

Town of Wellesley

Board of Selectmen



Town-Wide Financial Plan

March 26, 2007



TWFP Challenges

- Fiscal discipline
 - FY08 budget
 - Future capital needs
 - Financial reserves
- Health insurance
 - Premium rate increases
 - Other Post-Employment Benefits (OPEB) liability
- Preservation of assets
 - Stormwater drainage
 - Morses Pond
 - Elementary schools
 - Sprague Field
- High School
 - School Building Assistance (MSBA)



Department Budgets vs. Guideline

DEPARTMENT	Advisory	FY08	FY07-08	Variance
	Guideline	Request	Variance	from Guideline
Schools	5.5%	\$ 49,619,071	5.5%	\$ (608)
Selectmen	2.0%	12,819,206	2.2%	27,559
DPW	3.0%	5,905,798	2.7%	(18,245)
Library	2.0%	2,118,589	2.6%	13,020
Health	2.0%	571,871	6.7%	25,287
Other Boards*	2.0%	2,274,863	13.2%	224,953
TOTAL P/S		\$ 82,824,982	4.5%	\$ 309,779

* Includes \$95K increase for Morses Pond Management



Headcount

	<u>1997</u>	<u>2006</u>	<u>Inc/(Dec)</u>	<u>Variance</u>
Non-School	340	341	1	
School	583	665	82	14%
School Enrollment	3565	4410	845	24%



Tax Impact of Debt Exclusions

Project	FY08	FY09	FY10	FY11	FY12
Washington St Cold Planing	\$ -	\$ 385,000	\$ -	\$ -	\$ -
Cedar & Hastings Intersection	-	-	-	-	336,000
Fire Engine #1 Replacement	-	375,000	-	-	-
Weston Rd Parking Lot	-	-	-	-	200,000
Morses Pond Management	-	100,000	550,000	-	-
Fuller Brook Park	-	-	572,000	-	-
Bacon Street Improvement	-	-	375,000	-	-
Cliff Road Improvement	-	-	-	1,250,000	-
Grove Street Improvement	-	-	-	-	1,250,000
Stormwater Drainage	300,000	331,000	375,000	300,000	-
Garage/Office Construction	-	-	4,000,000	900,000	390,000
Hunnewell Field	-	92,500	300,000	1,520,000	1,262,000
Morses Pond Bathhouse	-	-	870,000	-	-
School Infrastructure	1,559,244	5,014,585	4,633,225	659,240	3,146,500
Sprague Field	1,204,900	-	-	-	-
Total	\$ 3,064,144	\$ 6,298,085	\$ 11,675,225	\$ 4,629,240	\$ 6,584,500
	FY08	FY09	FY10	FY11	FY12
Total Debt Exclusion	\$ 3,064,144	\$ 5,445,585	\$ 5,558,225	\$ 300,000	\$ -
Median Tax Impact	\$ 40	\$ 111	\$ 186	\$ 184	\$ 178



Rationale for Debt Exclusion

- Projects represent highest priorities
- Necessary to preserve Town assets
- Multiyear funding model facilitates:
 - More efficient planning and phasing
 - Timely bidding of summer work
 - Longer-term financial certainty

