

# **TOWN OF WELLESLEY**



## **REPORTS TO THE ANNUAL TOWN MEETING**

**TUESDAY, APRIL 1, 2025  
7:00 P.M.**

**AT THE  
Wellesley Middle School Auditorium  
50 Kingsbury Street**

**by the  
ADVISORY COMMITTEE**

**SELECT BOARD  
TOWN WIDE FINANCIAL PLAN  
and FIVE-YEAR CAPITAL PLAN**

**CLIMATE ACTION COMMITTEE  
COMMUNITY PRESERVATION COMMITTEE  
MUNICIPAL LIGHT PLANT  
NATURAL RESOURCES COMMITTEE  
PLANNING BOARD  
WELLESLEY HOUSING DEVELOPMENT CORPORATION**

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

**For more information and updates, please visit [www.wellesleyma.gov](http://www.wellesleyma.gov).**

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## TOWN OF WELLESLEY



### ADVISORY COMMITTEE LETTER Annual Town Meeting – Tuesday, April 1, 2025 Wellesley Middle School

#### TERM ENDS 2025

Shawn Baker  
Christina Dougherty  
Patti Quigley, Chair  
Tamara Sielecki  
Gail Sullivan, Vice Chair

#### TERM ENDS 2026

Hanna Bonin  
Philip Jameson  
Jay Prosnitz, Secretary  
Lucienne Ronco  
Donna Stoddard

#### TERM ENDS 2027

Mark Benjamin  
Jason Bock  
Penny Rossano  
Douglas Wilkins

To the Town Meeting Members of the Town of Wellesley:

March 20, 2025

Welcome to Annual Town Meeting (ATM) 2025. I am writing on behalf of the Advisory Committee to give you an overview of how to prepare for Annual Town Meeting.

This ***Reports to the Annual Town Meeting*** containing the Advisory Committee's recommendations to all the Warrant Articles being presented at this 2025 ATM along with the Select Board's ***Town Wide Financial Plan*** and other Board and Committee reports follows this letter. Advisory encourages Town Meeting Members to read the materials in advance of Town Meeting. It is extensively referred to during the sessions, so it is extremely important to have it readily available as a reference. The ***Reports to the Annual Town Meeting*** will be also posted on the Town's website at [2025 Annual Town Meeting](#) along with the Town's proposed budget in this year's Budget Book. [2025 Budget Book](#)

In addition, please review the Guidelines for Conduct at the Annual Town Meeting, included in this Report as Appendix A.

This year the notable matters coming before you include:

- A proposed FY26 Omnibus Budget for both operating and capital items (Article 8).
- Requests to implement a new Classification and Compensation System (Article 4, 5, and 8).
- A request for Community Preservation Act funding for a Supplemental Feasibility Study of the Morses Pond Bathhouse and Beach (Article 16, Motion 2).
- A request for funding for the Weston Rd Reconstruction (Article 20).
- A request for funding for an Air Conditioning Feasibility Study in Wellesley Middle School, Bates, Schofield, and Fiske Schools (Article 18).
- A request for funding for Hunnewell Tennis Court improvements including Pickleball Courts (Article 24).
- A request for funding for Playground Reconstruction for Fiske School, Phillips Park, and Ouellet Field (Article 22).
- A request for funding for the COA Kitchen Renovation (Capital Budget inside Article 8).
- Requests for additional Property Tax Relief for Veterans and Seniors (Articles 28 – 30).
- A request to establish an Affordable Housing Trust (Article 34).
- A request to establish a bylaw to reduce waste created by single-use service ware and single servicing packaged condiments - "Skip the Stuff" (Article 35).

- A request to establish a bylaw for the Cultural Council (Article 37).
- A Citizen Petition requesting to amend the Residential Incentive Overlay zoning bylaw (Article 42).

The Town's FY26 Budget continues to reflect a strong financial position. All sources of revenue are forecasted to see solid to significant increases; reserves remain at the high end of target even after productive applications of Free Cash; capital spending is within target range; pension and OPEB continues down its path toward being fully funded. These financial metrics are good even as Wellesley makes strategic investments in our infrastructure and in our people. A summary of key points from our discussions is included in this Report under Article 8.

For issues of particular interest, Advisory's agendas and minutes are available at [Agendas and Minutes](#). Videos of the meetings themselves with proponent presentations, input from other interested parties, Q&A, and Advisory discussions are available at [Meeting Videos](#) along with the written materials used for each meeting at [Meeting Materials](#).

Governing and running the Town of Wellesley is a significant task. Advisory is in a unique position of interacting with all Town leaders/staff (both paid and volunteer) and seeing first-hand the challenges/priorities our town officials face each year. It is clear to us that Wellesley is fortunate to have intelligent, talented, dedicated employees across the many departments who do an exceptional job for all residents. Advisory is grateful to them all for their good work, for their detailed presentations and for their patience in answering our many questions.

Finally, I want to thank each of my Advisory colleagues who have worked hard to sort out what they think is best for the Town of Wellesley and provide advice to TMMs while taking all perspectives/stakeholders into account.

Advisory welcomes input during Citizen Speak at our meetings and via email ([advisorycommittee@wellesleyma.gov](mailto:advisorycommittee@wellesleyma.gov)).

Sincerely,

Patti Quigley, Chair,  
Advisory Committee

# Report to Town Meeting Table of Contents

## TOWN-WIDE FINANCIAL PLAN

Report of the Select Board – Town-Wide Financial Plan.....	6
Exhibit I – FY25 Summary Sources & Uses.....	47
Exhibit B – FY25 Sources & Uses Detail.....	48
Exhibit C – Five Year Capital Plan.....	52
Appendix A – TWFP – Budget Submission Timeline.....	58
Appendix B – TWFP – Capital Financing Policy.....	59
Appendix C – TWFP – Financial Reserves Policy.....	63
Appendix D – Town Department FY26 Budget Guidelines.....	66
Appendix E – Union Contract Settlements.....	67

## ANNUAL TOWN MEETING WARRANT ARTICLES

1. Choose Moderator and Receive Reports.....	69
2. Receive Town-Wide Financial Plan and Five-Year Capital Budget Program .....	69

## APPROPRIATIONS – OPERATING AND OUTLAY

3. Consent Agenda.....	70
Introduction to New Job Classification and Compensation Plan.....	71
4. Amend Job Classification Plan.....	76
5. Amend Salary Plan – Pay Schedule.....	76
6. Appropriation – Set Salary of Elected Official .....	79
7. FY25 Supplemental Appropriations.....	81
8. FY26 Appropriations – Omnibus Budget and Capital Budget Program.....	86
<b>Motion 1:</b> Municipal Light Plant Contribution.....	86
<b>Motion 2:</b> Enumeration of Appropriations.....	87
Omnibus Budget Overview.....	90
Major Budget Drivers.....	90
Budget Process and Guidelines.....	92
Budget Requests vs. Guidelines.....	94
General Government – Select Board .....	96
Other General Government.....	101
Facilities Management Department.....	101
Public Safety .....	102
Board of Public Works.....	103
Other Commissions and Boards.....	105
Wellesley Public Schools.....	107
Employee Benefits.....	112
OPEB.....	114
Cash Capital.....	115
Debt Service .....	117
Free Cash.....	118
Reserves.....	120
Advisory Considerations.....	120
<b>Motion 3:</b> Transfer of Free Cash.....	124
9. Authorization – Revise Revolving Funds and Set Amounts for Revolving Funds.....	125
10. Appropriation – Stabilization Funds.....	129

11.	Appropriation – Establishment of Compensated Absences Reserve Fund .....	131
12.	Appropriation – Water Enterprise Fund.....	133
13.	Appropriation – Sewer Enterprise Fund.....	136
14.	Appropriation – Stormwater Enterprise Fund.....	138
15.	Appropriation – Wellesley Media Contribution.....	140

## **APPROPRIATIONS – SPECIAL CAPITAL PROJECTS**

16.	Appropriation – Community Preservation Fund Appropriations.....	141
17.	Appropriation – New Fire Truck.....	151
18.	Appropriation – School Air Conditioning Feasibility Study .....	152
19.	Appropriation – Team Room Construction.....	155
20.	Appropriation – Weston Road Construction .....	155
21.	Appropriation – WHS Hunnewell Field Irrigation Improvements.....	157
22.	Appropriation – Playground Reconstruction .....	157
23.	Appropriation – RDF Baler & Compactor Replacement .....	158
24.	Appropriation – Hunnewell Tennis Court Improvements.....	159

## **AUTHORIZATIONS**

25.	Authorization – Add/Modify Personnel Policies.....	161
26.	Authorization – Water/Sewer Fund Bond (MWRA).....	161
27.	Authorization – Water Fund Loan – Water Treatment (PFAS).....	162
28.	Authorization – HERO Act – Allow Percentage Increase in Veteran Tax Exemption. ....	164
29.	Authorization – HERO Act – Allow Increase in Veteran Tax Exemption.....	165
30.	Authorization – Increase Senior Tax Deferral Income Limits.....	167
31.	Authorization – Special Act to Increase Living Distance for Police and Fire.....	169
32.	Authorization – Special Act to Allow for Digital Posting of Legal Notices.....	171
33.	Authorization – Use of Uber/Lyft Funds.....	173

## **AMEND TOWN/GENERAL BYLAW**

34.	Amendment – Establish Affordable Housing Trust.....	174
35.	Amendment – “Skip the Stuff”.....	187
36.	Amendment – Amend Article 49.12 to comply with DEP Regulations.....	192
37.	Amendment – Establish Town Bylaw for Cultural Council.....	193

## **AMEND ZONING BYLAW**

38.	Amendment – Amend the Restrictions Affecting All Districts Bylaw.....	194
39.	Amendment – Amend the Flood Plain or Watershed Protection District Bylaw.....	196
40.	Amendment – Amend the Accessory Dwelling Unit Bylaw.....	207

## **CITIZEN PETITION**

41.	Town to Adopt Paid Family and Medical Leave.....	209
42.	Amendment – Amend Residential Incentive Overlay District.....	209

## **GENERAL**

43.	Authorization – Rescind or Transfer Debt.....	214
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44.	Authorization – Settle Claims.....	215
45.	Authorization – Dispose of Property.....	215
46.	Authorization – Appoint Fire Engineers.....	215

## **REPORTS**

Report of the Climate Action Committee.....	216
Report of the Community Preservation Committee.....	223
Report of the Municipal Light Plant.....	229
Report of the Natural Resources Commission.....	232
Report of the Planning Board.....	237
Report of the Wellesley Housing Development Corp.....	241

## **APPENDICES**

A.	Town Meeting Conduct .....	244
B.	Town Meeting Acronyms.....	250
C.	Glossary of Municipal Finance Terms.....	253



**Budget Update and Town-Wide Financial Plan  
2025 Annual Town Meeting  
Submitted by the Select Board**

March 11, 2025

Dear Town Meeting Members:

The Select Board (“the Board”), Executive Director Meghan Jop, and our finance team have prepared this Budget Update and Town-Wide Financial Plan (TWFP) for review by Annual Town Meeting (ATM), in compliance with the Town Bylaw Article 19.16.

This cover letter summarizes key considerations as you prepare for Town Meeting. The document itself sets out the status of the budget for the current fiscal year (FY 2025), the proposed budget for the coming fiscal year (FY 2026), and budget projections for several fiscal years beyond (FY 2027 through 2029). Included in the document, you will find information on the underlying policies and processes on which the Board and staff rely to build the TWFP. These policies and processes include Town goals and objectives, Budget Guidelines, Capital Financing Policy, Reserves Policy, Five-Year Capital Plan, and Projected Future Major Capital Projects.

**Emerging Challenge for Town Meeting to Consider**

A key take-away from the TWFP is the emerging challenge created by the many significant capital projects proposed by Town boards and departments. Many of these projects will also add significant operating costs. The projects vary in stages of development from conceptual to design and construction. It is critical for Town Meeting Members to assess each project as part of a holistic longer-term picture and to consider the capacity and willingness of Wellesley taxpayers to fund them all as currently proposed. In Wellesley’s form of government, the Select Board is responsible for ensuring that Town Meeting is fully informed of the financial implications of capital projects. It is up to Town Meeting to consider the relative merits of each project and to prioritize them.

The Board continues to pursue strategies to help address funding needs:

- Seeking alternative funding sources and supporting applications for competitive grants for capital projects and initiatives;
- Evaluating major cost drivers for potential efficiencies and reductions; and
- Applying reserves to advance capital projects without adding to the tax burden.

However, this approach will not address all the proposed capital projects and additional operating costs on the horizon. Debt exclusions and operating overrides will likely be necessary.

The proposed projects can be broken down as follows:

- **Major construction/renovation of service buildings:**
  - Department of Public Works (DPW) Administration Building at the Recycling and Disposal Facility
  - DPW master plan for the DPW campus, including the Park and Highway Building
  - DPW Baler Building



- **Updating existing building systems and roofs:**
  - HVAC system replacements at Warren Building (houses Health and Recreation), Sprague Elementary School, and the Main Library
  - Roof replacements at the Main Library, Middle School, Sprague Elementary, and Bates Elementary Schools
- **Major construction of new recreation facilities at Morses Pond**
- **Accelerated programmatic change to add air conditioning at Bates Elementary, Schofield Elementary, Fiske Elementary, and the Middle School** (including significant additional operating costs)
- **Major construction of a new preschool** (including potential program expansion and additional operating costs).

There are two other potential major capital investments that relate to public safety and health that should also be taken into consideration:

- **Evaluation of fire station facilities:** The Fire Department and Select Board are commissioning a study of the current fire stations (Worcester Street Headquarters built in 1987 and Central Street Station built in 1929) to determine whether renovations and/or new construction will be required to maintain appropriate coverage town-wide.
- **PFAS remediation:** The current estimate for remediation at the Town's three wells is estimated at \$10 million per well. Remediation may also include an increase in the amount of water purchased from the Massachusetts Water Resource Authority (MWRA). All costs will be borne by ratepayers, most of whom are also Wellesley taxpayers.

### **Primary Budget Considerations for FY 2026**

This Budget Update and Town-Wide Financial Plan outline the Town's current financial picture and the Board's primary considerations for FY 2026, which include:

- Proposed capital projects and associated increase in operating costs;
- Achieving and maintaining competitive compensation for union and non-union personnel and establishing internal pay equity; and
- Strategic additions to Town staff.

### **Proposed Capital Projects and Associated Operating Costs**

Capital projects are one-time costs of more than \$10,000 that are generally associated with buildings, equipment, supplies, or studies. The FY 2026 budget proposes using Free Cash to fund the following one-time projects:

- New Fire Engine (Article 17 – Select Board),
- School Air Conditioning Feasibility Study (Article 18 – School Committee)
- Playground Reconstruction at Fiske School, Ouellette Field, and Upham School (Article 22 – Board of Public Works)
- Hunnewell Tennis and Pickleball Court Improvements (Article 24 – Board of Public Works)

Two FY 2026 projects delayed until the fall Special Town Meeting that propose using Free Cash are:

- WHS/Hunnewell Field Irrigation Improvements (Board of Public Works)
- Team Rooms Construction (School Committee)

When planning capital projects, boards and departments calculate ongoing operating costs that will be incurred once a project is complete, and those costs are factored in to subsequent budgets. The FY 2026 budget reflects the operating costs associated with the completion of the Warren HVAC project, anticipated in November 2025. Potential operating costs associated with other projected major capital projects like School Air Conditioning or expansion of preschool are not known at this time.

### **Compensation for Union and Non-Union Personnel**

The FY 2026 budget and TWFP includes as a major focus the Town's ongoing investment in its primary asset: the Town staff, including all union and non-union personnel. All Town and school unions will begin bargaining this summer and fall, as current contracts expire June 30, 2026. During the last round of bargaining in 2023, careful analysis by Town staff showed that compensation for Wellesley's non-school unions had fallen behind relative to peer communities. (Compensation for school union employees has remained at the top of the top quartile relative to other districts.) A major goal of the bargaining at that time was to bring Wellesley's non-school union staff compensation to the median of the Town's peer communities. The resulting union contract settlements were approved at the 2023 Fall Special Town Meeting, are reflected in annual budgets through FY 2026, and are included as [Appendix E](#).

In partnership with the Human Resources Board, the Select Board has addressed lagging compensation for non-union Town employees in the FY 2024 and FY 2025 budgets. Prior to FY 2023, the Town had not awarded a Cost of Living Adjustment (COLA) for 20 years, leading to an erosion in the Town's competitive position relative to other communities, especially affecting long-serving employees. COLA adjustments for the 40 series and 50/60 series employees were reinstituted, and the Town increased the pool for merit-based increases for the 50/60 series employees. The Human Resources Board voted the following increases to be included in the FY 2026 budget: a 3% COLA for 40 series employees, a 2% COLA for the 50/60 series, and a merit pay pool of \$275,000. These increases align with the strategy applied to the settled non-school union contracts.

### **Classification and Compensation Study**

Through a \$50,000 Community Compact Grant, the Town recently completed a Classification and Compensation Study to modify the existing Hay Classification System to a standard points-based system. The primary goals of the study were to enhance the Town's ability to compete in a tight job market, to create greater equity among current Town staff, and to improve retention of valued employees. Working with MGT Consulting (formerly GOV HR), the Town evaluated the roles and responsibilities of non-union 40/50/60 series employees. The evaluation included the following:

- A comprehensive review of each role focusing on nine key factors: Education, Work Experience, Decision Making and Independent Judgment, Responsibility for Policy Development, Planning of Work, Contact with Others, Supervision Exercised, Working Conditions, and Use of Technology/Specialized Equipment;
- A comparative market survey of salaries for comparable roles in peer communities;
- The development of a proposed compensation framework with 15 pay grades (a reduction from 30 pay grades), recommendations for implementation, and ongoing management to maintain competitiveness and equity.

Based on the results of the study, the Human Resources Board is proposing a new classification plan under Articles 4 and 5 on the warrant, which would include targeting compensation levels at the 75<sup>th</sup> percentile of comparable communities. During the course of the study, 13 staff members

were found to be compensated at below market rates and a salary adjustment was determined by the Human Resources department. The Human Resources FY 2025 budget included \$300,000 for salary adjustments and can accommodate these under market adjustments. Article 8, the Omnibus Budget, includes \$200,000 for the implementation of the Classification and Compensation plan and will be applied toward a one-time service adjustment to non-school non-union staff to address the previous lack of COLA increases resulting in a more pronounced effect the longer the tenure of the staff member.

### **Strategic Creation of New Positions**

The FY 2026 budget is proposing four new full-time non-school positions: two new firefighters, a new Creative Content Coordinator in the Select Board office, and a new Librarian for the Library's Technology Department. The School Department budget reflects strategic initiatives and other critical needs including enhancement of reading intervention specialists, and additional instructional hours in Consumer Sciences and Music.

**Two new firefighter positions:** The Fire Department is entering its final year of a three-year phased plan to restore five positions: four positions that were frozen in the early 2000s, and one position that was eliminated in 2016 when a position was created for Lieutenant of Fire Prevention. In FY 2023, the Fire Department and Executive Director conducted an operational audit, and the Board determined that returning to previous staffing levels of 14 personnel per group would reduce the constant demand for overtime shifts, correcting a long-time structural budget deficit, and therefore decrease costs once all vacancies were filled. The Board has taken a phased approach to achieving this staffing level, adding one position at the 2023 Special Town Meeting and two new positions in the FY 2025 budget. The Board is now requesting approval for the final two new positions in the FY 2026 budget, with a total cost of \$199,040 (including benefits).

**Creative Content Coordinator:** During FY 2025, the Select Board made a strategic decision to eliminate a Clerk position in order to create capacity for the creation of a permanent position for a Creative Content Coordinator to enhance communications with the public about the activities of the Board and town government in general. The proposed position will have a starting salary of \$62,722; associated benefits have not been added to the budget since this position replaces a position that was eliminated. The proposed Creative Content Coordinator will assist the Public Information Officer with the Town's communication strategy, including overseeing the Town's social media content. The Creative Content Coordinator will also work to achieve and maintain compliance with website accessibility requirements mandated by the April 2024 Department of Justice Americans with Disabilities Act (ADA).

**Librarian:** The Board of Library Trustees is requesting a new full-time librarian position to be added to the Library's Technology Department. This new staff member will produce, manage, and monitor content on all Library social media channels and the Library website, in addition to performing the professional duties of a librarian. The position will be a union, benefited position with an anticipated salary of \$58,848, and \$20,000 in benefits.

### **FY 2026 Budget Highlights**

#### Budget status and guidelines

- The total budget for FY 2026 is \$224,493,903, resulting in a year-over-year increase of 1.13%. This includes cash capital requests totaling \$8,150,857 and inside-the-levy debt service of \$3,568,406 (together 6.0% just slightly below the Capital Spending Range of 6.2-6.8% of recurring operating revenues per the Capital Financing Policy); capital

projects and reserves funded with Free Cash totaling \$5,449,525; and a decrease of \$929,593 (-5.59%) in excluded debt as the Town will hit the peak in the Hardy and Hunnewell debt exclusion funding in FY 2025.

- Total FY 2025 supplemental requests at the Annual Town Meeting are \$2,021,735, including \$700,000 for Snow and Ice payments; \$110,000 for compensated absences; \$1,000,000 for health insurance; and \$211,735 for overages and settlement of the Police Station Parking Lot construction, all funded from Free Cash.
- For the second year, the Board set individualized departmental budget guidelines for operating and expense budgets to reflect specified departmental needs as identified at the All-Board Meeting held on [September 17, 2024](#). The guidelines can be found in [Appendix D](#).
- The Town's proposed operating budget includes a COLA for all non-union employees of 2% for 50/60 series and 3% for 40 series. The separate merit pay pool for merit increases for 50/60 series non-union employees has been set at \$275,000 (down from \$300,000 in FY 2025).
- The Town's proposed operating budget (Article 8) includes \$200,000 to fund a service adjustment. The implementation costs of a new Classification and Compensation plan to be detailed by the Human Resources Board under Articles 4 and 5 can be met with remaining FY 2025 funds for salary adjustments.

#### Revenue

- The Town experienced significant local revenue growth at the close of FY 2024 as compared to FY 2023, specifically due to over-performance of investment income, Motor Vehicle Excise, Meals/Hotel/Motel Tax, and Tax Title and Real Estate Tax Deferral payoffs.
- The local revenue projections for FY 2026 reflect an estimated local revenue increase of 13.18% as compared with the FY 2025 budget due to an increase in building permit fees and new construction square footage pricing that will become effective April 1, 2025.
- Earnings on interest exceeded budget by \$6.8 million for FY 2024. This is the second-year investment income return has been high as a result of interest rates changing from a fraction of a percent in 2023 to almost 5% at a time when the Town had significant cash on hand for capital projects, including the Hardy and Hunnewell Schools. The cash on hand has decreased significantly as these projects are complete, and investment earnings will drop. The FY 2026 interest income revenue assumption is \$925,000.

#### Expenses

- There is an annual increase of 12.57% reflected in the Sources and Uses for Group Insurance costs ([Exhibit B](#)), with West Suburban Health Group increasing Blue Cross Blue Shield rates by 3.33%, Harvard Pilgrim Benchmark Plan rates increasing by 3.87%, and Harvard Pilgrim High Deductible Plans increasing by 6.98% for FY 2026. A \$1,000,000 FY 2025 supplemental is being requested for Group Insurance.
- All Town union contracts are settled, and actual costs are reflected in the FY 2026 budget. (All contracts will expire June 30, 2026, and bargaining on new contracts is just beginning.)
- The School Department met the Board's budget guideline of 3.25%. Further details on new positions and union settlements are in this document. Please refer to the School Department's comprehensive annual budget for additional information: <https://online.flippingbook.com/view/651093121/>

#### Capital

- The Five-Year Capital Plan ([Exhibit C](#)) outlines cash capital and debt-funded capital projects, including both inside-the-levy and debt exclusion projects.
- The Five-Year Capital Plan is part of the Town's ongoing strategy to reduce inside-the-levy borrowing in the current fiscal year in order to increase capacity in subsequent years for inside-the-levy projects identified in the [Major Capital Project Financing Plan](#).

### Reserves

- The Town's reserves continue to be strong due to multiple factors, including the continued substantial return on investment income, continued departmental turnback, and Tax Title and Real Estate Deferral payoffs.
- The proposed FY 2026 budget would result in estimated reserves of 13.25% as of June 30, 2025, above the upper level of the reserves policy (8 to 12% of operating revenue). Reserves were projected to have been just slightly over the 12% policy level prior to the deferral of the WHS/Hunnewell Field Irrigation improvement project and the WHS Team Rooms Construction project to the fall Special Town Meeting.
- The Board proposes the following uses of Free Cash:
  - \$700,000 for FY 2025 Snow and Ice
  - \$2,246,401 to balance the FY 2026 budget
  - \$4,437,000 for FY 2026 expenses to avoid borrowing:
    - Fire Truck (\$1,055,000)
    - School Air Conditioning Feasibility (\$182,000)
    - Hunnewell Tennis and Pickleball Courts (\$1,200,000)
    - Playground Reconstruction (\$2,000,000)
  - \$112,525 for FY 2026 distribution to stabilization and reserve funds, including Injured on Duty (\$26,013), Special Education (\$75,000), Baler Fund (\$11,512)
  - \$500,000 for the establishment of a Compensated Absences Reserve Fund
  - \$400,000 to the Recreation Department to fund the carryover needed for the FY 2026 summer programs following the dissolution of the current 53D account.

The following pages provide a detailed picture of the Town's financial status, and the strategic allocations and initiatives proposed in the FY 2026 budget and TWFP. A table of contents is included to make it easier to navigate the document.

