



**Town-Wide Financial Plan for 2012 Annual Town Meeting
Submitted by the Board of Selectmen**

March 7, 2012

Dear Town Meeting Members:

We are pleased to submit this report on the Town-Wide Financial Plan (TWFP). This report provides summary financial information for the current fiscal year (FY12), the proposed budget for FY13, and projected financial information for the years FY14-17.

Overview

The Board of Selectmen will present a balanced budget for FY13 at the upcoming Annual Town Meeting (see Exhibit A). This budget assumes the use of \$2.9 million of reserves, in lieu of a Proposition 2½ override as projected at Town Meeting last Spring. In light of the leadership transition in the School Department, the current economic climate and the healthy condition of the Town's financial reserves, the Board decided to use a combination of further budget reductions and greater use of reserves to eliminate the deficit and defer an override request to next year.

As previously discussed at Town Meeting, the pace of municipal spending growth, particularly on education and employee benefits, continues to outpace the growth in revenues. Modest and/or zero percent general wage increases in recent collective bargaining settlements, and restructuring of employee health insurance benefits have moderated the impact of this structural deficit. FY13 will be the sixth consecutive year without an operating budget override. (Wellesley voters approved six overrides during the period FY01-FY07.) However, the increased level of reserves required to balance the FY13 budget further emphasizes the need for an override in FY14.

The most significant capital appropriations envisioned in the Town's Five Year Capital Budget Program (included elsewhere in the Advisory book) include:

- Fuller Brook Park
- Senior Center
- Morses Pond dredging
- St. James
- School facilities renovation work to be forthcoming from the ongoing school facilities assessment being performed by Symmes Maini & McKee Associates

No action will be taken on these matters at the upcoming Annual Town Meeting. However, estimates regarding the timing and cost of these and other projects, as available, are presented later in this report or in the Capital Budget Program.

A key issue to be considered at Town Meeting concerns the recommendations of the Ad Hoc Facilities Maintenance Committee appointed at the 2011 Annual Town Meeting. Under Article 6, the Committee will recommend the establishment of a Town-wide facilities maintenance department led by a facilities professional reporting to the Executive Director of General Government Services. In addition, the Committee will express its support for the hiring of additional personnel to support an adequate maintenance program. The FY13 budget presented later in this report separately identifies the financial impact of these additions.

Looking forward, we are projecting deficits in the range of \$4.9 – 9.5 million in each of the years FY14-17, before consideration of any override(s). The assumptions underlying these projections are discussed later in this report. We will continue to explore opportunities for revenue enhancement and cost efficiencies; it is also possible that State aid, local revenue and other variables will evolve more favorably than assumed. However, the magnitude of the deficits clearly suggests some form of override or major cuts in services will be required in these years.

We are continuing to refine the TWFP, as summarized in this report and will provide further updates on these matters through the start of Town Meeting. Town Meeting feedback on the issues discussed in this report is critical to our ongoing planning process.

Key Financial Planning Issues

As in prior years, the key issues impacting the Town's financial planning include:

- Uncertainty regarding future levels of State aid
- Growth in personnel costs
- Continuing increases in employee benefit costs
- Facilities maintenance needs
- High School construction and related borrowing costs
- Funding of future capital projects

A short discussion of each of these items follows.

Uncertainty regarding future levels of State aid

State aid (\$8.6 million) comprises approximately 6.6% of the Town's total sources of funds. The largest component is Chapter 70 Aid for Education. The proposed FY13 State budget recently submitted by Governor Patrick level-funds Aid for Education, and the latest signals from the State Legislature appear to be consistent with this position. Accordingly, we have assumed level funding in FY13.

Growth in personnel costs

The largest single item in the year-over-year growth of the Town budget is the cost of pay increases for existing employees. The vast majority of Town employees are unionized, and as such, their increases are the subject of collective bargaining. Eleven of the Town's twelve union contracts are settled at least through June 30, 2013. (Only the Library Association contract remains unsettled.) The settled contracts provide for modest general wage increases in FY13. Of greater significance to the FY13 budget, however, are the cost of "step" increases for employees who have not yet reached the top step and "lane" increases for teachers as they achieve additional academic degrees.

The following table illustrates the key variables for a sample of the Town's union contracts.

	<u>Patrolmen</u>	<u>Superior Officers</u>	<u>Fire fighters</u>	<u>Production</u>	<u>DPW Teachers</u>
Budgeted positions	32	9	53	80	459
Steps	4	1	4	6	16
Average step value	5.6%	N/A	5-6%	5.3%	4.2%
% of employees on steps	16%	N/A	15%	6%	57%
FY13 Contract increase	1%	1%	1.5%	1.5%	1%
FY13 Budget increase	1.4%	1.4%	2.5%	2.2%	4.9%

For those departments with a lower percentage of employees continuing to earn step increases (i.e., "on steps") there is a relatively close correlation between the FY13 contract increase and the FY13 budget increase. In the case of the School Department, the higher percentage of employees on steps contributes to the bigger difference between the same two variables. Looking forward, the profile of the School workforce and the structure of the Teachers contract will continue to be major drivers in the Town's annual budget growth. Information regarding projections for the period FY14-17 is presented later in this report.

Continuing increases in employee benefit costs

Employee benefit costs total \$22.3 million in FY13 (17% of the Town's total budget) and are the fastest growing component of the budget. The principal components of this cost are:

- Health insurance premium costs for active and retired employees - \$13.9 million
- Pension plan contribution - \$3.2 million
- Other Postemployment Benefits (OPEB) - \$3 million

Health insurance: The budgeted health insurance costs for FY13 reflect a 0% premium rate increase for employees and retirees enrolled in the "Rate Saver" plans and rate increases ranging from 9.1% - 14.7% for those enrolled in the Legacy plans. Thus, the premium rates for the Rate Saver plans will be in the range of 22% - 28% lower than those for the Legacy plans in FY13. The only Town subscribers who remain enrolled in the Legacy plans are retirees who were grandfathered against the Section 18 election approved at the 2006 Annual Town Meeting. As required by the recent State health insurance legislation, the Town is working to transfer those retirees who are eligible for Medicare Part A onto Medicare supplement plans. An assumed amount of savings relating to these transfers has been incorporated in the FY13 budget request.

Pension: The Town maintains a defined benefit pension plan for retired employees other than teachers (teachers participate in a similar plan operated by the State). The benefits provided by the plan are identical to those offered by other cities and towns in Massachusetts. Municipal employees in Massachusetts are not eligible for Social Security as a result of their employment with a municipality. Thus, the pension benefit is provided in lieu of a retirement allowance provided under Social Security. 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 pay plus 2% of pay over \$30,000 to the plan. Employee contributions to the Town of Wellesley's pension plan during calendar 2011 totaled

\$2.9 million. During the years FY97-FY09 when the pension liability was fully funded, the Town made no contributions to the pension plan.

OPEB: The Town is obligated to subsidize a portion of the health insurance premiums for retirees. 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 following table summarizes the Town's unfunded liabilities related to pension and OPEB, based on employee service to-date:

Valuation date	Pension	OPEB
	1/1/10	7/1/10
Accrued liability	\$ 149,447,086	\$ 125,582,343
Actuarial value of assets	129,514,453	11,133,131
Unfunded liability	<u>\$ 19,932,633</u>	<u>\$ 114,449,212</u>

A new actuarial valuation of the pension liability is being performed as of 1/1/12, and we expect to report the results of that valuation at Town Meeting. The Retirement Board is considering reducing the assumed rate of return used in the valuation (8% in 1/1/10 valuation), which will increase the liability.

The actuarial funding schedule (January 1, 2010 valuation) for the pension plan requires the Town to continue increasing the annual pension contribution for the next several years. This increase in funding is intended to return the plan to a fully-funded status by approximately 2030. The \$3.2 million contribution for FY13 (excluding contributions by the Sewer, Water and Municipal Light Plant enterprise funds) is still lower than the pension contributions made during the late 1980's and early 1990's.

The Town has established an actuarial funding schedule for the OPEB liability, which provides for increasing amortization payments intended to fully fund the liability over a 30 year period. The funding schedule requires the Town to contribute \$3 million each year in addition to the increasing pay-as-you-go costs. Despite this funding, the unfunded OPEB liability will continue to grow until 2019. Any decision to diminish the level of OPEB funding in the near-term would exacerbate the projected growth of these costs in future years. It should also be noted that the pending transfer of retired subscribers from Legacy plans to Medicare supplement plans (see preceding Health insurance discussion) will decrease the unfunded liability.

Facilities maintenance needs

At the 2011 Annual Town Meeting, a new Ad Hoc Facilities Maintenance Committee was appointed to study the need for changes in the Town's approach to facilities maintenance. The Committee has completed its work, and is recommending the establishment of a Town-wide facilities maintenance department led by a facilities professional reporting to the Executive Director of General Government Services. In addition, the Committee is recommending that 11.5 additional personnel (full-time equivalents) be hired to bring staffing levels in line with industry benchmarks and execute a more rigorous maintenance program. The FY12 budget previously included funding for two of these positions, but pending resolution of the Committee's work, these two positions were not filled.