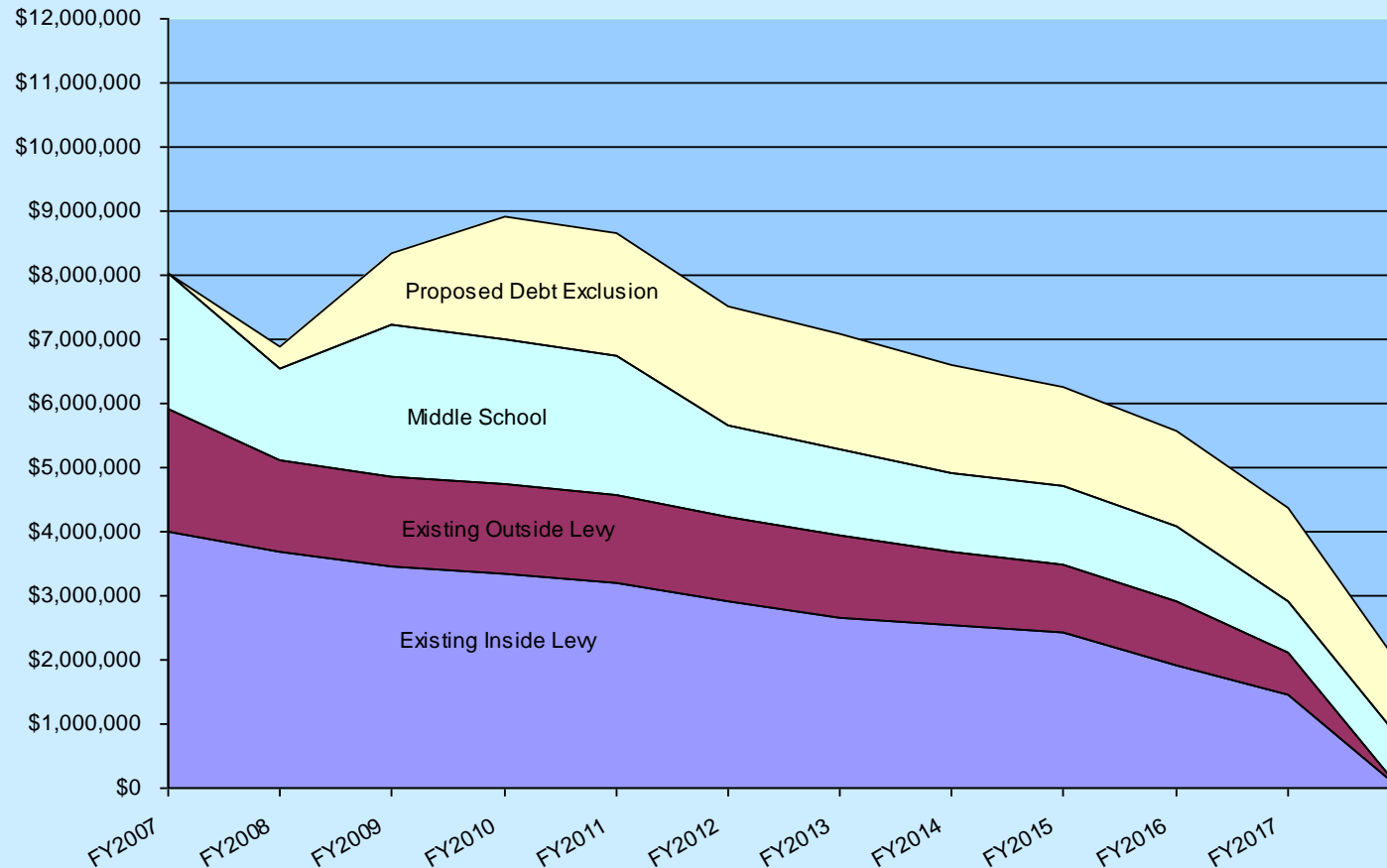


Capital and Debt Service

		FY08	\$	%
	FY07	Proposed	Variance	Variance
Cash Capital	\$ 2,399,191	\$ 2,782,919	\$ 383,728	16%
Debt Service				
Inside Levy	4,032,875	4,010,180	(22,695)	-1%
Outside Levy	4,473,039	4,412,688	(60,351)	-1%
Total	\$ 10,905,105	\$ 11,205,787	\$ 300,682	3%



Existing and Proposed Debt Service





Comparison of Debt Service Level Among AAA-Rated Communities

<u>Municipality</u>	Debt Service		
	as % of <u>Budget</u>	Debt Service as % of EQV <u>as % of EQV</u>	Debt Limit (in millions) <u>(in millions)</u>
WINCHESTER	12.4	0.17	280.8
ANDOVER	10.04	0.16	367.7
NEEDHAM	8.92	0.13	365.4
DOVER	8.09	0.08	122.5
HINGHAM	7.65	0.10	274
WAYLAND	7.59	0.13	170.2
BROOKLINE	7.21	0.09	739.2
LEXINGTON	6.75	0.11	411.6
WELLESLEY	6.15	0.07	476.2
NEWTON	3.57	0.05	1079.5