## Table of Contents

1. [Background/Summary](#)
2. [Budget Process and Financial Planning](#)
  - A. Underlying Financial Principles: The Five Ps
  - B. Goals and Objectives
  - C. Guidelines and Budget Process
  - D. Key Financial Planning Policies
  - E. Hierarchy of Use of Available Free Cash
3. [Key Budget Drivers](#)
  - A. Revenue Projections
  - B. Personnel Costs
  - C. Employee Benefit Costs
  - D. Strategic Initiatives
4. [Capital Projects](#)
  - A. Capital Budget Approach, Policy, and Process
  - B. Status of Current Major Capital Projects
  - C. Projected Future Major Capital Projects and Borrowing Needs
  - D. Capital Budget Requests and Future Planning
  - E. Major Project Five-Year Financing Plan
5. [Median Tax Bill Projections](#)
6. [TWFP Reserves](#)
  - A. Definitions and Policy
  - B. Free Cash
  - C. Strategic Approach to Reserve Management
7. [Looking Ahead](#)
8. [Debt and Future Funding Strategies](#)
9. [TWFP Conclusion](#)

## Exhibits

- [Exhibit I – FY 2026 Sources and Uses](#)
- [Exhibit B – FY 2026 Sources and Uses Detail](#)
- [Exhibit C – Five-Year Capital Plan](#)
- [Appendix A – Budget Submission Timeline](#)
- [Appendix B – Capital Financing Policy](#)
- [Appendix C – Financial Reserves Policy](#)
- [Appendix D – Individual Guidelines](#)
- [Appendix E – Contract Settlements](#)

## 1. Background/Summary

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, committee, commission, and department pursuant to the provisions of Sections 6.15 and 11.11 of the Town Bylaws. The TWFP also includes estimates and financial assumptions previously approved by the Board for out-year projections.

In preparing the TWFP, the Board considers the following factors:

- The Town’s ability to generate the anticipated real estate property taxes and to fund any deficit balance;
- Projections of other revenues from the Commonwealth and local revenue;
- The level of need for all proposed expenditures inclusive of union contracts, capital projects, strategic initiatives, and state and federal mandates; and
- Alternatives to any of the various sources and uses of funds in the TWFP, including Community Preservation Committee (CPC) funds, borrowing, grants, and gifts.

Preparation of the TWFP begins in the fall with the Board establishing budget guidelines based on all requests and considering the implications for the Town’s reserves. Guidelines for Town departments (except for the School Department) do not include funding for new positions, standing in range adjustments, and adjustments to job classifications, which are evaluated independently. The Board works with the finance team (Executive Director, Chief Financial Officer, and Finance Department) and with all Town departments, to formulate a balanced budget for presentation to Town Meeting.

Using conservative growth estimates, the finance team develops projections for subsequent years to determine whether there will be sufficient revenue for all requests (including multi-year, new initiatives), or if an override should be considered. The TWFP includes the Town’s “Sources and Uses” ([Exhibit B](#)) of funds for the upcoming FY 2026 (i.e., the proposed budget) and projections for the two following fiscal years.

The TWFP includes projected capital needs for the next five years for all departments and information regarding the proposed financing for these items. The Five-Year Capital Plan can be found in [Exhibit C](#).

A more detailed account of the budget process is outlined in the following sections.

## 2. Budget Process and Financial Planning

The Town has long valued its fiscal strength, stability, and financial leadership, as evidenced by its continually maintained Aaa bond rating, multi-year financial awards, formal reserve and investment policies, and commitment to funding its past service liabilities (Pension and Other Post-Employment Benefits). The Town Bylaw charges the Select Board with creating a balanced annual town-wide budget, and with articulating the longer-term Town-Wide Financial Plan that outlines a strategy for maintaining fiscal strength.

### A. Underlying Financial Principles: The Five Ps

Each year, the TWFP is updated with input from all Town departments, boards, and committees. As part of this process, the Board follows five basic principles developed over the years to maintain financial stability:

- Pay the full cost of the Town's current operations;
- Proactively address emerging issues;
- Protect the Town against material risks;
- Preserve the Town's assets; and
- Plan for the long-term.

## **B. Goals and Objectives**

When establishing budget guidelines, the Board considers the goals and objectives established by major planning documents including: the Unified Plan (2019); the Climate Action Plan (2022); the Sustainable Mobility Plan (2022); the Hazard Mitigation Plan (2023); the Open Space Plan (2022); and the Strategic Housing Plan (forthcoming), and Town Meeting resolutions including the Resolution to Address the Impact of Climate Change (October 2020 Special Town Meeting) and the Anti-Racism and Anti-Bias Resolution (April 2023 Annual Town Meeting).

Key goals and objectives:

- Provide a broad array of high quality services to residents and other users of town services.
- Maintain a strong customer service orientation that strives for excellence in every aspect of service delivery.
- Support best-in-class public education, library, recreational and senior services.
- Enhance the health and wellness of residents through public health initiatives, educational, social, and recreational opportunities.
- Provide safe, accessible, and efficient transportation choices including public transportation, pedestrian, and bicycle pathways.
- Make resource-efficient choices to conserve energy, water, and materials.
- Improve water and air quality, and reduce greenhouse gas emissions town-wide;
- Proactively consider actions to reduce greenhouse gas emissions associated with Town supported projects and programs.
- Maintain, protect, preserve, and enhance the Town's physical assets including facilities, infrastructure, parks, open space, and natural resources.
- Support existing and new businesses in commercial areas that complement and enhance our community.
- Establish best practices and priority-based resource allocation systems to support town services, infrastructure, and capital investments in a fiscally-prudent manner.
- Conduct long-range fiscal/financial planning that includes appropriate metrics for evaluating progress and adjustment to changing financial conditions.
- Avoid operating overrides unless absolutely necessary.
- Facilitate public access to information, making it easy to understand how town government works, how decisions are made, and how to get involved.
- Commit to working with our constituents, institutions, organizations, businesses, employees, and stakeholders to create a more welcoming and more inclusive Town of Wellesley.

## **C. Guidelines and Budget Process**

**How the Board determines the annual budget guidelines:** Guidelines are an important method of allocating the resources that are available after providing for long-term financial responsibilities. The Town budget cycle begins in July with Board representatives having initial discussions with



the larger departments, including the School Department, Facilities Management Department (FMD), and the Department of Public Works (DPW). In the early stages of preparing the budget guidelines, the Board reviews the financial performance of the just-completed fiscal year and conducts an analysis of current revenues and revenue enhancement opportunities. The Board consults with the Human Resources Board on anticipated Cost of Living Adjustments (COLA) and Merit Pay expectations. After factoring in fixed costs, such as union contracts, employee benefits, issued debt, and past service liabilities, the Board develops budget guidelines to allocate remaining available funds. The Board holds at least one all-board meeting to share the initial budget outlook and guidelines, and to discuss budget requests and potential challenges with other elected and appointed bodies.

Each board, committee, or commission is expected to develop a budget within guidelines. New positions, standing in range adjustments, and adjustments to job classifications are not included in the guidelines and are evaluated by the Human Resources Board and the Advisory Committee. New initiatives, and costs beyond guidelines are discussed and further evaluated by the Advisory Committee and the Select Board during the budget cycle. Other funding mechanisms (such as an override or debt exclusion) may ultimately be proposed if a critical initiative cannot be funded within the current year's resources.

**Budget guidelines for FY 2026:** The Board held one in-person all-board meeting (September 17, 2024) and three budget discussions at its regular Board meetings (September 10, October 1, and October 8, 2024) before voting on guidelines on October 8, 2024. The Board took a similar approach to that taken in FY 2025, setting individual departmental guidelines rather than setting the same guideline for all departments. In setting guidelines, the Board accounted for union contract settlements (not new positions or adjustments to existing positions), proposed known expense increases, and COLA as voted by the Human Resources Board.

In setting the Town guidelines, the Board further evaluated salaries for non-school, non-union personnel and, for the third year, worked with the Human Resources Board to apply a COLA adjustment and to set aside a pool of funds for merit increases. For FY 2026, the Select Board and Human Resources Board set a 3% COLA increase for 40 series non-union employees, and a 2% COLA increase for 50/60 series non-union employees, with a \$275,000 appropriation to fund merit increases.

The Human Resources Board hired a consultant, MGT (formerly HR Gov), to conduct a classification and compensation study for non-school, non-union staff to establish internal equity among employees across departments, and to ensure external equity/competitiveness by comparing compensation for Town employees with market data. During the course of the study, 13 staff members were found to be compensated at below market rates and a salary adjustment was determined by the Human Resources department. The Human Resources FY 2025 budget included \$300,000 for salary adjustments and can accommodate these under market adjustments. Remaining adjustments will be captured under the FY 2026 \$275,000 budget. Article 8 includes \$200,000 for the implementation of the Classification and Compensation plan and will be applied toward a one-time service adjustment to non-school non-union staff to address the previous lack of COLA increases resulting in a more pronounced effect the longer the tenure of the staff member. The proposed FY 2026 budget includes \$200,000 to implement salary adjustments for existing employees identified in the recently completed compensation study. Town Meeting will review the classification and compensation modifications under Article 4, Article 5, and Article 8.

The individual guidelines for Town departments can be found in [Appendix D](#). The School Department guideline was based on level service programming and the continued decline in

enrollment. Ultimately, the guideline was also sufficient to accommodate strategic initiatives and other critical needs.

**The Budget Process:** Under the Town bylaws, the Board is responsible for:

- Coordinating the annual budget submissions for all boards, committees, and commissions;
- 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 Board and Executive Director, the Finance Department has developed standard formats for departmental requests. These submissions are used to accurately create the “Sources and Uses” format required by Article 19.16.1, the TWFP, and the Five-Year Capital Plan. The format includes a departmental narrative outlining departmental responsibilities and current objectives with emphasis on current-year needs to meet goals and objectives of the Unified Plan, Climate Action Plan, Sustainable Mobility Plan, Hazard Mitigation Plan, Open Space and Recreation Plan, and departmental strategic plans, along with a revenue summary, and detailed operating budget requests showing a four-year history.

The Board and staff issue a timeline outlining anticipated decision points. This year’s Budget Submission Timeline is included in [Appendix A](#) (some modification was necessary for the School Department budget vote by the School Committee). For a full review of the [Town Budget Preparation Manual, please see link](#) or review the online budget book at [www.wellesleyma.gov/2025budgetbook](http://www.wellesleyma.gov/2025budgetbook).

#### **D. Key Financial Planning Policies**

Each year, the Board discusses the two key financial policies that were instituted to balance prudent operational and capital spending, and to establish and maintain an appropriate level of reserves. In June 2023, the Board appointed a Policy Subcommittee to periodically re-evaluate all policies beginning with a comprehensive review and update of key financial policies.

- The **Capital Financing Policy** is used to manage the portion of the Town’s annual budget dedicated to financing capital projects. The policy was established in FY 2019 as the Debt Policy and was updated in FY 2024 and re-named the “Capital Financing Policy.” The updated policy has been enhanced to include various methods of acquiring capital items, including cash purchases, grants and gifts, and borrowing both inside and outside the levy. The policy sets an annual spending limit on capital-funded projects proposed through the annual process of re-evaluating and re-prioritizing the Five-Year Capital Plan. The policy sets the Capital Spending Range at 6.2 to 6.8% of the current period’s Budgeted Operating Revenue. The policy is attached in [Appendix B](#).

- The **Financial Reserves Policy** was established in FY 2013, updated in FY 2024, and requires reserves to be maintained within a range of 8 to 12% of Budgeted Operating Revenues. The General-Purpose Stabilization Fund continues to be included in the reserve calculation for the purpose of the policy. The updated policy clarifies that the Special Purpose Stabilization Funds are not to be included in the Reserves calculation since the Special Purpose Funds are not intended for general purpose use. The policy outlines appropriate uses of Free Cash and outlines the Board's conservative approach to using Free Cash to balance the operating budget. The policy is attached in [Appendix C](#).

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 ensure that funds available for operating budgets are not adversely affected by increased capital spending;
- To maintain the Town's top tier Moody's Aaa bond rating;
- To ensure short-term cash availability when revenue is unavailable, or when there are unanticipated expenditures or emergency cash needs;
- To provide for stable tax rates; and
- To enable planning for contingencies and long-term needs.

#### **E. Hierarchy of Use of Available Free Cash**

Free Cash is derived from revenues in excess of budget projections, budget turnback (amounts budgeted but not spent), and other timing differences. It typically includes actual receipts in excess of revenue estimates, unspent amounts in departmental budget line items for the year just ending, plus unexpended Free Cash from the previous year.

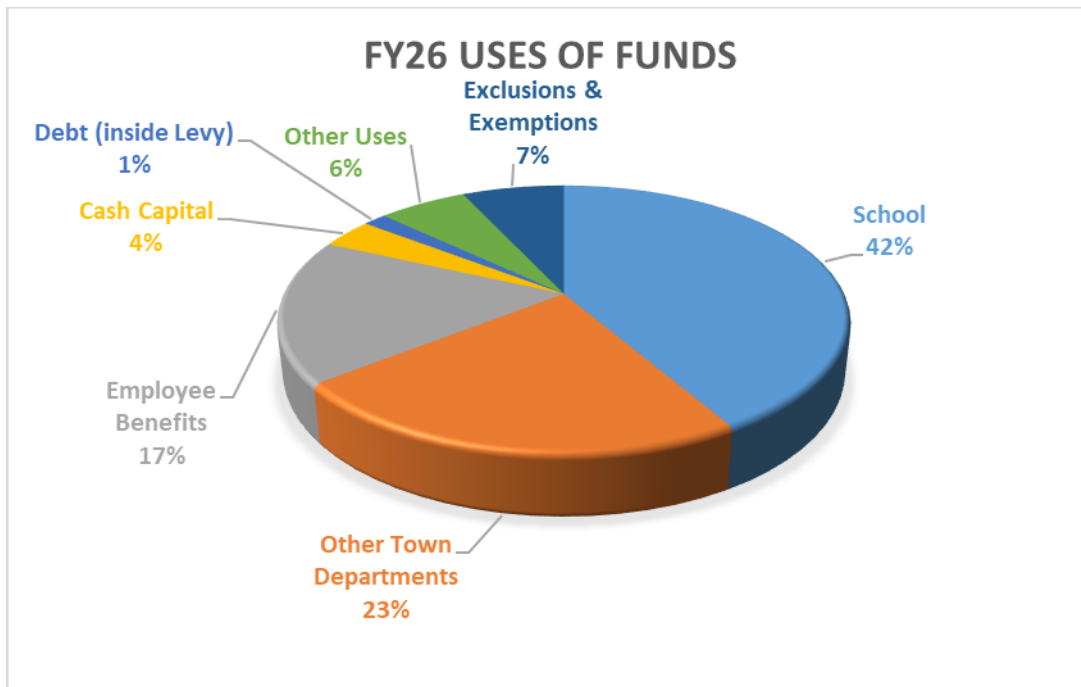
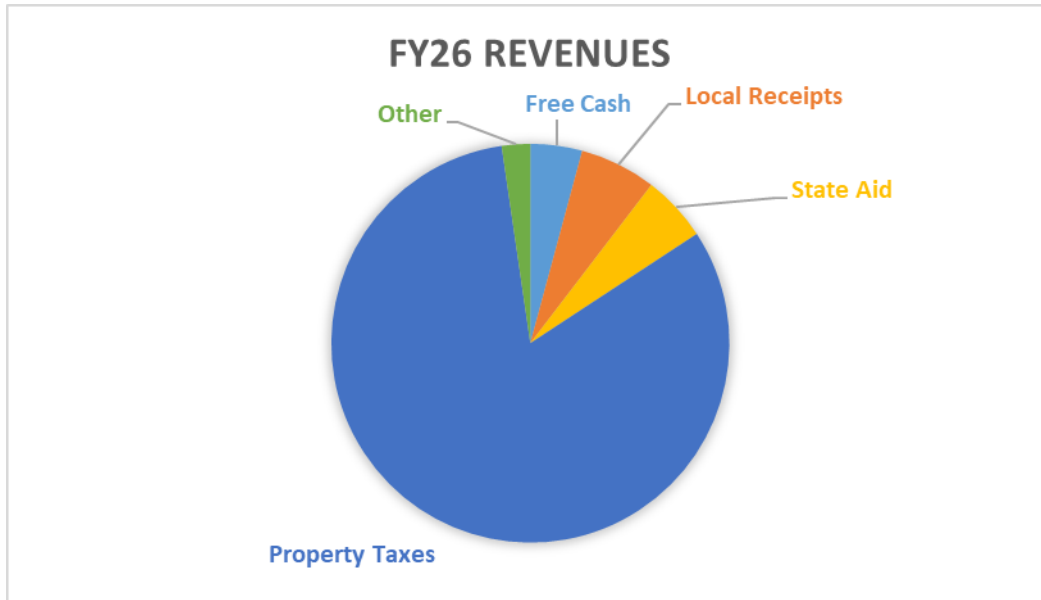
Every year, the Town makes decisions about allocation of available Free Cash on operating budget capacity and to fund specific capital requests. The overriding principle regarding such capacity is that one-time funding capacity should be applied to one-time needs. Free Cash may be utilized for one-off or nonrecurring expenses, including but not limited to:

- Funding requests driven by unforeseen disasters or emergencies;
- Supplemental departmental requests;
- Establishing or bolstering special reserve funds;
- Selected smoothing of cash capital needs (including avoiding borrowing);
- Project, study, or associated costs;
- Land takings and associated costs;
- Capital construction and related costs;
- Contract settlements in excess of the budgeted provision; and
- Subsidizing funds that are intended to be self-supporting.

### 3. Key Budget Drivers

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

- A. Revenue projections
- B. Personnel costs
- C. Employee benefit costs
- D. Strategic initiatives



**A. Revenue Projections**

The revenues for the FY 2026 General Fund Budget total \$224,493,903 or a 1.13% increase compared to the FY 2025 approved budget. The year-over-year increase includes a continued use of Free Cash for one-time capital projects (\$5.4 million), and \$2.2 million of Free Cash to balance the budget.

The Board continues to make conservative assumptions on local revenue growth, considering historic trends, traffic and parking revenue reaching a plateau, continued increase in supply chain costs, a moderated decline in interest rates, and inflation returning to a more normalized rate.

***Real Estate and Personal Property Taxes***

Wellesley’s primary source of revenue is real estate taxes, representing 82.46% of the estimated revenues in the FY 2026 budget, of which 89.42% is from residential assessments.

Real estate and personal property taxes are assumed to increase by \$5,804,042 or 3.54% based upon the provisions of Proposition 2½. New growth projection has been maintained at a conservative level of \$1.7 million for FY 2026. The FY 2024 and FY 2025 new growth was significantly higher than projected, at \$2.8 million and \$2.6 million respectively, due to several one-time commercial projects. New growth in FY 2026 is likely to be higher than projected, but unpredictable external forces can significantly impact growth, and therefore the Town maintains a conservative approach.

***New Growth History***

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 2,168,677	\$ 2,100,119	\$ 1,802,829	\$ 1,753,221	\$ 1,839,752	\$ 2,907,105	\$ 2,828,945	\$ 2,655,734

***State Aid***

In FY 2026, the Town is anticipated to receive approximately 5.4% of its revenue in the form of State Aid, of which 86.4% is for educational purposes (Chapter 70) and 13.6% is for Unrestricted General Government Aid (UGGA). At this time, potential federal funding is uncertain and there may be reductions that impact the Commonwealth’s budget. Current projections forecast only a modest increase in state funding for FY 2026, and it will be months before the state budget is complete. The Governor’s budget proposal reflects a 2.7% year-over-year increase in FY 2026. This budget also projects a 2.3% increase in Assessments, which are revenue reductions and, therefore, reflected in the budget as expenses. Assessments include automatic payment deductions from State Aid for MBTA and Regional Transit services, Metropolitan Area Planning Council, County Tax, RMV Non-Renewal Surcharge, Air Pollution Districts, and School Choice Sending Tuition.

## State Revenue Trend

	Final <u>2021</u>	Final <u>2022</u>	Final <u>2023</u>	Final <u>2024</u>	Final <u>2025</u>	Governor's Budget <u>2026</u>
State Aid						
Chapter 70	9,273,504	9,407,484	9,665,964	9,916,764	10,345,036	10,643,686
	9,273,504	9,407,484	9,665,964	9,916,764	10,345,036	10,643,686
Other school		5,633	11,369	765	27,548	17,007
	9,273,504	9,413,117	9,677,333	9,917,529	10,372,584	10,660,693
Unrestricted (UGGA)	1,375,608	1,423,754	1,500,637	1,548,657	1,595,117	1,630,210
All other	51,094	45,401	49,149	48,761	53,524	59,962
Total	10,700,206	10,882,272	11,227,119	11,514,947	12,021,225	12,350,865
Assessments	1,308,172	1,309,563	1,328,612	1,395,057	1,476,252	1,510,473
Net	9,392,034	9,572,709	9,898,507	10,119,890	10,544,973	10,840,392

## Local Receipts

Local receipts represent 6.24% of the Town's revenue and are expected to increase by \$1,631,416 or 13.18%. Excluding the Municipal Light Plant (MLP) contribution, most local receipts (78.6%) are from motor vehicle excise, permits and licensing, and interest earnings.

The Town continues to see positive growth in local receipts. Some building permit fees have been increased slightly and building activity continues to exceed projections. The growth in local restaurants has significantly increased tax collection from meals.

## Interest Income

In FY 2023 and FY 2024, the Town experienced extraordinary interest income as a result of substantial cash on hand that was borrowed for construction of the two new elementary schools. Due to the unanticipated and rapid increase in interest rates from a fraction of a percent to almost 5%, the Town earned \$5.8 million in interest earnings in FY 2023 and \$7.2 million in FY 2024 – both significantly in excess of budgeted amounts. The Town largely completed the two school building projects by deploying the cash on hand, and interest rates were expected to fall as inflation returned to more normalized rates. Consequently, the interest earnings for FY 2025 were conservatively estimated at \$975,000, but interest rates have been higher than expected, and the Town has earned \$3.9 million in interest through January 2025. FY 2026 interest earnings estimates are conservatively projected at \$925,000 given lower cash balances and uncertainty around interest rates.

## Traffic and Parking

The Town's Traffic and Parking fund collects revenues from commuter lots and parking meters and covers expenses including the salaries of parking meter attendants, parking meter and lot maintenance, violation processing, and the Town's on-call traffic professionals. The fund was intended to be self-sustaining and, prior to the COVID-19 pandemic, revenue was sufficient to cover ongoing operational costs. During the pandemic, the use of the Town commuter lots decreased sharply, driving revenue down. The Board subsidized the Traffic and Parking budget

by approximately \$900,000 in FY 2022; \$500,000 in FY 2023; \$400,000 in FY2024; and \$200,000 in FY 2025. The Board expected that FY 2025 would be the last year that a subsidy would be required. However, parking lot revenue has stalled and a fund deficit of \$300,000 was projected for FY 2026.

The Board has voted to eliminate the subsidy to the Traffic and Parking fund. Instead, approximately \$300,000 will be absorbed into the general fund within the budgets for the Police Department, Treasurer, and Department of Public Works, where the staff costs for traffic operations, regular maintenance and landscaping costs are actually incurred. This modification will avoid the need for increases in parking fees or the deployment of additional Free Cash. The Traffic and Parking budget will continue to fund snow removal, paving, parking meter attendants, parking lot lighting, and pedestrian safety improvements.

#### Local Receipts Trend- Not inc MLP

	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Budget FY25	Budget FY26
<b>Local Receipts</b>						
Motor Vehicle Excise	\$ 5,547,986	\$ 5,699,888	\$ 5,648,284	\$ 7,000,110	\$ 5,400,000	\$ 5,900,000
Investment Income	353,917	134,811	5,865,281	7,263,184	975,000	925,000
Licenses and permits	2,700,054	3,448,034	4,545,715	3,928,120	2,330,000	3,400,000
One time 40R Permit	1,140,730	-	-	-	-	-
RDF	741,786	930,738	757,386	945,694	725,000	750,000
Pilot payments	76,465	76,000	76,428	76,298	75,000	75,000
Parking Fines & Forfeits	302,411	396,146	402,075	324,865	300,000	320,000
Meals tax, hotel/motel	505,715	692,178	863,673	973,459	750,000	750,000
Recreation transfer	38,227	108,014	-	-	-	-
Penalties, Interest on Taxes	629,987	447,074	476,978	646,594	250,000	250,000
Rentals	212,586	166,633	207,762	214,822	180,000	185,000
Fees	108,155	91,865	93,889	144,255	125,000	164,000
Departmental	100,259	100,479	94,273	80,767	80,667	93,083
Medicaid	308,553	318,348	104,333	212,250	-	-
Miscellaneous Recurring	-	-	-	-	190,000	200,000
FEMA	-	872,493	229,266	-	-	-
All other	-	91,815	208,642	581,525	-	-
<b>Total</b>	<b>\$ 12,766,831</b>	<b>\$ 13,574,516</b>	<b>\$ 19,573,985</b>	<b>\$ 22,391,942</b>	<b>\$ 11,380,667</b>	<b>\$ 13,012,083</b>

#### Additional Revenue

Additional revenue includes an annual contribution of \$1 million to the Town from the Wellesley Municipal Light Plant (MLP), along with \$200,000 from the MLP for Information Technology and centralized services (a \$10,000 increase from FY 2025). Additional revenue also includes \$170,302 from Stormwater and Water and Sewer enterprise funds for the portion of centralized services associated with those activities.

#### Free Cash for the Operating Budget

Free Cash is made up of revenues in excess of budget projections, budget turnback (amounts budgeted but not spent), and other timing differences, and is generally deployed for one-time costs such as capital investments and new initiatives. A hierarchy of expenditure has been determined based on the historical use of Free Cash that has been detailed above and is set out in the Capital Financing Policy.

Every year since FY 2013, the Board has proposed using approximately \$2.5 million of Free Cash to balance the budget, and after lengthy consideration, has sometimes covered any remaining deficits with additional Free Cash. Last year, the Board was able to reduce the application of Free Cash by \$250,000 due to a decrease in required OPEB funding. For the FY 2026 budget, the Board was compelled to use \$2,246,401 in Free Cash to balance the budget, given increased

operating needs. This application of Free Cash represents 1.0% of the estimated revenues. As OPEB funding is further reduced, the Board intends to reduce the use of Free Cash used to balance the operating budget.

<b>Free Cash</b>		<b>FY22</b>		<b>FY23</b>		<b>FY24</b>		<b>FY25</b>		<b>FY26</b>
Balance Fiscal Year Budget	\$	3,781,347	\$	2,652,036	\$	2,500,000	\$	2,250,000	\$	2,246,401

## **B. Personnel Costs**

The largest item in the year-over-year growth of the Town budget is the COLA adjustments for existing employees.