The following table summarizes the proposed increase in personnel:

<i>Full-time equivalents (FTE)</i>	<u>Current Staffing</u>	<u>Additional Resources</u>	<u>FY13 Budget</u>
Management & Admin.	3	3	6
Tradespeople	5	3	8
Custodians			
- School	35	5.5	40.5
- Town	8.8		8.8
	<u>51.8</u>	<u>11.5</u>	<u>63.3</u>

Town Meeting will consider the organizational consolidation of facilities maintenance under Article 6, which will include a motion to transfer responsibility for "general charge and superintendence of school buildings" to the new Facilities Maintenance department. The proposed increase in the facilities maintenance budget will be considered under Article 8. In the meantime, planning for this transition is ongoing.

As discussed in prior years, the Town's recurring level of facilities maintenance capital remains well below credible benchmarks in this area. Pending the hiring of additional management personnel and the results of the assessment of the school buildings currently being performed by Symmes Maini & McKee Associates, we have adjusted the level of facilities maintenance capital investment for FY15 – FY17 seen in the Five Year Capital Budget Program, to bring it closer to an appropriate benchmark.

High School construction and related borrowing costs

The new High School building is largely complete and the most significant work remaining is to demolish the old building and complete the site work. Spending to-date on the project totals \$86.5 million and reimbursements from the Massachusetts School Building Authority (MSBA) total \$30.9 million (the total cost incurred to-date includes certain costs not eligible for MSBA reimbursement, such as the purchase of the Seaver Street properties).

The third round of borrowing for the project (\$22 million) closed in April 2011 and we anticipate the fourth and final round of borrowing will take place in fiscal 2013. The weighted average interest rate on the borrowings to-date is approximately 3.7%, which compares favorably to the 4.5% rate used in our original projections. The PBC currently projects total project cost to be approximately \$14.6 million below the original appropriation. This savings will reduce the level of MSBA reimbursement on the project, and our latest estimates suggest the Town's net project cost will be in the range of \$9 - 11 million below budget (not including related interest costs). We believe the Town will also save almost \$19 million in interest charges compared with the original projection. This is being achieved through level principal amortization, lower interest rates, and shorter borrowing terms. The debt service cost for the project is currently projected to peak in FY14, and decline each year thereafter. The budgeted FY13 and projected FY14 debt service cost related to the High School project are \$5.7 million and \$6.3 million, respectively.

Funding of future capital projects

We continue to assume the following two projects will be funded via debt exclusions, subject to favorable action at Town Meeting:

- Senior Center (\$4.3 million) – While no action on the Senior Center is planned for the 2012 Annual Town Meeting, to illustrate the potential impact of this project, we have rolled forward the most recent cost estimate for the standalone Senior Center at the former American Legion site.

The March 2009 Town Meeting authorized funds to demolish the former American Legion building at 496 Washington Street and to design a Senior Center to be located on the site. Following the failed attempt to acquire the adjacent property at 494 Washington Street in the spring of 2010, completion of the design work was placed on hold, while the Selectmen and Council on Aging further explore site options. This work is ongoing.

- Fuller Brook Park – Considerable planning has been done on the Fuller Brook Park Preservation Project. No appropriation of funds will be sought for this project at the 2012 Annual Town Meeting. As seen in the Five Year Capital Budget Program, the total cost of this potential project is currently estimated to be \$5.4 million, with \$3.6 million of the cost to be funded with CPA funds, and the balance (\$1.8 million) to be funded by the Town.

In addition, significant planning work has been done on the following project:

- St. James – In anticipation of a potential end to the vigil and the Archdiocese's decision to divest this property, the Town has developed a preliminary proposal to acquire the property and redevelop it for recreational purposes. If a Town bid were accepted, the cost of acquiring the property would be primarily funded by Community Preservation Act (CPA) funds and the subsequent construction of recreational facilities (initial plans call for a playing field, skating rink and swimming pool) would be funded through a mixture of public and private funds.

The FY13 Budget

At the 2011 Annual Town Meeting, we projected deficits of \$4.3 million and \$6.2 million in FY13 and FY14, respectively, and suggested an override of \$5 million in FY13 to offset these deficits. A modest increase in State aid and a focused effort on constraining budget growth has enabled us to reduce the projected FY13 deficit by \$1.3 million. In light of the leadership transition in the School Department, the current economic climate and the healthy condition of the Town's financial reserves, the Board chose to use reserves to offset this deficit and defer an override request to the following year.

The proposed FY13 budget is summarized in the following table (a more complete FY13 Sources & Uses is presented on Exhibit A):

	<u>FY12 Budget</u>	<u>FY13 Request</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Sources of Funds				
Taxes	\$ 93,179,781	\$ 96,959,276	\$ 3,779,495	4.1%
State Aid	8,592,729	8,592,729	-	0.0%
Local Revenue	9,897,975	10,219,003	321,028	3.2%
Free Cash	1,041,064	2,912,757	1,871,693	179.8%
Other Sources	2,006,136	1,616,760	(389,376)	-19.4%
Exclusions & Exemptions	12,479,945	12,858,540	378,595	3.0%
Total Sources	\$ 127,197,630	\$ 133,159,065	\$ 5,961,435	4.7%
Uses of Funds				
School	\$ 55,750,605	\$ 58,115,123	\$ 2,364,518	4.2%
Facility Maintenance	5,317,618	6,200,673	883,055	16.6%
Other Town Departments	24,832,178	25,503,269	671,091	2.7%
Employee Benefits	18,932,105	20,577,517	1,645,412	8.7%
Cash Capital	3,008,242	3,526,073	517,831	17.2%
Debt Service (inside Levy)	3,391,825	3,109,135	(282,690)	-8.3%
Other Uses	3,485,112	3,268,735	(216,377)	-6.2%
Exclusions & Exemptions	12,479,945	12,858,540	378,595	3.0%
Total Uses	\$ 127,197,630	\$ 133,159,065	\$ 5,961,435	4.7%
Surplus/(Deficit)	\$ -	\$ -		

Sources of Funds: The 4.1% increase in Taxes reflects the allowed growth in the levy limit (2.5%) and \$1.45 million of new levy growth. The 3.2% increase in Local Revenue reflects modest increases in excise taxes, permit fees and recycling revenue. The significant increase in the use of Free Cash (further details provided later in this report) is attributable to the decision to defer an override request to next year. The decrease in Other Sources is due to reductions in non-recurring sources. The increase in Exclusions and Exemptions primarily reflects the increased level of debt service associated with the High School project.

Uses of Funds: The 4.2% increase in the total School budget primarily reflects the cost associated with contractual step and lane increases. The 16.6% increase in Facilities Maintenance is attributable to the proposal to add personnel discussed earlier. The 2.7% increase in Other Town Departments reflects contractual wage increases for union employees, wage increases for non-union employees to be considered under Article 4 and increases in property and liability insurance premiums. The 8.7% increase in Employee Benefits is primarily due to increased enrollment in the Town's health insurance plans, higher reserve requirements related to worker's compensation and a \$0.6 million increase in pension funding (excluding enterprise funds). Facilities maintenance accounts for \$334,000 (68%) of the increase in Cash Capital. Debt Service inside-the-levy is down as a result of the continuing pay-down of related debt. Other Uses include CPA fund requests and other self-funding items, as well as provisions for state and county assessments and property tax abatements.

The Town is also proposing to fund a \$200,000 supplemental FY12 appropriation to the Unemployment Trust Fund (Article 7) from Free Cash, to pay for higher than anticipated unemployment costs.

Debt Capital

The Town's Five-Year Capital Budget Program is presented elsewhere in this book. The following debt capital projects will be considered at the 2012 Annual Town Meeting:

- Fire ladder truck replacement, net of contributions by Babson and Wellesley College - \$605,000 (Article 17)
- DPW recycled materials structure - \$220,000 (Article 18)
- Bacon Street reconstruction - \$480,000 (Article 21)

The debt service cost for these projects will first impact the Town budget in FY14.

Reserves

Mindful of the need to maintain sufficient financial reserves to support the Town's favorable AAA bond rating, we continue to carefully monitor the level of revenues and expenses versus budget, and the resulting impact on reserve levels.

Of particular concern are the balances in the Town's Stabilization Fund (a separate reserve fund) and the balance of Free Cash. Under Massachusetts Department of Revenue (DOR) rules, these are the reserve balances specifically available for appropriation by Town Meeting to pay extraordinary or unforeseen expenditures, or cover revenue shortfalls. Appropriations from the Stabilization Fund require a two-thirds vote by Town Meeting, whereas appropriations from Free Cash require a majority vote. The Stabilization Fund balance as of June 30, 2011 was \$3 million and we are making no requests for appropriations from this fund. The level of Free Cash, as certified by the DOR, was \$8.4 million as of July 1, 2011.

