154,972,516	\$ 160,346,829	\$ 165,855,500
State Aid	10,882,272	11,096,377	214,105	2.0%	11,318,304	11,544,670	11,775,564
Local Revenue	10,441,123	11,906,800	1,465,677	14.0%	12,124,936	12,347,435	12,574,383
Free Cash to balance	3,781,347	2,652,036	(1,129,311)	-29.9%	2,500,000	2,500,000	2,500,000
Other Free Cash items	314,838	4,036,085	3,721,247	n/a	-	-	-
Other Sources	1,456,045	1,961,183	505,138	34.7%	1,780,547	1,787,293	1,794,173
CPA for North 40	549,444	550,244	800	0.1%	550,644	550,644	550,244
Exclusions & Exemptions	10,988,083	17,205,979	6,217,896	56.6%	17,365,672	17,263,172	16,596,472
Total Sources	\$ 182,831,966	\$ 199,137,988	\$ 16,306,022	8.9%	\$ 200,612,619	\$ 206,340,043	\$ 211,646,336
Uses of Funds							
School	\$ 82,540,253	\$ 84,802,266	\$ 2,262,013	2.7%	\$ 87,346,334	\$ 89,966,724	\$ 92,665,726
Other Town Departments	42,051,485	43,362,464	1,310,979	3.1%	44,663,338	46,003,238	47,383,335
Employee Benefits	32,593,654	33,521,962	928,308	2.8%	35,050,514	36,718,102	38,489,067
Cash Capital	4,260,119	6,737,443	2,477,324	58.2%	6,932,271	7,128,248	6,233,970
Debt (inside Levy)	5,900,000	5,000,000	(900,000)	-15.3%	5,200,000	5,400,000	6,700,000
Other Uses	3,948,928	7,957,630	4,008,702	101.5%	3,900,149	3,933,903	3,958,456
Exclusions & Exemptions	11,537,527	17,756,223	6,218,696	53.9%	17,916,316	17,813,816	17,146,716
Total Uses	\$ 182,831,966	\$ 199,137,988	\$ 16,306,022	8.9%	\$ 201,008,922	\$ 206,964,031	\$ 212,577,271
Surplus/(Deficit-Override)	\$ 0	\$ (0)			\$ (396,303)	\$ (623,988)	\$ (930,934)

Based on the budget assumptions outlined above, the current projected deficit for FY24 is \$396,303 with no modifications to the cash capital budget or application of additional Free Cash. This deficit is approximately \$6.1 million less than projected in March 2021, as a result of overperformance in revenue and ongoing compliance with the Debt Policy. The FY25 and FY26 out-year projections have deficits in the range of \$623,988 to \$930,934; these deficit projections assume modest revenue increases and a straight 3% increase in school and town operational costs.

Strict adherence to the inside-the-levy Debt Policy can help reduce these deficits and the Board is committed to rigorous analysis of all capital requests. Conversely, allowing any growth in operating guidelines could outstrip resources available inside the levy.

Impact on Deficit of Debt/Capital Policy

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenue	\$ 200,612,619	\$ 206,340,043	\$ 211,646,336
Projected Deficit	\$ (396,303)	\$ (623,988)	\$ (930,934)
Debt/Capital	\$ 15,119,314	\$ 13,566,046	\$ 14,877,121
Percent Requested	7.54%	6.57%	7.03%
If reduced to 6.2%	\$ 11,061,777	\$ 11,422,814	\$ 11,792,738
Revised Deficit	\$ (48,419)	\$ (287,402)	\$ 384,495

For **informational purposes only**, a model has been created to show the impact on debt and deficits utilizing the **bottom** of the Debt Policy range at 6.2% of operating revenues, rather than the higher figures previously identified or requested. The chart above shows that the deficits would be significantly reduced over the three-year period; however, since debt service is largely determined from the Major Project Schedule, except for one listed new inside-the-levy borrowing for Walnut Street, future cash capital allocations would require limitations of

- \$5,861,726 in FY24 (a decrease of \$4M);
- \$6,022,762 in FY25 (a decrease of \$2.1M); and
- \$5,092,685 in FY26 (a decrease of \$3M).

The Select Board is considering funding all or a portion of the Walnut Street Reconstruction with ARPA funds.

In addition to the projects financed inside the levy, three debt exclusions have been approved in the last 18 months including the Middle School Building Systems in December 2020, Hardy Elementary School in December 2021, and Hunnewell Elementary School in December 2021. In February 2022, the Town was able to borrow for the Hardy and Hunnewell Elementary School debt at a 2.2% interest rate, which is significantly lower than the 4% that was previously projected.

Over the next five years, two debt exclusions are planned:

- Town Hall Interior Renovation – (December 2022)
- Renovation/Reconstruction of PAWS Pre-School (November/December 2027)

Proposed Major Project Financing Schedule

Debt Exclusions

			Fiscal 2023		Fiscal 2024		Fiscal 2025		Fiscal 2026		Fiscal 2027		Fiscal 2028	
<u>Project</u>		<u>Estimated Cost</u>	<u>ATM 2022</u>	<u>Fall 2022</u>	<u>ATM 2023</u>	<u>Fall 2023</u>	<u>ATM 2024</u>	<u>Fall 2024</u>	<u>ATM 2025</u>	<u>Fall 2025</u>	<u>ATM 2026</u>	<u>Fall 2026</u>	<u>ATM 2027</u>	<u>Fall 2027</u>
Town Hall Interior	Design	\$1.85M	Inside											
	Construction	\$19.0M		DE										
PAWS	Design	\$2.0M								Inside				
	Construction	\$18.0M												DE
TOTALS		\$40.85M	\$1.85M	\$19.0M						\$2.0M				\$18.0M

The remaining major projected projects and a potential timetable can be found in in Attachment C, Five-Year Capital Plan.

The following table is a roll-forward projection of the median tax bill (i.e., the tax bill for a home valued at \$1,223,000 for the period FY22 – FY30). The Board continues to be mindful of the significant impact on taxpayers of the approved and prospective debt exclusions. Efforts will continue to reduce or eliminate deficits without an override, and to investigate opportunities and methods to lower rates of spending growth, and/or further grow the Town's revenues.

Median Tax Bill

	FY 22		FY23		FY24		FY25		FY26		FY27		FY28		FY29		FY30
Levy Prior	\$	12,777	\$	13,131	\$	13,493	\$	13,845	\$	14,205	\$	14,573	\$	14,949	\$	15,334	\$ 15,728
Levy growth	\$	498	\$	483	\$	472	\$	480	\$	488	\$	496	\$	504	\$	513	\$ 522
Existing Debt Exclusions	\$	1,010	\$	979	\$	795	\$	767	\$	692	\$	627	\$	603	\$	566	\$ 503
HHU	\$	-	\$	585	\$	689	\$	666	\$	671	\$	648	\$	625	\$	602	\$ 580
Town Hall Interior	\$	-	\$	-	\$	81	\$	110	\$	107	\$	104	\$	101	\$	98	\$ 94
Median tax bill	\$	14,285	\$	15,178	\$	15,530	\$	15,867	\$	16,163	\$	16,448	\$	16,782	\$	17,113	\$ 17,428

FY23 Operating and Capital Budget Requests

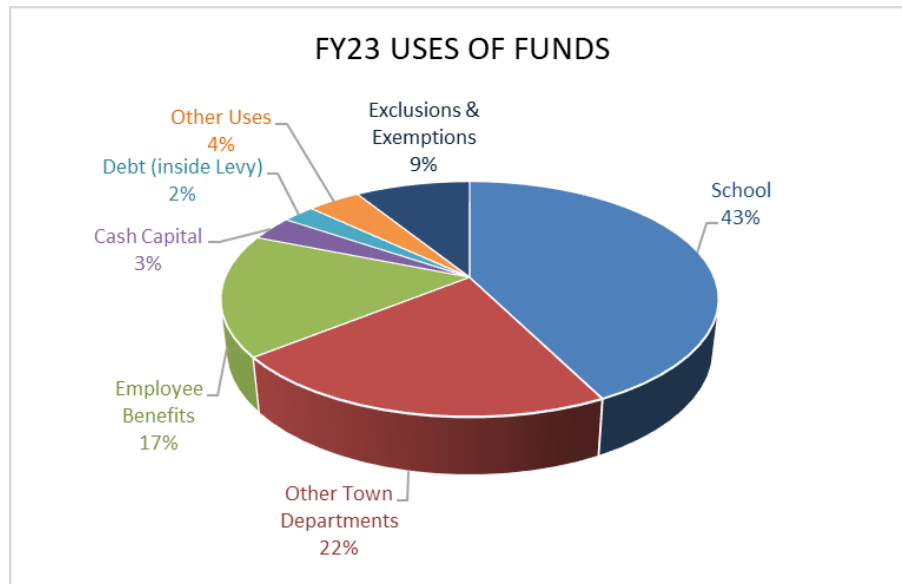
The proposed FY23 budget request is summarized in the following table (more complete versions of the FY23 Sources & Uses are presented in [Exhibit I](#) and [Exhibit B](#).)

	<u>FY22 Budget</u>	<u>FY23 Request</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
<i>Sources of Funds</i>				
Taxes	\$144,418,814	\$ 149,729,284	\$ 5,310,470	3.7%
State Aid	10,882,272	11,096,377	214,105	2.0%
Local Revenue	10,441,123	11,906,800	1,465,677	14.0%
Free Cash to balance	3,781,347	2,652,036	(1,129,311)	-29.9%
Other free cash items	314,838	4,036,085	3,721,247	0.0%
Other Sources	441,045	930,683	489,638	111.0%
CPA Funds	1,015,000	1,030,500	15,500	1.5%
CPA to offset debt	549,444	550,244	800	0.1%
Exempt Debt	10,988,083	17,205,979	6,217,896	56.6%
Total Sources	\$182,831,966	\$ 199,137,988	\$ 16,306,022	8.9%
<i>Uses of Funds</i>				
School	\$ 82,540,253	\$ 84,802,266	\$ 2,262,013	2.7%
Other Town Departments	42,051,485	43,362,464	1,310,979	3.1%
Employee Benefits	32,593,654	33,521,962	928,308	2.8%
Cash Capital	4,260,119	6,737,443	2,477,324	58.2%
Debt Service (inside Levy)	5,900,000	5,000,000	(900,000)	-15.3%
Other Uses	3,948,928	7,957,630	4,008,702	101.5%
Exempt Debt	11,537,527	17,756,223	6,218,696	53.9%
Total Uses	\$182,831,966	\$ 199,137,988	\$ 16,306,022	8.9%
<i>Surplus/(Deficit)</i>	\$ 0	\$ (0)		

Sources of Funds: The 3.7% increase in taxes reflects the allowed growth in the levy limit (2.5%) and \$1.7 million of new growth. At this point, State Aid is showing an increase of \$214,105 or 2%. The 14.1% increase in Local Revenue reflects the rebounding FY21 performance on motor vehicle excise tax, investment income, and meals and hotel/motel tax previously identified. The significant increase of 111% in Other Sources is reflecting the modest rebound of \$400,000 Parking Meter Receipts in FY22 which were a complete loss in FY21.

Uses of Funds: The 2.7% increase in the School budget reflects the cost of contractual step and cost-of-living increases, the realignment of grant funds, and modest investment in strategic initiatives. The School Department took a close look at their personal services and expenses and worked hard to meet the Town's 2.75% budget guideline directive. The 3.1% increase in Other Town Departments is over guideline and reflects the proposed change of three part-time positions to full-time positions in smaller departments including Climate Action Committee, Natural Resources Commission, and Planning Department. The increase also reflects wage increase levels recommended by the Human Resources Board (2.5% for 50/60 series employees and 2.75% for 40 series employees) and various adjustments in other expenses for all departments. Debt service is down 15.3% with the restructuring of some debt and the funding of anticipated borrowing of necessary PFAS mitigation with ARPA funds. Cash capital is up 58.2% reflecting

the increase from last year's low end of the Debt Policy range (6.12%) to this year's high end of the range (6.8%).



Use of Free Cash: The Board has sought to take advantage of FY21 turnback and the overperformance in revenues to cover expenses and fund needed projects including the following:

FY21 Year End Transfer from Free Cash:

- \$150,000 Legal Fees

FY22 appropriations from Free Cash:

- FMD Contract Settlement (STM 10/2021)
- \$150,000 Supplemental appropriation for Legal Fees
- \$2,800,000 Operating Costs for Hunnewell School Swing Space

FY23 appropriations from Free Cash:

- \$275,000 Special Education Stabilization Fund (Medicaid)
- \$11,512 Baler stabilization Fund
- \$38,605 Injured on Duty Indemnity Fund
- \$397,100 for Land Use Department Relocation (Article 17)
- \$195,129 Police Department Antenna (Article 18)
- \$2,193,856 Repaving of Middle School Parking Lots (Article 20)
- \$1,250,000 LED Light Fixture Replacement at High School (Article 21)

Conclusion

The Town is continuing to recover from the significant financial impact of COVID-19 on revenue and capital projects in FY21 and FY22. The FY23 budget takes advantage of reserves, bolstered by conservative assumptions over the past two years, to fund needed capital projects with Free Cash. The Board has closely monitored federal and state grant opportunities and works to maximize outside funding opportunities to fund projects and strategic plan initiatives, and emerging issues such as PFAS mitigation, revitalization of commercial districts, Housing Authority

repairs, summer transportation for low-income youth, climate action initiatives, and Diversity, Equity, and Inclusion work. At this time, the Board believes it is prudent to begin to draw from reserves to fund needed projects, maintain a portion of reserves for the Town Hall Interior Renovation, and bring reserves back into the Financial Reserves Policy range of 8 to 12% over the next year or so. Continued monitoring through FY23 includes review of the Traffic and Parking Fund as transportation patterns have changed and commuter traffic in particular has an impact on parking revenues. The Board must evaluate whether this typically self-supporting fund should become part of the General Fund operations.

Members of the Board would like to express our sincere appreciation to Executive Director Meghan Jop, Assistant Executive Director Amy Frigulietti, Finance Director Sheryl Strother, and their staff, as well as all Town boards and their respective staffs, and union health care representatives for their continued commitment to deliberative and civil dialogue, data driven analysis, and collaborative resolution of complex issues. We look forward to continued partnerships during the upcoming fiscal year, and beyond, to maintain the Town's high-quality services, financial stability, and community health.

Sincerely yours,

Thomas H. Ulfelder, Chair
Lise M. Olney, Vice Chair
Elizabeth Sullivan Woods, Secretary
Colette E. Aufranc
Ann-Mara S. Lanza

Exhibits:

I – FY23 Summary Sources & Uses of Funds

B – FY23 Detail Sources & Uses of Funds

C – FY23-FY27 Five Year Capital Budget Program

2022 Budget Book: www.wellesleyma.gov/2022budgetbook

TOWN OF WELLESLEY- SOURCES AND USES OF FUNDS

Exhibit I

	<u>FY2022</u> <u>Tax Rate</u>	<u>FY2023</u> <u>Request</u>	<u>%</u> <u>Change</u>
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	144,418,814	149,729,284	3.68%
From the Commonwealth	10,882,272	11,096,377	1.97%
Local Revenue	10,441,123	11,906,800	14.04%
Sub-Total (Tax & Cur. Rev.)	165,742,209	172,732,461	4.22%
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	10,988,083	17,205,979	56.59%
Available Funds			
Water and Sewer	321,045	330,683	3.00%
Parking Meter Receipts	-	400,000	#DIV/0!
Appropriated/Reserved CPA Surcharge	1,015,000	1,030,500	1.53%
CPA Funds for North 40	549,444	550,244	0.15%
Free Cash- balance budget	3,781,347	2,652,036	-29.87%
Free Cash- Other items	314,838	4,036,085	100.00%
Unencumbered/Transfers from other funds	120,000	200,000	100.00%
Sub-Total (Available Funds)	17,089,757	26,405,527	54.51%
TOTAL SOURCES OF FUNDS	182,831,966	199,137,988	8.92%
	<u>FY2022</u> <u>Request</u>	<u>FY2023</u> <u>Request</u>	<u>%</u> <u>Change</u>
*** USE OF FUNDS ***			
Personal Services (Non-School)	30,545,621	31,591,452	3.42%
Expenses (Non-School)	11,505,864	11,771,012	2.30%
Subtotal (Non-School)	42,051,485	43,362,464	3.12%
Personal Services (School)	72,959,498	75,217,431	3.09%
Expenses (School)	9,580,755	9,584,835	0.04%
Subtotal (School)	82,540,253	84,802,266	2.74%
Sub-Total (Pers. Svcs. & Exp)	124,591,738	128,164,730	2.87%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Special Items	4,260,119	6,737,443	58.15%
Debt Service	5,900,000	5,000,000	-15.25%
Sub-Total (Within Levy Limits)	10,160,119	11,737,443	15.52%
Outside Levy Limits			
Debt Service	11,537,527	17,756,223	53.90%
SUB-TOTAL (CAPITAL & DEBT)	21,697,646	29,493,666	35.93%
Employee Benefits:			
Health Insurance & other	20,926,837	21,485,536	2.67%
Pension Contribution	8,234,817	8,586,426	4.27%
OPEB Liability Fund	3,432,000	3,450,000	0.52%
Sub-Total (Shared Costs)	32,593,654	33,521,962	2.85%
SUB-TOTAL (OPERATIONS)	178,883,038	191,180,358	6.87%
Special Items:			
Traffic & Parking Management	894,685	905,291	1.19%
Appropriated/Reserved CPA Surcharge	1,015,000	1,030,500	1.53%
State & County Assessments	1,309,563	1,335,754	2.00%
Property Tax Abatements	643,768	650,000	0.97%
Free cash	85,912	4,036,085	100.00%
Sub-Total (Special Items)	3,948,928	7,957,630	101.51%
TOTAL USE OF FUNDS	182,831,966	199,137,988	8.92%
TOTAL SOURCE OF FUNDS	182,831,966	199,137,988	8.92%
SURPLUS (DEFICIT)	0	(0)	

TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

SOURCES OF FUNDS	FY22 SOURCES OF FUNDS	FY23 SOURCES OF FUNDS	CHANGE - FY21 to FY22	
			\$ Change	% Change
Real Estate & Personal Property Tax				
Within the Levy Limit	144,418,814	149,729,284	5,310,470	3.68%
Outside the Levy Limit	10,988,083	17,205,979	6,217,896	56.59%
Subtotal - Real Estate & Personal Property Tax	155,406,897	166,935,263	11,528,366	7.42%
From the Commonwealth				
Chapter 70 Aid	9,413,117	9,601,379	188,262	2.00%
Lottery Aid	1,423,754	1,449,596	25,842	1.82%
Other Aid	45,401	45,401	0	0.00%
Subtotal - From the Commonwealth	10,882,272	11,096,377	214,105	1.97%
Local Revenue				
Motor Vehicle Excise	5,200,000	5,550,000	350,000	6.73%
Licenses and Permits	2,366,000	2,700,000	334,000	14.12%
Interest Earnings	190,688	350,000	159,312	83.55%
RDF Revenue	650,000	650,000	0	0.00%
Fines & forfeits	200,000	300,000	100,000	50.00%
Meals/Hotel/Motel Tax	200,000	550,000	350,000	175.00%
Pilot Payments	76,000	76,000	0	0.00%
MLP Payment In Lieu of Taxes	1,000,000	1,000,000	0	0.00%
Other Local Revenues	558,435	730,800	172,365	30.87%
Subtotal - Local Revenue	10,441,123	11,906,800	1,465,677	14.04%
Other Sources				
MLP/Water/Sewer reimbursements to IT	321,045	330,683	9,638	3.00%
Parking Meter Receipts	0	400,000	400,000	#DIV/0!
Free Cash to balance budget	3,781,347	2,652,036	(1,129,311)	-29.87%
Free Cash items	314,838	397,100	82,262	26.13%
Free Cash items		3,638,985	3,638,985	#DIV/0!
Appropriated CPA Surcharge	1,015,000	1,030,500	15,500	1.53%
CPA Funds applied to North 40	549,444	550,244	800	0.15%
Insurance Funds	0	0	0	0.00%
Police detail	120,000	200,000	80,000	66.67%
Subtotal - Other Sources	6,101,674	9,199,548	3,097,874	50.77%
TOTAL SOURCES OF FUNDS	182,831,966	199,137,988	16,306,022	8.92%

Exhibit B

<u>USES OF FUNDS</u>	<u>FY22 USE OF FUNDS (Tax Rate)</u>			<u>FY23 USE OF FUNDS (Request)</u>			<u>CHANGE - FY21 to FY22</u>			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
GENERAL GOVERNMENT										
<i>Select Board - Administration</i>										
Executive Director's Office	571,687	37,400	609,087	573,521	39,700	613,221	1,834	2,300	4,134	0.68%
Green Power Premium	0	20,000	20,000	0	0	0	0	(20,000)	(20,000)	-100.00%
Climate Action Committee	75,622	3,625	79,247	104,628	9,700	114,328	29,006	6,075	35,081	44.27%
Central Administrative Services	0	27,700	27,700	0	27,700	27,700	0	0	0	0.00%
Finance Department	484,145	12,450	496,595	489,230	13,850	503,080	5,085	1,400	6,485	1.31%
Information Technology	717,634	616,250	1,333,884	715,925	636,214	1,352,139	(1,709)	19,964	18,255	1.37%
Treasurer & Collector	358,361	114,900	473,261	358,360	122,200	480,560	(1)	7,300	7,299	1.54%
Town Report	0	4,000	4,000	0	3,000	3,000	0	(1,000)	(1,000)	-25.00%
<i>Select Board - Human Services</i>										
Council on Aging	408,346	79,000	487,346	419,641	75,700	495,341	11,295	(3,300)	7,995	1.64%
West Suburban Veterans District	0	70,822	70,822	0	61,791	61,791	0	(9,031)	(9,031)	-12.75%
Youth Commission	91,310	17,090	108,400	91,541	17,090	108,631	231	0	231	0.21%
<i>Select Board - Facilities</i>										
Facilities Management	4,881,379	3,615,795	8,497,174	5,034,286	3,661,629	8,695,915	152,907	45,834	198,741	2.34%
Land Use Departments relocation	0	0	0	0	0	0	0	0	0	0.00%
<i>Select Board - Other Services</i>										
Housing Development Corporation	0	6,500	6,500	0	6,500	6,500	0	0	0	0.00%
Historical Commission	0	750	750	0	750	750	0	0	0	0.00%
Memorial Day	0	5,000	5,000	0	5,800	5,800	0	800	800	16.00%
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0.00%
Zoning Board of Appeals	81,022	9,190	90,212	81,022	9,190	90,212	0	0	0	0.00%
<i>Select Board - Shared Services</i>										
Law	0	500,000	500,000	0	480,000	480,000	0	(20,000)	(20,000)	-4.00%
Audit Committee	0	60,400	60,400	0	60,850	60,850	0	450	450	0.75%
Risk Management	0	610,922	610,922	0	662,300	662,300	0	51,378	51,378	8.41%
Street Lighting	0	142,000	142,000	0	142,000	142,000	0	0	0	0.00%
Subtotal - Select Board - General Government	7,669,507	5,958,494	13,628,001	7,868,154	6,040,664	13,908,818	198,647	82,170	280,817	2.06%

Exhibit B

USES OF FUNDS	FY22 USE OF FUNDS (Tax Rate)			FY23 USE OF FUNDS (Request)			CHANGE - FY21 to FY22			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<u>Other General Government</u>										
Town Clerk/Election & Registration	313,578	79,040	392,618	375,405	84,590	459,995	61,827	5,550	67,377	17.16%
Board of Assessors	313,179	85,025	398,204	314,841	90,900	405,741	1,662	5,875	7,537	1.89%
Planning Board	316,225	48,100	364,325	362,703	76,000	438,703	46,478	27,900	74,378	20.42%
Advisory Committee	10,000	19,500	29,500	12,000	17,550	29,550	2,000	(1,950)	50	0.17%
Reserve Fund	0	175,000	175,000	0	175,000	175,000	0	0	0	0.00%
Human Resources Board	406,613	48,400	455,013	413,600	39,950	453,550	6,987	(8,450)	(1,463)	-0.32%
HR Salary adjustments	35,911		35,911	185,000	0	185,000	149,089	0	149,089	NA
Subtotal - Other General Government	1,395,506	455,065	1,850,571	1,663,549	483,990	2,147,539	268,043	28,925	296,968	16.05%
GENERAL GOVERNMENT TOTAL	9,065,012	6,413,559	15,478,571	9,531,703	6,524,654	16,056,357	466,691	111,095	577,786	3.73%
<u>PUBLIC SAFETY - Select Board</u>										
Police Department	6,320,135	752,802	7,072,937	6,503,542	762,518	7,266,060	183,407	9,716	193,123	2.73%
Injured on Duty	see Risk Management Dept 945			see Risk Management Dept 945						
Special School Police	132,706	3,461	136,167	134,677	3,557	138,234	1,971	96	2,067	1.52%
Fire Department	5,853,043	280,720	6,133,763	6,006,064	296,431	6,302,495	153,021	15,711	168,732	2.75%
Building Department	568,019	41,000	609,019	577,579	36,500	614,079	9,560	(4,500)	5,060	0.83%
Sealer of Weights & Measures	15,000	2,700	17,700	15,000	2,700	17,700	0	0	0	0.00%
PUBLIC SAFETY TOTAL - Select Board	12,888,904	1,080,683	13,969,587	13,236,862	1,101,706	14,338,568	347,958	21,023	368,981	2.64%
<u>DEPARTMENT OF PUBLIC WORKS</u>										
Engineering	560,562	65,500	626,062	558,229	65,500	623,729	(2,333)	0	(2,333)	-0.37%
Highway	1,235,034	494,200	1,729,234	1,266,404	494,200	1,760,604	31,370	0	31,370	1.81%
Fleet Maintenance	204,306	43,462	247,768	208,392	44,331	252,723	4,086	869	4,955	2.00%
Park	1,363,877	401,300	1,765,177	1,395,390	419,690	1,815,080	31,513	18,390	49,903	2.83%
Recycling & Disposal	1,194,658	1,340,417	2,535,075	1,232,911	1,405,017	2,637,928	38,253	64,600	102,853	4.06%
Management	422,964	24,070	447,034	420,178	24,070	444,248	(2,786)	0	(2,786)	-0.62%
Winter Maintenance	0	379,177	379,177	0	379,177	379,177	0	0	0	0.00%
PUBLIC WORKS TOTAL	4,981,401	2,748,126	7,729,527	5,081,504	2,831,985	7,913,489	100,103	83,859	183,962	2.38%
<u>WELLESLEY FREE LIBRARY</u>										
Library Trustees	2,155,376	648,852	2,804,228	2,202,139	671,627	2,873,766	46,763	22,775	69,538	2.48%
LIBRARY TOTAL	2,155,376	648,852	2,804,228	2,202,139	671,627	2,873,766	46,763	22,775	69,538	2.48%
<u>RECREATION</u>										
Recreation Commission	361,289	30,491	391,780	377,965	31,329	409,294	16,676	838	17,514	4.47%
RECREATION TOTAL	361,289	30,491	391,780	377,965	31,329	409,294	16,676	838	17,514	4.47%

Exhibit B

USES OF FUNDS	FY22 USE OF FUNDS (Tax Rate)			FY23 USE OF FUNDS (Request)			CHANGE - FY21 to FY22			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
HEALTH										
Board of Health	850,879	124,668	975,547	876,755	142,875	1,019,630	25,876	18,207	44,083	4.52%
Mental Health Services	0	281,735	281,735	0	285,586	285,586	0	3,851	3,851	1.37%
HEALTH TOTAL	850,879	406,403	1,257,282	876,755	428,461	1,305,216	25,876	22,058	47,934	3.81%
NATURAL RESOURCES										
Natural Resources Commission	242,760	30,000	272,760	284,524	30,000	314,524	41,764	0	41,764	15.31%
Morses Pond Project - (NRC, DPW, Rec)	0	147,750	147,750	0	151,250	151,250	0	3,500	3,500	2.37%
NATURAL RESOURCES TOTAL	242,760	177,750	420,510	284,524	181,250	465,774	41,764	3,500	45,264	10.76%
NON-SCHOOL TOTAL	30,545,621	11,505,864	42,051,485	31,591,452	11,771,012	43,362,464	1,045,831	265,148	1,310,979	3.12%
WELLESLEY PUBLIC SCHOOLS										
Instruction	51,246,300	2,391,824	53,638,124	53,022,149	2,506,530	55,528,679	1,775,849	114,706	1,890,555	3.52%
Administration	1,314,448	245,911	1,560,359	1,335,162	245,911	1,581,073	20,714	0	20,714	1.33%
Operations	1,622,703	1,595,533	3,218,236	1,647,937	1,757,524	3,405,461	25,234	161,991	187,225	5.82%
Special Education	18,776,047	5,347,487	24,123,534	19,212,183	5,074,870	24,287,053	436,136	(272,617)	163,519	0.68%
SCHOOL TOTAL	72,959,498	9,580,755	82,540,253	75,217,431	9,584,835	84,802,266	2,257,933	4,080	2,262,013	2.74%
EMPLOYEE BENEFITS										
Group Insurance		20,462,688	20,462,688	0	21,021,387	21,021,387	0	558,699	558,699	2.73%
Workers Compensation		244,149	244,149	0	244,149	244,149	0	0	0	0.00%
OPEB Liability Fund		3,432,000	3,432,000	0	3,450,000	3,450,000	0	18,000	18,000	0.52%
Retirement Contribution		8,234,817	8,234,817	0	8,586,426	8,586,426	0	351,609	351,609	4.27%
Unemployment Compensation		100,000	100,000	0	100,000	100,000	0	0	0	0.00%
Compensated Absences		120,000	120,000	0	120,000	120,000	0	0	0	0.00%
EMPLOYEE BENEFITS TOTAL	0	32,593,654	32,593,654	0	33,521,962	33,521,962	0	928,308	928,308	2.85%
ALL PERSONAL SERVICES & EXPENSES	103,505,119	53,680,273	157,185,392	106,808,883	54,877,809	161,686,692	3,303,764	1,197,536	4,501,300	2.86%

Exhibit B

USES OF FUNDS	FY22 USE OF FUNDS (Tax Rate)			FY23 USE OF FUNDS (Request)			CHANGE - FY21 to FY22			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
CAPITAL & DEBT										
<i>Departmental Cash Capital</i>										
Public Works Capital	0	1,696,000	1,696,000	0	3,101,000	3,101,000	0	1,405,000	1,405,000	82.84%
School Capital	0	816,739	816,739	0	1,055,497	1,055,497	0	238,758	238,758	29.23%
Facilities Capital	0	1,207,000	1,207,000	0	1,673,000	1,673,000	0	466,000	466,000	38.61%
Planning Board	0	0	0	0	0	0	0	0	0	0.00%
Board of Health	0	0	0	0	0	0	0	0	0	0.00%
Assessors	0	0	0	0	93,000	93,000	0	93,000	93,000	
Select Board Capital	0	311,500	311,500	0	467,646	467,646	0	156,146	156,146	50.13%
Library Capital	0	122,880	122,880	0	219,300	219,300	0	96,420	96,420	78.47%
Town Clerk	0	16,000	16,000	0	23,000	23,000	0	7,000	7,000	0.00%
Recreation	0	0	0	0	0	0	0	0	0	0.00%
NRC Capital	0	90,000	90,000	0	105,000	105,000	0	15,000	15,000	16.67%
Reductions neded	0	0	0	0	0	0	0	0	0	
Subtotal - Cash Capital	0	4,260,119	4,260,119	0	6,737,443	6,737,443	0	2,477,324	2,477,324	58.15%
<i>Debt Service</i>										
Current Inside Levy Debt Service - Issued	0	5,900,000	5,900,000	0	5,000,000	5,000,000	0	(900,000)	(900,000)	-15.25%
Outside Levy Debt Service - Issued/Unissued		11,537,527	11,537,527	0	17,756,223	17,756,223	0	6,218,696	6,218,696	53.90%
Subtotal - Debt Service	0	17,437,527	17,437,527	0	22,756,223	22,756,223	0	5,318,696	5,318,696	30.50%
CAPITAL & DEBT TOTAL		21,697,646	21,697,646	0	29,493,666	29,493,666	0	7,796,020	7,796,020	35.93%
SPECIAL ITEMS										
<i>Receipts Reserved for Appropriation</i>										
Traffic & Parking Operations	0	894,685	894,685	0	905,291	905,291	0	10,606	10,606	1.19%
Community Preservation Appropriated	0	1,015,000	1,015,000	0	1,030,500	1,030,500	0	15,500	15,500	0.00%
Free Cash items	0	0	0	0	397,100	397,100	0	397,100	397,100	0.00%
Free Cash items -	0	0	0	0	3,638,985	3,638,985	0	3,638,985	3,638,985	0.00%
FY2021 FMD	85,912	0	85,912	0	0	0	(85,912)	0		
Property Tax Abatements	0	643,768	643,768	0	650,000	650,000	0	6,232	6,232	0.97%
State & County Assessments	0	1,309,563	1,309,563	0	1,335,754	1,335,754	0	26,191	26,191	2.00%
SPECIAL ITEMS TOTAL	85,912	3,863,016	3,948,928	0	7,957,630	7,957,630	(85,912)	4,094,614	4,094,614	103.69%
TOTAL USES OF FUNDS			182,831,966			199,137,988			16,306,022	8.92%
TOTAL SOURCES OF FUNDS			182,831,966			199,137,988			16,306,022	8.92%
SURPLUS (DEFICIT)			0			(0)				



Town of Wellesley

Five Year Capital Budget Program FY2023-2027

Summary Schedule

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2023-2027 Total
Cash Capital	#REF!	6,737,443	9,919,314	8,166,046	8,177,121	7,990,090	40,990,014
Free Cash	-	3,638,985	-	-	-	-	3,638,985
CPC Funding	490,000	485,500	800,000	4,425,000	-	-	5,710,500
Gift/Fundraising	-	-	-	-	-	-	-
Other (For Discussion)	-	-	-	-	-	-	-
Chapter 90	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
Debt Capital Inside Levy	5,285,135	2,450,000	5,445,000	15,800,000	3,140,000	16,010,000	42,845,000
Debt Capital Exclusion *	128,100,000	19,550,982	-	-	-	-	19,550,982
Grand Total	#REF!	\$ 33,652,910	\$ 16,954,314	\$ 29,181,046	\$ 12,107,121	\$ 24,790,090	\$ 116,685,481

Note: This document represents all department capital requests for the years preferred by each department. Because the Town doesn't have the funding to afford every project in the requested year, capital needs are discussed and re-evaluated annually, in an effort to achieve the best result for the entire Town.



Department	FY22	FY23	FY24	FY25	FY26	FY27	FY23-27 Total
Cash Capital							
Select Board/Central Admin	-	-	-	-	-	-	-
CAC	6,000	50,000	-	-	-	-	50,000
Information Technology	118,000	181,000	250,000	235,000	125,000	100,000	891,000
Police	-	66,146	82,577	95,014	16,431	-	260,168
Fire	175,000	170,500	166,810	164,000	175,000	185,000	861,310
Council on Aging	12,500	-	20,000	20,000	20,000	20,000	80,000
Youth Commission	-	-	123,294	-	-	-	123,294
Library	122,880	219,300	169,300	186,300	181,300	163,300	919,500
Natural Resources Commission	90,000	105,000	255,000	245,000	105,000	210,000	920,000
Morses Pond	-	-	150,000	70,000	95,000	-	315,000
Town Clerk	16,000	23,000	-	75,000	-	-	98,000
Assessors	-	93,000	-	-	-	-	93,000
Planning Board	#REF!	-	-	-	-	200,000	200,000
Department of Public Works	1,696,000	3,101,000	5,176,250	3,924,250	4,526,250	4,073,250	20,801,000
Schools	816,739	1,055,497	1,373,083	1,247,482	1,063,140	977,540	5,716,742
Facilities Management	1,207,000	1,673,000	2,153,000	1,904,000	1,870,000	2,061,000	9,661,000
Total Cash Capital	#REF!	6,737,443	9,919,314	8,166,046	8,177,121	7,990,090	40,990,014
Other Funding Sources							
DPW Street Resurfacing (Ch 90)	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
MOPO Beachfront (CPC)	175,000	-	800,000	4,425,000	-	-	5,225,000
Harvester (CPC)	315,000	-	-	-	-	-	-
Hunn. Tennis/Sftball Existing Light Upgrades (CPC)	-	400,000	-	-	-	-	400,000
NRC Active Space Utilization Plan (CPC)	-	58,000	-	-	-	-	58,000
Restore 1897 Atlas - Planning	-	7,500	-	-	-	-	7,500
NRC Lawn Conversion Project (CPC)	-	20,000	-	-	-	-	20,000
Dispatch Overhaul (FC)	-	195,129	-	-	-	-	195,129
Middle School Parking Lot Paving (FC)	-	2,193,856	-	-	-	-	2,193,856
High School ECM (FC)	-	1,250,000	-	-	-	-	1,250,000
Total Other Sources	1,280,000	4,914,485	1,590,000	5,215,000	790,001	790,002	13,299,488
Debt Capital Inside Levy							
Dispatch Overhaul	435,135	-	-	-	-	-	-
DPW- Fuel Depot	-	-	100,000	1,000,000	-	-	1,100,000
Replacement/Renovation DPW Yard	-	-	-	-	1,000,000	-	1,000,000
DPW- Street Rehabilitations	3,000,000	2,450,000	2,500,000	2,500,000	-	3,000,000	10,450,000
DPW- RDF Admin Building	-	-	500,000	2,750,000	-	-	3,250,000
Town Hall Interior Renovation	1,850,000	-	-	-	-	-	-
Warren HVAC Updgrade	-	-	500,000	3,000,000	-	-	3,500,000
Fire Engine	-	-	745,000	-	-	-	745,000
Main Library HVAC System Renovation	-	-	-	150,000	1,000,000	-	1,150,000
MS Roof Replacement	-	-	-	-	360,000	3,600,000	3,960,000
DPW RDF Repair Projects	-	-	-	-	300,000	1,600,000	1,900,000
DPW Highway & Park Renovation (PBC)	-	-	1,100,000	6,400,000	-	-	7,500,000
Bates School Projects	-	-	-	-	180,000	1,800,000	1,980,000
Sprague HVAC System Renovation	-	-	-	-	200,000	1,500,000	1,700,000
Sprague Projects	-	-	-	-	100,000	1,034,000	1,134,000
Air Condition Schools	-	-	-	-	-	1,476,000	1,476,000
New PreSchool Building	-	-	-	-	-	2,000,000	2,000,000
Total Borrowed Inside Levy	5,285,135	2,450,000	5,445,000	15,800,000	3,140,000	16,010,000	39,369,000
Debt Capital Exclusion							
Town Hall Interior Renovation	-	19,550,982	-	-	-	-	19,550,982
Hunnewell School Project	55,800,000	-	-	-	-	-	-
Hardy/Upham - MSBA	72,300,000	-	-	-	-	-	-
Total Capital Exclusion	128,100,000	19,550,982	-	-	-	-	19,550,982
Grand Total	#REF!	\$ 33,652,910	\$ 16,954,314	\$ 29,181,046	\$ 12,107,122	\$ 24,790,092	\$ 113,209,484



Town of Wellesley

FY2023-2027 SB Capital Request

Capital Project	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY23-27 Total
Information Technology							
Server Virtualization	-	-	250,000	-	-	-	250,000
Telephone Upgrade (VoIP 2.0)	-	-	-	200,000	50,000	-	250,000
10GB Core Network Switches	-	88,500	-	-	60,000	60,000	208,500
Upgrade Office Software	33,000	-	-	35,000	-	-	35,000
Recovery / Backup Appliance	85,000	-	-	-	-	-	-
Aerial Flyover & Orthophotography	-	-	-	-	-	20,000	20,000
Replace Wi-Fi Equipment	-	-	-	-	15,000	20,000	35,000
Phone System Maint. Contract	-	25,000	-	-	-	-	25,000
Fiber Infrastructure Build-Out	-	40,000	-	-	-	-	40,000
MUNIS Employee Self Service	-	27,500	-	-	-	-	27,500
	118,000	181,000	250,000	235,000	125,000	100,000	891,000
Police							
Server Replacement	-	-	16,431	-	16,431	-	32,862
Mobile/Portable Radio Replacement	-	66,146	66,146	-	-	-	132,292
Electronic Control Devices	-	-	-	95,014	-	-	95,014
	-	66,146	82,577	95,014	16,431	-	260,168
Fire							
Fire Hose Equipment	20,000	-	-	20,000	-	20,000	40,000
Scott Air Bottles	-	45,500	-	-	-	-	45,500
Command Vehicle Hybrid	-	50,000	-	58,000	-	60,000	168,000
Fire Turnout Gear	150,000	-	-	-	-	-	-
Town AED Replacement	5,000	-	-	5,000	-	5,000	10,000
Radio System/Portables	-	-	-	-	75,000	-	75,000
SCBA Air Pacs Upgrade	-	-	96,810	-	-	-	96,810
Security Camera Upgrade	-	-	20,000	-	-	-	20,000
Emergency Utility Truck/ ERU	-	75,000	-	-	-	-	75,000
Fire Station Feasibility Study	-	-	50,000	-	-	-	50,000
Air Compressor SCBA Filling	-	-	-	45,000	-	-	45,000
Message Boards	-	-	-	36,000	-	-	36,000
Off Road EMS Vehicle	-	-	-	-	-	35,000	35,000
Fleet Service Truck F250	-	-	-	-	-	65,000	65,000
SCBA Masks/Thermal Camera	-	-	-	-	100,000	-	100,000
	175,000	170,500	166,810	164,000	175,000	185,000	861,310
Climate Action Committee							
Climate Action Plan	-	50,000	-	-	-	-	50,000
Police Station Energy Assessment/Conservation Pilot	6,000	-	-	-	-	-	-
	6,000	50,000	-	-	-	-	50,000
Council on Aging							
Kitchen and Entrance Modifications Study	-	-	-	-	-	-	-
Kitchen and Entrance, Continued	-	-	20,000	-	-	-	20,000
Replacement Carpeting, Window Shades, Painting	-	-	-	20,000	-	-	20,000
Patron Technology/COVID Modifications)	12,500	-	-	-	-	-	-
Exercise Equipment	-	-	-	-	-	20,000	20,000
IT Upgrades	-	-	-	-	12,000	-	12,000
Replacements/Upgrade Photocopier/Printer	-	-	-	-	8,000	-	8,000
	12,500	-	20,000	20,000	20,000	20,000	80,000
Youth Commission							
Transportation Vehicle	-	-	123,294	-	-	-	123,294
	-	-	123,294	-	-	-	123,294
SB Cash Capital Total	311,500	467,646	519,387	514,014	336,431	305,000	2,142,478
Dispatch Overhaul (Free Cash)	-	195,129	-	-	-	-	195,129
Total SB Other Funding Sources	-	195,129	-	-	-	-	195,129
Replace Fire Engine Vehicle(s)	-	-	745,000	-	-	-	745,000
Dispatch Overhaul	435,135	-	-	-	-	-	-
Total SB Borrowed	435,135	-	745,000	-	-	-	745,000
Grand Total Select Board	\$ 746,635	\$ 662,775	\$ 1,264,387	\$ 514,014	\$ 336,431	\$ 305,000	\$ 2,887,478



Town of *Wellesley* FY2023-2027 Facilities Capital Request

Building Description	FY22	FY23	FY24	FY25	FY26	FY27	FY23-27 Total
Town Cash Capital							
Townwide (Municipal)	80,000	55,000	30,000	90,000	36,000	36,000	247,000
Police	25,000	65,000	30,000	170,000	24,000	-	289,000
Fire Department Main (Headquarters)	70,000	12,000	25,000	330,000	-	-	367,000
Fire Department Central (Station 1)	25,000	600,000	-	-	65,000	-	665,000
Warren (Recreation and Health)	85,000	135,000	550,000	50,000	125,000	-	860,000
Morses Pond	-	-	10,000	-	-	-	10,000
Main Library	75,000	120,000	34,000	535,000	-	341,000	1,030,000
Hills Library	-	15,000	-	-	-	75,000	90,000
Fells Library	-	10,000	-	-	-	-	10,000
Senior Center	-	34,000	40,000	-	-	-	74,000
DPW Operations	-	-	50,000	35,000	-	100,000	185,000
DPW Water & Sewer	-	-	-	45,000	-	160,000	205,000
DPW Highway & Park	-	-	-	-	140,000	-	140,000
DPW RDF (Sprinkler and Fabric shed)	-	170,000	-	-	325,000	-	495,000
Subtotal Cash Capital - Municipal	360,000	1,216,000	769,000	1,255,000	715,000	712,000	4,667,000
School Cash Capital							
Districtwide (Schools)	177,000	242,000	139,000	227,000	146,000	218,000	972,000
Preschool at Wellesley (PAWS)	10,000	20,000	-	-	-	-	20,000
Bates Elementary	-	40,000	100,000	60,000	110,000	531,000	841,000
Fiske Elementary	20,000	-	55,000	-	-	-	55,000
Hardy Elementary	35,000	-	-	-	-	-	-
Hunnewell Elementary	35,000	-	-	-	-	-	-
Sprague Elementary	65,000	-	100,000	162,000	315,000	-	577,000
Schofield Elementary	-	-	50,000	-	25,000	-	75,000
Upham Elementary	35,000	-	40,000	50,000	50,000	50,000	190,000
Middle School	345,000	145,000	-	150,000	497,000	-	792,000
High School	125,000	10,000	900,000	-	12,000	550,000	1,472,000
Subtotal Cash Capital - Districtwide	847,000	457,000	1,384,000	649,000	1,155,000	1,349,000	4,994,000
Other Unidentified Cash Capital	-	-	-	-	-	-	-
Total Cash Capital Requests	1,207,000	1,673,000	2,153,000	1,904,000	1,870,000	2,061,000	9,661,000
Other Funding Sources							
MS Parking Lot Paving (Free Cash)	-	2,193,856	-	-	-	-	2,193,856
High School ECM (Free Cash)	-	1,250,000	-	-	-	-	1,250,000
Total other funding sources	-	3,443,856	-	-	-	-	3,443,856
Borrowed Inside							
Town Hall Interior Renovation	1,850,000	-	-	-	-	-	-
Warren Heat Pumps Replacement	-	-	500,000	3,000,000	-	-	3,500,000
Main Library HVAC System Renovation	-	-	-	150,000	1,000,000	-	1,150,000
MS Roof Replacement	-	-	-	-	360,000	3,600,000	3,960,000
Sprague HVAC System Renovation	-	-	-	-	200,000	1,500,000	1,700,000
Sprague Projects	-	-	-	-	100,000	1,034,000	1,134,000
Bates School Projects	-	-	-	-	180,000	1,800,000	1,980,000
New PreSchool Building	-	-	-	-	-	2,000,000	2,000,000
Air-Condition Schools	-	-	-	-	-	1,476,000	1,476,000
DPW RDF Admin Building	-	-	500,000	2,750,000	-	-	3,250,000
DPW RDF Repair Projects	-	-	-	-	300,000	1,600,000	1,900,000
DPW Highway & Park Renovation	-	-	1,100,000	6,400,000	-	-	7,500,000
Total Borrowed Inside	1,850,000	-	2,100,000	12,300,000	2,140,000	13,010,000	29,550,000
Town Hall Interior Renovation	-	19,550,982	-	-	-	-	19,550,982
Hunnewell School Project	55,800,000	-	-	-	-	-	-
Hardy/Upham Renov.	72,300,000	-	-	-	-	-	-
Total Borrowed Outside	128,100,000	19,550,982	-	-	-	-	19,550,982
Total FMD Capital Requests	131,157,000	21,223,982	4,253,000	14,204,000	4,010,000	15,071,000	62,205,838



Town of Wellesley

FY2023-2027 Non-SB Departments Capital Request

Capital Project	FY22	FY23	FY24	FY25	FY26	FY27	FY23-27 Total
Natural Resources Commission							
Park Sidewalk Paths/ Parking Lot Repairs	15,000	15,000	15,000	15,000	15,000	15,000	75,000
Tree Planting/Management Program	40,000	55,000	55,000	55,000	55,000	55,000	275,000
Natural Landscape Development	25,000	35,000	35,000	25,000	25,000	25,000	145,000
Hunn. Tennis/Sftball Existing Light Upgrades (Borrow)	-	-	-	-	-	-	-
Comprehensive Pond Improvements	-	-	100,000	100,000	-	-	200,000
Playground Improvement/ADA Access	-	-	50,000	50,000	-	-	100,000
Town Forest Improvements	10,000	-	-	-	10,000	-	10,000
Micro Forest	-	-	-	-	-	15,000	15,000
Invasive Species Removal	-	-	-	-	-	100,000	100,000
Subtotal Cash Capital	90,000	105,000	255,000	245,000	105,000	210,000	920,000
Hunn. Tennis/Sftball Existing Light Upgrades (CPC)	-	400,000	-	-	-	-	400,000
Active Space Utilization Plan (CPC)	-	58,000	-	-	-	-	58,000
Lawn Conversion Project (CPC)	-	20,000	-	-	-	-	20,000
Total NRC Capital	90,000	583,000	255,000	245,000	105,000	210,000	1,398,000
Morses Pond							
Morses Pond Shoreline and Pond Improvements	-	-	150,000	-	-	-	150,000
Stormwater Construction/Demo & Monitoring	-	-	-	10,000	-	-	10,000
Bylaw/Regulatory Review/Development	-	-	-	25,000	-	-	25,000
Selective Planting	-	-	-	35,000	35,000	-	70,000
Plant Monitoring	-	-	-	-	10,000	-	10,000
Morses Pond Beach Improvements	-	-	-	-	50,000	-	50,000
Subtotal Cash Capital	-	-	150,000	70,000	95,000	-	315,000
Harvester (CPC)	315,000	-	-	-	-	-	-
Total Morses Pond Capital	315,000	-	150,000	70,000	95,000	-	315,000
Library							
Time Card system	-	-	-	10,000	-	-	10,000
Computer/Peripheral Replacement	55,300	55,300	57,300	57,300	59,300	59,300	288,500
IT Infrastructure Replacement	12,000	12,000	12,000	12,000	12,000	12,000	60,000
Automated Material Handler	-	-	-	10,000	-	-	10,000
Security Cameras	12,000	12,000	-	12,000	-	12,000	36,000
WFL Van	-	55,000	-	-	-	-	55,000
New Technology & Devices	30,000	30,000	30,000	30,000	40,000	40,000	170,000
Website Construction/Redesign	-	-	15,000	-	40,000	-	55,000
Self Check System	13,580	45,000	30,000	30,000	30,000	30,000	165,000
Traffic Study	-	-	25,000	-	-	-	25,000
Parking Lot Improvements	-	-	-	25,000	-	-	25,000
Strategic Planning	-	10,000	-	-	-	10,000	20,000
Total Library Cash Capital	122,880	219,300	169,300	186,300	181,300	163,300	919,500
Town Clerk							
Electronic Poll Books for Voter Lists	16,000	8,000	-	-	-	-	8,000
Electronic Voting Devices for Town Meeting	-	15,000	-	-	-	-	15,000
New Voting Equipment	-	-	-	75,000	-	-	75,000
Total Town Clerk Cash Capital	16,000	23,000	-	75,000	-	-	98,000
Electronic Voting Devices (FC)	-	-	-	-	-	-	-
Town Clerk Total	16,000	23,000	-	75,000	-	-	98,000
Board of Assessors							
CAMA database software	-	93,000	-	-	-	-	93,000
Total Assessors	-	93,000	-	-	-	-	93,000
Planning Board							
Comprehensive Plan	-	-	-	-	-	200,000	200,000
Planning Board Total	-	-	-	-	-	200,000	200,000
Recreation							
MOPO Beachfront - CPC	175,000	-	800,000	4,425,000	-	-	5,225,000
Recreation Total	175,000	-	800,000	4,425,000	-	-	5,225,000
Capital Project	FY22	FY23	FY24	FY25	FY26	FY27	FY23-27 Total
School Department (non-Facilities)							
Infrastructure	-	-	-	-	-	-	-
Furniture/Furnishings/Equipment	52,693	-	90,850	101,292	40,000	40,000	272,142
Technology	764,046	1,055,497	1,282,233	1,146,190	1,023,140	937,540	5,444,600
Total School Capital	816,739	1,055,497	1,373,083	1,247,482	1,063,140	977,540	5,716,742



Town of *Wellesley* FY2023-2027 Public Works Capital Request

Capital Project	FY22	FY23	FY24	FY25	FY26	FY27	FY23-27 Total
Cash Capital							
Street Improvement	380,500	515,500	889,250	839,250	839,250	839,250	3,922,500
Sidewalk Restoration	115,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Sidewalk Street Projects	40,000	40,000	200,000	200,000	200,000	200,000	840,000
Private Ways	20,000	32,000	40,000	40,000	40,000	40,000	192,000
Drainage System Rehabilitation	265,500	724,500	650,000	650,000	650,000	650,000	3,324,500
Clock Tower	-	25,000	100,000	-	-	-	125,000
Vehicle/Equipment Procurement	715,000	850,000	1,447,000	1,190,000	1,312,000	1,359,000	6,158,000
DPW Facilities	45,000	269,000	325,000	255,000	185,000	185,000	1,219,000
Street Rehabilitation-Weston Road	75,000	-	160,000	-	160,000	-	320,000
Athletic/Playground Improvements	40,000	345,000	1,065,000	450,000	840,000	500,000	3,200,000
Total Cash Capital	1,696,000	3,101,000	5,176,250	3,924,250	4,526,250	4,073,250	20,801,000
Other Funding Sources:							
DPW Street Resurfacing (Ch 90)	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
Total Other Funding Sources:	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
Borrowed Inside							
DPW Fuel Depot Rehabilitation	-	-	100,000	1,000,000	-	-	1,100,000
Street Rehabilitation-Walnut Street	-	2,450,000	-	-	-	-	2,450,000
Street Rehabilitation-Grove Street	3,000,000	-	2,500,000	2,500,000	-	3,000,000	8,000,000
Replacement/Renovation DPW Yard	-	-	-	-	1,000,000	-	1,000,000
Total Borrowed	3,000,000	2,450,000	2,600,000	3,500,000	1,000,000	3,000,000	12,550,000
Debt Capital Exclusion:							
Free Cash:							
Total Free Cash							-
Grand Total DPW	5,486,000	6,341,000	8,566,250	8,214,250	6,316,250	7,863,250	37,301,000

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 1. To receive and act on the reports of Town officers, boards and committees, including the Annual Town Report, the Report to this Town Meeting of the Advisory Committee, and the Report of the Community Preservation Committee, and to discharge presently authorized special committees, or to take any other action in relation thereto.