### ***Non-School, Non-Union Employees***

Each year, the Human Resources Board evaluates the compensation ranges in the Town's job classification system for non-school, non-union municipal personnel. Last year, the Town undertook the first comprehensive analysis of the classification and compensation system (Hay system) in more than 20 years. Using a Community Compact Grant, the Town commissioned consulting group MGT to conduct a study intended to help the Town compete in a tight job market, create greater equity among current Town staff, and improve retention of valued employees. Working closely with the Human Resources Department, MGT analyzed the Town's entire classification system, reviewed and updated internal job descriptions, compared Wellesley to peer communities, and established a clear plan to evaluate compensation annually going forward. Following completion of the study, the Human Resources Board is proposing a completely revised classification plan and compensation tables under Article 4 and Article 5 on the warrant. The Human Resources FY 2025 budget included \$300,000 for salary adjustments and can accommodate under market adjustments. The FY 2026 budget includes \$200,000 to fund any necessary compensation adjustments including a one-time service adjustment to non-school non-union staff to address the previous lack of COLA increases resulting in a more pronounced effect the longer the tenure of the staff member.

For annual salary adjustments, the Town has budgeted a 3% COLA for the 40 series (clerical) employees and a 2% COLA for 50/60 (management) series employees. Working with the Human Resources Board, the Select Board recommends allocating \$275,000 for the Merit Pay Plan to account for merit increases for 50/60 series employees, in addition to the COLA. This is the third fiscal year in which 50/60 series employees have received both COLA and Merit Pay increases. For the previous 20 years, the Town's 50/60 series employees only received salary increases through the Merit Pay Plan, resulting in salaries below the median in comparison to peer communities.

### ***Union Employees***

Most of the Town's employees are union members and their annual wage increases are established through collective bargaining. A total of 1,215 Town employees are represented by 14 unions, the largest of which is the Massachusetts Teachers Association (916 members). All union contracts have been settled through FY 2026. The Town is currently negotiating a successor health insurance agreement, as the current agreement will expire June 30, 2025.

In addition to setting wage increases, the union contracts 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%. In recent years, steps for longevity have been added to school contracts. School 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 most departments with steps, the changing composition of the workforce creates a balancing effect in the departmental budget over time. However, in the School Department, the average experience level of teachers has increased over the past ten years and as more teachers acquire credits towards post-graduate degrees, their compensation increases, putting additional pressure on the budget. In FY 2026, approximately 49% of the teachers are eligible for a step increase. School employees at the top step receive a 3% longevity payment in addition to a 3% COLA payment and potential lane payments for educational attainment.

### ***School staff changes***

The 3.24% increase in the School Department budget includes the base budget, contractual step and union settlement increases, and modest strategic initiatives and critical needs. The School Department took a close look at their personal services and expenses and worked hard to meet the Town’s 3.25% budget guideline. The budget reflects the reduction of 18.85 FTE as a result of elimination of vacant positions and enrollment decreases. The School Department proposes the following staff changes:

- - 8.10 FTE – due to enrollment calibration
- -10.75 FTE – due to unfilled positions in FY 2025
- Repurpose 3 FTE – upgrade Reading Intervention Paraprofessionals
- +1.3 FTE – Multilingual Language Learner Teacher and TA
- +1 FTE – Pre-K – age 22 Out-of-District Team Chair
- Additional instruction hours for:
  - Family and Consumer Science
  - Music Teacher

**Note:** Please refer to the School Department’s detailed budget for additional information: <https://online.flippingbook.com/view/651093121/>

### ***New Town staff positions***

Four new Town positions are proposed in the FY 2026 budget:

- **Two new firefighter positions** to bring staffing to adequate levels of 14 firefighters per group to reduce a long-standing overtime structural deficit. This is the last step of a multi-year initiative.
- **A new Creative Content Coordinator** in the Select Board office to work across multiple departments on social media, website, digital media, and ADA compliance, and to assist the Public Information Officer with improving communications. The Select Board eliminated a clerk position in the FY 2026 budget to create capacity for this coordinator.
- **A new librarian** in the Library’s Technology Department to produce, manage, and monitor content on all Library social media channels and website, in addition to performing the duties of a librarian.

## **C. Employee Benefit Costs**

Benefit costs, including health insurance, pension plan contributions, and the liability for other post-employment benefits (OPEB) for certain retirees and their dependents, are key considerations in the TWFP. During the past ten years, benefit costs have been the fastest

growing component of the overall Town budget, and these costs will continue to go up with the escalating annual cost of health insurance.

New municipal accounting rules took effect at the beginning of FY 2018 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.

The principal components of employee benefits cost are detailed below (in millions):

**Employee Benefit Costs Over Time (in millions)**

	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Health Insurance	\$18.9	\$19.6	\$20.5	\$20.5	\$21.0	\$21.4	\$22.7	\$25.6
Pension Contributions	\$7.1	\$7.5	\$8.0	\$8.2	\$8.6	\$8.8	\$9.0	\$9.3
OPEB Funding	\$3.4	\$3.4	\$3.4	\$3.4	\$3.45	\$3.45	\$3.2	\$3.1
Workers Comp.	\$0.29	\$0.28	\$0.24	\$0.24	\$0.24	\$0.70	\$0.74	\$0.74
Unemployment	\$0.15	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Compensated Absences	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.13
Total (million)	\$30	\$31	\$32.4	\$32.6	\$33.5	\$34.6	\$35.9	\$38.9
% of Budget	17.9%	17.5%	18.2%	17.8%	16.8%	17.1%	16.2%	17.5%

**Health Insurance**

The projected increase in health insurance costs to the Town in FY 2026 is 12.57% over FY 2025, with total employee benefits increasing by 8.46%. These costs include health insurance plans and programs and factors in the number of employees opting to take the benefit. The FY 2026 budget includes a one-time cost to correct a miscalculation in the Town's budgeted contribution amount in FY 2024 and FY 2025, necessitating a FY 2025 supplemental funding request of \$1 million under Article 7.

**Background:** 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 changes to the plan design. In recent years, the Town has negotiated with its employee groups and implemented a number of plan changes that have helped control rising costs, including:

- Providing a higher Town contribution to the most affordable plans and increasing the employee contribution for more expensive plans;
- Creating high deductible plan incentives;
- Establishing opt-out incentives for employees currently employed and on health insurance for two years who take spousal/partner health insurance offerings;
- Offering limited network plans to reduce costs; and
- Offering extensive wellness incentives.

**The current contract:** Health benefits are currently covered under a contract that began on July 1, 2022, and includes high deductible and benchmark plans for employees. In FY 2023, the Town signed a Memorandum of Agreement with the unions to extend the health insurance contract through June 30, 2025. That agreement defines the Town's contribution rates towards health care plans, along with other benefit costs (dental, life insurance, accident, and indemnity plans). A new Memorandum of Agreement is currently being negotiated, and anticipated to be completed prior to Town Meeting.

At the beginning of FY 2025, Harvard Pilgrim and Tufts merged, creating a new health care company called Point 32. As a result of this merger, WSHG consolidated from three plan options to two plan options and the Town's costs are as follows:

- Blue Cross Blue Shield – the Town pays 78% of the cost of the plan,
- Harvard Pilgrim – the Town pays 60% of the cost of the plan or 50% of the cost of the Harvard Pilgrim PPO plan.

Blue Cross Blue Shield will remain the most affordable plan option.

**Miscalculation in the Town's budgeted contributions:** At the close of FY 2024, health insurance turnback was \$300,000, which is a smaller return than in prior years. The Town investigated the reduced turnback and identified a manual spreadsheet formula error in the Town's budgeted contribution calculation for the accrual of the 60% cost of the Harvard Pilgrim plans in FY 2024 and FY 2025. (The Town paid the correct contribution amounts.) To address the unanticipated budget shortfall in FY 2025, a supplemental appropriation of \$1 million is requested under Article 7, Motion 4. For FY 2026, the health insurance budget is based on a conservative projection and the Executive Director and Finance Department have instituted a secondary review of the contribution calculation to reduce the possibility of future errors.

**One-time adjustments to WSHG participants and reserve policy:**

Over the past year, the WSHG conducted an operational audit to seek ways to improve services and identify cost-effective strategies to stabilize the growth of health insurance rates for its members. For FY 2026, the Town of Holliston has opted to leave the WSHG which will significantly reduce the negative claims history for the group and dramatically lower the initial projected rate increase from 10% to 6.75%. The WSHG also recently received stop loss reimbursements, prescription drug reimbursements, and increased investment income, as well as a portion of Holliston's trust balance upon their departure. These events raised the WSHG Trust balance above the target range of 8 to 12%. Adopting a multi-year approach, the WSHG has chosen to draw down the Trust balance to 11% to reduce the health insurance rates for FY 2026, while maintaining a relatively high balance so that funds will be available to help stabilize rates in FY 2027. WSHG further evaluated the rate structure between Harvard Pilgrim and Blue Cross Blue Shield, finding that Blue Cross Blue Shield has been subsidizing Harvard Pilgrim. The rate structure, in particular for the Harvard Pilgrim High Deductible Plan, reflects an increased annual premium to balance the claims experience with the plan costs.

**FY 2026 budget for health insurance:** The Board is proposing an increase in the health insurance budget of 12.57%. This increase reflects the following:

- The application of \$1.2 million from the WSHG Trust resulting in
  - 3.3% increase in rates for all Blue Cross Blue Shield health plans,
  - 3.86% increase in rates for Harvard Pilgrim Benchmark Plans,
  - 6.97% increase in rates for Harvard Pilgrim High Deductible Plans,
- 5% increase in rates for Medicare Supplement Plans,
- Conservative increase of new plan subscribers, and
- One-time cost of \$1 million to correct the FY 2025 budgeted contributions.

The proposed budget for health insurance reflects an in-depth analysis of actual enrollments and plan modifications, conservative projections for incentive payments to employees who opt out of coverage, and up to 38 additional benchmark family and individual plans in FY 2026. Given the increased costs of Harvard Pilgrim and the limited number of Town employees with Harvard Pilgrim (fewer than 70), projections reflect an anticipated transition by employees to the more economical Blue Cross Blue Shield plan.

The WSHG continues to analyze the claims data and recommended increases for all health care plans. As stated above, the FY 2025 increase is 3.3% for Blue Cross Blue Shield, which continues to perform exceptionally well on claims. For Harvard Pilgrim, the increase is 3.86% for benchmark plans and 6.97% for high deductible plans, which reflects a recognition that in FY 2024, and in FY 2025 through January 2025, Harvard Pilgrim claims are surpassing the projected funding and are being subsidized by Blue Cross Blue Shield's performance.

In summary, the Town continues to employ conservative assumptions based on current job vacancy rates and employees' ability to opt out of the Town's insurance offerings or to select less expensive individual or high-deductible plans.

### ***Pension Plan Contributions***

The Retirement Plan contribution for FY 2026 is \$9,310,462 based on the actuarial payment schedule.

Municipal employees in Massachusetts do not pay into or accrue Social Security benefits as part of their employment. Instead, 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. The Town makes an annual contribution to the Wellesley Contributory Retirement System, a defined benefit pension plan administered by the Wellesley Contributory Retirement Board. Unlike a defined benefit pension plan in the private sector, municipal employees are required, as a condition of employment, to make significant contributions 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.

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 most recent [pension actuarial valuation](#) was performed as of January 1, 2023. The updated pension actuarial valuation for January 1, 2025, is currently underway. Over time, the actuarial valuation of the pension plan has called for a reduction of the investment return assumption to a more conservative rate of 6%. Nevertheless, the Town's unfunded pension liability continues to decline, from \$25.9 million in 2025 to \$20.5 million in 2026. The current funding schedule shows an expected reduction in the annual

contribution starting in FY 2029 as the retirement system reaches full payment for accrued liabilities from prior years.

The Retirement Board is exploring a phased reduction in appropriations while factoring in conservative approaches to market corrections, future COLA base improvements, the need to appropriate ongoing net normal costs, and potential de-risking of the investment portfolio. The Retirement Board recommends the Town continue to fund the pension system to about 110 to 115% to guard against significant future budget increases attributable to downside market volatility. It would be reasonable to assume that pension contributions will begin to decline after 2030, possibly by \$1 million or \$2 million per year (or even more if the funded status exceeds 110 to 115% of plan liabilities).

At 2023 Annual Town Meeting, Article 22 authorized an increase in the COLA base for benefit recipients of \$1,000 a year, for three consecutive years, effective July 1 of each year. COLA base refers to a defined portion of a retiree's pension benefit that is eligible for a COLA. The annual COLA adjustment to benefit payments is based on increases in the Consumer Price Index (CPI), as published by the Social Security Administration each October, up to a maximum of 3% per year. The COLA adjustment applies only to the COLA base. The base was increased to \$20,000 in FY 2025 and will be increased to \$21,000 in FY2026. The previous increase in the COLA base was for FY 2018 through FY 2020.

Employee contributions to the Town of Wellesley pension plan during *calendar year* 2024 totaled \$4.9 million and are estimated to reach \$5.1 million in calendar 2025. The Town contributed \$9 million in FY 2025, which represents 4.07% of the total FY 2025 operating budget. The actuarial funding schedule for the pension plan calls for a \$271,358 increase in pension funding in FY 2026 (exclusive of enterprise funds). The enterprise funds (Water, Sewer, Stormwater, and Electric) also contribute the employer portion for their employees. Approximately 62% (\$5.7 million) of the Town's contribution this year will be allocated to accrued liabilities from prior years.

### ***Other Post-Employment Benefits (OPEB)***

In the FY 2026 budget, the Board is proposing an appropriation of \$3,100,000 or 1.4% of the annual budget to fund OPEB, which are benefits that the Town is obligated to provide as a subsidy for health insurance premiums for all retirees. Annual increases in health insurance offerings also affect the Town's OPEB liability. Over the last ten years, the Town has taken proactive steps to reduce costs, as detailed in the Health Insurance section above. In addition, 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.

Unlike many other communities, Wellesley is fully funding the Annual Required Contribution (ARC), as defined in the Government Accounting Standards Board directives 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. Similar to the pension, the OPEB investment assumption has been reduced to 6% over time. The expected investment return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

OPEB is on a two-year valuation cycle with the most recent [actuarial valuation](#) performed as of December 31, 2022. The updated December 31, 2024, actuarial valuation is currently underway. The funding schedule was originally designed to fully fund the OPEB liability by 2037; however,

the Town is currently anticipated to be fully funded as of FY 2032, with no funding requirements beginning FY 2033 even with the reduction in the assumed rate of return. The funding schedule now supports tapering OPEB contributions gradually from \$3.1 million in FY 2026 to \$3 million in FY 2027, with further reductions likely in FY 2028 and later years, assuming no significant market corrections. Once full funding is achieved for OPEB, all premium costs for retirees will be borne by the OPEB Trust Fund and any supplemental appropriations to OPEB may be reduced or possibly even eliminated.

### **Actuarial Valuations, Assumptions, and Funding Summary**

#### **Pension Plan**

The following table summarizes the Town's unfunded liabilities related to Pension, based on employee service to date:

Measurement Date	1/1/2015	1/1/2017	1/1/2019	1/1/2021	1/1/2023
Accrued liability	\$ 207,928,237	\$ 224,137,166	\$ 248,553,692	\$ 286,078,693	\$ 306,514,302
Actuarial value of Assets	\$ 152,955,923	\$ 169,089,812	\$ 193,017,080	\$ 243,973,730	\$ 256,604,732
Unfunded liability	\$ 54,972,314	\$ 55,047,354	\$ 55,536,612	\$ 43,104,963	\$ 29,818,617
Funded ratio	73.56%	73.33%	77.66%	84.93%	90%
Est full funding year	2030	2030	2030	2030	2029
Assumed rate of return	6.75%	6.625%	6.625%	6%	6%

The following excerpt from the Town's audited [Annual Comprehensive Financial Report](#) (ACFR) presents the net pension liability, calculated using the discount rate of 6% and the net pension liability if it were calculated using a discount rate that is one percentage point lower (5%) or one percentage point higher (7%) than the current rate:

	1% Decrease (5.00%)	Current Discount (6.00%)	1% Increase (7.00%)
The Town's proportionate share of the net pension liability.....	\$ 71,547,944	\$ 33,232,041	\$ 1,245,727
Total System's net pension liability.....	\$ 72,173,830	\$ 33,522,748	\$ 1,256,624

#### **OPEB**

The following table summarizes the Town's\* unfunded liabilities related to OPEB, based on employee service to date:

Measurement Date	6/30/2014	6/30/2016	6/30/2018	12/31/2020	12/31/2022
Accrued liability	\$ 111,075,197	\$ 120,156,976	\$ 117,449,860	\$ 132,313,690	\$141,187,864
Actuarial value of Assets	\$ 32,806,387	\$ 44,229,773	\$ 62,623,693	\$ 75,024,303	\$102,432,745
Unfunded liability	\$ 78,268,810	\$ 75,927,203	\$ 51,444,900	\$ 57,289,387	\$ 38,755,119
Funded ratio	29.54%	36.81%	54.90%	56.70%	72.60%
Est full funding year	2037	2037	2032	2032	2033
Assumed rate of return	7%	6.75%	6.625%	6%	6%

\*Town pays approximately 84%, Enterprise funds pay approximately 16%

The following excerpt from the Town's audited [Annual Comprehensive Financial Report](#) presents the net OPEB liability and service cost, calculated using the discount rate of 6%, as well as what the net OPEB liability and service cost would be if it were calculated using a discount rate that is one percentage point lower (5%) or one percentage point higher (7%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability/(asset), net..... \$	\$ 57,781,884	\$ 35,728,972	\$ 17,580,184

#### D. Strategic Initiatives

In recent years, Town departments have developed a number of strategic plans that provide guidance and inform budget decisions. In FY 2026 and beyond, the Town must carefully coordinate the resulting initiatives, balance priorities, identify synergies, and determine available financial resources to support the many ambitious goals.

##### Key town-wide strategic plans include:

- **Unified Plan:** In 2019, the Town adopted the Unified Plan as the strategic umbrella under which additional plans and initiatives would be generated under Wellesley's decentralized system. The Unified Plan identifies policies related to land-use planning, economic development, housing, transportation, education, Town government operations, and finance. With the exception of the Facilities Master Plan, funding to advance the initiatives identified in the Unified Plan has been absorbed incrementally through various departmental initiatives.
- **Strategic Housing Plan:** The Town's 2018 Housing Production Plan (HHP) established a five-year roadmap for the Town to reach its required 10% affordable housing goal, and the Town achieved that goal in 2022. The Planning Board and Housing Task Force proposed the creation of a new Strategic Housing Plan. The 2023 Fall Special Town Meeting authorized funding for the plan by the Community Preservation Committee and the Wellesley Housing Development Corporation. Work on the plan commenced in April 2024 and focus groups, public forums, and dialogues sessions were held from June through November. A town-wide survey was conducted in October, and the results were published in January 2025. The final plan is expected to be released in April 2025.
  - **Under Article 34,** the Wellesley Housing Development Corporation (WHDC), Select Board, and Planning Board propose to establish a Wellesley Affordable Housing Trust (WAHT), following a recommendation made in the Housing Production Plan and in the forthcoming Strategic Housing Plan. The WHDC was created by home rule in 1998 and is now obsolete and ineffective; a new state statute for Affordable Housing Trusts was passed in 2005, and 147 municipalities have adopted the new form. Following adoption by Town Meeting, the WHDC will be dissolved, and the WHDC members will be appointed to the board of the Affordable Housing Trust. The Community Preservation Committee and Wellesley Housing Authority also voted in support of the creation of the WAHT.



- **Climate Action Plan and Climate Resolution:** The Climate Action Plan (CAP) was developed by the Climate Action Committee in 2022 to guide the Town's efforts in reaching goals for greenhouse gas emission reductions approved by 2021 Annual Town Meeting. In 2020, Annual Town Meeting approved the Resolution to Address the Impact of Climate Change proposed by the Select Board. These commitments guide purchasing and reporting by all departments. Related actions include: changing the reporting structure for the Sustainability Director to the Executive Director (2022 Annual Town Meeting); adoption of the Municipal Opt-In Specialized Building Code (2023 Annual Town Meeting); launching of a community education program to support CAP implementation (2023); development of a cross departmental Hazard Mitigation Plan (2023); creation of a web-based dashboard to track CAP progress (2024); transition of lighting in Town and school buildings to LED (2013 – 2024); development of a Zero Emission Fuel Policy (2024); development of a Municipal Decarbonization Roadmap and application to the state Climate Leaders Communities program (2024); and establishment of an Energy Transition and Climate Resilience Working Group by the Select Board, Municipal Light Plant, and Climate Action Committee (currently underway).
  - **Under Article 35,** the Climate Action Committee, Select Board, and Board of Health propose a new Town Bylaw to establish reduce waste by establishing an opt-in requirement for single-use service ware and single servicing packaged condiments.
- **Sustainable Mobility Plan:** The Sustainable Mobility Plan (SMP) was adopted in 2021 by the Town's Mobility Committee, a diverse group of town employees, elected officials, and engaged residents established by Executive Director Meghan Jop. The SMP is a plan to reduce single vehicle occupancy, enhance the use of sustainable modes of transportation including walking, biking, and transit, and enhance regional and state connections. The SMP also serves as the transportation component to the Climate Action Plan.
  - The FY 2025 budget established a new Transportation and Mobility Manager to lead the policy and projects detailed in the SMP.
  - The Town filled this position in November 2024 and is currently completing a Safe Routes for All plan that focuses on safe walking and pedestrian routes in Wellesley. A public hearing on the plan was conducted in October 2024.
  - In a major victory for increasing accessibility to public transportation, the Town worked with state and federal elected representatives and the MBTA to fund and install a mini-high platform at the Wellesley Square Commuter Rail station in January 2025 that now provides accessibility under the American with Disabilities Act (ADA) for all passengers.
- **Open Space and Recreation Plan:** The Open Space and Recreation Plan (OSRP) was adopted by the Natural Resources Commission for the period 2022-2029, as required by the state Executive Office of Energy and Environmental Affairs. The plan builds on the successes of the three previous open space plans and reflects issues and challenges that have emerged in the development of the new OSRP, and in the development of the Unified Plan, Municipal Vulnerability Preparedness program, and Climate Action Plan. The Five-Year Capital Plan currently projects an allocation of \$200,000 in FY 2029 for the NRC to implement the Land Conservation Plan currently under development. That plan is intended to proactively target specific parcels for conservation and map out strategies for protecting them. The NRC held a public charette on November 21, 2024, to gather stakeholder input as part of the development of the plan.
  - **Under Article 16,** the Community Preservation Committee is seeking approval to fund two projects aimed at enhancing the Town's active and passive recreational facilities: a supplemental study of the Moses Pond Beach and Bath House Project. and an assessment to evaluate the feasibility of accepting Wight Pond as open space.



- **Under Article 22**, the Board of Public Works proposes to renovate the playground facilities at Fiske School, Ouellet Field, and Upham School, consistent with the objectives of the OSRP.
- **Under Article 24**, the Board of Public Works proposes to renovate the Hunnewell Tennis Courts and to convert one court for pickleball, also in keeping with the OSRP.
- **Hazard Mitigation Plan**: The Hazard Mitigation Plan (HMP) was adopted by the Select Board in January 2024 and approved by the Federal Emergency Management Agency (FEMA). The HMP is a recommendation of the CAP, and having a FEMA-approved plan makes the Town eligible for additional federal and state funding to assist with the impacts of climate change. As previously mentioned, the Select Board, Municipal Light Plant, and Climate Action Committee are currently working to establish an Energy Transition and Climate Resilience Working Group to examine potential next steps to transitioning off fossil fuels and to increasing resilience to the effects of global warming.
- **Diversity, Equity, and Inclusion Equity Audit** The DEI Equity Audit was funded by 2023 Annual Town Meeting in coordination with the adoption of the Anti-Racism and Anti-Bias Resolution. The DEI Audit's purpose is to evaluate and assess all aspects of equity in Wellesley including race, ethnicity, gender, national origin, color, disability, age, sexual orientation, gender identity, religion, socioeconomic status, and any other socio-culturally significant factors.
  - The completed Equity Audit identifies policy recommendations and strategic actions to attract and retain diverse employment talent, enhance belonging for all residents and stakeholders, and measure and monitor equity for vendors and contractors in order to improve equal employment opportunities, equal procurement opportunities, and equal volunteer opportunities.

## 4. Capital Projects

### A. Capital Budget Approach, Policy, and Process

MIIA, the Town's insurance company, currently values Wellesley's municipal assets at \$481,349,281 inclusive of buildings and contents. It is the Town's responsibility to maintain all its assets or to replace them as they reach the end of their useful life, making capital needs and costs a major factor in fiscal planning. The Select Board works to prioritize and balance these capital needs by projecting inside-the-levy borrowing, cash capital funding, and major project funding through debt exclusions.

The Board assesses and prioritizes departmental capital requests in order to manage and limit the impact on the Town's annual operating costs. A primary goal of the Board's approach is to moderate the impact on taxpayers as much as possible, while still maintaining the high quality facilities and level of services that residents have come to expect.

As described in the [Financial Planning](#) section, the Board has adopted a Capital Financing Policy that limits combined capital and inside-the-levy debt service expenditures to 6.2 to 6.8% of the current period's Budgeted Operating Revenues. The purpose of the policy is to provide sufficient funds to maintain Town assets, while avoiding operating overrides or compromising operating budgets.

Each year, boards, committees, and commissions submit a detailed five-year capital plan for items greater than \$10,000 in value anticipated over that time period, and it is critical to include

all anticipated capital needs, 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 estimated project costs based on the level of study and review completed. Out-year numbers (2030) include built-in escalation in project costs. For major building capital projects, the Permanent Building Committee (PBC) takes a three-step approach (feasibility study, schematic design through bidding, construction) to refine cost estimates. The projected cost of projects on the Five-Year Capital Plan are updated annually based on the estimated escalation in construction costs. For projects that have not advanced for three or more years, additional study may be needed to analyze modified building codes, ADA requirements, bylaw requirements, or significant cost variability.

Capital requests are intended to support a department's strategic direction, and the financial and operational impact of each requested capital purchase must be quantified. Because financial resources are limited, all boards, committees, and commissions are asked to internally prioritize capital needs based upon specific criteria identified in the [Budget Preparation Manual](#). Moreover, departments are advised to fully research the cost of each item to better inform the discussion of which projects should be funded in a given year. A thorough analysis of capital needs helps avoid sudden unanticipated requests in the current budget cycle and facilitates the financial planning process.