Projected Sources & Uses

	FY07 Budget	FY08 Projected	FY09 Projected	FY10 Projected
*** SOURCES OF FUNDS ***				
Tax & Other Current Revenues	\$ 91,133,165	96,203,992	\$ 99,540,615	\$ 105,715,214
Property Tax (Outside Levy)	3,794,401	3,791,434	4,202,459	4,106,746
Available Funds	2,203,489	3,694,969	1,721,254	1,721,254
MLP Contribution	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL SOURCES OF FUNDS	98,131,055	104,690,395	106,464,328	112,543,214
*** USES OF FUNDS ***				
Personal Services & Expenses (Schools)	47,032,871	49,619,071	51,991,285	54,478,305
Personal Services & Expenses (Non-Schools)	24,084,615	25,170,231	25,886,360	26,622,999
Capital & Debt (Inside Levy)	6,432,066	6,793,099	6,505,819	6,400,181
Debt Service (Outside Levy)	5,141,500	4,412,688	4,823,713	4,728,000
Employee Benefits	12,396,795	13,934,241	15,606,350	17,479,112
OPEB	600,000	1,200,000	1,800,000	2,400,000
Special Items	2,443,208	3,561,065	2,540,001	2,565,376
TOTAL USES OF FUNDS	98,131,055	104,690,395	109,153,529	114,673,972
Override Required to balance budget	\$ -	\$ -	\$ (2,689,201)	\$ (2,130,758)