(Select Board)

Advisory expects no motion under this Article.

ARTICLE 2. To receive the Reports of the Select Board on the Town-Wide Financial Plan and Five-Year Capital Budget Program in accordance with Sections 19.5.2 and 19.16 of the General Bylaws, or to take any other action in relation thereto.

(Select Board)

The Executive Director and the Select Board (SB) produce two important financial planning reports each year: the Town-Wide Financial Plan (TWFP), and the Five-Year Capital Budget Program which is attached to and made part of the TWFP. They can be found in this Report at page 6, and in the 2022 Budget Book at <https://wellesley.ma.gov/1807/2022-Budget-Book>

The purpose of the TWFP is to anticipate and prepare for emerging issues to protect the Town from risk and plan for the long term. The Five-Year Capital Budget Program, which is designed to preserve and enhance the Town's physical assets and infrastructure, is included in the TWFP so the financial impacts of major projects can be understood well in advance.

Under Article 2 and the accompanying Motion, Town Meeting is asked to acknowledge presentation of the TWFP and the Five-Year Capital Budget Program for FY23, but not specifically to approve them.

Advisory Considerations

Advisory appreciates the scope of the TWFP and the Five-Year Capital Budget Program. Both documents reflect the efforts of the Select Board to provide detailed information about the Town's financial status and course. The Advisory Chair's letter on page 1 and Advisory's "Conclusions, Considerations and Recommendations" for Article 8, Motion 2, on page 55 contain some of Advisory's reflections on the Town's budget process and the resulting financial plans.

Advisory recommends favorable action, 14 to 0.

APPROPRIATIONS – OPERATING AND OUTLAY

ARTICLE 3. To see if the Town will vote to act on certain articles set forth in this warrant by a single vote, pursuant to a consent agenda, or to take any other action in relation thereto.

(Select Board)

This Motion seeks Town Meeting approval of a consent agenda that includes motions under certain Warrant articles. A consent agenda allows the motions under the included articles to be acted on by a single vote without oral presentations on the individual articles. Information to Town Meeting Members (TMMs) is provided solely by the Advisory Report. As of the date this Advisory Report went to print, the articles proposed for inclusion on the consent agenda at this Annual

Town Meeting (ATM), with their respective proponents listed in the parentheses after the titles of the articles, are:

- Article 4: Amend Job Classification Plan
- Article 7.2: FY22 Budget Supplemental Appropriations
- Article 10: Injured on Duty Stabilization Fund Contribution from Free Cash
- Article 11: Special Education Reserve Fund Contribution from Free Cash
- Article 12: Baler Stabilization Fund Contribution from Free Cash
- Article 14: Sewer Program
- Article 26: Authorize Use of Uber/Lyft funds
- Article 30: Wellesley Housing Authority Board Composition
- Article 34: Amend Definition of Child Care Facility
- Article 42: Amend Sign Bylaw
- Article 43: Amend Zoning Bylaw
- Article 49: Appoint Fire Engineers

Motions under articles included on the consent agenda go through the entire Advisory Committee vetting process and are fully described in this Advisory Report.

The objective of the consent agenda is to expedite consideration of certain routine, self-explanatory and/or non-controversial issues for which no discussion on the floor of ATM is anticipated, so that more time can be devoted to discussion of motions under those articles that involve more complex or controversial issues. The Moderator has worked with the Select Board (SB) and Town Counsel to establish the following criteria for including articles on the consent agenda:

1. The proponent, the Moderator and the SB must agree that the article (a) can be reasonably voted on by TMMs based on information in the Advisory Report, (b) is likely to be non-controversial, and (c) is unlikely to generate debate based on its content and historical precedent; and
2. The Advisory Committee must recommend favorable action unanimously on each motion within the article.

Under this Motion, the Moderator will specifically refer to each article included on the consent agenda, and TMMs will have an opportunity to ask questions about any motion(s) under that article or to request that a particular article be removed from the consent agenda to enable the motion(s) under that article to be more fully discussed on the floor of ATM. A representative of the board or committee proposing the article will respond to questions raised by a TMM and, if a TMM requests that an article be removed from the consent agenda, it will be taken up in its regular order within the Warrant.

This list may change at or before ATM, should the Moderator or the proponent of the Article decide it is not appropriate as a Consent Agenda item.

Advisory Considerations

The consent agenda has been used since 2014 and deemed successful by the Moderator and by Town Meeting. Any TMM is free to remove an article from the consent agenda for any reason, although that has happened only rarely. Advisory continues to believe that a consent agenda is both expedient and productive, and that the twelve articles proposed for inclusion on the consent agenda for this year's ATM meet the Moderator's criteria.

Advisory recommends favorable action, 11 to 0.

ARTICLE 4. To see if the Town will vote to amend Article 31 of the General Bylaws by making changes to the Classification and Salary Plans, appearing in the Appendix to the General Bylaws, established under Sections 31.1 and 31.6, respectively, and which constitutes part of said Bylaws, relating to the establishment of new classifications, reclassifications of current positions, and the deletion of classifications, or to take any other action in relation thereto.

(Human Resources Board)

Overview

Schedule A of Article 31 of the Town Bylaws is a list of job classifications (designated by job group) for all Town Employees other than School Department employees. The Human Resources Board (HRB) is empowered under Article 31 to establish new classifications, to amend existing job classifications to reflect changes in job content, and to delete classifications that are no longer needed. These actions are considered at the request of Town boards or are initiated by the HR Department during the fiscal year and reviewed by the HRB.

This motion seeks Town Meeting approval for actions taken since the 2021 Annual Town Meeting (ATM), as is required by the Town Bylaws. Each year there are four types of changes that are summarized below: New Classifications, Reclassifications, Title Changes, and Deletions.

New Classifications are new positions that have been created since the 2021 ATM. This year there are two new classifications:

NEW CLASSIFICATIONS

CLASSIFICATION	DEPARTMENT	JOB GROUP
Department Assistant	COA	General Wage/43
Activities Assistant	COA	General Wage/44

Reclassifications are existing positions for which the duties, functions, or requirements in the job descriptions have changed. The HRB re-evaluates these positions using the Hay System¹ of Job Evaluations based on revised position descriptions provided by the appropriate Town Boards. It is important to emphasize that the HRB re-evaluates positions and not individual personnel. While a reclassification might result in a wage increase or decrease for an individual currently holding the position, this is not the intent or focus of the evaluation; it is wholly to ensure fair compensation commensurate with the duties and responsibilities of a given position. The financial impact, if any, is included in the relevant department's operating budget. This year there were three reclassifications resulting in a change in Job Group but no change in Job Title.

RE-CLASSIFICATIONS

CLASSIFICATION	DEPARTMENT	FROM JOB GROUP/ TO JOB GROUP
Public Health Nurse	HLTH	General Wage/53
Library Director	LIB	62/63
Community Health Coordinator	HLTH	53/55

¹ The Hay Job Evaluation System was introduced in the early 1950s. It assigns points to job components such as required knowledge, problem-solving ability, and level of accountability to determine relative value among different positions. The Hay System is used by an estimated 8,000 organizations including half of the Fortune 500 companies, and has been used by the HRB for many years.

Title Changes simply assign a new job title to a position. This year there was one change that was only a title change. There were also six positions that were reclassifications and title changes.

TITLE CHANGES

FROM TITLE	TO TITLE	DEPARTMENT	JOB GROUP
Desktop Administrator	Desktop Technician	IT	

RE-CLASSIFICATIONS & TITLE CHANGE

FROM TITLE AND JOB GROUP	DEPARTMENT	TO TITLE AND JOB GROUP
Assessor Technician/49	ASR	Principal Assessor/53
Administrative Assistant/48	HR	HR Specialist/52
Projects Assistant/48	FMD	Assistant Project Manager/55
Department Assistant/43	HR	Benefit Specialist/53
Executive Assistant/53	SEL	Services Support Manager/54
Projects Communication Manager/57	SEL	Public Information Officer/57

Deletions simply removes a position and this year there were no deletions.

This Motion does not require a budget appropriation, as the costs associated with changed classifications were funded by the affected departments in FY22 or absorbed by the 2021 ATM appropriation under Article 5 to the HRB (the reserve for mid-year adjustments). Future funding for these positions will be included in the appropriate departmental budgets.

The changes listed above are incorporated in Part 1 of Schedule A. Changes in classifications that are covered by collective bargaining agreements are subject to negotiation between the Town and the appropriate union, and are incorporated in Part 2 of Schedule A.

Advisory Considerations

Advisory believes the changes in classifications are appropriate and within the authority of the HRB. Advisory notes that these changes have no financial impact on the Town for FY23, and that funding for any new classifications or reclassifications are included in the departmental budgets.

Advisory recommends favorable action, 14 to 0.

ARTICLE 5. To see if the Town will vote to amend Article 31 of the General Bylaws by making changes to Schedule A, entitled “Job Classifications by Groups,” and Schedule B, entitled “Salary Plan – Pay Schedule,” copies of which are available for inspection at the Human Resources Department, and to authorize the Town to raise and appropriate, transfer from available funds, or borrow a sum of money for the purposes of complying with said Schedule B, as so amended, or to take any other action in relation thereto.

(Human Resources Board)

ARTICLE 5, MOTION 1

Overview

The Human Resources Board (HRB) seeks Town Meeting approval to amend *Schedule B: Salary Plan - Pay Schedules* for the Series 40 employees. Schedule B sets the rates of pay for all Town employees except School Department personnel, MLP employees, Retirement Board staff, and managers who have employment agreements with the Select Board.

The 40 Series employees are non-union Town support and administration staff. These employees are paid hourly pursuant to a “step” system and subject to overtime rules. There are approximately 40 employees in this classification; examples include Senior Office Assistant, Head Maintenance Custodian, and Automotive Mechanic. As of early January 2022, several Series 40 positions were vacant and being actively recruited.

The HRB is recommending a 2.75% increase over FY22. For reference, the approved increase for FY22 over FY21 was 2.0%. The Series 40 pay schedules also include a legacy job group, T19, in which there is one remaining Town employee.

SALARY PLAN – PAY SCHEDULES

Rates effective as indicated as of July 1, 2022

Hourly rates – reflects 2.75% increase over FY22

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
49	27.19	28.40	29.68	31.02	32.43	33.88
48	26.14	27.27	28.48	29.76	31.13	32.52
47	25.05	26.18	27.33	28.60	29.84	31.22
46	23.99	25.08	26.21	27.40	28.64	29.92
45	22.88	23.92	25.00	26.14	27.27	28.48
44	21.82	22.81	23.83	24.92	26.02	27.19
43	20.71	21.66	22.64	23.66	24.71	25.82
42	19.66	20.55	21.45	22.44	23.45	24.51
41	18.77	19.63	20.52	21.42	22.39	23.38

Hourly rates – reflects 2.75% over FY 22

Trade positions – non-union

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
T19	\$31.19	\$32.73	\$34.39	\$36.08	\$37.89	\$39.78

The proposed increase is based on a benchmark survey of comparable communities. The HRB has also taken into consideration current and projected inflation rates and regional projections from the Bureau of Labor Statistics, as well as recent pay rates and increases of other Town employees. The proposed increase will help the Town of Wellesley remain competitive in the job market and maintain its standing when compared to other municipalities, especially after their annual increases take effect.

Based on the data for this year, the HRB has determined that a 2.75% increase in the Series 40 Salary Plan Pay Schedule is appropriate and equitable. The total impact on the Town budget of the proposed increase is approximately \$48,000. This increase is included in the budget requests of the affected Town departments. It does not include step increases for which employees may be eligible.

The existing step increases, which average 4.55%, remain unchanged. As of December 31, 2021, 25 Series 40 employees reached the highest salary step and were not eligible for a step increase.

Advisory Considerations

Advisory agrees that the proposed 2.75% increase in the Series 40 Salary Plan Pay Schedule is reasonable and appropriate. The increase is consistent with the mandate of the HRB to maintain a fair and equitable pay level for these employees, who are not represented by a union bargaining collectively on their behalf. No separate appropriation is necessary under this motion, since the 2.75% increase in the salaries of the Series 40 employees and the step increases for those who are eligible are already included in the budget requests of the various Town departments in which they are employed.

With current high inflation, Advisory is concerned about the impact on municipal employee compensation. This consideration is addressed further in the Town Wide Financial Plan (TWMP) included in this ATM report.

Advisory recommends favorable action, 10 to 0.

ARTICLE 5, MOTION 2

Overview

The Human Resources Board (HRB) seeks Town Meeting approval to amend *Schedule B: Salary Plan - Pay Schedules* for the Series 50/60 employees.

The Series 50/60 employees are non-union Town Department Heads, Directors, and specialized employees. These employees are salaried, with performance-based increases. Examples include DPW Director, IT Director, and Treasurer.

The HRB is recommending a 2.0% mid-point increase over FY22. For reference, the approved mid-point increase for FY22 over FY21 was also 2.0%.

SCHEDULE B SALARY PLAN – PAY SCHEDULES

Salary rates effective as indicated as of July 1, 2022

Reflects 2.0% increase over FY 22 ranges at midpoint

Job Group	Minimum	Midpoint	Maximum
69	\$147,000	\$187,200	\$227,400
68	\$136,300	\$173,600	\$210,900
67	\$126,200	\$160,800	\$195,400
66	\$116,800	\$148,800	\$180,800
65	\$108,300	\$137,900	\$167,500
64	\$101,100	\$128,800	\$156,500
63	\$94,700	\$120,200	\$145,700
62	\$88,800	\$112,700	\$136,600
61	\$83,000	\$105,400	\$127,800

60	\$77,700	\$98,400	\$119,100
59	\$72,400	\$91,700	\$111,000
58	\$68,000	\$86,100	\$104,200
57	\$63,900	\$80,400	\$96,900
56	\$59,600	\$75,000	\$90,400
55	\$55,900	\$70,300	\$84,700
54	\$53,400	\$66,900	\$80,400
53	\$50,800	\$63,700	\$76,600
52	\$48,300	\$60,600	\$72,900
51	\$45,400	\$57,700	\$69,200
50	\$43,300	\$55,000	\$66,000

Information Technology

Job Group	Minimum	Midpoint	Maximum
61	\$93,900	\$119,600	\$145,300
60	\$87,900	\$112,000	\$136,100
59	\$83,700	\$104,600	\$125,500
58	\$77,800	\$97,300	\$116,800
57	\$72,900	\$91,100	\$109,300
56	\$68,200	\$85,300	\$102,400
55	\$64,900	\$81,100	\$97,300
54	\$61,800	\$77,300	\$92,800
53	\$58,900	\$73,600	\$88,300
52	\$56,200	\$70,200	\$84,200
51	\$53,500	\$66,900	\$80,300

The proposed 2.0% adjustment to the midpoint in the job group salary ranges does not result in an automatic salary increase unless an employee falls below the minimum of their range. The proposed increase accommodates potential increases under the Merit Pay Plan and keeps the ranges flexible and competitive with market rates.

The proposed increase is based on a benchmark survey of comparable communities. The HRB has also taken into consideration current and projected inflation rates and regional projections from the Bureau of Labor Statistics, as well as recent pay rates and increases of other Town employees. The proposed increase will help the Town of Wellesley remain competitive in the job market and maintain its standing when compared to other municipalities, especially after their annual increases take effect.

Advisory Considerations

Advisory agrees that the proposed 2% increase to the salary midpoints over FY22, of the Series 50/60 Salary Schedules is reasonable and appropriate.

With current high inflation, Advisory is concerned about the impact on municipal employee compensation. This consideration is addressed further in the Town Wide Financial Plan (TWMP) included in this ATM Report.

Advisory recommends favorable action, 14 to 0.

ARTICLE 5, MOTION 3**Overview**

The Human Resources Board (HRB) seeks approval for an appropriation of \$185,000 to fund a \$165,000 Merit Pay Plan for the Series 50/60 employees and a \$20,000 reserve for mid-year adjustments.

Merit Pay Plan

The Town of Wellesley provides for salary increases to the Series 50/60 employees based both on performance and standing in their respective salary ranges. The \$165,000 Merit Pay Plan request for FY23 yields a projected average increase of 2.5% for the employees within the 50/60 Series Job Groups. The salary increases are not automatic, but instead are based on an employee's position within the salary range of their job group, as well as their annual performance rating. The Merit Pay Plan is designed to accelerate the movement of low-range employees to the midpoint (market rate) of their range. Pay increases during FY22 will be funded from this Merit Pay Plan pool; it is important to note that the FY23 Series 50/60 employee salary increases do not appear in the departmental budgets listed in Article 8, Motion 2.

Salary Adjustment Reserve

This \$20,000 Reserve Fund is designed to enable the funding of incremental salary increases for: (1) positions identified as being significantly below market comparables, which may result in Job Group changes for those positions; (2) individual salaries identified as being significantly below market rate, which may be addressed by salary adjustments within the Job Group range; and (3) mid-year promotions or other reclassifications that cannot be funded within the respective Town departmental budgets.

Advisory Considerations

Advisory believes that the Merit Pay Plan is consistent with the Town's objectives of (1) compensating its managerial, supervisory, and other upper-level employees fairly based on their job performance and (2) compensating them as close to the appropriate market rate for their respective positions as possible. Advisory further believes that the approach set forth in the Merit Pay Plan and the funds that will be provided in both the \$165,000 Merit Pay Plan Pool and the \$20,000 Salary Adjustment Reserve will enable continued progress to be made toward these stated goals.

Advisory recommends favorable action, 14 to 0

ARTICLE 6. To see if the Town will vote to fix the salary and compensation of the Town Clerk, as provided by Section 108 of Chapter 41 of the General Laws, or to take any other action in relation thereto.

(Select Board)

Under this Article, the Select Board (SB) requests a salary increase for the Town Clerk. The Town Clerk is the only elected official in Wellesley to receive a salary.

Each year, the SB reviews the Town Clerk's salary and makes a recommendation to Town Meeting for an appropriate increase for the next fiscal year. The most recent survey of Town Clerk salaries in comparable towns was done last year prior to the 2021 ATM. As a result, the SB proposed, and TMM voted in favor of, increasing the Town Clerk's salary by 6.2% to \$102,000 annually. In the intervening years between surveys, the SB takes into consideration salary increases recommended by the Human Resources Board (HRB) for the Town's hourly paid Series 40 employees, adjustments made to the Series 50/60 salary ranges under Article 5, and other relevant factors.

It should be noted that the Town Clerk is not covered by the Salary Plan (see Article 5, Motion 2) and therefore does not benefit from movements in the salary range. The Town Clerk also does not have salary steps or receive step increases.

This year, the SB recommends a fixed annual salary of \$104,550 for the Town Clerk, a 2.5% increase. The other relevant factors the SB considered this year are additional election activities including but not limited to increased compliance and election legislative changes.

Advisory Considerations

Advisory supports the increase for the Town Clerk because it is in line with the 2.5% increase (including merit pay) for other Series 50/60 town employees as recommended by the Human Resources Board. Advisory notes it is slightly below the recommended 2.75% increase for Series 40.

Advisory recommends favorable action, 13 to 0.

ARTICLE 7. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to supplement or reduce appropriations approved by the 2021 Annual Town Meeting, or to take any other action in relation thereto.

(Select Board)

ARTICLE 7, MOTION 1

This motion requests a supplemental FY22 appropriation of \$700,000 to the Board of Public Works (BPW) for winter maintenance. The winter maintenance budget includes the cost of equipment maintenance, fuel, de-icing chemicals, and personal services. When plowing occurs during regular working hours, the personnel cost is included in the regular Department of Public Works (DPW) budget. However, when the work occurs outside of normal working hours, requiring payment to DPW staff, or when outside contractors are required because of the size of a snow/ice event, the cost is applied against the winter maintenance budget. The number, timing, and severity of the storms or events all influence these annual costs. This year, 16 treatment events, five plowing events, and no removal events depleted the FY22 Budget.

DPW Snow and Ice History						
	FY17	FY18	FY19	FY20	FY21	FY22*
Sources						
Appropriation in Article 8, Motion 2	\$ 348,703	\$ 348,703	\$ 357,420	\$ 366,355	\$ 379,177	\$ 379,177
Supplemental	\$ 500,000	\$ 500,000	\$ 450,000	\$ 300,000	\$ 600,000	\$ 700,000
BPW Transfers	\$ -	\$ 20,912	\$ -	\$ -	\$ -	\$ -
Total Appropriation	\$ 848,703	\$ 869,615	\$ 807,420	\$ 666,355	\$ 979,177	\$ 1,079,177
Uses						
Personal Services	255,438	321,307	254,798	160,519	298,129	264,748
Sand/Salt	241,359	165,778	199,820	85,724	190,696	186,994
Contractor Plowing	87,353	99,721	78,403	65,620	143,894	171,414
Vehicle Repair & Fuel	258,164	253,791	204,234	216,468	160,397	178,244
Other	3,536	29,019	68,720	10,792	27,459	17,731
Total PS & Expenses	845,850	869,615	805,974	539,122	820,575	819,131
Events						
Sanding/Salting	11	14	12	9	8	16
Plowing	5	9	7	3	10	4
Snow/Ice Removal	2	2	2	0	2	0
Flooding	0	0	0	0	0	0
Total Snowfall	58"	65"	53"	16"	55"	47"

*FY22 costs and events are given through March 1, 2022.

Budgeting below the average cost of winter maintenance has been the Town's customary practice. Under the provisions of Massachusetts General Law, Chapter 44, Section 31D, a town may unilaterally make expenditures more than the current year's winter snow and ice budget, provided that the Select Board (SB) and Advisory Committee approve such expenditures and the appropriation equals or exceeds that of the prior year. Under the law, a town may fund any supplemental appropriations from Free Cash in the current year or roll the excess into the following year's tax rate. The Town has chosen the first approach. In FY15 through FY21, additional appropriations from Free Cash have been approved by Town Meeting in amounts ranging from \$250,000 to \$1,025,000 per year, depending on the severity of the weather.

This year, the DPW has paid \$491,013 through March 1, 2022, with outstanding unpaid commitments of \$328,118 for a total of \$819,131.

Advisory Considerations

Advisory agrees that the Town's long-standing approach of budgeting below the average cost of winter maintenance is sound, so that other funds will not be unnecessarily encumbered and the overall budget for the DPW is not skewed by the year-to-year volatility of Winter Maintenance. Advisory feels that the requested supplemental appropriation of \$700,000 for FY22 is appropriate.

Advisory recommends favorable action, 13 to 0.

ARTICLE 7, MOTION 2

This motion seeks to transfer \$4,700.00 in unused funds from the Executive Director Personnel Services to the Celebrations Committee Expenses under Motion 2 of Article 8 of the Warrant for the 2021 Annual Town Meeting.

The funds will be used to support a second Wellesley Wonderful Weekend Parade in FY22. Due to COVID-19, the 2021 Wellesley Wonderful Parade was delayed until Fall of 2021, and to appropriately celebrate 2022 the SB and the Celebration Committee have planned for a Spring of 2022 Parade.

Advisory Considerations

Advisory deems this transfer appropriate and prudent given the COVID-19 pandemic.

Advisory recommends favorable action, 12 to 0.

ARTICLE 7, MOTION 3

Advisory expects no motion under this Article.

ARTICLE 8. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money for the following:

- 1) The operation and expenses of certain Town departments, including capital outlay, maturing debt and interest, and the provision of a Reserve Fund;
- 2) Extraordinary maintenance, special capital projects and other capital outlay items for the several Town departments;
- 3) Such purposes as may be voted contingent upon passage by the voters of referendum questions as authorized by Section 21C(g) of Chapter 59 of the General Laws,

and further to authorize the Board of Assessors to use any monies paid to the Town from the Wellesley Municipal Light Plant as an estimated receipt when computing the Fiscal Year 2022 Tax Rate, or to take any other action in relation thereto.

(Select Board)

ARTICLE 8, MOTION 1

This Motion authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY23, as approved by the Municipal Light Board (MLB). The Board of Assessors must receive annual authorization to incorporate these funds from the MLP into the tax rate. Favorable action on this Motion provides the required authorization for FY23.

Annual passage of this Motion permits the Town's taxpayers to continue receiving the benefit of owning the MLP. Although the MLP's annual cash payment of \$1 million has stayed the same for the past 17 years, it remains among the most generous of the 40 municipally owned electric utilities in Massachusetts. The MLP's payment is even more impressive when compared to the real estate tax an investor-owned utility would pay to the Town. Based on the net book value of the MLP's Wellesley assets, an investor-owned electric utility would make an annual real estate tax payment of \$620,000.

The MLP provides a number of other financial benefits to Wellesley. In addition to electric rates that, as of December 2020, were 58% below surrounding communities, all municipal departments receive an added discount of 4%. The MLP also provides a fiber interconnection to all Town buildings at no cost to the taxpayers. In FY18, instead of increasing the Town payment, the MLP approved a \$563,000 expenditure to retrofit 2,882 streetlights with light emitting diode (“LED”) fixtures. The LED fixtures eliminate more than 1,000,000 kilowatt-hours of electricity, saving Wellesley’s taxpayers an average of \$130,000 annually. With an expected useful life of 20 years, the total savings to taxpayers will approach \$2.6 million.

Advisory Considerations

Advisory values the MLP’s \$1 million payment and the important role it plays as a funding source for the ongoing operations of Town government. As noted above, the MLP provides a number of other significant financial benefits to the town that distinguish it from most other municipally owned systems, let alone investor-owned suppliers of electricity. Advisory notes that the MLP has faced significant challenges related to ISO-New England mandated increases from higher transmission and capacity costs. Further, the MLP, like all municipally owned light plants, remains vulnerable to increased charges from its suppliers of electricity. For these reasons, Advisory supports a conservative approach to any potential increase in expenditures at the MLP, including the \$1 million payment.

Advisory recommends favorable action, 12 to 0.

ARTICLE 8, MOTION 2:

This motion seeks approval for the Town’s Omnibus Budget, asking that the following sums of money be appropriated to the Town boards and officials for the purposes as set forth below.

Advisory’s analysis below is in three parts:

- Omnibus Overview -- Summary, Drivers, Process/Guidelines, and Reserves / Free Cash
- Highlights -- for selected Departments/Boards, Benefits, and Capital / Debt Service
- Considerations -- Perspectives and Discussion

Further details are provided in the Select Board’s 2022 Town-Wide Financial Plan above, and in the Town’s [Budget Book](#) prepared by the Executive Director with the assistance of the Finance Department and under the direction of the Select Board. The latter resource has detailed information on each group’s budget request, as well as a narrative that outlines each request in terms of providing level service, critical needs, and where appropriate, the group’s strategic plan. The Budget Book has a great deal of macro information as well, including an Executive Summary and a five-year plan of departmental capital requests. The Budget Book is available online at <https://wellesleyma.gov/1807/2022-Budget-Book>, and physical copies are available at the Wellesley Free Library (all branches) and at Town Hall in the Town Clerk’s Office. Advisory encourages TMMs to take advantage of the Budget Book, review the information it provides for all Town departments, and leverage it as an ongoing resource.

OMNIBUS BUDGET OVERVIEW

The following table outlines the overall appropriations request, showing the entirety of the appropriations that will be voted under Article 8, Motion 2.

Table 1 – Department Level Details

ARTICLE 8, MOTION 2

That the following sums of money be appropriated to the Town boards and officials and for the purposes as hereinafter set forth:

Funding Item		Personal Services	Expenses	Total Operations
<u>GENERAL GOVERNMENT</u>				
To the Select Board for General Government; \$2,833,868 for Personal Services and \$2,379,035 for Expenses. And it is recommended that the sums be allocated as follows:				
<i>Select Board - Administration</i>				
122	Executive Director's Office	573,521	39,700	613,221
126	Climate Action Committee	104,628	9,700	114,328
199	Central Administrative Services	0	27,700	27,700
133	Finance Department	489,230	13,850	503,080
155	Information Technology	715,925	636,214	1,352,139
145	Treasurer & Collector	358,360	122,200	480,560
195	Town Report	0	3,000	3,000
<i>Select Board - Human Services</i>				
541	Council on Aging	419,641	75,700	495,341
543	Veterans' Services	0	61,791	61,791
542	Youth Commission	91,541	17,090	108,631
<i>Select Board - Other Services</i>				
180	Housing Development Corporation	0	6,500	6,500
691	Historical Commission	0	750	750
693	Memorial Day	0	5,800	5,800
692	Celebrations Committee	0	4,700	4,700
176	Zoning Board of Appeals	81,022	9,190	90,212
<i>Select Board - Shared Services</i>				
151	Law	0	480,000	480,000
945	Risk Management	0	662,300	662,300
135	Audit Committee	0	60,850	60,850
458	Street Lighting	0	142,000	142,000
Subtotal - Select Board - General Government		2,833,868	2,379,035	5,212,903
<i>Other General Government</i>				
To the following Town boards and officials:				
161	Town Clerk/Election & Registration	375,405	84,590	459,995
141	Board of Assessors	314,841	90,900	405,741
175	Planning Board	362,703	76,000	438,703
152	Human Resources Board	413,600	39,950	453,550
131	Advisory Committee	12,000	17,550	29,550
132	Advisory Committee - Reserve Fund	0	175,000	175,000
Subtotal - Other General Government		1,478,549	483,990	1,962,539
GENERAL GOVERNMENT TOTAL		4,312,417	2,863,025	7,175,442

Funding Item	Personal Services	Expenses	Total Operations
<u>FACILITIES MANAGEMENT - Select Board</u>			
To the Select Board for Facilities Management, \$5,034,286, for Personal Services and \$3,661,629 for Expenses. And it is recommended that the sums be allocated as follows:			
192 Facilities Management	5,034,286	3,661,629	8,695,915
FACILITIES MANAGEMENT TOTAL - Select Board	5,034,286	3,661,629	8,695,915
<u>PUBLIC SAFETY - Select Board</u>			
To the Select Board for Public Safety, \$13,236,862 for Personal Services and \$1,101,706 for Expenses. And it is recommended that the sums be allocated as follows:			
210 Police Department	6,503,542	762,518	7,266,060
299 Special School Police	134,677	3,557	138,234
220 Fire Department	6,006,064	296,431	6,302,495
241 Building Department	577,579	36,500	614,079
244 Sealer of Weights & Measures	15,000	2,700	17,700
PUBLIC SAFETY TOTAL - Select Board	13,236,862	1,101,706	14,338,568
<u>PUBLIC WORKS</u>			
To the Board of Public Works, \$5,081,504 for Personal Services and \$2,831,985 for Expenses. And it is recommended that the sums be allocated as follows:			
410 Engineering	558,229	65,500	623,729
420 Highway	1,266,404	494,200	1,760,604
454 Fleet Maintenance	208,392	44,331	252,723
430 Park	1,395,390	419,690	1,815,080
440 Recycling & Disposal	1,232,911	1,405,017	2,637,928
450 Management	420,178	24,070	444,248
456 Winter Maintenance	0	379,177	379,177
PUBLIC WORKS TOTAL	5,081,504	2,831,985	7,913,489
<u>WELLESLEY FREE LIBRARY</u>			
To the Trustees of the Wellesley Free Library:			
610 Library Trustees	2,202,139	671,627	2,873,766
LIBRARY TOTAL	2,202,139	671,627	2,873,766
<u>RECREATION</u>			
To the Recreation Commission:			
630 Recreation Commission	377,965	31,329	409,294
RECREATION TOTAL	377,965	31,329	409,294
<u>HEALTH</u>			
To the Board of Health:			
510 Board of Health	876,755	142,875	1,019,630
523 Mental Health Services	0	285,586	285,586
HEALTH TOTAL	876,755	428,461	1,305,216

Funding Item		Personal Services	Expenses	Total Operations
<u>NATURAL RESOURCES</u>				
To the Natural Resources Commission:				
171	Natural Resources Commission	284,524	30,000	314,524
172	Morses Pond	0	151,250	151,250
NATURAL RESOURCES TOTAL		284,524	181,250	465,774
NON-SCHOOL TOTAL		31,406,452	11,771,012	43,177,464
<u>WELLESLEY PUBLIC SCHOOLS</u>				
To the School Committee, \$75,217,431 in the aggregate for Personal Services and \$9,584,835 for Expenses. And it is recommended that the sum be allocated as follows:				
320	Instruction	53,022,149	2,506,530	55,528,679
330	Administration	1,335,162	245,911	1,581,073
340	Operations	1,647,937	1,757,524	3,405,461
360	Special Tuition/Transportation/Inclusion	19,212,183	5,074,870	24,287,053
	Subtotal	75,217,431	9,584,835	84,802,266
SCHOOL TOTAL		75,217,431	9,584,835	84,802,266
<u>EMPLOYEE BENEFITS</u>				
To the Select Board for the purposes indicated:				
914	Group Insurance	0	21,021,387	21,021,387
912	Worker's Compensation	0	244,149	244,149
919	Other Post Empl. Benefits Liability Fund	0	3,450,000	3,450,000
910	Retirement Contribution	0	8,586,426	8,586,426
913	Unemployment Compensation	0	100,000	100,000
950	Compensated Absences	0	120,000	120,000
EMPLOYEE BENEFITS TOTAL		0	33,521,962	33,521,962
And further, that the balance on hand in the Workers' Compensation fund on June 30, 2022 and any interest earnings of the program, are appropriated for expenses related to the Workers' Compensation Program of the Town for Fiscal Year 2023.				
ALL PERSONAL SERVICES & EXPENSES		106,623,883	54,877,809	161,501,692

Funding Item		Personal Services	Expenses	Total Operations
<u>CAPITAL & DEBT</u>				
To the following Town boards and officials for the purposes indicated:				
<i>Departmental Cash Capital</i>				
400	Board of Public Works - Capital	0	3,101,000	3,101,000
300	School Committee - Capital	0	1,055,497	1,055,497
122	Select Board - Capital	0	467,646	467,646
141	Board of Assessors - Capital	0	93,000	93,000
161	Town Clerk - Capital	0	23,000	23,000
192	Facilities Management - Capital	0	1,673,000	1,673,000
610	Library Trustees - Capital	0	219,300	219,300
171	Natural Resources Commission - Capital	0	105,000	105,000
Subtotal - Cash Capital		0	6,737,443	6,737,443
To the Town Treasurer and Collector for:				
700	Current Inside Levy Debt Service	0	5,000,000	5,000,000
700	Current Outside Levy Debt Service -Issued/Unissued	0	17,756,223	17,756,223
Subtotal - Maturing Debt & Interest		0	22,756,223	22,756,223
CAPITAL & DEBT TOTAL		0	29,493,666	29,493,666
<u>RECEIPTS RESERVED FOR APPROPRIATION</u>				
To the Select Board, to be taken from the Parking Meter Receipts Account:				
293	Traffic & Parking Operations	0	905,291	905,291
RECEIPTS RESERVED TOTAL		0	905,291	905,291
TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 2				\$ 191,900,649

To meet said appropriations, transfer \$150,000 from the Police Detail account, \$165,342 from Water/Sewer for IT services, \$165,341 from MLP for IT services, and \$550,244 from the CPA Fund to pay for debt service, provided further that of the foregoing appropriations, the amounts are contingent upon passage of motion 8.3 (free cash appropriation).

A. Omnibus Budget Summary

The FY23 omnibus budget request is \$191,900,649, a \$12,540,287 or 6.9% increase over the final FY22 omnibus budget request of \$179,360,362. Please note from the Town-Wide Financial Plan (TWFP), page 1 of this Report, that the overall FY23 Town budget is \$199,416,632. While the omnibus budget accounts for the vast majority of Town spending in FY23, it does not include, for example, appropriations for the merit pool (Article 5, Motion 3) or from the Community Preservation Fund (Article 16). In addition, appropriations using Exempt and Inside the Levy borrowed funds are indirectly included in the omnibus budget through the associated debt service (principal and interest payments on that debt).

Revenue: Revenue from property taxes, both Inside and Outside the Levy, including property taxes on new growth, is projected to increase by \$23,208,148 or 7.5% to \$189,938,440 for FY23. Under Proposition 2½, the allowable growth for FY23 is a 2.5% increase on existing property taxes, plus new growth. FY23 new growth taxes are estimated to remain strong at \$1,700,000. FY23 will be the first year of the debt exclusion for the elementary schools. This increase of \$6,217,896 represents 3.5% or almost half of the revenue increase.

Local revenue is projected to increase by \$1,465,677 or 14.04% to \$11,906,800. The dollar increase is driven across multiple categories including meals tax, vehicle excise tax, licenses and permits, plus a strong percent increase in interest earnings.

The Town is forecasting a 1.97% increase in State Aid to \$11,096,377 with most of the modest increase coming from increased Chapter 70 (school-related) funding, which typically represents the vast majority of State Aid.

Free Cash: Free Cash used to balance the budget, \$2,652,036, represents a \$1,129,311 or 30% decrease compared to FY22 (note that FY22 included an \$894,685 subsidy for traffic and parking, versus \$505,291 for FY23). Also, this year the Town is proposing several separate capital articles in addition to the omnibus budget to restore some of the capital reductions that were implemented during the pandemic, and these items are being funded with additional Free Cash. Specifically, the Select Board proposes to fund four long-planned projects: first-year costs for the relocation of the Land Use Departments to leased space; a Police Radio Antenna replacement; High School LED replacements; and the Middle School paving project.

Table 2 – Free Cash Uses ATM21 to ATM22

Free Cash Used in ATM21 and STM21 (FY22)		Supplemental 22 at ATM 22		Free Cash Used at ATM22 (FY23)	
Purpose	Total Appropriation	Purpose	Total Appropriation	Purpose	Total Appropriation
Article 10 - Special Injury Leave Stabilization	45,275			Article 10 - Special Injury Leave Stabilization	38,605
Article 11 - Special Education Stabilization	57,000			Article 11 - Special Education Stabilization	275,000
Article 12 - Baler Stabilization Fund	11,512			Article 12 - Baler Stabilization Fund	11,512
				Article 18 - Police Radio Antenna	195,129
				Article 20 - Middle School Paving	2,193,856
				Article 21 - HS LED Lights	1,250,000
STM Fall Article 5.1 - FMD Union Settlement	164,838				
STM Fall Article 7.1 - Supplemental Legal Costs	150,000	Article 7 - Snow and Ice Supplemental	700,000	Article 17 - Land Use	397,100
STM Fall Article 2.1 Swing Space	2,800,000			Article 8 - Free Cash to balance	2,652,036
Article 8 - Free Cash to balance	3,781,347				
Total FY22	\$7,009,972		\$700,000	Total FY22	\$7,013,238

Note that these uses of Free Cash, totaling \$7,013,238, all require Town Meeting approval.

B. Major Budget Drivers

The major components of the increase in the operating budget are as follows:

Table 3 – Major Operating Budget Drivers

	Change from FY22 to FY23	
Outside Levy Debt Service - Issued/Unissued	6,218,696	53.90%
School Personal Services	2,257,933	3.09%
Cash Capital/Inside Levy Debt	1,577,324	15.52%
Town Personal Services	1,045,831	3.42%
Town Expenses	265,148	2.30%
Current Inside Levy Debt Service - Issued	(900,000)	-15.25%

The largest recurring item in the year-over-year growth of the Town budget is the “Cost of Living Adjustments” or COLA for existing employees. At the Fall 2021 Special Town Meeting, the last

of the Town's contracts was approved through June 30, 2023. In February, the Town completed a new three-year contract on health care benefits for FY23 to FY25.

In addition to the COLA, the union contracts also provide annual "step" increases for teachers and other employees who have not yet reached the top step, and "lane" increases for teachers as they attain additional academic degrees. It is noted that there are also annual savings resulting from the retirement or departure of employees who are replaced by new employees at a lower step level. In the case of the School Department, the average experience level of teachers at the highest level has decreased over the past two years. Previously, the overall experience level increased for many years.

Although not on the table above, Employee Benefits have been, and likely will continue to be, major budget drivers. Employee Benefit costs, totaling just over \$33.5 million in FY23, represent 17.3% of the Town's total budget. For many years this has been the fastest growing component of the overall Town budget. However, for FY23 these costs are up a modest 2.85% from FY22, as health care costs increases are projected to be moderate and Pension contribution cost growth has slowed. The principal contributors to Employee Benefits are:

- Group health insurance and other associated benefit costs for active and retired employees - \$21.4 million
- Pension plan contributions - \$8.5 million
- Other Post-Employment Benefits (OPEB) funding - \$3.45 million

The chart below shows the departments with the largest year-over-year increases in Personal Service expenses (left side) and the departments with the largest increases or decreases in Operating expenses (right side). Of note, the Personal Services increases include additional full-time-equivalent employees for Schools (9.57 across all funds), and the Planning Board, NRC and CAC (0.5 each).

Table 4 – Top 5 Departments Personal Service & Top 5 Operating Expenses Increases

Operating Increases in FY23 Compared to FY22					
Personal Services (including MPP)			Expenses (Not Including Employee Benefits)		
Department	\$ Increase	% Increase	Department	\$ Increase	% Increase
Schools	\$2,257,933	3.09%	DPW - Recycling & Disposal	64,600	4.82%
FMD	178,824	4.95%	Risk Management	51,378	8.41%
Town Clerk	63,288	20.18%	Health	18,207	14.60%
Planning Board	54,372	17.19%	CAC	6,075	167.59%
NRC	47,218	19.45%	Planning Board	27,900	58.00%
CAC	31,621	41.81%			

C. Operating Budget Process and Guidelines

The FY23 Budget Process began not long after the 2021 Annual Town Meeting and the presentation of the Revised 2021 TWFP last June. Operating budget guidelines were developed by the Select Board in early Fall for the coming fiscal year. The Select Board made this determination after evaluating the Town's financial position in August, with input from other boards and committees regarding their anticipated priorities, and with an eye to anticipated ongoing

impacts of the pandemic. For FY23, the Board set the operating budget guideline at 2.75% for both Schools and all other Town budgets.

Town Meeting votes on the Omnibus budget as listed in the as-proposed budgets shown in Table 1. However, for the purposes of measuring against guideline, the estimated costs due to Modeled Cola and Benefits are added to the proposed numbers. This is detailed immediately below, with the results in Table 5.

All Town entities are asked to create operating budgets that meet the stated guidelines after all factors (contracts, steps, longevity, merit pay, etc.) are taken into consideration. Departmental initiatives that cause requests to exceed guideline are quantified and vetted during the budget cycle discussions. The Select Board may or may not support initiatives that cannot fit within the guidelines.

In Table 5 below, Column 1 shows the FY22 Budget after the FY22 merit pool has been applied and contracts settled, which differs from what was voted during the 2021 Town Meeting.

Column 2 shows the FY23 Request to be voted by Town Meeting under this Article.

Column 3, Modeled COLA, models salary increases that will be implemented after Town Meeting. With all union contracts settled, this represents the 2.5% modeled merit pay increase for Series 50/60 employees. This increase will be allocated to the department later as part of the FY23 merit pay distribution.

Column 5, New FTE Benefits, shows the benefit allocations of \$20,000 for each new full-time position to cover the additional benefit cost burden to the Town of that position. Benefits are funded from a Town-wide, non-departmental line item in the omnibus budget. (Note that these are net benefit numbers for each department, and Wellesley Public Schools has offsetting decreases in benefit costs.)

Column 6 adds the Modeled COLA and New FTE Benefits to the FY23 Request for the FY23 Total. This number represents the true cost to the Town of the departmental FY23 request in column 2, is directly comparable to the FY22 cost in Column 1, and is therefore used to do the comparison to guidelines shown in the last column.

Column 7, FY22-FY23 Change, shows the percentage change from the FY22 Budget (column 1) to the FY23 Total (column 5). This is the number that is compared against the established budget guidelines. If the FY22-FY23 Change is less than or equal to the guideline for that department, the department is considered to be “within guideline.” Otherwise, the department is considered to have “exceeded guideline.”

Table 5 – Department Operating Costs vs. Guidelines

Total FY23 Operating Costs by Department vs Guideline							
Department	FY22 Budget	FY23 Art 8		FTE	Added Benefits New FTE	FY23 Total With MPP	FY22-FY23 Change inc MPP
		Request	Modeled MPP 2.5% COLA				
Executive Director's Office	\$609,087	\$613,221	\$6,961	5	\$0	\$620,182	1.82%
Green Power	\$20,000	\$0	\$0	0	\$0	\$0	-100.00%
Climate Action Committee	\$79,247	\$114,328	\$2,615	2.0	\$20,000	\$136,943	72.81%
Central Administrative Services	\$27,700	\$27,700	\$0	0	\$0	\$27,700	0.00%
Finance Department	\$496,595	\$503,080	\$7,174	5.5	\$0	\$510,254	2.75%
Information Technology	\$1,333,884	\$1,352,139	\$17,899	8	\$0	\$1,370,038	2.71%
Treasurer & Collector	\$473,261	\$480,560	\$5,704	4.5	\$0	\$486,264	2.75%
Town Report	\$4,000	\$3,000	\$0	0	\$0	\$3,000	-25.00%
Council on Aging	\$487,346	\$495,341	\$5,413	8.3	\$0	\$500,754	2.75%
Veterans' Services	\$70,822	\$61,791	\$0	1.6	\$0	\$61,791	-12.75%
Youth Commission	\$108,400	\$108,631	\$2,073	1.5	\$0	\$110,704	2.13%
Facilities Management	\$8,497,166	\$8,695,915	\$25,917	72.6	\$0	\$8,721,832	2.64%
Housing Development Corporation	\$6,500	\$6,500	\$0	0	\$0	\$6,500	0.00%
Historical Commission	\$750	\$750	\$0	0	\$0	\$750	0.00%
Memorial Day	\$5,000	\$5,800	\$0	0	\$0	\$5,800	16.00%
Celebrations Committee	\$4,700	\$4,700	\$0	0	\$0	\$4,700	0.00%
Zoning Board of Appeals	\$90,212	\$90,212	\$1,486	1.5	\$0	\$91,698	1.65%
Law	\$500,000	\$480,000	\$0	0	\$0	\$480,000	-4.00%
Audit Committee	\$60,400	\$60,850	\$0	0.0	\$0	\$60,850	0.75%
Risk Management	\$610,922	\$662,300	\$0	0	\$0	\$662,300	8.41%
Street Lighting	\$142,000	\$142,000	\$0	0	\$0	\$142,000	0.00%
Police Department	\$7,072,937	\$7,266,060	\$1,734	61	\$0	\$7,267,794	2.75%
Special School Police	\$136,168	\$138,234	\$0	18	\$0	\$138,234	1.52%
Fire Department	\$6,133,764	\$6,302,495	\$0	57	\$0	\$6,302,495	2.75%
Building Department	\$609,019	\$614,079	\$11,349	8	\$0	\$625,428	2.69%
Sealer of Weights & Measures	\$17,700	\$17,700	\$0	0.4	\$0	\$17,700	0.00%
Selectboard Operating Subtotal	\$27,597,580	\$28,247,386	\$88,325	254.9	\$20,000	\$28,355,711	2.75%
Town Clerk	\$392,618	\$459,995	\$1,461	4.0	\$0	\$461,456	17.53%
Board of Assessors	\$398,203	\$405,741	\$6,180	4.3	\$0	\$411,921	3.44%
Planning Board	\$364,325	\$438,703	\$7,894	5.6	\$20,000	\$466,597	28.07%
Advisory Committee	\$29,500	\$29,550	\$0	0	\$0	\$29,550	0.17%
Reserve Fund	\$175,000	\$175,000	\$0	0	\$0	\$175,000	0.00%
Human Resources Board	\$455,013	\$453,550	\$10,340	5.5	\$0	\$463,890	1.95%
HR Article	\$0	\$185,000	\$0	0	\$0	\$5,832	0.00%
	\$1,814,659	\$2,147,539	\$25,875	19.4	\$20,000	\$2,014,246	11.00%
Public Works	\$7,729,528	\$7,913,489	\$28,595	88.0	\$0	\$7,942,084	2.75%
Library Trustees	\$2,804,228	\$2,873,766	\$7,578	37.7	\$0	\$2,881,344	2.75%
Recreation Commission	\$391,783	\$409,294	\$7,731	5.4	\$0	\$417,025	6.44%
Board of Health	\$975,547	\$1,019,630	\$15,610	7.8	\$0	\$1,035,240	6.12%
Mental Health Service Initiative	\$281,735	\$285,586	\$0	0.0	\$0	\$285,586	1.37%
Natural Resources Commission	\$272,760	\$314,524	\$5,454	4.0	\$20,000	\$339,978	24.64%
Morses Pond	\$147,750	\$151,250	\$0	0	\$0	\$151,250	2.37%
Wellesley Public Schools	\$82,540,253	\$84,802,266	\$0	879.1	\$10,000	\$84,812,266	2.75%
Total FY22 vs FY23 Guideline	\$124,555,823	\$128,164,730	\$179,168	1,296.27	\$70,000	\$128,234,730	2.95%

D. Reserve Policy and Use of Free Cash

The Town has worked to maintain an appropriate level of reserves. This has been a key focus of the Select Board with the onset of the pandemic in developing the FY 21, FY22 and now the proposed FY23 budgets. Sufficient reserves play a key role in the Town's maintenance of a high credit rating and, more critically, provide financial flexibility in a time of fiscal uncertainty.

The Total Reserves are the sum of Free Cash and all stabilization funds. The level of Total Reserves is measured as a percentage of subsequent year's budgeted Revenue. At the end of FY21, funds were returned to the General Fund from FY21 appropriations that went unspent, as well as revenues that exceeded budget estimates. These operating sources increased the Town's reserves to a total of \$32,503,359 (\$25,830,840 in Free Cash and \$6,672,519 in the Stabilization Funds), for a reserve level of 19.61% as of June 30, 2021.

Table 6 – Town of Wellesley Reserves

Town of Wellesley Reserves					
Fiscal Year Ended	Free Cash	All Stabilization	Total Reserves	Subsequent Year Revenue*	General Reserves % of Revenue
06/30/21	25,830,840	6,672,519	32,503,359	165,456,097	19.64%
06/30/20	18,319,871	5,784,592	24,104,463	160,705,760	15.00%
06/30/19	16,171,779	5,503,397	21,675,176	156,077,076	13.89%
06/30/18	14,615,285	4,639,367	19,254,652	150,310,131	12.81%
06/30/17	12,129,416	4,508,231	16,637,647	144,856,184	11.49%
06/30/16	11,858,182	4,391,173	16,249,355	141,886,226	11.45%
06/30/15	8,831,500	3,463,322	12,294,822	139,358,469	8.82%
06/30/14	10,336,925	3,384,372	13,721,297	131,460,102	10.20%
06/30/13	10,950,782	3,094,076	14,044,858	123,796,817	11.30%
06/30/12	10,499,623	3,071,289	13,570,912	119,305,603	11.40%
06/30/11	8,439,070	3,045,628	11,484,698	113,863,387	10.10%
06/30/10	9,471,751	3,022,256	12,494,007	111,600,676	11.20%

** Does not include excluded debt, CPC or Traffic Revenue or retained earnings from the Enterprise funds*

Note that the use of stabilization funds requires approval by two-thirds of Town Meeting, while Free Cash can be appropriated by a simple majority vote. Generally, it is prudent to use excess Free Cash as a non-recurring revenue source to fund one-time expenditures or a capital need, or to replenish other reserves, because Free Cash levels reflect long-term operating results rather than just one-time events.