Any significant rise in inside-the-levy borrowing reduces the available funding for cash capital projects. Conversely, the application of Free Cash to cash capital projects builds capacity for inside-the-levy borrowing. Capital requests added in a given budget year without prior notice are generally deferred unless required by a federal or state mandate.

The [Budget Preparation Manual](#) details a hierarchy that requires boards and departments to itemize all capital requests as follows:

1. Federal or State Mandate
2. Impact on Service to the Public
  - a. Service addresses an immediate public health, safety, accreditation, or maintenance need
  - b. Service is improved and addresses a public health, safety, accreditation, or maintenance need
  - c. Service is greatly improved
3. Urgency of Maintenance/Replacement Need
  - a. Whether service or replacement is currently interrupted
  - b. Whether project/expense/replacement requested will result in full restoration of service
  - c. Whether project/expense/replacement is the most cost-effective method of providing or maintaining service
  - d. Where service is not currently interrupted, the likelihood that it will be in the next five years if the project/expense/replacement is not funded
  - e. Whether costs will increase (beyond inflation) if the project/purchase/replacement is delayed
  - f. Project/expense/replacement is being requested to meet existing replacement schedule
4. Proportion of project/expense funded previously
  - a. Request will complete project
  - b. Request will move project to feasibility phase
  - c. Request will move project to schematic design phase
  - d. Request will move project to construction phase
5. Proposed capital expenditure meets a goal or initiative of the Unified Plan
6. Proposed capital expenditure meets a goal or initiative of the Municipal Vulnerability Study

7. Proposed capital expenditure meets a goal or initiative of the department, board, or committee

## **B. Status of Current Major Capital Projects**

The Permanent Building Committee (PBC) and the Facilities Management Department (FMD) staff implement the design and construction projects approved at Town Meeting. Status of ongoing major facilities projects is summarized as follows:

- **Hunnewell Elementary School** –The completed 76,500 square-foot school has the capacity to serve 365 students, and currently enrolls 294 students. The project is currently in the warranty phase and the PBC is working to resolve any outstanding operational issues.
- **Hardy Elementary School** – The completed 80,039 square-foot school has the capacity to serve 365 students, and currently enrolls 280 students. The project is currently in the warranty phase and the PBC is working to resolve any outstanding operational issues.
- **Town Hall Interior Renovation** – Town Hall reopened to the public on December 26, 2024. The project included extensive interior renovation to town offices and ADA and MAAB accessibility modifications. The renovation included complete system upgrades including conversion to an all-electric building. The main entrance to the building was redesigned to add ADA access with a new ramp, and EV charging was added to the parking lot. The following offices have moved back to Town Hall: Assessor's Office, Climate Action, Finance, Human Resources, IT and GIS, Retirement, Select Board, Town Clerk, Treasurer/Collector, and Veterans Services. For the next two years, the Land Use Departments (Planning, Zoning Board of Appeals, Building Department, and Natural Resources Commission) and Facilities Management Department will continue to rent space at 888 Worcester Street. These departments will likely need to relocate in 2027.

## **C. Projected Future Major Capital Projects and Borrowing Needs**

The Five-Year Capital Plan ([Exhibit C](#)) reflects the Town's Facilities Master Plan, which includes the Moses Pond Beach and Bath House Improvements, Department of Public Works (DPW) Park and Highway Building, DPW Recycling and Disposal Facility (RDF) Administration Building, School Air Conditioning Feasibility Study, and the Warren HVAC Renovation. Team Room construction is being administered by the School Committee in consultation with the Department of Public Works. These projects have completed the feasibility stage and funding will be requested for design or supplemental evaluation during FY 2026. The funding for inside-the-levy borrowing will be evaluated as the projects progress.

- **Moses Pond Beach and Bath House Improvements** – The Moses Pond Beach and Bath House was constructed in 1938 with the last major renovation in 1971. Flooring and HVAC improvements were completed in 2012. Replacement of the facilities has been under consideration since 2019, when the Recreation Commission began working with Weston and Sampson to conduct a Final Master Plan. The initial study showed that the work to the Bath House was extensive enough to 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. Subsequently, the Natural Resources Commission, as property owner, established a Beach Advisory Committee, which concluded that further analysis was needed to finalize project specifications and consider local wetland bylaw requirements and soil conditions. Under Article 16, Motion 2, the Community Preservation Committee (CPC) is proposing to fund a \$168,000 supplemental study by the Facilities Management Department at the direction of the Natural Resources Commission. Last spring, 2024 Annual Town Meeting approved

\$925,000 for the schematic design phase before a supplemental study was deemed necessary. Costs for the project will be refined in schematic design through bidding; the current project estimate in the Capital Plan is \$9 million with \$5 million coming from the CPC. Actual project costs are very likely to increase. The Select Board will continue to evaluate funding mechanisms as the project nears construction funding.

- **DPW New Administration Building at the Recycling and Disposal Facility (RDF) –** The RDF Administration Building was constructed in 1961, with the last major renovation in 1997. The condition of the Administration Building was studied in 2020, along with that of the Baler Building and Incinerator Building. A number of concerns were identified, including issues with the building envelope, roofing, walls, windows, foundation waterproofing, and doors. The study also determined that the Administration Building is not large enough for current operations and the 23-year-old systems are largely beyond the end of their expected years of service. At the 2024 Annual Town Meeting, an appropriation of \$635,100 was approved for the design of a new Administration Building. Design of an anticipated 4,000-square-foot building is being finalized, with an estimated construction cost of \$5 million. Construction funding will be sought at the 2025 Fall Town Meeting.
- **DPW Master Plan –** The DPW Park and Highway Building was constructed in 1950 and has undergone no major renovations. Given the condition of the building and likely future Town needs, the DPW decided to take a comprehensive look at the DPW campus, rather than focusing solely on building replacement. FMD is currently conducting this study, which was funded through cash capital in FY 2025. The result of the study will be a DPW Master Plan that accommodates future growth and additional space for the Land Use Departments (Planning, NRC, Zoning Board of Appeals, Building Department) and the Facilities Management Department, which are currently housed in rented space. The DPW Master Plan will recommend various options, from limiting the project to a stand-alone renovation of the DPW Park and Highway Building, to the complete reconstruction and expansion of the Park and Highway Building to accommodate all Land Use Departments. Cost estimates will depend on the ultimate scope of the project. Renovation of the garages is currently estimated at \$13 million, whereas a complete campus renovation is estimated to cost at least \$100 million.
- **School Air Conditioning Feasibility Study –** The Wellesley Public Schools Department currently has nine school buildings in use, five of which are fully air conditioned. Four buildings do not have air conditioning in most classrooms: Bates, Fiske, Schofield, and the Middle School. In 2020, the School Committee requested a feasibility study to consider adding air conditioning to these four schools. Consequently, placeholders were added to the out years between fiscal years 2027 and 2032 for design (\$4 million) and construction (\$29 million), pending further prioritization by the School Committee. The School Committee is now requesting accelerated funding under Article 18 to update the feasibility study to analyze three options: variable refrigerant flow (VRF) systems, through-wall air conditioners, and ductless units/heat pumps for each school, taking into consideration, among other factors, the stage of each building within its lifecycle. The goal of the study is to assess the appropriate option for each school, considering cost and timing, and to chart a path forward. The future capital requests for design and construction will depend on the option chosen for each building and the Five-Year Capital Plan will be updated accordingly. The original estimated capital cost from the 2020 Air-Conditioning Feasibility Study for fully air conditioning the four buildings has been conservatively escalated to \$33 million. That estimate will be refined as the proposed scope of work becomes more clearly defined. Once the systems are in place, there will be increased operating costs for use, utilities, and maintenance. Estimating these ongoing costs is part of the scope of work in the feasibility study. The annual operating costs were previously estimated to be

approximately \$103,000, including electricity costs of about \$59,000 and an annual maintenance cost of about \$44,000.

- **Team Room Construction** – The 2024 Annual Town Meeting appropriated \$175,000 to the School Committee to fund architectural design and bidding documents for the team rooms at Hunnewell Track and Field. This project is known as Phase II-B and is the last component of the larger project that included Track and Field Bathrooms, lighting, and a sound system. The School Committee has decided not to move forward with the project at this Town Meeting and will return to Fall Town Meeting when bids are in hand.
- **Warren HVAC Project** – The Warren Building was renovated in 2004 with HVAC systems that were expected to reach the end of their useful life in 2024. The 2024 Fall Town Meeting approved \$6.2 million for installation of new HVAC systems. With the assistance of the Climate Action staff, the Town was awarded a \$500,000 Green Communities grant to offset a portion of the costs. The Warren Building houses the Recreation Department and the Health Department, and both departments will be relocated during the projected six months of construction. Offices will be rented at 888 Worcester Street and recreation programs will be relocated to the Upham School in June 2025.

### ***A longer view of the Major Project Financing Schedule***

There are several projects in preliminary discussions that may have significant financial implications in the future, including a new preschool and new fire station(s).

- **The Preschool at Wellesley Schools (P.A.W.S.)** – P.A.W.S. is an integrated, special education preschool, educating children between the ages of three and five. Over the past 10 years, the enrollment has averaged 100 students with class sizes of up to 15, generally including 7 students with special education needs, and 8 peers who do not have identified special education needs. The P.A.W.S. facility is located behind the Fiske School and accommodates six classes. The remaining classes are hosted at one or more elementary schools, depending on space availability. Working with the School Committee, FMD conducted a feasibility study five years ago to evaluate the need for a new building. FMD currently projects the need for \$2.65 million in design funds, which would be requested by the School Committee at the 2029 Annual Town Meeting. The Five-Year Capital Plan also includes a placeholder for construction funds of \$24 million, which would be requested at the 2030 Fall Special Town Meeting. Total project costs are likely to exceed these estimates given escalation in construction costs over time. The Superintendent has formed an advisory committee to develop and execute a long-term vision for preschool offerings, including the potential for universal preschool to be folded into the School Department operating budget. Before proceeding with plans for a new P.A.W.S. building, the School Department will first determine the scope of proposed preschool programming to ensure that the new facility would meet the district's needs. Given the passage of time since the original feasibility study and the potential modification to the scope of the project, a supplemental study will likely be needed prior to the design fund request at the 2029 Annual Town Meeting.
- **Fire Station Master Plan** – The Town currently has two fire stations, one in each of the Town's two fire districts: Station One (Central Street) and Station Two (Headquarters on Route 9). The Town has just released a Request for Qualifications to conduct a study to determine the future needs of the Fire Department. The study is funded with \$50,000 from cash capital, and \$100,000 from the Wellesley Office Park Development Agreement. Current and future development on the eastern part of town (near Route 128) will be a critical consideration in the study, which will evaluate the need for a third fire district and station. The study will also evaluate the need to replace Fire Station One, which is nearly 100 years old and is no longer able to accommodate basic fire operations. The building

does not meet several National Fire Protection Association standards due its age, and the small size of the building requires expensive, custom-built fire engines. Furthermore, the building cannot accommodate separate facilities for the Town's male and female firefighters who live in the station when on duty. Future costs for construction and/or renovation are unknown.

#### D. Capital Budget Requests and Future Planning

Each year, the Board considers funding capacity when issuing the departmental Budget Guidelines. This year, in a departure from recent practice, the Board authorized capital spending at the lower end of the Capital Spending Range of 6.2 to 6.8% to allow for greater operational budget funding. Given the current higher level of reserves, the Board is recommending one-time applications of Free Cash to fund larger cost capital items and avoid borrowing.

The combined inside-the-levy financing budget (cash capital and debt service) for FY 2026 is \$11,719,263 or 5.98% of revenue, which is slightly below the Capital Spending Range as a result of reduced borrowing and the movement of capital projects further out in the Five-Year Capital Plan. Of the roughly \$11.7 million, \$3.5 million is for inside-the-levy debt service, with a maximum of \$8.2 million available for all cash capital projects. In FY 2027 through FY 2029, based upon projected inside-the-levy borrowing, the finance team currently projects that \$3-\$7 million will be available for cash capital expenses if the Board maintains an upper limit of the Capital Spending Range of 6.8%. However, total requests on the Five-Year Capital Plan are hovering between 6.84% and 8.92% for FY 2027 through FY 2029, significantly exceeding the Capital Spending Range of 6.2 to 6.8%.

<b>Recurring Revenues</b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>
Taxes (2.5%) + New Growth	\$ 169,965,722	\$ 175,914,865	\$ 182,012,737	\$ 188,263,055	\$ 194,669,631
State Aid	\$ 12,121,225	\$ 12,363,650	\$ 12,610,922	\$ 12,863,141	\$ 13,120,404
Local Revenue	\$ 14,012,083	\$ 14,292,325	\$ 14,578,171	\$ 14,869,735	\$ 15,167,129
	<b>\$ 196,099,030</b>	<b>\$ 202,570,839</b>	<b>\$ 209,201,830</b>	<b>\$ 215,995,931</b>	<b>\$ 222,957,164</b>
<b>Capital Financing</b>					
Cash Capital Requests	8,150,857	8,053,976	8,528,617	10,274,869	7,891,529
Inside the Levy Debt Payment	3,568,406	5,800,000	7,100,000	8,100,000	12,000,000
	<b>\$ 11,719,263</b>	<b>\$ 13,853,976</b>	<b>\$ 15,628,617</b>	<b>\$ 18,374,869</b>	<b>\$ 19,891,529</b>
Capital Financing Requests*	<b>5.98%</b>	<b>6.84%</b>	<b>7.47%</b>	<b>8.51%</b>	<b>8.92%</b>

\* Capital Financing Policy Range is 6.2 - 6.8%

During the budget process, departments may be asked to reduce or postpone their capital requests in order to bring overall requests into alignment with the Capital Spending Range outlined in the Capital Financing Policy. Staying within the range requires close coordination and communication between the Finance Department and all department heads. For capital-dependent departments, setting a maximum limit for cash capital spending has assisted with meeting budget goals. For example, over the past several years, the Facilities Management Department has focused on maintaining a cash capital budget of \$2 million or less per year.

## E. Major Project Five-year Financing Plan

Major Project Financing Schedule: Six Year Look-Ahead																
February 1, 2025			FY2026		FY2027		FY2028		FY2029		FY2030		FY2031		FY2032	
Project	Phase	Estimated Cost	Spring 2025	Fall 2025	Spring 2026	Fall 2026	Spring 2027	Fall 2027	Spring 2028	Fall 2028	Spring 2029	Fall 2029	Spring 2030	Fall 2030	Spring 2031	Fall 2031
<i>MOPO Renovation</i>	<i>Supplemental Study</i>	\$170K	CPC													
	<i>Construction</i>	\$9M						CPC/X								
<i>DPW New RDF Admin. Bldg</i>	<i>Construction</i>	\$5.0M		X												
<i>DPW Reno: Park &amp; Hwy</i>	<i>Design</i>	\$1.56M					X									
	<i>Construction</i>	\$11.44M								X						
<i>Sprague HVAC Renovation</i>	<i>Design</i>	\$525k							X							
	<i>Construction</i>	\$2.75M										X				
<i>Library HVAC Renovation</i>	<i>Design</i>	\$550k							X							
	<i>Construction</i>	\$3.0M										X				
<i>Middle School Roof Replace</i>	<i>Design</i>	\$600K							X							
	<i>Construction</i>	\$8.0M										X				
<i>Sprague School Roof Replace</i>	<i>Design</i>	\$250K							X							
	<i>Construction</i>	\$2.1M										X				
<i>Bates School Roof Replace</i>	<i>Design</i>	\$375K							X							
	<i>Construction</i>	\$3.5M										X				
<i>DPW Reno: RDF Baler Bldg</i>	<i>Design</i>	\$500K											X			
	<i>Construction</i>	\$2.75M														X
<i>New Preschool</i>	<i>Design</i>	\$2.65M									X - DE					
	<i>Construction</i>	\$24M												X - DE		
<i>AC: Bates, Schof., Fiske, MS</i>	<i>Design</i>	\$4.0M			X - DE											
	<i>Construction</i>	\$29M						X - DE								
<b>TOTALS (Millions) =</b>		<b>\$111.72</b>	<b>\$0.17</b>	<b>\$5.00</b>	<b>\$4.00</b>	<b>\$0.00</b>	<b>\$1.56</b>	<b>\$38.00</b>	<b>\$2.30</b>	<b>\$11.44</b>	<b>\$2.65</b>	<b>\$19.35</b>	<b>\$0.50</b>	<b>\$24.00</b>	<b>\$0.00</b>	<b>\$2.75</b>

**DE** = Debt Exclusion

**CPC** = Community Preservation Committee

**X** = To Be Decided

## 5. Median Tax Bill Projections

The following table is a projection of the median tax bill (i.e., the tax bill for a home valued at \$1,652,000 for the period FY 2025 through FY 2032). The projections contemplate an annual 2 ½ increase, \$1.7 million in new growth in FY 2027 through FY 2029, and \$1.5 million through FY 2032. 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

	FY26		FY27		FY28		FY29		FY30		FY31		FY32	
Levy Prior	\$	16,987	\$	17,572	\$	18,172	\$	18,786	\$	19,416	\$	20,043	\$	20,685
Levy growth	\$	585	\$	599	\$	614	\$	630	\$	627	\$	642	\$	658
Existing Debt Exclusions	\$	736	\$	672	\$	652	\$	616	\$	552	\$	535	\$	344
HHU	\$	718	\$	699	\$	679	\$	660	\$	641	\$	622	\$	604
Median tax bill	\$	19,026	\$	19,542	\$	20,117	\$	20,692	\$	21,235	\$	21,842	\$	22,292



## 6. Reserves

### A. Definitions and Policy

Reserves include the Town's certified Free Cash and stabilization funds. 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. The Financial Reserve Policy informs the recommendations in this annual TWFP. The Town's Financial Reserve Policy stipulates reserves should range from 8 to 12% of the current period's Budgeted Operating Revenue. For definitions related to reserves, please see [Appendix B Capital Financing Policy](#).

The Town's reserves rose to \$31,924,672 (16.93% of FY 2026 anticipated revenue, (exceeding the 8 to 12% policy range)) at the close of FY 2024 due to multiple factors, including:

- The Town had significant cash on hand for capital projects (Hardy and Hunnewell Schools) when interest rates changed from a fraction of a percent to almost 5% in FY 2023 and through FY 2024. As a result, earnings exceeded the FY 2024 budget by \$6.8 million.
- Town departments turned back \$1,000,000 in payroll (from unfilled positions).
- The School Department turned back \$900,000 (\$500,000 in 2023 encumbrances, \$400,000 FY 2024 turnback).
- Health insurance turned back \$300,000.
- Interest earnings generated \$7.2 million
- Permit and licensing fees exceeded budget by \$1.4 million.
- Tax title and real estate deferral payoffs collected \$1,000,000.

Interest earnings remain high and are anticipated to generate \$4 million in one-time funds in FY 2025. Moreover, the estimated FY 2025 turnback and additional revenue is a conservative projection of \$6 million, including \$2 million in total turnback, and \$4 million in interest earnings.

### B. Free Cash

The Town's ability to generate Free Cash over time has resulted in strong financial reserves that can be applied to operating and capital investments. The table below shows an overview of Free Cash expenditures approved by Town Meeting over several years:

<b>Free Cash</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Appropriations	\$ 4,495,134	\$ 10,328,076	\$ 18,237,662	\$ 14,396,538	\$ 13,771,934

The Town has also used Free Cash to fund various Town initiatives and projects. The Board limits the use of Free Cash to one-time applications to avoid affecting future operating budgets. Examples of applications of Free Cash since FY 2006 include:

- Approximately \$2,500,000 annually, and declining, to close the operating budget
- Supplemental snow and ice removal costs (annually, ranging from \$225,000 to \$1,025,000)
- Special education costs SPED (prior to establishment of the stabilization fund)
- Establishment or bolstering of reserve funds (SPED, Injured on Duty, RDF Baler)
- Contributions to Free Cash equal to turnback amounts for the IOD Indemnity Fund and the Baler Fund
- Selected smoothing of cash-capital needs

- Town-wide project study costs (e.g. FY 2014 Town Government Study Committee; FY 2016 Hardy, Hunnewell, Upham study; FY 2024 DEI Equity Audit)
- Land takings
- North 40 site remediation
- Union contract settlements, compensated absences, workers comp and risk management
- Swing space costs for Hunnewell construction
- Legal costs
- Subsidizing the Traffic and Parking fund (FY 2022 through FY 2024)
- New Fire Trucks, supplemental for fire chief search (FY 2024)

The Town often uses Free Cash for construction-related costs, as in the following examples:

- FY 2010 - Library branch capital maintenance and additional classrooms for Wellesley High School
- FY 2011 - Central Street Fire Station repair, design of DPW administration building, and Wellesley Middle School classroom space conversion
- FY 2013 - Facilities Maintenance capital and Park/Highway HVAC
- FY 2014 - Tolles Parsons Center design and portion of Hills Branch Library chimney repair
- FY 2016 - P.A.W.S. feasibility and school security design
- FY 2018 - Wellesley Middle School systems feasibility
- FY 2020 - Wellesley Middle School systems design, Town Hall envelope construction elements, Walnut Street reconstruction design, Hunnewell School design, and Town Hall Annex design
- FY 2022 - Middle School Paving, Police Station Antenna, Energy Conservation Measure (ECM) lights, and relocation of land use departments
- FY 2023 - Town Hall interior renovation
- FY 2024 - RDF Administration Building Design
- FY 2024 - Team Room Design

The 2024 Fall Special Town Meeting appropriated from Free Cash:

- \$92,972 - Fire Department Fair Labor Standards Act Settlement
- \$136,435 - Eminent Domain Taking at Weston Road/Linden Street Intersection
- \$2,000,000 - Fuel Depot Construction

#### **Use of Free Cash Proposed for the 2025 Annual Town Meeting:**

FY 2025 supplemental appropriations from Free Cash:

- \$700,000 Snow and Ice (Article 7, Motion 1)
- \$110,000 Compensated Absences (Article 7, Motion 3)
- \$1,000,000 Health Insurance (Article 7, Motion 4)
- \$211,735 Construction costs associated with Police Station Parking Lot (Article 7, Motion 5)

FY 2026 appropriations from Free Cash proposed for 2025 Annual Town Meeting:

- \$400,000 Recreation Revolving Fund Implementation Transfer (Article 9, Motion 1)
- \$26,013 Injured-on-Duty (IOD) Indemnity Fund (Article 10, Motion 1)
- \$75,000 Special Education (SPED) Reserve Fund (Medicaid) (Article 10, Motion 2)
- \$11,512 Baler Stabilization Fund (Article 10, Motion 3)
- \$500,000 Establish a Compensated Absence Fund (Article 11)
- \$1,055,000 New Fire Engine (Article 17)
- \$182,000 School Air Conditioning Feasibility Study (Article 18)
- \$2,000,000 Playground Reconstruction (Article 22)
- \$1,200,000 Hunnewell Tennis and Pickleball Court Improvements (Article 24)

### C. Strategic Approach to Reserves Management

Since FY 2013, the Town has intentionally increased its financial reserves (see [Financial Planning](#) section of this TWFP) under its Reserves Policy targeting a range from 8 to 12% of the current period's budgeted operating revenue. During the 2020-2022 COVID-19 pandemic, the Town worked to bolster reserves given the unknown economic climate. In FY 2024, the Board reevaluated the Financial Reserves Policy and updated provisions for emergency reserve buildup during periods of global, national, or local crisis.

The Board evaluates reserves annually to meet the Reserves Policy ([Appendix C](#)), employ best practices to help fund future major capital projects, and consider capacity constraints. The Town must maintain strong reserves to preserve the Moody's Aaa bond rating. Slightly higher reserves allow the Town to fund the Five-Year Capital Plan in a thoughtful manner after the annual review of departmental requests and reprioritization. The Board's approach to reserve management in recent years can be summarized as follows:

- Set Capital Financing Policy at high end of the Capital Spending Range (6.8%) for FY 2023 through FY 2025 to catch up on capital projects deferred in the Town's response to the COVID-19 pandemic in FY 2021 and FY 2022.
- Apply Free Cash to larger capital projects to allow for a greater diversity of smaller capital projects across departments and comply with the Capital Financing Policy.
- Acknowledge the finite capacity of Town departments to absorb capital increases and the associated workload by recalibrating the timing of projects as needed.
- Continue to evaluate the annual deployment of Free Cash to assist in balancing the operating budget.
- Continue deployment of Free Cash to reduce borrowing (inside-the-levy and exempt debt) when possible.
- Manage reserves to help fund future major capital projects while maintaining strong reserves to support continued excellence in bond ratings and thereby lowering funding costs.

The proposed FY 2026 budget and use of free cash as enumerated above would bring reserves down to an estimated 13.25% as of June 30, 2025, above the upper range of the Reserves Policy (8 to 12% of budgeted operating revenue).

Reserves were projected to have been just slightly over the 12% policy level prior to the deferral of the WHS/Hunnewell Field Irrigation improvement project and the WHS Team Rooms Construction project to the fall Special Town Meeting.