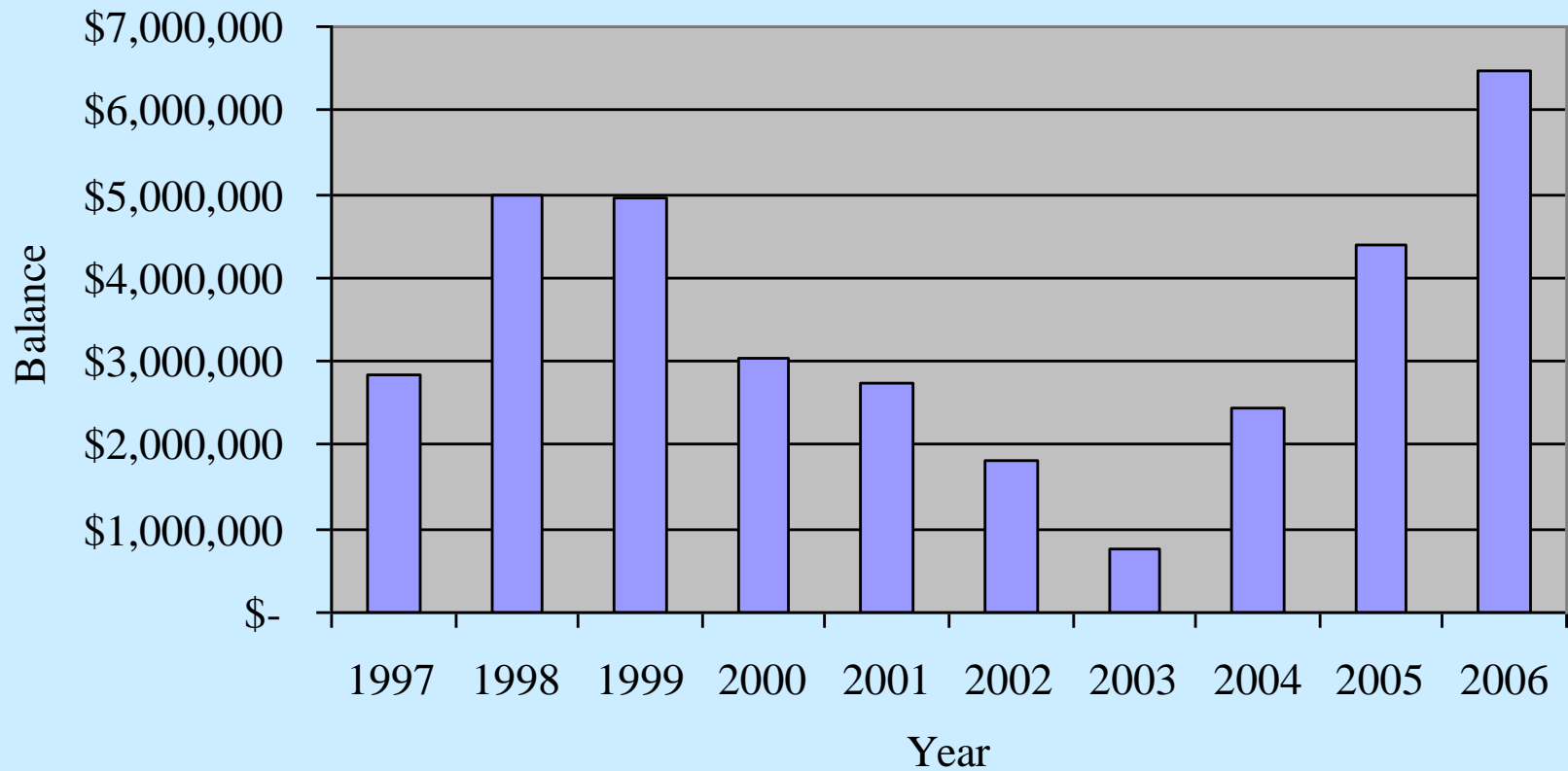


Median Tax Bill

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Median Tax Bill - Prior Year (Before Exclusions)	\$ -	\$ 6,959	\$ 7,235	\$ 7,755
2.5% Levy Increase	-	275	273	280
Projected Override	-	-	249	197
Median Tax Bill - Current Year (Before Exclusions)	\$ 6,959	\$ 7,235	\$ 7,757	\$ 8,233
Existing Debt Exclusions				
Sprague School, Bates, Middle school	350	349	387	378
Proposed Debt Exclusion	<u>-</u>	<u>40</u>	<u>111</u>	<u>186</u>
Total Median Tax Bill	\$ 7,309	\$ 7,624	\$ 8,255	\$ 8,797
	9.9%	4.3%	8.3%	6.6%