In December 2012, the Select Board adopted a Financial Reserves Policy with the following provisions:

1. Reserves will be maintained in a range of 8 to 12% of current year budgeted Revenue;
2. Reserves in excess of 12% may be used in accordance with the TWFP and be appropriated by Town Meeting; and
3. Reserves may be drawn below 8% for one-time, non-recurring extraordinary expenditures.

Based on FY22 projections, the estimated reserve level on June 30, 2022 is anticipated to be \$26,596,229 or 15.4% of FY23 Revenue and, per Table 2, proposed total uses of Free Cash in FY23 are \$7,013,238.

DEPARTMENT, BOARD, COMMISSION AND SCHOOL BUDGET HIGHLIGHTS

The following tables provide three years (FY19-FY21) of actual budget totals for all Town departments listed in the Omnibus Budget Table 1, as well as a comparison of FY22 adjusted budget with the FY23 budget request. In addition, given its prominence in the overall budget, further detail is provided on the Wellesley Public Schools.

To better inform Town Meeting, for departments above guideline as measured in Table 5, Advisory has taken and recorded a Supported/Unsupported vote for that department's budget and has provided further context. For the FY23 proposed budgets, there are a total of nine departments, boards, and committees exceeding budget guidelines.

(Note that the FY23 numbers shown below match those in Table 1 i.e., the as-requested spending without the Modeled COLA and Benefits costs that are included in Table 5 for assessing which departments are above guideline.)

For ease of reference, this section is structured similar to Table 1, showing departments under the categories of General Government, Other Government, Public Safety, other individual departments, Benefits, Traffic and Parking (reserved receipts), and finally Cash Capital and Debt Service.

A. GENERAL GOVERNMENT

Table 7 – General Government

	FY19	FY20	FY21	FY22	FY23	FY22-23
	Actual	Actual	Actual	Budget	Request	Change
BOS - Administration						
Executive Director's Office	499,248	591,428	513,435	609,087	613,221	0.68%
Green Power Premium	0	0	15,341	20,000	0	-100.00%
Climate Action Committee	38,877	40,429	69,803	79,247	114,328	44.27%
Central Administrative Services	26,500	17,351	13,735	27,700	27,700	0.00%
Finance Department	458,154	475,486	435,788	496,595	503,080	1.31%
Information Technology	1,092,195	1,204,513	1,156,060	1,333,884	1,352,139	1.37%
Treasurer & Collector	444,057	455,097	450,529	473,261	480,560	1.54%
Town Report	4,000	4,000	1,235	4,000	3,000	-25.00%
BOS – Human Services						
Council on Aging	437,159	446,417	403,046	487,346	495,341	1.64%
Veterans Services	69,150	70,502	70,822	70,822	61,791	-12.75%
Youth Commission	101,777	104,460	104,695	108,400	108,631	0.21%
BOS – Facilities Management Services						
Facilities Management	8,042,779	8,242,901	7,615,956	8,497,166	8,695,915	2.34%
BOS - Other Services						
Housing Development Corp	6,500	6,500	4,140	6,500	6,500	0.00%
Historical Commission	750	750	750	750	750	0.00%
Memorial Day	2,500	5,000	5,000	5,000	5,800	16.00%
Celebrations Committee	4,700	4,700	4,700	4,700	4,700	0.00%
Zoning Board of Appeals	88,665	85,469	80,797	90,212	90,212	0.00%
BOS - Shared Services						
Law	375,000	340,000	474,282	500,000	480,000	-4.00%
Audit Committee	58,200	58,850	58,630	60,400	60,850	0.75%
Risk Management	535,679	548,762	506,327	610,922	662,300	8.41%
Street Lighting	145,000	140,000	142,000	142,000	142,000	0.00%
Provision for Contract Settlements	0	0	231,264	100,000	0	-100.00%
TOTAL General Government	\$12,430,890	\$12,842,615	\$12,358,335	\$13,727,992	\$13,908,818	1.32%

Climate Action Committee

The Climate Action Committee (CAC), formerly known as the Sustainable Energy Committee, was established in 2010 to lead efforts to accomplish the ambitious goals of reducing town-wide greenhouse gas emissions. The CAC develops and works collaboratively to implement initiatives to lower greenhouse gas emissions (GHG) from Wellesley's municipal, residential, commercial, and institutional sectors. The CAC's role in town government continues to evolve, from tracking and supporting community programs and municipal engagement, to town-wide collaboration focused on achieving net zero carbon emissions by 2050. The Baker-Polito Administration established a net zero GHG emission as the new legal limit in 2050 with a formal determination signed in April of 2020.

The total operating budget requested for the Department in FY23 is \$114,328. This amount represents an increase of \$35,081, or 44.27% over FY22. Major drivers of operating expense increase include an increase in the Analyst position from part-time (19 hrs/wk) to full-time (35 hrs/wk), a \$6,000 increase in ICLEI software dues, a \$2,000 increase for programs and activities, and a \$3,475 increase for postage.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 11-2 in support of the Climate Action Committee's budget. Most members felt the increase in budget was appropriate given the undertaking of the Climate Action Plan initiative touched on above. One member was not supportive stating that the CAC has sufficient resources to achieve its agenda without spending money on outside consulting resources and increasing hours for the Analyst position. Another member also did not support the staffing increase feeling that the rationale for it was not well defined and it could be leveraged across existing town costs.

Memorial Day Budget

The total operating budget requested for Memorial Day activity is \$5,800. This amount represents an increase \$800, or 16% over FY22 levels. The additional funds are for audio equipment for the Memorial Day and Veterans' Day services. The Memorial Day base budget represents the cost for flags for Wellesley veterans' graves and a stipend for the graves officer.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 14-0 in support the increase.

Risk Management

The total operating budget requested for the Risk Management department in FY23 is \$662,300. This amount represents an increase of \$51,378, or 8.4% over FY22 levels. Major drivers of the operating expense increase include premium increases due to recent claims experience.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 14-0 in support of the Risk Management department budget.

B. OTHER GOVERNMENT

Table 8 – Other Government

	FY19	FY20	FY21	FY22	FY23	FY22-23
	Actual	Actual	Actual	Budget	Request	Change
Town Clerk	312,796	312,742	330,057	392,618	459,995	17.16%
Board of Assessors	363,862	391,372	386,658	398,203	405,741	1.89%
Planning Board	325,278	328,246	266,632	364,325	438,703	20.42%
Advisory Committee	32,000	32,000	19,764	29,500	29,550	0.17%
Advisory Reserve Fund	175,000	175,000	175,000	175,000	175,000	0.00%
Permanent Building Committee	0	0	0	0	0	0.00%
Human Resources Board	352,083	420,434	409,863	455,013	453,550	-0.32%
TOTAL Other General Govt	\$1,561,019	\$1,659,794	\$1,587,974	\$1,814,659	\$1,962,539	8.15%

Office of Town Clerk

The total operating budget requested for the Office of Town Clerk in FY23 is \$459,995. This amount represents an increase of \$67,377, or 17.16% over FY22 levels. Major drivers of operating expense increase include the purchase of electronic voting devices in FY23 as well as additional postage and personnel expenses to support voting by mail in FY23. Also, the town expects to have four elections in FY23 versus two in FY22.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 14-0 in support of the Office of Town Clerk department budget.

Board of Assessors

The total operating budget requested for the Board of Assessors in FY23 is \$411,921. This amount represents an increase of \$7,538, or 3.44% over FY22 levels. Major drivers of operating expense increase include the costs associated with the second year of a contract to analyze commercial and residential properties, and extra work associated with the increase in 40R projects.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 13-0 in support of the Board of Assessors department budget.

Planning Board

Overview

The Planning Board consists of five elected members and one appointed associate member. The Board guides the Town of Wellesley in preserving and enhancing Wellesley's quality of life by fostering a diverse housing stock, multi-modal transportation options, valuable natural resources, resilient infrastructure, and a thriving local economy. Particular Town land use goals are identified in the Town's Unified Plan 2018-2028. The Planning Board achieves these goals through the creation and implementation of Zoning Bylaws, policies, long-term planning, and by promoting citizen participation in the planning process. The Planning Board is responsible for the maintenance and update of the Town's Zoning Bylaws and Zoning Map.

The Planning Department is overseen by, and supports, the Planning Board by implementing the Zoning Bylaws and by initiating and reviewing projects. The Planning Department is involved with the review of many projects of all sizes due to the many new homes, renovations, and commercial developments in Town, all of which contribute to the annual new growth in the Town's tax base. In addition, the Planning Department serves as professional staff to the Historical Commission, Historic District Commission, Design Review Board, and the Denton Road Neighborhood

Conservation District Commission. It provides supplemental assistance to the Zoning Board of Appeals as needed, particularly for projects in the Residential Overlay District (RIO) and Comprehensive Permits under MGL c. 40B. The Department Administrator also supports the Housing Development Corporation by establishing and maintaining project files and waiting lists for individuals wishing to be entered into the HDC's lotteries. The Planning Director is the Town's Fair Housing Officer. The Department has frequent interaction with the Building Department and the Zoning Enforcement Officer on questions about the Zoning Bylaws.

Budget

The total operating budget requested for the Planning Board in FY23 is \$438,703. This amount represents an increase of \$74,378, or 20.42% over FY22 levels. The Personal Services cost increases are driven by an increase in staffing levels of 0.5 FTE due to changing an existing half-time Planner to a full-time position. The budget includes an additional \$33,744.50 for salary and \$20,000 for benefit costs for this change to a full-time position.

The increase in Expenses results from an increase of \$25,000 in the budget for outside consulting services. This expense item has been static for the last ten years, increasing only from \$24,000 in FY12 to \$25,000 in FY17, and Planning believes that doubling the amount now is necessary to catch up and provide adequate funds to hire outside consultants that can assist Planning in important area studies. There is also an increase of \$2,900 to cover increased advertising and postage costs resulting from increased activity levels and increased rates.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 13-0 in support of the Planning Department and Planning Board budget.

C. PUBLIC SAFETY

Table 9 – Public Safety

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Request	FY22-23 Change
Police Department	6,342,056	6,553,273	6,543,287	7,072,937	7,266,060	2.73%
Special School Police	130,789	132,517	44,667	136,168	138,234	1.52%
Fire Department	5,481,195	5,618,423	6,114,368	6,133,763	6,302,495	2.75%
Building Department	548,897	582,711	562,790	609,019	614,079	0.83%
Sealer of Weights and Measures	18,550	17,700	14,111	17,700	17,700	0.00%
TOTAL Public Safety	\$12,521,487	\$12,904,624	\$13,279,223	\$13,969,587	\$14,338,568	2.64%

All Public Safety budget requests are within the Select Board's Budget Guideline.

D. BOARD OF PUBLIC WORKS

Table 10 – Board of Public Works

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Request	FY22-23 Change
Engineering	600,015	610,622	600,204	626,062	623,729	-0.37%
Highway	1,527,532	1,568,287	1,649,546	1,729,234	1,760,604	1.81%
Fleet Maintenance	204,384	208,462	243,393	247,768	252,723	2.00%
Park & Tree	1,616,224	1,641,947	1,654,192	1,765,177	1,815,080	2.83%
Recycling & Disposal*	2,357,894	2,370,689	2,269,509	2,535,075	2,637,928	4.06%
Management	390,879	407,028	404,041	447,034	444,248	-0.62%
Winter Maintenance	357,420	366,355	820,575	379,177	379,177	0.00%
TOTAL Board of Public Works	\$7,054,348	\$7,173,390	\$7,641,460	\$7,729,527	\$7,913,489	2.38%

The Board of Public Works budget request is within the Select Board's Budget Guideline.

E. OTHER COMMISSIONS AND BOARDS

Table 11 – Other Commissions and Boards

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Request	FY22-23 Change
Board of Library Trustees	2,537,679	2,617,173	2,604,887	2,804,228	2,873,766	2.48%
Recreation Commission	367,524	383,367	312,733	391,783	409,294	4.47%
Board of Health (BOH)	580,324	720,464	729,610	975,547	1,019,630	4.52%
Mental Health Services (BOH)	238,691	309,658	265,936	281,735	285,586	1.37%
Natural Resources Commission	233,448	263,622	235,159	272,760	314,524	15.31%
Morses Pond (NRC/DPW/Rec)	143,250	145,250	127,232	147,750	151,250	2.37%
TOTAL Other Commissions/Boards	\$4,100,916	\$4,439,534	\$4,275,557	\$4,873,803	\$5,054,050	3.70%

Note: Utilities are included under FMD Maintenance Services. Does not include merit pay for 50/60 series.

Recreation

The total operating budget requested for the Recreation Commission in FY23 is \$409,294. This amount represents an increase of 4.47%, or \$17,514 over FY22 levels. Major drivers of operating expense increase include filling a new Program Coordinator position for which the planned responsibilities required higher compensation than that originally budgeted. Additionally, the full-time secretary earned increases due to completion of a six-month probationary period and a yearly raise.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 13-0 with one abstention in support of the Recreation Commission budget.

Board of Health

Overview

The Board of Health (BoH), responding to the Town's public health needs, provides a wide range of direct services in environmental health, community health, public health nursing, mental health, communicable disease prevention and control, reduction of environmental health hazards (e.g., mosquito and rabies control, lead and asbestos abatement monitoring), employee health/wellness programs, and emergency preparedness. In addition, a core function of the Wellesley Health Department (WHD), operating under the direction of the BoH, is the enforcement of federal, state and local laws and regulations relating to public health in areas including public and private water supplies, food establishments, housing, camps, swimming pools, tobacco control, medical waste and social services. The WHD budget also funds mental health counselors in the Wellesley Public Schools and subsidizes the community's mental health services agency, Human Relations Services, which provides affordable, accessible mental health and counseling services to Town residents regardless of their ability to pay.

State and local Demands on the BoH have increased the WHD's responsibilities in recent years. Recent actions at Town Meeting require the BoH to monitor gas leaks, enforce the Town's plastic bag ban, inspect certain home renovations related to the Demolition Delay bylaw, and inspect food recovery programs in the Wellesley Public Schools and area colleges as part of WasteWise Wellesley, a collaborative initiative by the CAC, DPW and NRC. Further State regulation changes and updates have involved a large number of additional tasks and increased reporting.

Budget

The total operating budget requested for the Board of Health Department in FY23 is \$1,019,630. This amount represents an increase of 4.52%, or \$44,083 over FY22 levels. Major drivers of operating expense increase include salary adjustment increases due to currently pending reclassifications of several positions including the Health Director, Nursing Director (additional

6%), and the Community Health Director (additional 2.5%); series 40, 50 and 60 employee raises; and an increase in Mental Health Services contracts by 1.4%.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 14-0 in support of the Board of Health budget. Advisory felt that the increase in budget is justified based on the increased demands faced by the Board of Health.

Natural Resources Commission

The total operating budget requested for the Natural Resources Commission in FY23 is \$314,524. This amount represents an increase of 15.31%, or \$41,764 over FY22 levels. Major drivers of this operating expense increase are shifting the Environmental Outreach Coordinator from part-time to full-time, plus reclassification of the Wetlands Administrator position.

Advisory conducted a Supportive/Unsupportive vote. Advisory voted 11-3 in support of the Natural Resources Commission budget. Some members felt that the additional personnel request is not warranted and further, that the additional responsibilities of the requested position should fall under the responsibility of the Climate Action Committee. Others, however, felt the department has needs, especially in relation to increasing encroachment on town wetlands and other land, that require the additional resource would allow it to address.

F. WELLESLEY PUBLIC SCHOOLS

This section is structured into five parts: Overview; FY22 Q2 Budget Update and FY23 Follow-On; Special Education; Enrollment; and Budget Summary.

Overview

In FY22, the Wellesley Public School (WPS) system comprises ten facilities (one preschool, seven elementary schools, one middle school, one high school) with approximately 827 full-time equivalent employees (FTEs) serving 4,280 pre-K through Grade 12 students as of October 1st. At its meeting on February 8, 2022, the School Committee approved a School Department request for a total FY23 budget appropriation of \$84,802,267, which represents a 2.74% increase over FY22 (2.75% including health benefits of \$10,000).

It is important to note that budget planning for FY23 took place during the third year of the global pandemic. While schedules for the most part have returned to normal, the district is still in the midst of many safety and testing protocols. The district has been the recipient of state and federal funds that it is continuing to utilize so as to not exhaust local dollars while continuing to be responsive to the pandemic. Thanks to these grants, the district was able to fund the pandemic costs without supplanting strategic plan items as well as other critical needs.

FY22 also saw a historic vote to approve funds to build two new elementary schools at Hardy and Hunnewell. While not in the budget, FY23 will be the first of a two-year migration of Hunnewell students from their school to four other elementary schools in the district while the Hunnewell construction project is completed. Details about Hunnewell swing space project can be found in [FY23 WPS Budget](#) (pages 16-18,116-124).

In 2017, Town Meeting members approved the establishment of a separate Special Education stabilization fund for nondiscretionary changes in special education costs to help insulate the regular education budget. This year the Select Board proposes to transfer the Special Education Medicaid reimbursements it has received to the Special Education Reserve Fund (Article 11); no additional special education appropriation is planned for FY23.

The chart below shows the FY23 budget by category, broken down by what was originally voted on at ATM for FY22, FY22 adjusted as of November 2021, and the FY23 request.

	FY22 Voted	WPS FY22 Adjusted	Budget FY23 Request	FY22-23 Change
Instruction	\$53,792,431	\$53,600,617	\$55,528,679	\$1,928,062
Administration	1,467,237	1,560,360	1,581,073	20,714
Operations	3,009,099	3,218,235	3,405,461	188,278
Student Services	24,271,487	24,161,043	24,287,053	126,010
TOTAL OPERATING BUDGET	\$82,540,254	\$82,540,254	\$84,802,267	2.74%
FTE - General Fund	837.41	826.93	832.42	5.49
FTE - Grant and Revolving Fund	42.14	41.91	45.99	4.08
TOTAL FTE	879.55	868.84	878.41	9.57

(Note 1: As discussed in Table 5, under the guideline process for the Town the cost of additional health and pension benefits for each additional FTE are to be included. This is \$20,000 per professional FTE, and \$7,500 for non-professional FTEs. However, the Town Meeting vote under Article 8 is only on the actual salary increases, without the benefits. In FY23, the total net benefit impact is positive \$10,000.)

(Note 2: Headcount and full-time equivalents -- FTEs -- provide two different measures of staffing. The FTE provides the percent of time an employee works compared to the position standard. An employee who works 20-hours in a 40-hour position is considered a 0.5 FTE. The headcount is a count of employees regardless of their FTE. If two part-time employees cover one (1) position, the FTE could be 0.5 FTE plus 0.5 FTE or a total 1.0 FTE while the headcount would be two (2) people. For details, see [FY23 WPS Budget](#) pages 28-9, Appendix A.)

FY22 Q2 Budget Update and FY23 Follow-On

Traditionally, in the fall, the district presents an adjusted budget which reflects changes that occur between ATM budget approval in the spring and the fall (after the school year has started) due to enrollment and other factors. The FY22 adjusted budget thus serves as the basis of the variances in the FY23 budget.

The adjusted FY22 budget presented in November showed an anticipated surplus of \$500,278; there were six fewer elementary sections than anticipated and a readjustment of student services to provide better support following COVID resulted in a reduction of 10.53 to the FTE count. The circuit-breaker (see below) request was fully funded at 75% for both instructional and transportation costs. As the budget was reviewed in February, however, changes in special education placements and a one-time charge from EDCO (an educational cooperative to which WPS no longer belongs) reduced potential surplus funding to approximately \$280,000 for FY22.

The requested FY23 budget builds on changes to the FY22 Adjusted Budget, including an additional reduction of the number of sections at the elementary level (-7) and middle school (-2.0 FTE). The savings achieved through the reduction in classroom sections will be used to fund strategic priorities such as adding math specialist teachers at each elementary school. The FY22

Adjusted Budget is currently supporting math paraprofessionals at each elementary school, while the FY23 request instead would eliminate these as there will now be a licensed math specialist teacher in each elementary school. In addition, building teaching assistants at each elementary school will provide consistent supervision and support to students throughout the day.

The schools continue to work to ensure greater access to programming by reducing or eliminating fees charged to families for supplies in art and other class or activity fees for school programs and sports. The additional costs of eliminating these fees are seen in the FY23 budget (WMS/\$36,950; WHS/\$59,389).

The FY22 Adjusted Budget also allots \$343,233 toward hiring day-to-day substitute teachers; the FY23 budget request instead proposes hiring 11 permanent substitute teachers (at a nearly identical cost of \$346,500) who would act as permanent building “floating teachers,” thus ensuring classroom coverage and providing greater instructional effectiveness.

Anticipated changes in the amount of funding the schools received through COVID relief grants has also had an impact on the FY23 budget request. For example, PAWS added a ninth classroom to meet the demand for preschool education and ensure compliance with integration ratios. This position was partially funded with ARPA federal funds, which are not expected to repeat; the budget therefore includes an additional 0.22 FTE to ensure the classroom can continue to meet current needs. In addition, with the changing student and family needs resulting from COVID, the schools also propose to add School Adjustment Counselors at the PreK through Grade 5 level to provide trauma-informed instruction, support teachers, and provide outreach and family support. The FY23 budget requests funding only for the health benefits associated with these positions and will fund the salary through Elementary and Secondary School Emergency Relief (ESSER) funds. The schools anticipate COVID-relief funding to continue to decline and strategizes to use these dollars efficiently.

For details on all WPS grants, see [FY23 WPS Budget](#) (pages 199-283).

Special Education

State and federal law mandates that Wellesley Public Schools provide special education (shortened as Spec. Ed.; we are working to eliminate “SPED” from our use) services to eligible students, beginning at age three and continuing until age twenty-two. The law requires that all Special Education students receive services that allow them to access and progress in public education in the least restrictive environment possible. Any students who may be candidates for special education are evaluated; if it is determined they are eligible, an Individualized Education Program (IEP) is developed for them. An IEP is a legally binding contract between the school district and the family. As with its general education program, Wellesley strives to be a community that provides excellence in its Special Education program.

Most Wellesley students requiring special education programs receive their services within their neighborhood schools. Some students, due to the nature and severity of their disability, cannot have their educational needs met within the neighborhood school. These students may attend a specialized In-District (ID) program offered through the Wellesley Public Schools. These in-house programs are more cost-effective than Out-of-District (OOD) placements (Wellesley’s investment on these in-district programs is estimated to yield \$13.8 million per year in cost savings), and often better suit individual student needs. If a student’s needs are such that a town cannot appropriately provide for them in a public setting, the law requires that the town find and pay for an Out-of-District (OOD) Massachusetts-approved special education placement, including transportation costs.

Fiscal Year	FY18	FY19	FY20	FY21	FY22
Students Eligible to Receive Spec. Ed. Services (%)	16.94%	16.66%	17.23%	17.87%	17.69%
# of Students	832	827	838	792	795

For more detail on Special Education In-District Programming see [WPS FY23 Budget](#) (page 184).

The FY23 Budget for Student Services, including special education, is \$24,287,053 and represents 28.64% of the total WPS operating budget. The FY23 Spec. Ed. budget is \$2,346,387 above the final FY21 expended amount and \$126,011 above the FY22 Adjusted Budget. The requested Special Education FY23 budget is based on only the known or reasonably assumed students who are currently on IEPs or with whom the School Department is beginning to engage. The Special Education Reserve Fund, approved by Town Meeting in 2017, was established to be used for unanticipated Special Education tuitions and related expenses (see Article 11).

Out-of-District Special Education Expenses

An Out-of-District (OOD) placement is only proposed when the nature and/or severity of the student's disability is such that an in-district program cannot appropriately implement the IEP. Currently there are 60 students (or 7.55%) in OOD placements. Tuition rates vary based on the type of placement and the level of services associated with the students' needs. In-state tuition rates range from \$42,696 (private day) to \$401,617 (private residential) on an annual basis. Although the budget is carefully developed, unpredictable factors can alter the tuition portion of the budget, sometimes significantly.

Circuit Breaker Funding Formula and FY23 Projection

The State Special Education reimbursement program, commonly known as the Circuit Breaker Program, was started in FY04 to provide additional state funding to districts to partially offset high-cost services provided to students with disabilities. The Student Opportunity Act (SOA), signed into law in 2019 (but delayed in implementation until FY22) sets a threshold amount to be adjusted annually by the foundation inflation index. Districts can claim for expenses (including, this past year, transportation) that are deemed eligible; for the past three years, actual reimbursement by the State has been 75% of those expenses.

The FY23 Circuit Breaker reimbursement projection under the SOA is based on the following.

- All students as of 11/2/2021 who are placed in a day or residential placement are expected to remain in those placements through the end of the school year.
- All settlements that were concluded by 11/2/2021 are included.
- In-district eligible costs are estimated to remain stable from last year.

As a result, the circuit breaker revenue offset estimate for FY23 is \$3,246,487

Detailed information about the FY23 Special Education budget, as well as a look at historical spending, can be found in the [WPS FY23 Budget](#) (page 184-194).

FY23 Enrollment Projection

Enrollment numbers directly impact the budget with respect to staffing requirements and other costs and drive the Level Services budget request. Determining the enrollment, traditionally a difficult task due to external factors, has been made much more difficult due to the pandemic. WPS utilizes a cohort survival method, a commonly used projection methodology among school

districts throughout the country. It takes the past year-to-year movement of students from grade to grade and models out the projected numbers of students for the upcoming year.

To provide details on the effect of enrollment on the FY23 budget, the chart below shows the projected enrollment change from FY22 to FY23, the sections that will be added or subtracted due to student numbers, as well as the cost/savings for the associated FTE reduction. For more detailed information on enrollment, please see [WPS FY23 Budget](#) pages 27-30.

Grade	FY23 Projected Enrollment Change	FY23 Projected Section Change	FY23 FTE (Full-Time Equivalent) Change	FY23 Salary Cost/ (Savings)	FY23 Health Cost / (Savings)
Kindergarten	-28	-1	-2	(\$103,379)	(\$27,500)
Grade 1	+39	+2	+2	\$152,508	\$40,000
Grade 2	-28	-2	-2	(\$152,508)	(\$40,000)
Grade 3	-25	-4	-4	(\$305,016)	(\$40,000)
Grade 4	-21	N/C	N/C	N/C	N/C
Grade 5	-11	-2	-2	(\$152,508)	(\$40,000)
Grade 6	+1	N/C	N/C	N/C	N/C
Grade 7	-16	N/C	N/C	N/C	N/C
Grade 8	-51	-1/2 Team	-2	(\$152,508)	(\$40,000)
Grade 9	+16				
Grade 10	-15				
Grade 11	-10				
Grade 12	+25				
Total:	-126		-10	(\$713,411)	(\$147,500)

(Note: The Future Think report from January 2020, which is the latest third-party enrollment review, is available here at the [Wellesley Public Schools website](#). The latest WPS enrollment report, which is done each fall, from October 2021 is available here at the [Wellesley School Committee website](#).)

Budget Summary

For additional information, see the Wellesley Public School section of the Town Budget Book. <https://wellesleyma.gov/1807/2022-Budget-Book> or the full Wellesley Public Schools budget document. For a more detailed executive summary of the budget and the full budget document, please see [FY23 WPS Budget](#) (pages 20-30)

Personnel Costs and Savings

Salary and other compensation costs make up the majority of the district's budget each year and largely drive the year-over-year changes. As in most years, the primary drivers are a) step and lane increases as well as Cost of Living Adjustments (COLA) for the majority of the staff under the various union contracts, and b) the impacts of changes in the composition of staff and staff turnover.

Important points about the FY23 staffing are:

- The FY23 FTE change is 9.57 with a headcount change of 11 across all funds. Of that total, 5.49 are tax-impact and 4.08, including School Adjustment Counselors, are non-tax impact funded through grants or revolving funds. The most significant change is the addition of the 11 permanent substitutes, mentioned above and explained further below.
- Contract negotiations began in February 2022 with all school unions. A certain amount of money has been set aside to cover increases dictated by a new contract, but it is standard practice to withhold the exact number to protect the district's negotiation position.
- Elementary school enrollment decline is continuing and projected enrollment indicates the need to reduce by seven sections from 101 to 94 sections
- Grade 8 is showing a reduction of 51 students, which will necessitate the reduction of half of a Grade 8 team.

Permanent Substitutes

The most significant impact regarding staffing is the result of the district creating eleven (11) permanent substitute positions. Substitutes are not normally included in the FTE/headcount as they are temporary personnel. Moving these positions to permanent will help the district greatly as Wellesley, like many towns, has been unable to attract a qualified pool of candidates to cover staff absence on a consistent basis. Even raising the daily rate has not assisted and FY22 saw a call go out to the community to assist with substitutes, which was ably answered by more than a few willing parents.

In talking with neighboring communities, permanent substitutes have been found to be beneficial. The creation of this position allows the district to offer a competitive rate, a guaranteed number of workdays and benefits. This solution also allows students to become familiar with those who fill in when their teachers are absent or at IEP meetings, etc., increasing the learning and reducing the new substitute learning curve. Lastly, this should actually save the district money as it is currently paying high daily rates to try to attract qualified substitutes. If permanent substitutes were removed from the budget, the FTE change would be -5.51 FTE's and -5.0 headcount.

Staff Turnover

Staff turnover can result in a cost savings as often a teacher who is retiring is towards the top of the salary range (at or near the highest "step" and/or "lane") while a new employee who is hired is lower down in the salary range. With the hiring target of a master's level with eight (8) years teaching experience, the turnover savings for the replacement of one educator can result in a savings of approximately \$35,000. The turnover savings for a paraprofessional is much less, approximately \$5,000 per employee. The FY23 budget includes a projected turnover savings of \$650,000.

Diversity, Equity and Inclusion

While the budget traditionally has DEI spending "baked in", the School Committee budget guidelines requested the Administration provide districtwide DEI costs broken out individually. For details, see [FY23 WPS Budget](#) (pages 169-172).

Category	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Budget
Salaries	\$579,441	\$608,696	\$687,840	\$719,989
Embedded Professional Development	\$250,435	\$105,300	\$898,187	TBD
Stipends	\$11,904	\$25,131	\$27,932	\$27,932
Professional Development	\$64,397	\$72,449	\$131,795	\$159,750
Books and Instructional Materials	\$6,032	\$17,427	\$19,484	\$7,500
Total	\$912,209	\$829,003	\$1,765,238	\$915,171 + TBD

Conclusion

In sum, the total requested WPS budget increase of \$2,262,013 breaks down as:

- **Level Service – increase of \$1,827,402 (2.21%):** A Level Service budget supports providing the same standard of service as in the prior fiscal year. The main new increase under the Level Service is the addition of the 11 permanent substitutes, details of which can be found in the [FY23 WPS Budget](#) (page 173-183).
- **Strategic Plan – increase of \$474,351 (0.57%):** The main difference in the strategic plan is the elimination of the elementary math paraprofessionals and the addition of the Elementary Math Specialists, details of which can be found in the [FY23 WPS Budget](#) (pages 173-183).
- **Other Critical Needs -- increase of \$259,194 (0.32%):** The main addition is the for the Building Teaching Assistant for each elementary school, details of which can be found in the [FY23 WPS Budget](#) (pages 173-183).
- **Hunnewell Swing Space/Enrollment – savings of (\$298,935) (-0.36%):** Most Hunnewell staff will be reassigned to one of the four host schools. There are a few positions that will be reduced based on the continued decline in elementary enrollment. Details can be found in the FY'23 WPS Budget (pages 111-116).

Architecture Level	General Fund FTE Headcount		Grant Funds FTE Headcount		Revolving Funds FTE Headcount	
FY22 Base	826.93	838.00	39.41	37.00	2.50	2.00
Enrollment Changes	(10.28)	(11.00)	(1.00)	(1.00)	0.00	0.00
Hunnewell/Swing Space	(5.83)	(6.00)	0.00	0.00	0.00	0.00
Level Service	11.50	11.00	(0.22)	0.00	(0.10)	0.00
Strategic Plan	2.50	3.00	5.40	6.00	0.00	0.00

Other Critical Needs	7.60	9.00	0.00	0.00	0.00	0.00
FY23 Recommended	832.42	844.00	43.59	42.00	2.40	2.00
Increase/(Decrease)	5.49	6.00	4.18	5.00	(0.10)	0.00

For more information related to the School Budget please see the Wellesley Public Schools Budget Document at [FY23 WPS Budget](#) (page 28).

The Wellesley Public Schools budget request is within the Select Board's Budget Guideline.

G. SELECT BOARD – EMPLOYEE BENEFITS

Table 13 – Employee Benefits

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Request	FY22-23 Change
Group Insurance	18,984,487	19,648,490	20,536,313	20,462,688	21,021,387	2.73%
Workers Compensation	287,700	245,048	244,149	244,149	244,149	0.00%
OPEB Liability Funding	3,432,000	3,432,000	3,432,000	3,432,000	3,450,000	0.52%
Retirement Contribution	7,056,425	7,487,909	7,965,781	8,234,817	8,586,426	4.27%
Unemployment Compensation	150,000	100,000	100,000	100,000	100,000	0.00%
Compensated Absences	76,830	104,737	49,382	120,000	120,000	0.00%
Non-Contributory Pensions	19,100	0	0	0	0	0.00%
TOTAL Employee Benefits	\$30,006,542	\$31,018,184	\$32,327,625	\$32,593,654	\$33,521,962	2.85%

Group Insurance

The Group Insurance budget covers the Town's share of health Insurance premiums for active and retired employees. In addition, it includes life insurance, dental insurance, long term disability insurance, an employee assistance program, and the Town's share of the Federal Medicare Tax. The tax-impact budget request is net of reimbursements from the Enterprise Funds for their personnel.

Group Insurance benefits for active and retired Town and School employees continue to comprise a significant percentage of the total budget, with the health insurance component growing at a faster rate than revenues. In recent years, health insurance has been a major factor in the difficulty of balancing the Town's budget. In response, the Town has implemented a number of changes, many of which have been subject to collective bargaining.

Recently the Town reached an agreement with its unions, effective July 1, 2022, to continue services with the West Suburban Health Group with two "deductible" plans including a benchmark and a high deductible option that are more cost effective for the Town. The change will moderate cost and continue to provide an excellent choice of health care plans for employees and retirees. Although the changes in plan offerings will slow the growth in health insurance costs to a more affordable level, all staffing additions must be thoroughly vetted because of their negative impact upon benefit costs

Worker's Compensation

The Town self-funds its Workers' Compensation program and has a dedicated employee within the Human Resources department to manage all claims and cases. The program includes the cost of reinsurance to protect against catastrophic cases. An actuarial analysis is performed annually to determine the adequacy of the self-insurance fund and to identify an annual appropriation amount. Because of several years of good claims experience, the Town has

reached the balance recommended by its actuarial firm and has therefore been able to keep the 2023 contribution level equivalent to 2021.

OPEB Liability Fund

Other (than Pension) Post- Employment Benefits (OPEB) liabilities are the cost of the Town's actuarially determined obligation to subsidize a portion of retiree medical insurance for retired Town and School employees. Drivers of OPEB liability costs include health care costs, the size of the eligible population, and the level of benefits provided. Health care cost inflation, an aging population, consistent benefit offerings, and longer life expectancy have collectively served to increase OPEB costs in recent years.

Since 2006, the Town has been a leader in the Commonwealth in providing an aggressive strategy to fund its OPEB liabilities by 2037. OPEB contributions were increased annually over the course of a decade using a capital exclusion as part of the plan, and eventually OPEB contributions were funded entirely within the levy. The current actuarial funding schedule recommends a level annual appropriation of \$3,450,000, which no longer adds a structural imbalance to the budget. The funded status has continued to improve, and the Town now expects the past service liabilities to be fully funded by 2030, with an assumed interest rate of 6.0%. The Retirement Board manages the OPEB investment at the Town's request and secures actuarial valuations every two years.

Pension and Retirement Contribution

The majority of Town employees participate in a defined benefit pension plan, the Wellesley Contributory Retirement System (WCRS). Public School teachers and certain administrators are members of the Massachusetts Teachers' Retirement System, to which the Town does not contribute. WCRS members are required to contribute between 7 and 11% of annual covered compensation (depending upon their hire date; the majority are now at the 11% level with 9% on the first \$30,000 and an additional 2% on the rest). The Town is required to pay its share of the actuarially determined contribution, which includes amortization of past service costs. Employees do not participate in Social Security and contribute significantly more to their own retirement than private sector employees contribute to Social Security.

Table 14 – Historical Pension Contribution

	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Request
Contributory Retirement Pension Contribution	\$5,940,854	\$7,040,036	\$7,285,678	\$7,562,273	\$7,835,775	\$8,350,000	\$8,851,507	\$9,438,070	\$9,756,209	\$10,034,958
Tax Impact Portion	5,008,205	5,943,377	6,150,755	6,390,114	6,621,863	7,056,425	7,487,909	7,965,781	8,234,817	8,586,426
Year-over-year increase in tax impact portion	1,798,361	935,172	207,378	239,359	231,749	434,562	431,484	477,872	269,036	351,609
Percentage increase in tax impact portion	56.03%	18.67%	3.49%	3.89%	3.63%	6.56%	6.11%	6.38%	3.38%	4.27%

The FY23 appropriation of \$8,586,426 (up 4.27% from FY22), has been increased slightly to allow for an increase in the COLA (cost of living) base, which had been approved by Town Meeting.

This schedule is projected to achieve full funding by 2030. The current amortization schedule is based upon the assumption that the average annual investment return will be 6.625%, which is more conservative than most other systems within the Commonwealth, but in line with

assumptions of other systems nationwide. The WCRS remains one of the best funded systems in the Commonwealth.

Unemployment Compensation

The Unemployment Compensation budget is used to reimburse the Massachusetts Division of Employment Security for actual claims paid on behalf of the Town. The Town has the option of paying a fixed percentage of payroll, or actual expenses, and has chosen the latter, less expensive approach.

Compensated Absences

The Compensated Absences budget provides funds to pay eligible employees for sick and vacation time earned in prior years upon retirement, termination or death subject to the provisions of the respective collective bargaining agreements. Because these payouts cannot always be predicted or absorbed, this appropriation serves as a reserve for non-school budgets. Any unused amounts at fiscal year-end revert to free cash. Non-union contract employees are not compensated for unused sick time, and vacation carryover is limited by Town bylaws and Human Resources Policy.

H. RECEIPTS RESERVED FOR APPROPRIATIONS

Table 18 – Traffic & Parking Operating Budget

	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Request	FY22-23 Change
Traffic & Parking Operations	\$1,046,336	\$975,018	\$1,228,015	\$894,685	\$905,291	1.19%

Funds for Traffic and Parking expenditures are provided by parking meter receipts from on-street meters and the municipal parking lots. The receipts are deposited into the Town's Traffic and Parking Fund. The operating budget for the Traffic Fines Processing Department was moved to this non-tax impact budget some years ago. The budget funds the Traffic Fines Processing Department; traffic engineering services; meter maintenance; snow removal; sanding services for the Town's parking lots; and parking lot repair and maintenance.

The Operating budget request of \$905,291 is a 1.19% increase over FY22. The total budget request is within the Select Board's Budget Guideline.

I. CASH CAPITAL AND DEBT SERVICE

Departmental Cash Capital

The overall Cash Capital budget request for FY23 is an increase of 58.15% to \$6,737,443. The combined inside-the-levy (cash capital and debt service) financing budget for FY23 is \$11,737,443 or 6.8% of revenue, at the top of the Select Board target range of 6.2%-6.8%. In FY24-FY26, based upon projected inside-the-levy borrowing, there is currently projected to be between \$5 million and \$7 million available for cash capital.

Table 16 – Five Year Trend of Departmental Cash Capital

	FY19	FY20	FY21	FY22	FY23	FY22-23 % Change
Public Works	2,026,000	2,276,000	1,677,000	1,696,000	3,101,000	82.84%
Schools	947,629	1,101,028	828,691	816,739	1,055,497	29.23%
Facilities - Schools	1,159,000	937,000	223,000	847,000	507,000	-40.14%
Facilities - Town	691,000	913,000	665,000	360,000	1,166,000	223.89%
Facilities - Total	1,850,000	1,850,000	888,000	1,207,000	1,673,000	38.61%
Planning Board	25,000	30,000	-	-	-	0.00%
Select Board	240,679	452,089	338,066	311,500	467,646	50.13%
Library	76,800	124,300	70,725	122,880	219,300	78.47%
Town Clerk	-	-	-	16,000	23,000	100.00%
Assessors	-	-	-	-	93,000	100.00%
NRC	99,000	80,000	78,750	90,000	105,000	16.67%
Morses Pond	40,000	-	-	-	-	100.00%
Total Cash Capital	5,305,108	5,913,417	3,881,232	4,260,119	6,737,443	58.15%

Department of Public Works

Following constrained budgets during the pandemic uncertainty, the DPW Cash Capital plan for FY23 is \$3,101,000, an increase of 82.84% over FY22. Major components of the budget include: vehicles and equipment (\$765,000), street and sidewalk improvements (\$855,000), drainage system rehabilitation (\$724,500), and DPW facilities (\$354,000). It is worth noting that Cash Capital needs are projected to grow significantly over the next five years (averaging just over \$4 million per year over the FY24-26 timeframe). The projected increase is to come from a combination of deferred projects and deferred equipment purchases, as well as an anticipated increase in costs associated with such projects and assets in the future.

Schools

The WPS request of \$1,055,497 is an increase of 29.23% above FY22 and is comprised totally of technology. Over 76% of the budget is taken up with replacement of laptops, iPads, Chromebooks, printers, servers, network infrastructure, projectors and assistive technology. During the pandemic years of FY21 and FY22, the cash capital budget was reduced, with the district extending life cycles on technology where possible. Technology needs are expected to require over \$4.3 million dollars of cash capital over the next four years. Details are available in the FY23 WPS Budget pages 273-276.

Facilities Management

The FMD Cash Capital Budget increases 38.61% to 1,673,000 in the FY23 budget. The major component of this budget increase includes LED lighting upgrades at Wellesley High School, Warren, Preschool, and the Police Station (\$1,405,000). These are all part of the ongoing LED program to replace inefficient lighting systems by FY25. Additional expenses include HVAC recommissioning and maintenance projects at Warren, Police Station and all three Library buildings.

Select Board

The Select Board Cash Capital request is \$467,646, a 50.13% increase from FY22. Cash Capital investments, as is true in most years, are centered in IT (38.7%) and the Fire Department (36.46%). Notable FY23 investments include a Command Hybrid Vehicle, Emergency Utility Truck, and Scott Air Bottles for the Fire Department, and Core Network Switches and Fiber Infrastructure Build-Out for IT. Additionally, replacement of some Portable

Radios for the Police (\$66,000) and the final phase of the CAC strategic plan consulting (\$50,000) are included

Wellesley Free Library

The Cash Capital request for the Wellesley Free Library is \$219,300 for FY23, or a 78.47% increase over FY22. Major drivers of this budget include \$154,300 in technology costs, including replacement of computers, peripherals, IT infrastructures, and security cameras; \$55,000 for a new electric van which has been on the WFL's Five Year Capital Plan since 2017 and has been deferred three times; and \$10,000 for the WFL's next Five-year Strategic Plan. In FY21 and FY22, the library reduced its capital budget 25% and 46% respectively at the request of the Select Board but was not asked to make further reductions in FY23.

Debt Service

This budget provides funds to pay the FY23 principal and interest payments due on all Town permanent and temporary loans (except those of the Enterprise Funds, which are paid from their respective budgets). For FY23 Debt Service for debt Inside and Outside the Levy will increase 58.15% to \$22,756,223.

While the capital plan shows the entire costs of projects in their expected year of appropriation, the debt service budgets for these capital projects are based upon estimates of the timing of cash flows (predominately staggered rather than all at once) needed to fund the projects. Debt service appropriations for debt that has been issued (existing debt) are much more predictable than for debt that has not yet been issued.

The Town currently enjoys a AAA bond rating, which enables it to borrow at favorable interest rates. Most of the Town's debt is amortized using a conservative level-principal (rather than level-payment) approach. Shorter amortizations, which cause debt appropriations to decline quickly and reduce interest charges, have been the Town's practice. In recent years, the Town has also saved significant amounts by refinancing existing debt at lower interest rates.

Table 17 – Historical Trend of Debt Service

Debt Service	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	FY 23 Request	FY22-23 Change
Total Inside Levy Debt Service	4,002,083	4,300,000	5,000,000	5,900,000	5,000,000	-15.25%
Outside the Levy Debt Service	12,552,089	11,440,452	10,963,404	11,537,527	17,756,223	53.90%
TOTAL Debt Service	\$16,554,172	\$ 15,740,452	\$ 15,963,404	\$ 17,437,527	\$ 22,756,223	30.50%

In addition to the projects financed inside the levy, three debt exclusions have been approved in the last 18 months including the Middle School Building Systems in December 2020, Hardy Elementary School in December 2021, and Hunnewell Elementary School in December 2021. In February 2022, the town was able to borrow for the Hardy and Hunnewell Elementary School debt at 2.2% interest rate, which is significantly lower than the 4% that was previously projected.

Over the next five years, two debt exclusions are planned:

- Town Hall Interior Renovation – (December 2022); and
- Renovation/Reconstruction of PAWS Pre-School (November/December 2027).

There are also several significant projects to be funded with debt Inside the Levy (not debt exclusions), including the renovation of certain DPW facilities (\$9.4 Million). Levy borrowing over the next five years will, in aggregate, average \$6.8 Million per year.

If approved, debt associated with these projects (Inside the Levy and Exempt) will contribute to an increase in property owners' tax bills. Please see the "Future Projected Capital Projects and Borrowing Needs" section of the Town Wide Financial Plan starting on [page 24](#). Additionally, the following charts and Tables in the TWFP are valuable resources to gain context around the Town's projected Debt Service:

- Appendix A Full Schedule of Major Capital Projects on [page 38](#) of the report for a schedule of major projects; and
- Modeled Median Tax Bill on [page 28](#) of the report to see a hypothetical projection of future annual tax bills based on the Median Property Value.

Advisory Considerations

Perspectives

First, the Advisory Committee deeply appreciates and values the partnership and diligent work of the Finance Department, Town boards, staff of the boards and departments, as well as volunteers in the development of the annual budget. These analyses could not have been done without this collaboration. Importantly, Advisory is grateful for the tremendous patience and diligence of all who presented the material and graciously answered many questions.

To recap, the FY23 omnibus budget request is \$191,900,649; a \$12,540,287 or 6.9% increase over the Final FY22 omnibus budget request of \$179,360,362. The overall Select Board budget for FY23 of \$199,416,632 is balanced as required by Town Bylaws. The median tax bill is projected to be \$15,178 for FY23, an increase of 6.25% from the FY22 median tax bill of \$14,285.

1. *Use of Free Cash:* Deployment of Free Cash of about \$2.7 million to assist in balancing the budget is close to the Select Board's typical use of approximately \$2.5 million. Following two years of austerity, the Select Board proposes to pull three large projects totaling \$3.7 million out of cash capital to fund through separate Annual Town Meeting articles with Free Cash. The Board further agreed to fund the first year of operating and capital expenses for the proposed Land Use Department relocation project with Free Cash in the amount. In all, the budget anticipates a total Free Cash draw of just over \$7 million.
2. *Status of Reserves:* Reserves remain high because of increased departmental turnback, and FY21 and FY22 decisions to bolster reserves to allow flexibility in responding to the global pandemic. Reserves are now substantially above the 8%–12% policy range, at \$32,503,359 or 19.61% of revenue as of the end of FY21 and are still expected to be robust for FY22 year-end at 15.4%.
3. *Cash Capital, Debt Service and Debt Policy:* The Select Board established a debt policy in 2018 that limits spending for Cash Capital plus Inside-the-Levy Debt Service to a range of 6.2%-6.8% of revenues. This is viewed as the appropriate level for maintaining assets, while avoiding operating overrides or compromising operating budgets. For FY23, the Select Board agreed to target the high end (6.8%) of the range. When combined with the use of Free Cash to fund three other capital projects as noted above, the FY23 budget catches up significantly on deferred capital items with a total capital expenditure of about \$15 million inclusive of Cash Capital (\$6.7 million), Free Cash capital expenditures (\$3.7 million), and inside the levy borrowing (\$5 million). Moving forward, of course, the Select Board and relevant Town Boards, Committees and Commissions will continue to have to make difficult choices on capital projects to maintain future financing within policy.

4. Personal Service Expense: Personal service expense remains and will likely always be the largest driver of the Wellesley operating budget. As a result, managing headcount will remain critically important. Maintaining or potentially decreasing headcount through greater efficiency while retaining the excellent level of service residents expect should continue to be a primary goal throughout the Town's operations. For WPS, COLA, step, and lane increases, will likely continue to pressure future operating budget guidelines. Further, in the 2019-2020 academic year before COVID-19, class size was under guideline in 52% of the elementary school sections. Advisory recognizes the challenge of managing class section size in a neighborhood school environment, and given continued enrollment supports the School Administration and the School Committee in managing the staff as creatively as possible to help contain the growth in the number of FTEs.
5. Outlook: The key challenges in delivering a balanced budget in FY23 -- managing personnel costs and capital needs -- remain the same as in recent years and may be exacerbated in the future by the ongoing impacts of the lingering pandemic, rising inflation, and supply chain uncertainty. Nevertheless, at this point the Select Board's current projected deficit for FY24 is about \$0.4 million with an increased 3% guideline and no application of additional Free Cash. This is about 6.1 million less than projected in March 2021. The FY25 and FY26 out-year projections have deficits of \$0.6 and \$0.9 million, respectively. For a detailed summary of the FY23 balanced budget and highlights, please refer to the Town Wide Financial Plan.

Overall, Advisory continues to have a largely positive assessment of the Town's financial health as demonstrated by the adequacy of its reserves; strong and stable revenue base; success in accessing Covid-related funding; its ability to balance operational and capital needs; and the significant progress the Town continues to make toward funding pension as well as Other Post-Employment Benefits (OPEB) liabilities which are both slated to be fully funded by 2030. The Town remains at the forefront of municipalities in fulfilling these obligations to its retired employees. Bond rating agencies in turn reward the Town through higher bond ratings, which result in lower borrowing costs for the Town. Advisory is also pleased that the Executive Director and the Select Board continue to work proactively working with the unions to continue to contain health care costs.

Discussion

When voting on Article 8.2 Advisory members gave special consideration to the following points:

1. Budget, Process, and Capital Planning: Advisory commends the work of the Finance Department and Executive Director, under the direction of Select Board, for their thoughtful and prudent budgetary approach over the past several years. As a result, the Town is in a position to fund both operating needs and robust capital spending and has a solid future outlook. The Advisory Committee applauds this conservative approach and supports a continued careful approach to balancing the various Town needs including the various initiatives that are ongoing.
2. Supportive Unsupportive Votes: This year nine departments or requests met the criteria for taking a Supportive/Unsupportive vote by being over the Select Board operating budget guideline. Of those, seven were unanimously supported. The remaining two departments were also supported but with split votes: NRC (eleven in favor, three opposed); and CAC (eleven in favor, two opposed).
3. School Budget, and Enrollment: Some Advisory members expressed reservations with the school budget portion of the Omnibus budget. A fundamental concern was the

sustainability of the WPS budget and continued annual budget increases despite the significant and continuing decline in enrollment. Several Advisory members felt that this reality has not been fully acknowledged, and that the issue should be explicitly addressed with a plan for the future. Others pointed out that while overall FTEs are increasing, the number of licensed teachers appears to be declining in favor of long-term substitutes and professional support staff. Some members questioning the school budget perceived that the School Committee has not providing adequate information to the community (or Advisory) on a timely basis which has fed concerns about the school system, although others felt the School Committee had been responsive this year to Advisory in providing requested information. A few Advisory members also mentioned concern with the budget relative to school performance, rankings, and accountability. It is worth noting that several members expressed the sentiment that they would vote for the Omnibus Budget as a whole, despite the concerns regarding the School budget.

Members who expressed support for the school budget (and overall Omnibus budget) stressed that contractual school salary increases alone have put the District up against the operating budget guideline every year in the recent past, thereby handicapping the District's ability to make "strategic" and "other critical needs" investments. Indeed, given these pressures, some felt that the Schools had "done their job" by coming in on guideline. Also, some noted that, under extremely difficult circumstances during the pandemic, the school system was providing excellent educational and emotional support as evidenced by the hiring of elementary math and adjustment councilors to address student needs. These supportive Committee members also articulated the need for the District to be creative and flexible in managing the projected continued decline in school enrollment as a way allow more flexibility in future budget development.

It is worth noting that some members wondered if, in the future, the school budget might merit its own warrant article due to the size and scope in relation to other town budgets.

4. Process: Finally, some members noted that, in the omnibus, a few departmental budgets had changed from what was originally presented to Advisory, and suggested concerns about whether this allowed independent boards to fully bring their ideas forward to Town Meeting.

Advisory recommends favorable action, 9-5.

ARTICLE 8, MOTION 3

This motion seeks the authorization from the Town to transfer the sum of \$2,627,036.00 from Free Cash to Available Funds in order to balance the FY23 tax-impact budget. Town Meeting action on this Motion is contingent upon passage of Motion 2. The Town has transferred Free Cash to reduce the tax rate (i.e., to balance the budget) in eight of the last nine years.