<b>Free Cash</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Free Cash (Beginning of Year)	\$ 18,175,871.05	\$ 25,830,840.05	\$ 27,138,343.94	\$ 27,250,545.94	\$ 28,171,581.00
Appropriated Free Cash	\$ (4,495,134.00)	\$ (10,328,076.11)	\$ (18,237,662.00)	\$ (14,089,936.00)	\$ 11,947,068.00
Net Free Cash generated	\$ 12,150,103.00	\$ 11,635,580.00	\$ 18,349,864.00	\$ 15,010,971.06	\$ <b>6,000,000.00</b>
End of year	\$ 25,830,840.05	\$ 27,138,343.94	\$ 27,250,545.94	\$ 28,171,581.00	\$ 46,118,649.00
Budgeted Operating Revenues	\$ 160,695,527	\$ 165,733,774	\$ 180,567,386	\$ 187,216,182	\$ 188,563,572.00

**Reserves Projection After ATM 2025**

<b><i>Reserves as of 6/30/2024</i></b>	<b><u>Amount</u></b>
<b><i>FY25 Budgeted Operating Revenue</i></b>	<b>\$ 188,563,572.00</b>
Free Cash certified	\$ 28,171,581
General Purpose Stabilization fund	3,753,091
<b><i>Reserves as of 6/30/2024</i></b>	<b><u>\$ 31,924,672</u></b>
<b><i>% of FY26 Revenue</i></b>	<b>16.93%</b>
 <b><i>Sources and (Uses) of Reserves in FY25</i></b>	
<b><i>Appropriations at STM 10/2024</i></b>	
Fire Dept. FSLA Settlement	(92,972)
Eminent Domain Taking - Weston Rd	(136,435)
DPW - Fuel Depot	(2,000,000)
 <b><i>Appropriations ATM 4/2025</i></b>	
Snow and Ice Supplemental	(700,000)
Health Insurance	(1,000,000)
Compensated Absence Supplemental	(110,000)
Parking Lot - Police Station (estimate)	(211,735)
Balance Operating	(2,246,401)
Fire Engine	(1,055,000)
Playgrounds	(2,000,000)
Schools A/C	(182,000)
Tennis/Pickleball Courts	(1,200,000)
Compensated Absence Fund Start	(500,000)
SPED Stabilization	(75,000)
IOD Stabilization Transfer	(26,013)
Baler Stabilization Transfer	(11,512)
Recreation 53D Dissolution Transfer	(400,000)
Estimated Turnback*	6,000,000
<b><i>Estimated Reserves as of 6/30/25</i></b>	<b><u>\$ 25,977,604</u></b>
 <b><i>FY26 Budgeted Operating Revenue</i></b>	 <b>\$ 196,099,030</b>
<b><i>% of FY26 Revenue</i></b>	<b>13.25%</b>

***\* Anticipated returns from encumbrances not spent, over performance of revenue projections, and operating budgets.***

## 7. Looking Ahead

The Board uses a range of assumptions to project potential sources and uses of funds in subsequent years and to consider whether the Town needs to plan for an override. Each year, the Board reevaluates assumptions for subsequent years based on local, state, and national economic trends. The budget assumptions established as part of recent financial planning for the subsequent years are as follows with FY 2027-2029 as current year projections:

<b><u>REVENUES</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>
<b>Levy Growth</b>			
Proposition 2 1/2	2.50%	2.50%	2.50%
New Growth	\$1.7M	\$1.7M	\$1.7M
<b>State Aid</b>	2%	2%	2%
<b>Local Revenue</b>	2%	2%	2%
<b>Free Cash</b>	2.2M	\$2.1M	\$2M
<b><u>EXPENSES</u></b>			
Town Operating	3.0%	3.0%	3.0%
School Operating	3.0%	3.0%	3.0%
Pension	Per Approved Funding Schedule		
Health Insurance	8%	8%	8%
OPEB	0%	0%	0%

Expenditure assumptions do not include changing priorities, new priorities, or initiatives identified in the Town's various strategic plans (see "Strategic Initiatives," under section 3, Key Budget Drivers). Furthermore, the assumption regarding the growth in School Department spending has the greatest impact due to the relative size of the School Department budget.

### Achieving a Balanced Budget

Based on the budget assumptions outlined in the table below, the current projected deficit for FY 2027 is approximately \$2.8 million with no modifications to the cash capital budget or application of additional Free Cash. The projections for FY 2028 and FY 2029 have deficits in the range of \$5.6 million to \$9.3 million.

	<b>FY25</b>	<b>FY26</b>	<b>\$</b>	<b>%</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Inc/(Dec)</u></b>	<b><u>Inc/(Dec)</u></b>	<b><u>Projection</u></b>	<b><u>Projection</u></b>	<b><u>Projection</u></b>
<b>Sources of Funds</b>							
Taxes	\$ 164,161,680	\$ 169,965,722	\$ 5,804,042	3.5%	\$ 175,914,865	\$ 182,012,737	\$ 188,263,055
State Aid	12,021,225	12,121,225	100,000	0.8%	12,242,437	12,364,862	12,488,510
Local Revenue	12,380,667	14,012,083	1,631,416	13.2%	14,272,325	14,537,771	14,808,527
Free Cash to balance	2,250,000	2,246,401	(3,599)	-0.2%	2,200,000	2,100,000	2,000,000
Other Free Cash items	11,479,510	7,471,260	(4,008,250)	n/a	-	-	-
Other Sources	3,070,013	2,983,546	(86,467)	-2.8%	1,928,919	1,932,498	1,936,148
CPA for North 40	550,644	550,244	(400)	-0.1%	549,444	553,244	549,394
Exclusions & Exemptions	16,072,615	15,143,422	(929,193)	-5.8%	13,585,947	13,172,478	12,609,750
<b>Total Sources</b>	<b>\$ 221,986,354</b>	<b>\$ 224,493,903</b>	<b>\$ 2,507,549</b>	<b>1.1%</b>	<b>\$ 220,693,937</b>	<b>\$ 226,673,589</b>	<b>\$ 232,655,383</b>
<b>Uses of Funds</b>							
School	\$ 91,081,978	\$ 94,035,026	\$ 2,953,048	3.2%	\$ 96,856,077	\$ 99,761,759	\$ 102,754,612
Other Town Departments	48,752,633	51,369,353	2,616,720	5.4%	52,910,434	54,497,747	56,132,679
Employee Benefits	35,938,580	38,979,042	3,040,462	8.5%	41,810,843	44,427,057	47,230,460
Cash Capital	7,759,465	8,150,857	391,392	5.0%	7,858,976	8,538,617	10,289,869
Debt (inside Levy)	4,965,457	3,568,406	(1,397,051)	-28.1%	5,800,000	7,100,000	8,100,000
Other Uses	16,864,982	12,697,553	(4,167,429)	-24.7%	4,108,553	4,180,309	4,253,469
Exclusions & Exemptions	16,623,259	15,693,666	(929,593)	-5.6%	14,135,391	13,725,722	13,159,144
<b>Total Uses</b>	<b>\$ 221,986,354</b>	<b>\$ 224,493,903</b>	<b>\$ 2,507,549</b>	<b>1.1%</b>	<b>\$ 223,480,273</b>	<b>\$ 232,231,211</b>	<b>\$ 241,920,232</b>
Surplus/(Deficit-Override)	\$ -	\$ -			\$ (2,786,336)	\$ (5,557,622)	\$ (9,264,849)

Strict adherence to the Capital Financing 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. Even with adherence to the Capital Finance Policy, projected deficits are significant and will require a difficult evaluation of level service operations to identify efficiencies and reductions.

*For informational purposes only*, a model has been created to show the impact on debt and deficits setting the Capital Spending Range at the low of 6.2% of budgeted recurring operating revenues, rather than the total amount of capital requested. The table below reflects expected cash capital requests in FY 2027 through FY 2029 plus the rising inside-the-levy debt payments of \$5.8 million in FY 2027; \$7.1 million in FY 2028; and \$8.1 million in FY 2029. To continue to maintain the lower limit of the Capital Spending Range of 6.2%, the cash capital component of future budgets must be reduced.

#### Impact on Deficit of Debt/Capital Policy

	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>
<b>Recurring Operating Revenue</b>	\$ 202,429,627	\$ 208,915,369	\$ 215,560,092
<b>Projected Deficit</b>	\$ (2,786,336)	\$ (5,557,622)	\$ (9,264,849)
<b>Debt/Capital (5 Year Plan)</b>	\$ 13,853,976	\$ 15,628,617	\$ 18,374,869
<b>Percent Requested</b>	6.84%	7.48%	8.52%
<b>If reduced to 6.2%</b>	\$ (1,303,339)	\$ (2,675,864)	\$ (5,010,143)
<b>Total Available at 6.2%</b>	\$ 12,550,637	\$ 12,952,753	\$ 13,364,726
<b>Inside the Levy Debt Payment</b>	\$ 5,800,000	\$ 7,100,000	\$ 8,100,000
<b>Cash Capital Available</b>	\$ 6,750,637	\$ 5,852,753	\$ 5,264,726
<b>Revised Deficit</b>	\$ (1,482,997)	\$ (2,881,758)	\$ (4,254,706)

The table above shows that with adherence to the Capital Financing Policy, the projected deficits would be reduced over the three-year period but still leave significant deficits to be addressed. Under this model,

debt service is largely determined from the Five-Year Capital Plan, and future cash capital allocations would need to be limited to the following:

- \$6,750,637 in FY 2027 (a decrease of \$1.3 million)
- \$5,852,753 in FY 2028 (a decrease of \$2.6 million)
- \$5,264,726 in FY 2029 (a decrease of \$5 million)

## **8. Debt and Future Funding Strategies**

### **Funding Challenges**

The Board is mindful of the significant tax impact of the debt exclusions approved by the voters for the two new elementary schools and is working to avoid increasing the tax burden on property owners. At the 2025 Annual Town Meeting, the Board is proposing to spend Free Cash on several large capital projects making use of ongoing interest earnings. Town Meeting will also consider proposed increases in tax relief for Veterans under adoption of the HERO Act under Articles 28 and 29, and a proposed increase in the Senior Tax Deferral income limits under Article 30.

Funding operating costs in the out years will be very challenging without either identifying new sources of revenue or identifying strategies to manage major cost drivers, including personnel costs and benefits. In FY 2025, the Board increased building permit fees and continues to evaluate health insurance cost management strategies. Without significant projected budget reductions, the Town faces the possibility of budget cuts or a Proposition 2 ½ override.

Funding capital costs in the out years will require both strategic management of reserves to enhance funding capacity within the levy, and careful planning of debt exclusions. Planned major capital projects include significant HVAC upgrades for the Main Library building and Sprague School, and significant roof replacements at the Middle School, Sprague School, and Bates School. It is possible that some of these planned projects will require a debt exclusion if they cannot all be financed within the levy. The Board will continue to evaluate the costs for the Morses Pond facilities with the completion of the proposed supplemental study and subsequent design and permitting. This project will likely also require a debt exclusion.

As outlined previously in this document, there are a number of other potential capital projects that are likely to require debt exclusions and may also result in significant increases in operating costs that may necessitate a Proposition 2½ override. These include air conditioning at Bates, Schofield, Fiske, and Middle Schools; renovation or reconstruction of the DPW Park and Highway Building (pending DPW Master Plan); new fire facilities (pending Fire Master Plan); and a new P.A.W.S. preschool.

With all union contracts scheduled to expire June 30, 2026, the Town will be bargaining with all unions for FY 2027 and beyond. Increases in employee salaries, compounded with anticipated rising health insurance costs, may require a future override. The Town may forestall an override by holding inside-the-levy and cash capital spending within the Capital Spending Range to the low end of the range at 6.2%, and by holding Town and School Department operating budgets to forecasted increases (or below) over the next three years. Health insurance estimates are projected at 8% year over year, which has a significant impact on the budgets. The Town will work to improve the out-year projections with the WSHG to decrease projected deficits.

With rising projected costs of many major capital projects, the Board will continue to evaluate capacity to fund these projects with inside-the-levy borrowing.

The Town continues to proactively manage its debt by containing costs on construction projects, and by applying savings to like projects to reduce future borrowing costs when funds are available.

## 9. Conclusion

Significant private construction projects have had a positive impact on new growth and permits, increasing revenues above the Proposition 2½ limit on the property tax levy. In FY 2024 and to date in FY 2025, the Town experienced tremendous growth in interest earnings and has seen continued growth in vehicle excise and local receipts.

The FY 2026 budget proposes the continued strategic use of reserves, bolstered by conservative assumptions, continued turnback, and interest earnings. Departmental turnback has been returning to more typical levels as positions are filled and the Town has focused on competitive employee compensation and retention. In past years, the excess turnback has been used to fund prioritized capital projects with Free Cash. This year, over-performance in local revenues has been the main driver in revenue growth and the Town is able to continue to fund a substantial number of capital projects with Free Cash.

Other significant capital projects have been funded with inside-the-levy funds and Community Preservation Committee funds. The Board and other Town departments have been applying more aggressively for federal and state grants and have successfully worked to maximize outside funding opportunities to fund projects, strategic plan initiatives, and emerging needs (such as Fire Department Radio Equipment, Warren HVAC, records digitization, and small business support).

Members of the Board would like to express our sincere appreciation to Executive Director Meghan Jop, Assistant Executive Director Corey Testa, and the finance department staff for their exemplary work on the FY 2026 budget and Town-Wide Financial Plan. The Board further thanks all Town boards, committees, and commissions and their respective staffs, and union representatives, for their continued commitment to working together. ***We are one Town, with one budget, shaped by many voices.***

We value the opportunity to collaborate, foster constructive dialogue, and continuously evaluate processes to enhance services, operations, and communications in the coming fiscal year and beyond. Preparing for Annual Town Meeting and this Town-Wide Financial Plan reinforces our shared commitment to strengthening the Town's high-quality services, infrastructure, financial stability, community well-being, and commercial vitality for the benefit of all.

Colette E. Aufranc, Chair  
Marjorie R. Freiman, Vice Chair  
Thomas H. Ulfelder, Secretary  
Elizabeth Sullivan Woods  
Kenneth C. Largess III  
Lise M. Olney (Former Member)

### Attachments:

[Exhibit I – FY 2026 Sources and Uses](#)  
[Exhibit B – FY 2026 Sources and Uses Detail](#)  
[Exhibit C – Five-Year Capital Plan](#)  
[Appendix A – Budget Submission Timeline](#)  
[Appendix B – Capital Financing Policy](#)  
[Appendix C – Financial Reserves Policy](#)  
[Appendix D – Individualized Departmental Guidelines](#)  
[Appendix E – Union Contract Settlements](#)



## TOWN OF WELLESLEY- SOURCES AND USES OF FUNDS

Exhibit I

	<b>FY2025 Tax Rate</b>	<b>FY2026 Request</b>	<b>% Change</b>
<b>*** SOURCES OF FUNDS ***</b>			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	164,161,680	169,965,722	3.54%
From the Commonwealth	12,021,225	12,121,225	0.83%
Local Revenue	12,380,667	14,012,083	13.18%
<b>Sub-Total (Tax &amp; Cur. Rev.)</b>	<b>188,563,572</b>	<b>196,099,030</b>	<b>4.00%</b>
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	16,072,615	15,143,422	-5.78%
Available Funds			
Water and Sewer	170,302	175,411	3.00%
Parking Meter Receipts	834,711	743,135	-10.97%
Appropriated/Reserved CPA Surcharge	2,065,000	2,065,000	0.00%
CPA Funds for North 40	550,644	550,244	-0.07%
Free Cash- balance budget	2,250,000	2,246,401	-0.16%
Free Cash- Other Items	11,479,510	7,471,260	100.00%
Unencumbered/Transfers from other funds	-	-	100.00%
<b>Sub-Total (Available Funds)</b>	<b>33,422,782</b>	<b>28,394,873</b>	<b>-15.04%</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>221,986,354</b>	<b>224,493,903</b>	<b>1.13%</b>
	<b>FY2025 Tax Rate</b>	<b>FY2026 Request</b>	<b>% Change</b>
<b>*** USE OF FUNDS ***</b>			
Personal Services (Non-School)	34,918,247	36,667,111	5.01%
Expenses (Non-School)	13,834,386	14,702,242	6.27%
Subtotal (Non-School)	48,752,633	51,369,353	5.37%
Personal Services (School)	79,768,690	81,889,427	2.66%
Expenses (School)	11,313,288	12,145,599	7.36%
Subtotal (School)	91,081,978	94,035,026	3.24%
<b>Sub-Total (Pers. Svcs.&amp; Exp)</b>	<b>139,834,611</b>	<b>145,404,379</b>	<b>3.98%</b>
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Special Items	7,759,465	8,150,857	5.04%
Debt Service	4,965,457	3,568,406	-28.14%
<b>Sub-Total (Within Levy Limits)</b>	<b>12,724,922</b>	<b>11,719,263</b>	<b>-7.90%</b>
Outside Levy Limits			
Debt Service	16,623,259	15,693,666	-5.59%
<b>SUB-TOTAL (CAPITAL &amp; DEBT)</b>	<b>29,348,181</b>	<b>27,412,929</b>	<b>-6.59%</b>
Employee Benefits:			
Health Insurance & other	23,699,476	26,568,580	12.11%
Pension Contribution	9,039,104	9,310,462	3.00%
OPEB Liability Fund	3,200,000	3,100,000	-3.13%
<b>Sub-Total (Shared Costs)</b>	<b>35,938,580</b>	<b>38,979,042</b>	<b>8.46%</b>
<b>SUB-TOTAL (OPERATIONS)</b>	<b>205,121,372</b>	<b>211,796,350</b>	<b>3.25%</b>
Special Items:			
Traffic & Parking Management	1,034,711	743,135	-28.18%
Appropriated/Reserved CPA Surcharge	2,065,000	2,065,000	0.00%
State & County Assessments	1,476,252	1,513,158	2.50%
Property Tax Abatements	902,481	905,000	0.28%
Free cash	11,386,538	7,471,260	100.00%
<b>Sub-Total (Special Items)</b>	<b>16,864,982</b>	<b>12,697,553</b>	<b>-24.71%</b>
<b>TOTAL USE OF FUNDS</b>	<b>221,986,354</b>	<b>224,493,903</b>	<b>1.13%</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>221,986,354</b>	<b>224,493,903</b>	<b>1.13%</b>
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>-</b>	

## TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

SOURCES OF FUNDS	FY25 SOURCES OF FUNDS	FY26 SOURCES OF FUNDS	CHANGE - FY25 to FY26	
			\$ Change	% Change
<b>Real Estate &amp; Personal Property Tax</b>				
Within the Levy Limit	164,161,680	169,965,722	5,804,042	3.54%
Outside the Levy Limit	16,072,615	15,143,422	(929,193)	-5.78%
<b>Subtotal - Real Estate &amp; Personal Property Tax</b>	<b>180,234,295</b>	<b>185,109,144</b>	<b>4,874,849</b>	<b>2.70%</b>
<b>From the Commonwealth</b>				
Chapter 70 Aid	10,372,584	10,472,584	100,000	0.96%
Lottery Aid	1,595,117	1,595,117	0	0.00%
Other Aid	53,524	53,524	0	0.00%
<b>Subtotal - From the Commonwealth</b>	<b>12,021,225</b>	<b>12,121,225</b>	<b>100,000</b>	<b>0.83%</b>
<b>Local Revenue</b>				
Motor Vehicle Excise	5,400,000	5,900,000	500,000	9.26%
Licenses and Permits	2,330,000	3,400,000	1,070,000	45.92%
Interest Earnings	975,000	925,000	(50,000)	-5.13%
RDF Revenue	725,000	750,000	25,000	3.45%
Fines & forfeits	300,000	320,000	20,000	6.67%
Meals/Hotel/Motel Tax	750,000	750,000	0	0.00%
Penalties and Interest on Taxes	250,000	250,000	0	0.00%
Rentals	180,000	185,000	5,000	2.78%
Pilot Payments	75,000	75,000	0	0.00%
MLP Payment In Lieu of Taxes	1,000,000	1,000,000	0	0.00%
MLP Indirect Costs	190,000	200,000	10,000	5.26%
Other Local Revenues	205,667	257,083	51,416	25.00%
<b>Subtotal - Local Revenue</b>	<b>12,380,667</b>	<b>14,012,083</b>	<b>1,631,416</b>	<b>13.18%</b>
<b>Other Sources</b>				
Water/Sewer Indirect costs	170,302	175,411	5,109	3.00%
Parking Meter Receipts	834,711	743,135	(91,576)	-10.97%
Free Cash to balance budget	2,250,000	2,246,401	(3,599)	-0.16%
Free Cash items	10,986,538	5,449,525	(5,537,013)	-50.39%
Free Cash Supplementals FY25	492,972	2,021,735	1,528,763	310.28%
Appropriated CPA Surcharge	2,065,000	2,065,000	-	0.00%
CPA Funds applied to North 40	550,644	550,244	(400)	-0.07%
Town Clerk reimbursed elections	0	0	0	0.00%
<b>Subtotal - Other Sources</b>	<b>17,350,167</b>	<b>13,251,451</b>	<b>-4,098,716</b>	<b>-23.62%</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>221,986,354</b>	<b>224,493,903</b>	<b>2,507,549</b>	<b>1.13%</b>

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Exhibit B

USES OF FUNDS	FY25 USE OF FUNDS (Tax Rate)			FY26 USE OF FUNDS (Request)			CHANGE - FY25 to FY26			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>GENERAL GOVERNMENT</b>										
<i>Select Board - Administration</i>										
Executive Director's Office	702,328	41,000	743,328	746,884	49,000	795,884	44,556	8,000	52,556	7.07%
Climate Action Committee	161,897	9,991	171,888	165,135	10,291	175,426	3,238	300	3,538	2.06%
Central Administrative Services	0	14,500	14,500	0	14,600	14,600	0	100	100	0.69%
Finance Department	538,107	12,200	550,307	564,616	14,100	578,716	26,509	1,900	28,409	5.16%
Information Technology	848,952	824,610	1,673,562	874,005	889,600	1,763,605	25,053	64,990	90,043	5.38%
Treasurer & Collector	391,350	133,100	524,450	441,690	140,700	582,390	50,340	7,600	57,940	11.05%
Town Report	0	2,250	2,250	0	2,250	2,250	0	0	0	0.00%
<i>Select Board - Human Services</i>										
Council on Aging	490,317	78,850	569,167	512,834	88,850	601,684	22,517	10,000	32,517	5.71%
West Suburban Veterans District	0	69,593	69,593	0	85,264	85,264	0	15,671	15,671	22.52%
Youth Commission	103,325	17,090	120,415	105,391	17,090	122,481	2,066	0	2,066	1.72%
<i>Select Board - Facilities</i>										
Facilities Management	5,565,270	4,264,443	9,829,713	5,730,680	4,477,682	10,208,362	165,410	213,239	378,649	3.85%
Land Use Departments relocation	0	133,500	133,500	0	128,500	128,500	0	(5,000)	(5,000)	-3.75%
<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	5,950	5,950	0	5,950	5,950	0	0	0	0.00%
Celebrations Committee	0	5,000	5,000	0	20,000	20,000	0	15,000	15,000	300.00%
Cultural Council	0	0	0	0	8,500	8,500	0	8,500	8,500	100.00%
Zoning Board of Appeals	88,606	9,190	97,796	89,947	9,430	99,377	1,341	240	1,581	1.62%
<i>Select Board - Shared Services</i>										
Law	0	480,000	480,000	0	480,000	480,000	0	0	0	0.00%
Audit Committee	0	62,250	62,250	0	63,000	63,000	0	750	750	1.20%
Risk Management	0	926,650	926,650	0	1,010,592	1,010,592	0	83,942	83,942	9.06%
Street Lighting	0	142,000	142,000	0	142,000	142,000	0	0	0	0.00%
Class and Comp Study	0	0	0	0	200,000	200,000	0	200,000	200,000	100.00%
<b>Subtotal - Select Board - General Government</b>	<b>8,890,152</b>	<b>7,239,417</b>	<b>16,129,569</b>	<b>9,231,182</b>	<b>7,864,649</b>	<b>17,095,831</b>	<b>341,030</b>	<b>625,232</b>	<b>966,262</b>	<b>5.99%</b>

Exhibit B

<u>USES OF FUNDS</u>	<u>FY25 USE OF FUNDS (Tax Rate)</u>			<u>FY26 USE OF FUNDS (Request)</u>			<u>CHANGE - FY25 to FY26</u>			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b><u>Other General Government</u></b>										
Town Clerk	403,062	99,325	502,387	376,850	101,290	478,140	(26,212)	1,965	(24,247)	-4.83%
Board of Assessors	331,621	125,900	457,521	341,155	129,800	470,955	9,534	3,900	13,434	2.94%
Planning Board	400,379	76,600	476,979	400,709	85,600	486,309	330	9,000	9,330	1.96%
Advisory Committee	17,594	14,640	32,234	24,500	15,070	39,570	6,906	430	7,336	22.76%
Reserve Fund	0	175,000	175,000	0	175,000	175,000	0	0	0	0.00%
Human Resources Board	485,141	41,400	526,541	499,190	43,460	542,650	14,049	2,060	16,109	3.06%
HR Salary adjustments	127,386	0	127,386	275,000	0	275,000	147,614	0	147,614	NA
<b>Subtotal - Other General Government</b>	<b>1,765,183</b>	<b>532,865</b>	<b>2,298,048</b>	<b>1,917,404</b>	<b>550,220</b>	<b>2,467,624</b>	<b>152,221</b>	<b>17,355</b>	<b>169,576</b>	<b>0</b>
<b>GENERAL GOVERNMENT TOTAL</b>	<b>10,655,335</b>	<b>7,772,282</b>	<b>18,427,617</b>	<b>11,148,586</b>	<b>8,414,869</b>	<b>19,563,455</b>	<b>493,251</b>	<b>642,587</b>	<b>1,135,838</b>	<b>6.16%</b>
<b><u>PUBLIC SAFETY - Select Board</u></b>										
Police Department	7,250,332	863,565	8,113,897	7,669,952	902,429	8,572,381	419,620	38,864	458,484	5.65%
Injured on Duty	see Risk Management Dept 945			see Risk Management Dept 945						
Special School Police	139,919	3,774	143,693	142,285	3,887	146,172	2,366	113	2,479	1.73%
Fire Department	7,132,726	498,220	7,630,946	7,577,391	513,180	8,090,571	444,665	14,960	459,625	6.02%
Building Department	649,613	39,100	688,713	673,671	39,100	712,771	24,058	0	24,058	3.49%
Sealer of Weights & Measures	16,051	2,600	18,651	16,451	2,600	19,051	400	0	400	2.14%
<b>PUBLIC SAFETY TOTAL - Select Board</b>	<b>15,188,641</b>	<b>1,407,259</b>	<b>16,595,900</b>	<b>16,079,750</b>	<b>1,461,196</b>	<b>17,540,946</b>	<b>891,109</b>	<b>53,937</b>	<b>945,046</b>	<b>5.69%</b>
<b><u>DEPARTMENT OF PUBLIC WORKS</u></b>										
Engineering	372,402	47,662	420,064	379,953	47,662	427,615	7,551	0	7,551	1.80%
Highway	948,989	389,380	1,338,369	1,009,369	379,580	1,388,949	60,380	(9,800)	50,580	3.78%
Fleet Maintenance	214,644	44,331	258,975	223,230	44,331	267,561	8,586	0	8,586	3.32%
Park	1,587,054	512,730	2,099,784	1,673,067	535,720	2,208,787	86,013	22,990	109,003	5.19%
Recycling & Disposal	1,335,666	1,786,992	3,122,658	1,377,351	1,868,361	3,245,712	41,685	81,369	123,054	3.94%
Management	419,634	22,865	442,499	430,526	22,865	453,391	10,892	0	10,892	2.46%
Winter Maintenance	0	379,177	379,177	0	390,000	390,000	0	10,823	10,823	2.85%
<b>PUBLIC WORKS TOTAL</b>	<b>4,878,389</b>	<b>3,183,137</b>	<b>8,061,526</b>	<b>5,093,496</b>	<b>3,288,519</b>	<b>8,382,015</b>	<b>215,107</b>	<b>105,382</b>	<b>320,489</b>	<b>3.98%</b>
<b><u>WELLESLEY FREE LIBRARY</u></b>										
Library Trustees	2,411,089	784,716	3,195,805	2,495,478	813,736	3,309,214	84,389	29,020	113,409	3.55%
<b>LIBRARY TOTAL</b>	<b>2,411,089</b>	<b>784,716</b>	<b>3,195,805</b>	<b>2,495,478</b>	<b>813,736</b>	<b>3,309,214</b>	<b>84,389</b>	<b>29,020</b>	<b>113,409</b>	<b>3.55%</b>
<b><u>RECREATION</u></b>										
Recreation Commission	428,454	33,237	461,691	450,490	25,000	475,490	22,036	(8,237)	13,799	2.99%
<b>RECREATION TOTAL</b>	<b>428,454</b>	<b>33,237</b>	<b>461,691</b>	<b>450,490</b>	<b>25,000</b>	<b>475,490</b>	<b>22,036</b>	<b>(8,237)</b>	<b>13,799</b>	<b>2.99%</b>