The following chart summarizes the changes in Free Cash for the years FY04-11:

Free Cash	FY06	FY07	FY08	FY09	FY10	FY11
<i>Beginning of year</i>	\$ 2,771,548	\$ 4,028,225	\$ 6,786,366	\$ 10,692,354	\$ 9,145,674	\$ 9,471,751
<i>Uses</i>	(160,000)	(1,712,593)	(2,475,512)	(4,007,626)	(982,734)	(3,715,184)
<i>Net Free Cash generated</i>	1,416,677	4,470,734	6,381,500	2,460,946	1,308,811	2,682,503
<i>End of year</i>	<u>\$ 4,028,225</u>	<u>\$ 6,786,366</u>	<u>\$ 10,692,354</u>	<u>\$ 9,145,674</u>	<u>\$ 9,471,751</u>	<u>\$ 8,439,070</u>

Free Cash is "generated" by revenues in excess of budget, budget "turn-back" (amounts budgeted but not spent), and other timing differences. The Town's ability to generate Free Cash has enabled the rebuilding of the Town's financial reserves, and funded a number of operating and capital investments, as seen in the "Uses" quantified above. Thus, the prospects for generating additional Free Cash in FY12 is an important factor in our evaluation of the proposed use of these reserves to balance the FY13 budget.

The following chart summarizes our projection of Free Cash at June 30, 2012:

Free Cash at 6/30/11	\$ 8,439,070
Anticipated FY12 uses	(200,000)
Anticipated FY13 uses	
- Facilities maint. capital	(893,583)
- Park & Hwy HVAC design	(75,000)
- Balance FY13 budget	<u>(1,944,174)</u>
Total FY13 uses	\$ (2,912,757)
Anticipated generation	
- Chapter 90 deficit	900,000
- Excess revenue	200,000
- Budget turn-back	1,550,000
Projected Free Cash at 6/30/12	<u>\$ 7,976,313</u>

(Note: Amounts appropriated at the 2012 Annual Town Meeting for expenditure during FY13 reduce the amount of Free Cash at June 30, 2012.)

DOF recommends that communities maintain reserves (Free Cash and Stabilization Fund) of at least 3-5% of annual expenditures and the Government Finance Officers' Association recommends 5-15%. Based on the above projection, Wellesley's reserves at June 30, 2012 would be approximately 9.7%.

Wellesley's reserve levels are complemented by the Town's proactive funding of the pension and Other Postemployment Benefits (OPEB) liabilities. Consistent with the prior year, the budget includes \$3 million of funding toward the Town's OPEB liability (\$1.2 million inside the levy, plus \$1.8 million OPEB funding exclusion as authorized by the May 2007 Special Election).

Looking Ahead to FY14-17

For purposes of projecting the Town's Sources and Uses of funds for the years FY14-17, we have used the assumptions summarized in the following table:

	FY14	FY15	FY16	FY17
Revenue growth				
State aid	1.0%	1.0%	1.0%	1.0%
Local revenue	2.0%	2.0%	2.0%	2.0%
Spending growth				
Schools				
- General education	5.0%	5.0%	5.0%	5.0%
- STTI	5.0%	5.0%	5.0%	5.0%
Other Town Depts.	2.5%	2.5%	2.5%	2.5%
Health insurance	6.0%	6.0%	6.0%	6.0%

The assumptions regarding the growth in School spending are the most impactful. For discussion purposes only, we have assumed 5% growth in such spending for the entire period.

Pending completion of the transition in School Department leadership, we will await further guidance from the School Committee on this assumption. It should also be noted that a number of these assumptions are contingent on the outcome of future collective bargaining.

In addition, we have assumed:

- Annual growth in property tax revenues – 2.5% plus \$1.4 million of new growth
- Pension funding – increasing to \$4.1, \$5, \$5, and \$5.2 million in FY14-17, respectively

Based on these assumptions and assuming no overrides, the projected deficits for the years FY14-17 are summarized as follows:

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Projected deficit	\$ (4,860,656)	\$ (7,048,270)	\$ (8,318,000)	\$ (9,504,855)

We will continue to refine these projections over the next few weeks and will provide an update at Town Meeting. Ultimately, the projected deficits underscore the need for further planning in order to balance service expectations against taxpayers' willingness to pay. They also provide a clear context for the collective bargaining that will take place starting next fall with several of the Town's large unions. Reducing or eliminating these deficits without an override would require some combination of the following:

- Lower rates of spending growth achieved through:
 - Service or staff reductions
 - Structural change in union salary or wage schedules; e.g.: a reduction in the number or value of "steps"
 - Operational efficiencies from outsourcing and/or consolidation
 - Further energy conservation measures
 - Deferral of planned capital projects
- Further growth in revenues; e.g.:
 - New and/or increased permit fees
 - Incremental payments in lieu of taxes (PILOT's)

Absent a significant reduction in the pace of spending growth, an override will be required next year. For initial discussion purposes only, the Board has discussed the possibility of \$5 million override in FY14 as one element of a broader plan for addressing the deficits.

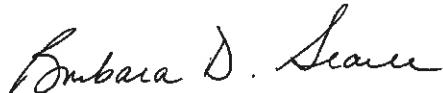
The following table illustrates the impact of a \$5 million override in FY14 on the median tax bill (i.e., the tax bill for a home valued at \$835,000):

	<u>Median Tax Bill</u>	
	<u>FY13</u>	<u>FY14</u>
Prior fiscal year	\$ 9,585	\$ 9,859
2.5% increase	240	246
Increase (decrease) in excluded debt service	35	(7)
Override	-	456
	<hr/> 9,859	<hr/> 10,555
% Increase	2.9%	7.1%

This Town-Wide Financial Plan is a work-in-progress and will be revised prior to presentation at Town Meeting. As in prior years, we will provide further updates on these matters through the start of Town Meeting.

We would like to express our sincere appreciation to all of the Town boards and their respective staffs for their cooperation in working with us to create a plan that will ensure the continued financial health of our community.

Sincerely yours,



Barbara D. Searle, Chair
Terri Tsagaris, Vice Chair
Ellen F. Gibbs, Secretary
Katherine L. Babson, Jr.
Owen H. Dugan

Exhibits:

A – FY13 Summary Sources & Uses of Funds
B – FY13 Detail Sources & Uses of Funds

TOWN OF WELLESLEY- SOURCES AND USES OF FUNDS

Exhibit A

	FY2012 Tax Rate	FY2013 Request	% Change
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	93,179,781	96,959,276	4%
From the Commonwealth	8,592,729	8,592,729	0%
Local Revenue	9,897,975	10,219,003	3%
Sub-Total (Tax & Cur. Rev.)	111,670,485	115,771,008	4%
Outside Levy Limits			
Real Estate & Pers. Prop.Tax	10,058,107	10,436,702	4%
OPEB	1,800,000	1,800,000	0%
Available Funds			
Parking Meter Receipts	585,636	851,314	45%
Appropriated/Reserved CPA Surcharge	890,500	765,446	-14%
Free Cash- balance budget	1,041,064	2,837,757	173%
Free Cash- Park Hwy HVAC	-	75,000	100%
School Construction Aid & Set-Asides	621,838	621,838	0%
Unencumbered/Transfers from other funds	530,000	-	-100%
Sub-Total (Available Funds)	3,669,038	5,151,355	40%
TOTAL SOURCES OF FUNDS	127,197,630	133,159,065	5%
*** USE OF FUNDS ***			
Personal Services (Non-School)	18,385,569	19,033,119	4%
Expenses (Non-School)	6,448,609	6,470,150	0%
Subtotal (Non-School)	24,832,178	25,503,269	3%
Personal Services (Facilities Maintenance)	2,720,412	3,105,601	14%
Expenses (Facilities Maintenance)	2,597,206	3,095,072	19%
Subtotal (Facilities Maintenance)	5,317,618	6,200,673	17%
Personal Services (School)	48,078,248	51,006,508	6%
Expenses (School)	7,672,357	7,108,615	-7%
Subtotal (School)	55,750,605	58,115,123	4%
Sub-Total (Pers. Svcs. & Exp)	85,900,401	89,819,065	5%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Special Items	3,008,242	3,526,073	17%
Debt Service	3,391,825	3,109,135	-8%
Sub-Total (Within Levy Limits)	6,400,067	6,635,208	4%
Outside Levy Limits			
Debt Service	10,815,996	11,058,540	2%
SUB-TOTAL (CAPITAL & DEBT)	17,216,063	17,693,748	3%
Employee Benefits:			
Ins./Group Ins., etc.	15,101,832	16,167,873	7%
Pension Contribution	2,630,273	3,209,844	22%
OPEB Liability Fund	3,000,000	3,000,000	0%
Sub-Total (Shared Costs)	20,732,105	22,377,517	8%
SUB-TOTAL (OPERATIONS)	123,848,569	129,890,330	5%
Special Items:			
Traffic & Parking Management	668,926	833,864	25%
Appropriated/Reserved CPA Surcharge	890,500	765,446	-14%
Arbitrage and premium	252,921		
State & County Assessments	1,101,712	1,154,023	5%
Property Tax Abatements	435,002	440,402	1%
Free Cash- FM Capital, Park Hwy, Warren Floor, Hills Branch	-	75,000	100%
Sub-Total (Special Items)	3,349,061	3,268,735	-2%
TOTAL USE OF FUNDS	127,197,630	133,159,065	5%
TOTAL SOURCE OF FUNDS	127,197,630	133,159,065	5%
SURPLUS (DEFICIT)	-	-	-