Advisory Considerations

Advisory support this transfer of funds from Free Cash to adequately fund the budget proposed in Article 8, Motion 2.

Advisory recommends favorable action 14 to 0.

ARTICLE 9. To see if the Town will vote pursuant to Section 53E1/2 of Chapter 44 of the Massachusetts General Laws, as amended by Section 86 of Chapter 218 of the Acts of 2016, to set the limit on the total amount that may be spent from each revolving fund for Fiscal Year 2023 as follows:

- a. Street Opening Maintenance Fund: \$225,000.00
- b. DPW Field Use Fund: \$200,000.00
- c. Turf Field Fund: \$150,000.00
- d. Tree Bank Fund: \$75,000.00
- e. Baler, Compactors, and other RDF Equipment Repair Fund: \$50,000.00
- f. Council on Aging Social and Cultural Programs Fund: \$140,000.00
- g. Teen Center Program Revenues Fund: \$50,000.00
- h. Library Room Rental Fund: \$35,000.00
- i. Lost/Damaged Library Materials Replacement Fund: \$20,000.00
- j. Brookside Community Gardens Fund: \$3,000.00
- k. Weston Road Gardens Fund: \$7,000.00
- l. Library Copier Fees Fund: \$20,000.00
- m. Cultural Council Revenues Fund: \$6,500.00

or to take any other action in relation thereto.

(Select Board)

In this Article, the Select Board (SB) seeks Town Meeting approval to update Article 55 Revolving Accounts for the FY23 annual authorization or reauthorization of all the revolving funds listed in Chapter 55 of the Town Bylaws.

Overview

These revolving funds are sourced solely from departmental receipts received in connection with the programs supported by the funds. Expenditures may be made without further appropriation, and they have no tax impact on the Town budget. Annual expenditures may not exceed the revolving fund balance or the authorization limits, and any earnings on these revolving funds are returned to the Town's General Fund. Per state law, the total of all revolving funds may not exceed 10% of the prior fiscal year's tax levy and no single board or department may spend more than 1% of that levy amount.

The table below contains an overview of the thirteen revolving funds addressed in this Article. The table includes the responsible board/department, the FY23 requested annual expenditure limit for the fund, and the history of past authorization levels.

Annual Expenditure Limit (\$) Revolving Fund					
	Expended By	ATM	FY21	FY22	FY23
Street Opening Maintenance	DPW	2006	225,000	225,000	225,000
DPW Field Use Fund	DPW	2006	200,000	200,000	200,000
Turf Field Fund	DPW	2011	150,000	150,000	150,000
Tree Bank Fund	DPW	2011	75,000	75,000	75,000
Baler, Compacters, and other RDF Equipment Repair Fund	DPW	2017	50,000	50,000	50,000
COA Social & Cultural Programs	COA	2006	140,000	140,000	140,000
Teen Center Program	Rec. Dept.	2006	50,000	50,000	50,000
Library Room Rental	Library	2009	35,000	35,000	35,000
Library Lost/Damaged Materials	Library	2016	20,000	20,000	20,000
Brookside Community Gardens	NRC	2006	3,000	3,000	4,000
Weston Road Gardens	NRC	2017	7,000	7,000	7,000
Library Copier Fees Fund	Library	2018	20,000	20,000	20,000
Cultural Council Revenues Fund	Cult. Council	2019	6,500	6,500	6,500

The authorized expenditure limit for each revolving fund in FY23 is the same as it was in FY22 except for the Brookside Community Garden which has increased by \$1,000 to \$4,000 due to increased costs for water. (NOTE: Because this change was made after the Article was written and the Warrant was signed and accepted, Article 9 cannot be included In Article 3. Consent Agenda.)

Advisory Considerations

Advisory supports favorable action on the annual reauthorization of the funds including the increase for Brookside. Advisory continues to support the management of these programs through revolving funds, as approved consistently at Town Meetings since 2006. For all these revolving funds, expenditures are paid from cash receipts collected from outside sources specifically for the purposes designated and without any expense to the Town. When necessary, updating revolving funds by reclassifying them to be more appropriately aligned with their intended uses is a practical way of reflecting the changes in the use of the revolving funds that periodically occur. So, too, revolving funds periodically may be added or removed to keep current with evolving state requirements.

Advisory recommends favorable action, 12 to 0.

ARTICLE 10. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to the Special Injury Leave Indemnity Fund established under Article 9 of the 2017 Annual Town Meeting, or to take any other action in relation thereto.
(Select Board)

In this Article, the Select Board (SB) requests Town Meeting approval for the appropriation of \$38,605.00 to the Town's Special Injury Leave Indemnity Fund (the Fund). Article 9 of the 2017 Annual Town Meeting established the Fund solely for the payment of injury leave compensation and medical bills for police and firefighters injured on duty, pursuant to the authority granted by Massachusetts General Laws, chapter 41, §111F. This Fund is intended to ensure adequate public safety staffing by covering medical costs and wages lost to injuries when those costs outstrip the insurance policy and public safety operating budgets. Monies transferred into the Fund may be expended without further appropriation by the SB.

The town annually appropriates the unused funds in the Injured On Duty insurance operating budget (measured at fiscal year-end), to be added to the Special Injury Leave Indemnity Fund. Town management continues to evaluate the adequacy of funding provided for this purpose. For the past several years, the Town has also sought insurance to provide indemnity coverage for the payment of injured on duty salaries, but the cost has become prohibitive due to the Town's past claims history.

Advisory Considerations

Advisory supports this appropriation as prudent.

Advisory recommends favorable action, 12 to 0.

ARTICLE 11. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to the Special Education Reserve Fund established by the vote taken under Article 10 at the 2017 Annual Town Meeting to pay, without further appropriation, for unanticipated or unbudgeted costs of special education, out-of-district tuition or transportation, or to take any other action in relation thereto.
(Select Board)

Overview

Section 24 of the Municipal Modernization Act (MMA) of 2016 authorized an additional reserve fund for special education, allowing a district to appropriate and transfer to the reserve fund money to be used for unanticipated or unbudgeted costs of special education. The Town responded by creating its own Special Education Reserve Fund (the Fund) at ATM 2017. The Fund is intended to protect the school budget from unforeseen special education costs (e.g., unanticipated out-of-district placements, unusual transportation costs, or other extraordinary expenses) and other factors that vary from year to year (e.g., the number of students needing services, the degree of complexity of individual education programs, and levels of State reimbursement for Special Education). Prior to the adoption of the Fund, such costs made it difficult to manage the overall budget and, at times, required the Town to transfer Free Cash to balance the budget at the end of the fiscal year. Amounts from the Fund can only be distributed after majority votes by the School Committee and by the Select Board.

Revenues from Medicaid receipts related to special education were deposited into the Fund when it was established, with a plan to continue to build the Fund in subsequent years. At subsequent Annual Town Meetings in 2019 and 2020, in addition to the Medicare receipts, additional payments of \$500,000 each were transferred from Free Cash to the Fund in order to build up available assets. The Fund now allows the School Committee to formulate an annual

budget request which provides only for those students known or reasonably anticipated to be on Individualized Education Programs (IEPs) for the coming fiscal year. The maximum balance which may be held in the Fund is 2% of Wellesley's prior year actual net school spending, which is expected to be \$1,983,257 in FY22.

The Select Board recommends, as usual, contributing the prior year's Medicaid reimbursement receipts, which for FY22 will total \$275,000. This represents a substantial increase from the \$57,000 reimbursement in FY21. This will bring the SPED Stabilization Fund to \$1,702,946, or 86% of the maximum allowed, and the Select Board does not anticipate a need for additional funding this year.

Advisory Considerations

Advisory supports the proposed deposit of the prior year's Medicaid reimbursement of \$275,000 to the Special Education Reserve Fund. Advisory continues to believe that the Reserve Fund is an appropriate way for the Town to address unanticipated special education costs, and that requiring both the Select Board and School Committee to vote to authorize expenditures from the Reserve Fund provides sufficient oversight. Advisory understands that, as reflected in the Financial Reserves Policy calculations, rating agencies consider funds held in stabilization funds such as the Special Education Reserve Fund to be part of Town reserves.

Advisory recommends favorable action, 12 to 0.

ARTICLE 12. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to the Baler Stabilization Fund established by the vote taken under Article 10 at the 2016 Annual Town Meeting for replacement of the Recycling and Disposal Facility (RDF) Baler, RDF Compactors, and other RDF equipment, or to take any other action in relation thereto.

(Board of Public Works)

This Article seeks Town Meeting approval to transfer \$11,512 from Free Cash as of the June 30, 2022, certification.

The Baler Stabilization Fund was established during the 2016 Annual Town Meeting to properly account for funds that had previously been transferred to the then-called Baler Replacement Fund. The purpose of this fund is to reserve funds for the replacement of critical equipment of the Recycling and Disposal Facility, including the baler, compactors, and other equipment. The current balance in the Fund is \$906,888. The baler has already exceeded its expected useful life and, through proactive and preventive maintenance, the DPW expects the Baler will not need to be replaced for at least another five years. The five compactors have also exceeded their expected useful life and are expected to enter a replacement cycle within the next five years.

Advisory Considerations:

Advisory believes that funding the Baler Stabilization Fund is an appropriate way to prepare for the replacement of critical equipment at the RDF.

Advisory recommends favorable action, 12 to 0.

ARTICLE 13. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works for the purposes of operating and managing the Water Program, or to take any other action in relation thereto.

(Board of Public Works)

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Water Enterprise Fund's (the "Fund") FY23 receipts and cash on hand as of June 30, 2022 for payment of the Water Division's operating and capital expenditures in FY23, provided that the total amount of expenditures shall not exceed \$11,586,265. This amount is \$1.7M more than the FY22 authorization and the increases are primarily due to:

- a \$1 million increase in the Massachusetts Water Resources Authority (MWRA) water assessment due to additional water purchases;
- a \$465,000 capital projects for an MWRA Connection Feasibility Study and distribution system improvements; and
- a \$178,000 increase in Emergency Reserves to restore contingencies levels to 3% (there was one-time decrease in FY22 due to the higher-than-anticipated MWRA assessment).

Water Enterprise Fund	FY22	FY23	\$ Change	% Change
Sources of Funds				
Water Fund Receipts				
Water Use Charges	6,517,806	8,767,120	2,249,314	34.5%
Non-Operating Income	447,841	450,000	2,159	.5%
Non-Operating Contribution to Capital	0	0	0	0.0%
Loan Proceeds	1,834,823	500,000	(1,334,823)	(72.7%)
Total Receipts	8,800,470	9,717,120	916,650	10.4%
Depreciation	1,025,253	1,083,535	58,282	5.7%
Retained Earnings	41,637	785,610	743,973	1,787%
Total Sources of Funds	<u>\$9,867,360</u>	<u>\$11,586,265</u>	<u>\$1,718,905</u>	17.4%
Uses of Funds				
Salaries	1,928,980	1,987,131	58,151	3.0%
Expenses				
MWRA Water	2,311,780	3,325,451	1,013,671	43.8%
Health Insurance/Retirement/Risk Management	755,152	702,934	(52,218)	(6.9%)
All Other Operating Expenses	1,294,665	1,244,823	(49,842)	(3.8%)
Subtotal - Expenses	4,361,597	5,273,208	911,611	20.9%
OPEB (Other post-employment benefits)	38,500	38,500	0	0.0%
Depreciation	1,025,253	1,083,535	58,282	5.7%

Total Personal Services and Expenses	7,354,330	8,382,374	1,028,044	14.0%
Non-Operating Expenses	494,800	550,000	55,200	11.2%
Non-Operating Expenses (Interest)	86,236	75,236	(11,000)	(12.8%)
Capital Outlay	1,080,000	1,545,000	465,000	43.1%
Non-Operating Capital Expenditures	0	0	0	0.0%
Debt	518,932	522,500	3,568	0.7%
Emergency Reserve	333,062	511,155	178,093	53.5%
Total Uses of Funds	<u>\$9,867,360</u>	<u>\$11,586,265</u>	<u>1,718,905</u>	17.4%

Overview

The Water Division of the BPW provides for the supply, storage and distribution of water to residential, commercial and institutional customers. The Town's water supply system includes wells, pumping stations, treatment facilities and a distribution system with two underground reservoirs. The budget is designed to break even on a cash flow basis in a "moderate" water usage year. Water usage is subject to unpredictable, weather-related variation, which can affect revenues and expenses. Overall, cash and equivalents in the Fund at the end of FY23 are projected to be \$1.5 million. Interest earned by the Fund is transferred to the Town's General Fund.

Historically, water is primarily supplied from Town wells and is supplemented by the MWRA. The PFAS issue is requiring a greater reliance on MWRA water, a more expensive option. Given expected increased costs due to increased MWRA water, the Division intends to use over \$780,000 of reserves under the control of the BPW to moderate the expected rate increase to users in FY23.

Sources of Funds

Receipts from ratepayers in FY23 are projected to be \$8.8 million. This revenue is based on an estimated annual usage of 1.089 million CCF (or 815 million gallons) of Town and MWRA water. Non-operating income in FY23 is projected to be \$450,000 which includes water service demolitions and installations. These fees are paid by the individual customers requiring service and does not affect water use rates. The BPW has not yet set water rates for FY23, but the projected revenue assumes a rate increase estimated to be 34.5% (the Division notes that the increase could be up to 50%) for FY23, based principally on:

- an increase in the MWRA assessment;
- a projected water revenue shortfall; and
- increased costs associated with the interim response to the PFAS issue.

Uses of Funds

The "Total Personal Services and Expenses" line in the Sources and Uses chart shows that total operating expenses for FY23 are projected to be \$8,382,374, an increase of \$1,028,044 or 14% from the FY22 operating budget. The principal expenses of the Division are for personal service costs, the purchase of supplemental water from the MWRA and the maintenance and operation of the Town wells and distribution system. Personal service costs are projected to be \$1,987,131, an increase of \$58,151 or 3% from the FY22 budget, which is primarily due to the expected FY23 pay increases for the Series 40/50/60 and the union employees. Total expenses are increasing by \$911,611 or 20.9%, primarily due to an increase in MWRA water purchases.

FY23 Capital Budget

The BPW projects capital outlays of \$1,545,000 in FY23, including increases for:

- \$150,000 to study the feasibility of building a second MWRA Connection into the distribution system; and
- \$320,000 for water distribution system improvements.

Outside of these projects, other capital items are \$5,000 lower than FY22 yielding the \$465,000 net increase for FY23.

Outlook

The Division is pursuing several important long-term initiatives. It continues to assess solutions to the PFAS issue, including the feasibility of further reliance on the MWRA and, at the same time, evaluating a long-term PFAS cleaning facility that brings all Town wells back on line. The Division also has a multi-year plan underway to make improvements to the water distribution system, taking advantage of interest-free loans from the MWRA to minimize the impact to the ratepayers. In addition, the Division has replaced over 90 percent of the town's water meters, a project that will increase meter reliability and provide more timely information to help identify water leaks and water losses.

Advisory Considerations

Advisory believes the operating and capital budgets proposed in this Article are appropriate. In a climate of continued water rate increases due to PFAS, Advisory supports the Division's efforts to minimize cost impacts to rate payers by safely maximizing the use of the Town's water sources and encouraging water conservation. Given that this strategy will not meet demand until a long-term PFAS solution is implemented, Advisory supports temporarily filling gaps with MWRA water. Advisory also supports the Division's continued focus on a long-term solution to the PFAS issue while it carefully monitors the changing federal and state regulatory environment. In addition to controlling costs, the Division is constantly looking to protect and improve the production of the Town's aquifers and to maintain and repair the miles of underground pipe to reduce water leakage. Advisory supports the Board of Public Works request for the funds required to operate the Fund for FY2023.

Advisory recommends favorable action, 13 to 0.

ARTICLE 14. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works for the purposes of operating and managing the Sewer Program, or to take any other action in relation thereto.

(Board of Public Works)

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Sewer Enterprise Fund's ("Sewer Fund") FY23 receipts and cash on hand as of June 30, 2022 for payment of the Sewer Division operating and capital expenditures in FY23, provided that the total amount of expenditures in FY23 shall not exceed \$10,334,808.

Sewer Enterprise Fund	FY22	FY23	\$ Change	% Change
Sources of Funds				
Sewer Fund Receipts				
Sewer Charges	\$8,260,424	\$8,613,343	\$352,919	4.3%
Non-Operating Income	68,424	50,000	(18,424)	(26.9%)
Grant/Loan Proceeds	1,385,000	1,180,000	(205,000)	(14.8%)
Total Receipts	9,713,847	9,843,343	129,495	1.3%
Depreciation	486,465	491,465	5,000	1.0%
Retained Earnings	0	0	0	0%
Total Sources of Funds	<u>\$10,200,313</u>	<u>\$10,334,808</u>	<u>\$134,495</u>	1.3%
Uses of Funds				
Salaries	\$878,530	\$909,150	\$30,620	3.5%
Expenses				
MWRA Sewer	6,126,433	6,432,755	306,322	5.0%
Health Insurance/Retirement/Risk Management	350,930	307,391	(\$43,539)	(12.4%)
All Other Operating Expenses	322,068	356,964	34,896	10.8%
Subtotal - Expenses	7,677,961	8,006,260	328,299	4.3%
OPEB (Other post-employment benefits)	16,500	16,500	0	0.0%
Depreciation	486,465	491,465	5,000	1.0%
Total Personal Services and Expenses	8,180,926	8,514,225	333,299	4.1%
Non-Operating Expenses	50,000	50,000	0	0.0%
Non-Operating Expense (Interest)	45,086	38,586	(6,500)	(14.4%)
Capital Outlay	1,140,500	930,000	(210,500)	(18.5%)
Debt	267,482	267,482	0	0%
Emergency Reserve	516,319	534,515	18,196	3.5%
Total Uses of Funds	<u>\$10,200,313</u>	<u>\$10,334,808</u>	<u>\$134,495</u>	1.3%

Overview

The Sewer Division provides for the construction, operation, and maintenance of the Town's sanitary sewer system including trunks, force mains and laterals, and pumping and lift stations. Sewage is sent to the Massachusetts Water Resources Authority (MWRA) for treatment at the

Deer Island Wastewater Treatment Plant. MWRA charges represent 62% of the Sewer Division's total uses of funds.

The expenses of the Sewer Division are funded through the Town's Sewer Enterprise Fund, which is non-tax impact. Revenues are received through rates charged to users. Customer charges are based on indoor water use, which is subject to variation. To offset the resulting variability in revenue, the Sewer Division budget includes a substantial contingency. Overall, cash and equivalents in the Sewer Fund at the end of FY23 are projected to be \$3.5 million. Interest earned goes to the Town's General Fund.

Sources of Funds

Total receipts in FY23 are projected to be \$8,613,343. This revenue is based on a projected usage of 771,000 CCF (or 576 million gallons) in FY23, even with FY22 levels. The BPW has not yet set sewer rates for FY23, and the projected revenue assumes a 4.3% rate increase as of July 1, 2022.

Uses of Funds

Total Personal Services and Expenses shows that operating expenses are projected to be \$8,514,225 in FY23, which is an increase of \$333,299 or 4.1% compared to FY22. This increase is driven primarily by a \$306,322 MWRA charge increase and an increase of \$30,620 in salaries due to scheduled contract rate increases. The projected MWRA charges are based on information the BPW has received from the MWRA Advisory Board and are subject to change.

Capital Budget

Capital outlays for FY23 are projected to be \$930,000, a decrease of \$210,500 from FY22 primarily due to a reduction in the sewer system capital outlays and a manhole replacement program which has prior year funding available due to COVID-19-related delays with contractors. The FY23 capital program also includes \$80,000 for building maintenance and \$50,000 for ejector station improvements.

Outlook

The BPW expects that MWRA charges will continue to increase in future years, as the MWRA faces increasing expenditures for the operation, maintenance, and improvements of the Deer Island Wastewater Treatment Plant and other MWRA infrastructure. These increased charges will result in periodic sewer rate increases.

Advisory Considerations

Advisory believes the operating and capital budgets proposed in this Article are appropriate. Despite rising costs from the MWRA for sewage fees, the DPW does a commendable job of minimizing the impact to the Sewer Enterprise Fund budget. Advisory is supportive of the Board of Public Works request for the FY23 funding for the Sewer Program.

Advisory recommends favorable/unfavorable action, 12 to 0.

ARTICLE 15. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Municipal Light Board for purposes of operating and managing the Municipal Light Plant, or to take any other action in relation thereto.

(Municipal Light Board)

Through this Article, the Municipal Light Board (MLB) requests the appropriation of revenues from ratepayers and other sources and cash on hand as of June 30, 2022 (FY22), for payment of the Municipal Light Plant (MLP) operating and capital expenditures in Fiscal Year 2023 (FY23).

Overview

The MLP has been established and is governed by Massachusetts General Law Chapter 164 and operates as an independent, Town-owned electric utility. The MLP provides electricity to approximately 9,000 residential customers and 1,200 commercial customers. The MLP also owns and is responsible for the maintenance and improvement of the electric distribution system in Town as well as sub-transmission lines into Newton and Needham. Operations are funded from the sale of electricity to customers during the current year and retained earnings from prior years. The MLP also generates non-operating income from related services including:

- providing operations and maintenance to MassDevelopment-Devens¹;
- providing fiber connectivity for a Distributed Antenna System (DAS) for T-Mobile and Verizon Wireless;
- providing fiber connectivity for high-speed internet for Lighttower²;
- providing streetlight maintenance for the Town of Acton;
- providing streetlight maintenance for the Town of Needham; and
- providing Small Cell Wireless antennas for AT&T and T-Mobile.

The MLP's principal FY23 estimated expenses are externally-driven procurement costs, including purchase of energy (\$14.3 million) on the wholesale market and from renewable power projects, Forward Capacity Market (FCM) expenditures³ (\$4.7 million), and regulated transmission costs (\$7.1 million) which together total \$26.1 million or 79% of the MLP's operating budget. The MLP currently purchases power from 12 different supply sources, including four wind farms and five hydro projects which has increased the supply of non-greenhouse gas (GHG) emitting power to approximately 60%. In addition, MLP has been able to successfully reduce energy costs and volatility by using favorable hedging strategies with 99% of expected FY23 costs hedged.

The MLP administers the Wellesley Electric Customers Accelerated Reduction of Emissions (WECARE) program, which automatically adds 4% to monthly electric bills for all residential and commercial accounts. Customers are entitled to opt out of WECARE, and as of the end of 2021 approximately 7% of customers had opted out. The WECARE program is expected to generate approximately \$1 million of revenue per annum, with the funds held in a restricted account for the funding of local renewable energy projects chosen by the MLP for their impact on GHG reduction and enhanced grid resiliency. FY22 is the first full year in which the WECARE funds were

¹ The MLP maintains the electric infrastructure and supply lines to MassDevelopment real estate projects in Devens, a 4,400-acre former military base which was converted into a planned community in the late 1990s. The Devens contract generates the largest percentage of the non-operating MLP revenue.

² Lighttower is a business-class internet access service provider that was purchased by Crown Castle, a Standard & Poor's 500 company, in November 2017.

³ FCM revenues are set by the Independent System Operator-New England (ISO-NE) based on the MLP's demand at the time of the New England system peak from June 1 to May 31 and paid to generators to encourage the construction of new power plants.

collected and utilized. To date, the MLP board has approved the use of WECARE funds to subsidize the cost of the solar rooftop project at 900 Worcester Street (Boston Sports Institute).

In addition to WECARE, the MLP supports a number of sustainability initiatives. These include programs that provide rebates for solar, efficient appliances, and heat pump installations, as well as an electric vehicle incentive program. Importantly, the MLP is also enabling a number of larger-scale local renewable energy initiatives, including the rooftop solar project at 900 Worcester Street (under construction), the new Hunnewell School rooftop solar installation, and a proposed battery storage project under development. To assist in executing new and existing programs and developments in support of the Town's Climate Action goals, the MLP is proposing in its FY23 budget to add a full-time sustainability position to the MLP staff.

Revenues

For FY23, MLP estimates it will collect \$33.6 million of operating revenues consisting primarily of revenue collected pursuant to existing electricity rates, plus \$2.0 million of revenue attributable to the non-operating activities described above. The MLP estimates that these amounts will be sufficient to cover all operating and capital costs in FY23, including the \$1.0 million payment to the Town. In addition, the MLP estimates it will collect WECARE revenue in FY23 of approximately \$1 million, which amounts will be reserved for use in approved WECARE projects (not to fund general operating and capital expenses).

Operating Expenses

The FY23 Operating Expense budget of \$33.1 million is 5.3% above the FY22 budget, an increase of \$1.7 million. The majority of the increase is from transmission costs (up \$1.0 million). The table below compares the MLP's historical and projected expenditures for FY19 to FY23:

Operating Expenses	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Requested
Administrative & General	\$820,100	\$712,300	\$649,032	\$665,000	\$763,000
Energy Purchases	16,519,000	13,471,000	13,778,000	14,237,000	14,333,000
Forward Capacity	9,852,900	8,180,000	6,253,000	4,531,000	4,659,000
Transmission	5,567,100	5,238,000	6,458,000	6,090,000	7,131,000
Distribution	1,030,600	1,446,000	1,230,176	1,275,000	1,434,000
Customer Service	804,600	891,500	878,824	937,000	992,000
Depreciation	3,527,800	3,593,000	3,992,000	3,700,000	3,775,000
TOTAL	\$38,122,100	\$33,531,800	\$33,329,032	\$31,435,000	\$33,087,000

The MLP's biggest expense is the purchase of electricity on the wholesale market, delivered to Wellesley through the ISO-NE which is a regional electricity transmission organization servicing New England. In the past, the MLP systematically reduced its risk by locking in energy prices using a layered and staggered portfolio approach, resulting in a rolling five-year hedge profile of 80% for the current year stepping down to of 20% by the fifth year. The remainder of the needed energy was then purchased on the spot market. In response to the increased volatility of wholesale electricity prices during the summer and winter months, the MLB revised its policy to systematically increase the MLP's hedged position. In calendar years 2022 and 2023, virtually all the MLP's average monthly purchased power is hedged, with approximately 80% hedged for 2024 and 2025, and 60% hedged for 2026. With the recent run-up in commodity and energy prices, the MLP is well positioned for the foreseeable future.

The MLP incurs two additional power market expenses that are largely out of its control: FCM charges and transmission costs. FCM charges, which are set via annual auctions administered by ISO-NE, are socialized across all power consumers to ensure there is sufficient capacity and reserve margin on the power grid. In recent years, these costs have declined dramatically as deregulation of the power markets has spurred significant new entry of capacity resources. On the other hand, transmission costs, which are also socialized across all transmission users, have markedly increased over the last decade as investor-owned transmission have gained permission to build new projects and pass on increasing transmission costs to all New England electric utilities. The MLP has actively attempted to limit transmission cost inflation by joining with other public power systems to oppose certain projects and policies that it believes are not necessary for the operation of a reliable power grid.

Other functional cash costs – Administrative & General, Distribution, and Customer Service – are projected to increase by 10.8%.

- For Administrative & General, the FY23 budget is \$98,000 (14.7%) above the FY22 budget. This reflects the labor expense increase for the new sustainability position, and smaller increases for uncontrollable expenses and legal services.
- The Distribution budget, up \$159,000 (12.5%), primarily consists of the funding for line operations and engineering, which have full responsibility for providing electric service 24 hours/day, 365 days/year. The major driver of the cost increase is budgeted emergency costs required to provide restoration service in response to heavy winds, ice and snowstorms, and motor vehicle accidents, and the amounts reflect estimates in line with costs actually incurred over the last three years.
- The Customer Service Department (CSD) is primarily made up of two customer service representatives, a receptionist, a part-time administrator/accountant, a meter reader, an office manager, and a billing and collection specialist. The primary responsibility of Customer Service is to read 156,000 water and 121,000 electric meters each year and to process 167,000 utility bills through the collection process. The CSD also processes approximately 40,000 property tax bills for the Town of Wellesley. In addition, the CSD provides telephone and in-person support to the residents of Wellesley, as well as telephone receptionist support for the Department of Public Works, the Recycling & Disposal Facility, the Water and Sewer Department, and the MLP. The main factor pushing the CSD budget upward by \$55,000 (5.9%) from FY22 is the commitment of the MLP to support energy conservation initiatives. The budget for these initiatives has increased by \$80,000.

As an Enterprise Fund, Other Post-Employment Benefits (OPEB), pensions, and medical insurance must be fully funded by the MLP. Based on the most recent valuation, the MLP has fully funded its obligations in FY23.

Beyond covering the operating expenses outlined above, the MLP revenues are also used to fund a \$1 million annual payment to the Town's General Fund along with other benefits as discussed in Article 8, motion 1.

Capital Expenditures

The MLP has completed all past capital projects and is on schedule to complete all FY22 projects. The MLP continues to place the highest priority on providing reliable electric service to Wellesley residents and businesses. Long-term reliability planning begins with the evaluation of the infrastructure required to serve residents and businesses and ends with service at the customer's meter. The FY23 Capital Plan is focused on a number of planned power line and transformer upgrades that will increase distribution system voltage resulting in lower line losses, faster

restoration times, and improved power quality (reduced voltage flickering). The Plan also continues MLP's proactive annual pole inspection and replacement program, expanded internet coverage, and various other routine maintenance and hardening investments for its distribution systems. In total, planned distribution-related projects for FY23 total \$2.4 million.

In addition, the MLP budgets for a number of non-distribution infrastructure projects. The largest of these is for the deployment of smart meters across its customer base, a program that will span from FY22 to FY24. Smart meters will allow the MLP to get more data, create different Time of Use (TOU) rates, increase reliability, and eventually have a portal for customers to have access to their consumption data and therefore have a better notion of their electrical usage. This will be helpful in energy conservation, which the MLP considers as a key factor in Town's Climate Action goals. Other non-distribution expenditures include vehicle replacements, reimbursable customer-related work (upgrades and new service hookup), and miscellaneous general plant and service-related costs. In total, planned non-distribution-related projects for FY23 total \$2.4 million.

The table below compares the MLP capital budget from FY19 through FY23.

	FY219 Budget	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Requested
Total Capital Budget	\$3,662,000	\$3,521,146	\$5,306,104	\$5,226,697	\$4,829,718

Outlook

The MLP remains in a solid position to address future challenges and contribute to the Town's Climate Action initiatives. Energy prices have been locked-in through FY23 and appear to be stable through FY25. FCM prices have decreased materially and stabilized, and transmission costs, while continuing to increase, are expected to do so at a measured, predictable level. The distribution system has been well maintained and operates at a high level of reliability. The MLP has successfully implemented the WECARE program and, in combination with the new sustainability position and existing incentive programs, is positioned to support local GHG-reduction initiatives and the Town's Climate Action goals. Past MLP decisions to proactively fund capital improvements have placed the MLP in a strong financial position, with \$61,000,000 in net plant assets and virtually no debt.

The MLP continues to look for ways to reduce its costs. Since 1996, its workforce has been reduced from 46 employees to 33, with the sustainability position to be added in FY23. Despite this overall workforce reduction, the MLP has expanded revenues by undertaking non-operating projects such as MassDevelopment-Devens, dark fiber leases¹, pole-mounted antennas for improved cellular communications, and providing internet service to business customers.

The overall good condition of the distribution infrastructure along with a significantly hedged power supply portfolio should ensure Wellesley's service remains among the lowest cost and most reliable in New England for the foreseeable future.

Advisory Considerations

Advisory believes the MLP's operating and capital budgets are appropriate. The MLP has successfully and proactively managed its costs while finding opportunities to generate additional funds through non-operating activities. It has also taken important steps to promote the Town's

¹ A dark fiber is an unused optical fiber, typically installed as extra capacity when developing fiber networks to provide for future expansion and/or network redundancy. Electric utilities have routinely added additional fibers which they then make available for lease to other carriers.

Climate Action goals, including through its support of the solar projects at Hunnewell (approved) and Hardy (approval pending as of this writing). As provided in Article 8, Advisory favorably regards the annual payment-in-lieu-of-taxes in the amount of \$1,000,000 which is well in excess of the property taxes that Wellesley would collect if electric service were provided by an investor-owned utility.

Recognizing it is early days for the new WECARE program, which was approved pursuant to a specific resolution adopted by Town Meeting in 2020, Advisory looks forward to hearing about the status and use of funds in future years. In particular, this would include data relating to enrollment, collections, and cash balances; summaries of projects to be funded by WECARE together with the economic and environmental considerations in support thereof; and a discussion and analysis of alternative uses that are considered and prioritized.

Advisory recommends favorable action, 13 to 0.

APPROPRIATIONS – SPECIAL CAPITAL PROJECTS

ARTICLE 16. To see if the Town will vote to hear and act on the report of the Community Preservation Committee on the Fiscal Year 2023 Community Preservation Budget, to appropriate or reserve for future appropriation, from FY 2023 Community Preservation Fund annual revenues and reserves, sums of money to meet the administrative expenses and all other necessary and proper expenses of the Community Preservation Committee for the Fiscal Year beginning July 1, 2022, to make debt service payments, and to undertake community preservation projects as recommended by the Community Preservation Committee, and which recommendations may involve the transfer or borrowing of funds and expenditures, or to take any other action in relation thereto.

(Community Preservation Committee)

Overview

The Community Preservation Committee is in the 20th year of formation and has been a wonderful asset to our Town's well-being.

Community Preservation Act (CPA) funds come from two sources: a surcharge on local property taxes and a "match" from the state CPA Trust Fund. The CPA requires that at least 10% of the funds be spent or reserved in each of three categories: open space, historic resources, and community housing. Funds that are not expended may be carried over for future use.

FY21 funding was: local surcharge on property tax (1%) - \$1,383,743, State matching funds - \$383,938, and interest income - \$14,767; the total income was: \$1,781,448.

Based on estimated FY21 revenues of \$1,781,448, the CPC requests the 2022 Annual Town Meeting support of the following appropriations. Note: included is the debt service payment of \$550,244 for the purchase of the North 40 property, this payment request is under Article 8.2 under the Open Space reserve requirement.

- Motion 1: An appropriation of \$85,000 for administrative purposes, and two appropriations of \$230,000, each to the Historic Resources Reserve and the Community Housing Reserve, all from Undesignated Funds.
- Motion 2: An appropriation of \$80,000. From the Undesignated Funds to the Natural Resources Commission to complete the procurement of a large weed harvester at Morses

Pond.

- Motion 3: An appropriation of \$20,000. From the Undesignated Funds to the Natural Resources Commission for a lawn conversion pilot program.
- Motion 4: An appropriation of \$400,000. From the Undesignated Funds to the Natural Resources Commission for the retrofit of the lighting at the Hunnewell Field Complex.
- Motion 5: An appropriation of \$7,500. From the Historic Resources Fund to the Planning Department for the restoration of the 1897 Town Atlas.
- Motion 6: An appropriation of \$58,000. From Open Space Fund to the Recreation Department for an Active Field Optimization Study.

Favorable action under these Motions would have no tax impact but would reduce the balance in the Community Preservation Fund available for future projects.

With a debt service payment of \$550,244 for the North 40 purchase as stated in the Article 8 Motion 2 Omnibus Budget, recommended CPA appropriations for FY22 total \$1,660,744. The proposal satisfies the 10% requirements noted above, and the projects received Favorable action by the Community Preservation Committee. For more details, see the CPC Annual Report, appended to this Report, and the Budget Book at www.Wellesley.ma.gov/2022budgetbook

ARTICLE 16, MOTION 1: Administrative Costs and Reserves

The CPC requests the following:

- \$85,000 for administrative funds (4.8% FY 21 Revised)
- \$230,000 to be appropriated to the Historic Resources Reserve (12.9% FY21 Revised)
- \$230,000 to be appropriated to the Community Housing Reserve (12.9% FY21 Revised)

The Town may appropriate up to 5% of estimated annual reserves for administrative purposes, from Undesignated Funds. These funds are used to fund any consultant fees or professional services used to analyze potential CPA projects. In addition, the salary of a part-time administrative assistant, dues for membership in the Community Preservation Coalition, and any other administrative expenses come from this appropriation. Any unused funds revert to the Wellesley CPA undesignated balances.

As outlined above, by State CPA statute the Town is required to appropriate or reserve for future use a minimum of 10% of estimated annual revenue for three designated purposes: open space, historic resources, and community housing. The debt service payment on the CPA funds used in the purchase of the North 40, \$550,244 approved under Article 8, fulfills the required annual contribution to the Open Space reserve. Therefore, the required 10% appropriation is requested for the two remaining reserves, Historic Resources and Community Housing.

Total recommended Appropriation: \$545,000, taken from the Undesignated Balance as of June 30, 2021.

Advisory Considerations

Advisory believes this is an appropriate request, and that reserving \$230,000 in revenues to both Historic Resources and Community Housing is reasonable and appropriate.

Advisory recommends favorable action, 12 to 0.

ARTICLE 16, MOTION 2: Appropriation to the Natural Resources Commission

At the 2021 ATM, a CPA appropriation of \$315,000 was approved for the purchase of a new Large Weed Harvester for the ongoing maintenance of underwater growth at Morses Pond. Despite the

best efforts of the consultant and Town staff to estimate the cost, steep price increases in materials like stainless steel have driven up the cost of the harvester. The additional appropriation of \$80,000 will provide adequate additional funds needed to complete the purchase of the new weed harvester.

An update to the Comprehensive Pond Management Plan in 2017 outlined the effectiveness of mechanical weed harvesting on Morses Pond, noting the excessive weed growth without harvesting which was exhibited on the occasions when the harvester was out of order. The update noted that the harvester would not likely remain functional for much longer. The consultant recommended the NRC/DPW start planning for the replacement. Since then, the DPW has managed to keep the harvester working, on and off. A replacement harvester was added to the five-year capital plan.

Morses Pond is a significant asset for the Town of Wellesley, for both its active and passive recreational uses and for its value as an open space wildlife habitat. The weed harvester is necessary to ensure the ongoing health of the pond and the valuable role it plays in our community. The CPC has been committed to the preservation of Morses Pond since the very early days of the CPC.

This Motion recommends the \$80,000 to be made available at the close of this ATM, taken from the Undesignated Balances as of June 30, 2021.

Advisory Considerations

Though some Advisory members expressed concern that the NRC did not get a firm quote on its original bid process, but they did understand that many commodities, such as stainless steel have gone up in price.

Advisory expressed support of the continued funding given to the Morses Pond Project by the CPC.

Advisory recommends favorable action, 12 to 0.

ARTICLE 16, MOTION 3: Appropriation to the Natural Resources Commission

This appropriation of \$20,000 from Undesignated Funds will fund a two-year program to convert a traditional grass, power-mowed lawn on town-owned land to a more ecologically valuable landscape with native grasses and wildflowers. The goal is to demonstrate the potential for pollinator friendly, low maintenance landscapes that can be used on public and private land, both residential and institutional, that are more environmentally friendly. Potential locations for the first site are the town-owned parcel at the intersection of Cedar and Walnut Streets or Simons Park, located on NRC land adjacent to the Main Library.

This pilot program is in keeping with the NRC's efforts, which have been supported in part by past CPA appropriations, to increase the use of native, pollinator friendly plantings across town and to educate the public on more environmentally friendly methods of landscaping and yard care.

The NRC has gathered information from the experiences of other groups' efforts, in particular the Conservancy of the Rose Kennedy Greenway in Boston, and will work in partnership with Ms. Cricket Vlass, Wellesley's Landscape Planner, and the DPW. It is anticipated that the first phase of planting will take place in the fall.

The CPC believes this is an excellent example of why the CPA is an important program: it supports the implementation of new and innovative ideas that would not necessarily receive

funding from traditional tax-impact sources. The CPC unanimously supports this effort and the NRC's ongoing efforts to educate the Town on ways to be more environmentally healthy.

Advisory Considerations

There was some confusion as to where the pilot sites would be located.

In general, Advisory felt this was a worthwhile pilot project, with potential of long-term benefit to the Town.

Advisory recommends favorable action, 12 to 0.

ARTICLE 16, MOTION 4: Appropriation to the Natural Resources Commission

The appropriation of \$400,000 from Undesignated Funds is for the retrofit of the existing lights at the Diane Warren Field and the Hunnewell Tennis Courts.

In 2020, ATM approved a \$20,000 request from the NRC to fund the cost of a lighting consultant to look at the existing lights at the Hunnewell Fields complex and to analyze the possibility of adding lights at the track and field. The goal of the analysis of existing lights was to evaluate the level of light trespass, glare, and sky glow to see what improvements could be made in terms of safety and playing experience for athletes as well as mitigating the negative impact and encroachment on residences in the area. The study took into consideration environmental impacts as well. This request for \$400,000 to retrofit two sets of existing lights is the next step, based on the outcome of that analysis. The amount of the request is based upon an estimate provided by a leading company providing athletic field lighting systems.

The existing lights at the Diane Warren Field and the Hunnewell tennis courts are 20 years old and use metal halide, high intensity discharge (HID) lamp technology in parabolic aluminum fixtures. While these fixtures have some opaque louvers added to block glare, the aiming angles required to light the field adequately produce high levels of glare, skyglow, and light trespass by today's standards. These lights are no longer under warranty and maintenance issues will rise in frequency and at a cost to the town. (The lights at Reidy Field are newer, have slightly more modern characteristics and are still under warranty.)

The consultant evaluated the lighting system proposed for these two locations. According to that report, this LED system would provide a significant improvement in controlling light trespass and glare, reducing off-site impact, and improving the playing experience for athletes. LED lights require less energy consumption, a savings to the town in operation costs and is in keeping with Wellesley's climate action goals. In addition, LED lights can be dimmed or adjusted according to the needs of the level of play on the area being lit. It is anticipated that the lighting system under consideration will come with a 25-year warranty. The project as proposed also addresses some concerns at the newly renovated softball field at the Diane Warren field which involves relocating two of the lighting poles.

The Town has made a significant investment of CPA funds in the playing fields and amenities at the Hunnewell fields. The proposed lighting retrofit is a project the CPC anticipated, and the CPC believes it supports an important recreational resource enjoyed by residents of all ages and abilities. It is important for these lights to be replaced before they start failing and replacement parts and maintenance fees become more costly – or before the lights become a lost resource.

Advisory Considerations

Advisory asked about private funding that may be made available towards this project. There is potentially \$70,000. If these funds do become available, they will be applied ahead of the total CPA funds.

This Project was confusing for some Advisory Members as to whether this Project also encompassed the lighting of the high school field, which it does not.

Advisory recommends favorable action, 12 to 0.

ARTICLE 16, MOTION 5: Appropriation to the Planning Department

At the 2020 ATM, \$7,500 was approved from the Historic Resources Fund, for the restoration and preservation of two historic Town atlases; one from 1897 and the other from 1935. These are active resources for: the Planning Department, the Historical Commission and the Historic District Commission and other Town departments and residents. With the closing of Town Hall due to COVID-19 protocols, the project did not move forward as planned at that time.

The Planning Department recently re-engaged with the vendor and the quote to preserve both atlases now totals \$14,775: \$8,460 for the 1897 atlas and \$6,315 for the 1935 atlas. The Planning Department intends to use the initial appropriation to address the 1935 atlas; the balance of those funds, along with this appropriation, will be applied to the preservation of the 1897 atlas.

The original quote for the restoration of the two historic Town atlases was not done as thoroughly as it was for this appropriation request. The vendor has found that to restore them to a useable state, it will require a more extensive renovation than originally thought and costs over the two years have increased.

The pages of the atlases will be restored and the books will be rebound. As part of the process, the atlases will also be digitized, with the cost of the digitization being funded through the Planning Department budget.

The CPC believes this is an appropriate use of CPA historic resources reserves as it provides for the preservation and restoration of primary resources that have been deemed historically significant by the Wellesley Historical Commission.

The Motion recommended the appropriation be made available at the close of this ATM.

Advisory Considerations

The Advisory felt this appropriation was an excellent example of how CPA Historic Resources Funds should be used.

Advisory recommends favorable action, 13 to 0.

ARTICLE 16, MOTION 6: Appropriation to the Natural Resources Commission

This appropriation of \$58,000 from the Open Space Fund is for a comprehensive analysis of Wellesley's athletic fields and hard surface athletic courts, to ensure equitable field assignments, permitting, and information distribution. The study will examine methods of information dissemination related to field use and permitting requirements and will evaluate maintenance practices. One aspect of the study will be to look at updated scheduling software to help close the gap in demand for fields.

The demand for playing fields in Wellesley has been widely discussed and yet there have been some observations that some fields are empty a good deal of time. The type of comprehensive analysis to be funded by this appropriation was recommended in the Unified Plan several years ago. The hope is that the results of this study will help the supporting committees and

commissions develop a streamlined, efficient program for field assignments and use that will ease some of the tension in town over field/court accessibility.

This Motion is supported by: Recreation Commission, Schools, Department of Public Works, and the Playing Field Task Force.

The CPC is hopeful that this study will help inform the town on the need for future field projects as well as best practices to be employed for the sustainable maintenance of existing facilities.

Advisory Considerations

The Advisory felt this appropriation is reasonable and timely. Several other towns have recently undertaken such studies with beneficial results.

Advisory recommends favorable action, 13 to 0.

ARTICLE 17. To see if the Town will vote to raise and appropriate or transfer from available funds, to be expended under the direction of the Select Board, for all costs related to the leasing of office space for the purposes of housing the Town's Land Use Departments (Planning, Building Department, Zoning Board of Appeals, Natural Resources Commission) and the relocation of the Land Use Departments to said office space, as part of the Town Hall Interior Renovation project, and which costs shall include, but not be limited to, architectural and engineering designs, plans and other specifications, bid documents, permitting, and any associated costs in connection therewith and, or to take any other action in relation thereto.

(Select Board)

The Select Board (SB) proposes this Article to appropriate \$397,100 from Free Cash for first-year lease cost and other associated costs for approximately 4,000 square feet of office space for the "Land Use Group" of four Town Departments currently located in the basement level of Town Hall: the Building Department, Planning, Natural Resources, and Zoning Board of Appeal.

Overview

The current basement space used by the Land Use Group has several significant deficiencies, largely related to indoor air quality and including unreliable heating and cooling, inadequate ventilation, mold, sewage backup, burst heating pipes and groundwater infiltration. While the current Interior Renovation Project will address these issues, it will also reduce usable space and the original 2019 plan was to move the Land Use Group into a proposed new Annex building to be built at Municipal Way. In the spring 2020, however, the Select Board (SB) decided not to pursue design funds for the new Annex building based on the uncertainty of workspace needs due to COVID-19 and the financial impacts of COVID-19. Instead, it was determined that the Town should pursue leasing of office space. Factors in the decision were that the Facilities Management Department (FMD) has operated successfully in leased space since 2015, and that this approach would provide acceptable working conditions sooner to the staff and a better experience for residents who use their services. Leasing office space would also delay a major capital expenditure for new construction, while providing time to assess how staff might be working differently because of the pandemic, with potentially more remote work and the need for less space.

Leased Space

The leased space must accommodate all four departments with approximately 20 staff, as well as residents and visitors doing business with this Group. The Building Department had historically had the greatest number of visitors in Town Hall. With the successful implementation of the on-

line permitting system, the foot traffic for the Building Department has been dramatically reduced to about 4-6 visitors per day on average. Using existing programming information, engaging with the department heads, and allowing smaller “touchdown” spaces to accommodate remote workers, 4,000 square feet of useable office space will be sought. Adequate parking for staff and visitors will also be required. The municipal process for leasing office space, Request for Proposals (RFP), must be in accordance with Massachusetts General Law 30B, as was used for the FMD leases. FMD is currently soliciting interest through the RFP process from entities with suitable office space in Wellesley.

Costs

In addition to the annual lease cost, there will be one-time costs at the start of the lease for moving, minor construction fit-up, furniture, and IT (data, phones, switches, Town fiber, etc.). A three-year lease, with a Town option for two additional years (five years total) is being pursued. The bid prices for the lease must be fixed for five years and be all-inclusive, including utilities, custodial, maintenance and grounds. The requested appropriation amount of \$397,100 will cover all costs for the first year. Lease cost for subsequent years will be included in operational budgets.

Appropriation Request Detail	
FY23 Lease Cost (fixed five years)	\$129,600
Construction Fit-up	87,000
Furniture	78,000
IT (data/phone/fiber/switches)	28,900
Moving	10,000
Miscellaneous (copier, signage, etc.)	10,500
Contingency (approx. 15%)	53,100
Total Project Cost Estimate	<u>\$ 397,100</u>

Schedule

The current schedule assumes a lease is executed on or about July 1, 2022 and, with moving, furniture installation, etc., the Land Use Group could be established in the new leased office space by late July or August 2022.

Relationship to the Town Hall Renovation Project

The lease is essentially independent of the Renovation Project. It would have been pursued by the SB, regardless of the Renovation Project, because of the poor working conditions. The only potential impact to the Renovation Project is if the lease appropriation is *not* approved by Town Meeting. If this were to occur, the Land Use Group would eventually need to move out of Town Hall into temporary “swing space” at the same time as the other departments i.e., in early 2023 when the Town Hall Renovation work is scheduled to begin. Drawbacks to this scenario are that the Town would still need to find lease space within 18 to 24 months, the Renovation construction cost would be higher simply by transferring the cost from the lease to the construction project, and the Land Use Staff would be required to work in substandard conditions for up to an additional two years.

Advisory Considerations

As during original deliberations on the Town Hall Renovation Project which, at the time included construction of an Annex, Advisory supports the relocation of the Land Use Group to a location outside of Town Hall. Since the Annex portion of the renovation has been taken off the table, a lease with adequate space and healthy working conditions is an appropriate alternative solution to providing an effective workspace for these departments. Some members questioned the ability of the Town to negotiate a cost-effective lease at this time; however, FMD felt that current market

conditions and the relationship they have with many of the Town's office building owners would allow for a fiscally responsible lease agreement.

Advisory recommends favorable action, 12 to 0.

ARTICLE 18. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Police Department, for engineering designs, bid documents, installation, construction, reconstruction, rehabilitation, and repair of the Wellesley Communications Center radio antenna, tower erection and grounding ice bridge installation, construction of a new concrete pad, and removal of existing antenna, including all costs incidental and related thereto; for the purpose of meeting such appropriation, to authorize the Town Treasurer, with the approval of the Select Board, to borrow said sum in accordance with Chapter 44, Section 7(1) of the Massachusetts General Laws, or any other enabling authority and to issue bonds or notes of the Town therefor, or to take any other action in relation thereto.

(Select Board)

This Article seeks an appropriation of \$195,129 to construct a new radio tower as Phase 2 of the Police Communications Center Radio System Replacement Program, with Phase 1 having been previously approved for FY22.

Overview

The Police Dispatch radio system, radio tower, workstations, and fire alert system are the backbone of public safety operations that allows Dispatchers to immediately relay information to police officers, fire fighters, and paramedics so they can respond to service calls in the community.

At the 2021 ATM, the Town approved \$435,135 for Phase 1 of the program, which entailed the replacement of the dispatch radio system infrastructure, the dispatch workstations, and the Fire Department alerting system. This proposed Phase 2 radio tower replacement is the final element of the Wellesley Communications Center program. The plan for Phase 2 funding of the radio tower project in the FY23 budget was acknowledged in the FY22 Advisory write-up. Please see [2021 Annual Town Meeting Advisory Report](#), p.120-121.

The radio tower in the rear of the police station is over 50 years old and is currently at maximum capacity for communication antennas with no further expansion potential. The current radio tower was not structurally designed to hold the number of antennas needed for current radio communications. The replacement plan calls for the erection of a new 100-foot self-supporting tower, which has an expected useful life of 50 years. The budgeted cost includes tower erection and grounding, ice bridge installation, a new concrete pad, and, removal of all existing antennas.

Advisory Considerations

Advisory agrees the Select Board request for appropriations to fund the final phase of the Wellesley Communications Center replacement program is critical to the continued seamless operations of our police, fire, and EMS front line workers. Advisory believes the requested appropriation is reasonable and appropriate for this project, and consistent with prior communications and approvals. Advisory is supportive of the Select Board's request for funding of the new Police radio tower.

Advisory recommends favorable action, 12 to 0.

ARTICLE 19. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Board of Public Works, for engineering designs, bid documents, construction, reconstruction, rehabilitation, and repair of Walnut Street, including street, sidewalk and/or drainage repairs and improvements, including all costs incidental and related thereto; for the purpose of meeting such appropriation, to authorize the Town Treasurer, with the approval of the Select Board, to borrow said sum in accordance with Chapter 44, Section 7(1) of the Massachusetts General Laws, or any other enabling authority and to issue bonds or notes of the Town therefor, or to take any other action in relation thereto.

(Board of Public Works)

Overview

This Article seeks an appropriation of, and authorization for the Town to borrow, \$2,450,000 for the reconstruction of Walnut Street. Walnut Street is a major east/west arterial route through Wellesley, traveling from Washington Street to the Newton town line for a distance of approximately 4,880 feet (0.9 miles). The street was last resurfaced in 1998, and the street was crack sealed in 2013.