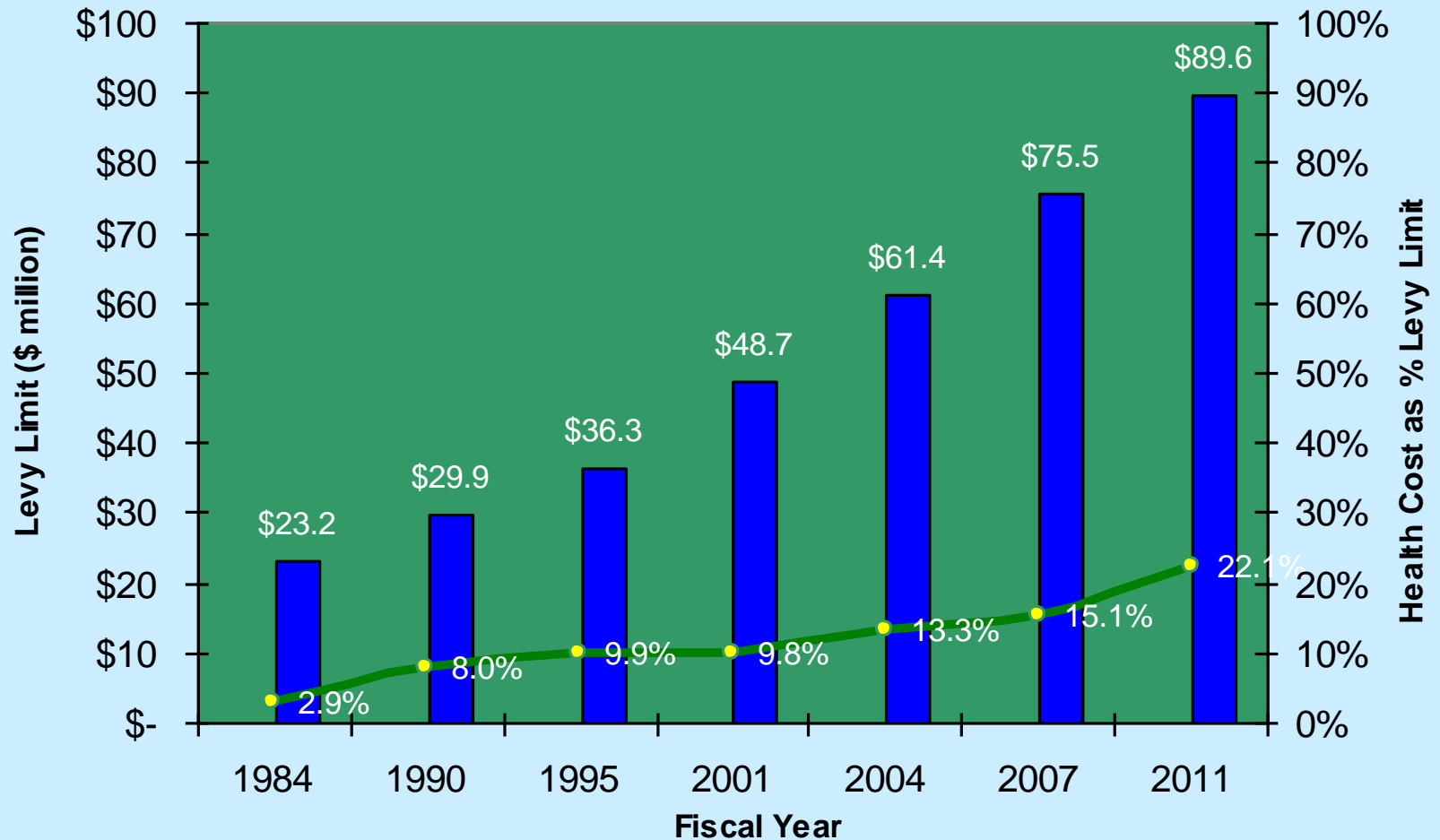


Unreserved Fund Balance





Group Health Insurance





Retirement Liabilities

(as of January 2006)

<i>(\$ million)</i>	<u>Pension</u>	<u>OPEB</u>
Accrued liability	\$ 123.1	\$ 93.3
Assets	127.0	-
Unfunded liability	<u>\$ (3.9)</u>	<u>\$ 93.3</u>



Health Insurance Initiatives

To-date

- ✓ **Consortium purchasing economies**
- ✓ **Wellness programs**
- ✓ **Section 18 election**
- ✓ **OPEB funding program**

Ongoing

- ~ **Group Health Insurance Rules & Regulations**
- ~ **Premium rate saver plans offered by WSHG**
- ~ **Pending State legislation regarding GIC participation**



Premium Rate Saver Example

PLAN FEATURE	HARVARD PILGRIM CURRENT OFFERING	HARVARD PILGRIM RATE SAVINGS PLAN
Front-end Deductible	None	None
Out of Pocket Max.	None	\$2,000/\$4,000
Office Visit copay	\$5	\$20
O.V. Specialist copay	\$5	\$40
ER copay	\$30	\$75
Inpatient Copay	None	\$250
Same Day Surgery copay	None	\$125
Diag. Imaging copay	None	None
Rx - retail mail order	\$5/\$10/\$25 \$10/\$20/\$75	\$10/\$25/\$45 \$20/\$50/\$90
Chiropractic	None	12 visit max. not to exceed \$500/yr.