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Exhibit B

USES OF FUNDS	FY25 USE OF FUNDS (Tax Rate)			FY26 USE OF FUNDS (Request)			CHANGE - FY25 to FY26			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>HEALTH</b>										
Board of Health	1,035,060	173,055	1,208,115	1,071,045	185,000	1,256,045	35,985	11,945	47,930	3.97%
Mental Health Services	0	272,400	272,400	0	300,572	300,572	0	28,172	28,172	10.34%
<b>HEALTH TOTAL</b>	<b>1,035,060</b>	<b>445,455</b>	<b>1,480,515</b>	<b>1,071,045</b>	<b>485,572</b>	<b>1,556,617</b>	<b>35,985</b>	<b>40,117</b>	<b>76,102</b>	<b>5.14%</b>
<b>NATURAL RESOURCES</b>										
Natural Resources Commission	321,279	35,300	356,579	328,266	36,350	364,616	6,987	1,050	8,037	2.25%
Morses Pond Project - (NRC, DPW, Rec)	0	173,000	173,000	0	177,000	177,000	0	4,000	4,000	2.31%
<b>NATURAL RESOURCES TOTAL</b>	<b>321,279</b>	<b>208,300</b>	<b>529,579</b>	<b>328,266</b>	<b>213,350</b>	<b>541,616</b>	<b>6,987</b>	<b>5,050</b>	<b>12,037</b>	<b>2.27%</b>
<b>NON-SCHOOL TOTAL</b>	<b>34,918,247</b>	<b>13,834,386</b>	<b>48,752,633</b>	<b>36,667,111</b>	<b>14,702,242</b>	<b>51,369,353</b>	<b>1,748,864</b>	<b>867,856</b>	<b>2,616,720</b>	<b>5.37%</b>
<b>WELLESLEY PUBLIC SCHOOLS</b>										
Instruction	55,314,221	3,034,514	58,348,735	56,859,126	3,218,399	60,077,525	1,544,905	183,885	1,728,790	2.96%
Administration	1,441,194	129,875	1,571,069	1,456,475	154,875	1,611,350	15,281	25,000	40,281	2.56%
Operations	1,882,938	2,280,102	4,163,040	1,926,389	2,514,399	4,440,788	43,451	234,297	277,748	6.67%
Special Education	21,130,337	5,868,797	26,999,134	21,647,437	6,257,926	27,905,363	517,100	389,129	906,229	3.36%
<b>SCHOOL TOTAL</b>	<b>79,768,690</b>	<b>11,313,288</b>	<b>91,081,978</b>	<b>81,889,427</b>	<b>12,145,599</b>	<b>94,035,026</b>	<b>2,120,737</b>	<b>832,311</b>	<b>2,953,048</b>	<b>3.24%</b>
<b>EMPLOYEE BENEFITS</b>										
Group Insurance	0	22,739,128	22,739,128	0	25,598,232	25,598,232	0	2,859,104	2,859,104	12.57%
Workers Compensation	0	740,348	740,348	0	740,348	740,348	0	0	0	0.00%
OPEB Liability Fund	0	3,200,000	3,200,000	0	3,100,000	3,100,000	0	(100,000)	(100,000)	-3.13%
Retirement Contribution	0	9,039,104	9,039,104	0	9,310,462	9,310,462	0	271,358	271,358	3.00%
Unemployment Compensation	0	100,000	100,000	0	100,000	100,000	0	0	0	0.00%
Compensated Absences	0	120,000	120,000	0	130,000	130,000	0	10,000	10,000	8.33%
<b>EMPLOYEE BENEFITS TOTAL</b>	<b>0</b>	<b>35,938,580</b>	<b>35,938,580</b>	<b>0</b>	<b>38,979,042</b>	<b>38,979,042</b>	<b>0</b>	<b>3,040,462</b>	<b>3,040,462</b>	<b>8.46%</b>
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>	<b>114,686,937</b>	<b>61,086,254</b>	<b>175,773,191</b>	<b>118,556,538</b>	<b>65,826,883</b>	<b>184,383,421</b>	<b>3,869,601</b>	<b>4,740,629</b>	<b>8,610,230</b>	<b>4.90%</b>

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# Town of Wellesley

## Five Year Capital Budget Program FY2026-2030

### Summary Schedule

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2026-2030 Total
Cash Capital	7,759,465	8,150,857	8,053,976	8,528,617	10,274,869	7,891,529	42,899,848
Free Cash	4,635,100	6,237,000	500,000	-	-	-	6,737,000
CPC Funding	2,065,000	170,000	-	5,000,000	-	-	5,170,000
Gift/Fundraising/Other	1,745,000	660,000	-	-	-	-	660,000
Chapter 90	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
Debt Capital Inside Levy	5,700,000	9,000,000	9,250,000	6,500,000	2,300,000	22,812,000	49,862,000
Debt Capital Exclusion *	-	-	5,560,000	44,440,000	-	2,650,000	52,650,000
<b>Grand Total \$</b>	<b>22,694,565</b>	<b>\$ 25,007,857</b>	<b>\$ 24,153,976</b>	<b>\$ 65,258,617</b>	<b>\$ 13,364,869</b>	<b>\$ 34,143,529</b>	<b>\$ 161,928,848</b>

*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. Projects currently labelled "inside the levy" may in fact need to be financed with exempt debt.*



# Town of Wellesley

## Five Year Capital Detail Summary FY2026-2030

Department	FY25	FY26	FY27	FY28	FY29	FY30	FY26-FY30 Total
<b>Cash Capital</b>							
Select Board/Central Admin	16,204	-	-	-	-	-	-
Climate Action Committee	-	-	-	-	75,000	-	75,000
Financial Services	-	-	-	15,000	-	-	15,000
Information Technology	75,000	215,000	120,000	55,000	-	120,000	510,000
Police	44,417	211,376	39,138	56,097	192,105	-	498,716
Fire	490,000	-	280,000	325,000	700,000	75,000	1,380,000
Council on Aging	20,000	10,000	20,000	10,000	-	-	40,000
Youth Commission	-	-	-	350,000	-	-	350,000
Library	201,300	227,000	244,000	227,000	227,000	210,000	1,135,000
Natural Resources Commission	520,000	320,000	160,500	253,000	863,000	112,000	1,708,500
Morses Pond	100,000	35,000	220,000	45,000	60,000	70,000	430,000
Town Clerk	37,500	-	-	-	-	-	-
Human Resources	37,704	-	-	-	-	-	-
Planning Board	-	-	300,000	-	-	-	300,000
Department of Public Works	3,325,000	3,892,000	4,185,000	4,065,000	4,035,000	3,999,000	20,176,000
Schools	1,297,340	1,299,481	1,381,338	1,279,520	1,194,764	1,191,529	6,346,632
Facilities Management	1,595,000	1,941,000	1,104,000	1,848,000	2,928,000	2,114,000	9,935,000
<b>Total Cash Capital</b>	<b>7,759,465</b>	<b>8,150,857</b>	<b>8,053,976</b>	<b>8,528,617</b>	<b>10,274,869</b>	<b>7,891,529</b>	<b>42,899,848</b>
<b>Other Funding Sources</b>							
DPW Street Resurfacing (Ch 90)	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
MOPO Beachfront (CPC)	925,000	-	-	-	-	-	-
Historical Society History Center (CPC)	640,000	-	-	-	-	-	-
Hunnewell Track and Field Restrooms (CPC)	500,000	-	-	-	-	-	-
DPW- Fuel Depot (FC)	2,000,000	-	-	-	-	-	-
DPW - Playground Reconstruction (FC/Transfer)	2,000,000	-	-	-	-	-	-
DPW - Wellesley Square Reconstruction (FC)	600,000	-	-	-	-	-	-
FMD - RDF Admin Building (FC)	635,100	-	-	-	-	-	-
FMD - Fire Department Main Roof Replacement (FC)	750,000	-	-	-	-	-	-
Teamrooms Design (FC)	175,000	-	-	-	-	-	-
Fire Engine (FC)	-	1,055,000	-	-	-	-	1,055,000
Air-Condition Schools (FC)	-	182,000	-	-	-	-	182,000
Hunnewell Tennis Courts (FC)	-	1,200,000	-	-	-	-	1,200,000
Playground Reconstruction (FC)	-	2,000,000	500,000	-	-	-	2,500,000
SCH - Teamrooms Construction (FC - STM25)**	-	1,300,000	-	-	-	-	1,300,000
HS/Hunnewell Irrigation Improvements (FC - STM25)	-	500,000	-	-	-	-	500,000
Supplemental Morses Pond Study (CPC)	-	170,000	-	-	-	-	170,000
MOPO Renovation Project (CPC)	-	-	-	5,000,000	-	-	5,000,000
RDF Baler (Stabilization)	220,000	660,000	-	-	-	-	660,000
<b>Total Other Sources</b>	<b>9,235,100</b>	<b>7,857,000</b>	<b>1,290,000</b>	<b>5,790,000</b>	<b>790,000</b>	<b>790,000</b>	<b>16,517,000</b>
<b>Debt Capital Inside Levy*</b>							
FMD - Warren HVAC Upgrade	5,700,000	-	-	-	-	-	-
Sprague HVAC System Renovation	-	-	-	-	525,000	2,750,000	3,275,000
Main Library HVAC System Renovation	-	-	-	-	550,000	3,000,000	3,550,000
MS Roof Replacement	-	-	-	-	600,000	8,000,000	8,600,000
Bates School Projects	-	-	-	-	375,000	3,487,000	3,862,000
Sprague Projects	-	-	-	-	250,000	2,075,000	2,325,000
DPW - Street Rehabilitations	-	4,000,000	2,500,000	5,500,000	-	3,500,000	15,500,000
RDF Admin Building	-	5,000,000	-	-	-	-	5,000,000
Wellesley Square Reconstruction	-	-	6,000,000	-	-	-	6,000,000
Hunnewell Track and Field Turf Replacement	-	-	750,000	-	-	-	750,000
Storage Sheds	-	-	-	1,000,000	-	-	1,000,000
<b>Total Borrowed Inside Levy</b>	<b>5,700,000</b>	<b>9,000,000</b>	<b>9,250,000</b>	<b>6,500,000</b>	<b>2,300,000</b>	<b>22,812,000</b>	<b>49,862,000</b>
<b>Debt Capital Exclusion</b>							
Highway & Park Renovation (PBC)	-	-	1,560,000	11,440,000	-	-	13,000,000
Air Condition Schools	-	-	4,000,000	29,000,000	-	-	33,000,000
MOPO Renovation Project	-	-	-	4,000,000	-	-	4,000,000
New Preschool Building	-	-	-	-	-	2,650,000	2,650,000
<b>Total Capital Exclusion</b>	<b>-</b>	<b>-</b>	<b>5,560,000</b>	<b>44,440,000</b>	<b>-</b>	<b>2,650,000</b>	<b>52,650,000</b>
<b>Grand Total \$</b>	<b>22,694,565</b>	<b>\$ 25,007,857</b>	<b>\$ 24,153,976</b>	<b>\$ 65,258,617</b>	<b>\$ 13,364,869</b>	<b>\$ 34,143,529</b>	<b>\$ 161,928,848</b>

\* Projects may not be able to be financed 'inside the levy' depending upon the total amount of projects requested within any one year .

\*\*STM25 - Special Town Meeting 2025



# Town of Wellesley

## FY2026-2030 SB Capital Request

Capital Project	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY26-30 Total
<b>Information Technology</b>							
Fiber Optic Infrastructure	50,000	-	-	-	-	-	-
Telephone Upgrade (VoIP 2.0)	25,000	200,000	25,000	25,000	-	-	250,000
Replace Wi-Fi Equipment	-	15,000	20,000	-	-	-	35,000
Aerial Flyover & Orthophotography	-	-	25,000	30,000	-	-	55,000
Upgrade Office Software	-	-	50,000	-	-	-	50,000
Backup/Disaster Recovery System	-	-	-	-	-	120,000	120,000
	75,000	215,000	120,000	55,000	-	120,000	510,000
<b>Police</b>							
In-Car Video Replacement	24,060	18,045	18,045	18,045	-	-	54,135
Server Replacement	-	16,959	-	16,959	-	-	33,918
Electronic Control Devices	-	176,372	-	-	-	-	176,372
Radio Repeater Replacement	20,357	-	21,093	21,093	12,183	-	54,369
Records Management System	-	-	-	-	179,922	-	179,922
	44,417	211,376	39,138	56,097	192,105	-	498,716
<b>Fire</b>							
Station Intercom Replacement	60,000	-	-	-	-	-	-
Fire Hose Equipment	50,000	-	-	-	-	-	-
Security Camera Upgrade	60,000	-	-	-	-	-	-
Radio/Communication Infrastructure	150,000	-	-	-	-	-	-
Wireless Internet	30,000	-	-	-	-	-	-
Command Vehicle Hybrid	80,000	-	70,000	75,000	-	-	145,000
Portable Radios	-	-	150,000	-	-	-	150,000
Off Road EMS Vehicle	-	-	60,000	-	-	-	60,000
Turnout Gear	60,000	-	-	150,000	-	-	150,000
Pickup Truck	-	-	-	100,000	-	-	100,000
SCBA Air Pacs Upgrade	-	-	-	-	350,000	-	350,000
Air Compressor SCBA Fill Station	-	-	-	-	350,000	-	350,000
Firefighter Gear Lockers Sta 1 & 2	-	-	-	-	-	75,000	75,000
	490,000	-	280,000	325,000	700,000	75,000	1,380,000
<b>Select Board</b>							
Copier for Select Board and Finance Departments	16,204	-	-	-	-	-	-
	16,204	-	-	-	-	-	-
<b>Climate Action Committee</b>							
Climate Action Plan Update	-	-	-	-	75,000	-	75,000
	-	-	-	-	75,000	-	75,000
<b>Financial Services</b>							
Printers	-	-	-	15,000	-	-	15,000
	-	-	-	15,000	-	-	15,000
<b>Council on Aging</b>							
Winter Walkway Hazard Mitigation	10,000	-	-	-	-	-	-
IT Upgrades	10,000	-	-	-	-	-	-
Replacement of Tables and Chairs	-	10,000	-	-	-	-	10,000
Exercise Equipment	-	-	20,000	-	-	-	20,000
Furniture Upgrades	-	-	-	10,000	-	-	10,000
	20,000	10,000	20,000	10,000	-	-	40,000
<b>Youth Commission</b>							
Transportation Vehicle	-	-	-	350,000	-	-	350,000
	-	-	-	350,000	-	-	350,000
<b>SB Cash Capital Total</b>	645,621	436,376	459,138	796,097	967,105	195,000	2,868,716
<b>Other Funding Sources</b>							
Replace Fire Engine Vehicle(Free Cash)	-	1,055,000	-	-	-	-	1,055,000
<b>Total SB Other Sources</b>	-	1,055,000	-	-	-	-	1,055,000
<b>Grand Total Select Board</b>	<b>\$ 645,621</b>	<b>\$ 1,491,376</b>	<b>\$ 459,138</b>	<b>\$ 796,097</b>	<b>\$ 967,105</b>	<b>\$ 195,000</b>	<b>\$ 3,923,716</b>





# Town of Wellesley

## FY2026-2030 Facilities Capital Request

Building Description	FY25	FY26	FY27	FY28	FY29	FY30	FY26-30 Total
<b>Town Cash Capital</b>							
Townwide (Municipal)	95,000	115,000	15,000	15,000	95,000	18,000	258,000
Senior Center	60,000	560,000	-	-	80,000	-	640,000
Town Hall	-	-	-	-	-	75,000	75,000
Police	69,000	-	-	35,000	28,000	450,000	513,000
Fire Department Main (Headquarters)	-	-	30,000	60,000	345,000	75,000	510,000
Fire Department Central (Station 1)	-	-	-	125,000	150,000	-	275,000
Warren (Recreation and Health)	-	-	-	-	85,000	175,000	260,000
Main Library	330,000	25,000	425,000	130,000	500,000	400,000	1,480,000
Hills Library	-	-	-	90,000	-	20,000	110,000
Fells Library	-	-	-	12,000	-	-	12,000
DPW Operations	95,000	20,000	-	100,000	-	35,000	155,000
DPW Water & Sewer	50,000	60,000	-	50,000	160,000	-	270,000
DPW Highway & Park	-	70,000	-	190,000	-	-	260,000
Subtotal Cash Capital - Municipal	699,000	850,000	470,000	807,000	1,443,000	1,248,000	4,818,000
<b>School Cash Capital</b>							
Districtwide (Schools)	309,000	146,000	234,000	158,000	235,000	462,000	1,235,000
Preschool at Wellesley (PAWS)	-	-	-	-	20,000	-	20,000
Bates Elementary	170,000	163,000	-	346,000	875,000	-	1,384,000
Fiske Elementary	-	-	-	-	325,000	65,000	390,000
New Hardy Elementary	-	-	-	80,000	-	-	80,000
New Hunnewell Elementary	-	-	-	80,000	-	-	80,000
Sprague Elementary	200,000	170,000	-	355,000	-	250,000	775,000
Schofield Elementary	-	-	-	-	-	65,000	65,000
Upham Elementary	-	20,000	-	22,000	-	24,000	66,000
Middle School	157,000	580,000	200,000	-	16,000	-	796,000
High School	60,000	12,000	200,000	-	14,000	-	226,000
Subtotal Cash Capital - Districtwide	896,000	1,091,000	634,000	1,041,000	1,485,000	866,000	5,117,000
Other Unidentified Cash Capital	-	-	-	-	-	-	-
<b>Total Cash Capital Requests</b>	<b>1,595,000</b>	<b>1,941,000</b>	<b>1,104,000</b>	<b>1,848,000</b>	<b>2,928,000</b>	<b>2,114,000</b>	<b>9,935,000</b>
<b>Other Funding Sources</b>							
Warren HVAC Renovation (Free Cash)	-	-	-	-	-	-	-
Fire Dept. Main Roof Replacement (Free Cash)	750,000	-	-	-	-	-	-
DPW RDF Admin Building (Free Cash)	635,100	-	-	-	-	-	-
MOPO Renovation Project (CPC)	925,000	-	-	-	-	-	-
Air-Condition Schools (Free Cash)	-	182,000	-	-	-	-	182,000
<b>Total other funding sources</b>	<b>2,310,100</b>	<b>182,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,000</b>
<b>Borrowed Inside</b>							
Warren HVAC Renovation	5,700,000	-	-	-	-	-	-
DPW RDF Admin Building	-	5,000,000	-	-	-	-	5,000,000
Main Library HVAC System Renovation	-	-	-	-	550,000	3,000,000	3,550,000
Sprague HVAC System Renovation	-	-	-	-	525,000	2,750,000	3,275,000
MS Roof Replacement	-	-	-	-	600,000	8,000,000	8,600,000
Sprague Roof Replacement	-	-	-	-	250,000	2,075,000	2,325,000
Bates Roof Replacement	-	-	-	-	375,000	3,487,000	3,862,000
<b>Total Borrowed Inside</b>	<b>5,700,000</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>2,300,000</b>	<b>19,312,000</b>	<b>26,612,000</b>
<b>Debt Capital Exclusion</b>							
DPW Highway & Park Renovation	-	-	1,560,000	11,440,000	-	-	13,000,000
Air-Condition Schools: Bates/Scho/Fiske/MS	-	-	4,000,000	29,000,000	-	-	33,000,000
New Preschool Building	-	-	-	-	-	2,650,000	2,650,000
<b>Total Borrowed Outside</b>	<b>-</b>	<b>-</b>	<b>5,560,000</b>	<b>40,440,000</b>	<b>-</b>	<b>2,650,000</b>	<b>48,650,000</b>
<b>Total FMD Capital Requests</b>	<b>9,605,100</b>	<b>7,123,000</b>	<b>6,664,000</b>	<b>42,288,000</b>	<b>5,228,000</b>	<b>24,076,000</b>	<b>85,379,000</b>



# Town of Wellesley

## FY2026-2030 Non-SB Departments Capital Request

Capital Project	FY25	FY26	FY27	FY28	FY29	FY30	FY26-30 Total
<b>Natural Resources Commission</b>							
Comprehensive Pond Improvements	250,000	-	-	-	-	-	-
Land Preservation Plan	50,000	-	-	-	-	-	-
Squirrel Road Restoration	125,000	55,000	-	-	-	-	55,000
Tree Planting/Management Program	55,000	55,000	60,500	60,500	60,500	62,000	298,500
Park Sidewalk Paths/ Parking Lot Repairs	15,000	15,000	15,000	20,000	20,000	20,000	90,000
Natural Landscape Development	25,000	25,000	25,000	27,500	27,500	30,000	135,000
Improvements: Result of Active Field/Court Study	-	35,000	50,000	50,000	500,000	-	635,000
Fuller Brook Park Knotweed Removal	-	100,000	-	-	-	-	100,000
Town Forest Improvements	-	10,000	-	-	-	-	10,000
Hunnewell Track and Field Landscape	-	25,000	-	-	-	-	25,000
Micro Forest	-	-	10,000	-	-	-	10,000
Centennial Erosion Restoration	-	-	-	50,000	-	-	50,000
Water Fountains	-	-	-	30,000	-	-	30,000
Pump Track (Mt. Bike)	-	-	-	15,000	-	-	15,000
Conservation Land Purchases	-	-	-	-	200,000	-	200,000
Open Space and Recreation Plan	-	-	-	-	55,000	-	55,000
<b>Subtotal Cash Capital</b>	<b>520,000</b>	<b>320,000</b>	<b>160,500</b>	<b>253,000</b>	<b>863,000</b>	<b>112,000</b>	<b>1,708,500</b>
<b>Other Sources:</b>							
MOPO Renovation Project (CPC)	-	-	-	5,000,000	-	-	5,000,000
MOPO Renovation Project (Debt Exclusion)	-	-	-	4,000,000	-	-	4,000,000
Supplemental Morses Pond Study (CPC)	-	170,000	-	-	-	-	170,000
<b>Subtotal Other Sources</b>	<b>-</b>	<b>170,000</b>	<b>-</b>	<b>9,000,000</b>	<b>-</b>	<b>-</b>	<b>9,170,000</b>
<b>Total NRC Capital</b>	<b>520,000</b>	<b>490,000</b>	<b>160,500</b>	<b>5,253,000</b>	<b>863,000</b>	<b>112,000</b>	<b>10,878,500</b>
<b>Morses Pond</b>							
Phosphorous Inactivation Unit Replacement	100,000	-	-	-	-	-	-
Invasive Treatment	-	35,000	150,000	-	-	-	185,000
Bylaw/Regulatory Review/Development	-	-	25,000	-	-	-	25,000
Stormwater Construction/Demo Monitoring	-	-	10,000	-	-	-	10,000
Planting	-	-	35,000	35,000	-	-	70,000
Plant Monitoring	-	-	-	10,000	10,000	-	20,000
Morses Pond Beach Improvements	-	-	-	-	50,000	-	50,000
Kayaks	-	-	-	-	-	20,000	20,000
Morses Pond Dam Evaluation	-	-	-	-	-	50,000	50,000
<b>Subtotal Cash Capital</b>	<b>100,000</b>	<b>35,000</b>	<b>220,000</b>	<b>45,000</b>	<b>60,000</b>	<b>70,000</b>	<b>430,000</b>
<b>Library</b>							
IT Infrastructure Replacement	12,000	12,000	12,000	12,000	15,000	15,000	66,000
Computer/Peripheral Replacement	57,300	60,000	60,000	60,000	60,000	60,000	300,000
New Technology & Devices	30,000	40,000	40,000	40,000	40,000	40,000	200,000
Self Check System	30,000	30,000	35,000	35,000	35,000	35,000	170,000
Website Construction/Redesign	-	50,000	-	-	-	10,000	60,000
Sign Replacement	-	35,000	-	25,000	-	-	60,000
Security Cameras	12,000	-	12,000	-	12,000	-	24,000
Strategic Planning	-	-	60,000	-	-	-	60,000
Parking Lot Improvements	-	-	25,000	-	-	-	25,000
Automated Material Handler	-	-	-	45,000	-	-	45,000
Time Card system	10,000	-	-	10,000	-	-	10,000
Electric Van Replacement	-	-	-	-	65,000	-	65,000
Traffic Study	50,000	-	-	-	-	50,000	50,000
<b>Total Library Cash Capital</b>	<b>201,300</b>	<b>227,000</b>	<b>244,000</b>	<b>227,000</b>	<b>227,000</b>	<b>210,000</b>	<b>1,135,000</b>
<b>Town Clerk</b>							
New Voting Equipment	37,500	-	-	-	-	-	-
<b>Total Town Clerk Cash Capital</b>	<b>37,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Human Resources</b>							
Copier for Human Resources Department	16,204	-	-	-	-	-	-
Munis Applicant Tracking Software	21,500	-	-	-	-	-	-
<b>Human Resources Total</b>	<b>37,704</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Planning Board</b>							
Comprehensive Plan	-	-	300,000	-	-	-	300,000
<b>Planning Board Total</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
Capital Project	FY25	FY26	FY27	FY28	FY29	FY30	FY26-30 Total
<b>School Department (non-Facilities)</b>							
<b>Cash Capital:</b>							
Furniture/Furnishings/Equipment	-	-	133,025	127,500	33,000	33,000	326,525
Technology	1,297,340	1,299,481	1,248,313	1,152,020	1,161,764	1,158,529	6,020,107
<b>Subtotal Cash Capital</b>	<b>1,297,340</b>	<b>1,299,481</b>	<b>1,381,338</b>	<b>1,279,520</b>	<b>1,194,764</b>	<b>1,191,529</b>	<b>6,346,632</b>
<b>Other Sources:</b>							
Teamrooms (Free Cash)	175,000	1,300,000	-	-	-	-	1,300,000
<b>Subtotal Other Sources</b>	<b>175,000</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300,000</b>
<b>Grand Total School Department</b>	<b>1,472,340</b>	<b>1,299,481</b>	<b>1,381,338</b>	<b>1,279,520</b>	<b>1,194,764</b>	<b>1,191,529</b>	<b>6,346,632</b>
<b>Grand Total Non-Select Board</b>	<b>2,368,844</b>	<b>2,051,481</b>	<b>2,305,838</b>	<b>6,804,520</b>	<b>2,344,764</b>	<b>1,583,529</b>	<b>15,090,132</b>