Exhibit B

TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

SOURCES OF FUNDS	FY 2012	FY 2013	\$ Change	% Change
Real Estate & Personal Property Tax				
Within the Levy Limit	93,179,781	96,959,276	3,779,495	4.1%
Outside the Levy Limit - OPEB	1,800,000	0	0	0.0%
Outside the Levy Limit	10,058,107	3,78,595	3,8%	
Subtotal	105,037,888	109,195,978	4,158,090	4.0%
 From the Commonwealth				
Chapter 70 Aid	7,202,028	0	0	0.0%
Lottery Aid	1,016,492	0	0	0.0%
Regional Public Libraries	270,000	0	0	0.0%
Other Aid	104,209	0	0	0.0%
School Construction	621,838	0	0	0.0%
 Local Revenue				
Motor Vehicle Excise	4,136,051	4,176,000	40,949	1.0%
Licenses and Permits	1,400,000	1,500,000	100,000	7.1%
MLP Payment in Lieu of Taxes	1,000,000	1,000,000	0	0.0%
Interest Earnings	456,870	500,000	43,130	9.4%
RDF Revenue	700,000	800,000	100,000	14.3%
Fines & Forfeits	550,000	575,000	25,000	4.5%
Recreation	100,000	100,000	0	0.0%
Meals Tax	400,000	450,000	50,000	12.5%
Pilot Payments	400,000	400,000	0	0.0%
Other Local Revenues	755,054	718,003	(37,051)	-4.9%
 Other Sources				
Parking Meter Receipts	585,636	851,314	265,678	
Free Cash to balance budget	1,041,064	2,837,757	1,796,693	
Free Cash - Park Hwy design		75,000		
Appropriated CPA Surcharge		890,500	(125,054)	-14.0%
School lunch, Police detail, fire grant in 2010	530,000	765,446	(530,000)	-100.0%
 Subtotal	127,197,630	133,159,085	5,961,435	4.7%

Exhibit B

Funding Item	USES OF FUNDS			FY12 USE OF FUNDS (Tax Rate)			FY13 USE OF FUNDS (Request)			CHANGE - FY12 to FY13		
	FY12 Pers Svcs	FY12 Expenses	FY12 Total Ops	FY13 Pers Svcs	FY13 Expenses	FY13 Total Ops	Variance Pers Svcs	Variance Expenses	Total - \$	Variance Total - %	Variance Total - %	
GENERAL GOVERNMENT												
Board of Selectmen - Administration												
Executive Director's Office	369,338	30,250	399,588	402,331	30,250	432,581	32,983	0	32,983	8.3%	(73)	-0.3%
Sustainable Energy	19,033	6,000	25,033	18,980	8,000	24,980	(73)	0	(73)	(14,000)	(14,000)	-37.3%
Central Administrative Services	0	37,500	37,500	0	23,500	23,500	0	0	0	(1,480)	(1,480)	-0.4%
Finance Department	348,355	9,125	357,480	348,875	9,125	356,000	(4,625)	0	(4,625)	(4,625)	(4,625)	-0.7%
Network & Information Systems	449,983	214,127	664,120	445,368	214,127	659,495	0	0	0	4,450	4,450	1.2%
Treasurer & Collector	251,964	122,150	374,114	256,414	122,150	378,584	0	0	0	4,450	4,450	1.2%
Parking Fines Processing	0	4,000	4,000	0	4,000	4,000	0	0	0	0	0	0.0%
Town Report	0	0	0	0	0	0	0	0	0	0	0	0.0%
Board of Selectmen - Human Services												
Council on Aging	161,015	129,325	290,340	169,530	134,318	303,848	8,515	4,993	13,508	4,7%	0	0.0%
Fair Housing Committee	0	200	200	0	200	200	0	0	0	0	0	0.0%
West Suburban Veterans District	0	85,280	85,280	0	85,818	85,818	0	538	538	538	538	0.6%
Youth Commission	71,392	17,190	88,582	71,147	17,190	88,337	(245)	0	0	(245)	(245)	-0.3%
Board of Selectmen - Maintenance Services												
Facilities Maintenance	2,720,412	2,597,206	5,317,618	2,863,918	2,908,747	5,772,665	143,506	311,541	455,047	8.6%	428,008	100.0%
Facilities Maintenance - Additional Resources	0	0	0	241,683	186,325	428,008	241,683	186,325	0	0	0	0.0%
Board of Selectmen - Other Services												
Housing Development Corporation	0	3,500	3,500	0	3,500	3,500	0	0	0	0	0	0.0%
Historical Commission	0	750	750	0	750	750	0	0	0	0	0	0.0%
Historical District Commission	0	250	250	0	250	250	0	0	0	0	0	0.0%
Memorial Day	0	2,500	2,500	0	2,500	2,500	0	0	0	0	0	0.0%
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0	0	0.0%
Zoning Board of Appeals	47,402	7,115	54,517	47,220	7,115	54,335	(182)	0	0	(182)	(182)	-0.3%
Board of Selectmen - Shared Services												
Law	0	272,360	272,360	0	272,360	272,360	0	0	0	0	0	0.0%
Audit Committee	0	56,250	56,250	0	56,250	56,250	0	0	0	0	0	0.0%
Risk Management	0	322,000	322,000	0	407,000	407,000	0	85,000	85,000	85,000	85,000	26.4%
Street Lighting	0	226,318	226,318	0	225,300	225,300	0	(1,018)	(1,018)	(1,018)	(1,018)	-0.4%
Subtotal - Board of Selectmen - General Government	4,428,904	4,148,096	8,587,000	4,863,446	4,721,475	9,584,921	424,542	573,379	997,921	11.6%		
Other General Government												
Town Clerk/Election & Registration	226,608	44,250	270,858	249,002	50,300	289,302	22,394	6,050	28,444	10.5%		
Board of Assessors	241,711	81,450	323,161	242,717	81,950	324,667	1,006	500	1,506	0.5%		
Planning Board	210,968	42,100	253,068	211,092	42,600	253,692	124	500	624	0.2%		
Advisory Committee	8,782	14,000	22,782	8,782	14,000	22,782	0	0	0	0	0	0.0%
Reserve Fund	0	175,000	175,000	0	175,000	175,000	0	0	0	0	0	0.0%
Permanent Building Committee	9,641	5,900	15,541	12,641	6,450	19,091	3,000	550	3,550	3,550	22.8%	
Human Resources Board	265,449	20,150	285,598	265,359	19,650	285,009	(90)	(500)	(500)	(500)	(500)	-0.2%
HR Salary Adjustments	9,800	0	9,800	150,000	0	150,000	NA	NA	NA	NA	NA	NA
Subtotal - Other General Government	372,969	382,850	1,355,809	1,139,593	385,950	1,529,543	26,434	7,100	33,534	2.5%		
GENERAL GOVERNMENT TOTAL	5,411,863	4,530,946	9,942,809	6,003,039	5,111,425	11,114,464	450,976	580,479	1,031,455	10.4%		