Union Contract Dates

July 2007

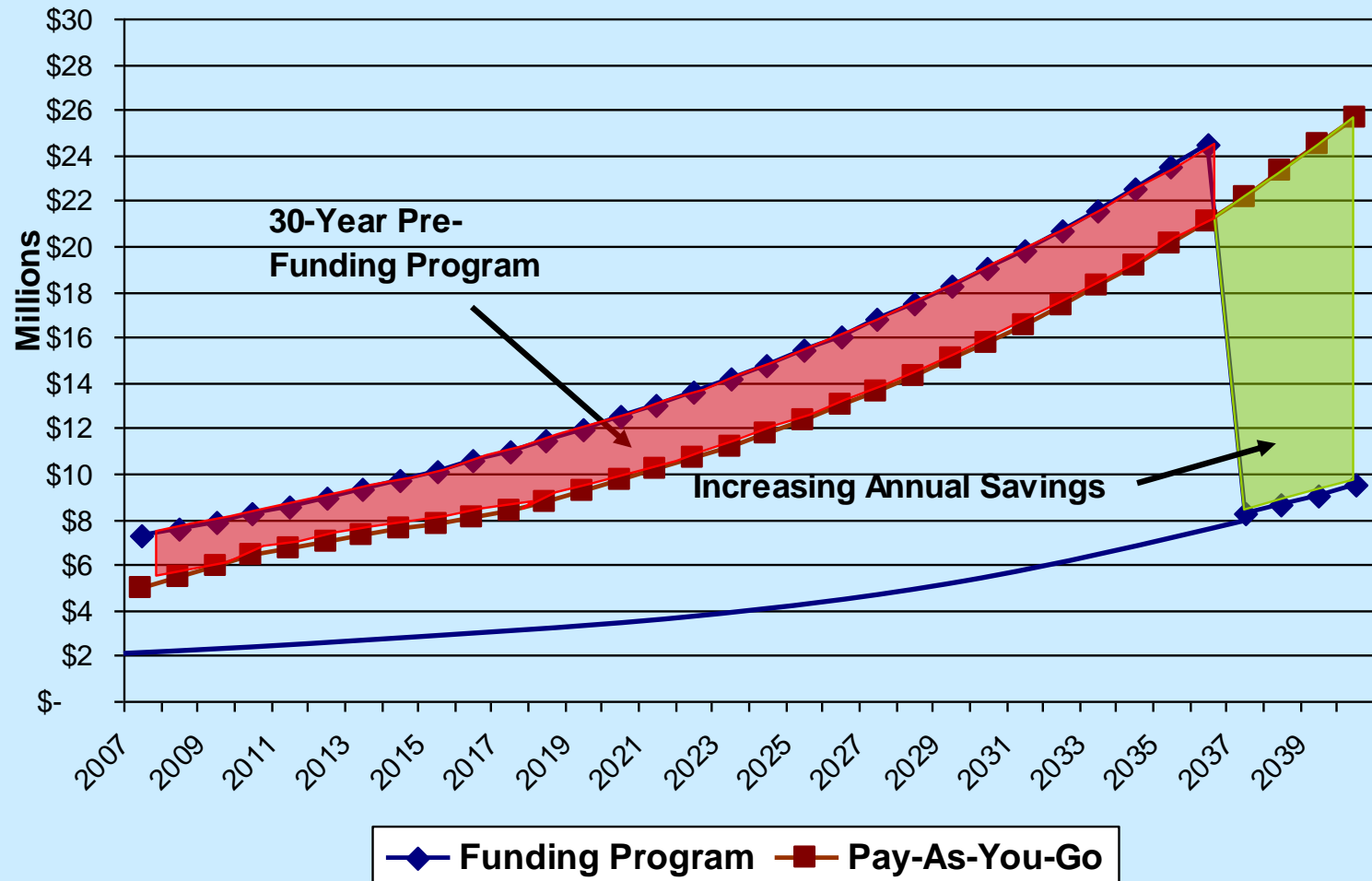
School Custodians
Public Safety Dispatchers
DPW Production
Firefighters
MLP Production
School Secretaries

July 2008

DPW/MLP Clerical
DPW/MLP Supervisors
Library
Police Patrolmen
Police Superior Officers
Teachers/Administrators
Cafeteria Workers



Pre-Fund vs. Pay-Go





Inter-Board Collaboration – Facilities Maintenance

- School Committee / Selectmen agreement
- Town-wide Facilities Director hired
– John Donahue
- FY08 budget built as in prior years
- Integrated budget beginning in FY09



Consolidated FY07 Facilities Department Budget

	<u>FTE's</u>	<u>Personal Services</u>	<u>Expenses</u>
School Department			
Management	2	138,700	
Maintenance	5	305,000	55,000
Custodians	32	1,730,000	254,000
Other Town Departments			
Centralized Maintenance	1		21,000
Town Hall	3	173,680	34,500
Police Department	2	77,136	40,700
Fire Department	-	-	40,300
Library	2	102,137	52,908
Warren Building/Recreation	2	65,474	30,400
DPW (Paid by MLP)	2	78,656	
Total	51	\$ 2,670,783	\$ 528,808