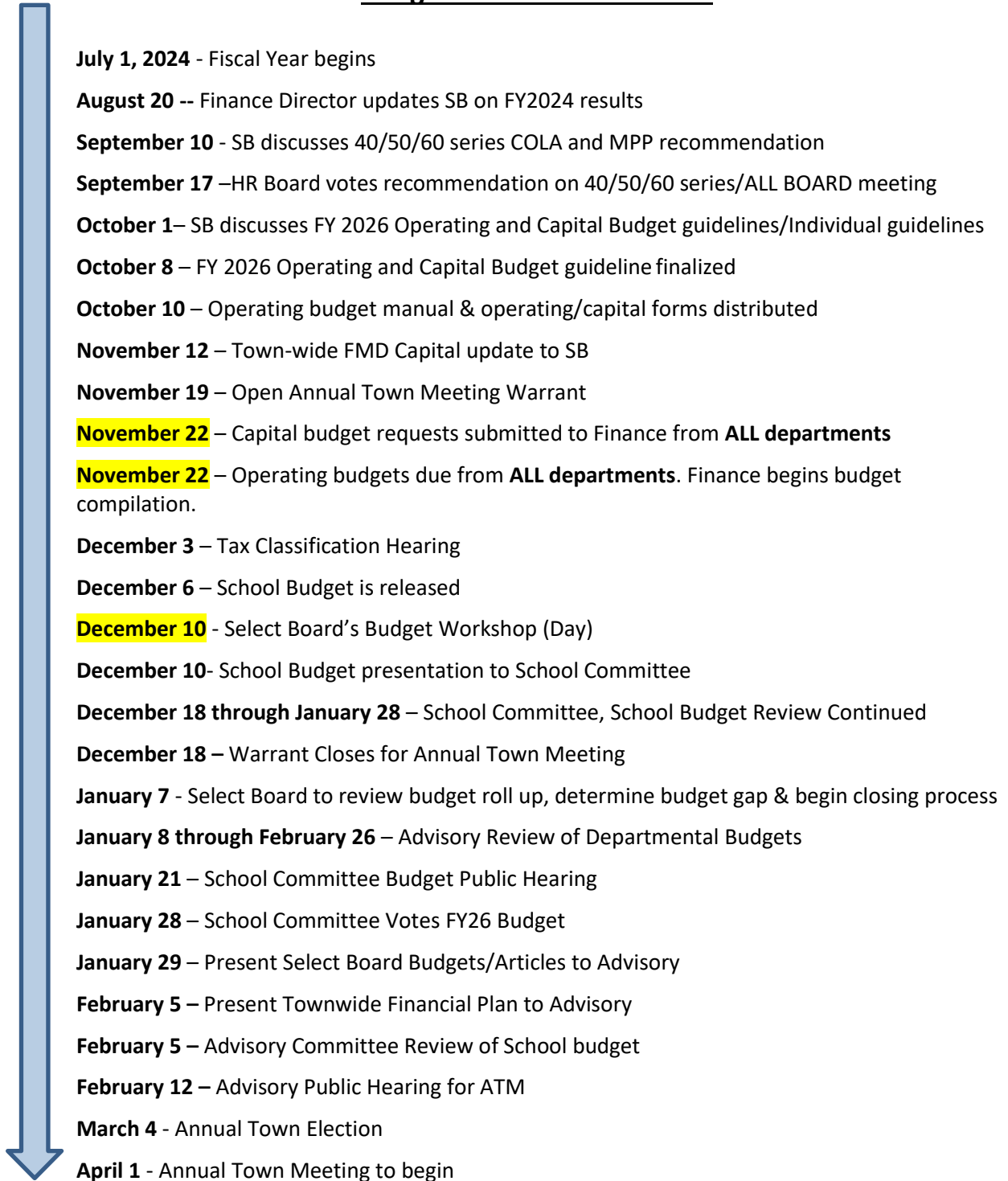
# Town of *Wellesley*

## FY2026-2030 Public Works Capital Request

Capital Project	FY25	FY26	FY27	FY28	FY29	FY30	FY26-30 Total
<b>Cash Capital</b>							
Street Improvement	810,000	820,000	820,000	820,000	865,000	865,000	4,190,000
Sidewalk Restoration	580,000	600,000	800,000	850,000	850,000	850,000	3,950,000
Private Ways	40,000	40,000	40,000	40,000	40,000	40,000	200,000
Clock Tower	-	-	100,000	-	-	-	100,000
Vehicle/Equipment Procurement	1,100,000	1,347,000	1,440,000	1,620,000	1,445,000	1,579,000	7,431,000
DPW Facilities	390,000	615,000	435,000	285,000	285,000	215,000	1,835,000
Street Rehabilitation- Design	-	-	100,000	-	100,000	-	200,000
Athletic/Playground Improvements	405,000	470,000	450,000	450,000	450,000	450,000	2,270,000
<b>Total Cash Capital:</b>	<b>3,325,000</b>	<b>3,892,000</b>	<b>4,185,000</b>	<b>4,065,000</b>	<b>4,035,000</b>	<b>3,999,000</b>	<b>20,176,000</b>
<b>Other Funding Sources:</b>							
DPW Street Resurfacing (Ch 90)	790,000	790,000	790,000	790,000	790,000	790,000	3,950,000
Hunnewell Track and Field Restrooms (CPC)	500,000	-	-	-	-	-	-
Playground Reconstruction (Free Cash/Transfer)	2,000,000	-	-	-	-	-	-
Wellesley Square Reconstruction (Free Cash)	600,000	-	-	-	-	-	-
Hunnewell Tennis Courts (Free Cash)	-	1,200,000	-	-	-	-	1,200,000
HS/Hunnewell Field/Irrigation (Free Cash - STM)	-	500,000	-	-	-	-	500,000
Playground Reconstruction (Free Cash Only)	-	2,000,000	500,000	-	-	-	2,500,000
RDF Baler Replacement (Stabilization)	220,000	660,000	-	-	-	-	660,000
<b>Total Other Funding Sources:</b>	<b>4,110,000</b>	<b>5,150,000</b>	<b>1,290,000</b>	<b>790,000</b>	<b>790,000</b>	<b>790,000</b>	<b>8,810,000</b>
<b>Borrowed Inside</b>							
DPW Fuel Depot Rehabilitation	2,000,000	-	-	-	-	-	-
Street Rehabilitation-Weston Road	-	4,000,000	-	-	-	-	4,000,000
Street Rehabilitation-Great Plain Avenue	-	-	2,500,000	-	-	-	2,500,000
Wellesley Square Reconstruction	-	-	6,000,000	-	-	-	6,000,000
High School Track & Field Turf Replacement	-	-	750,000	-	-	-	750,000
Street Rehabilitation-Wash.-West.	-	-	-	3,500,000	-	-	3,500,000
Storage Sheds	-	-	-	1,000,000	-	-	1,000,000
Weston @ Linden Intersection	-	-	-	2,000,000	-	-	2,000,000
Street Rehabilitation- Dover	-	-	-	-	-	3,500,000	3,500,000
<b>Total Borrowed</b>	<b>2,000,000</b>	<b>4,000,000</b>	<b>9,250,000</b>	<b>6,500,000</b>	<b>-</b>	<b>3,500,000</b>	<b>23,250,000</b>
<b>Grand Total DPW</b>	<b>9,435,000</b>	<b>13,042,000</b>	<b>14,725,000</b>	<b>11,355,000</b>	<b>4,825,000</b>	<b>8,289,000</b>	<b>52,236,000</b>

## APPENDIX A

### **Budget Submission Timeline**



### **BACKGROUND**

The Town has a history of long-range capital planning and establishes a Five-Year Capital Plan that is reviewed annually as part of the budget process. That Five-Year Capital Plan is reevaluated every year to consider proposed additions and timing changes as part of the budget process. All boards and departments are invited to submit capital requests, which are analyzed by the finance team. Submissions are evaluated in discussions with department heads and considered according to the hierarchy outlined in the Budget Preparation Manual (attached Appendix A). The finance team then provides a revised Five-Year Capital Plan for consideration by the Select Board. After Select Board deliberation, the finance team recommends a funding strategy for the Five-Year Capital Plan. The Five-Year Capital Plan is included as an appendix to the Town-Wide Financial Plan. The Select Board then votes on the funding strategy set out in the Town-Wide Financial Plan to bring to Town Meeting for approval. After Town Meeting approval is secured, a town-wide vote is required if excluded debt is a source of funding.

### **PURPOSE**

The purpose of the Capital Financing Policy is to manage the portion of the Town’s annual budget dedicated to capital expenditures, and to establish a predictable funding stream for capital expenditures without negatively impacting annual operating budgets. Managing these capital costs is imperative to ensure that the Town maintains its capital infrastructure while allowing sufficient funds for operations. Adhering to this policy allows the Town to maintain a Moody’s Aaa bond rating, which enables the Town to obtain the most favorable rates on borrowing. The policy includes guidance on capital financing within the levy limit (“inside the levy”) and through exempt debt issuance (“debt exclusion”).

### **APPLICABILITY**

This policy is applicable to all capital expenditures financed inside the levy and with exempt debt. This includes items financed with cash when possible, other sources that may be available (grants, gifts, or the Community Preservation Act surcharge, etc.), and projects that are financed through borrowing.

### **POLICY**

1. **Departmental Budget Submissions:** Each year, all departments shall submit their capital budget requests and five-year capital plans to the Finance Department. Departments shall engage in conversations with the finance team about capital priorities, considering the capital needs hierarchy and guidance in the Town’s budgeting manual. Departments shall work with the finance team to reduce or reprioritize capital budgets where necessary based on available funding and to meet the Capital Financing Policy or other town objectives.
2. **Five-Year Capital Plan:** The Town’s Five-Year Capital Plan will identify potential capital projects, initial estimated costs, and may indicate potential financing pathways. The capital



plan is *always* subject to review and revision. Financing strategies *will* be subject to change depending on the Town's available funding sources. Timing of projects is subject to change depending on the hierarchy of capital needs, the approval of Town Meeting and, when necessary, a Town-wide vote for exempt debt.

3. **Capital Financing Sources:** The Select Board has sole jurisdiction in deciding the means of funding. The Select Board will consider the finance team's guidance concerning the most fiscally prudent method of financing a project. Considerations will include (but are not limited to) interest rates, availability of reserves, pending capital projects, and the capacity of the community to bear the costs associated with any given project's funding strategy. The Town attempts to avoid issuing debt by financing capital needs with cash, or with other sources, including grants, gifts, and the Community Preservation Act surcharge.
4. **Capital Spending Range:** Capital Spending Range is defined as appropriations within the annual operating budget dedicated to capital expenditures funded with cash and inside-the-levy debt. This range does not include capital funded by other sources such as Free Cash, gifts, grants, Community Preservation Act, and exempt debt. In order to best manage resources inside the levy, the Capital Spending Range shall be 6.2% to 6.8% of budgeted recurring operating revenues. Exceeding the maximum percentage of 6.8% will negatively impact the funds available for departmental operating budgets.
5. **Debt Duration:** Massachusetts General Law (M.G.L.) governs the types of projects that may be financed through borrowing and limits the maximum duration of the amortization. The Town typically chooses an amortization period shorter than the maximum allowed under M.G.L. Debt may be issued for assets having a life longer than three to five years. Debt is used in part to smooth the financial impact of capital projects on the tax rate and to assign costs to the period that the asset is in service.
6. **Debt Exclusions:** Debt exclusions are utilized to temporarily add a direct funding source to the Tax Levy, thereby avoiding a negative impact upon the operating budget. As of June 30, 2023, 86% of the Town's outstanding general fund debt has been financed through debt exclusions, primarily to fund major school building projects. The Town may continue to find it necessary to finance large capital asset replacements and significant renovations to municipal buildings and assets through debt exclusions. It is the responsibility of the finance team to inform Town Meeting of the potential cost of a project, through modeling the potential tax impact to an average household. Ultimately, any debt exclusion must be approved by a town-wide vote. Consequently, taxpayer votes will determine the amount of exempt debt issued by the Town subject to M.G.L. limits.
7. **Debt Amortization:** It is the policy of the Select Board to continue to support the longstanding practice of amortizing debt on depreciable assets on a level principal, rather than level debt service basis. Level principal amortization is a conservative practice which allows rapid reduction of debt. The only level debt service issued is on non-depreciating assets such as land purchases.

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7. **Debt Amortization:** It is the policy of the Select Board to continue to support the longstanding practice of amortizing debt on depreciable assets on a level principal, rather than level debt service basis. Level principal amortization is a conservative practice which allows rapid reduction of debt. The only level debt service issued is on non-depreciating assets such as land purchases.

3. **Total debt:** Total debt is limited by M.G.L. to 5% of the Equalized Valuation (\$723.6 million as of 6/30/23). The Town's outstanding general fund debt is \$243.5 million, or about 33.65% of this limit as of 6/30/23. Equalized Valuation is an estimate of the full and fair cash value of all Town property.
4. **Budgeted recurring operating revenue:** Budgeted recurring operating revenue comprises taxes, state aid, and local receipts used for the operating budget. Traffic and parking receipts reserved for appropriation, Community Preservation Act funds, enterprise funds, and excluded items (exempt debt and funding exclusions, if any) are not included in the budgeted recurring operating revenue total.
5. **Level principal basis:** Level principal basis refers to an amortization schedule in which the principal payment remains constant while the interest portion is reduced over the term of the loan, resulting in a total payment that declines over time.
6. **Level debt service:** Level debt service refers to an amortization schedule in which the combined annual amount of principal and interest payments remains constant over the life of the debt.
7. **The finance team:** This team includes, but is not limited to, the Executive Director, the Chief Financial Officer and the Treasurer.
8. **Rescinded debt:** Debt that is authorized but is not issued may be rescinded by a vote of Town Meeting.

**REGULATORY / STATUTORYS REFERENCES:**

This policy is subject to the requirements set forth in M.G.L. c.44 § 1-20.

**APPROVED BY THE SELECT BOARD ON**

**Original date:** JANUARY 30, 2018

Ellen F. Gibbs, Jack Morgan, Marjorie R. Freiman, Thomas H. Ulfelder, Elizabeth Sullivan Woods

**Revised date:** FEBRUARY 27, 2024

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



## **I. BACKGROUND**

The Government Financial Officers Association of the United States of America and Canada (GFOA) recommends governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for budgetary purposes. It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

In 2012, the Select Board (Board) set out a policy for determining the appropriate level and use of Financial Reserves (Reserves) as part of its annual financial planning process. Reserves have been used over the years to accomplish several objectives, including to prepare for and resolve emergencies; to fund one-time, non-recurring expenses; to establish special purpose reserves; and to provide long-term funding for purposes such as capital expenditures. At times, Reserves have also been used to balance the operating budget.

The GFOA recommends maintaining the balances of Reserves in the amount of 5 to 15% of Budgeted Operating Revenues.

To determine the appropriate level of Reserves, the Board must evaluate the Town's overall financial picture, including an assessment of volatility in income streams, vulnerability to natural disasters, and the Town's ongoing plan for meeting current obligations such as other post employment benefits (OPEB) and pension funding. Maintenance of the proper level of Reserves will be part of the annual budget process and will be included in the Town-Wide Financial Plan.

Good financial policy articulates and continues to reevaluate the appropriate levels and uses of Reserves to achieve the Town's long-range goals.

## **II. POLICY**

The Town of Wellesley hereby adopts a policy on Reserves as follows:

- 1. Composition of Reserves:** For the purposes of this policy, Reserves comprise Free Cash and the General Purpose Stabilization Fund only.
- 2. Reserves goals:** Reserves shall be maintained at a sufficient level to provide the required financial resources for the following purposes:
  - a. Maintaining top tier Moody's (Aaa) bond rating,
  - b. Ensuring short-term cash availability when revenue is unavailable, or when there are unanticipated expenditures or emergency cash needs,
  - c. Providing for stable tax rates, and

- d. Enhancing contingencies and long-term planning.
- 3. **Reserve levels:** Reserves as measured at the close of the prior fiscal year shall be maintained in a range of 8 to 12% of the current period's Budgeted Operating Revenue.
  - a. Reserves in excess of 8% and less than 12% may be utilized for the following purposes:
    - i. Stabilizing tax rates or fluctuations in cash flow requirements,
    - ii. Meeting anticipated capital needs, and
    - iii. Avoiding or deferring an override or debt exclusion.
  - b. Reserves in excess of 12% may be used in accordance with the Town-Wide Financial Plan and can be proposed for appropriation at Town Meeting.
- 4. **Emergency reserve drawdown:** Reserves may be drawn below 8% for one or more extraordinary or unforeseen expenditures which are one-time and non-recurring.
- 5. **Reserve recovery practice:** In any year in which the Town's Reserves as of June 30<sup>th</sup> fall below the 8% threshold, the Executive Director and the Chief Financial Officer shall develop a plan to bring Reserves back to 8%, submit the plan to the Select Board for approval, and communicate any approved plan in the Town-Wide Financial Plan.
- 6. **Emergency reserve buildup:** During periods of global, national, or local crisis (including but not limited to pandemics, natural disasters, financial shocks, war, or cyber-attacks), the Board may determine a short-term policy to build up reserves in excess of the 8 to 12% Reserves range as part of a strategic response. For example, the Board took such action during 2020-2023 in response to the COVID-19 pandemic. In such cases, the Board will set out the rationale for any such measures, and a plan for when reserves will return to normalized policy levels. Discussion of the Reserves and the Board's reserve policy will be included in the Town-Wide Financial Plan.
- 7. **Use of Free Cash:**
  - a. **Operating budgets** – Free Cash is generated from surplus revenues and from spending less than originally budgeted. Free Cash is considered a one-time source that may vary from year to year. One-time sources of funds should be applied to one-time uses rather than applied to continuing operating expenses. Free Cash may be applied to the operating budget, if needed, by a vote of the Select Board. As the Town approaches full funding of long-term obligations such as OPEB, excess capacity in operating budgets should be used to diminish or eliminate use of Free Cash to balance the annual operating budget.
  - b. **Non-recurring expenses** – Free Cash may be utilized for one-off or non-recurring expenses, including but not limited to the following:
    - i. Funding requests driven by unforeseen disasters or emergencies,
    - ii. Supplemental departmental requests,
    - iii. Establishing or bolstering special reserve funds,

- iv. Selected smoothing of cash capital needs (including avoiding borrowing),
- v. Project study or associated costs,
- vi. Land takings and associated costs,
- vii. Capital construction and related costs,
- viii. Contract settlements in excess of the budgeted provision, and
- ix. Subsidizing funds that are intended to be self-supporting.

### **III. REFERENCE**

**Free Cash:** As defined by Department of Revenue Division of Local Services, Free Cash is a revenue source that results from the calculation, as of July 1, of a community's remaining unrestricted funds from its operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line items for the year just ending, plus unexpended Free Cash from the previous year.

**General Purpose Stabilization Fund:** This reserve fund is created to provide for any lawful purpose pursuant to M.G.L c.40, section 5B. 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. Creation of, and appropriation to and from, the General Purpose Stabilization Fund requires a two-thirds vote by Town Meeting.

**Budgeted Operating Revenue:** For purposes of this policy, Budgeted Operating Revenue comprise taxes and state and local receipts used for the operating budget. Self-supporting items such as the traffic and parking receipts reserved for appropriation, Community Preservation Act funds, enterprise funds, and excluded items (exempt debt and funding exclusions, if any) are not included in the Budgeted Operating Revenue total.

**Reserves:** Free Cash and the General Purpose Stabilization Fund compose the Reserves.

#### **APPROVED BY THE SELECT BOARD ON:**

**Original date:** DECEMBER 10, 2012

Terri Tsagaris (Chair), Ellen F. Gibbs (Vice Chair), Barbara D. Searle (Secretary), Katherine L. Babson Jr. Donald S. McCauley

**Revised dates:** December 19, 2023

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

APPENDIX D

**Town Departments-Guideline Table (provides for existing positions only)**

<b>Department</b>	<b>Personal Services</b>	<b>Expenses</b>
Executive Director's Office	3.75%	3.00%
Climate Action Committee	2.00%	3.00%
Central Administrative Services		3.00%
Finance Department	5.00%	\$2,000
Information Technology	3.00%	8.00%
Treasurer & Collector	3.00%	3.00%
Town Report		
Council on Aging	3.00%	\$10,000
West Suburban Veterans District	3.00%	3.00%
Youth Commission	2.00%	3.00%
Facilities Management	3.00%	5.00%
Housing Development Corporation		
Historical Commission		
Memorial Day		2.00%
Celebrations Committee		\$5,000
Zoning Board of Appeals	2.00%	3.00%
Town Clerk	3.00%	3.00%
Board of Assessors	3.00%	3.00%
Planning Board	3.00%	3.00%
Advisory Committee	\$7,000	3.00%
Human Resources Board	3.00%	3.00%
Police	4.00%	4.50%
Fire	4.00%	3.00%
Building	4.00%	3.00%
Sealer of Weights & Measures	3.00%	3.00%
DPW	3.00%	3.00%
Library	3.50%	3.00%
Recreation	3.00%	3.00%
Board of Health	3.00%	3.00%
Mental Health Services		3.00%
Natural Resources Commission	3.00%	3.00%
Morses Pond Project - (NRC, DPW, Rec)		3.00%
Cultural Council		\$2,000
School	3.25%	3.25%

## APPENDIX E

### Union Contract Settlements

#### ***School Contract Settlements***

The School Committee and the five educational unions reached a contract settlement in May 2023 totaling \$11.57 million over four years (FY 2023 – FY 2026). The settlement includes the following:

#### Cost of Living Adjustments (COLA)

<b>Union</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>Total</b>
Unit A (Teachers/Nurses)	2.75%	2.5%	2.75%	3%	11%
Unit B (Administrators)	2.75%	2.5%	2.75%	3%	11%
Unit C (Instructional Support Professionals)	5.25%	4%	2.75%	3%	15%
Unit D/E (Administrative Professionals)	4%	4%	2.75%	3%	13.75%

#### Longevity Increases

<b>Union</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>Total</b>
Unit A	5%	5%	5%	2%	17%
Unit B	5%	5%	5%	2%	17%
Unit C	5.25%	4%	2.75%	3%	15%
Unit D/E	4%	4%	2.75%	3%	13.75%

#### Retention Payments

<b>Union</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>Total</b>
Unit C	\$4K/3K	\$3K/2K	\$2K/1K	\$1K/\$0	\$1.59M
Unit D/E	\$4K/3K	\$3K/2K	\$2K/1K	\$1K/\$0	\$170K

#### Longevity payment for FY 2023 (following which, payment increased by the table above)

- Unit A – Adjustments based on 20 years of service equal \$3,284 or 3% of Base Pay (increased based on table above)
- Unit B – Adjustments based on 13 years of service receive \$1,639 or 1% of Base Pay, 20 years of service same as Unit A (increased based on table above)
- Unit C – 7 Years - \$750; 10 Years - \$1,000; 20 Years - \$2,000; 30 Years - \$3,000
- Unit D (1,820 hours) – 15-19 Years - \$1,580; 20-24 Years - \$1,710; 25+ Years - \$1,840
- Unit D (1,695 hours) – 15-19 Years - \$1,461; 20-24 Years - \$1,584; 25+ Years - \$1,698

Retention Payments (following payments are decreased over the duration of the contract) are payments to individuals who work through the end of the school year (% paid is based on total hours worked). Employees must work through the last day of the school year to be eligible for a retention payment.

#### ***Town Union Settlements***

The nine Town union contracts expired on June 30, 2026. Based on Town Bylaws, pay schedules for Town staff must be approved by Town Meeting to adjust personal service appropriations. (School Department union contracts do not require Town Meeting action due to the School Committee's ability to transfer funds between personal services and expenses.) The table below

provides a summary of approved COLA adjustments in settled union contracts approved by Town Meeting.

During the last round of collective bargaining, compensation of the Town's union personnel was found to be considerably below the median. The resulting negotiated settlements all reflect an effort to bring the unions to the median (or closer to median) of appropriate comparable communities over the three-year contract duration. With the union contracts expiring at the end of FY 2026, all Town unions will commence bargaining in the fall of 2025.