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Exhibit B

Funding Item	USES OF FUNDS			FY12 USE OF FUNDS (Tax Rate)			FY13 USE OF FUNDS (Request)			CHANGE - FY12 to FY13		
	FY12 Pers Svcs	FY12 Expenses	FY12 Total Ops	FY12 Pers Svcs	FY12 Expenses	FY12 Total Ops	FY13 Pers Svcs	FY13 Expenses	FY13 Total Ops	FY13 Pers Svcs	FY13 Expenses	FY13 Total Ops
PUBLIC SAFETY - BOARD OF SELECTMEN												
Police Department	4,588,291	618,126	5,206,417	4,663,783	619,903	5,283,686	75,492	1,777	77,269	1,5%		
Injured on Duty	see Risk Management Dept 945			see Risk Management Dept 945	2,897	101,895	992	0	992	1.0%		
Special School Police	98,006	2,897	100,903	98,998	101,895	220,599	0	220,599	4.9%			
Fire Department	4,228,587	260,112	4,488,699	4,449,186	260,112	4,709,286	4,309	(27,544)	(23,235)	-20.4%		
Radio Masterbox	86,275	27,544	113,819	90,584	0	90,584	26,350	434,985	27,776	0	27,776	6.8%
Building Department	380,889	26,350	407,219	408,645	0	408,645	0	0	(80,000)	(80,000)	-100.0%	
Emergency Medical Services	0	80,000	80,000	0	0	0	18,460	0	0	0	0	0.0%
Sealer of Weights & Measures	15,660	2,800	18,460	15,660	2,800	18,460	0	0	0	0	0	0.0%
PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN	9,397,688	1,047,829	10,445,517	9,726,956	912,982	10,638,948	329,168	(105,767)	223,401	2.1%		
DEPARTMENT OF PUBLIC WORKS												
Engineering	464,231	79,788	544,019	467,190	79,788	546,978	2,959	0	2,959	0.5%		
Highway	973,668	446,202	1,419,870	994,154	446,202	1,440,356	20,486	0	20,486	1.4%		
Fleet Maintenance	129,007	56,462	185,469	130,942	56,462	187,404	1,935	0	1,935	1.0%		
Park	1,025,218	271,477	1,286,685	1,040,987	271,477	1,312,474	15,779	0	15,779	1.2%		
Recycling & Disposal	884,152	1,214,938	2,098,090	933,723	1,260,383	2,194,816	49,571	45,955	95,526	4.6%		
Management	323,318	52,913	376,231	324,603	52,913	377,516	1,285	0	1,285	0.3%		
Winter Maintenance	0	348,703	348,703	0	348,703	348,703	0	0	0	0.0%		
PUBLIC WORKS TOTAL	3,799,594	2,470,483	6,270,077	3,891,609	2,516,438	6,408,047	92,015	45,955	137,970	2.2%		
WELLESLEY FREE LIBRARY												
Library Trustees	1,551,951	428,257	1,980,208	1,570,946	429,988	2,000,944	18,985	1,741	20,736	1.0%		
Regional Services (Non-Tax Impact)	156,888	113,112	270,000	157,889	112,111	270,000	1,001	(1,001)	0	0.0%		
LIBRARY TOTAL	1,708,839	541,369	2,250,208	1,728,835	542,109	2,270,944	19,996	740	20,736	0.9%		
RECREATION												
Recreation Commission	272,037	23,800	295,837	273,692	23,800	297,492	1,655	0	1,655	0.6%		
RECREATION TOTAL	272,037	23,800	295,837	273,692	23,800	297,492	1,655	0	1,655	0.6%		
HEALTH												
Board of Health	336,424	66,838	403,262	336,135	66,838	402,973	(289)	0	(289)	-0.1%		
Mental Health Services		213,555	213,555	0	213,555	213,555	0	0	0	0.0%		
HEALTH TOTAL	336,424	280,393	616,817	336,135	280,393	616,528	(289)	0	(289)	0.0%		
NATURAL RESOURCES												
Natural Resources Commission	179,536	18,625	198,161	178,554	18,625	197,179	(982)	0	(982)	-0.5%		
Morses Pond Project - (NRC, DPW, Rec)		160,370	160,370	0	160,370	160,370	0	0	0	0.0%		
NATURAL RESOURCES TOTAL	179,536	178,996	358,531	178,554	178,995	357,549	(982)	0	(982)	-1.3%		
NON-SCHOOL TOTAL	21,105,981	9,043,815	30,149,796	22,138,720	9,565,222	31,703,942	892,539	521,407	1,443,946	4.7%		

Exhibit B

Funding Item	USES OF FUNDS			FY12 USE OF FUNDS (Tax Rate)			FY13 USE OF FUNDS (Request)			CHANGE - FY12 to FY13					
	FY12		FY12 Expenses	FY12		FY12 Total Ops	FY13		FY13 Expenses	FY13 Total Ops		Variance Pers Svcs	Variance Expenses	Variance Total - \$	Variance Total - %
	Pers Svcs	Perf Svcs		Pers Svcs			Pers Svcs			Pers Svcs					
WELLESLEY PUBLIC SCHOOLS															
Instruction	40,953,971	1,528,402		42,482,373			44,138,715		1,456,511	45,597,226		3,184,744	(69,891)	3,114,853	7.3%
Administration	876,313	155,100		1,031,413			891,418		147,700	1,039,118		15,105	(7,400)	7,705	0.7%
Operations	670,748	247,945		918,691			683,241		322,800	1,006,141		12,495	74,955	87,450	9.5%
Special Tuition/Transportation/Inclusion	5,577,218	5,740,910		11,318,128			5,283,134		5,179,504	10,472,638		(284,084)	(561,406)	(845,490)	-7.5%
SCHOOL TOTAL	\$ 48,071,248	7,672,357	\$ 55,750,605				51,006,508		7,108,615	58,115,123		2,928,260	(563,742)	2,364,518	4.2%
EMPLOYEE BENEFITS															
Group Insurance	0	14,588,300		14,588,300			0		15,436,184	15,436,184		0	847,884	847,884	5.8%
OPEB Liability Fund	0	3,000,000		3,000,000			0		3,000,000	3,000,000		0	0	0	0.0%
Retirement Contribution	0	2,650,273		2,650,273			0		3,209,844	3,209,844		0	579,571	579,571	22.0%
Workers' Compensation	0	242,627		242,627			0		360,584	360,584		0	117,957	117,957	48.6%
Unemployment Compensation	0	150,000		150,000			0		250,000	250,000		0	100,000	100,000	66.7%
Compensated Absences	0	90,000		90,000			0		90,000	90,000		0	0	0	0.0%
Non-Contributory Pensions	0	30,905		30,905			0		30,905	30,905		0	0	0	0.0%
EMPLOYEE BENEFITS TOTAL	0	20,732,105	20,732,105				0		22,377,517	22,377,517		0	1,645,412	1,645,412	7.9%
ALL PERSONAL SERVICES & EXPENSES	69,184,229	37,448,277	106,632,504				73,145,228		39,051,354	113,196,652		3,960,969	1,603,977	5,564,076	5.2%

Exhibit B

Funding Item	USES OF FUNDS			FY12 USE OF FUNDS (Tax Rate)			FY13 USE OF FUNDS (Request)			CHANGE - FY'12 to FY'13		
	FY12 Pers Svcs	FY12 Expenses	FY12 Total Ops	FY13 Pers Svcs	FY13 Expenses	FY13 Total Ops	Variance Pers Svcs	Variance Expenses	Variance Total \$	Variance Total - %		
CAPITAL & DEBT												
<i>Departmental Cash Capital</i>												
Public Works Capital	0	1,332,700	1,332,700	0	1,322,500	1,322,500	0	(10,200)	(10,200)	-0.8%		
School Capital	0	898,510	898,510	0	962,554	962,554	0	64,044	64,044	7.1%		
Facilities Capital - School	0	127,108	127,108	0	611,250	611,250	0	484,142	484,142	380.9%		
Facilities Capital - Town	0	320,950	320,950	0	282,333	282,333	0	(38,617)	(38,617)	-12.0%		
Selectmen Capital	0	218,974	219,974	0	231,936	231,936	0	11,962	11,962	5.4%		
Library Capital	0	34,000	34,000	0	40,500	40,500	0	6,500	6,500	19.1%		
NRC Capital	0	75,000	75,000	0	75,000	75,000	0	0	0	0.0%		
Morses Pond Capital	0	0	0	0	0	0	0	0	0	0.0%		
Subtotal - Cash Capital	0	3,008,242	3,008,242	0	3,526,073	3,526,073	0	517,831	517,831	17.2%		
<i>Debt Service</i>												
Current Inside Levy Debt Service - Issued	0	3,186,025	3,186,025	0	2,903,325	2,903,325	0	(282,690)	(282,690)	-8.9%		
New Debt Service - Inside Levy	0	205,800	205,800	0	205,800	205,800	0	0	0	0.0%		
Current Outside Levy Debt Service - Issued	0	10,815,996	10,815,996	0	10,613,569	10,613,569	0	(202,427)	(202,427)	-1.9%		
New Debt Service - Outside Levy	0	0	0	0	444,971	444,971	0	NA	NA	NA		
Arbitrage and premium	0	252,921	252,921	0	0	0	0	NA	NA	NA		
Subtotal - Debt Service	0	14,460,742	14,460,742	0	14,167,675	14,167,675	0	(293,067)	(293,067)	-2.0%		
CAPITAL & DEBT TOTAL	17,468,984	17,468,984	0	17,693,748	17,693,748	0	224,764	224,764	224,764	1.3%		
SPECIAL ITEMS												
<i>Receipts Reserved for Appropriation</i>												
Traffic & Parking Operations	204,956	463,970	668,926	229,014	604,850	833,864	24,058	140,880	164,938	24.7%		
Traffic & Parking Maintenance Capital	0	0	0	0	0	0	0	0	0	0		
Community Preservation Appropriated	0	890,500	890,500	0	765,446	765,446	0	(125,054)	(125,054)	-14.0%		
Free Cash - Park Hwy Design	0	0	0	0	75,000	75,000	0	75,000	75,000	100.0%		
Property Tax Abatements	0	435,002	435,002	0	440,402	440,402	0	5,400	5,400	1.2%		
State & County Assessments	0	1,101,712	1,101,712	0	1,154,023	1,154,023	0	52,311	52,311	4.7%		
SPECIAL ITEMS TOTAL	204,956	2,891,184	3,086,140	228,014	3,039,721	3,268,735	24,058	148,537	172,595	5.6%		
TOTAL USES OF FUNDS							133,169,085		5,361,435	4.7%		
TOTAL SOURCES OF FUNDS							133,169,085		5,361,435	4.7%		
SURPLUS (DEFICIT)							0		0	0.0%		