Facilities Scorecard – Selectmen Buildings

	TOWN HALL	POLICE	MAIN FIRE STATION	CENTRAL FIRE STATION	WARREN BUILDING
ROOF	Yellow	Green	Yellow	Yellow	Green
EXTERIOR ENVELOPE Doors, windows, gutters	Red	Green	Yellow	Yellow	Green
INTERIOR ENVELOPE Doors, drywall, paint	Yellow	Green	Yellow	Yellow	Green
MECHANICAL SYSTEMS Boilers, A/C, pumps, controls	Yellow	Green	Yellow	Red	Green
PLUMBING Piping, fixtures	Yellow	Green	Green	Yellow	Green
ELECTRICAL Wiring, lighting, security, F/A	Red	Green	Red	Yellow	Green



Facilities Scorecard - Schools

	Pre-school	Bates	Fiske	Hardy	Hunnewell	Schofield	Sprague	Upham	Middle School	High School
ROOF	Green	Green	Red	Red	Yellow	Red	Green	Red	Green	Red
EXTERIOR ENVELOPE Doors, windows, gutters	Green	Green	Red	Red	Red	Yellow	Green	Yellow	Yellow	Red
INTERIOR ENVELOPE Doors, drywall, paint	Green	Green	Yellow	Yellow	Red	Yellow	Green	Yellow	Green	Red
MECHANICAL SYSTEMS Boilers, A/C, pumps, controls	Green	Yellow	Red	Red	Yellow	Red	Green	Red	Green	Yellow
PLUMBING Piping, fixtures	Green	Green	Red	Red	Red	Red	Green	Red	Green	Red
ELECTRICAL Wiring, lighting, security, F/A	Green	Green	Red	Yellow	Red	Red	Green	Yellow	Green	Red



High School Financing Scenario

Assumptions:

<i>Interest rate</i>	5.0%
<i>Amortization period (yrs.)</i>	25

Cost	No reimbursement		40% Reimbursement	
	Annual Debt Service	Median Tax Bill Impact*	Annual Debt Service	Median Tax Bill Impact*
\$ 75,000,000	\$ 5,321,434	\$ 490	\$ 3,192,861	\$ 294
100,000,000	7,095,246	654	4,257,147	392
125,000,000	8,869,057	817	5,321,434	490
150,000,000	10,642,869	981	6,385,721	588



Proof Points of Financial Health

- Fully funded pension plan
- Proactive OPEB funding
- Improving reserve position
- Aaa bond rating
- WSHG
- Comprehensive Annual Financial Report (CAFR) awards



Inter-Board Collaboration

- Energy audits
 - Town Hall, Hunnewell School, Fire Station
- System initiatives
 - Town website
 - MUNIS payroll, fixed assets, time and attendance, etc.
- Babson projects
 - Virtual Town Hall
 - Telecommunications
 - Building Department Business Processes
 - Town-wide Intranet
 - Centralized Customer Service
 - Balance Scorecard/Benchmarking



Wellesley

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The Town of Wellesley is a predominantly residential community, located approximately 13 miles west of Boston. Its geographic location and its visual characteristics make it a highly desirable suburb for people who work in Boston. Wellesley although a residential community, is also an employment center, having several attractive office parks located primarily on its eastern border. The town is also a college community, having within its boundaries Wellesley College and Babson College, two private educational institutions, as well as Massachusetts Bay Community College.

Useful Info

- [Comprehensive Plan](#)
- [Town Bylaws](#)
- [Emergency Preparedness](#)
- [FY2006 Annual Town Report](#)
- [Linden Square](#)
- [Zoning Bylaws](#)
- [2007 Annual Town Meeting](#)

News & Events

- 3.23.07 [Winter Moth Symposium March 2007 Press Release](#)
- 3.12.07 [Town Wide Financial Plan 2007](#)
- 3.8.07 [Advisory Committee Report to the 2007 Annual Town Meeting](#)
- 3.7.07 [2007 Annual Town Election Full Results](#)
- 3.7.07 [Verizon FIOS TV Broadcasting Wellesley Cable Channel](#)

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Calendars

- [Meeting Calendar](#)

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