Portions of the roadway have been overlaid on several occasions, resulting in the roadway and sidewalk being at the same elevation at those locations, which creates safety issues and concerns for pedestrians. The condition of the sidewalk at certain locations is also poor. Also, between 2019 and 2021, National Grid completed a major gas main replacement project on the street.

In response to the Town's Complete Streets prioritization plan and based on feedback from the Town's Traffic Committee and neighbors, it is expected that a multi-use path will be installed on one side of the road. This will improve connectivity amongst Warren Park, the Warren Recreation Facility, the Crosstown Trail, the Schofield School and the DCR's Charles River Reservation.

It is anticipated that cold planing of the roadway will be performed, and that curbs and sidewalks will be added or replaced as needed. There are some known drainage issues which will be further investigated and corrected. New high-visibility crosswalks, replacement crosswalk signals and signage will be incorporated.

Safety and maintenance of the residential character of the neighborhood (even though the road is a significant east/west commuting route) will, as far as possible and practical, be important considerations during design.

This project will provide a new roadway surface, replacement of sidewalks, storm drainage system improvements, and signs and pavement markings as required. The DPW intends to apply for a MassDOT "Complete Streets" reimbursement grant for costs that are eligible under that program. DPW estimates that approximately \$350,000 of the project elements will be eligible.

If this project is approved, the Department of Public Works will develop construction plans and specifications to solicit bids in FY22, and construction is currently programmed for FY23.

Advisory Considerations

Advisory recognizes that Walnut Street traverses different neighborhoods, one more commercial and one more residential, within Wellesley, and is not surprised that more comments to DPW came from the residential area than from the business community that bumps up against the town line of Newton. Two particular Issues raised were the plans for a bike lane and related markings on the stretch of Walnut Street that runs between the complicated intersection of Walnut, River

and Cedar Streets and Route 16/Washington Street by the Warren School, and the safety of children who might enter Walnut Street from the Warren School playground.

Advisory recognizes that the Walnut Street project has been in the capital plan for DPW for two years, and agrees this project is needed to address the deterioration of the road following utility construction; the need for a better biking route; and, in some portions, the minimal curbing which could pose a risk to pedestrians if left unaddressed. Advisory is satisfied that DPW understands and, to the extent possible, addressed community concerns.

Advisory supports the reconstruction of Walnut Street for its entire length in Wellesley.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 14 to 0.

ARTICLE 20. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Board of Public Works, for engineering designs, bid documents, construction, reconstruction, rehabilitation, and repair of the Middle School Parking Lots, including street, sidewalk and/or drainage repairs and improvements, including all costs incidental and related thereto; for the purpose of meeting such appropriation, to authorize the Town Treasurer, with the approval of the Select Board, to borrow said sum in accordance with Chapter 44, Section 7(1) of the Massachusetts General Laws, or any other enabling authority and to issue bonds or notes of the Town therefor, or to take any other action in relation thereto.

(School Committee/Board of Public Works)

The School Committee and Board of Public Works jointly propose this Article to appropriate \$2,500,000 in design and construction funds to the Department of Public Works to replace the 25-year-old bituminous pavement in parking lots and driveways at the Middle School. The scope of the project also includes sidewalk replacement, required stormwater system upgrades, landscaping, improved handicap accessibility, additional bike racks, electric vehicle charging stations, and improved traffic signage and pavement markings. This project represents the last component of recently completed major projects at the Middle School, including the Heating Piping Replacement Project and Building Systems Project, and when completed will provide the school with a 25-year service life.

Background

In 2017, \$530,000 was originally approved for this project as part of FMD's FY18 cash-capital budget. The budget was based upon the assumption that most of the pavement issues could be addressed using a "mill and overlay" technique, in which the top portion of the existing pavement is ground down and a new layer of pavement is placed on it. Subsequent field investigations, including numerous cores extracted to examine the existing pavement, showed that the pavement is in poor condition and too thin to mill and overlay. As a result, a complete, full-depth replacement of the pavement was determined to be required. In addition to the significantly increased costs of the paving itself, the full-depth pavement replacement triggered drainage, landscaping, and other zoning-related requirements that added to the costs.

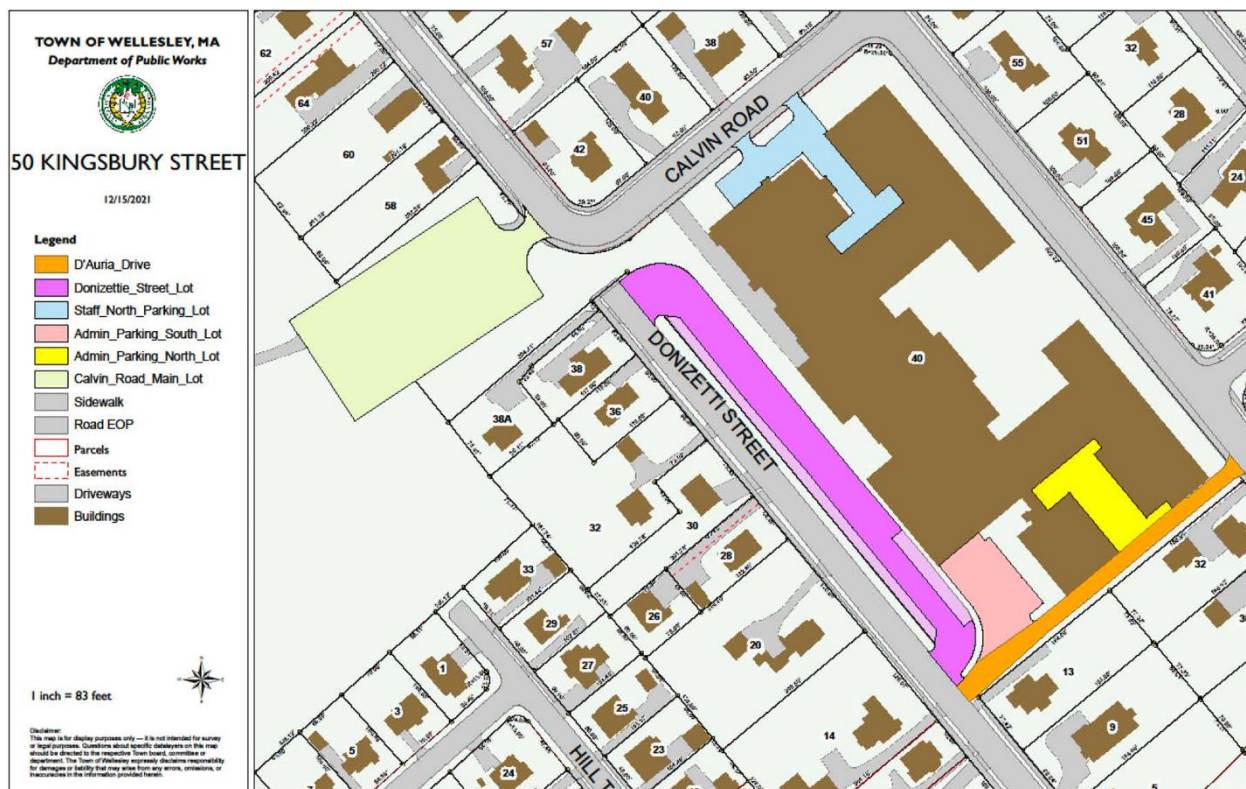
In February 2018, with the new design about 95% complete, it was decided that the project should be postponed due to limited time to permit and present it to various boards, and uncertainty about the cost. In July 2018, interim pavement repairs were made by DPW to D'Auria Drive and vehicular bollards were added at building entrances to improve safety.

In August 2018, the project was again brought forward for consideration; however, two major building projects planned for the Middle School (Heating Piping Replacement and Building Systems Replacement) were also being considered at that time. Due to the higher priority of these projects, and not wanting to adversely affect new pavement during construction, it was again determined that the project should be postponed until the two building projects were completed. The latter project, the Building Systems Replacement Project, was finished in Summer 2021, so the Paving Project was scheduled for Summer 2022.

In February 2019, the \$459,000 balance remaining from the original \$530,000 FY18 expenditure was returned to the Town due to the project being postponed. As part of the FY22 Cash Capital budget, FMD requested \$70,000 to be used by DPW's Engineering Department to complete the 95% plans, secure necessary permits, and bid the project. DPW is scheduled to bid the project in March 2022.

Project Scope

The major component of the project is replacing the 25-year-old pavement in six parking lot and driveway areas around the school: two lots on either side of Central Administration wing; D'Auria Drive; the Donizetti driveway and parking lot; the Calvin Street lots; and the Sprague lot at the end of Calvin Street overlooking Sprague fields. A service driveway off Calvin is not part of the project as that pavement was replaced in 2013. The bituminous sidewalk from the Sprague lot will be replaced, as will the cement concrete sidewalk that abuts the newly renovated guardrail atop the Donizetti retaining wall. Reconfiguration of the Sprague lot will result in an additional three parking spaces.



There are several stormwater improvements in the project, including underground stormwater infiltration systems in the Donizetti and Sprague lots, a bio-swale drainage basin in the Sprague lot, enhanced landscaping, and a 3,800 square foot reduction in impervious area. The result of

this work will be reduced off-site peak flows and volumes, and substantially improved stormwater quality.

Vehicular and pedestrian safety will be improved with new traffic signage and pavement markings. Despite the reduction in impervious (paved) area, the revised design will add seven parking spaces to the school which will help address longstanding parking challenges for the school. Aside from the stormwater improvements, there are other sustainability benefits to the project. An electric vehicle charging station for two vehicles will be included in the Sprague lot. WPS has located the station to be beneficial for both school and Sprague Field activities. The EV charging station will be built in two phases. The first phase will include the infrastructure (conduit, concrete slabs, bollards, and screening), the cost of which has been included in the overall funding request; the second phase will be the installation of the charging station itself. Although the cost of the EV station is also included in the budget request, the Town is pursuing grant funding through the State for partial reimbursement that could reduce the final cost of the EV station to the Town.

The Middle School has the largest number of bicycle riders in town, so additional bike racks will be installed along the main Kingsbury Street entrance to accommodate riders. The current 108 spaces will be expanded to 128 spaces. Additionally, covered bike racks providing an additional 24 spaces will be installed near other existing bike racks in the Sprague lot. Funding for these covered racks has already been secured by the Select Board through a state grant.

Engineering has presented the project to the Design Review Board, and it was favorably received with only a few minor changes requested. The scope of the project triggers a Site Plan Review by the Zoning Board of Appeals, and that process was well underway at the time this summary was being prepared.

Project Schedule

Construction is planned to be completed over the school's Summer 2022 recess; however, due to the size and scale of the project, the Sprague lot work may have to be delayed until Summer 2023. In order to meet the aggressive project schedule, which would begin immediately after school ends in June 2022, the construction funds must be available shortly after Town meeting ends, rather than waiting until July 1. This will allow the Town to execute an agreement with the contractor and begin ordering supplies prior to the school recess. The COVID-19 impact to the construction supply chain has affected all building and site construction; however, based on DPW Engineering's and FMD's research, it should not impact the proposed schedule.

Project Cost Components

This article requests \$2,500,000 for design and construction funds, to be spent as follows:

WMS Paving Project	
Site Preparation	\$ 276,600
Infrastructure	
-Electrical (sitework and EV charging station)	\$ 100,000
-Drainage	\$ 538,800
Grading/Earthwork	\$ 312,500

Pavement Replacement	\$ 657,600
Landscaping & Site Restoration	\$ 133,000
Signage/Pavement Marking	\$ 10,000
Bike Racks (costs not covered by grant)	\$ 10,000
Traffic Control	\$ 30,000
Engineering CA Cost & Testing	\$ 14,000
Subtotal	\$2,082,500
Contingency (supply chain, tight schedule) budgeted at 20%, excess funds returned to Town upon completion of project	\$ 461,500
Project Total	\$2,499,000
<u>Total Appropriation Request</u>	<u>\$2,500,000</u>

Advisory Considerations

Delays from original approval of this project in 2017 have allowed a more comprehensive approach to the project and for development of factors which support the Town's climate action plan, including adding improved stormwater treatment capacity, reducing the amount of impervious surface, building additional bike rack space to encourage more sustainable ways to travel to school, and adding a charging station for electric vehicles. Postponing the project until other substantial improvement projects at Wellesley Middle School were completed was also a reasonable strategy. Advisory appreciates the effort made by Town departments to seek partial reimbursement of the costs through grant funding for the bike racks and EV charging stations, and commends the departments for their thoughtful development of the project.

Advisory recommends favorable action, 14 to 0.

ARTICLE 21. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the direction of the Facilities Management Department, for engineering designs, bid documents, construction, reconstruction, replacement, and retrofitting of light fixtures with light emitting diode (LED) fixtures at the High School, for energy conservation purposes, including all costs incidental and related thereto; for the purpose of meeting such appropriation, to authorize the Town Treasurer, with the approval of the Select Board, to borrow said sum in accordance with Chapter 44, Section 7(1) of the Massachusetts General Laws, or any other enabling authority and to issue bonds or notes of the Town therefor, or to take any other action in relation thereto.

(Select Board/School Committee)

Overview

This project is part of an LED replacement program which FMD began in FY13, with the objective of replacing exterior parking lot and building-mounted lights with new LED fixtures. Since that

time, FMD has replaced lights with LEDs throughout the Town using a deliberate and thoughtful approach which considered: energy reduction; life-cycle costs (pay back periods); cost of LED fixtures; remaining service life in fixtures; and sustainability. Exterior lights were determined to have the greatest payback and deemed to be an attractive Energy Conservation Measure (ECM), so they were addressed in the early part of the program. As the initially high cost of LED fixtures from ten years ago began to drop and more lights were replaced Town-wide, FMD began focusing on classroom and office lighting. These areas did not have as favorable payback as the exterior lights at the start of the program, but competitive LED fixture costs in recent years have made replacement in these areas more attractive financially. This proposal will be the second of three phases to replace all the lighting in the High School. The project will have significant energy and sustainability benefits, with reduction in electricity usage, lower utility costs, and reduced carbon dioxide (CO₂) emissions which will help the Town meet its greenhouse gas reduction goals.

FMD's LED Replacement Program Metrics: The Town wide LED Replacement Program is expected to be completed in FY25. The total cost of the program will be about \$6.5M from FY13 to FY25. In general, existing light fixtures are replaced one-for-one with new LEDs and new switches/controls. FMD has utilized in-house maintenance staff, outsourced projects per MGL Chapter 149, and utilized MGL 25A Green Communities partnerships with the Municipal Light Plant (MLP) to accomplish this work over the past ten years. To date, FMD has completed 41% of the LED replacement (on a square foot basis) and will be at 48% after the \$275,000 Middle School LED project is completed this summer. The Program goals are as follows:

- Reduce electricity use by \$181/year by FY25
- Reduce CO₂ emissions by 955 Metric Tons/year by FY25

FMD expects to yield the following benefits, when taking into consideration the entire program from inception until FY25:

- 19% overall reduction in electricity usage
- 5,682,199 kWh reduction in electricity
- \$761,415 cost avoidance/savings
- 4,018 Metric Tons of CO₂ reduction

The overall life cycle cost analysis indicates an average payback of less than five years.

High School Lighting Replacement: Despite the pandemic, FMD was able to take advantage of a \$100,000 Green Communities grant in December 2020, which initiated the program at the High School by replacing lighting with LEDs in the Gymnasium and the Auditorium. FMD expects to request another \$900,000 to \$1M in FY24 to complete the LED replacement work at the High School. When the High School lighting replacement project is completed, FMD estimates a 16% annual reduction in electricity usage, \$50,000 annual savings / cost avoidance in electricity, and 222 metric ton (MT) annual reduction in greenhouse gases (CO₂). Other benefits of the project include reduced maintenance (much less frequent bulb replacement) and higher quality lighting.

It is important to understand that the “new” High School will have been opened for eleven years when these lights are expected to be replaced under this project. The High School is also the largest building in Town at 280,000 square feet, and the greatest electricity user (2,405,000 kWh/year) with the highest electricity cost at \$359,000/year. It represents 23% of FMD's overall building portfolio by area but uses 28% of all electricity, so it is an appropriate target for LED replacement. At the time that the school was being designed, circa 2009, LED technology was very new and fixture costs were high, so, except for a few exterior fixtures, none of the almost 3,000 light fixtures in the school were designed as LEDs. The timing of this project works quite well with the expected service life for the majority of lights in the school, which are fluorescent

fixtures. The internal ballasts are reaching end of life and will require replacement soon, so this is the ideal time to switch to LED fixtures which last longer, require much less maintenance, and will minimize ballast replacement of fluorescent lights.

Advisory Considerations

Advisory recognizes and appreciates this long-term project's goal of reducing the Town's carbon footprint, electricity usage, and operating costs on a sustained basis. Advisory also acknowledges the excellent work by FMD to plan and execute these updates to Town buildings, including the High School.

Advisory inquired as to whether solar panels (photovoltaics) were considered as part of this effort. FMD pointed out that the High School already has installed photovoltaics; they were put in place by MLP when the school was built. While the panels do not cover all of the High School's roof they are making a contribution, and MLP considers every opportunity of using such panels on as many Town buildings as is financially feasible.

As this project is Phase 2 of a three-phase effort, Advisory asked how Phase 1 was funded and how the Town expects to fund future phases. Phase 1 was funded through a grant from the Green Communities Act and thus did not cost the Town of Wellesley. Phase 2 (this Article 21) was originally planned for FY22 but was delayed due to COVID-19. It is being funded from Free Cash. Future phase(s) are expected to be funded from Cash Capital. Advisory wondered if the Town considered financing the installation outside of usual funding mechanisms, as there are organizations that structure attractive financing for such initiatives. The Town has not looked at this funding vehicle, and FMD offered that such financing approaches (i.e., performance contracting) may be more appropriate for communities that do not have the low utility rates that MLP offers.

Advisory inquired whether the primary motivation of this project is reduction in greenhouse gas emissions or financial benefit. FMD pointed out that the average payback for these lighting changes is five years with some instances where the payback occurs in year 2. FMD also noted that the ballasts in fluorescent fixtures will soon need to be replaced in any case, so there are impending maintenance costs. Therefore, reduced maintenance and utility costs are FMD's primary goal, and greenhouse gas reduction is a significant added benefit.

As LED lights give off more light, Advisory wondered if Wellesley could reduce the number of fixtures that need to be replaced and thus reduce the project's cost. FMD explained that this was considered but is not worth doing. In any given space, if for example the number of fixtures is reduced from approximately 46 to 42, that will potentially require changes to elements of the ceiling (ceiling grid, ventilation louvers, sprinklers, and fire alarm devices) which then adds significant cost. It is more feasible and less costly to simply make the lighting changes on a one-for-one basis. Advisory asked if the challenges with contractors and supply chains due to COVID-19 will cause increased cost and, if so, is it better to wait for this LED replacement. FMD is not expecting any supply chain issues, and bids already received for the recently bid Middle School project have come in as expected with no "premium."

Finally, Advisory commented that in addition to other benefits, LED lights provide a better quality of light for Wellesley's students.

Advisory recommends favorable action 12 to 0.

AUTHORIZATIONS

ARTICLE 22. To see if the Town will raise and appropriate, transfer from available funds, or borrow a sum of money to be expended under the discretion of the Board of Public Works for water and/or sewer line rehabilitation, and for any equipment or services connected therewith, or to take any other action in relation thereto.

(Board of Public Works)

ARTICLE 22, MOTION 1

This motion seeks authorization for the Sewer Fund to borrow up to \$295,000 from the Massachusetts Water Resources Authority (MWRA). The borrowing would have no tax impact to the Town.

The MWRA Sewer Infiltration/Inflow (I/I) Local Financial Assistance Program provides a combination of grants and interest-free loans for sewer rehabilitation work, and the Town of Wellesley is eligible to receive these grants and loans. The loan is to be repaid over ten years, while grant funding is available after the loan funding is expended. Actual borrowing takes place in several stages, to coincide with the work schedule.

Funds from these MWRA loans and grants will be used for a multi-year sewer line rehabilitation project to reduce infiltration and inflow into the Town's sewer lines. Infiltration is water that seeps into the sewer lines due to cracks or unsealed joints; inflow is water that enters the sewer lines through direct connections (such as illegal sump pumps). Currently, infiltration/inflow is a major contributor to the Town's sewerage flow, upon which annual sewer charges from the MWRA are based.

Town Meeting has previously approved a total of \$2,716,755 of MWRA Sewer Infiltration/Inflow borrowing that resulted in the receipt of \$2,992,945 of grants for this purpose. The proposed borrowing of \$295,500 qualifies the Town for an additional \$885,500 in grant funding.

The amount to be borrowed this year is based on sewer rehabilitation work completed in FY22 and work to be completed in FY23. The total amount of the work is projected to be \$1,180,000, with 75% of this amount reimbursed through a MWRA grant (\$885,000) and the remaining 25% is reimbursed through an interest-free loan (\$295,000). Note that the percentage split between that funded through the MWRA grant and the MWRA interest-free loan varies from year to year.

Advisory Considerations

Advisory believes the benefit of these MWRA loans is high, as they are interest-free and the improvements they fund are important for the long-term health of the Town's water system.

Passage requires a 2/3 vote.

Advisory recommends favorable action, 12 to 0.

ARTICLE 22, MOTION 2

This motion seeks authorization for the Water Fund to borrow up to \$2,500,000 from the Massachusetts Water Resources Authority (MWRA).

The MWRA Local Water System Assistance Program (LWSAP) provides interest-free loans for water system improvement work. Funds can be used for water distribution system improvements including cleaning and lining, or replacement, of unlined water mains; purchase

and installation of water meters and water meter reading systems, water booster pump station installations, and/or upgrades; GIS mapping and system modeling; and engineering planning, design, and construction services associated with any of these activities.

The Town of Wellesley is eligible to receive \$2,500,000 in loans under this MWRA financing program. The loan is interest-free and to be repaid over ten years. Actual borrowing would be in several stages, to coincide with the work schedule.

Advisory Considerations

Advisory believes the benefit of these MWRA loans is high, as they are interest free and the improvements they fund are important for the long-term health of the Town's water system.

Passage requires 2/3 vote.

Advisory recommends favorable action, 12 to 0.

ARTICLE 23. To see if the Town will vote to accept the provisions of Massachusetts General Laws Chapter 44, Section 53F ½ to establish an Enterprise Fund for a Stormwater Utility commencing on July 1, 2022; or act or do anything in relation thereto; and to see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Board of Public Works for the purposes of operating and managing the Stormwater Program, or to take any other action in relation thereto.

(Board of Public Works)

Advisory expects no motion under this article.

ARTICLE 24. To see if the Town will vote to establish a Study Committee to be appointed by the Select Board or the Moderator, or a combination of both, charged with reviewing the operations of Town Meeting through the study of the Town Meeting Guidelines, Town Bylaws, and Chapter 202 of the Acts of 1932, as amended, identifying needed revisions and modifications, including to the term of the Moderator, and reporting back to a subsequent Town Meeting, or take any other action in relation thereto.

(Select Board)

The Select Board (SB) and the Moderator are asking Town Meeting Members (TMM) to authorize a study group to review Town Meeting Guidelines. The Moderator has identified several areas of concern and recommends an update. The guidelines were last updated 48 years ago, in 1974, by a five-person Study Committee (SC).

Overview

If established, the SC shall be charged with conducting a comprehensive examination of the operations of Town Meeting through review of Town Meeting Guidelines, Town Bylaws, Chapter 202 of the Acts of 1932, as amended, and MGL Chapter 39 and Chapter 43A, identifying needed revisions and modifications. The SC's scope shall include, but not be limited to:

- Evaluating the benefits and challenges of electronic voting;
- Evaluating the need, if any, for substantive revisions, clarifications, or updating the procedure and method for submitting motions;
- Evaluating the Town's current process for reconsideration of a Town Meeting action;
- Evaluating the duration of speaking time for both Town Meeting Members (TMM) and for resident non-TMM;

- Evaluating whether to introduce motions “to move the question” and, if so, under what conditions and with what limitations;
- Evaluating the Town Meeting procedures for adjournment of Town Meeting;
- Evaluating the Town Bylaws for Town Meeting including public notification of Town Meeting and dates of Town Meeting;
- Evaluating the extension of the Moderator’s term from one year to three years; and
- Assessing ways the residents engage with Town Meeting.

The SC shall consist of five existing or former TMM to be appointed by the SB in consultation with the Moderator. The Moderator or his designee shall call and lead the SC’s first organizational meeting, in which the SC may elect officers as it deems appropriate. The Moderator shall not vote or count towards the SC’s quorum. Additionally, the Town Clerk, pending availability, will be an ex officio member of the SC and also not vote or count toward the SC’s quorum.

The SC shall provide a report to both the SB and Moderator by November 1, 2022, or seek an extension if necessary, to:

- Make recommendations in order of priority with respect to modifications in Town Meeting Guidelines;
- Offer any recommended Town Meeting warrant articles for inclusion on the 2023 Annual Town Meeting Warrant, including modifications to the Town’s Bylaws and to Chapter 202 of the Acts of 1932, as amended;
- Offer any recommended actions that the SB, Town Clerk, or Moderator can immediately, under their respective authority, enact that do not require the necessity of a bylaw or the additional appropriation of funds not currently available.

The SC shall provide a final report to the 2023 Annual Town Meeting on all the subjects listed herein. Absent a vote of a future Town Meeting to maintain it, the SC shall dissolve following the close of the 2023 Annual Town Meeting.

Advisory Considerations

Advisory agrees that a review of these matters is timely, supports the formation and change of the Study Committee as proposed, and looks forward to the recommendations in a formal report at the next ATM.

Advisory recommends favorable action, 11 to 0.

ARTICLE 25. To see if the Town will vote to add, modify, or delete certain personnel policies and procedures for Town employees not covered by collective bargaining agreements, or authorize the Human Resources Board to do the same, in accordance with Article 30.10 of the Town Bylaws Personnel Policies Nonunion Employees, or to take any other action in relation thereto.

(Human Resources Board)

In Article 25 the Human Resources (HR) Board presents the product of their complete review and update of the Town’s personnel policies. The HR Board’s multiyear effort began last year with the objective to produce a comprehensive, clearly organized, single set of personnel policies that meets legal requirements.

The first step in this work addressed a group of personnel policies that were out of date with legal mandates. These policies were presented to and approved by the Town in 2021 and include:

Disability Accommodation
Discrimination, Harassment and Retaliation
Equal Employment Opportunity (EEO)
Family Medical Leave
Military Leave
Parental Leave
Pregnancy and Lactation Accommodation

Next, the HR Board undertook a detailed review process of the personnel policies distributed among four documents: the Personnel Guidebook, HR Board Policies 1-16, the Appendix to Classification and Salary Plan, and the Municipal Policies Booklet. Towards the desired objective of a single, comprehensive set of personnel policies, HR consolidated duplicate policies, deleted outdated and unused policies, updated current procedures, and refreshed formatting for uniformity of numbering and updated pronoun use. The proposed personnel policy updates do not make any changes in benefits.

The HR Board organized the proposed policy changes into five categories: 'No Substantive Changes', 'Consolidated Policies', 'Deletions', 'Changes of Significance' and 'New'. The categories are listed below with individual updated policies listed under each category. For the 'Consolidated Policies' category, the individual policies that were combined are provided after the new consolidated policy name. For the categories of 'Changes of Significance' and 'New' additional detail by policy is provided explaining the changes made and the rationale for them.

No Substantive Changes

From the Appendix

Starting Rates
Salary Increases
Overtime Pay
Appropriations
Group Health
Worker's Compensation
Vacations with Pay
Holidays with Pay
Funeral Leave
Jury Duty Pay
Longevity (Length of Service)
Personal Days

From Personnel Policies

Drug and Alcohol Testing
Standards of Conduct

Consolidated Policies

Salary Adjustment and Increases (former Salary Increase & Salary Adjustments)
Employee Work Performance (former Employee Work Performance & Merit Increase)
Sick Leave (former Payment due to Absence & Sick Leave)
Tuition Refund (former Tuition Refund & Educational Benefit)

Deletions

From the Appendix:

Work Related Illness & Accident Insurance
Meal Allowance

Annual Physical Policy

From Personnel Policies

Sick Leave
Leaves of Absence
Travel & Transportation
Personnel Policy
Merit Increases
Performance Reviews
Annual Physical
Meal Allowance
Educational Benefit
Sexual Harassment
Telecommunications
Policy on Handling Complaints

Changes of Significance

From the Appendix

Employee Work Performance: Combined with Merit Increase Policy, eliminates procedural language.

Tuition Refund: Combined with Educational Benefit Program, emphasizes professional development and allows HR Board to update refund amounts.

From Personnel Policies

Recruitment & Selection: Deletes sections related to EEO policy, deletes civil service references, reduces procedural elements, and adds transparency to job postings.

Classification and Salary: Removes duplicative starting salaries, salary increases and overtime.

Performance Recognition Award: Extends eligibility to department heads, updates limitations based on department size and establishes standards for one week and two week awards.

Drug & Alcohol-Free Workplace: Replaces a 1990's policy and includes statement of federal obligations.

Workplace Violence: Updates language and adds security audits and employee training.

New Policies

Remote Work: Added due to the COVID-19 pandemic and technology allowing for work from a location outside of a physical Wellesley Town office. The policy is drafted to provide general guidelines for remote work and is intended to allow specific directives on a departmental level.

All of the above policies have been reviewed by Wellesley's Town Counsel and meet relevant State and Federal legal requirements.

Full text physical copies of the policies will be available and on file at the Town Clerk's office and through this link:

<https://wellesleyma.gov/211/Human-Resources>

Advisory Considerations

Advisory commends the HR Board for their rigorous and comprehensive review of the Town's Human Resources policies. Advisory believes that the HR Board's objectives in undertaking this significant policy review effort were achieved. Taken together with the policies approved at the 2021 ATM, Advisory deemed the Town's HR policies, as presented, to be well organized, in compliance with legal requirements, and designed with the ability to update as changes in legal mandates occur.

Advisory recommends favorable action, 14 to 0.

ARTICLE 26. To see if the Town will vote to appropriate the sum of money received from the Commonwealth Transportation Infrastructure Fund ("Fund") pursuant to St. 2016, c. 187, § 8(c)(i) for calendar year 2019 and 2020, to address the impact of transportation network services on municipal roads, bridges and other transportation network services in the Town including the complete streets program established in Section 1 of Chapter 90I of the General Laws and other programs that support alternative modes of transportation, or to take any other action in relation thereto.

(Select Board)

The Select Board (SB) is asking Town Meeting Members (TMM) to vote to appropriate \$26,500.00 toward various transportation needs in town as detailed below.

Overview

The Commonwealth Transportation Infrastructure Enhancement Trust Fund, pursuant to Chapter 187 of the Acts of 2016 ("An Act Regulating Transportation Network Companies"), § 8(c)(i), was established to address the impact of transportation network services on municipal roads, bridges and other transportation infrastructure in towns throughout Massachusetts, including the Complete Streets program established in Section 1 of Chapter 90I of the General Laws and other programs that support alternative modes of transportation. These funds, referred to as "Ride Share Funds", are derived from a 10 cents (\$.10) per ride "tax" that UBER, LYFT and alike pay the state. Based on Wellesley's ridership, the Town received \$29,744.90 for 2019 and \$9,546.10 for 2020. The Town can use the funds on transportation projects and/or bank the funds for future transportation uses. The SB is proposing to use \$26,500 for the following purposes:

- \$18,000 for the Recreation Commission Summer Camp Bus (Low-Income Family Assistance);
- \$7,500 for the Youth Commission Summer Program transportation;
- \$1,000 for the Health Department to assist housing residents to/from appointments;

and to bank \$12,791 for future projects.

Since the summer program transportation is an ongoing issue, the Recreation Commission and the Youth Commission together requested that the cost of purchasing two vans, totaling an estimated \$123,000, be added to the five-year capital budget plan for FY24. Any future expenses (i.e., fuel, registration, insurances) associated with the purchase of the vans will be an increase to their respective operating budgets.

Advisory Considerations

Advisory supports these appropriations.

Advisory recommends favorable action, 11 to 0.

ARTICLE 27. To see if the Town will vote to authorize the Select Board to petition the General Court for special legislation authorizing said Board, as the local licensing authority, to issue Special Temporary (One Day) licenses for the sale of wine and malt beverages only or all alcoholic beverages to for-profit enterprises conducting an indoor or outdoor activity or enterprise pursuant under Section 14 of Chapter 138; as set forth below; provided, however, that the General Court may make clerical or editorial changes of form only to the bill, unless the Select Board approves amendments to the bill before enactment by the General Court; and provided further that the Select Board is hereby authorized to approve amendments which shall be within the scope of the general public objectives of this petition;

**AN ACT AUTHORIZING THE TOWN OF WELLESLEY TO GRANT
CERTAIN LICENSES FOR THE TEMPORARY SALE OF ALCOHOLIC
BEVERAGES**

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Section 1 of Chapter 635 of the Acts of 1982 is hereby amended by inserting before the last clause in the paragraph, the following: "and, pursuant to Section 14 of Chapter 138, special temporary licenses to the responsible manager of any indoor or outdoor activity or enterprise for the sale of wine and malt beverages only".

SECTION 2. This act shall take effect upon its passage.

Or take any other action in relation thereto.

(Select Board)

The Select Board (SB) is asking Town Meeting Members (TMM) for authorization to petition the General Court for special legislation to issue Special Temporary (One Day) licenses for the sale of wine and malt beverages only or all alcoholic beverages to for-profit businesses conducting an indoor or outdoor activity.

Overview

Through Massachusetts General Law, the Town has the capability to authorize One Day licenses for the sale of wine and malt beverages only or all alcoholic beverages. Currently, these One Day licenses only allow for Non-Profit business activity. This SB request continues the recent revisions of the Alcohol Special Act by including For-Profit business activity in the Town's Special Legislation. By authorizing the One Day licenses to For-Profit businesses, the Town would be expanding the opportunities for special events (e.g., grand openings, product launches, gallery showings).

The SB process for the rigorous review and approval of the For-Profit One Day license will remain the same as it is today for the Non-Profit One Day license. The business would pay the same \$50 application fee, provide an event plan, work with the Police, obtain and show all necessary certifications, provide licensed and insured caterer information, etc.

Advisory Considerations

Advisory supports the revisions of the Alcohol Special Act to include For-Profit businesses to allow our local businessowners more opportunities to engage residents and customers from all over.

Advisory recommends favorable action, 11 to 0.

AMEND GENERAL BYLAW

ARTICLE 28. To see if the Town will vote to amend General Bylaw Article 49.19 Possession and Use of Alcoholic Beverages, to permit the consumption of alcohol within public rights of way (streets, parking areas, and sidewalks) or town owned grounds, and in connection with a liquor license issued by the Select Board, as the licensing authority, pursuant to G.L. c.138, Chapter 635 of the Acts of 1982, or Chapter 25 of the Acts of 2012; or take any other action in relation thereto.

(Select Board)

The Select Board (SB) is asking Town Meeting Members (TMM) to amend General Bylaw Article 49.19 Possession and Use of Alcoholic Beverages, to permit the consumption of alcohol within public rights of way (streets, parking areas, and sidewalks) or town owned grounds, and in connection with a liquor license issued by the SB, as the licensing authority, pursuant to G.L. c.138, Chapter 635 of the Acts of 1982, or Chapter 25 of the Acts of 2012.

Overview

Town Bylaw Article 49.19 currently prohibits the service or consumption of alcohol on Town-owned rights of way (streets, parking areas, and sidewalks) and Town-owned grounds. Modification to the Bylaw would allow the SB to issue licenses for such use in areas including, but not limited to, rights of way, sidewalks, and parking lots, located within Wellesley Square Commercial District, Lower Falls Commercial District, Linden Square Overlay District, Business Districts, and Business A Districts.

During the recent COVID-19 pandemic, the SB issued special licenses for outdoor areas with great success, reinvigorating existing businesses and gaining interest of new establishments. With this authorization, the SB will continue the same licensing process through the recently established "Restaurant Task Force" (RTF) consisting of a member of the Building, Fire, Police, and Health departments along with the Executive Director of Town Services (or a designee). With each application, the RTF will review public safety, trash pick-up, access to rights of ways, and ADA requirements, and then recommend action to the SB.

Advisory Considerations:

Advisory supports the General Bylaw Article 49 change to permit the consumption of alcohol within public rights of way (streets, parking areas, and sidewalks) or on town-owned grounds. This change is in line with other alcohol and liquor bylaw changes recently accepted by TMM. It is also consistent with other social norms experienced and well received while the Executive Order was in place because of COVID-19.

Advisory recommends favorable action, 11 to 0.

ARTICLE 29. To see if the Town will vote to amend Article 12. Climate Action Committee of the General Bylaws and such other Articles, as needed, to change the reporting structure for the Sustainability Director from the Climate Action Committee to the Executive Director of General Government Services; or take any other action in relation thereto.

(Climate Action Committee/ Select Board)

Overview

Town Meeting established the Sustainable Energy Committee (SEC) in 2010 to lead efforts to accomplish the objectives adopted at the 2009 Annual Town Meeting: to reduce Town-wide greenhouse gas (GHG) emissions 10 percent below 2007 levels by 2013; to monitor and report progress toward that goal; and to propose further goals for emissions reductions to Town Meeting.

After meeting that goal, 2014 Annual Town Meeting adopted the SEC proposal to establish a new goal to reduce town-wide emissions 25 percent below 2007 levels by 2020. Through the efforts of the SEC working with Wellesley's municipal, residential, commercial, and institutional sectors, combined with lower energy consumption in buildings and transportation resulting from the pandemic, the town achieved the 25 percent emissions reduction goal in 2020.

At Special Town Meeting in the fall of 2020, the Town adopted a resolution to address the impact of climate change urging that all boards, committees, and departments proactively consider actions to reduce greenhouse gas emissions associated with Town-supported projects and programs, and that they coordinate with the SEC to develop and implement a comprehensive climate action plan for the Town.

In 2021, Annual Town Meeting adopted new GHG emissions goals to reduce town-wide GHG emissions 50 percent below 2007 levels by 2030, 75 percent below 2007 levels by 2040 and to net-zero emissions by 2050. These goals align with the emissions goals set by the by the Commonwealth of Massachusetts, which has also adopted a net-zero carbon emission goal by 2050. The Commonwealth's Office of Energy and Environmental Affairs has provided data, human resources, and guidance along with a *2050 Decarbonization Roadmap Report* to help achieve the 2050 goals.

In 2021, ATM also approved a name change from the SEC to the Climate Action Committee. During 2021, the Climate Action Committee launched a climate action planning process and worked with nearly 100 community stakeholders participating in working groups focused on energy, buildings, mobility, waste, and natural resources. Stakeholders included Town staff, board, and committee members, residents, businesses, college representatives, youth, and members of vulnerable communities. Through this process, the CAC has raised awareness, educated the community, and worked within the municipality to create a roadmap for Wellesley to reduce greenhouse gas emissions in our Town.

To help assure the CAC is obtaining the full support and the resources of our General Government, and to integrate sustainability into all parts of the town, the Select Board and the Climate Action Committee propose to have the Director report to the Executive Director of General Government Services. This will enable the Sustainability Director to better coordinate sustainability efforts with other town departments and implement strategies of the Climate Action Plan.

Advisory Considerations

Advisory members were in full support of this change and agree with the assessment of its benefits. Some expressed that what the CAC has accomplished is significant, and that with the leadership of the Executive Director its accomplishments can be even greater. Being part of the General Government, the Sustainability Director will have more immediate access to a wider range of resources and support and thereby have greater impact on sustainability within the community.

Advisory recommends favorable action, 14 to 0.

ARTICLE 30. To see if the Town will vote to amend Article 35. Housing Authority of the General Bylaws to reduce the number of elected officials to three (3), and to add provisions for a tenant of the Housing Authority to be appointed by the Select Board; or take any other action in relation thereto.

(Housing Authority)

Overview

The Wellesley Housing Authority (WHA) is primarily a State funded public housing authority whose property portfolio consists of four State-funded Senior properties; two State-funded Family properties; one State subsidized rental voucher unit; and 11 units under the Federal Section 8 rental voucher program. In total, the WHA manages 246 rental units.

The WHA is governed by a Board of Commissioners made up of residents of the community and serves as a principal housing advocate within our community: it plans, advocates, and implements a balanced housing program for low-income seniors and families.

The WHA Board of Commissioners consists of five members, four of whom are elected through the town electoral process, and one who is appointed by the Governor of Massachusetts. However, recent State legislation has reduced the number of town-wide elected Commissioners to three with one of the elected seats becoming an appointed position to be held by a current tenant of a WHA property. Therefore, an affirmative vote of the Town is required to amend Article 35 of the Town's General Bylaws to reflect this change.

Advisory Considerations

Advisory noted that the WHA has had a tenant on the Board of Commissioners for the last six years. Therefore, the effect of this change to the Town's General Bylaw will be consistent with the current practice of the Select Board in appointing Board members.

Advisory Committee members were appreciative of learning more about WHA's mission of providing affordable housing to low-income residents.

Advisory recommends favorable action, 11 to 0.

ARTICLE 31. To see if the Town will vote to amend Article 52. Bylaw, Rule or Regulation Violations, Non-Criminal Disposition of the General Bylaws by adding a new provision under Section 52.B.1 to establish a non-criminal disposition for individuals who use Town resources for private gain; or take any other action in relation thereto.

(Recreation Commission)

Through Article 31 the Recreation Commission seeks to make enforceable, by amending Article 52, their existing 'Use of Public Facilities for Private Gain' policy. Here is the link to the Recreation Commission's policy:

<https://wellesleyma.gov/DocumentCenter/View/11199/Public-Facility-Use-for-Private-Gain-Policy-PDF>

The policy requires that individuals and/or programs must be permitted through the Recreation Commission in order to use the Town's recreational facilities for private gain. Facilities include fields, tennis courts, town beach, and the like. Examples of private gain include teaching tennis lessons, swim lessons, soccer/baseball clinics, and summer camps. In order to secure a permit,

applicants must provide a W-9, a copy of their insurance policy with the Town of Wellesley as a co-insured party, and if teaching children, will also be a subject to a CORI check.

The Recreation Commission has brought forward Article 31 as their 'Use of Public Facilities for Private Gain' policy lacks a means of enforcement. Presently, should an individual or program be identified as using the Town's recreational resources for private gain without a permit, there is no provision to enforce. Article 31 seeks to provide enforcement by amending Article 52 to establish a non-criminal disposition. If approved, Article 31's motion language would be added as new subsection 'h', under Section 52.B.1. Here is the link to Article 52:

<https://www.wellesleyma.gov/DocumentCenter/View/469/Article-52---Bylaw-Rule-or-Regulation-Violations-Non-Criminal-Disposition-PDF>

As the authorities for the Town's recreational land resources, the School Committee (SC) and the Natural Resources Commission (NRC), or their designees, are named as the enforcement agents with fines to be imposed according to the following schedule:

- 1st offense, \$50,
- 2nd offense, \$100,
- 3rd and subsequent offenses, \$250.

Both the School Committee and the Natural Resources Commission have discussed and formally voted their support of Article 31.

The Recreation Commission surveyed some local towns and cities (Weston, Natick, Lexington, Brookline, Newton and Boston) with similar bylaws in place for non-permitted use of recreational resources for private gain. Approaches and violations varied widely including signage banning private lessons, verbal warnings, calling the police, and assessing fines from \$20 to \$100 per offense and/or lesson.

Advisory Considerations

The majority of Advisory members are supportive of Article 31. Advisory understand that, as it stands, the Recreation Commission is unable to enforce their 'Use of Public Facilities for Private Gain' policy and recognizes that the primary focus of the policy is to ensure that those using the Town's recreational resources for private gain are appropriately permitted. Advisory considers the permitting requirement essential for both the public's safety and Town's protection, and thus supports the Article. Concerns shared by a few Advisory members were in reference to the motion language. A specific suggestion was offered that a 'first offense' not be a fine, but rather a 'warning'. Another member felt that the motion, as written, was overly broad with regard to the individuals that could be impacted.

Advisory recommends favorable action, 10 to 3.

ARTICLE 32. To see if the Town will vote to amend the General Bylaws Article 19. Select Board as follows:

1. Delete from Section 19.7 Appointments the position Inspector of Wires, Inspector of Buildings, and Inspector of Gas and Plumbing, and renumber said section accordingly;
2. Revise Section 19.17 Weekly Warrants to authorize the Executive Director to approve all bills before payment by the Treasurer, and to similarly update any additional reference to the Select Board approving Weekly Warrants in other sections, including, but not limited to Section 19.46 Payment of Town Funds;
3. Delete Section 19.20 House Numbers in its entirety and renumber the remainder of the section; and
4. Insert in Section 19.33 Staff the position of “Assistant Executive Director” and the “Sustainability Director” as principal staff;

Or take any other action in relation thereto.

(Select Board)

The Select Board (SB) are asking Town Meeting Members (TMM) to authorize amendments to several paragraphs under General Bylaw 19. “Select Board”. They involve four “housekeeping” issues related to routine activities in the SB office.

Amendments

1. Changes to Town Bylaw Article 19.7 “Appointments”: This change would eliminate annual appointments of the Inspectors of Buildings, Plumbing and Gas, and Wires. Massachusetts General Law (MGL) allows for a single appointment upon hiring that lasts until such time as retirement, resignation, or termination. Currently, the Town appoints all Inspectors on an annual basis. By changing this Town Bylaw to match MGL, the SB would reduce unnecessary work and appointments.
2. Changes to Town Bylaw Article 19.17, 19.46.a, and 19.46.b “Weekly Warrants”: The Weekly Warrants are essentially the weekly bills requiring payment. The Weekly Warrants include all payments made each week to Town and School Personnel and vendors. This change would allow the sign-off to be authorized by the Executive Director instead of the SB. The Weekly Warrants are based on established Accounting and Financial Policies generated by the Finance Department. The Town is audited annually and is found to have sound business practices.
3. Changes to Town Bylaw Article 19.20 “House Numbers”: This change aligns operations with actual practice that was instituted approximately five years ago in response to E911 address (used for 911 calls) protocols. Also, requests for change in address are no longer processed through SB action; House Number designations are administrative and reviewed by SB office, Fire Department, GIS, Building Department, and Assessor’s office. The Planning Department may be consulted as well if there is potential for a lot to be divided in the future.
4. Changes to Town Bylaw Article 19.33 “Staff”: This change would add the Assistant Executive Director as a Principal Staff member, based on the level of the position and responsibilities. It will join the Finance Director, Facilities Management Director, and IT Director positions that are already named at that level.

Advisory Considerations

Advisory supports these changes as appropriate, efficient, and prudent.

Advisory recommends favorable action, 11 to 0

AMEND ZONING BYLAW

ARTICLE 33. To see if the Town will vote to amend the Zoning Bylaw by amending Article 1B. DEFINITIONS and Article 14B. FLOOD PLAIN OR WATERSHED PROTECTION DISTRICTS to conform with FEMA Map updates and adopt, as appropriate, certain provisions of the Massachusetts 2020 Model Floodplain Bylaws, by:

1. Amending or adding definitions in Section 1B DEFINITIONS, as follows:

Federal Emergency Management Agency (FEMA) – An agency of the United States Federal Government that administers the National Flood Insurance Program. FEMA provides a nationwide flood hazard area mapping study program for communities as well as regulatory standards for development in the flood hazard areas.

Flood – A temporary rise in river, stream or brook flow that results in its water overtopping its banks and inundating Floodway areas adjacent to the channel.

Flood Insurance Rate Map (FIRM) – An official map of a community on which FEMA has delineated both the areas of special flood hazard and the risk premium zones applicable to the community.

Flood Insurance Study Report (FIS Report) – A report which examines, evaluates, and determines flood hazards, and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of flood-related erosion hazards.

Flood Plain District – An area subject to danger of periodic flooding, the limits of which are determined by the Special Flood Hazard Area.

Flood Plain Management – the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and flood plain management regulations.

Floodwater Storage Capacity – The quantity of water which can be held within the flood plain of a wetland.

Floodway – The channel of a river, creek or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

Functionally Dependent Use – A use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Highest Adjacent Grade – The highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic Structure – Any structure that is:

(a) Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register of Historic Places;

(b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary of the Interior to qualify as a registered historic district;

(c) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or

(d) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:

(1) By an approved state program as determined by the Secretary of the Interior; or

(2) Directly by the Secretary of the Interior in states without approved programs.

Natural River Channel – A water course with a definite bed and banks to confine and conduct the average flow.

Recreational Vehicle – A vehicle which is:

(a) Built on a single chassis;

(b) 400 square feet or less when measured at the largest horizontal projection;

(c) Designed to be self-propelled or permanently towable by a light duty truck; and

(d) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Regulatory Floodway – See Floodway.

Special Flood Hazard Area – The land area subject to flood hazards and shown on a Flood Insurance Rate Map or other flood hazard map as Zone A, AE, A1-30, A99, AR, AO, AH, V, VO, VE or V1-30.

Watershed Protection District – An area bordering a brook, stream or other water body, the limits of which are determined by a horizontal distance.

2. Amending Section 14B FLOOD PLAIN OR WATERSHED PROTECTION DISTRICTS, in its entirety, to read as follows:

A. Purposes

The purposes of Flood Plain Districts or Watershed Protection Districts are to:

1. Ensure public safety through reducing the threats to life and personal injury;
2. Eliminate new hazards to emergency response officials;
3. Prevent the occurrence of public emergencies resulting from water quality, contamination, and pollution due to flooding;
4. Avoid the loss of utility services which if damaged by flooding would disrupt or shut down the utility network and impact regions of the community beyond the site of flooding;
5. Eliminate costs associated with the response and cleanup of flooding conditions;
6. Reduce damage to public and private property resulting from flooding waters.

B. Definitions

For the purposes of this Section the following terms shall be defined as follows:

Development – Any manmade change to improved or unimproved real estate, including but not limited to building or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

New Construction –Structures for which the start of construction commenced on or after the effective date of the first floodplain management code, regulation, ordinance, or standard adopted by the authority having jurisdiction, including any subsequent improvements to such structures. New construction includes work determined to be substantial improvement.

Start of Construction –the date of issuance for new construction and substantial improvements to existing structures, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement or other improvement is within 180 days after the date of issuance. The actual start of construction means the first placement of permanent construction of a building (including a manufactured home) on a site, such as the pouring of a slab or footings, installation of pilings or construction of columns.

Permanent construction does not include land preparation (such as clearing, excavation, grading or filling), the installation of streets or walkways, excavation for a basement, footings, piers or foundations, the erection of temporary forms or the installation of accessory buildings such as garages or sheds not occupied as dwelling units or not part of the main building. For a substantial improvement, the actual “start of construction” means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure –a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home.

Substantial Repair of a Foundation –when work to repair or replace a foundation results in the repair or replacement of a portion of the foundation with a perimeter along the base of the foundation that equals or exceeds 50% of the perimeter of the base of the foundation measured in linear feet, or repair or replacement of 50% of the piles, columns or piers of a pile, column or pier supported foundation, the building official shall determine it to be substantial repair of a foundation. Applications determined by the building official to constitute substantial repair of a foundation shall require all existing portions of the entire building or structure to meet the requirements of 780 CMR.

Variance – a grant of relief by a community from the terms of a flood plain management regulation.

Violation – the failure of a structure or other development to be fully compliant with the community's flood plain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in 44 CFR §60.3(b)(5), (c)(4), (c)(10), (d)(3), (e)(2), (e)(4), or (e)(5) is presumed to be in violation until such time as that documentation is provided.

C. Flood Plain District

1. District Boundaries and Base Flood Elevation Data

- a. The Flood Plain District is herein established as an overlay district. The District includes all Special Flood Hazard Areas within the Town designated as Zone A, AE, AH, AO, A99, V, or VE on the Norfolk County Flood Insurance Rate Map (FIRM) issued by the Federal Emergency Management Agency (FEMA) for the administration of the National Flood Insurance Program. The map panels of the Norfolk County FIRM that are wholly or partially within the Town are panel numbers 25021C0004E, 25021C0008E, 25021C0009E, 25021C0012E, 25021C0014E, 25021C0016E, 25021C0017E, 25021C0018E, 25021C0028E, and 25021C0036E. The exact boundaries of the District shall be defined by the 1%-chance base flood elevations shown on the FIRM dated July 17, 2012 and further defined by Norfolk County Flood Insurance Study (FIS) report dated July 17, 2012. The FIRM and FIS report are incorporated herein by reference and are on file with the Town Clerk, Planning Board, Inspector of Buildings, Conservation Commission and Wetlands Protection Committee.
- b. Base Flood Elevation Data. In Zones A and AE, along watercourses that have not had a regulatory Floodway designated, the best available Federal, State, local, or other floodway data shall be used to prohibit encroachments in floodways which would result in any increase in flood levels within the community during the occurrence of the base flood discharge.