**Report of the Board of Selectmen on the
Five Year Capital Budgeting Program**

March 7, 2012

Town of Wellesley Capital Overview

As part of the annual budget process, boards and departments submit detailed information for capital requests for the upcoming fiscal year, along with identifying capital requirements for the following four fiscal years. The Board of Selectmen, through the Executive Director, gains an understanding of individual board needs and facilitates the discussions about funding the current budget, as well as the longer term Town-Wide Financial Plan (TWFP). Projects are subject to multi-year discussion and analysis, and may not, ultimately be funded. Projects are categorized by funding source: cash capital, other sources of funding, debt financed inside the tax levy, and debt capital exclusions. Following are the capital project requests for FY13 (i.e. the year ended June 30, 2013) by funding source:

FY13 Recommended Capital Projects by Funding Source		
Department	Project	Amount
	Cash Capital:	
Fire	Master box, radio system equipment, rescue tools & breathing system	149,500
Police	Digital headquarters & heavy duty shredder	55,436
NIS	Server & system/software upgrades	27,000
Library	Computers, server & card payment system	40,500
NRC	Tree planting, trail improvements & sidewalk/path repairs	75,000
DPW	Vehicles & street improvements	1,322,500
Schools	Technology, general equipment & interior improvements	962,554
Facilities-Town	Roof repairs, carpet/flooring, temperature controls & renovations	282,333
Facilities-School	Roof, flooring, plumbing & heating ventilation	611,250
	Total Cash Capital	\$ 3,526,073
	Other Funding Sources:	
DPW	DPW Street Resurfacing (Chapter 90 Funds)	1,274,000
DPW	Park/Hwy Building HVAC Rehab Design (Free Cash)	75,000
PBC	Hills Branch Library Chimney (Free Cash)	TBD
PBC	Warren Building Floors (Free Cash)	TBD
	Total Other Sources	\$ 1,349,000
	Debt Capital Inside Levy:	
Fire	Fire Ladder Truck, net college contributions (Article 17)	605,000
DPW	DPW Recycled Materials Structure (Article 18)	220,000
DPW	Bacon Street Reconstruction (Article 21)	480,000
	Total Borrowed Inside Levy	\$ 1,305,000
	Grand Total	\$ 6,180,073

The attached Exhibit A is a Summary and Detail Schedule of prior year Capital authorizations and a five year schedule of Capital requests for FY13 – FY17.

Cash Capital

Cash capital is defined as investments/assets not normally included in a department's operating budget. Cash capital may include items such as equipment replacement (vehicles and computers), street improvements, facilities maintenance and building repairs. Cash capital is not synonymous with fixed assets, because the Town does not capitalize items under \$25,000 (such as computers).

DPW FY13

The Board of Public Works has recommended a FY13 cash capital budget of \$1,322,500. Highlights of the DPW FY13 capital requests are as follows:

- Replacement or refurbishment of thirteen vehicles including Highway Maintenance trucks, Park Maintenance trucks and other equipment - \$803,000.
- Restoring approximately 1.5 miles of sidewalks, including crosswalk and ramps improvements- \$205,000.
- Hunnewell Field Playground Improvements - \$155,000.

DPW FY14 – FY17

The Board of Public Works will continue to fund street improvements in the out years, with the goal of resurfacing 9-10 miles per year with a combination of cash capital and chapter 90 funds. The other major cash capital expense for DPW is the periodic scheduled replacement of 130 vehicles and 200 pieces of equipment.

School FY13 – FY17

The School Committee requests a \$962,554 capital budget for FY13. The School capital request for FY13-17 includes an average of \$560,000 per year for Technology. These technology needs are based on a seven year replacement cycle for desktop computers and a five year replacement cycle for laptops. Also included is an average spending request of \$120,000 per year for furnishings and/or furniture.

Facilities Maintenance FY13

Combined capital budget request of facilities maintenance for all Town and School buildings is \$893,583 for FY13.

Other Sources of Funding

Fuller Brook Park - The Natural Resources Commission (NRC) is requesting funds to implement Fuller Brook Park Preservation Plan, which is a project to remedy erosion and disrepair of pathways, bridges, and brooks in the Fuller Brook Park. This project has been included in the NRC's Capital Plan since FY04. The total project cost is estimated at \$5.4 million. This funding request is being submitted as follows:

- Implement Fuller Brook Plan in FY15 – \$3.6 million funded by CPC and with remaining balance of \$1.8 million to be funded as a debt exclusion (see last page).

DPW Street Maintenance and Resurfacing – The Board of Public Works is requesting \$1,274,000 in FY13 for street maintenance and resurfacing. This funding request is being submitted as follows:

- In addition to funds allocated in cash capital for street resurfacing, the Town anticipates using \$574,000 of Chapter 90 monies to resurface 4-5 miles of street.
- Street resurfacing on Washington Street, one of the Town's major connector streets, for \$700,000 to be funded by Chapter 90.

Park/Highway Building HVAC – The Board of Public Works is requesting \$75,000 in FY13 to conduct a study for the rehabilitation of their existing HVAC system. A detailed study will provide recommendations for the HVAC system to address deficiencies in a planned manner rather than as an emergency repair. The costs to carry out the rehabilitation in FY14 will be funded as a debt exclusion.

Warren Building Floors – Renovations to the Warren Recreation Building were completed in 2004, however some issues have arisen since. Interior flooring and other renovations are needed. The Selectmen in collaboration with the Permanent Building Committee (PBC) anticipate seeking an appropriation for the costs associated with the renovation work at an upcoming Fall Special Town Meeting.

Hills Branch Library Chimney – Minor repairs to the Hills Branch Library Chimney were started in November 2011. Since then, it has been determined that additional repairs need to be addressed. Engineers and Historical Consultants have prepared repair recommendations and estimates. The Board of Selectmen in collaboration with the Board of Library Trustees anticipate seeking an appropriation from free cash for the costs of the repairs at an upcoming Fall Special Town Meeting.

Debt Capital inside the Levy FY13-FY17

The Town borrows for larger (capitalized) assets having a useful life of typically ten years or more. The Town has employed a prudent fiscal practice of amortizing this debt as rapidly as practical within the levy limit.

The Fire Department estimates that two trucks past their lifecycle of 15 – 20 years will need to be replaced. As in the past, Babson College and Wellesley College will contribute to the FY13 purchase of the Ladder Truck, thereby reducing the amount to be borrowed.:.

- 1996 Fire Ladder truck – \$605,000 (net of contributions totaling \$250,000 from Babson College and Wellesley College) FY13
- 1998 Fire Engine - \$600,000 in FY15

DPW borrowing capital request includes the following:

- Additional funds to complete RDF recycled materials loading area - \$220,000 FY13.
- Park & Highway Building Roof and HVAC Rehabilitation - \$1.2 million between FY14 & FY16.
- Street Rehabilitations of Bacon, Grove & Cliff roads and Wales Street Bridge- \$4.2 million from FY13– FY17

Debt Capital Exclusion FY13-FY17

Some very large capital projects outstrip the Town's taxing authority. The Town has recently undertaken a series of significant initiatives: a Middle School upgrade, Elementary School Infrastructure improvements, Pond Dredging, Drainage Construction, and, most recently, a new High School. All of these projects were financed with exempt debt. The Town also approved a capital exclusion to fund 10 years of contributions towards its Other Post Employment Benefits (OPEB) liability.

The most significant borrowing requests in the next several years include the proposed new Senior Center, rebidding the Morses Pond Dredging project, Fuller Brook Park Preservation Project, and the possible purchase of the St. James property. No appropriation of tax-impact funds will be sought for these projects at the 2012 Annual Town Meeting.

Senior Center – The March 2009 Town Meeting authorized funds to demolish the former American Legion building at 496 Washington Street and to design a Senior Center to be located on the site. Following the failed attempt to acquire the adjacent property at 494 Washington Street in the Spring of 2010, completion of the design work was placed on hold, while the Selectmen and Council on Aging further explore site options. This work is ongoing.

St. James – In anticipation of the Archdiocese's decision to divest this property, the Town has interest in acquiring the property and redeveloping it for recreational purposes. The cost of acquiring the property would be primarily funded by CPA funds. Subsequent construction of recreational facilities would be funded through a combination of public and private funds.

Morses Pond Dredging – The \$650,000 appropriated at the 2007 Annual Town Meeting (Article 21) was not adequate to complete the dredging of the pond. The project will be rebid. The projected cost of the FY14 request is \$980,000.

School Building Assessment – An assessment of the school buildings is currently being performed by Symmes Maini & McKee Associates. Pending their findings, the Town will evaluate the scope and timing of required work.

Fuller Brook Park Preservation Project – In addition to a FY2015 request of \$3.6 million in Community Preservation Act (CPA) funds, a debt exclusion may be requested in the amount of \$1.8 million that same year.

Town of Wellesley
FY2013- FY2017 Capital Improvement Plan
Summary Schedule

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2013-2017 Total
Cash Capital	\$ 2,987,410	\$ 2,756,501	\$ 3,008,242	\$ 3,526,073	\$ 4,064,386	\$ 3,709,847	\$ 3,512,504	\$ 3,894,261	\$ 18,707,071
Free Cash	638,000	2,525,000	-	75,000	-	-	-	175,000	\$ 250,000
CPC Funding	-	250,000	-	-	-	3,600,000	-	-	\$ 3,600,000
Chapter 90	-	-	1,000,000	1,274,000	726,000	600,000	600,000	600,000	\$ 3,800,000
Debt Capital Inside Levy	-	-	1,020,000	1,305,000	1,550,000	2,000,000	1,925,000	1,075,000	\$ 7,855,000
Debt Capital Exclusion	-	-	3,596,000	-	5,242,000	1,800,000	-	-	\$ 7,042,000
Grand Total	\$ 3,625,410	\$ 5,531,501	\$ 8,624,242	\$ 6,180,073	\$ 11,582,386	\$ 11,709,847	\$ 6,037,504	\$ 5,744,261	\$ 41,254,071

Town of Wellesley
FY2013-FY2017 Capital Improvement Plan
Detail Summary Schedule

Department	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2013-2017 Total
Cash Capital:							
Executive Director/COA							10,000
Fire	3,500	145,500	149,500	115,000	81,750	96,000	557,250
Network Information Systems	-	27,000	45,000	45,000	56,000	56,000	173,000
Police	70,974	55,436	69,553	85,630	89,843	50,000	350,462
Library	34,000	40,500	38,000	36,000	65,000	28,000	207,500
Morses Pond	-	-	101,020	55,202	124,261	45,200	325,683
Natural Resources Commission	75,000	75,000	95,000	200,000	220,000	120,000	710,000
Department of Public Works (DPW)	1,332,700	1,322,500	1,524,000	1,761,000	1,924,000	2,408,900	8,940,400
Schools	898,510	962,554	925,472	927,163	785,558	874,812	4,475,559
Facilities Maintenance - School	127,108	611,250	811,292	315,300	120,250	220,000	2,078,092
Facilities Maintenance - Town	320,950	282,333	330,049	202,802	31,592	32,349	879,125
Total Cash Capital	\$ 3,008,242	\$ 3,526,073	\$ 4,064,386	\$ 3,709,847	\$ 3,512,504	\$ 3,894,261	\$ 18,707,071
Other Funding Sources:							
DPW Street Resurfacing (Chapter 90 Funds)							3,800,000
Park/Hwy Building HVAC Rehab Design (Free Cash)							75,000
Hills Branch Library Chimney (Free Cash)							-
Warren Building Floors (Free Cash)							-
NRC - Fuller Brook (CPC funds)							-
Hunnewell Field Master Plan Design (Free Cash)							-
Total Other Sources	\$ 1,000,000	\$ 1,349,000	\$ 726,000	\$ 4,200,000	\$ 600,000	\$ 775,000	\$ 7,650,000
Debt Capital Inside Levy:							
Fire Ladder Truck					600,000	-	1,205,000
DPW- Facility Renovations					1,000,000	175,000	900,000
DPW- Street Rehabilitations					550,000	1,400,000	2,295,000
Hunnewell Field Restroom Facility					-	-	4,180,000
Total Borrowed Inside Levy	\$ 1,020,000	\$ 1,305,000	\$ 1,550,000	\$ 2,000,000	\$ 1,925,000	\$ 1,075,000	\$ 7,855,000
Debt Capital Exclusion:							
DPW Administrative Building							-
Senior Center					4,262,000	-	4,262,000
Morses Pond Dredging					980,000	-	980,000
Saint James					TBD	-	-
School Building Assessment					TBD	1,800,000	1,800,000
NRC - Fuller Brook					-	-	-
Total Capital Exclusion	\$ 3,596,000	\$ -	\$ 5,242,000	\$ 1,800,000	\$ -	\$ -	\$ 7,042,000
Grand Total	\$ 8,624,242	\$ 6,180,073	\$ 3,11,582,386	\$ 11,709,847	\$ 6,037,504	\$ 5,744,261	\$ 41,254,071

Town of Wellesley
FY2013- FY2017 Capital Improvement Plan
Board of Selectmen Department Schedule

Capital Project	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY13-17 Total
NIS							
- MUNIS Informix to SQL Server	-	15,000	-	-	-	-	
- Citrix Upgrade	-	12,000	-	-	-	-	
- Microsoft Office License Upgrades	-	-	20,000	20,000	20,000	-	
- Server Upgrade	-	-	25,000	25,000	-	-	
- Aerial Photography and Contours	-	-	-	-	36,000	-	
		27,000	45,000	45,000	56,000		\$ 173,000
Police							
- Mobile and portable radio replacement	36,761	-	-	-	-	-	
- Emergency Notification System	14,250	-	-	-	-	-	
- Microsoft Office 2010 Upgrade	12,883	-	-	-	-	-	
- IMC Forms/Attachment Tools	7,080	-	-	-	-	-	
- Server Replacement	-	-	-	10,494	-	-	
- Digital Headquarters	-	49,832	-	-	-	-	
- Heavy Duty Shredder	-	5,604	-	-	-	-	
- Weapon Replacement	-	-	49,710	-	-	-	
- Automated License Plate Reader	-	-	19,843	-	19,843	-	
- MILO Interactive Range system	-	-	-	57,405	-	-	
- Network Switch Replacement	-	-	-	17,731	-	-	
- Cruise Video Recording System	-	-	-	-	70,000	-	
- Electronic Control Devices	-	-	-	-	-	50,000	
	70,974	55,436	69,553	85,630	89,843	50,000	\$ 350,462
Fire							
- Replace command vehicle(s)	36,000	-	50,000	-	41,000	-	
- Apparatus Lift System	46,000	-	-	-	-	-	
- Engine Rehabilitation	23,000	-	-	-	30,000	-	
- Radio Master Boxes	40,500	40,500	-	-	-	-	
- Radio System Equipment	-	26,000	25,000	-	-	-	
- Phone System	-	14,000	-	-	-	-	
- Copy Machine	-	7,000	-	-	-	-	
- Hydraulic Rescue Tools	-	28,000	-	-	-	-	
- Security System	-	-	15,000	-	-	-	
- Fire Hose Equipment	-	9,000	-	9,000	-	-	
- Scott Air-Pak	-	25,000	25,000	25,000	25,000	-	
- Air bottle cascade system	-	-	-	47,750	-	-	
- Fire Turnout Gear	-	-	-	-	-	115,000	
	145,500	149,500	115,000	81,750	96,000	115,000	\$ 557,250
Council on Aging							
- Copier	3,500	-	-	-	-	-	
- Online Registration Database	-	-	10,000	-	-	-	
	3,500	-	10,000	-	-	-	\$ 10,000
BOS Subtotal	\$ 219,974	\$ 231,936	\$ 239,553	\$ 212,380	\$ 241,843	\$ 165,000	\$ 1,090,712
Facilities-Town							
	320,950	282,333	330,049	202,802	31,592	32,349	\$ 879,125
Total Cash	\$ 540,924	\$ 514,269	\$ 569,602	\$ 415,182	\$ 273,435	\$ 197,349	\$ 1,969,837
Fire							
- Replace Fire Engine Vehicle(s)	-	605,000	-	600,000	-	-	\$ 1,205,000
Total Borrowed	\$ -	\$ 605,000	\$ -	\$ 600,000	\$ -	\$ -	\$ 1,205,000
Grand Total Selectmen	\$ 540,924	\$ 1,119,269	\$ 569,602	\$ 1,015,182	\$ 273,435	\$ 197,349	\$ 3,174,837

Town of Wellesley
Fiscal Years 2013 - 2017
Summary Departmental Capital Budget Request

Department: FACILITIES MAINTENANCE (Town)
 Dept #: 192

Project Reference #:	Project Description	Expenditures per Fiscal Year					
		FY2013	FY2014	FY2015	FY2016	FY2017	5 Year Total
FM1-13	Annual Roof Monitoring	11,025	11,576	12,155	12,763	13,328	60,847
TH1-13	Town Hall Reconfigure Treasurer/Clerk Offices	25,000					25,000
TH2-13	Town Hall Parking Lot/Water-Sewer Improvements	50,000					50,000
TH3-13	Town Hall Lower Level Reconfiguration	10,000	30,000				40,000
TH4-14	Town Hall Screens/Storms		15,000				15,000
TH5-14	Town Hall Electronic Card Access		25,000				25,000
TH6-14	Town Hall Restroom Upgrades		15,000				15,000
TH7-14	Town Hall Great Hall Renovations		10,000	75,000			85,000
ML1-13	Main Library Carpeting	15,000	10,000	10,000	10,000	10,000	55,000
ML2-13	Main Library Vacuum Replacement	7,000					7,000
ML3-13	Main Library Masonry Repair/Rebuild	30,000					30,000
ML4-13	Main Library Recondition Parking Lot	10,000	100,000				110,000
ML5-13	Main Library Temperature Controls System Upgrade	15,000					15,000
ML6-15	Main Library Relamping of Parking Lot			25,000			25,000
WR2-14	Warren Generator		40,000				40,000
PD1-13	Police Station Roof	11,000					11,000
PD2-13	Police Station Flooring	3,308	3,473	3,647	3,829	4,021	18,278
PD3-13	Police Station Driveway Widening	25,000					25,000
PD4-13	Police Station Carport	10,000					10,000
PD5-13	Police Station "Green" Fixtures	10,000	5,000	5,000	5,000	5,000	30,000
PD6-13	Police Station Metasys Controls	50,000					50,000
PD7-14	Police Station Entrance Bollard Replacement		25,000				25,000
PD8-14	Police Station Window Replacement		15,000				15,000
PD9-14	Police Station Access Booking Area/Fingerprinting		25,000				25,000
PD10-15	Police Station Ductwork Cleaning/Repairs			12,000			12,000
PD11-15	Police Station Generator Major Repair/Replace			60,000			60,000
PD12-16	Police Station BCI Floor Expansion				TBD		-
Total Capital Requests		282,333	330,049	202,802	31,592	32,349	879,125