D. Watershed Protection District

1. District Boundaries

2. The Watershed Protection District is herein established as an overlay district.

E. Regulations and Restrictions

1. General Restrictions:

- a. In Flood Plain or Watershed Protection Districts, except as provided in Section 14B.E.4 below, no new building or structure shall be constructed or used in whole or in part, and no existing building or structure lying wholly within a designated Flood Plain or Watershed Protection District shall be altered, enlarged, reconstructed or used in a manner which would increase ground coverage within the Flood Plain or Watershed Protection District; no dumping of trash, rubbish garbage, junk or other waste materials shall be permitted; no filling, dumping, excavating, removal or transfer of gravel, sand, loam, or other material which will restrict flood water flow or reduce the flood water storage capacity shall be permitted, except the surfacing or resurfacing of any existing parking area.
- b. The Town requires a permit for all proposed construction or other development in the Flood Plain District, including new construction or changes to existing buildings, placement of manufactured homes, placement of agricultural facilities, fences, sheds, storage facilities or drilling, mining, and paving.
- c. All development in the Flood Plain or Watershed Protection District, including structural and non-structural activities, must be in compliance with Chapter 131, Section 40 of the Massachusetts General Laws and the following:
 - i. Sections of the Massachusetts State Building Code (780 CMR) which address floodplain and coastal high hazard areas;
 - ii. Wetlands Protection Regulations, Department of Environmental Protection (310 CMR 10.00);
 - iii. Inland Wetlands Restriction, Department of Environmental Protection (310 CMR 13.00); and
 - iv. Minimum Requirements for the Subsurface Disposal of Sanitary Sewage, Department of Environmental Protection (310 CMR 15, Title 5).
- d. The portion of any lot delineated as being within a Flood Plain or Watershed Protection District may be used to meet the area and yard requirements for the district in which the remainder of the lot is situated.

2. Floodway Encroachment

- a. In Zones A1-30 and AE, along watercourses that have a regulatory floodway designated on the Town's FIRM, encroachments are prohibited in the regulatory floodway which would result in any increase in flood levels within the community during the occurrence of the base flood discharge.

3. Assure That All Necessary Permits Are Obtained

- a. Wellesley's permit review process includes the use of a checklist of all local, state and federal permits that will be necessary in order to carry out the proposed development in the floodplain overlay district. The proponent must acquire all necessary permits and must submit the completed checklist demonstrating that all necessary permits have been acquired.

4. Permitted Uses

- a. The following uses of low flood damage potential and causing no obstructions to flood flows shall be permitted provided they are permitted in the underlying district and they do not require structures, excavation, fill, or storage of materials or equipment:
 - i. Farming, grazing, and horticulture;
 - ii. Forestry and nursery uses;
 - iii. Conservation of water, plants, wildlife; and
 - iv. Wildlife management areas, foot, bicycle, and/or horse paths.
- b. The Special Permit Granting Authority may give permission, as hereinafter provided in Section 25 and subject to the provisions of Section 14B.F.5 below, for the following uses within Flood Plain or Watershed Protection Districts:
 - i. Any use, otherwise permitted by the underlying zoning district within which the land is situated;
 - ii. Construction, operation and maintenance of dams and other water control devices including temporary alteration of the water level for emergency purposes;
 - iii. Bridges and like structures permitting passages between lands of the same owner, provided that such bridges and structures shall be constructed, maintained and used at the expense and risk of such owner;
 - iv. Driveways and walkways ancillary to uses otherwise permitted by this Section;
 - v. Recreation, including golf courses, municipal, county or state parks (but not an amusement park), boating, fishing or any non-commercial open air recreation use;
 - vi. Structures ancillary to farms, truck gardens, nurseries, orchards, tree farms and golf courses.

5. Project Approval

The provisions of Section 16A shall apply.

- a. Plans submitted in accordance with Section 16A shall make adequate provision for:
 - i. The protection, preservation and maintenance of the water table and water recharge areas;
 - ii. The preservation of the natural river channel plus sufficient width of overbank areas for the passage of flood flows;
 - iii. The retention of existing flood carrying capacity;
 - iv. The design of proposed construction in a manner which ensures anchoring to prevent flotation, collapse and/or excessive movement of structures; and
 - v. The design of public utilities including sewer, water, gas and electrical systems in a manner which will minimize or eliminate flood damage.
- b. Base flood elevation data for subdivision proposals
 - i. When proposing subdivisions or other developments greater than 50 lots or 5 acres (whichever is less), the proponent must provide technical data to determine base flood elevations for each developable parcel shown on the design plans.
- c. All subdivision proposals and development proposals in the floodplain overlay district shall be reviewed to assure that:
 - i. Such proposals minimize flood damage;
 - ii. Public utilities and facilities are located and constructed so as to minimize flood damage; and
 - iii. Adequate drainage is provided.
- d. AO and AH zones drainage requirements
 - i. Within Zones AO and AH on the FIRM, adequate drainage paths must be provided around structures on slopes, to guide floodwaters around and away from proposed structures.
- e. Unnumbered A Zones
 - i. In A Zones, in the absence of FEMA BFE data and floodway data, the building department will obtain, review and reasonably utilize base flood elevation and floodway data available from a Federal, State, or other source as criteria for requiring new construction, substantial

improvements, or other development in Zone A as the basis for elevating residential structures to or above base flood level, for floodproofing or elevating nonresidential structures to or above base flood level, and for prohibiting encroachments in floodways.

f. Recreational vehicles

- i. In A1-30, AH, AE Zones, V1-30, VE, and V Zones, all recreational vehicles to be placed on a site must be elevated and anchored in accordance with the zone's regulations for foundation and elevation requirements or be on the site for less than 180 consecutive days or be fully licensed and highway ready.

6. Variances from Flood Plain District Requirements

A variance may be granted for flood plain management purposes only.

- a. A variance from this floodplain bylaw must meet the requirements set out by State law and may only be granted if: 1) Good and sufficient cause and exceptional non-financial hardship exist; 2) the variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, or cause fraud or victimization of the public; and 3) the variance is the minimum action necessary to afford relief.
- b. Variances shall not be issued within any designated regulatory floodway if any increase in flood levels during the base flood discharge would result.

7. State Building Code Appeals Board Variance

The Town will request from the State Building Code Appeals Board a written and/or audible copy of the portion of the hearing related to the variance and will maintain this record in the community's files.

8. Notice

- a. The Town shall issue a letter to the property owner regarding potential impacts to the annual premiums for the flood insurance policy covering that property, in writing over the signature of a community official that 1) the issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage and 2) such construction below the base flood level increases risks to life and property.
- b. Such notification shall be maintained with the record of all variance actions for the referenced development in the Flood Plain District.

F. Abrogation and Greater Restrictions

The floodplain management regulations found in this Floodplain Overlay District section shall take precedence over any less restrictive conflicting local laws, ordinances or codes.

G. Designation of Community Floodplain Administrator

The Town hereby designates the position of Planning Director to be the official floodplain administrator for the Town.

H. Watercourse Alterations or Relocations in Riverine Areas

In a riverine situation, the Community Floodplain Administrator shall notify the following of any alteration or relocation of a watercourse:

- Adjacent Communities, especially upstream and downstream
- Bordering States, if affected
- NFIP State Coordinator
Massachusetts Department of Conservation and Recreation
251 Causeway Street, 8th floor
Boston, MA 02114
- NFIP Program Specialist
Federal Emergency Management Agency, Region I
99 High Street, 6th Floor
Boston, MA 02110

I. Requirement to Submit New Technical Data.

If the Town acquires data that changes the base flood elevation in the FEMA mapped Special Flood Hazard Areas, the Town will, within 6 months, notify FEMA of these changes by submitting the technical or scientific data that supports the change(s). Notification shall be submitted to:

FEMA Region I Risk Analysis Branch Chief
99 High St., 6th floor, Boston, MA 02110

And copy of notification to:

Massachusetts NFIP State Coordinator
MA Dept. of Conservation & Recreation, 251 Causeway Street, Boston, MA 02114;

or take any other action in relation thereto.

(Planning Board)

*If it keeps on rainin', levee's gonna break
When the levee breaks, I'll have no place to stay.*

*Led Zeppelin
When the Levee Breaks*

Overview

In 2022, FEMA will update flood plain maps. Town Counsel has advised that when flood maps are updated, a community must have local floodplain regulations that conform to National Flood Insurance Program (NFIP) regulations in order to access federal flood insurance. Article 33 proposes comprehensive wording changes to Section 14B FLOOD PLAIN OR WATERSHED PROTECTION DISTRICTS to bring the Town's requirements into compliance with new NFIP

requirements. Essentially, this article updates the Town's bylaws to conform to what is required by FEMA so that residents can have continued access to flood insurance.

Advisory Considerations

Advisory notes that the Town has little autonomy with respect to the definitions of flood plains. Accordingly, Advisory's considerations focused on homeowners and the impact these changes would have on them. A key impact is expected to be changes to insurance rate maps. This rate change has not yet occurred because the FEMA Maps are not yet complete. However, it was noted that in some instances, insurance rates may go down.

Advisory also noted that flood plain changes can be quite stressful and asked if impacted homeowners would be informed of the changes. Planning explained that, as in 2012 when maps were last updated, the Town must notify those impacted and, once again, it is expected that the Town will notify individual property owners.

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

ARTICLE 34. To see if the Town will vote to amend provisions of the Zoning Bylaw relating to the definition of Child Care Facility by:

1. Amending definitions in Section 1B DEFINITIONS, as follows:

Child Care Facility means a "child care center" or a "school age child care program" as those terms are defined in G.L. c.15D Section 1A.

Home Occupation – A non-residential use of a dwelling unit, by the resident or residents, for gainful employment, that is subordinate but compatible to residential use. The term Home Occupation shall include a "family child care home" as defined in G.L. c.15D Section 1A., for not more than six children, including participating children living in the residence, where the provider is licensed by the Department of Early Education and Care under G.L. c. 15D.

2. Deleting the definition of "Child Care Use", in its entirety, from Section 1B DEFINITIONS and Section 14J SMART GROWTH OVERLAY DISTRICT; and

3. Deleting the words "Child Care Use" wherever they appear in Section 14J SMART GROWTH OVERLAY DISTRICT and Section 14.J.1 WELLESLEY PARK SMART GROWTH OVERLAY DISTRICT and replacing them with the words "Child Care Facility";

or take any other action in relation thereto.

(Planning Board)

"One day I will find the right words, and they will be simple."

*-Jack Kerouac
The Dharma Bums*

Overview

The proposed change to the Definitions of "Child Care Facility" and "Home Occupation," along with the deletion of the definition for "Child Care Use" and usage of those terms in the Zoning Bylaws, (1) corrects the statutory reference to refer to the current Mass. Gen. Law, and (2)

simplifies the Zoning Bylaws to use a single term, “Child Care Facility” rather than multiple terms for the same concept. This article corrects an issue identified by the Attorney General with the Town’s Zoning Bylaw following the adoption of the Smart Overlay District Bylaw at the May, 2019 Special Town Meeting.

Advisory Considerations

Advisory notes that the proposed amendment to the Zoning Bylaw will simplify, and therefore clarify, references to “Child Care Facility” throughout the Bylaw. The change also has the benefit of correcting a reference to State statute and addresses a comment made by the Attorney General during her review of the Smart Overlay District Bylaw. Advisory supports these updates to the Zoning Bylaw.

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

ARTICLE 35. To see if the Town will vote to amend provisions of the Zoning Bylaw relating to the definition of Town House by:

1. Amending and inserting definitions in Section 1B DEFINITIONS, as follows:

Duplex – A building containing two Dwelling Units joined side by side [or front to back] sharing a common wall for all or substantially all of its height and depth; that is in which no part of one Dwelling Unit is over any other part of the other Dwelling Unit. A duplex shall be considered as one principal building occupying one lot for the purposes of determining yard requirements.

Town House – A One-Unit Dwelling constructed in a group of three or more attached Dwelling Units in which each Dwelling Unit extends from foundation to roof and with a yard or public way on not less than two sides.

Townhouse Structure – A row of at least three One-Unit Dwellings whose sidewalls are separated from each other Dwelling Units by a fire separation wall or walls, and where each Dwelling Unit has its own at-grade access.

Two Unit Dwelling – A building, including a Duplex, containing two, and no more than two, Dwelling Units.

2. Amending Section 4.A.3, as follows:

3. Townhouse Structure of three or more Town Houses subject to the following:

	CATEGORY A CONVENTIONAL UNITS (with or without assisted units not qualifying as Category B)	CATEGORY B CONVENTIONAL & 25% ASSISTED UNITS*	CATEGORY C 100% ASSISTED UNITS*
MAXIMUM RESIDENTIAL DENSITY (sq. ft. of lot size per Unit)	7,000	6,000	5,000
MINIMUM LOT OR BLDG. SITE (sq. ft.)	21,000	18,000	15,000
MINIMUM OPEN SPACE	65%	65%	65%
MAXIMUM LOT COVERAGE BY BUILDING	20%	20%	20%
MAXIMUM BLDG. HEIGHT (feet)	40	40	40
MINIMUM LOT FRONTAGE (feet)	120	100	100
MINIMUM BLDG. SETBACKS (ft. from property boundary lines)			
FRONT (STREET SETBACK)	35	30	30
SIDES AND REAR			
ABUTTING SINGLE RESIDENCE ZONING	35	30	30
ABUTTING OTHER ZONING	25	20	20
MINIMUM BLDG. SEPARATION (feet)	30	30	30
MINIMUM & MAXIMUM LENGTH OF ROW (Town Houses units)	3-6	3-8	3-8
<i>*To qualify for Category B a minimum of 25% of the dwelling units or 1 unit, whichever is greater, shall be assisted units. To qualify for Category C 100% of the units shall be assisted.</i>			

Off-street Parking shall be provided in accordance with Section 21.

or take any other action in relation thereto.

(Planning Board)

A rose by any other name. . .

*Romeo and Juliet
Act II, Scene II*

Overview

Current Wellesley zoning for General Residence Districts does not permit the building of certain structures that are otherwise consistent with the general nature of those districts. Specifically, permitted uses in a General Residence District extend only to: (1) a single unit dwelling; or (2) a two-unit dwelling that is designed with the units being “over/under” (in other words, stacked, rather than side-by side). As currently drafted, the definition of Two-Unit Dwelling excludes the construction in the General Residence District of a two-unit structure in which the units are side-by-side, with shared walls separating them, sometimes referred to as “town houses.”

At the same time, the Inspector of Buildings/Zoning Enforcement Officer has advised that the current definition of Town House in the Zoning Bylaw, which refers to a “dwelling containing two or more dwelling units” is not consistent with the State Building Code which defines a Town House as having at least three units, and he has asked that this be corrected in the Zoning Bylaw.

Article 35 seeks (i) to introduce a new definition to the Wellesley Zoning Bylaw, “Duplex,” to refer to a two-unit, side-by side dwelling; (ii) revise the definition of a “Two-Unit Dwelling” to include rather than exclude a Duplex; (iii) revise the definition of “Town House” to specify that it is a One Unit Dwelling located in a group of three or more attached side-by side, vertical units; and (iv) add a definition of “Townhouse Structure” in Section 4.A.3 to complement the new definition of Town House. The net effect of the changes will be to allow two-unit side-by-side dwellings in the General Residence District and leave undisturbed the provisions of Section 4.A.3 regarding the density of Town Houses in the General Residence District.

Advisory Considerations

Advisory notes that these changes to the Zoning Bylaws will conform them with current building codes and add to the diversity of permitted housing stock in Town. As explained by the Planning Board, the exclusion of side-by-side, two-unit structures were a deliberate policy choice made many years ago because, at that time, it was felt that two-unit, side-by-side structures were inconsistent with a single-family dwelling unit appearance. Planning feels, and Advisory agrees, that the justification for excluding side-by-side, two-unit structures from General Residence Districts is no longer valid, especially given some attractive architectural designs that recently have come before the Planning Board. Advisory is satisfied that the proposed change will not adversely affect the density of development in Town because, as noted by the Planning Board, Duplexes (if approved) will require 5000 square feet of land per unit and will be permitted only in General Residence Districts.

Further, Advisory appreciates that the proposed change to the definition of Town House to refer to three or more side-by-side units harmonizes Wellesley’s Zoning Bylaw with State Building Code.

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

ARTICLE 36. To see if the Town will vote to amend the Zoning Bylaw by modifying Section 4. GENERAL RESIDENCE DISTRICTS by inserting new Sections 4.A.6 and 4.A.7 as follows:

6. For any land with frontage on Washington Street or Worcester Street east of Cliff Road and west of Grantland Road Extension the following additional uses are permitted:

A. Offices used for professional, administrative, and clerical purposes, subject to Section 4.A.7.

B. Classrooms operated by for-profit or not-for-profit educational organizations, including after-school and supplemental subject-matter courses subject to Section 4.A.7.

C. Meeting spaces for use by for-profit or not-for-profit social organizations subject to Section 4.A.7.

D. The temporary open surface parking of passenger cars of employees, customers or guests of establishments which constitute a use permitted by this Zoning Bylaw in the district (a) in which such land is situated or, (b) on which it abuts or from which it is separated by a way, provided said cars are not serviced or held for sale or lease on such land.

7. For buildings used for purposes allowed under Section 4.A.6.A, 4.A.6.B, or 4.A.6.C, except as may be allowed by Special Permit in accordance with Section 25. SPECIAL PERMIT GRANTING AUTHORITY,

- i. No sign advertising with respect to such uses shall be displayed on the property except in accordance with Section 22A of this Zoning Bylaw;
- ii. There shall be no outdoor storage of products or materials;
- iii. There shall be no change in the outside appearance of the premises, including buildings and grounds, that is not in keeping with the residential character and appearance, provided that such restriction shall not apply to any repair of any building in existence as of July 1, 2022;
- iv. There shall be provision for parking on the premises so that no vehicle will be required to park on any street. Except with respect to any parking areas in existence as of July 1, 2022, the required parking area shall retain the character of the residential neighborhood. No enlargement of the width of the driveway or other alteration of the driveway setback shall be allowed in order to meet this requirement.

Or take any other action in relation thereto.

(Planning Board)

You do what you can for as long as you can, and when you finally can't, you do the next best thing. You back up but you don't give up.

- Chuck Yeager

The origin of this proposed change to the zoning bylaws lies in a withdrawn citizen's petition proposed for the Fall, 2021 Special Town Meeting. That petition sought to rezone properties, owned by the Unitarian Universalist Society of Wellesley Hills ("the Society") and located at 307 and 309 Washington Street ("The UU Property"), from the General Residence District to the Business District. The reason for the petition was to allow the Society to rent space, specifically the house at 307 Washington Street, to for-profit entities.

Following the withdrawal of the Citizen's Petition, the Planning Board introduced this Article, which proposes to enlarge the uses allowed in the General Residence District to include leasing space to professional and administrative entities, but only if the General Residence property has frontage on Washington or Worcester Street, east of Cliff Road and west of Grantland Extension.

Advisory Considerations

Advisory, as a whole, is sympathetic to the Society's goals of being able to maximize use of its property to enhance and support its mission in the community. Many members of Advisory, however, are troubled by the apparent "ad hoc" nature of this proposed zoning change, and expressed reluctant support for the change only because of the lack of a more straightforward, ready-made solution in the Zoning Bylaws. Accordingly, Advisory urges the Planning Board to review the Town's Zoning Districts in the near future.

Dissenting members of Advisory believe that the proposed enlargement of uses only for a portion of properties in a zoning district is not consistent with the structure of the Town's Zoning Bylaws and will likely lead to confusion on the part of the public. These members are also concerned that other owners in the General Residence District outside of the proposed geographic limits will be encouraged to seek enlargement of the General Residence addresses to take advantage of the proposed changes, leading to a string of Citizen's Petitions that will create more "ad hoc" zoning and impose more work on the Planning Board and Town Meeting.

Passage requires 2/3 vote.

Advisory recommends favorable action 10 to 2.

ARTICLE 37. To see if the Town will vote to amend the Zoning Map of the Town of Wellesley by rezoning 219 Washington Street (Parcel 63-1) and 229 Washington Street (Parcel 63-1-A) from the Single Residence District to the General Residence District; or take any other action in relation thereto.

(Planning Board)

Expect the best. Prepare for the worst. Capitalize on what comes.

— Zig Ziglar

Overview

Wellesley Friendly Aid Association (WFA) approached the Planning Board earlier this year with a request to rezone the WFA property located at 219 Washington St. from the Single Residence District to the General Residence District. This rezoning would allow rooms in the house at 219 Washington Street and the attached brick annex, the former Wellesley Community Center, to be rented, not only to not-for-profit organizations, but also to for-profit organizations, consistent with the change proposed to the General Residence District in Article 36.

WFA approached the Planning Board because WFA has recently been affected by two events. First, the transfer of the annex by the Wellesley Community Center to WFA by reason of the early termination by WCC of the ground lease between WFA (as lessor) has increased WFA's operating costs, although those costs are currently offset by the tenancy of the Wellesley Theater Project in that space. Second, the termination by CrossRoads Counseling, after over forty years of occupancy of its lease from WFA of the second floor of the WFA house, has required WFA to seek a new tenant for that space.

WFA's mission, briefly stated, is to support Wellesley individuals and families with a variety of unmet financial and other needs. WFA, through the Board, seeks the proposed zoning change in order to broaden the pool of potential tenants for their property and increase the likelihood that WFA will be able to fully rent space in its buildings in order to generate the revenue it needs to both maintain the building and support its mission.

Advisory Considerations

This change to zoning bylaw, if approved, would increase the permitted uses for the WFA property to include construction of two-unit dwellings and Town Houses. Additionally, should Town Meeting approve Article 36, the WFA property could be leased to professional and administrative businesses.

Advisory first notes that WFA currently may lease its property to not-for-profit entities, but those entities must seek a Special Permit from the Town in order to operate. Advisory also notes that the subject property is bordered by the American Red Cross and the Congregational Church on the northeast, Washington Street, and the ramp to Rt. 9 on the southeast and south, and the Public Works yard on the west. Many in Advisory felt that this relative isolation made the intensification of uses enabled by the present Article to be of minor concern.

Dissenting members of Advisory felt that the proposed change had not been sufficiently studied and raised questions regarding traffic congestion resulting from an increase in traffic turning into the property from Washington Street, which is already a difficult and congested traffic area. Some of these members believe that the intensification of uses allowed by this change should also be studied, since the subject property is adjacent to other properties zoned in the single residence district and is, in fact, separated from the Wellesley Farms commercial area by the ramp to Rt. 9. These members, therefore, felt that it was not clear that the property should necessarily be rezoned.

Passage requires 2/3 vote.

Advisory recommends favorable action 10 to 2.

ARTICLE 38. To see if the Town will vote to amend the Zoning Bylaw by adding new sustainability provisions as follows:

1. Amending Section 1.C Purpose to add a new Section 1.C.12 as follows:

12. To reduce emissions of greenhouse gases and to encourage the use of sustainable building and land use practices.

2. Amending Section 16A. PROJECT APPROVAL to include review of Greenhouse Gas Emissions by:

a. Amending Section 16A.C.3.a and Section 16A.C.3.b to read as follows:

- a. The applicant shall submit to the Planning Board a Municipal Systems Impact Analysis (MSIA), prepared by professional engineers registered in the Commonwealth of Massachusetts, and identifying the impact of the Construction Project on water, sewer, storm drainage, electric, traffic, intersections, sidewalks and footways, building occupant life safety, refuse disposal and recycling, and greenhouse gas emissions. The water, sewer, and storm drainage portions of the MSIA shall be prepared by engineers having expertise in civil engineering; the electric portion shall be prepared by engineers having expertise in electrical engineering; the traffic and pedestrian safety and bicycle safety portions shall be prepared by engineers having expertise in traffic and transportation engineering; and the greenhouse gas emissions portion shall be prepared by engineers having expertise in energy performance and efficiency.
- b. The intent of the analysis is to determine the impact on the Town's existing capital infrastructure in order to assess costs of providing or upgrading Town public facilities which will benefit a PSI and compatibility with the Town's greenhouse gas emissions reduction goals.

b. Amending Section 16A.C.3.c to add a new subsection vi as follows:

vi. Greenhouse Gas Emissions

identification of proposed energy consumption and emissions including analysis of measures taken to meet the Town's greenhouse gas emissions reduction goals.

3. Adding a new Section 22.C.6 to expand the Design Review Standards to include review of sustainable design, as follows:

6. Sustainable Design- Proposed development shall promote meeting the Town's greenhouse gas emissions reduction goals.

4. Inserting a new definition in Section 1B DEFINITIONS, as follows:

Heat Pump – Means a Cold Climate Air-Source Heat Pump which is listed by the Massachusetts Clean Energy Center at https://goclean.masscec.com/wp-content/uploads/2021/01/MassCEC_ASHP_GUIDE.pdf or, if such listing is discontinued, a successor or comparable listing as confirmed by the Planning Department.

5. Amending the fourth sentence of the Section 19.B to read in its entirety as follows:

Heating, ventilation, air conditioning, swimming pool, electric generating, or other noise emitting equipment shall not be located in required setback areas except for Heat Pumps which are attached to and do not extend more than two feet from the wall of the building (but may not be attached to any part of bay windows) or are ground mounted and do not extend more than four feet from the foundation of the building, including any pad on which the Heat Pump is mounted. Plans and installation of sound reduction and/or visual screening may be required if, in the opinion of the Inspector of Buildings abutters may be affected.

or take any other action in relation thereto.

(Planning Board)

ARTICLE 38, MOTION 1

Overview

This motion seeks to amend Section 1 GENERAL PROVISIONS by amending Section C to add that one of the enumerated purposes of the Zoning Bylaw is to reduce emissions of greenhouse gases and encourage the use of sustainable building and land use practices.

Advisory Considerations

Advisory generally agrees with, and supports, the Town's goal of reducing greenhouse gas emissions. Advisory also acknowledges, and appreciates, the work that Planning has put into addressing this important topic, though the Sustainable Zoning Working Group.

However, some members of Advisory felt the language regarding "reducing emissions of greenhouse gases" is too vague. In particular, at least one member of Advisory noted that, once the Town's greenhouse gas emission goals were reached, that portion of the purposes statement would no longer make sense. At least one member of Advisory believed Zoning Bylaws appropriately manage land use and, to a lesser extent, building practices, and that a purpose relating to reduction of greenhouse gases is an improper purpose for zoning bylaws.

Several Advisory members felt that the Zoning General Purpose bylaw already and, in their view, appropriately includes a commitment to sustainability via Section 1.C.10. This section directs the Planning Board "[To] encourage the most appropriate use of land throughout the Town, consistent with the goals and policies of the Town of Wellesley Comprehensive Plan". The Unified Plan, "a combination of a Comprehensive Plan and a Town-wide Strategic Plan", devotes an entire chapter to Sustainability. These members felt that the town is best served by a General Purpose bylaw referring to external standards that will evolve to achieve greenhouse gas emissions reductions goals, rather than a bylaw with prescriptive language that then would have to be legislatively changed as those standards evolve.

Still other members of Advisory were uncomfortable with the language regarding building practices, noting that building practices are typically controlled by the State's building codes. Indeed, Planning commented that builders and designers are both already ahead of the Town on this topic, leading some members of Advisory to question the necessity of this language.

A minority of Advisory members nevertheless felt that it is appropriate and useful to add reduction of greenhouse gasses and sustainable building practices to the General Purpose clause.

Passage requires a two-thirds majority.

Advisory recommends unfavorable action 10 to 4.

ARTICLE 38, MOTION 2

Overview

This motion seeks to amend Section 16A PROJECT APPROVAL to include a review of greenhouse gas emissions for Projects of Significant Impact (PSI). The proposed change would require PSI applicants to submit to the Planning Board a Municipal Systems Impact Analysis (MSIA) identifying the impact of the project on greenhouse gas emissions. The greenhouse gas emissions portion of the MSIA would have to be prepared by engineers having expertise in energy performance and efficiency. Additionally, applicants would be required to identify proposed energy consumption and emissions including an analysis of measures taken to meet the Town's long-term greenhouse gas emissions reduction goals.

Advisory Considerations

Several members of Advisory expressed concerns with the lack of specific standards for reduction of greenhouse gases in the proposed language. Other members of Advisory were concerned that the proposed language was "out in front" of state and federal work on this subject which could result in the proposed language conflicting with future requirements.

Still other members of Advisory were uncomfortable that the proposed language imposed an obligation on PSI proponents without a corresponding enforcement mechanism should the greenhouse gas emission portion of the MSIA fail to meet Town's yet-to-be-defined expectations at the time,

A minority of Advisory members acknowledged that specific standards have not been defined by the state, and that the Wellesley Climate Action Committee is still in the process of defining metrics, but nevertheless felt that the MSIA would yield benefits for the Town, and that PSI applicants are quite knowledgeable of construction methods to address greenhouse gas emissions and would want to take steps to do so in order to remain on good terms with the Town.

Passage requires a two-thirds majority.

Advisory recommends unfavorable action 10 to 4.

ARTICLE 38, MOTION 3

Overview

This motion seeks to amend Section 22 DESIGN REVIEW to expand the Design Review Standards to include review of sustainable design in support of the Town's greenhouse gas emissions reduction goals.

Advisory Considerations

As with Motion 2, several members of Advisory expressed concerns with the lack of specific standards for reduction of greenhouse gases in the proposed language. Still other members were uncomfortable that the proposed language would impose an obligation for the Design Review Board to inquire about greenhouse gas emissions without a corresponding enforcement mechanism should the proposed development fail to meet the Town's yet-to-be-defined expectations at the time.

Other members of Advisory stated a concern that this change would require applicants to hire an experienced engineer, and incur additional cost, without any specific metrics to meet. Some members of Advisory felt that the greenhouse gas standards should be set first, and that the required engineering review would then naturally follow. Still other members of Advisory noted

that the State Attorney General has mandated that municipalities cannot impose specific metrics on what individual households can burn to heat or cool their houses.

A minority of Advisory members supported this motion, seeing the expansion of the design review process as a step forward in addressing greenhouse gas reduction. and felt that the lack of specific standards was not a sufficient reason to vote against the motion.

Passage requires a two-thirds majority.

Advisory recommends unfavorable action 10 to 4.

ARTICLE 38, MOTION 4

Overview

This motion seeks to define “heat pumps” by reference to the Massachusetts Clean Energy Center guide and then to amend SECTION 19 YARD REGULATIONS to exempt them from the general prohibition against placement in setback areas of a property.

Advisory Considerations

Advisory notes that the proposed change does not obligate the installation of heat pumps. Rather, the proposed changes simply encourage the use of heat pumps by giving favorable treatment to heat pumps with respect to siting on a property, so that that in many cases a site plan will not be required when obtaining approvals for installing a heat pump. At least one member of Advisory noted that this sort of change is an appropriate use of the zoning bylaw to achieve the Town’s climate action goals.

Members of Advisory recognized that, although generally quieter than traditional HVAC units, heat pumps still emit noise and allowing their placement in the setback area of a property could have a negative effect on a neighboring property. However, given that the proposed language requires a heat pump to be within two feet of the building it services if wall-mounted, or four feet if ground-mounted, it was felt that Planning’s proposal strikes an appropriate balance between the competing interests.

Passage requires a two-thirds majority.

Advisory recommends favorable action 14 to 0.

ARTICLE 39. To see if the Town will vote to amend the Zoning Bylaw by:

1. Adding a new Section 16H. ACCESSORY DWELLING UNITS, as follows:

16H. ACCESSORY DWELLING UNITS

A. Purpose

The purposes of providing for Accessory Dwelling Units include:

- i. To facilitate housing production, diversity, and affordability in the Town's neighborhoods;
- ii. To allow older adults and households with disabled persons to remain in the Town and to better accommodate young families;
- iii. To use energy, water, and materials more efficiently by increasing the housing supply through concentrated, small scale development; and
- iv. To preserve historic homes, carriage houses, and barns by providing greater flexibility to homeowners.

B. Ownership. An Accessory Dwelling Unit shall not be owned separately than the Principal Dwelling with which the Accessory Dwelling Unit is associated. A Building with an Accessory Dwelling Unit may not be divided into condominiums, even if owned by the same person or entity.

C. Physical Requirements: The Accessory Dwelling Unit shall:

- i. Satisfy the requirements to be a Dwelling Unit as set forth in this Zoning Bylaw, the State Building Code and the State Fire Code, and any applicable health regulations, including having a separate entrance sufficient to meet requirements for safe egress.
- ii. Remain subordinate in appearance to the Principal Dwelling including:
 - (A) Any detached Accessory Dwelling Unit or modifications to the exterior of the existing One-Unit Dwelling to accommodate the Accessory Dwelling Unit must match the style and architecture of the Principal Dwelling, including siding, roof pitch, trim, windows, and doors.
 - (B) Exterior doors of the Accessory Dwelling Unit shall not be on any building elevation which presents to a public street or private way, except that Accessory Dwelling Units which are built in detached structures existing as of the date of adoption of this Section 16H may have exterior doors in a building elevation presenting to a public street or private way.
 - (C) Exterior staircases must not be visible from a public way and shall be designed to complement the Principal Dwelling.

(D) Construction of an Accessory Dwelling Unit shall not increase the height of the structure beyond the height of the Principal Dwelling prior to construction of the Accessory Dwelling Unit.

- iii. An Accessory Dwelling Unit may be detached from the Principal Dwelling, but any detached Accessory Dwelling Unit may be located only in the Rear Yard and/or Side Yard of the principal dwelling or in a building on the lot which existed prior to the adoption of this Section 16H.
- iv. (A) Contain at least 250 square feet of gross floor area and no more than the lesser of (i) 900 sq. ft. of gross floor area or (ii) 50% of the gross floor area of the Principal Dwelling, not including the Accessory Dwelling Unit, or basement, garage, or unenclosed deck or patio areas, and (B) otherwise meet the requirements of the definition of "Accessory Dwelling Unit" in Section 1A of Chapter 40A of the General Laws.
- v. Subject to the provisions of Sections 17 and 25, comply with all area and yard regulations applicable to the lot on which it is located.

D. Operational Requirements

- i. The ADU Property Owner shall record in the Registry of Deeds a notice, in a form approved by the Planning Board, stating that the property includes an Accessory Dwelling Unit in accordance with the provisions of the Zoning Bylaw.
- ii. The ADU Property Owner must reside in either the Principal Dwelling or the Accessory Dwelling Unit on the lot for at least 184 days of each calendar year. The ADU Property Owner may not lease the Owner Unit for any duration during periods when the ADU Property Owner is not residing in the Owner Unit.
- iii. The minimum leasing term for the unit that is not occupied by the ADU Property Owner shall be the greater of 30 days or such other period governing short term rentals which may be set forth from time to time in the Town Bylaws. The Accessory Dwelling Unit may not be leased more than once in any 30-day period.
- iv. There shall be no pickup or delivery of products and/or articles at the premises that is not customary in a residential area.
- v. The Accessory Dwelling Unit may not be used for a Home Occupation.

E. Permitting Requirements

- i. Any person or entity applying for building and occupancy permits under the State Building Code for a building which will include an Accessory Dwelling Unit shall state in the application that the project proposes to include an Accessory Dwelling Unit. The Inspector of Buildings shall not issue a building permit for construction of such building or issue a

certificate of occupancy for such building until the Planning Department, in accordance with Rules and Regulations adopted by the Planning Department, certifies that the building is in compliance with the provisions of Section 16H.D.

- ii. All detached Accessory Dwelling Units and all Accessory Dwelling Units which are constructed as part of other accessory structures on a property, including carriage houses, barns, or detached garages, will require a Special Permit to be issued by the Zoning Board of Appeals as Special Permit Granting Authority in accordance with Section 25.
- iii. The ADU Property Owner must submit an annual certification to the Planning Department, in a form determined by the Planning Board, that the Accessory Dwelling Unit has been constructed and is owned and operated in compliance with all provisions of the Zoning Bylaw.
- iv. Notice of Sale of the property containing the Accessory Dwelling Unit must be provided to the Planning Department.
- v. If the Accessory Dwelling Unit has been built or is being operated in violation of the provisions of this Section the Inspector of Buildings may, in addition to other remedies, order the removal of any one or more of the provisions that create a separate dwelling unit, such as living, sleeping, cooking, and eating.

F. Rules and Regulations. The Planning Board shall adopt and may from time to time amend Rules and Regulations to implement this Section 16H.

G. Effective Date

- i. This Section 16H shall apply to all building permits issued after September 1, 2022, for alteration of existing One-Unit Dwellings or construction of new One-Unit Dwellings.
- ii. Any One-Unit Dwelling which was constructed prior to the date of adoption of this Section 16H and contains a self-contained housing unit, inclusive of sleeping, cooking and sanitary facilities on the same lot as a principal dwelling shall be brought into compliance with this Section 16H and if building permits for such work are issued prior to December 31, 2024, and associated construction completed by December 31, 2025, shall not be subject to penalties otherwise applicable to correction of non-conforming structures.

2. Adding or amending definitions in Section 1B. DEFINITIONS, as follows:

Accessory Dwelling Unit or ADU - A self-contained housing unit, inclusive of sleeping, cooking and sanitary facilities on the same lot as a principal dwelling, subject to otherwise applicable dimensional and parking requirements, that: (i) maintains a separate entrance, either directly from the outside or through an entry hall or corridor shared with the principal dwelling sufficient to meet the requirements of the state building code for safe egress;

(ii) complies with the requirements of Section 16H, and (iii) complies with the definition of “Accessory Dwelling Unit” in Section 1A of chapter 40A of the General Laws.

ADU Property Owner - shall mean a person who holds record title to a property containing an Accessory Dwelling Unit directly or indirectly and for whom the property is their principal residence. Indirect ownership includes but is not limited to a beneficiary of a trust holding record title to the property and a majority owner of the voting stock of a corporation or the membership units of a limited liability company holding record title to the property.

Owner Unit—with respect to lots containing an Accessory Dwelling Unit, means either the Principal Dwelling or the Accessory Dwelling Unit, whichever is occupied by the ADU Property Owner.

Principal Dwelling—for any lot with an Accessory Dwelling Unit, the “Principal Dwelling” means the portions of the Dwelling other than the Accessory Dwelling Unit.

3. Amend Section 1B DEFINITIONS by amending the following definitions as follows:

One-Unit Dwelling – a detached Dwelling containing not more than one Dwelling Unit, provided that the existence of an Accessory Dwelling Unit on a lot shall not cause the Dwelling to have more than one Dwelling Unit for purposes of this Zoning Bylaw.

Rear Yard - An area, on the same lot with the building, measured from the rear line of the lot to the building, extending the full width of the lot, and unoccupied above ground level except by covered basement entrances not over four feet in height and not over 35 square feet in area, bay windows that do not have a foundation and do not extend more than two feet from the wall of the building, uncovered steps, eaves projecting not more than 2 feet from the wall of the building, covered or uncovered, enclosed or unenclosed, entrance porches on the first floor which do not exceed a total area of 50 square feet, attached chimneys projecting not more than 2 feet from the wall of the building, stair landings not over 25 square feet in area, and Accessory Dwelling Units built in accordance with Section 16H.

Side Yard - An area, on the same lot with the building, measured from the side line of the lot to the building, extending from the Front Yard to the Rear Yard, and unoccupied above ground level except by covered basement entrances not over four feet in height and not over 35 square feet in area, bay windows that do not have a foundation and do not extend more than two feet from the wall of the building, uncovered steps, eaves projecting not more than 2 feet from the wall of the building, attached chimneys projecting not more than 2 feet from the wall of the building and unenclosed, covered or uncovered stair landings not over 25 square feet in area, and Accessory Dwelling Units built in accordance with Section 16H.

4. Adding a new Section 2.A.1A, as follows:

1A. Accessory Dwelling Unit.

An Accessory Dwelling Unit is allowed as an accessory use to any One-Unit Dwelling provided, and for so long as, such Accessory Dwelling Unit satisfies and complies with the provisions of Section 16H. No more than one

Accessory Dwelling Unit is allowed for any One-Unit Dwelling. Accessory Dwelling Units are not allowed in Two Family Dwellings, Town Houses, or other buildings with multiple Dwelling Units.

5. Adding a new Section 17.B.3 as follows:

3. Accessory Dwelling Units.

Construction of an Accessory Dwelling Unit on a non-conforming lot or to a non-conforming building in a Single Residence District or General Residence District does not require review by the Zoning Board of Appeals if such construction does not increase the footprint of the existing structures on the lot other than as necessary for the construction of a separate entrance for the ADU, provided that any entrance porch does not exceed 30 square feet nor project more than five feet from the face of the building.

6. Adding the following sentence to the end of the first paragraph of Section 18.A:

“For purposes of this Section 18 a Principal Dwelling and an Accessory Dwelling Unit shall be considered to be one Dwelling Unit. The creation of an Accessory Dwelling Unit shall not change the classification of a lot or building for purposes of this Section 18.” ;

Or take any other action in relation thereto.

(Planning Board)

Overview

Current Wellesley zoning in Single Residence Districts does not permit Accessory Dwelling Units (ADUs). Commonly referred to as an “In-Law Suite,” the concept of an ADU is broader than that – it is “an apartment within, or on, the same property as an owner-occupied, single unit residential dwelling that is subordinate to the main (or principal) dwelling.” An ADU can be an interior dwelling space, e.g., a converted basement or attic, or an exterior dwelling, e.g., a converted garage, or a detached or attached unit.

Article 39 seeks to permit ADUs in Wellesley by adding a new section to the zoning by-laws, detailing the definition and requirements of such dwellings.

The origin of Article 39 is rooted in statewide housing discussions that have been going on for many years to address the long-term fall-off in housing production. In Wellesley, these discussions have been between the Planning Board and the Town, with ADUs called for in both the Unified Plan (2018 – 2028) and in the Housing Production Plan (2018). In early 2021, Housing Choice Legislation was passed in Massachusetts. The legislation provides measures that are meant to produce more housing, and lowers the local approval threshold to adopt those measures to a simple majority from a 2/3 supermajority which had been the state law for over 100 years

Per Planning, ADUs are seen as an aid in providing more diverse housing, more affordable housing, and generally to increase the housing stock in Wellesley. For example, ADUs could allow older adults or disabled adult children to remain in town, living with a family member. Planning believes the new bylaw would also add a tool to the Town’s housing toolbox to provide more diverse living opportunities. Currently, 37 of 100 municipalities in Massachusetts allow ADUs.

In developing Article 39, Planning considered residents' input provided during several public hearings, and considered ADU bylaws adopted in other towns around Wellesley. Planning reports that concerns expressed have included their potential use as short-term travel rentals or as student housing for the colleges we have in Town, and the traffic/parking challenges that could follow. More broadly, there are concerns related to foreseeing a change to the Town character. Planning has heard these concerns and worked to address them via the following requirements:

ADUs must:

1. comply with all zoning by-laws (ZBL), and building and safety codes including
 - a. no more than three unrelated people can live in an ADU
 - b. the size of a new or expanded ADU would be combined with the size of the principal residence to determine if Large House Review is required;
2. be self-contained (have its own sleeping, cooking, and sanitary facilities);
3. have a separate entrance, and the exterior door must not be visible to the public way;
4. match the architectural style of the principal dwelling;
5. be 250 to 900 square feet in size, the size limit provided in the Housing Choice legislation;
6. be in the rear or the side of the principal dwelling for detached ADUs;
7. not increase the height beyond that of the principal dwelling; and
8. be leased for a term of not less than 30 days.

In addition:

9. ADUs cannot be turned into condos;
10. the ADU must be recorded at the Registry of Deeds;
11. the property owner must reside in either the principal unit or the ADU; a
12. the property owner must reside in either unit at least 184 days each year.

Planning indicated it considered but decided not to adopt other limits that neighboring towns impose on ADUs. These include:

1. requiring that ADU residents be related to or caregivers for the residents of the principal dwelling;
2. restricting the number of residents who can reside in an ADU;
3. restricting the number of ADUs that can be constructed (e.g., as a percentage of a town's single family housing units or in the number of ADU permits that can be issued each year); and/or
4. providing specific requirements on parking spaces for ADU residents.

Advisory Considerations

Advisory acknowledges the years of work and thought that have gone into Planning's development of the new ADU bylaw, and supports the stated goals of increasing and diversifying the housing stock including enabling family members such as older adults, and disabled individuals and their caregivers, to remain/live in Town.

However, Advisory raised concerns about whether ADUs themselves, or the specific provisions in the proposed bylaw, would cause a change in the character of the town's single-family neighborhoods. Advisory noted that Wellesley's Housing Production Plan (HPP) issued in 2018 states:

Wellesley has a long-standing policy of protecting established single-family neighborhoods from changes in use. This principle is reinforced by the Zoning Bylaw and articulated in the Unified Plan, its predecessor the Wellesley Comprehensive Plan, and the Affordable Housing Policy.

Given this perspective, Advisory asked about the need to relax protections for neighbors in single-family areas by allowing ADUs therein.

Planning responded that it believes ADUs would maintain the character of single-family neighborhoods. Citing the Governor's Housing Choice legislation which was passed during the pandemic (a few years after the HPP and Unified Plan were issued), Planning stated "[T]his legislation encourages ADU production and provides options for not only Wellesley seniors but to all residents of the Commonwealth who are looking for housing to get a start in the world – especially our young couples, adult children, and Town employees who could not otherwise afford to live in Wellesley." Regarding risks to town character, a member of Build a Better Wellesley stated that research into ADUs (citing Needham) indicate that the actual number of ADU applications is small; that ADUs, once approved, do not "run amok" taking over the residential feel and character of a town.

Regarding specifics in the proposed bylaw, Advisory asked whether the 30-day minimum leasing term should be longer, observing that a number of towns (e.g., Needham) restrict ADU tenants to related "family members and caregivers". There was concern that ADUs might be employed as Airbnb's or as college "dormitories." Further, Advisory noted that Airbnb reports that rentals of 28 days or more represent the fastest growing segment of its business measured by nights rented.

Planning responded that their belief is that a 30-day minimum is sufficient to prevent "short-term" rentals, citing a number of contributing protections. The general zoning bylaw on residents will apply to the ADU, specifically that not more than three unrelated individuals can reside in either the principal dwelling or the ADU. Requiring the owner to reside in the principal dwelling or ADU for 184 days per year would also help address the concerns raised, Planning referenced other restrictions as well, such as the requirement that each ADU must be much smaller in size than the principal dwelling, whether it is attached or detached.

Advisory also wondered what type of benchmarking was done with other towns, and what was learned from their experiences. In response, Planning provided a listing of towns around Wellesley that permit ADUs, and their respective requirements. Several peer towns have greater restrictions than those proposed in this Article. Planning pointed out that Dover, which has had ADUs since the 1980's, has found that the adjustments they have had to make over many years have been in terms of size and the intensification of use of ADUs.

Advisory also inquired as to whether this new bylaw would apply across all residential districts. Planning indicated that an ADU can go in/on any single unit dwelling, regardless of district.

Finally, Advisory had specific questions around structural design and traffic. The requirement that the exterior door not be visible from a public way was felt to potentially be onerous to a property owner. Planning acknowledged the challenge but stated the intent is to avoid an ADU looking like a "town house." The question was also raised as to whether ADUs would increase traffic density and on-street parking in neighborhoods. Planning responded that they have not mandated additional driveway space on the principal property, and with no parking being allowed on Wellesley streets between 2AM and 6AM, the owner and ADU tenants will have to work out any parking issues. Advisory questioned how the Town will enforce owner occupation and lease length. Planning stated that ADU owners will have to provide an annual attestation to Planning that the ADU unit complies with the Zoning bylaws.

With this robust discussion, most Advisory members supported Article 39 as an important way to improve Wellesley's housing stock, providing greater availability and diversity. A minority of members believed the bylaw, as drafted, does not fully address concerns, or provide sufficient protections for single-family neighborhoods.

Advisory recommends favorable action 11 to 2.

ARTICLE 40. To see if the Town will vote to amend the Zoning Bylaw to create new provisions for a Commercial Gun Shop as follows:

1. Adding a new definition in Section 1B DEFINITIONS, as follows:

Commercial Gun Shop – Any commercial establishment engaging in whole or in part in the business of a Gunsmith, or the manufacture, sale, or lease to the public of any Weapon, Machine Gun, Ammunition, Bump Stock, Large Capacity Feeding Device, Stun Gun, or Trigger Crank, as such terms are defined in G.L.c.140, § 121.

2. Adding a new Section 11.A.13.I in Section 11. BUSINESS DISTRICTS, as follows:

I. Commercial Gun Shop

3. Adding a new Section 13.A.11.d in Section 13. INDUSTRIAL DISTRICTS, as follows:

d. Commercial Gun Shop

4. Adding a new Section 25.B.7 in Section 25. SPECIAL PERMIT GRANTING AUTHORITY as follows:

7. Commercial Gun Shops

- a. Purpose - The purpose of this subsection is to regulate the siting, design, placement, security, safety, monitoring, and modifications of Commercial Gun Shops within the Town to ensure that such uses are operated in a manner consistent with the overall health, welfare and safety of the Town and to minimize the adverse impacts of Commercial Gun Shops on adjacent properties, residential neighborhoods, schools and other places where children congregate, and other land uses potentially incompatible with said Commercial Gun Shops.
- b. Compatibility with State and Federal Laws and Regulations – The Zoning Bylaw provisions pertaining to Commercial Gun Shops are not intended to supersede federal or state laws or regulations except to the extent that any such laws or regulations allow a community to adopt standards more stringent than the minimum standards provided in such laws and regulations.
- c. Applicability and Authority
 - i. Applicability:
 - (1) No Commercial Gun Shop use shall commence unless permitted by the issuance of a special permit as authorized by this Section and subsection.
 - (2) No special permit for a Commercial Gun Shop use shall be issued unless the use is located in one of the zoning districts established within the Zoning Bylaw specifically authorizing such use.

- (3) The establishment and operation of Commercial Gun Shops shall be subject to continued compliance with all special permits, including any conditions thereof, the provisions of this Section and subsection, any other applicable requirements of the Zoning Bylaw, and local and state laws and regulations.
- ii. Authority: The Special Permit Granting Authority is empowered to review and take action on special permit applications for Commercial Gun Shops consistent with the procedures established in Section 25.C.; the Special Permit Granting Authority may deny, grant, or grant with conditions all such applications.
- d. General Regulations - All Commercial Gun Shops shall be subject to the following conditions and limitations:
 - i. Location:
 - (1) No special permit for a Commercial Gun Shop shall be granted where such use would be located within 500 feet of a:
 - a. Public or private elementary school, middle school, or high school;
 - b. Child Care Facility, including family daycare homes, daycare centers, and/or nursery schools; or
 - c. Any establishment catering to or providing services primarily intended for minors, as determined by the Special Permit Granting Authority.
 - (2) The 500 foot distance shall be measured in a straight line from the nearest point of the structure within which the Commercial Gun Shop would operate (from the nearest point of the exterior of the tenant space if the Commercial Gun Shop is located in a structure occupied by multiple tenant spaces), to the nearest point of any property on which a public or private elementary school, middle school, or high school is located, or to the nearest point of any structure containing or associated with other uses noted above.
 - (3) The commencement of one or more of the above uses within 500 feet of a proposed Commercial Gun Shop location during the review of a special permit application for a Commercial Gun Shop (beginning on the date of submittal), following the issuance of a special permit, or following the commencement of the Commercial Gun Shop use shall not invalidate the Commercial Gun Shop use, the special permit issued therefor, or the ability to renew any unexpired or unrevoked special permit.

ii. Configuration and Operation:

- (1) A Commercial Gun Shop shall be located in, and conduct all operations within, an enclosed building; this shall not prohibit operations involving the delivery or receiving of permitted goods and products, which may involve transfer to or from a motor-vehicle outside of an associated building.
- (2) All publicly accessible entrances shall be visible from a public way.
- (3) Drive-through windows and/or any interactions or sales to customers within vehicles are prohibited.
- (4) No Commercial Gun Shop shall be located inside a building containing residential dwelling units, including transient housing, group housing, hotels, motels, lodging houses, and/or dormitories.
- (5) The hours of operation of Commercial Gun Shops shall be set by the Special Permit Granting Authority, but in no event shall a Commercial Gun Shop be open to the public, performing deliveries, and/or otherwise operating between the hours of 8:00 PM and 8:00 AM; there shall be no exemptions to the prohibited hours of operation for emergencies.
- (6) No person under the age of eighteen (18) shall be permitted on the premises of the Commercial Gun Shop unless he or she is a qualified patient or primary caregiver or is accompanied by a parent or legal guardian.

iii. Signage:

- (1) All signs associated with Commercial Gun Shops shall comply with Section 22A.
- (2) All special permit applications for Commercial Gun Shops shall include a proposed exterior sign package, which may be included as a condition of issuance of the special permit.
- (3) Temporary Signs and Standard Informational Signs, as defined in Section 22A shall be prohibited.

iv. Security:

- (1) Commercial Gun Shops shall provide the Wellesley Police Department, Inspector of Buildings and the Special Permit Granting Authority with the names, phone numbers and email addresses of all management staff and keyholders to whom one can provide notice if there are operating problems associated with the establishment; this information shall be updated when staff of the Commercial Gun Shop changes

- (2) No operator and/or employee of a Commercial Gun Shop shall have been convicted of any felony under state or federal law.
- (3) Trash dumpsters shall be locked and enclosed by a screening enclosure so as not to be accessible to the public.
- (4) The exterior grounds, including the parking lot and landscaped areas, shall be lighted in such a manner that all areas are clearly visible at all times during business hours; all light fixtures shall have full cut off shields.
- (5) The Commercial Gun Shop shall be equipped with, and the operators of such Commercial Gun Shop shall maintain in working order at all times, burglary/robbery alarms.
- (6) A video surveillance system shall be installed and maintained which shall monitor all parking lot areas, main building entrances and exits, and any and all transaction areas for the sale of merchandise.

e. Procedures and Findings

i. Procedures: In addition to the procedures established in Section 25.C., special permits issued for Commercial Gun Shops shall be:

- (1) Limited to the current applicant and shall lapse if the permit holder ceases operation of the Commercial Gun Shop; and
- (2) Renewed annually.

ii. Findings: In addition to determining compliance with the above General Regulations, all other applicable Sections of the Zoning Bylaw, and the applicable Special Use Permit Standards contained in Section 25.D., the Special Permit Granting Authority in their review of any special permit application for a Commercial Gun Shop shall find that the proposed Commercial Gun Shop:

- (1) Meets all other applicable requirements of the Zoning Bylaw and the permitting requirements of all applicable agencies of the Commonwealth of Massachusetts and the Town, and will otherwise comply with all applicable state and local laws and regulations;
- (2) Is designed to minimize any adverse visual or economic impacts on abutters and other parties in interest;

- (3) Provides adequate security measures to ensure that no individual participants will pose a threat to the health or safety of other individuals; and
 - (4) Adequately addresses issues of vehicular and pedestrian traffic, circulation, parking and queuing, especially during peak periods at the Commercial Gun Shop.
- g. Severability - The provisions of this subsection (Section 25.B.7.) are severable. If any provision, paragraph, sentence, or clause of this Section, or the application thereof to any person, establishment, or circumstances, shall be held invalid, such invalidity shall not affect the other provisions or application of this Section or the Zoning Bylaw.

or take any other action in relation thereto.

(Planning Board)

Overview

The proposed change to the Zoning Bylaws seeks to define a “Commercial Gun Shop” consistent with Mass. Gen. Laws, Chapter 140, Section 121 and then to restrict their location in Town to Business Districts and Industrial Districts. The proposed change would require the issuance of a Special Permit to be located in those districts, consistent with the Town’s approach to Adult Uses and Registered Marijuana Dispensaries.

Advisory Considerations

Advisory notes that, currently, the Town Zoning Bylaw imposes no restrictions on the location of a Commercial Gun Shop in town other than that imposed on all businesses. The current proposal would not ban ownership, use or private sale of guns, nor would it outright ban Commercial Gun Shops. Rather the current proposal seeks to control the location of Commercial Gun Shops in Town in a manner similar to that already in place to control the location in Town of Adult Uses and Marijuana Dispensaries; that is, a Commercial Gun Shop:

- Must be more than 500 ft from a public or private school, Child Care Facility (including family daycare homes, daycare centers, and/or nursery schools), and establishments catering primarily to seniors, as determined by the Special Permit Granting Authority;
- Must be in an enclosed building with a publicly accessible entrance visible from a public way;
- Must prohibit drive-through or window sales;
- May not exist in a building that has residential units;
- Must have specific hours of operation; and
- Must prohibit persons under 18 from the premises without adult accompaniment.

Advisory believes that these restrictions on the locations of Commercial Gun Shops in Town are prudent and appropriate.

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

ARTICLE 41. To see if the Town will vote to amend the Zoning Bylaw to clarify the existing outdoor lighting provisions by Section 16G.D to read in its entirety as follows:

D. Applicability

The provisions of this Section shall apply to the following project types:

1. Major Construction Projects and Minor Construction Projects; and
2. Externally Illuminated Signs requiring Design Review and/or a Special Permit, as required and defined by Section 22A.

Where the provisions of this Section 16G are more specific and/or more restrictive with respect to lighting associated with an applicable project type for which other standards may exist within the Zoning Bylaw, the regulations contained in this Section shall take precedence.

With respect to any building or structure which is constructed or renovated as part of a Major Construction Project or a Minor Construction Project, all exterior luminaires of such building or structure shall be brought into compliance with this Section 16G.

The provisions of this Section shall not apply to:

- (a) One-Unit or Two-Unit Dwellings or to structures or uses accessory to such dwellings.
- (b) the ordinary maintenance, repair, and/or replacement of luminaires not approved as part of and/or associated with the installation of Externally Illuminated Signs; and
- (c) the installation of new luminaires on properties not subject to one or more of the aforementioned project types following the effective date of this Section.

or take any other action in relation thereto.

(Planning Board)

"Blinded by the light"

-Manfred Mann's Earth Band

Overview

The Planning Board seeks to amend Section 16G OUTDOOR LIGHTING of the Zoning Bylaw to expressly provide that when a Major Construction Project or a Minor Construction Project occurs, that all of its outdoor lighting is to be brought into compliance with the bylaw. Currently, lighting on a commercial building which is not on a portion of the building affected by the proposed construction is not addressed. Hence, when a commercial building recently went through a complete rehab and extensive external makeover, it was not required to bring lights in the rear of the building into compliance with the bylaw because the rear of the building was not changed. It should be noted that the project was a Minor Construction Project because it did not have an expanded footprint, but nonetheless the work was a substantial reconstruction of the building.

The proposed amendment does not otherwise change the scope of the Lighting Bylaw. In particular, the Lighting Bylaw does not apply, and will continue to not apply, to One-Unit or Two-Unit Dwellings. This amendment does not change the lighting requirements. It only seeks to ensure that the lighting requirements apply to all external lights on a building or structure which is part of a Minor or Major Construction Project.

Advisory Considerations

Advisory notes that the Planning Board became aware of this deficiency in the Bylaw due to light trespass across Moses Pond from a newly renovated building on Route 9. Advisory recognizes that the currently proposed amendment to Section 16G will not end that particular light trespass but will ensure that the lighting requirements will apply to all external lights on future Major and Minor Construction Projects.

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

ARTICLE 42. To see if the Town will vote to amend the Zoning Bylaw to clarify the existing Sign Bylaw provisions by inserting in Table 22A.1 the words “, whichever is less.” at the end of the text in the cell in such table for Wall Signs, Maximum Area, Commercial Districts Fronting Streets other than Worcester Street and Commercial Districts Fronting Worcester Street, so that the text in such cell shall read in its entirety as follows:

Additional signs allowed per additional public entrances and additional signs allowed for building occupied by more than 1 Business Establishment, shall not exceed 25 sq. ft. or 10% of the area of the wall to which attached, whichever is less.

or take any other action in relation thereto.

(Planning Board)

*Signs, signs, everywhere there's signs
Blockin' out the scenery, breakin' my mind
-The Five Man Electrical Band*

Overview

The proposed change to the Sign Bylaw (Section 22A of the Zoning Bylaw) corrects an omission in the language of Table 22.A.1, which defines the maximum size for signs erected in a commercial district. There are three cells in Table 22.A.1 that address the issue. Two of the cells include the phrase “, whichever is less.” The third cell in Table 22.A.1, however, omits that phrase, leading to frequent confusion that additional signs erected in a commercial district may be larger than primary signs erected in a commercial district. This Article seeks to correct Table 22.A.1 to include the omitted language, “, whichever is less.” in the third cell of the Table.

Advisory Considerations

Advisory notes that the proposed amendment to the Sign Bylaw will reduce confusion created by the omitted language, and should make permitting of signs easier and more likely to achieve the outcome intended by the Sign

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

ARTICLE 43. To see if the Town will vote to amend the Zoning Bylaw to reorder and renumber existing sections substantially as follows:

SECTION 1. GENERAL PROVISIONS

SECTION 1.1	General Provisions (formerly Section 1)
SECTION 1.2	Establishment of Districts (formerly Section 1A)
SECTION 1.3	Definitions (formerly Section 1B)
SECTION 1.4	Restrictions Affecting All Districts (formerly Section 16)

SECTION 2. DISTRICTS

SECTION 2.1	Single Residence Districts (formerly Section 2)
SECTION 2.1.1	Single Residence Districts A (formerly Section 3)
SECTION 2.2	General Residence Districts (formerly Section 4)
SECTION 2.2.1	General Residence Districts A (formerly Section 5)
SECTION 2.3	Town House Districts (formerly Section 3A)
SECTION 2.4	Multi-Unit Residence Districts (formerly Section 5A)
SECTION 2.5	Limited Residence Districts (formerly Section 6)
SECTION 2.6	Limited Apartment Districts (formerly Section 6A)
SECTION 2.7	Educational Districts (formerly Section 7)
SECTION 2.7.1	Educational Districts A (formerly Section 8)
SECTION 2.7.2	Educational Districts B (formerly Section 8A)
SECTION 2.8	Planned Development Districts (formerly Section 9A)
SECTION 2.9	Administrative and Professional Districts (formerly Section 9)
SECTION 2.10	Business Districts (formerly Section (formerly Section 11)
SECTION 2.10.1	Business Districts A (formerly Section 12)
SECTION 2.10.2	Limited Business Districts (formerly Section 10)
SECTION 2.11	Lower Falls Village Commercial District (formerly Section 9B)
SECTION 2.12	Wellesley Square Commercial District (formerly Section 9C)
SECTION 2.13	Industrial Districts (formerly Section 13)
SECTION 2.13.1	Industrial Districts A (formerly Section 14)
SECTION 2.14	Transportation Districts (formerly Section 14A)
SECTION 2.15	Parks, Recreation, and Conservation Districts (formerly Section 14C)

SECTION 3. OVERLAY DISTRICTS

SECTION 3.1	Historic Districts (formerly Section 14D)
SECTION 3.2	Residential Incentive Overlay (RIO) (formerly Section 14F)
SECTION 3.3	Linden Street Corridor Overlay District (LSCOD) (formerly Section 14G)
SECTION 3.4	Large-Scale Solar Overlay District (formerly Section 14H)
SECTION 3.5	Commercial Recreational Overlay District (formerly Section 14I)
SECTION 3.6	Smart Growth Overlay Districts (formerly Section 14J)
SECTION 3.6.1	Wellesley Park Smart Growth Overlay District (formerly Section 14J.1)
SECTION 3.7	Flood Plain or Watershed Protection Districts (formerly Section 14B)
SECTION 3.8	Water Supply Protection Districts (formerly Section 14E)

SECTION 4. RESERVED

SECTION 5. REGULATORY

SECTION 5.1	Pre-existing, Non-conforming Uses, Structures, and Lots (formerly Section 17)
SECTION 5.2	Area Regulations (formerly Section 18)
SECTION 5.3	Yard Regulations (formerly Section 19)
SECTION 5.4	Heights of Buildings and Structures (formerly Section 20)
SECTION 5.5	Design Review (formerly Section 22)
SECTION 5.6	Project Approval (formerly Section 16A)
SECTION 5.7	Inclusionary Zoning (formerly Section 16B)
SECTION 5.8	Drainage Review (formerly Section 16C)
SECTION 5.9	Large House Review (formerly Section 16D)
SECTION 5.10	Tree Protection & Preservation (formerly Section 16E)
SECTION 5.11	Natural Resource Protection Development (formerly Section 16F)
SECTION 5.12	Outdoor Lighting (formerly Section 16G)
SECTION 5.13	Accessory Dwelling Units (ATM 2022)
SECTION 5.14	Retaining Walls (formerly Section 22D)
SECTION 5.15	Swimming Pools (formerly Section 22B)
SECTION 5.16	Reserved
SECTION 5.17	Off-Street Parking (formerly Section 21)
SECTION 5.18	Signs (formerly Section 22A)
SECTION 5.19	Public Service Corporations (formerly Section 15)
SECTION 5.20	Antennas (formerly Section 22C)

SECTION 6. PROCEDURAL

SECTION 6.1	Enforcement and Penalties (formerly Section 23)
SECTION 6.2	Permit Granting Authority (formerly Section 24)
SECTION 6.3	Special Permit Granting Authority (formerly Section 25)
SECTION 6.4	Notice of Public Hearings (formerly Section 26)
SECTION 6.5	Interpretation (formerly Section 27)

And to amend the Zoning Bylaw to correct all section references therein to conform to the section references in the preceding reorganization; or take any other action in relation thereto.

(Planning Board)

Order is the sanity of the mind, the health of the body, the peace of the city, the security of the state. Like beams in a house or bones to a body, so is order to all things.

-Robert Southey

Overview

This Article seeks to amend the Zoning Bylaw by reordering and renumbering all sections and to correct references in the Zoning Bylaw to conform to the reorganization.

Advisory Considerations

Advisory notes that the proposed amendment to the Zoning Bylaw is part of an on-going, multi-year effort to recodify the Zoning Bylaw. This effort is supported by the Unified Plan for the Town and the 2010 Study on Recodification. Advisory recognizes that this is the third phase of the

Planning Board's ongoing efforts, following the replacement of Roman numerals with Arabic numbers approved at the 2020 Annual Town Meeting, and the consolidation of definitions approved at the 2021 Annual Town Meeting.

Advisory supports the Planning Board's continuing efforts to make the Zoning Bylaws more accessible and clearer to citizens of the Town. This will benefit staff, Boards and Commissions, and residents.

Passage requires 2/3 vote.

Advisory recommends favorable action 13 to 0.

CITIZEN PETITIONS

ARTICLE 44. That the Town advises the Wellesley School Committee and the Superintendent of the Wellesley Public Schools that Academic Excellence shall take priority over all other programs, policies, and initiatives with regard to curriculum, text book selection, staffing, and budgeting; and that it shall expend all funds in a manner that reflects this priority in all schools and school programs with the goal to restore Wellesley High School to its historical top five ranking of all public high schools in the state of Massachusetts as determined by the US News and World Report annual high school ranking. For the purpose of this motion, Academic Excellence is generally defined by both an educational philosophy along with specific measurable benchmarks to establish a culture that prioritizes core subjects and permeates every classroom, department and school. Such benchmarks shall include but are not limited to raising performance and outcomes of the following:

- MCAS Exam Results
- National exams ranking
- The number of AP courses available and AP Course Enrollment
- SAT and ACT Exam Results
- No. of WPS seniors enrolling in college

(Citizen Petition)

Overview

The petitioner and supporters assert there is a growing concern among Wellesley residents about the decline in academic excellence in the Wellesley Public Schools (WPS). The petitioner states that parents have transferred about 350 students from the WPS over the past two years, even though the WPS tax allocation equates to approximately 70% of the Town budget.

U.S. News and World Report (U.S. News) annually publishes rankings of high schools. In 2014, Wellesley High School (WHS) ranked #4 in Massachusetts. In 2019, WHS was ranked 19th and in 2021 it was ranked 26th. The petitioner asserts that he has researched the *U.S. News* ranking methodology and feels confident that it is accurate and fair, specifically that it is data-driven and formulated by recognized educational experts at Research Triangle Institute International, and that the rankings are not produced by journalists. In the petitioner's view, a key factor in WHS's lower ranking is its shortage of liberal arts Advanced Placement (AP) courses; the petitioner states that offerings at peer schools outnumber WHS by two to three times, and that the problem is exacerbated by the fact that WHS's liberal arts AP exam participation rate trails peer schools by orders of magnitude.

The Petitioner expressed frustration over WHS's lower ranking because only one town of the 25 ranked ahead of Wellesley has a higher percentage of college-educated adult residents, a higher average tax bill, and pays their teachers more (Weston, ranked 9th). The petitioner also noted several concerns at the Wellesley Middle School (WMS) including that it is ranked 46th, much lower than peer towns and that half of Wellesley 6th graders did not meet expectations in MCAS math testing.

The Petitioner asserts that the goal of Article 44 is to return Wellesley schools to the top echelon of high schools in the Commonwealth, commensurate with the high taxes paid by residents, and to establish a greater level of academic excellence throughout WPS. The Petitioner has stated the Article is not advocating teaching to the *U.S. News* rankings or eliminating any WPS programs.

Advisory Considerations

Some Advisory Committee members felt this Citizen's Petition represented a move in the right direction of re-establishing academic excellence at the WPS, as indicated by the number of emails Advisory received and the number of residents expressing concern at Citizen Speak. In addition, members commented that it appears the WPS is not hearing the parents, and that the proposed AEAC would be a good way to establish more effective communications between concerned parents and the School Committee and help ensure their concerns are heard. Finally, it was felt that more oversight of the School Committee would be a good thing.

The majority of Advisory members, however, were not in favor of the Citizen's Petition. Many felt that the School Committee is the appropriate body to oversee the WPS on the issue of academic excellence and the overall education of Wellesley students. One member expressed that this is not a black and white issue and that academic excellence and teaching the whole student are not mutually exclusive. That said, it was acknowledged that there is concern in a segment of the parent population, and the School Committee was encouraged to listen to this group of parents and families and to find a way to address the concerns raised without creating the AEAC.

Other members felt the School Committee is listening to the parents as evidenced by the proposed 2023 budget under which the WPS would hire math specialists and permanent substitutes. It was also felt that the current focus on educating the whole child should continue, and the structure proposed in the Citizen's Petition is not an appropriate means to achieve the objective. Some members also felt that the stringent emphasis on academic excellence could be detrimental to some students. Another member commented that while there is a message in this Article that needs to be heard, policy issues should not be imbedded into bylaws.

Several members, while voting against the petition, expressed hope that the message on the desire for increased emphasis on academic excellence is received, and that appropriate action will be taken to be responsive. Another member felt that a better approach to studying this issue would be to have a qualified, independent education consultant perform a study and report back to the town.

Advisory recommends unfavorable action: 11 to 3.

ARTICLE 45. To see if the Town will vote to amend the existing Zoning Map of the Town of Wellesley to remove from the Single Family Residence 15 Zoning District and designate certain parcels of land located on the southerly side of Worcester Street known and numbered as 130 Worcester Street, 136 Worcester Street, 140 Worcester Street and 140R Worcester Street and specifically identified as Assessor's Map 7 Parcel 39, Assessor's Map 10 Parcel 2, Assessor's Map 10 Parcel 3, and Assessor's Map 10 Parcel 4, respectively, intending to describe that land contained in that certain deeds recorded in the Norfolk Registry of Deeds in Book 8492, Page 736, Norfolk Registry District of the Land Court as Land Court Document No. 575037 on Certificate No. 131768, and Norfolk Registry of Deeds Book 38810, Page 233 as within the Multi-Family Residence Zoning District or act on anything related thereto.

(Citizen Petition)

Passage requires 2/3 vote.

Advisory expects no motion under this article.

GENERAL

ARTICLE 46. To see if the Town will vote to rescind authorized and unissued loans, to authorize the transfer of unused proceeds from previously issued loans to one or more eligible appropriations, and/or to amend existing borrowing authorizations on unissued debt in order to allow the use of premiums for project costs and to reduce the amount of the borrowing so authorized in accordance with Section 20 of Chapter 44 of the Massachusetts General Laws, as amended by Section 67 of Chapter 218 of the Acts of 2016, or to take any other action in relation thereto.

(Select Board)

All items in this year's motion are to rescind open debt appropriations that will not need to be issued:

Town Meeting Vote	Project	Total Debt Authorized	Amt to be Rescinded	Comment
STM Oct 2020, Art 6.1	Main Library Reno	\$2,863,408	\$ 440,000	Project Complete
STM Oct 2018, Art 2	Hardy MSAB	\$ 735,000	\$ 218,723	MSBA Reimbursement
STM2 Oct 2021, Art 6	PFAS	\$1,500,000	\$1,500,000	ARPA Funds Received
ATM 2019, Art 19	MS Piping Construction	\$2,800,000	\$ 88,950	Project Complete

Advisory Considerations

This is an annual housekeeping article intended to close out elements of authorized debt that are no longer needed, either because of lower project costs or because gifts towards the project have been received. For projects that anticipate gifts or other funding, the full amount of the debt is authorized, and then portions rescinded as gifts come in. The rescissions reduce unnecessary bookkeeping and free up Town borrowing capacity. Advisory considers this to be an appropriate and prudent action.

ARTICLE 47. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money, to be expended under the direction of the Select Board, for the purpose of paying expenses related to the settlement of claims, actions, and proceedings against the Town, or to take any other action in relation thereto.

(Select Board)

Advisory expects no motion under this Article.

ARTICLE 48. To see if the Town will vote to authorize the Select Board, on behalf of the Town, to dispose of tangible Town property having a value in excess of \$10,000.00 (TEN THOUSAND DOLLARS), on such terms as it may deem advisable, or to take any other action in relation thereto.

(Select Board)

Advisory expects no motion under this Article.

ARTICLE 49. To see if the Town will vote to authorize the Select Board to appoint one or more of its members as a fire engineer, or to take any other action in relation thereto.
(Select Board)

When dealing with administrative matters within the Fire Department, the Select Board (SB) is required to convene as the Board of Fire Engineers. Examples of these administrative matters are hiring and termination of Fire Department personnel and review of major policy issues. It is Town custom for all SB members to be appointed to act in this capacity.

Advisory recommends favorable action, 14 to 0.

REPORT OF THE CLIMATE ACTION COMMITTEE

The Climate Action Committee (CAC) was originally established by Town Meeting as the Sustainable Energy Committee (SEC) in 2010. The CAC is composed of seven appointed members, with staggered terms of three years. The Select Board, Municipal Light Plant (MLP), and School Committee each appoint a representative, and the Select Board appoints the remaining four members from among residents or others with relevant interests and expertise.

During 2021, the primary activity of the CAC was to develop the Town's Climate Action Plan, which was completed in February 2022.

A brief timeline of the committee's work:

- **2010:** ATM establishes the SEC to lead efforts to accomplish the goal adopted at the 2009 Annual Town Meeting to reduce town-wide greenhouse gas (GHG) emissions 10 percent below 2007 levels by 2013, to monitor and report progress toward that goal, and to propose further goals for emissions reductions to Town Meeting.
- **2014:** The 2009 goal is reached, and ATM adopts the SEC proposal to establish a new goal to reduce town-wide emissions 25 percent below 2007 levels by 2020.
- **2020:** The town achieves the 25% emissions reduction goal due to a variety of factors including greening of the electricity grid, the transition away from the use of fuel oil to heat buildings, improved energy efficiency and waste reduction, and pandemic-related changes in building and vehicle use. At Special Town Meeting in Fall 2020, the Town adopts a resolution proposed by the Select Board to address the serious impact of climate change urging that all boards, committees, and departments proactively consider actions to reduce greenhouse gas emissions associated with Town-supported projects and programs and to coordinate with the SEC to develop and implement a comprehensive climate action plan for the Town.
- **2021:** Annual Town Meeting adopts new GHG emissions goals to reduce town wide GHG emissions 50 percent below 2007 levels by 2030, 75 percent below 2007 levels by 2040 and to net zero emissions by 2050 (Article 24). These goals align with the emissions goals set by the Commonwealth of Massachusetts, which has also adopted a 2050 net zero carbon emissions goal. ATM also approved a name change from the SEC to the Climate Action Committee (CAC).

MEASUREMENT OF 2021 EMISSIONS AND TRENDS

Inventory Methodology Update

As part of the Climate Action Plan process, Climate Action staff worked with an expert consultant to update the methodology Wellesley uses to estimate town-wide greenhouse gas emissions. Below is a list of major methodological changes reflected in the 2021 inventory results.

- **New GHG electricity emissions factors** to replace regional electricity emissions factors with factors reflecting Wellesley Municipal Light Plant electricity purchases. The new factors are based on Massachusetts Department of Environmental Protection data and methods for calculating electric utility-specific emissions factors.
- **Revised on-road vehicle emissions calculation** to reflect best practices. The revised methodology:
 - Includes half of Route 9 vehicle miles traveled (VMT) and excludes Route 128 VMT.

- Avoids double counting emissions from the municipal fleet and Metro West transit.
- Adjusts for reduced vehicle use during the pandemic.
- **New Global Warming Potential (GWP) factors** to align with the State GHG inventory. The GWP factors are from the Intergovernmental Panel on Climate Change's (IPCC's) Fourth Assessment.
- **Revised college sector emissions**, which now include emissions from MassBay Community College. MassBay emissions previously appeared as part of commercial sector emissions.
- **A new Municipal Services emissions category** which includes emissions from water treatment and distribution, wastewater pumping, Recycling and Disposal Facility (RDF) solid waste processing, streetlights, field and municipal parking lot lighting, traffic lights, and public electric vehicle charging. The municipal and school buildings category previously included these emissions.
- **Additions to waste-related emissions** including emissions from:
 - Solid waste from the three colleges in Wellesley;
 - Residential and commercial waste picked up by private haulers; and
 - Source-separated food waste processing.

Measurement of Emissions 2020-2021

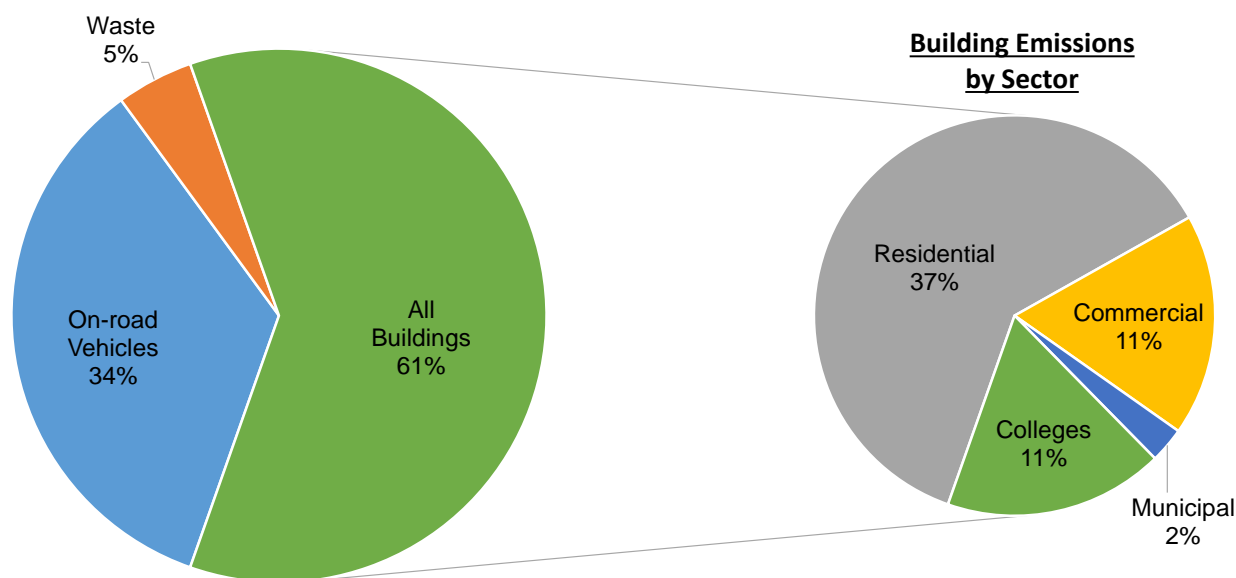
As shown in the table below, Wellesley's total 2021 GHG emissions decreased 2% from 2020 levels. As in 2020, significant emissions reductions in 2021 can be attributed to ongoing pandemic-related changes in activity patterns, increasing carbon-free electricity purchases by the MLP, as well as mild weather during the 2021 heating season.

Preliminary Greenhouse Gas Emissions (CO ₂ e) in metric tons [*]							
	Share of Total 2021 Emissions	2021 Emissions	2020 Emissions	2020 - 2021 Percent Change	2019 Emissions	2007 Emissions	2007 - 2021 Percent Change
Buildings	60.7%	131,560	134,575	-2.2%	167,060	255,993	-48.6%
Residential	37.3%	80,835	83,026	-2.6%	96,551	138,172	-41.5%
Commercial	10.9%	23,623	24,790	-4.7%	33,872	61,412	-61.5%
College	10.8%	23,335	23,274	0.3%	32,111	48,755	-52.1%
Municipal & School	1.7%	3,767	3,486	8.1%	4,525	7,654	-50.8%
On-road Vehicles	34.5%	74,805	74,805	0.0%	95,229	48,913	52.9%
Municipal Services*	0.2%	374	471	-20.4%	663	2,316	-83.8%
Waste	4.7%	10,085	11,469	-12.1%	11,324	8,912	13.2%
Total Emissions	100.0%	216,824	221,320	-2.0%	274,277	316,135	-31.4%

*Municipal services include water treatment, RDF waste processing, public electric vehicle charging, as well as street, traffic, field, and municipal parking lot lights.

*GHG estimates are based on actual municipal and college energy use data, actual electric and natural gas use by households and businesses, estimates for heating oil consumption and on-road vehicle VMT, a mix of actual and estimated waste data, fuel efficiency of on-road vehicles, and conversion factors that translate energy use into GHG emissions. Gas leaks (discussed below) are not currently included in the inventory. The methodology is guided by the U.S. Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions established in October 2012. Town-wide emissions are calculated using ICLEI – Local Governments for Sustainability software.

Contribution to 2021 Total GHG Emissions (MTCO₂e)



Municipal services, not shown above, contributed 0.2% of total GHG emissions in 2021.

Building emissions in college and municipal sectors increased between 2020 and 2021 while building emissions in residential and commercial sectors decreased. In 2021, energy use in Town buildings, public schools, and college buildings rose toward pre-pandemic levels. However, an increase in MLP's carbon-free electricity purchases by 10% over 2020 levels helped to mitigate emissions growth resulting from greater electricity use. While GHG emissions decreased for both residential and commercial buildings, these emissions reductions are more closely correlated to cleaner electricity than to the 1% reduction in energy consumption observed in both sectors.

On-road vehicle emissions were calculated to be the same on average in 2020 and 2021. Typically, Wellesley traffic counts averaged over past years are used to calculate GHG emissions from gasoline and diesel powered on-road vehicles. Given the lack of 2021 traffic data, this method was insufficient to capture pandemic-related changes in the town's traffic patterns over the last two years. Therefore, statewide 2020 and 2021 data showing average reductions in vehicle-miles traveled were used to conservatively estimate the pandemic's effect on vehicle miles traveled in Wellesley in 2020. Although vehicle activity was exceptionally low mid-March through mid-May 2020, state data show an annual average reduction of 20% below pre-pandemic levels for both 2020 and 2021.¹

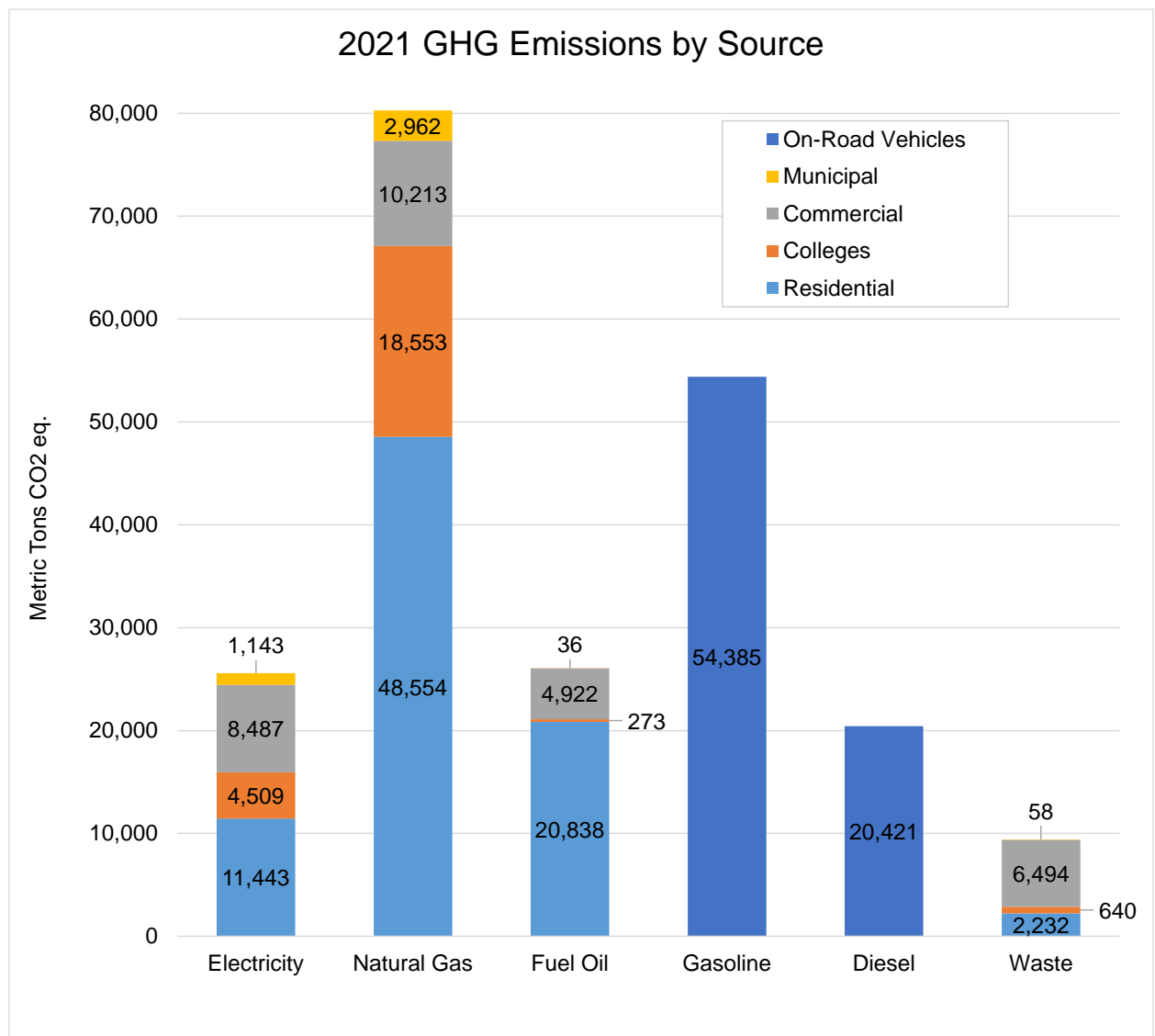
Municipal services emissions decreased in 2021 compared to 2020 due to lower energy use by the Department of Public Works for water treatment as the Morses Pond Water Treatment Plant was taken offline in May 2021.

Waste sector emissions declined 12% from 2020 levels, mirroring a similar reduction in the tonnage of landfill-bound waste processed by Wellesley's Recycling and Disposal Facility (RDF), with materials discarded by the residential and commercial sectors falling by 3% and 15%, respectively. Waste is a small sector and tends to fluctuate with the economy, building demolition

¹ <https://mobility-massdot.hub.arcgis.com/#traffic>

waste, and fees for waste disposal in Wellesley and the surrounding area. Municipal waste increased 13% as staffing levels in Town buildings rose compared to 2020.

Gas Leaks are not currently accounted for in the GHG inventory results. According to 2020 analyses from the Home Energy Efficiency Team ([HEET](#)), Wellesley has 250 unrepaired gas leaks emitting an estimated 91 metric tons of methane annually, equaling 7,858 metric tons of carbon dioxide equivalents (MTCO₂ eq.). Annual gas leak emissions exceed emissions from municipal/school buildings and services.



2007-2021 Emissions Trends

As of 2019, Wellesley reduced its overall GHG emissions by 13% below 2007 levels and was not on track to meet its goal of reducing emissions 25% by 2020. This shortfall was due primarily to the large and growing impact of the transportation sector. However, significantly lower energy consumption, warmer than average winters, and large increases in MLP purchases of carbon-free electricity in 2020 and 2021 resulted in emissions reductions of approximately 30% below 2007 levels for both years. As the pandemic continued in 2021, on-road vehicle activity and commercial building energy consumption remained low, and the MLP increased carbon-free electricity purchases by 9% compared to 2020. While future on-road vehicle emissions are expected to rebound to some degree, building sector emissions reductions should persist. Long-term trends that have contributed to GHG emissions reductions since 2007 appear below.

- **Decarbonization of the electricity grid:** Over the last 14 years, Wellesley MLP's electricity sources shifted from coal and oil to natural gas and included more clean energy, lowering the emissions per unit of electricity by 75%.
- **Transition from heating with fuel oil to natural gas:** Many homes, businesses and college buildings switched from heating with fuel oil to natural gas, which releases fewer GHG emissions per unit of energy.
- **Energy Efficiency:** Electricity consumption between 2007 and 2021 fell by 1.8% despite a roughly 7% increase in Wellesley's population. New, more efficient heating and cooling systems, appliances, and lighting in Wellesley homes and businesses lowered energy use and resulting emissions. The MLP's light-emitting diode (LED) streetlight retrofit project and the Facilities Management Department's LED retrofits, recommissioning and other energy conservation measures contributed to a decline in energy use. Changes in the building code and building practices have also improved energy efficiency and lowered building emissions. These improvements helped to keep electricity consumption level.
- **Changes at Wellesley College:** Wellesley College decreased its natural gas use and emissions by sourcing electricity from Wellesley's Municipal Light Plant instead of generating it on-site.
- **Transportation:** Increased fuel efficiency in vehicles was not sufficient to offset the increasing number of vehicle miles traveled between 2007 and 2019.

Note that 2021 GHG inventory results are marked as preliminary since emissions factors for the electricity grid are updated annually with a two-year lag. GHG inventory results for 2019 have been updated with the recently released 2019 factor. The CAC will finalize the 2021 results in 2023 and publish them in the Report to ATM 2024.

COMMITTEE ACTIVITIES IN 2021 AND EARLY 2022

In addition to tracking and analyzing GHG emissions, as described above, the CAC led and contributed to several initiatives, detailed below, aimed at reducing the Town's carbon footprint.

Climate Action Plan

The Committee completed a Climate Action Plan (Plan or CAP) which serves as a comprehensive road map for achieving the GHG emissions goals adopted by ATM 2021. The CAC worked with at least twelve departments, boards, and committees to plan and execute the Climate Action Plan. In Spring 2020, the Committee hired a consultant and recruited over 70 community-wide stakeholders to participate in working groups focused on governance, energy, buildings, mobility, waste, and natural resources. The CAC also carried out several CAP community outreach efforts including a climate action survey, nearly 40 public presentations, and a first-ever Building Energy

Roundtable for commercial property owners. The Committee published the Climate Action Plan and an eight-page summary in February 2022. The Committee is now focused on many facets of implementation.

Green Communities

In partnership with FMD, MLP, and the Police Department, the CAC coordinated a Green Communities grant for \$137,920 supporting the following projects:

- Interior LED retrofit in the High School auditorium and gymnasium;
- Exterior LED retrofit in municipal parking lots; and
- Two hybrid police cruisers.

The high school lighting project was completed in Fall 2020. The parking lot LED retrofit and hybrid cruiser purchase were complete in 2021.

In February 2022, the Department of Energy Resources awarded Wellesley a Green Communities grant totaling \$200,000 to contribute to the following projects:

- Air-source heat pumps at Wellesley Avenue water treatment plant (WTP);
- Air-source heat pumps at Morses Pond WTP;
- Air-source heat pumps at Longfellow WTP;
- LED lighting in the DPW's Water and Sewer garage; and
- Two additional hybrid electric police cruisers.

CAC staff coordinated the 2021 grant application in collaboration with DPW and the Police Department. Since 2018, Wellesley earned over \$475,000 in Green Communities grant funding. All Green Communities projects reduce the Town's operating costs.

Sustainable Zoning

The CAC participated in a Sustainable Zoning Working Group to propose sustainability additions to the Zoning Bylaw.

Gas Leaks

Members of the CAC continue to participate in the Multi-Town Gas Leaks Initiative which brings together cities and towns in National Grid territory to work with the utility to accelerate progress on gas leaks. Gas leaks are made up of methane which is 86 times more potent as a greenhouse gas than carbon dioxide. The GHG inventory section above contains an estimate of gas leak emissions in Wellesley for 2021. The Climate Action Plan includes goals, strategies, and actions to address the impact of gas leaks on Wellesley's carbon footprint, public health, and ecosystems.

Working with the Municipal Light Plant

The CAC assists the Municipal Light Plant's WE CARE Program, Incentive Design Working Group, and incentive programs such as the Clean Comfort Air-source heat pump initiative, residential solar rebate project, and electric vehicle off-peak charging program.

Town-wide Mobility Working Group

The CAC participates in the Town-wide Mobility Working Group and contributes to development of the Town's Sustainable Mobility Plan.

WasteWise Wellesley

The Climate Action Committee contributes to WasteWise Wellesley and the 3R (Reduce, Reuse, Recycle) Working Group which includes the CAC, DPW and the Natural Resources Commission working to reduce waste and positively impact sustainable materials management in Wellesley. Initiatives include zero waste and recyclable of the month programs, food rescue and food waste diversion programs, and community and business outreach and education.

Green Collaborative

To connect over 30 environmentally interested groups across Town, the CAC facilitates Wellesley's "Green Collaborative," which hosts speakers and lively discussions on sustainability topics. In 2021, the Green Collaborative hosted webinars on Air-Source Heat Pumps and the Climate Action Plan.

Proposed Staffing Changes

The CAC Operating Budget request seeks a 16 hour/week increase in the Climate Action Analyst's position to support Climate Action Plan implementation. The CAC's Capital Budget request seeks \$50,000 for a CAP implementation pilot program. This program will involve:

- Consultant assistance with strategy, resources, and content for climate action-related community education and engagement; and
- Technical assistance directly to community members interested in pursuing sustainability transitions such as building retrofits, electric vehicle purchases, and sustainable waste management.

Conclusion

Wellesley's Climate Action Plan outlines an ambitious roadmap for reducing greenhouse gas emissions and building resilience to climate change impacts. Successful CAP implementation requires strong Town leadership and participation of Town departments, boards, and committees, and of residents, businesses, and institutions across Wellesley.

CLIMATE ACTION COMMITTEE

Laura Olton, Chair
Sue Morris, Vice Chair
Ellen Korpi
Cynthia Mahr
Lise Olney
Martha Collins
Fred Bunger

REPORT OF THE COMMUNITY PRESERVATION COMMITTEE

This year marks the 20th anniversary of the formation of Wellesley's Community Preservation Committee, a decision that has served the Town well. By adopting the Massachusetts Community Preservation Act by town-wide referendum in 2002, a 1% surcharge on property tax bills was approved in order to create a fund for promoting open space and recreation, preserving historic resources and developing community housing. These funds are matched by the State through funds accrued from fees at the Registry of Deeds.

Wellesley's CPC is comprised of nine members: one member each representing the Housing Authority, the Historical Commission, the Natural Resources Commission, the Planning Board, and the Recreation Commission, and four members appointed by the Moderator. It is the CPC's job to review and recommend to Town meeting projects to receive CPA funding.

By statute, CPA funds can be utilized in four areas: open space, historic preservation, recreation, and community housing. Each year, the Town is required to appropriate a minimum of 10% of all CPA revenues to three reserves: open space, historic resources, and community housing. These funds can be expended or "banked" for future use. Also by statute, up to 5% of CPA revenues can be appropriated for administrative uses, including office expenses, administrative help and consultants to evaluate potential CPA projects. Revenues not designated to one of these reserves go into an undesignated account and can be used in any of the four allowable areas, including recreation.

In addition to assuring CPA appropriation requests fall into the four allowable areas of use, Wellesley's CPC evaluates proposed funding requests based on a number of additional criteria and discussion points: Does the project preserve a resource or opportunity that would otherwise be lost? Will the project have a significant long-term benefit to the community? Does the funding leverage other public or private funding? Does the project fit in with the Town's long-term planning? Is the project consistent with the guidelines and goals set out in town-wide planning efforts? Does the proposal have the support of multiple boards and committees? Will the project benefit a large cross-section of the Town? It is important to note that CPA funds cannot be used for maintenance or ordinary operating expenses.

For additional background on the MA CPA, guidelines for communities and statutory requirements, surcharge information and the Community Preservation Trust Fund account balances, please check the following website: www.mass.gov/lists/community-preservation-act-cpa-payments-decile-reports-and-other-information

Since 2002, Wellesley Town Meeting has approved 93 CPA appropriations. To see a list of Wellesley CPA projects as well as what the other 185 CPA communities in Massachusetts have done with their CPA funds, visit the Community Preservation Coalition website at: www.communitypreservation.org/databank/info

In 2021, Town Meeting approved funding for the initial master planning phase of the planned reconstruction of the Morses Pond Bathhouse and Beachfront as well as the funds for the purchase of a new large weed harvester for Morses Pond.

FY21 local surcharge revenues were \$1,383,743; the State match received was \$382,938 and interest income was \$14,767. The total revenue was \$1,781,448. The CPC makes recommendations for appropriations based on revenues received and not expected future revenues.

Wellesley CPA Financial Plan: July 1, 2022 to June 30, 2027
March 9, 2022

REVENUE	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
Local Surcharge	\$1,383,743	\$1,452,930	\$1,525,577	\$1,601,855	\$1,681,948	\$1,766,046	\$1,854,348	
	103.2%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	
State Match	\$382,938	\$603,571	\$508,526	\$533,952	\$560,649	\$588,682	\$618,116	
(match %)	28.6%	43.6%	35.0%	35.0%	35.0%	35.0%	35.0%	
Interest	\$14,767	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$125,000	
Other Revenues								
Total	\$1,781,448	\$2,071,501	\$2,049,102	\$2,150,807	\$2,257,598	\$2,369,727	\$2,597,464	
APPROPRIATIONS	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY23 SOURCE **
Administrative	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	Undesignated
Planning Board - Restore Historic Atlases*	\$7,500	\$7,500						Historic Resources
*FY22 Appropriation to be approved at 2022 ATM								
WHA Assessment of WHA Properties				\$400,000				
NRC - Morses Pond Phase I Erosion Mitigation				\$150,000				
NRC - Morses Pond Harvester Replacement**	\$315,000	\$80,000						Undesig - Rec
**FY22 Appropriation to be approved at 2022 ATM								
NRC - Sensory Playground Equipment at Warren Pa	\$12,000							
NRC - Lighting Consultant for Hunnewell Field Comp	\$20,000							
NRC - Lighting Retrofit at Diane Warren & Hunnewell Tennis			\$400,000					Undesig - Rec
NRC - Lawn Conversion Pilot Program			\$20,000					Undesig - Open Space
NRC - Active Field Use Optimization Study		\$58,000						Open Space
RC Beach & Bathhouse Study		\$175,000		\$800,000	\$3,025,000			
DPW - Hunnewell Field Restroom Facility*	\$525,000							
*FY21 Approved at Fall 2020 STM 2								
Other Projects (2021 and future)	\$0	\$304,500	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	
Subtotal Open Space	\$0	\$58,000	\$20,000	\$0	\$0	\$0	\$0	
Subtotal Historic	\$7,500	\$7,500	\$0	\$0	\$0	\$0	\$0	
Subtotal Community Housing	\$0	\$0	\$0	\$400,000	\$0	\$0	\$0	
Subtotal Recreation	\$872,000	\$255,000	\$400,000	\$950,000	\$3,025,000	\$0		
Other TBD	\$0	\$304,500	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	
Admin	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	
Total	\$964,500	\$710,000	\$955,000	\$1,885,000	\$3,560,000	\$535,000	\$535,000	
Appropriations funded by Debt	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
North 40 Borrowing \$10,000,000								
Debt Service on North 40 Debt Service to 2045	\$553,444	\$549,444	\$550,244	\$550,644	\$550,644	\$550,244	\$549,444	Undesignated

Wellesley CPA Financial Plan: July 1, 2022 to June 30, 2027
March 9, 2022

Planned Reserve Appropriations	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Open Space Reserve (satisfied by debt service)	\$0	\$0	\$0	\$0	\$0	\$0	
Historic Reserve	\$205,000	\$220,000	\$230,000	\$240,000	\$250,000	\$260,000	\$275,000
Community Housing Reserve	\$205,000	\$220,000	\$230,000	\$240,000	\$250,000	\$260,000	\$275,000
Additional Prev FY Community Housing							
Total Approp for Reserves	\$410,000	\$440,000	\$460,000	\$480,000	\$500,000	\$520,000	\$550,000
Fund Balances	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027
Encumbered	\$2,183,958	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Open Space Reserve	\$68,277	\$10,277	\$10,277	\$10,277	\$10,277	\$10,277	\$10,277
Historic Reserve	\$857,913	\$1,080,413	\$1,320,413	\$1,570,413	\$1,830,413	\$2,105,413	\$2,390,413
Community Housing Res	\$1,145,565	\$1,375,565	\$1,215,565	\$1,465,565	\$1,725,565	\$2,000,565	\$2,285,565
Specific Reserves	\$2,071,755	\$2,466,255	\$2,546,255	\$3,046,255	\$3,566,255	\$4,116,255	\$4,686,255
Undesignated	\$3,538,099	\$3,564,356	\$3,097,814	\$637,977	\$1,290,331	\$2,025,614	\$2,964,834
Total Available	\$5,609,854	\$6,030,611	\$5,644,070	\$3,684,233	\$4,856,586	\$6,141,870	\$7,651,089
Total Assets	\$7,793,813	\$8,030,611	\$7,644,070	\$5,684,233	\$6,856,586	\$8,141,870	\$9,651,089

Based on these factors, the CPC recommends the following appropriations for approval at the 2022 Annual Town meeting under Article 16 of the Town Meeting Warrant. Including the debt service payment for the North 40 purchase of \$550,244 (included under Article 8), recommended CPA appropriations at this ATM total \$1,660,744.

Proposed Actions for 2022 ATM – CPC Article 16

Motion 1: Administrative Funds and Appropriations to Designated Reserves

The CPC requests the following:

- \$85,000 for administrative funds (4.8% FY 21 Rev)
- \$230,000 to be appropriated to the Historic Resources Reserve (12.9% FY21 Rev)
- \$230,000 to be appropriated to the Community Housing Reserve (12.9% FY21 Rev)

The Town may appropriate up to 5% of estimated annual reserves for administrative purposes. These funds are used to fund any consultant fees or professional services used to analyze potential CPA projects. In addition, the salary of a part-time administrative assistant, dues for membership in the Community Preservation Coalition, and any other administrative expenses come from this appropriation. Any unused funds revert to the Wellesley CPA undesignated balances.

The CPC requests an appropriation of \$85,000 taken from the Undesignated Balance as of June 30, 2021.

As outlined above, by State CPA statute the Town is required to appropriate or reserve for future use a minimum of 10% of estimated annual revenue for three designated purposes: open space, historic resources, and community housing. The debt service payment on the CPA funds used in the purchase of the North 40, \$550,244 approved under Article 8, fulfills the required annual contribution to the Open Space reserve. Therefore, the required 10% appropriation is requested for the two remaining reserves, Historic Resources and Community Housing.

The CPC requests \$230,000 be appropriated to both the Historic Resources Reserve and the Community Housing Reserve, funds taken from the Undesignated Balance as of June 30, 2021.

Motion 1 Total recommended Appropriation: \$545,000, taken from the Undesignated Balance as of June 30, 2021.

Motion 2: Appropriation to the Natural Resources Commission

Sponsors: Natural Resources Commission, Department of Public Works
Project: Additional funding for Large Weed Harvester for Morses Pond

Recommended Amount: \$80,000 to be made available at the close of this ATM, taken from the Undesignated Balances as of June 30, 2021

At the 2021 ATM, a CPA appropriation of \$315,000 was approved for the purchase of a new large weed harvester for the ongoing maintenance of Morses Pond. Despite the best efforts of the consultant and Town staff to estimate the cost, steep price increases in materials like stainless

steel have driven up the cost of the harvester. This appropriation will provide the additional funds needed to complete the purchase of the new weed harvester.

Morses Pond is a significant asset for the Town of Wellesley, for both its active and passive recreational uses and for its value as an open space wildlife habitat. The weed harvester is necessary to ensure the ongoing health of the pond and the valuable role it plays in our community.

The CPC has a long history of supporting the health of Morses Pond. One of the earliest CPA appropriations, \$75,000 in 2004, funded a Comprehensive Pond Management Study. The report from that study, issued in 2005, recommended the purchase of a large mechanical weed harvester and in 2006, Town Meeting approved a CPA appropriation of \$250,000 for the weed harvester that now needs to be replaced.

An update to the Comprehensive Pond Management Plan in 2017 outlined the effectiveness of mechanical weed harvesting on Morses Pond, noting the excessive weed growth without harvesting which was exhibited on the occasions when the harvester was out of order. That update noted that the harvester would not likely remain functional for much longer. The consultant recommended the NRC/DPW start planning for the replacement. Since then, the DPW has managed to keep the harvester working on and off. A replacement harvester was added to the five-year capital plan.

The DPW operates the weed harvester and maintains and stores this large piece of equipment. It also keeps records on the number of hours it is used and the amount/weight of the weeds cut to help track the effectiveness of the program and the health of Morses Pond. While indications are that the health of the pond is better than ever, the work to maintain that quality is ongoing. The heavy use of lawn fertilizers and storm water runoff continue to be a major source of growth of weeds, despite the Town's educational campaigns and public outreach on this subject.