Town of Wellesley
FY2013- FY2017 Capital Improvement Plan
NRC, Morses Pond & Library Departments

Capital Project		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY13-17 Total
Natural Resources	Tree Planting	30,000	30,000	30,000	30,000	30,000	30,000	150,000
	Trail System Improvements	5,000	5,000	5,000	5,000	5,000	5,000	25,000
	Park Sidewalk/Paths Emergency Repairs	30,000	30,000	30,000	30,000	30,000	30,000	150,000
	IPM Turf Plan Implementation	10,000	10,000	10,000	10,000	10,000	10,000	50,000
	Encroachment Boundary Markers	-	-	5,000	5,000	5,000	5,000	20,000
	Morses Pond Shore Erosion Study	-	-	15,000	-	-	-	15,000
	Ice Skating Rink Assessment & Design Plan	-	-	-	10,000	-	-	10,000
	Comprehensive Pond Management	-	-	-	100,000	-	-	100,000
	Kelley Tennis Court Assess. & Design Plan	-	-	-	10,000	-	-	10,000
	Kelley Tennis Court Renovation	-	-	-	-	100,000	-	100,000
Natural Resources	Abbott Pond Restoration Study	-	-	-	-	40,000	-	40,000
	State Street Pond Restoration Study	-	-	-	-	-	40,000	40,000
Natural Resources	Subtotal	75,000	75,000	95,000	200,000	220,000	120,000	710,000
	Fuller Brook - CPC Funds	-	-	-	3,800,000	-	-	3,800,000
Total Natural Resources		\$ 75,000	\$ 75,000	\$ 95,000	\$ 3,800,000	\$ 220,000	\$ 120,000	\$ 4,310,000
Watershed Education Program:	Web Design/Education	-	-	10,000	4,162	4,200	4,200	22,562
	Education Program Development	-	-	5,000	5,000	5,000	5,000	20,000
	Bylaw review	-	-	25,000	-	-	-	25,000
Stormwater Mgt:	Design, permitting, other support	-	-	20,000	10,000	10,000	10,000	50,000
	Construction/Demo & Monitoring of LID	-	-	25,000	25,000	25,000	25,000	100,000
Plant control:	Design, permitting, other support	-	-	10,000	-	-	-	10,000
	Hand Harvesting Support	-	-	5,000	-	-	-	5,000
	Monitoring	-	-	1,020	1,040	1,061	1,000	4,121
Select Planting:	Design, permitting, other support	-	-	-	10,000	-	-	10,000
	Planting	-	-	-	-	75,000	-	75,000
	Monitoring	-	-	-	-	4,000	-	4,000
Select Planting:	Subtotal	\$ -	\$ -	\$ 101,020	\$ 55,202	\$ 124,261	\$ 45,200	\$ 325,683
	Morses Pond Dredging	-	-	980,000	-	-	-	980,000
Total Morses Pond		-	-	1,081,020	55,202	124,261	45,200	1,305,683
Library	Computer Replacement	20,000	20,000	20,000	20,000	32,000	20,000	112,000
	Servers	8,000	8,000	8,000	8,000	8,000	8,000	40,000
	Replace Wireless Access	6,000	-	-	-	-	-	-
	Card Payment System and Readers for Copier	-	12,500	-	-	-	-	12,500
	Replacement of Furnishings	-	-	5,000	-	-	-	5,000
	Replace Switches	-	-	5,000	5,000	-	-	10,000
	Replace Back-up Tape Drive	-	-	-	3,000	-	-	3,000
	Replace Internal Phone System	-	-	-	-	25,000	-	25,000
Total Library		\$ 34,000	\$ 40,500	\$ 38,000	\$ 38,000	\$ 65,000	\$ 28,000	\$ 207,500
Permanent Building Committee	Hills Branch Library Chimney (Free Cash)	-	TBD	-	-	-	-	-
	Warren Building Floors (Free Cash)	-	TBD	-	-	-	-	-
	Total Permanent Building Committee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Wellesley
FY2013- FY2017 Capital Improvement Plan
School Department

Division	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2013-2017 Total
Instructional	21,913	20,267	44,500	40,375	36,000	36,000	177,142
Equipment (Copiers,etc)	2,090	199,245	87,044	63,347	113,267	75,220	538,123
Furniture/Furnishings	28,870	77,032	152,000	138,000	130,000	120,000	617,032
Infrastructure (Renovations,Interior Improvements)	235,000	51,000	35,000	35,000	59,000	35,000	215,000
Safety	-	61,349	15,200	15,000	15,000	15,000	121,549
Technology	610,637	553,661	591,728	635,441	432,291	593,592	2,806,713
Total School Capital	898,510	962,554	925,472	927,163	785,558	874,812	4,475,559
Facilities Maintenance:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2013-2017 Total
Infrastructure	103,850	217,383	499,600	204,300	55,250	42,500	1,019,033
Maintenance	-	264,475	200,000	38,000	30,000	37,500	569,975
Safety	10,000	65,592	39,092	10,000	10,000	85,000	209,684
Vehicle/Equipment	13,258	63,800	72,600	63,000	25,000	55,000	279,400
School Facilities Capital	127,108	611,250	811,292	315,300	120,250	220,000	2,078,092

Town of Wellesley
FY2013- FY2017 Capital Improvement Plan
Department of Public Works

Capital Project	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2013-2017 Total
Cash Capital:							
Street Improvement	398,200	86,000	639,000	565,000	565,000	570,000	2,425,000
Sidewalk Restoration	40,000	205,000	80,000	160,000	160,000	160,000	765,000
Private Ways	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Catch Basin Rehabilitation	12,000	12,000	-	-	200,000	200,000	412,000
Reeds Pond Outlet Design/Repair	-	6,000	-	-	-	-	6,000
DPW/RDF Facilities Improvements	22,500	22,500	22,500	22,500	25,000	25,000	117,500
Other Improvements	15,000	13,000	5,000	13,000	13,000	13,000	57,000
Vehicle/Equipment Procurement	560,000	803,000	615,500	783,500	824,000	990,900	4,016,900
Athletic/Playground Improvements	265,000	155,000	142,000	137,000	117,000	180,000	731,000
Park/Highway Washbay for Small Equipment	-	-	-	60,000	-	-	60,000
DPW Fuel Depot Rehabilitation	-	-	-	-	-	250,000	250,000
Total Cash	1,332,700	1,322,500	1,524,000	1,761,000	1,924,000	2,408,900	8,940,400
Other Funding Sources:							
DPW Building Study (Free cash)	-	-	-	-	-	-	-
DPW Salt Shed (chapter 90 funds)	-	-	-	-	-	-	-
DPW Street Resurfacing (chapter 90 funds)	300,000	574,000	26,000	600,000	600,000	600,000	2,400,000
Street Resurfacing - Washington Street (chapter 90 funds)	700,000	700,000	700,000	-	-	-	1,400,000
Total Other:	1,000,000	1,274,000	726,000	600,000	600,000	600,000	3,800,000
Debt Capital Inside Levy:							
Street Rehabilitation - Kingsbury Street	620,000	-	-	-	-	-	-
Street Rehabilitation - Bacon Street	-	480,000	-	-	-	-	480,000
Street Rehabilitation - Cliff Road	-	-	150,000	1,250,000	-	-	1,400,000
Street Rehabilitation - Grove Street	-	-	-	150,000	1,750,000	-	1,900,000
Wales Street Bridge Reconstruction	-	-	400,000	-	-	-	400,000
Hunnewell Field Restroom Facility	-	-	-	-	-	175,000	175,000
RDF Recycled Materials Loading Structure	400,000	220,000	-	-	-	-	220,000
Park/Hwy Building Roof	-	-	-	-	175,000	-	175,000
Park/Hwy Building HVAC Rehab	-	-	1,000,000	-	-	-	1,000,000
DPW Yard Facilities Renovation	-	-	-	-	-	900,000	900,000
Total Borrowed	1,020,000	700,000	1,550,000	1,400,000	1,925,000	1,075,000	6,650,000
Debt Capital Exclusion:							
Public Works- DPW Administration Building	3,596,000	-	-	-	-	-	-
Free Cash:							
Park/Hwy Building HVAC Rehab Design	-	75,000	-	-	-	-	75,000
Park/Hwy Building HVAC Rehab Design	-	-	-	-	-	175,000	175,000
Total Free Cash	-	75,000	-	-	-	175,000	250,000
Grand Total DPW	6,948,700	3,371,500	3,800,000	3,761,000	4,449,000	4,258,900	19,640,400