Since the first appropriation for the analysis of the pond management in 2004, CPA funds have been utilized for phosphorous inactivation equipment, dredging of the pond, a study of erosion of the Morses Pond shoreline and the recommended remediation and bank stabilization.

The CPC has been committed to the preservation of Morses Pond since the very early days of the CPC. Our predecessors on this committee took a town-wide, long-term perspective with the goal of funding projects with significant long-term impacts. The current CPC is in agreement and believes projects aimed at preserving Morses Pond fulfill that goal. We hope Town Meeting will join us in support of this appropriation.

Motion 3: Appropriation to the Natural Resources Commission

Sponsor: Natural Resources Commission, with the support of the DPW
Project: Lawn Conversion Pilot Program

Recommended amount: \$20,000 taken from Undesignated Balances as of June 30, 2021.

This appropriation will fund a two-year program to convert a traditional grass, power-mowed lawn on town-owned land to a more ecologically valuable landscape with native grasses and wildflowers. The goal is to demonstrate the potential for pollinator-friendly, low maintenance landscapes that can be used on public and private land, both residential and institutional, that are more environmentally friendly. Potential locations for the first site are the town-owned parcel at

the intersection of Cedar and Walnut Streets or Simons Park, NRC land adjacent to the Main Library.

This pilot program is in keeping with the NRC's efforts, which have been supported in part by past CPA appropriations, to increase the use of native, pollinator friendly plantings across town and to educate the public on more environmentally friendly methods of landscaping and yard care.

The NRC has gathered information from the experiences of other groups' efforts, in particular the Conservancy of the Rose Kennedy Greenway in Boston, and will work in partnership with Cricket Vlass, Wellesley's Landscape Planner, and the DPW. It is anticipated that the first phase of planting will take place in the fall.

The CPC believes this is an excellent example of why the CPA is an important program: it supports the implementation of new and innovative ideas that would not necessarily receive funding from traditional tax-impact sources. The CPC unanimously supports this effort and the NRC's ongoing efforts to educate the Town on ways to be more environmentally healthy.

Motion 4: Appropriation to the Natural Resources Commission

Sponsor: Natural Resources Commission

Project: Retrofit of Existing Lights at Diane Warren Field and Hunnewell Tennis Courts

Recommended amount: \$400,000 taken from Undesignated Balances as of June 30, 2021.

In 2020, ATM approved a \$20,000 request from the NRC to fund the cost of a lighting consultant to look at the existing lights at the Hunnewell Fields complex and to analyze the possibility of adding lights at the track and field. The goal of the analysis of existing lights was to evaluate the level of light trespass, glare, and sky glow to see what improvements could be made in terms of safety and playing experience for athletes as well as mitigating the negative impact and encroachment on residences in the area. The study took into consideration environmental impacts as well. This request for \$400,000 to retrofit two sets of existing lights is the next step, based on the outcome of that analysis. The amount of the request is based upon an estimate provided by the primary source of athletic field lighting systems.

The existing lights at the Diane Warren Field and the Hunnewell tennis courts are 20 years old and use metal halide, high intensity discharge (HID) lamp technology in parabolic aluminum fixtures. While these fixtures have some opaque louvers added to block glare, the aiming angles required to light the field adequately produce high levels of glare, skyglow, and light trespass by today's standards. These lights are no longer under warranty and maintenance issues will rise in frequency and at a cost to the town. (The lights at Reidy Field are newer, have slightly more modern characteristics and are still under warranty.)

The consultant evaluated the lighting system proposed for these two locations. According to that report, this LED system would provide a significant improvement in controlling light trespass and glare, reducing off-site impact, and improving the playing experience for athletes. LED lights require less energy consumption, a savings to the town in operation costs and is in keeping with Wellesley's climate action goals. In addition, LED lights can be dimmed or adjusted according to the needs of the level of play on the area being lit. It is anticipated that the lighting system under consideration will come with a 25-year warranty. The project as proposed also addresses some concerns at the newly renovated softball field at the Diane Warren field which involves relocating two of the lighting poles.

The Town has made a significant investment of CPA funds in the playing fields and amenities at the Hunnewell fields. The proposed lighting retrofit is a project the CPC anticipated and the CPC believes it supports an important recreational resource enjoyed by residents of all ages and abilities. It is important for these lights to be replaced before they start failing and replacement parts and maintenance fees become more costly – or before the lights become a lost resource.

Motion 5: Appropriation to the Planning Department

Sponsor: Planning Department, supported by the Historical Commission
Project: Restoration of the 1897 Town Atlas

Recommended Appropriation: \$7,500 to be made available at the close of this ATM, taken from balances in the Historic Resources Reserve as of June 30, 2021.

At the 2020 ATM, \$7,500 was approved for the restoration and preservation of two historic Town atlases, one from 1897 and one from 1935, used by the Planning Department, the Historical Commission and the Historic District Commission as well as by other Town departments and residents. With the closing of Town Hall due to COVID-19 protocols, the project did not move forward as planned at that time.

The Planning Department recently re-engaged with the vendor and the quote to preserve both atlases now total \$14,775: \$8460 for the 1897 atlas and \$6315 for the 1935 atlas. The Planning Department intends to use the initial appropriation to address the 1935 atlas; the balance of those funds, along with this appropriation, will be applied to the preservation of the 1897 atlas.

The pages of the atlases will be restored and the books will be rebound. As part of the process, the atlases will also be digitized, with the cost of the digitization being funded through the Planning Department budget.

The CPC believes this is an appropriate use of CPA historic resources reserves as it provides for the preservation and restoration of primary resources that have been deemed historically significant by the Wellesley Historical Commission.

Motion 6: Appropriation to the Natural Resources Commission

Sponsor: NRC, with the support of the Recreation Commission, Schools, Department of Public Works and the Playing Field Task Force
Project: Active Field Use Optimization Study

Recommended Appropriation: \$58,000 to be made available at the close of this Town Meeting, taken from balances in the Open Space Reserve as of June 30, 2021.

This appropriation will allow for a comprehensive analysis of Wellesley's athletic fields and hard surface athletic courts, to ensure equitable field assignments, permitting, and information distribution. The study will examine methods of information dissemination related to field use and permitting requirements and will evaluate maintenance practices. One aspect of the study will be to look at updated scheduling software to help close the gap in demand for fields.

The demand for playing fields in Wellesley has been widely discussed and yet there have been some observations that some fields are empty a good deal of time. The type of comprehensive analysis to be funded by this appropriation was recommended in the Unified Plan several years ago as well as by the last comprehensive plan. The hope is that the result of this study will help the supporting committees and commissions develop a streamlined, efficient program for field assignment and use that will ease some of the tension in town over field/court accessibility.

The CPC is hopeful that this study will help inform the town on the need for future field projects as well as best practices to be employed for the sustainable maintenance of existing facilities.

Looking Ahead

The CPC continues to monitor the progress of the Morses Pond Bathhouse and Beachfront project. While the project has been delayed for a year due to the number of other complicated projects the Town is undertaking, the CPC anticipates a request from the Recreation Department at next year's ATM to fund the next phase of the project for FY24. This will bring it to the construction drawing and bid document stage with the possibility of a request for an appropriation of construction funds in FY25. The CPC believes this is an important project for our community and an excellent use of CPA funds.

Using CPA funds, the NRC has been overseeing the first phase of the work on a project to mitigate shoreline erosion around Morses Pond. Wellesley's DPW has completed much of the work to this point and the CPC expects a request for the second phase of the project at next year's ATM. The next phase is likely to involve some outside contract work and the NRC will continue to work closely with the DPW as the project progresses. As a community we have made significant investments in the health of Morses Pond and the ability of residents to have safe access to it. The CPC will work to help continue these efforts.

In the next few years, the CPC hopes to focus on using the Town's CPA Community Housing funds by actively working with the Wellesley Housing Authority and the Wellesley Housing Development Corporation. This past year, the CPC used administrative funds to help the WHA participate in a capital needs assessment program sponsored by the Massachusetts chapter of the National Association of Housing and Redevelopment Officials. This effort provided the WHA with a comprehensive, prioritized roadmap and timeline of projects that they recommend for WHA properties at Washington Street and Morton Circle. The CPC hopes that under this program, similar assessments can be completed at WHA properties on Weston Road and River Street. The information provided is invaluable to the new leadership at the WHA and will help the CPC evaluate some potential CPA-funded projects with the WHA.

The CPC has met with the newly re-constituted WHDC to express its support for WHDC efforts and to discuss ways to move forward together. As the WHDC continues to work on establishing its priorities and goals, the CPC will continue offer help in implementing the plan and guidance in utilizing CPA funds.

When the Town of Wellesley voted in November of 2002 to participate in the State's Community Preservation Act, the work of the CPA was put into the hands of a very capable group of people who worked with Town departments, boards, and commissions to determine possibilities for CPA projects and set goals for the Town. Through these efforts, the original CPC set the Town on a tremendous path forward. As a community, we have all benefitted from the actions taken twenty years ago. To honor that legacy and to look forward to the next twenty years, the CPC proposes that Town departments, boards, commissions, and residents once again assess what possibilities exist and what realistic goals there might be in the areas allowable for CPA funds: historic

preservation, open space, recreation, and community housing. A good place to start could be the North 40 property, already owned by the Town. The next twenty years will pass quickly and this effort should start now.

The work of the CPC would not be possible without the never-ending support of so many Town employees. The CPC is grateful for their excellent work. The countless hours of toil by so many dedicated town volunteers and elected officials make so many things possible. The Town of Wellesley is a better community because of all of these people and their efforts. Thank you.

Respectfully submitted,

Barbara McMahon, Chair (Moderator Appointed)
Allan Port, Vice-Chair (Moderator Appointed)
Janice Coduri (Wellesley Housing Authority)
Emily Maitin (Wellesley Historical Commission)
Raina McManus (Natural Resources Commission)
Stephen Murphy (Moderator Appointed)
Mason Smith (Moderator Appointed)
Tom Taylor (Planning Board)
Mark Wolfson (Recreation Commission)

REPORT OF THE NATURAL RESOURCES COMMISSION

MISSION STATEMENT

The mission of the Natural Resources Commission is to provide stewardship of, education about, and advocacy for the Town of Wellesley's park, conservation, recreation, and open space system so the full value of the Town's natural assets can be passed onto future generations.

ORGANIZATIONAL STRUCTURE

The Natural Resources Commission (NRC) consists of five elected members with staggered terms of three years. The Natural Resources Commission appoints the five-member Wetlands Protection Committee for three-year terms and the eleven-member Trails Committee for one-year terms. The Commission also appoints the Landscape Advisory Committee, the Long-Range Planning Committee and other committees as required.

The department is currently staffed by three full-time employees including the director, the wetlands administrator, and a secretary; and one part-time environmental education and outreach coordinator. As described further in this report, the NRC plans to expand the hours and responsibilities of the outreach position.

The NRC is charged with the statutory responsibilities of Park Commission, Conservation Commission, Tree Wardens, Shade Tree and Pest Control Officers, and Town Forest Committees under Massachusetts General Laws Chapters 40, 45, 87, 131, and 132.

The NRC, serving as the Conservation Commission for the Town, delegates to the five-member Wetlands Protection Committee (WPC) the power and authority to administer and enforce the Wetlands Protection Act and the Town Wetlands Protection Bylaw. The WPC is supported by the Wetlands Administrator.

The Wellesley Trails Committee promotes, develops, and maintains the town's extensive trail system. There are forty-three miles of trails in Town, 27.5 of which are marked and have accompanying descriptions. Departmental staff supports the Trails Committee in an administrative capacity.

Representatives from the NRC also serve on the Community Preservation Committee (CPC), the Trails Committee, the Playing Fields Task Force, the 3R Working Group, and other committees as needed.

The NRC carries out its mission of Stewardship, Education and Advocacy in the following ways:

ENVIRONMENTAL EDUCATION AND OUTREACH (EE&O)

Throughout the year, the NRC continued to offer Environmental Educational content and opportunities to all ages of the Wellesley Community via expanded outdoor classes and the creation of video offerings, which included popular self-guided story walks and public service announcements about wetlands protection, and participation in Elm banks festival of trees, and the Wellesley parade.

This spring and summer the NRC managed the Town's annual citizen-scientist *City Nature Challenge*, and the new *Pollinate Wellesley* campaign providing support and guidance for residents who want to plant native species in their own yards. Events included a pollinator friendly plant sale, reading list and Pedal to Petals: a self-led tour of local municipal and Town pollinator gardens.

We are especially proud of our ongoing partnership with the Wellesley Public Schools. This year, our EE&O Coordinator worked with students, teachers, and administrators to support the Science Curriculum through:

- Elementary Nature walks at Hardy, Fiske, Sprague on the topics of watershed protection and winter animal adaptation
- Evolutions Class North 40 Vernal Pool in-class and field sessions.

In addition, the NRC engages with and provides educational opportunities and project support to the community at large, including the Girl and Boy Scouts, Wellesley Merchants, the Housing Authority, Council on Aging, Youth Commission, Recreation Commission, and more. We partner with local environmental organizations including Sustainable Wellesley and the Wellesley Conservation Land Trust to broaden community engagement and sponsor educational programming. We encourage anyone to contact the NRC's EE&O Coordinator to learn more about our diverse and customizable program offerings. And, please subscribe to our monthly Newsletter at www.wellesleyma.gov/NRC.

STEWARDSHIP OF THE LAND

The NRC is grateful to Wellesley residents, the Community Preservation Committee (CPC), and Town Meeting Members for their ongoing commitment to open space and recreation in Wellesley. The following capital projects, equipment, and studies were made possible with Community Preservation Act funding.

Active and Passive Recreation Improvements

Hunnewell Fields:

- **Aqueduct Bathroom Replacement:** With technical assistance and project management from the Public Works Department, the long-awaited construction of a new pre-cast concrete bathroom is now underway.
- **Athletic Field Lighting:** The NRC contracted with a lighting consultant to help explore the feasibility of improving the existing field lights at the Reidy and Warren fields and the tennis courts located along Washington Street in order to reduce energy consumption, enhance athlete's experience, mitigate light trespass and reduce hazard glare; and adding lights to the Hunnewell Track and Field, located across the street from the High School. The NRC applied for CPC funding for the retrofit, and asks for favorable action on the request.

Perrin Park Basketball Court Restoration: Neighbors proposed new surfacing for the basketball court in the park, new hoops with nets, as well as the addition of a retractable net and the painting of lines for pickleball play in order to expand active recreational opportunities for all ages. The project was completed in October 2021.

Morses Pond Shoreline Restoration: The NRC worked with environmental engineers Horsley Witten to develop and complete a long-term plan to preserve the Morses Pond shoreline. Construction of the first round of permitted sites is now underway by the DPW. Restoring the shoreline will protect Town water, trees, wildlife habitat, and recreational areas. Apart from 2 sites,

the recommended erosion controls and new plant material has been installed, and the sites will be monitored for success. The full Morses Pond Erosion Study is available on the NRC website.

Morses Pond Beach Improvements: The NRC works closely with Recreation, the Wetlands Protection Committee, the DPW, and Pond Manager Ken Wagner to improve the experience of Town beach visitors at Morses Pond. Improvements have included re-grading of the water's edge for safer entry, installation of a benthic barrier to retard plant growth, and streamlined water quality testing. The NRC is also a member of the project review team for the Recreation Commission's feasibility and design study for proposed building renovations at the Morses Pond beach area.

Comprehensive Pond Management: The small harvester and mobile phosphorus inactivation system are deployed according to recommendations in the Comprehensive Pond Management Plan for the eight ponds included in the plan: Abbotts Pond, Duck Pond, Longfellow Pond, Reeds Pond, Rockridge Pond, Farm Station Pond, Bezanson Pond, and Skating Pond. (The Plan does not include Morses Pond, which already has a management plan.) The full Comprehensive Pond Management Plan is available on the NRC website.

Upcoming:

Pollinator Corridors: Under its Grow Green Wellesley initiative, the NRC expanded upon the success of the Police Station and Central Park pollinator gardens by bringing native plantings to other Town lands as well as private residences in order to establish more pollinator-friendly habitats. Butterflies, bees, and other insects are both threatened and essential to a healthy ecosystem, and many of our fruits, vegetables and nut crops are reliant upon them.

Lawn Conversion: The Natural Resources Commission requested CPC funding to create bio-diverse native pollinator habitat to support at-risk species by converting a limited area (approximately an acre or less) of public land from lawn to grass alternatives (ex. meadows, low growing plants and native grasses, or other arrangements). The Town already has native plantings and meadows in open spaces but is exploring the feasibility of lawn conversion in an area currently covered with lawn or traditional garden beds to serve as a model for local homeowners. Proposals were received by several

Field and Court Optimization Study: The goals of this study are to optimize the use of our existing facilities and ensure equitable access among all the various users. This comprehensive study will provide recommendations to achieve these goals by examining field demand, scheduling, permitting procedures, field operations and maintenance; and by identifying programming deficiencies, opportunities for reconfiguration of fields and courts, and capital improvements for the next 5 years. It should help determine whether team organizations need to seek accommodation outside of Wellesley, or if existing facilities could be renovated or reconfigured to accommodate additional use.

Church Park Restoration: A rehabilitation of Church Park (located at the intersection of routes 16 and 135 in Wellesley Square), is planned by the DPW to provide a high quality and beautiful low maintenance native pollinator habitat landscape in this visible and heavily frequented pocket park. This project, made possible through CPA funding, includes the removal of a large concrete pad formerly used as a bus shelter, and initial planning and site work is complete.

Ongoing Land Stewardship:

Tree Planting Program and 38th Annual Tree City USA Award: The NRC continues annual funding and oversight of the town-wide tree planting program in cooperation with the Department of Public Works. Any resident may contact the NRC to request the installation of a free public shade tree under the tree program in order to help maintain the Town's tree canopy. Trees are essential to

Wellesley's character as a green, shady, residential town. They are one of our most important natural resources. Public shade trees, and trees under certain conditions on private property, are protected by state law and town bylaw. Trees' many benefits include buffering weather changes, improving air quality, cleaning, and replenishing groundwater, reducing erosion, providing important wildlife habitat, reducing sound and glare, screening unsightly areas, and separating incompatible uses. Trees help maintain property values and add beauty to our lives. They are also one of our greatest tools for mitigating and averting climate change. The Tree Planting Program is essential to the NRC's mission of protecting our natural environment. Wellesley is proud to be the longest running "Tree City USA" in the Northeast, having been awarded the Arbor Day Foundation designation for the thirty-eighth consecutive year in June of 2021.

Brookside Community Gardens and the Weston Road Garden Club: The NRC staff continues to coordinate with the boards of Brookside Community Gardens and the Weston Road Garden Club to draft uniform governing policies, including the stipulation that gardens must be maintained organically, without the use of pesticides. In the summer the NRC staff members planted, maintained, and harvested food for the Wellesley Food pantry at the 4C garden in the Weston Road Gardens. Weekly deliveries of grown and donated food crops were picked up and distributed every week.

Organic Integrated Pest Management (OIPM): All Town-owned lands are now under the OIPM policy, which prohibits the use of pesticides without a formal review and waiver process. The NRC and the Health Department urge residents to manage lawns and gardens organically to reduce exposure to dangerous toxins and to protect our ground and drinking water. Organic lawn management also reduces the nutrients and synthetic chemicals that contaminate our ponds and waterways and result in excess plant growth.

Grow Green Wellesley: The NRC will continue its successful collaboration with the Health Department/Board of Health to reach out to the public on important health matters, including landscape maintenance practices. This year, nearly 120 Healthy Yard signs were installed by NRC staff at homes where residents maintain their properties without the use of harmful pesticides. Learn more on our webpage.

Fuller Brook Park Preservation Project: The Park continues to be maintained under Park Maintenance and Management guidelines developed by the Fuller Brook Park Committee and executed by the Department of Public Works. This four-year, five-million-dollar project was the result of many years of thoughtful planning by numerous stakeholders seeking to restore and preserve Fuller Brook Park as a vital part of the town's stormwater infrastructure, a means of alternative transportation, an important wildlife habitat, and a beloved recreational space. Working with our town's DPW staff and the Friends of Fuller Brook Park, the NRC will continue to evaluate the conditions in the park and help train and coordinate volunteers to ensure the highest standard of stewardship to the Park.

Invasive Species Management: The NRC continues to contract with Parterre Ecological to help manage the invasive species in Fuller Brook Park. Under the direction of the DPW and adhering to the Fuller Brook Park Maintenance and Management Plan, landscape technicians are targeting the host of invasive species that threaten the native plants in the park, using primarily mechanical removal, and minimal herbicide applications. The NRC plans to extend the knowledge gained from this work to our other parks and open space.

Morses Pond Restoration Project: The Comprehensive Plan for the Management of Morses Pond was originally formulated and funded in FY2007 in order to protect, preserve, improve, and maintain this critically important natural and recreational resource for the Town. The program focuses on rooted

plant control, phosphorus and sediment inactivation, dredging, watershed management and education, Town Bylaw review and enhancement, low-impact development, construction, and demonstration efforts and program implementation. Since its original formulation, the project has continued to be managed under a separate budget, which allows for allocation of funds specifically dedicated to Morses Pond, as well as transparency.

The principal purpose of the Morses Pond operating budget is to fund:

- the services of a consulting pond manager who monitors water quality and adjusts treatments
- the weed harvesting operation to clear the pond of invasive weeds
- the operation of a phosphorus inactivation system.

The NRC continues to work with pond consultant Dr. Ken Wagner, the Department of Public Works, and the Recreation Commission in restoring and maintaining the health of the pond. Now in its thirteenth year of implementation, the restoration continues to yield clear water quality year after year and has resulted in the clearest water quality in program history. Implementation of the automated phosphorus inactivation system has reduced the materials cost and allows for greater control of treatments, contributing to the overall water quality in the pond. However, nuisance aquatic plant growth continues to be the biggest management challenge in the pond.

One reason for the excessive growth of aquatic plants is the use of lawn care fertilizers which enter the pond and accelerate weed growth. Public outreach to discourage fertilizer use within the watershed continues with some success. However, weed control, especially over the past two seasons, has been exceptionally challenging due to warmer winters. The large harvester, purchased in 2007, has reached the end of its usefulness, and an initial funding request for a new large harvester was approved by the Community Preservation Committee in 2021. Bids were received that exceeded the original appropriation; an additional CPC appropriation is awaiting this Town Meeting's approval. The Town has made a significant (and successful) investment in maintaining Morses Pond, and the town's commitment to this important natural town asset should be continued. The Annual Pond Reports can be found on the NRC's webpage.

Successful Biological Control of the Winter Moth: In 2018 the NRC approved the continuation of a successful effort to use biological methods to control the invasive European winter moth by releasing parasitic flies (species *Cyzenis albicans*) in Centennial Reservation. The parasitic flies disrupt the life cycle of the winter moth, acting as a natural control, and allowing the Town to significantly reduce pesticide use. This project is conducted in conjunction with UMass Amherst Extension specialists and scientists from MA Department of Conservation and Recreation. With the success of the parasitic fly release program, Wellesley residents are requested to limit spraying only to trees that will not survive a moth infestation in order not to kill the beneficial flies.

See Trails and Wetland Protection Committees, below.

ENVIRONMENTAL ADVOCACY THROUGH PLANNING AND LEGISLATION

Tree Preservation Bylaw: The NRC worked with the Planning Board to review and recommend revisions to strengthen the 2011 Tree Preservation Bylaw. Those revisions were approved at the October 2020 Special Town Meeting.

Continued Action on Gas Leaks: Working off of the results of the NRC-commissioned gas leaks mapping by gas leak specialist Bob Ackley of Gas Safety Inc., the NRC continues working with Town

Boards and local and statewide environmental organizations to address the more than 200 active gas leaks in Wellesley.

While leaking gas (methane) is a powerful greenhouse gas and is associated with health and safety risks, methane is also harmful to soil and vegetation, and can kill valuable shade trees by depriving them of oxygen.

Specific actions taken this past year include:

- Working with the regional Gas Leaks Allies, the Gas Leaks Kill Trees, and other organizations to productively engage with National Grid to facilitate repairs
- Publication of the Gas Leaks of Significant Environmental Impact (SEI) map. (This new map is available on the NRC website.)
- Testing of tree planting and removal sites with a Combustible Gas Indicator (CGI) to avoid planting near gas leaks, and to help document gas leak related tree mortality.

Advocating at the State level for laws which protect the environment, and us, against harmful environmental toxins.

DEPARTMENT GOALS AND INITIATIVES FOR THE COMING YEAR

The goals of the Natural Resources Commission are to provide the Town with the highest quality of environmental leadership, planning, and management; to establish sound environmental policy; and to protect and improve the Town's natural and outdoor recreational resources. Projects and initiatives to further these goals were developed at the Annual Retreat and include the following:

- Promote Environmental Stewardship and Education
- Preserve and Expand the Town's Tree Canopy*
- Promote healthy, hearty and pollinator friendly landscapes on Town land and on private property
- Ensure planning, preservation and maintenance of passive and active open spaces
- Protect the Town's surface, ground and drinking waters
- Fix Wellesley's gas leaks
- Advocate for local and state-wide Legislation that supports these goals

Each of these goals relates to action and policy recommendations explicitly outlined in the Unified Plan, including promoting protection and enhancement of the tree canopy, managing properties to promote habitat and biodiversity, and raising public awareness about landscape best management practices by public and private property owners.

Trails Committee

Committee members monitor assigned trails, perform basic trail maintenance, check trail markers, fill map pamphlet holders, and replenish doggie bag dispensers. We also plan improvements and develop new trails to augment the network. In January 2022 the Trails Committee completed a new Trails Development and Improvement Plan for 2022-2026 that contains three ongoing projects and eight new projects. This is the fourth 5-year plan developed by the committee and contains projects proposed by committee members and trail users. During the last year we have completed the following projects and outreach initiatives:

Projects

- Rerouted the Crosstown Trail to cross Rt-9 at Lexington Road traffic signal and follow the Cochituate Aqueduct to Overbrook Drive.
- Marked the newly established North Forty Trail as a loop woodland trail starting on Turner Road.
- Constructed a new trail in the North Forty that bypasses the landfill mitigation area.
- Improved navigating the Centennial Reservation trail system by closing redundant trails.
- Cleared and cleaned up trails in the Town Forest next to Barton Road.
- Supported IT in transitioning to an improved interactive trails map.

OUTREACH

- Because of the pandemic our regular spring and fall guided walks were canceled, and instead we developed 10 self-guided walks that are posted on our website.
- Installed flowerboxes on the DCR footbridge across the Charles River in Lower Falls and arranged for Waterstone at Wellesley to provide the flowers and maintain them.
- Sponsored an Eagle Scout project to construct a bog bridge in Centennial Reservation over a muddy section of trail.
- Supported DCR's Lower Falls Shared-Use Trail Feasibility Study for the connection to Riverside.
- Participated in the Natick Trails Summit and gave a presentation on our planned trail connections to adjacent towns.

WELLESLEY WETLANDS PROTECTION COMMITTEE

The NRC serves as the Conservation Commission for the Town of Wellesley and delegates to the Wetlands Protection Committee (WPC) the power and authority to administer and enforce the Wetlands Protection Act (G.L. Chapter 131, Section 40) and the Town Wetlands Protection Bylaw (Article 44). The NRC appoints five volunteer members to the WPC, along with no more than two associate members. The Committee meets on a 21-day cycle and provides technical assistance to current and prospective homeowners, developers and other Town organizations and departments on projects that may impact local wetland resources. The Committee continues to assess local regulations and consider revisions to best protect these important resources.

APPRECIATION

The NRC thanks the many volunteers who help protect and maintain Wellesley's open space and natural resources. We also express our appreciation to the staff of the Department of Public Works who work with us to fulfill our mission.

APPENDIX A: GUIDELINES FOR CONDUCT OF WELLESLEY REPRESENTATIVE TOWN MEETING

I. INTRODUCTION

The purpose of Wellesley Town Meeting (the “Meeting”) is to reach decisions with respect to the matters brought before the Meeting by a democratic process. The process should not be partisan or adversarial. Rather it should demonstrate an effort by the elected representatives of the Town in open discussion, free from technicalities of parliamentary procedure, to establish constructive policies for the government of the Town. The Meeting depends for its effectiveness on familiarity of the Town Meeting Members with the matters before the Meeting and upon their ability to rely one upon the other and upon their elected or appointed boards and committees.

All who speak to the Meeting or prepare

to it should seek to be worthy of this trust. Proponents of action should make full and fair disclosure of all facts and considerations bearing on a problem, not merely those favoring their proposal. On the other hand, those opposed to a proposal should make their opposition known to the sponsors as soon as possible, rather than seeking to succeed by surprise at the Meeting. Negotiations prior to Town Meeting are more likely than debate at Town Meeting to clarify the issues and to produce solutions that will receive the support of the Meeting as a whole.

The great diversity among the residents of the Town often will lead to differences with respect to the matter before the Meeting. The good faith of no one should be questioned; rather, there should be a cooperative effort to find solutions that are reasonably responsive to the needs of all.

The Meeting shall abide by the laws of the Commonwealth including the prohibitions of smoking and carrying firearms on school property.

The following guidelines are intended to inform and guide those who participate in the Meeting and, thus, to assist in its orderly conduct. These guidelines, except to the extent that they embody statutes and Town Bylaws, are not intended as rules having legal effect.

II. PARTICIPANTS IN THE MEETING

A. *Public Meeting* - The Town Meeting is a public meeting and may be attended by all. Since only the Members may make motions and vote thereon, they are seated separately from non-members.

B. *Quorum* - A majority of the Town Meeting Members shall constitute a quorum for doing business; but a lesser number may adjourn the Meeting to another time.

C. *Moderator* - The Moderator shall preside at the Meeting and shall regulate the proceedings and decide all questions of order.

No one shall distribute any material at Town Meeting except with permission of the Moderator.

The Moderator may appoint persons to assist in the conduct of the Meeting, including determination of the vote of the Meeting.

If the Moderator is absent or cannot act, a Moderator Pro Tempore may be elected by the Meeting, the Town Clerk to preside at such election.

The Moderator shall not be an elected Town Meeting Member and shall not vote with respect to any matters before the Meeting. A Town Meeting Member may be a Moderator Pro Tempore, but shall not vote while presiding at the Meeting.

- D. Clerk** - The Town Clerk shall determine the presence of a quorum and shall maintain the records of the Meeting, including the results of all votes and other action taken at the Meeting. If there is no Town Clerk, or if the Town Clerk is absent from the Meeting, the Meeting shall elect another person (usually the Assistant Town Clerk) to act as temporary Clerk of the Meeting.

The Town Clerk shall not be an elected Town Meeting Member and shall not vote with respect to any matters before the Meeting. A Town Meeting Member may be Temporary Clerk, but shall not vote while acting as Clerk of the Meeting.

- E. Town Counsel** - Town Counsel shall be present at all Meetings and, upon request, shall advise the Moderator and any Member or other person present with respect to any pertinent question of law on which his or her opinion is requested. Such opinion is advisory only and not binding upon the Town, any person, or the Meeting. If Town Counsel is unable to attend, the Selectmen shall designate another attorney as Acting Town Counsel to perform those duties at the Meeting.

Town Counsel shall not be an elected Town Meeting Member and shall not vote with respect to any matter before the Meeting. A Town Meeting Member may be Acting Counsel, but shall not vote while so acting.

- F. Tellers** - The Moderator shall appoint Town Meeting Members as Tellers for the purpose of counting the votes of the Meeting. Such appointments may, in the Moderator's discretion, be effective for more than one session of any Meeting. The Tellers shall report the results of their count of the section of the Meeting assigned to them, indicating the number in favor of the motion, the number opposed, and, if so, instructed by the Moderator, the number abstaining and such shall be announced to the Meeting and maintained with the records of the Meeting. Tellers may vote on any question on which they act as Tellers, but any Teller who decides to participate in the debate of a question should request the Moderator to appoint another Teller to count the vote on that question.

III. MOTIONS

- A. Need for Motion** - Action by the Meeting is taken solely by a vote of the Meeting on a motion duly made at the Meeting.
- B. Subject of Motions** - Except for such matters as resolutions recognizing individual achievements and the like, no motion shall be entertained by Town Meeting unless the subject thereof is contained within the Warrant. The Moderator shall determine whether a motion is "within the scope of the warrant," that is, whether the warrant gave adequate notice that the action proposed by the motion might be taken at the Meeting. Motions may propose action at variance with that desired by the sponsor of the article. Such motions may, for example, propose the establishment of a guideline, referral to an existing board or committee or one to be established; but all such motions are proper only if "within the scope of the warrant" as determined by the Moderator.
- C. Order of Consideration** - All articles shall be considered in the order in which they appear in the warrant, unless the Moderator in his/her discretion or the Meeting by majority vote changes the order. Where there are a number of motions relating to a project calling for

the expenditure of funds, the motion calling for the expenditure of the largest sum shall be the first put to vote, unless the Moderator in his/her discretion decides to change the order.

- D. Formal Requirements** - Motions can be made only by a Member of the Meeting. All motions other than procedural motions must be in writing signed by the sponsoring Member. No seconds are needed for any motion.

Sponsors of motions are required to submit their motions to the Selectmen by a date specified by the Selectmen. The motions must also be submitted to the Moderator and the Chair of the Advisory Committee. The exact form of any motion or amendment must either be distributed to Town Meeting Members or projected on a screen at Town Meeting before a vote thereon can be taken.

After the initial call to order of any Annual or Special Town Meeting, if a proponent informs the Moderator of an intention to present an amendment or substitute motion or resolution, notice of the action and the text must be made available to Town Meeting Members before action is taken on the article to which it relates.

- E. Notice to Moderator** - Every person who prior to the Meeting has decided to make a motion with respect to an article should inform the Moderator and the Chair of the Advisory Committee prior to the Meeting or, if the decision to make a motion is reached only during the Meeting, as early as convenient thereafter.

- F. Reconsideration** - Motions to reconsider any action shall be entertained only if in the view of the Moderator there is reason to suppose that Members may have changed their minds. The Moderator may rule that any motion is a motion for reconsideration if it is not substantially different from a motion previously voted upon.

No action taken at any session of a Town Meeting shall be reconsidered at any subsequent session, unless notice of intention to move for reconsideration shall have been given at the session at which such action was taken. If action taken at the final session is to be reconsidered, debate and a vote on a motion for reconsideration may occur at the same session only after all articles have been acted upon unless, in the Moderators discretion, debate and a vote on the motion at an earlier point in the session would expedite the conduct of the session. Any vote that requires more than a simple majority for passage shall require a 3/5ths vote in order to be reconsidered by Town Meeting.

IV. DEBATE

- A. Persons Authorized** - All residents of Wellesley, whether or not Town Meeting Members or registered voters, may address the Meeting. Non-residents may address the Meeting with the approval of the Moderator or a majority of the Meeting.
- B. Permission of the Moderator** - Persons wishing to address the Meeting shall raise their hands or stand and wait until they are recognized by the Moderator and no one shall address the Meeting without first requesting and receiving the permission of the Moderator.
- C. Identification of Speaker** - Each person addressing the Meeting shall begin by stating his or her name and precinct if a resident of Wellesley or place of residence if a non-resident.

- D. Conduct** - All remarks should be limited to the subject then under discussion. It is improper to indulge in references to personalities and all expressions of approval or disapproval, such as applause or booing, are out of order.

The Moderator may request any person to keep silent. If, after a warning from the Moderator, a person refuses to be silent or persists in other disorderly behavior, the Moderator may order such person to withdraw and, if he or she fails to withdraw, may order a police officer to remove such person from the Meeting.

- E. Personal or Financial Interest** - Individuals who have a personal or financial interest with respect to a matter may speak or vote thereon but should frankly disclose their interest before speaking. However, no Town Meeting Member should accept compensation for speaking to or voting at the Meeting.

- F. Time** - There is no time limit to the debate of any question. Accordingly, motions to limit time for debate or to call the question are not in order. However, each individual who speaks to the Meeting should make an effort to be as brief as possible, out of consideration for the others attending the Meeting and the need to give adequate time to all matters coming before it. The Moderator may request that all persons who intend to speak for more than five minutes give him/her notice before the start of the session.

- G. Repeated Speaking** - In order to give all a fair opportunity to speak, no one who has addressed the Meeting on any particular motion shall speak again, except to answer questions, until all others wishing to speak to the motion have done so.

- H. Maps** - The Planning Board has slides of Town maps available for use at all Meetings and may be requested on reasonable notice to make available a slide of any map appropriate to the subject under discussion.

V. VOTING METHOD

Except as specifically otherwise provided by law or these rules, voting shall be by voice votes or show of hands as the Moderator may determine and the Moderator shall declare the results of such vote. If a vote so declared is immediately questioned by seven or more Members, the result shall be determined by counting the votes of the Meeting by means of a standing vote.

VI. DEFINITIONS

- A. Roll Call** - Upon motion supported by not less than sixty members and made prior to the taking of a standing vote, the vote shall be by a roll call of all Members, the Clerk to indicate on the record with respect to each Member, "Aye," "Nay," "Abstain," or "Not Present" as the case may be.

- B. Secret Votes** - There shall be no secret ballots or other secret votes at Town Meeting.

- C. Majorities** - Except as otherwise provided by law or the Town's Bylaw, all actions of the Meeting shall be taken upon vote of a simple majority of those present and voting.

- D. Ballot Vote**

- (a) Upon a motion supported by not less than 20 Members made prior to a vote on any question (whether required by law to be a counted vote or not), the vote shall be taken by ballot in such form as will in the opinion of the Moderator indicate how individual Town Meeting Members have voted on a question. The results of such vote shall be announced in terms of the numbers of aye, nay, or abstain votes cast. The Town Clerk shall, within a reasonable time after the session has been

adjourned, compile a list of Members voting on the question, which list shall disclose how each Member voted. Said list, together with the original ballots, shall be open to public inspection so that the public shall be able to determine the way in which each Town Meeting Member voted on the question and shall be preserved for at least 3 years.

- (b) If a law or a bylaw requires a two-thirds vote for action by the Meeting, the Moderator is authorized to declare the vote without taking a count, subject to the roll call and ballot vote provisions noted above. If more than a two-thirds vote is required, the Moderator may first determine whether the vote is unanimous and, if it is not, the vote shall be counted either by means of a standing vote, by roll call or by ballot as provided in the Town's Bylaw.

VII. ADJOURNMENT AND DISSOLUTION

A. *Adjournment* - Sessions of the Town Meeting shall normally adjourn about 11 o'clock in the evening but may adjourn at such earlier or later time as the Town Meeting upon vote of a majority of its Members may determine.

B. *Dissolution* - The Meeting shall not dissolve until all articles in the warrant with respect to which any Member wishes to make a motion have been considered.

VIII. RECORD OF MEETING

The Town Clerk in consultation with the Moderator shall prepare and maintain a complete record of the Meeting at the office of the Town Clerk where, upon request, it may be inspected by any interested person and also shall deposit a copy of such record at the Main Library. Such record may, but need not be, verbatim. However, it shall as a minimum contain the text of all articles and motions, whether main motions or subsidiary motions, the name of the moving party, the action of the Meeting with respect thereto and such summary of statements made at the Meeting as will in the opinion of the Town Clerk contribute to a better understanding of the action of the Meeting.

IX. REFERENCE TO TOWN MEETING RULES

Wellesley Representative Town Meeting was established by Chapter 202 of the Acts of 1932 which has been amended several times since then. Certain customs have developed in the conduct of the Town Meeting. Wellesley custom does not differ substantially from the custom of other representative town meetings, as generally described in *Town Meeting Time* (Little, Brown, and Company 1962), a book that also contains references to applicable court decisions and statutes. All custom may be changed by law, or the Bylaws of Wellesley, as from time to time amended.

It is the combination of the foregoing which produces the "rules" of Wellesley Town Meeting in conformity with which the Moderator regulates the conduct of the meeting.

APPENDIX B: TOWN MEETING ACRONYMS

AC	Advisory Committee
ACS	Access Control Systems
ADA	Americans with Disabilities Act
AED	Automated External Defibrillator
AFSCME	American Federation of State, County and Municipal Employees
AMI	Advanced Metering Infrastructure
ATC	American Tower Corporation
ATM	Annual Town Meeting
BOH	Board of Health
BOS	Board of Selectmen
BPW	Board of Public Works
CAFR	Comprehensive Annual Financial Report
CB	Circuit Breaker
CBR	Circuit Breaker Reimbursement (State money for Special Education Expenses based on a formula)
CCF	Hundred cubic feet (water measurement)
CAC	Climate Action Committee
COA	Council on Aging
COLA	Cost of Living Adjustment
CPA	Community Preservation Act
CPC	Community Preservation Committee
DAS	Distributed Antenna System
DEP	Department of Environmental Protection
DESE	Department of Elementary and Secondary Education
DHCD	Department of Housing and Community Development
DOR	Department of Revenue
DPW	Department of Public Works
DRB	Design Review Board
ELL	English Language Learner
FAR	Floor Area Ratio
FBPC	Fuller Brook Park Committee
FCM	Forward Capacity Market
FF&E	Furniture, Fixtures and Equipment
FMD	Facilities Maintenance Department
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GFOA	Government Finance Officers Association
GIC	Group Insurance Commission
GIS	Geographic Information Systems
HDC	Historic District Commission
HHU	Hardy, Hunnewell and Upham
HRB	Human Resources Board
HRS	Human Relations Service, Inc.
HVAC	Heating, Ventilation and Air Conditioning
ID	In District

IDEA	Individuals with Disabilities Education Act
IEP	Individualized Education Plan
IND	Innovative Neighborhood Design (Planning)
ISO-NE	Independent System Operator – New England
IT(D)	Information Technology (Department)
LHR	Large House Review
LRE	Least Restrictive Environment
LTD	Long Term Disability
MAAB	Massachusetts Architectural Access Board
MAR	Municipal Annual Requirement (Library)
MassDOT	Massachusetts Department of Transportation
MEMA	Massachusetts Emergency Management Agency
MGL	Massachusetts General Laws
MIAA	Massachusetts Interscholastic Athletic Association
MLB	Municipal Light Board
MLP	Municipal Light Plant
MOU	Memorandum of Understanding
MSBA	Massachusetts School Building Authority
MUNIS	Integrated suite of Municipal Software primarily used for Financial, HR, Payroll, Billings, and various other Town Departmental needs
MWRA	Massachusetts Water Resources Authority
MWRTA	MetroWest Regional Transit Authority
NCD	Neighborhood Conservation District
NRC	Natural Resources Commission
NRP(Z)	Natural Resource Protection (Zoning)
OOD	Out of District
OPEB	Other Post-Employment Benefits
OPM	Owner's Project Manager
PARCC	Partnership for Assessment of Readiness for College and Careers
PAWS	Preschool at Wellesley Schools
P&S	Purchase and Sale Agreement
PB	Planning Board
PBC	Permanent Building Committee
PFTP	Playing Fields Task Force
PILOT	Payment in lieu of taxes
PSI	Project of Significant Impact
RDF	Recycling and Disposal Facility
RFID	Radio Frequency Identification System
RFP	Request for Proposals
RMD	Registered Marijuana Dispensary (Planning)
SADI	System Average Interruption Duration Index
SBHD	Single Building Historic District (Planning)
SC	School Committee
SFC	School Facilities Committee
SFMP	School Facilities Master Plan
SMMA	Symmes, Maini, McKee & Associates
SOI	Statement of Interest
SPGA	Special Permit Granting Authority

SR	Single Residence (District)
STEM	Science, Technology, Engineering and Mathematics
STM	Special Town Meeting
SWG	Security Working Group
TDRT	Town Development Review Team
TGSC	Town Government Study Committee
TM(M)	Town Meeting (Member)
TPC	Tolles Parsons Center
TWFP	Town-Wide Financial Plan
UMAS	Uniform Municipal Accounting System
UP	Unified Plan
VMS	Video Management System
WCRS	Wellesley Contributory Retirement System
WFL	Wellesley Free Library
WHA	Wellesley Housing Authority
WHC	Wellesley Historical Commission
WHDC	Wellesley Housing Development Corporation
WHS	Wellesley High School, Wellesley Historical Society
WMS	Wellesley Middle School
WPC	Wetlands Protection Committee
WPS	Wellesley Public Schools
WSCD	Wellesley Square Commercial District
WSHG	West Suburban Health Group
WSVD	West Suburban Veterans' District
ZBA	Zoning Board of Appeals

APPENDIX C: GLOSSARY OF MUNICIPAL FINANCE TERMS

ABATEMENT. A complete or partial cancellation of a tax or assessment levied (imposed) by the Town. Abatements usually apply to tax levies and special assessments.

APPROPRIATION. An authorization granted by Town Meeting to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to time when it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by the Town as a basis for levying taxes. Equally assessed valuation refers to the Town's assessed valuation as determined by the Assessors, adjusted by the State Department of Revenue on a biennial basis to reflect full market value ("equalized valuation").

BUDGET. A plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. A budget may be "preliminary" – the financial plan presented to Town Meeting, or "final" – the plan approved by Town Meeting.

CAPITAL PROJECT. A major nonrecurring physical acquisition expenditure often including planning, acquisition, and construction phases.

CHERRY SHEET. An annual statement received by the Assessors from the State Department of Revenue detailing estimated receipts for the next fiscal year from various State Aid accounts and the Local Aid Fund (Lottery) and estimated charges payable by the Assessors in setting the tax rate. Supplemental Cherry Sheets may be issued during the year and there is no guarantee that the estimated receipts and charges shown thereon will not vary from actual receipts and charges.

COLLECTIVE BARGAINING. Negotiations between an employer and union representative regarding wages, hours, and working conditions.

DEBT AUTHORIZATION. The formal approval required under the procedures set forth in Chapter 44 of the Massachusetts General Laws before the Town may lawfully incur debt.

DEBT SERVICE REQUIREMENT. The amount of money required to pay interest on outstanding debt, and serial maturities of principal for serial bonds.

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those established for the Town's water, sewer, and electric utilities.

EQUALIZED VALUATION. The value of all property as determined by the State Tax Commission biennially, using a standard of "full and fair value." This is also referred to as "100% valuation." The equalization figures are reported in December and affect State Aid distributions for the two-year period beginning the following July.

EXCESS LEVY CAPACITY. The difference between the Town's maximum tax levy limit as established by Proposition 2 ½ and its actual tax levy in the most recent year for which the Town has set a tax rate. This is the additional tax levy that the Town could raise without going to the voters for an override or debt exclusion.

EXCLUSIONS. A provision in the Proposition 2 ½ Law (Chapter 580 of the Acts of 1980) that provides, through referendum, to add funds to the total tax levy on a temporary basis. Exclusions and Debt Exclusions are specifically for capital or special onetime items. Exclusion type questions, if approved by voters, are used to fund onetime items, usually large capital projects. These funds do not become part of the permanent tax levy base. An exclusion for debt service on a loan to pay for a major capital project expires when the loan is paid. The amount added to the tax levy for a particular year is the debt service needed for that year only. Exclusions are only effective until the funding for the project to which they apply is complete.

FISCAL YEAR. A 12-month period to which the annual operating budget applies and at the end of which the Town determines its financial position and the results of its operations. The Commonwealth and the Town operate on a fiscal year that begins on July 1 and ends on June 30. The number of the fiscal year is that of the calendar year in which the fiscal year ends; e.g., the fiscal year 2014 begins July 1, 2013, and ends June 30, 2014, usually written as FY 14.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment.

FREE CASH. Sum of funds appropriated and raised by the Town, but not expended in the years for which they were appropriated, minus uncollected taxes of prior years. This amount must be certified by Massachusetts Bureau of Accounts before it can be used.

FULL-TIME EQUIVALENT. A term that expresses the amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. For most positions in Town, one FTE has been set to equal the number of hours a typical full-time employee works during a calendar year after deducting holiday, vacation, sick and personal time from a 52.2 week year consisting of 2,088 total hours. A position that has been budgeted to work full-time for only six months is 0.5 FTE.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND TYPE. In governmental accounting, all funds are classified into seven generic fund types: General, Special Revenue, Capital Projects, and Debt Service (Governmental Funds), Enterprise and Internal Service (Proprietary Funds), and Trust and Agency (Fiduciary Funds).

GAAP. Generally Accepted Accounting Principles. There are twelve basic principles of accounting and reporting applicable to state and local governments. These include the use of the modified accrual basis of accounting, as appropriate, for measuring financial position and operating results. These principles must be observed in order to provide a basis of comparison of data among different cities and Towns.

GENERAL FUND. The fund used to account for all financial resources of the Town except those required to be accounted for in another fund.

GENERAL REVENUE. The revenues of the Town other than those derived from and retained in an enterprise. If a portion of the net income in an Enterprise Fund is contributed to another non-enterprise fund, such as the General Fund, the amounts constitute general revenue of the Town.

GROWTH REVENUE. The amount of property tax revenue that the Town can add to its allowable tax levy (above the 2 ½%) from new construction, alterations, subdivision, change of use or anything being taxed for the first time. It is computed by applying the prior year's tax rate to the increase in valuation.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the government fund type, wherein only current assets and current liabilities are generally reported on fund balance sheets, and fund operating statements present "financial flow" information (revenues and expenditures). Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for a few specific exceptions. All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting.

OFFSET RECEIPTS. Includes certain education programs, aid to public libraries and environmental programs which are designated on the Cherry Sheet as offset items. These amounts can be spent without appropriation but must be spent only for these specific municipal programs.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of the Town are controlled.

OVERLAY. The amount raised by the Assessors in excess of appropriations and other charges for the purpose of creating a fund to cover abatements on real and personal property taxes and to avoid fractions in the tax rates.

OVERRIDE. A provision in the Proposition 2 ½ Law (Chapter 580 of the Acts of 1980) that provides, through the referendum process, to add funds to the total tax levy on a permanent basis. If approved by a Town-wide vote, the override amounts become a part of the tax levy base and therefore the amount approved in a given vote does grow with the rest of the base by 2 ½% per year. An override question can only provide for additional funding for either the operating budget or the ongoing capital budget.

PRIMARY LEVY LIMIT. 2 ½% of certified full and fair cash value of taxable property.

PROPOSITION 2 ½. A statewide tax limitation initiative petition limiting the property tax levy in cities and Towns in the Commonwealth to 2 ½% of the full and fair cash valuation of the taxable real estate and personal property in that city or Town. The statute also places an annual growth cap of 2 ½% on the increase in the property tax levy.

REIMBURSEMENTS. (1) Repayments of amounts remitted on behalf of another party. (2) Inter-fund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund – e.g., an expenditure properly chargeable to a Special Revenue Fund was initially made from the General Fund, which is subsequently reimbursed. They are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

RESERVE FUND. A fund established by the Annual Town Meeting which is under the control of the Town's Advisory Committee and from which transfer may be made for extraordinary and unforeseen expenditures. It may be composed of an appropriation of not more than 5% of the prior year's tax levy.

REVOLVING FUNDS. Those funds which may be used without appropriation and which are established for particular uses such as school athletics, continuing education programs, school lunch programs, self-supporting recreation and park services, conservation, etc.

SECONDARY LEVY LIMIT. Prior year levy limit plus 2 ½% (Base) plus "growth revenue."

SPECIAL APPROPRIATION. An authorization to expend funds for a specific project not encompassed by normal operating categories.

STABILIZATION FUND. A special reserve account created to provide for capital improvements which is invested until used. The Town may appropriate into this fund in any year an amount no more than 10% of the prior year's tax levy. The outstanding balance in the account cannot exceed 10% of the Town's equalized valuation. Generally, it requires a 2/3 vote of Town Meeting to appropriate money from the Stabilization Fund.

STATE DISTRIBUTION. All revenue flowing from the Commonwealth. Major categories include reimbursement for loss of taxes, educational distributions and reimbursements, funds for direct education expenditures, general government reimbursements and distributions.

SURPLUS REVENUE. This is the amount by which cash, accounts receivable and other floating assets exceed the liabilities and reserves.

SUPPLEMENTARY APPROPRIATION. An appropriation submitted after the main budget has been approved, which must specify a revenue source.

TAX LEVY. The net amount to be raised by the Town each fiscal year by assessing ad valorem taxes on real estate and personal property located within the Town.

TAX RATES. The amount of tax stated in terms of a unit of the tax base; for example, \$8.91 per \$1,000 of assessed valuation of taxable property.

UNFUNDED PENSION LIABILITY. Unfunded pension liability is the difference between the value assigned to the retirement benefits already earned by the Town's employees and the assets the Town's retirement system will have on hand to meet these obligations. The dollar value of the unfunded pension liability is driven by assumptions about interest rates at which a retirement system's assets will grow and the rate of future costs of living increases to pensioners.

UNENCUMBERED APPROPRIATION. The portion of an appropriation not yet expended or encumbered.

UNIFORM MUNICIPAL ACCOUNTING SYSTEM. A comprehensive and practical municipal accounting system that conforms to GAAP for local governments. UMAS is regarded by the Department of Revenue as the professional standard for modern municipal accounting in Massachusetts. Among the benefits of conversion to UMAS are increased consistency in reporting and record keeping and enhanced comparability of data among cities and Towns.