**Cost of Living Adjustments (COLA)**

<b>Union</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>Total</b>
Superior Officers (Police)	6%	3%	3%	12%
Patrol Officers	6%	3%+1% EMT	3%	13%
Dispatch	4%+ 1% EMD	3%+ 1% EMD	2%	11%
Firefighters	4% +1% EMT	3%+1% EMT	3%+1% EMT	13%
DPW Supervisors	5%	3%	1% + New Step (4%) for 10 Years	13%
DPW Production	5%	2%	2%+ New Step (4%) for 10 Years	13%
Library (Supervisor and Staff)	4%	3%	3%	10%
FMD Custodians	4%	3%	2%	9%

\*Emergency Medical Technician (EMT) and Emergency Medical Dispatch (EMD) are stipends

## **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)**

### **Overview**

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 a part of the TWFP. The TWFP begins on page 6 of this *Advisory Report*. The purpose of the TWFP is to anticipate and prepare for emerging issues, to protect the Town from risk and to plan for the long term. The Five-Year Capital Budget Program has as its primary goals the preservation and enhancement of the Town's physical assets and infrastructure and the ability to anticipate the financial impacts of major projects 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 FY26, but not specifically to approve them.

### **Advisory Considerations**

Advisory expressed appreciation and support for the enormous efforts of the SB, Executive Director and the Finance Department in the creation of the TWFP and the Five-Year Capital Budget Program. These documents reflect many hours of hard work and diligence to provide this detailed report about the Town's financial status in a well-organized and comprehensive manner. Advisory encourages all Town Meeting Members to read this important document on page 6. The Advisory Chair's letter, on page 1, and Advisory's "Considerations and Recommendations" on Article 8, Motion 2, on page 120, contain some of Advisory's deliberations on the Town's budget and planning process together.

**Advisory recommends favorable action, 11 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)**

### **Overview**

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. The articles proposed for inclusion on the consent agenda at this 2025 Annual Town Meeting (ATM) with their respective proponents are:

- Article 9, Motion 2 - Set Revolving Funds for existing funds, Select Board
- Article 10 - Stabilization Funds, Select Board
- Article 12 - Water Program, Board of Public Works
- Article 13 - Sewer Program, Board of Public Works
- Article 43 - Rescind or transfer debt, Select Board
- Article 46 - Appoint Fire Engineers, Select Board

Motions under articles included on the consent agenda go through the entire Advisory Committee vetting process and are fully described in the Reports to Annual Town Meeting.

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 SB and Town Counsel to establish the following criteria for including articles on the consent agenda:

1. The proponent, the Moderator, and the Select Board 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 Town Meeting. 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 Town Meeting, 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 at various Town Meetings since 2014 and has been deemed successful by the Moderator and by Town Meeting Members. Advisory continues to believe a consent agenda is both expedient and productive and the articles proposed for inclusion on the consent agenda for this year's Town Meeting meet the Moderator's criteria.

**Advisory recommends favorable action, 11 to 0.**



## **Introduction to the Human Resources Board's Recommendations for FY26: a New Compensation and Classification System for Town, Compensation Recommendations for FY26 and Summary for Article 4 (Job Classifications), 5 (Pay Schedules) and 8 (Omnibus budget, compensation items)**

The Town was awarded a \$50,000 Community Compact Grant to perform a comprehensive study (Study) of the Town's job classification and compensation system (C&C) for the pool of non-union permanent Town employees described below (Impacted Employees). The Town wanted to improve recruiting and retention of high performers, consistent with its goal of being an "employer of choice". The Human Resources Board (HRB) also wanted a fresh look at the existing Hay Classification System (Hay System) as it has been used by the Town at least since the 1970s.

Given the proposed changes, the Advisory Committee thought it would be helpful to the Town Meeting to provide a classification and compensation summary that includes

- A description of the existing Hay Classification System and Compensation Practices.
- A summary of Town employees covered by and excluded from the C&C system.
- The goals for a new C&C system.
- The consultant selected, their Study process, findings and recommendations.
- The proposed C&C System.
- Implementation costs for the proposed C&C System.
- The HRB's FY26 compensation recommendations for the Impacted Employees.

### **The Current C&C System – The Hay Job Classification System and the Town Compensation Policies**

**Classification.** The Hay System was designed to provide assurance that jobs requiring similar skills and involving similar degrees of challenge and responsibility are classified and paid equally. Defined aspects of each job were assigned a numerical value based upon the degree of difficulty or responsibility. The sum of the numerical values determined the job's classification.

**The 40 Series Under Hay.** Jobs ranked 40 to 49 (40 Series) are non-managerial, non-union positions eligible for overtime pay and an annual cost-of-living adjustment (COLA) recommended by the HRB. Each job grade has six "steps" relating to job experience. Town Meeting is asked annually to approve a corresponding adjustment to the Series 40 pay scale (historically, Article 5, Motion 1).

**The 50/60 Series Under Hay.** Jobs ranked 50 to 69 (50/60 Series) are managerial positions that are not eligible for overtime and do not have "steps". Each job grade has a minimum, midpoint and a maximum salary range, with an annual market adjustment to the range recommended by the HRB (historically, Article 5, Motion 2). This annual adjustment does not automatically result in salary increases, unless an employee is below the new minimum salary. HRB sets the midpoint to represent a fair salary for an experienced employee who meets the requirements of the job. In FY23, given high inflation, the HRB began recommending the 50/60 Series receive a COLA. Series 50/60 employees also receive merit pay increases based on performance (historically Article 5, Motion 3 and this year in Article 8, Motion 2) to reward them and maintain competitive salaries. The HRB and SB note that Merit Pay increases were not automatic for employees and varied, which could result in pay erosion if below the rise in the cost of living.

## Summary – Town Employees and C&C Coverage

Employee Group	# EEs as of 2/28/25	Art. 4 Job Class.	Art. 5 – Pay Scheds.*	Steps (S) or Merit Pay MP)	Comment
Contract	28	N/A	N/A	N/A	Individual contracts
Union	1,215	Partial, see Motion, Part III	No	Steps	14 Union contracts
Non-Union 40 Series	FT -35 PT - 24	Yes	Yes, Motion 1	Steps	HRB rec. 3% COLA
Managerial, IT (50/60 Series)	96	Yes	Motion 2 -HRB rec. Salary Range Increases: Jobs 6-15 -2% IT Jobs 51-61 – 2.5%	Merit Pay	HRB rec. 2% COLA Art. 8, Motion 2; Merit Pay Plan in Art. 8, Motion 2 (prior years Art. 5, Motion 3)
Total Employees impacted by C&C	155				

\*Note that there are both exempt and non-exempt employees in the 50/60 series. As a result, Job Groups 7-8 appear in both Motion 1 and Motion 2.

## The 2024-2025 Classification and Compensation Study

### Goals for the C&C Study

The Town established goals for the Study to:

- Determine appropriate job classifications
- Ensure compensation is externally competitive and internally equitable
- Attract high quality candidates
- Retain high performers

### Consultant Selection Process

The Town, utilizing the Community Compact Grant, selected MGT to conduct the Study and Katy Yee to serve as the Project Manager. She has over 25 years of experience in the public sector, focusing on human resources and administrative management and has extensive experience with the Hay System.

### The Study and Key Findings

**Classification.** The Consultant worked with the HR and Town departments and Impacted Employees to evaluate and rank the positions. Each job was comprehensively reviewed through a focus on nine key factors: Education, Work Experience, Decision Making and Independent Judgment, Responsibility for Policy Development, Planning of Work, Contact with Others, Supervision Exercised, Working Conditions, and Use of Technology/Specialized Equipment. The Study found that the Town has many more pay grades than comparable towns except Brookline (which the HRB understands is currently conducting a Classification study).

**Compensation.** The Consultant identified 22 comparable communities and 18 responded. Over 40 benchmark positions were used for comparison. Key compensation findings include:

- Current salary ranges have fallen behind the market
- The Town's midpoint has become equal to the hiring range for new employees.

- The lower end of the range has become \$6,000 to \$10,000 too low to hire.
- Data collected on IT positions was insufficient. The HR Director continues that process. In the interim, IT will remain on Hay System numbering (Art. 4, Motion 1, Part II) and it is expected these positions will be evaluated in FY26.

### **Recommended Actions**

**Classification.** The Consultant recommended reducing the number of pay grades to 15 and then classifying the existing positions into the 15 pay grades.

**Compensation.** The Consultant made several recommendations to improve recruitment and retention and assure equitable pay. New compensation ranges were proposed and are higher than the current ranges. Under this system, the **bottom third of the range** would be “market pay”, replacing the “midpoint” in the Hay System. The bottom third would also become the new hiring range for an employee with limited experience, who will be learning on the job, and requires supervision. The **middle of range** is for employees who are experienced in field, familiar with municipal processes, work independently, and are fine tuning their skills. The **maximum of the range** is for experts in their field who are recognized by peers in other towns, are mentors for others in their field and in Town, and who demonstrate knowledge. The top of the range is the maximum pay to avoid paying over market. The target salary under the new C&C would be the 75<sup>th</sup> percentile in the range, replacing the 50<sup>th</sup> percentile (as described above) under the Hay System. This change is to reflect the market, evidenced by recent recruiting activity.

**Non-Exempt 40 Series.** The “steps” for 40 Series employees would increase from 6 to 12. Compensation increases between steps would be 2.75% versus approximately 4.5% under Hay. The rationale is that the new steps would not materially increase cost and will increase retention and better reflect typical budget guidelines.

**Exempt 50/60 Series.** The compensation structure for the 50/60 Series will remain the same with a combination of COLAs, merit pay, and annual market increases to the salary ranges.

### **Costs to Implement the New System**

As presented in the Budget Update and Town Wide Financial Plan dated March 11, 2025, included in these Reports, the HR Department estimates it will cost \$80,000 to bring 13 employees up to the new minimum salary ranges. That will be addressed in FY25 with the HRB approving “standing in range adjustments”, to be funded by its FY25 budget for salary adjustments, pending Town Meeting approval of C&C.

The FY26 Town Budget (see the write-up for Article 8, Motion 2 in these Reports) estimates it will cost \$200,000 to apply a one-time service adjustment, added to base pay, to non-school, non-union staff to acknowledge their service to the Town.

### **HRB FY26 Compensation Recommendations**

The HRB approved the new system for FY26 by a 4-0 vote on March 10, 2025, and the Select Board, given the impact of the compensation changes on the Town budget, also evaluated the proposal and voted in favor 5 to 0 on March 11, 2025. The proposed C&C System depicting the Current and Proposed pay grades and compensation ranges, as well as the Compensation Survey Results is presented below.

- **40 Series** – 3% COLA (Article 5, Motion 1)
- **50/60 Series**
  - 2.5% increase to the salary ranges (Article 5, Motion 2)
  - 2% COLA (included in departmental budgets discussed in Article 8, Motion 2 of these Reports)
  - \$275,000 for Merit Pay (see Article 8, Motion 2 of these Reports).

## C&C Data Table – Proposed and Former Classification and Compensation Data and Salary Survey Data

Position:	Current Grade	Proposed Grade	Salary Survey Data FY 25		Current Salary Range FY 25		Proposed Salary Range FY 25	
		<b>15</b>						
Facilities Director	M66	<b>15</b>			123,951	191,847	142,830	192,821
DPW Director	M66	<b>15</b>	142,351	180,614	123,951	191,847		
Chief Financial Officer	M66	<b>15</b>			123,951	191,847		
IT Director	M61	<b>15</b>	123,913	173,370	99,613	154,179		
Human Resources Director	M63	<b>15</b>	122,682	167,223	100,098	154,930		
Library Director	M63	<b>15</b>	118,017	159,599	100,098	154,930		
		<b>14</b>						
Town Engineer	M62	<b>14</b>	120,035	158,732	93,873	145,293	124,200	167,670
Public Health Director	M61	<b>14</b>	103,389	143,384	87,809	135,907		
Treasurer/Collector	M63	<b>14</b>	109,920	151,327	100,098	154,930		
Planning Director	M60	<b>14</b>	118,422	152,285	82,509	125,330		
Assistant Director/Program Mgr DPW	M62	<b>14</b>			93,873	145,293		
Asst Executive Director	M62	<b>14</b>			93,873	145,293		
Inspector of Buildings	M60	<b>14</b>	112,778	151,818	82,509	125,330		
Director of Assessing	M60	<b>14</b>	114,925	151,028	82,509	125,330		
Design/Construction Manager	M62	<b>14</b>			93,873	145,293		
		<b>13</b>						
COA Director	M60	<b>13</b>	98,249	137,551	82,509	125,330	108,000	145,800
Superintendent, Water/Sewer	M61	<b>13</b>	112,778	151,112	87,809	135,907		
Superintendent, Park/Tree	M61	<b>13</b>			87,809	135,907		
Recreation Director	M60	<b>13</b>	112,778	151,000	82,509	125,330		
Superintendent RDF	M61	<b>13</b>			87,809	135,907		
Superintendent, Highway	M61	<b>13</b>			87,809	135,907		
Natural Resources Director	M59	<b>13</b>			76,895	116,802		
Assistant Town Engineer	M60	<b>13</b>	97,178	124,968	82,509	125,330		
		<b>12</b>						
Assistant Library Director	M59	<b>12</b>			76,895	116,802	93,807	126,639
Deputy Director Recreation	M58	<b>12</b>			72,175	109,633		
Assistant Finance Director	M58	<b>12</b>	100,413	131,244	72,175	109,633		
Asst Superintendent Park/Tree	M58	<b>12</b>			72,175	109,633		
Asst Superintendent, Water/Sewer	M59	<b>12</b>	92,842	121,798	76,895	116,802		
Project Manager	M60	<b>12</b>						
Asst Superintendent, Highway	M58	<b>12</b>			72,175	109,633		
		<b>11</b>						
Senior Management Analyst	M58	<b>11</b>			72,175	109,633	89,340	120,609
Custodial Manager	M58	<b>11</b>	73,681	100,543	72,175	109,633		
Operations Manager	M59	<b>11</b>			76,895	116,802		
Public Health Nursing Supervisor	M56	<b>11</b>			63,297	95,941		
Maintenance Manager	M58	<b>11</b>			72,175	109,633		
		<b>10</b>						
Youth Director	M57	<b>10</b>			67,801	102,767	85,085	114,865
Senior Environ Health Specialist	M56	<b>10</b>			63,297	95,941		
Sustainability Director	M55	<b>10</b>			59,285	89,859		
Senior Community Social Worker	M57	<b>10</b>			67,801	102,767		
Assistant HR Director	M57	<b>10</b>			67,801	102,767		
Payroll Manager	M56	<b>10</b>	68,432	96,416	63,297	95,941		
Finance/Office Manager	M57	<b>10</b>			67,801	102,767		
Public Information Officer	M57	<b>10</b>			67,801	102,767		
		<b>9</b>						
Sr. Civil Engineer	M58	<b>9</b>	85,259	119,350	72,175	109,633	81,034	109,396
Transportation Mobility Mgr	M57	<b>9</b>			67,801	102,767		
Assistant Director COA	M55	<b>9</b>			59,285	89,859		
Senior Planner	M57	<b>9</b>			67,801	102,767		
Veteran Services Director	M55	<b>9</b>	90,909	126,019	59,285	89,859		
		<b>8</b>						
Wetlands Administrator	M55	<b>8</b>			59,285	89,859	77,175	104,010
Local Inspector	M55	<b>8</b>	80,025	99,155	59,285	89,859		
Assistant Treasurer Collector	M56	<b>8</b>	87,652	119,241	63,297	95,941		
Civil Engineer	M56	<b>8</b>	80,621	108,582	63,297	95,941		
Principal Assessor	M53	<b>8</b>	86,888	113,181	53,717	81,419		
Plumbing/Gas Inspector	M54	<b>8</b>	82,635	97,215	56,419	85,515		
HR Generalist/Recruiter	M54	<b>8</b>			56,419	85,515		
Operations Analyst, Water/Sewer	M57	<b>8</b>			56,419	85,515		
Inspector of Wires	M54	<b>8</b>			56,419	85,515		

		7						
Support Services Manager	M54	7			56,419	85,515	73,500	99,058
Finance/Budget Analyst	M56	7			63,297	95,941		
Fire Apparatus Mechanic	T20	7			73,341	93,579		
Health/Social Services Administrator	M55	7			59,285	89,859		
Community Social Worker (Health)	M53	7			53,717	81,419		
Public Health Nurse	M53	7	84,130	106,410	53,717	81,419		
Program Coordinator Recreation	M53	7			53,717	81,419		
RDF Business Manager	M52	7			51,096	77,448		
Deputy Director, Veterans Svcs	M52	7			51,096	77,448		
Staff Engineer	M54	7			56,419	85,515		
Workers' Compensation	M53	7			53,717	81,419		
Safety Manager	M54	7			53,717	81,419		
Community Health Coordinator	M55	7			59,285	89,859		
		6						
Environmental Health Specialist	M55	6	69,125	97,904	59,285	89,859	70,000	94,341
Envrn Ed/Outreach Compliance Coord	M53	6			53,717	81,419		
Sustainability Analyst	M53	6			53,717	81,419		
Senior Acct Clerk Parking Collection	M52	6			51,096	77,448		
Operations Administrator	M52	6			51,096	77,448		
Planner	M54	6	69,450	97,000	56,419	85,515		
Benefit Specialist	M53	6			53,717	81,419		
Executive Secretary, Zoning Board	M51	6			48,946	73,418		
Management Analyst	M56	6			63,297	95,941		
Assistant Town Clerk	M54	6	73,246	107,881	56,419	85,515		
		5						
Executive Assistant, DPW	M53	5	66,417	87,942	53,717	81,419	61,492	82,874
COA Volunteer Coordinator	M46	5			46,774	58,331		
Assistant Administrator, Assessors	M52	5			51,096	77,448		
Office Administrator (COA)	M49	5	59,071	81,794	53,017	66,048		
Administrative Assistant	M51	5	60,258	82,067	48,640	73,418		
Accounting Specialist	M53	5	67,813	87,843	53,717	81,419		
Permit Administrator	M49	5			53,017	66,048		
Project Financial Analyst	M53	5			53,017	66,048		
Senior Office Assistant PW	M48	5			58,240	72,467		
Sr Customer Service Rep	M48	5			58,240	72,467		
Senior Activities Coordinator	M47	5			48,831	60,861		
Senior Office Assistant PW	M47	5			55,806	69,555		
Office Administrator (Health)	M49	5			53,017	66,048		
Office Administrator (Water)	M48/M49	5			60,590	75,483		
Office Administrator (Library)	M48/M49	5			50,960	63,409		
Office Administrator (Planning)	M48	5			50,960	63,409		
Records Manager (Police)	M49	5	66,965	86,628	53,017	66,048		
Voter Reg Administrator	M49	5			53,017	66,048		
Licensing/Elections Administrator	M49	5			53,017	66,048		
Personnel Administrative Assistant	M48	5			50,960	63,409		
		4						
Senior Accounting Clerk	M49	4	67,026	89,595	53,017	66,048	55,902	75,340
Senior Assessing Clerk	M49	4			60,590	75,483		
Bookkeeper	M47	4			48,831	60,861		
Account Admin Police	M47	4			55,806	69,555		
Account Admin Police	M47	4			55,806	69,555		
Fire Department Admin	M49	4			58,261	72,592		
		3						
Office Assistant	M47	3	56,904	75,241	48,831	60,861	50,820	68,491
NRC Secretary	M45	3			44,608	55,528		
Accounting Clerk	M47	3			48,831	60,861		
Secretary II/Recreation	M44	3			42,533	53,017		
		2						
Activities Assistant COA	M44	2			42,533	53,017	46,200	62,265
Activities Assistant COA	M44	2			42,533	53,017		
Department Asistant COA	M43	2	55,424	68,222	40,368	50,341		
Bus Driver COA	M42	2	47,861	62,649	38,329	47,793		
		1						
Nightwatchperson	M41	1			41,829	52,083	42,000	56,604
Custodian (part-time, non-union)	M42	1						

**ARTICLE 4.** To see if the Town will vote, in accordance with Section 31.7 of the General Bylaws, to amend Appendix Schedule A of Section 31.1 of the General Bylaws, which is the Town's Classification Plan, entitled "Job Classification by Groups," by establishing new job classifications, reclassifying current positions, and/or deleting existing classifications, copies of which Plan are available for inspection at the Human Resources Department, or to take any other action in relation thereto.

**(Human Resources Board)**

### **Overview**

This Overview should be read in conjunction with the Introduction to Articles 4, 5 and 8 preceding this Article 4. Schedule A of Article 31.1 of the Town Bylaws is a list of job classifications (designated by job group) for all Town employees other than School Department employees. The 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.

**Proposed Classification System.** The Motion reflects positions reclassified from the Hay System to the proposed Classification and Compensation System (again, see the Introduction preceding this Article) that was approved by the HRB. New classifications are incorporated in Part I of Schedule A. Information Technology positions are, for now, remaining in the Hay System and are incorporated in Part II. Changes in classifications to the proposed Classification System for positions that are covered by collective bargaining agreements are subject to negotiation between the Town and the appropriate union, and are incorporated in Part III of Schedule A.

This Motion does not require a budget appropriation, as the costs associated with changed classifications were funded by the affected departments in FY25 or absorbed by the 2024 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 (Article 8, Motion 2).

### **Advisory Considerations**

Advisory members strongly supported the proposed Classification System. Advisory noted the consultant selected was highly experienced, including with the current Hay System. Members noted the reduction in Job Groups is consistent with peer towns, except for a single town, which HR understands is also undergoing a classification study.

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 5.** To see if the Town will vote, in accordance with Sections 31.6 and Section 31.7 of the General Bylaws, to amend the Salary Plan, 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 Salary Plan, as so amended, or to take any other action in relation thereto.

**(Human Resources Board)**

Under this Article, the Human Resources Board (HRB) seeks Town Meeting approval to vote, in accordance with Sections 31.6 and Section 31.7 of the General Bylaws, to amend the Salary Plan, entitled "Salary Plan – Pay Schedule," copies of which are available for inspection at the Human Resources Department (HRD), 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 Salary Plan, as so amended, or to take any other action in relation thereto.

## ARTICLE 5, MOTION 1

Under this Motion, the HRB seeks Town Meeting approval to amend Schedule B: *Salary Plan - Pay Schedules* for the Job Groups 1 to 8 (formerly the Series 40 employees). See the Introduction preceding Article 4 for a description of the employees and transition to the proposed Classification and Compensation Plan, including the chart at the end of the Introduction to see how the Series 40 employees were mapped into the new compensation system. As explained in the Introduction, the Pay Schedule below reflects the change from six steps per Job Group to 12 steps per Job Group. Schedule B sets the rates of pay these employees. Each step increase will be 2.75% under the proposed system versus approximately 4.5% under the existing system.

The HRB is recommending a 3.0% Cost of Living Adjustment (COLA) increase for FY26 to reflect Salary Survey data, current and expected inflation rates and to maintain competitive compensation rates with peer communities.

### SCHEDULE B

#### SALARY PLAN – PAY SCHEDULES

*Rates effective as indicated as of July 1, 2025*

Level	Min Step One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Max Step 12
1	43,260	44,450	45,672	46,928	48,219	49,545	50,907	52,307	53,745	55,223	56,742	58,302
	23.77	24.42	25.09	25.78	26.49	27.22	27.97	28.74	29.53	30.34	31.18	32.03
2	47,586	48,895	50,239	51,621	53,040	54,499	55,998	57,538	59,120	60,746	62,416	64,133
	26.15	26.87	27.60	28.36	29.14	29.94	30.77	31.61	32.48	33.38	34.29	35.24
3	52,345	53,784	55,263	56,783	58,344	59,949	61,597	63,291	65,032	66,820	68,658	70,546
	28.76	29.55	30.36	31.20	32.06	32.94	33.84	34.78	35.73	36.71	37.72	38.76
4	57,579	59,162	60,789	62,461	64,179	65,944	67,757	69,621	71,535	73,502	75,524	77,601
	31.64	32.51	33.40	34.32	35.26	36.23	37.23	38.25	39.31	40.39	41.50	42.64
5	63,337	65,079	66,868	68,707	70,597	72,538	74,533	76,583	78,689	80,853	83,076	85,361
	34.80	35.76	36.74	37.75	38.79	39.86	40.95	42.08	43.24	44.42	45.65	46.90
6	72,100	74,083	76,120	78,213	80,364	82,574	84,845	87,178	89,576	92,039	94,570	97,171
	39.62	40.70	41.82	42.97	44.16	45.37	46.62	47.90	49.22	50.57	51.96	53.39
7	75,705	77,787	79,926	82,124	84,382	86,703	89,087	91,537	94,054	96,641	99,299	102,029
	41.60	42.74	43.92	45.12	46.36	47.64	48.95	50.30	51.68	53.10	54.56	56.06
8	79,490	81,676	83,922	86,230	88,602	91,038	93,542	96,114	98,757	101,473	104,263	107,131
	43.68	44.88	46.11	47.38	48.68	50.02	51.40	52.81	54.26	55.75	57.29	58.86

The total impact on the Town budget of the proposed increase is approximately \$70,170 (see Article 8, Motion 2). 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.

### Advisory Considerations

Advisory agrees that the proposed 3.0% increase in the Level 1-8 (former Series 40) Salary Plan Pay Schedule is reasonable and appropriate. Members noted the new system appears to be efficient and transparent. Members noted the increase in the number of steps from 6 to 12 will not significantly change overall compensation and is designed to increase employee retention. Members noted the significant tangible and intangible cost of turnover in support of the Motion. Members noted that the significant work done by the HRB, the HRD, the Select Board and the Executive Director to bring this proposal forward.

**Advisory recommends favorable action, 11 to 0.**

## ARTICLE 5, MOTION 2

Under this Motion, the HRB seeks Town Meeting approval to amend the Schedule B Salary Plan – Pay Schedules for the Job Groups 7E to 15 (formerly Series 50/60 employees). Series 50/60 employees are professional, non-union Town department heads, directors and employees with specialized skills. Employees holding these positions are salaried, exempt from receiving overtime under the FLSA and eligible to receive performance-based merit increases. The HRB is recommending a 2.0% mid-point increase over FY25. The midpoint is based on market conditions to ensure that salary ranges remain competitive. The 2.0% adjustment only impacts the ranges, not employee compensation. Note levels 7 and 8 overlap with Article 5, Motion 1 and are named 7E and 8E to denote their exempt status.

SCHEDULE B  
SALARY PLAN – PAY SCHEDULES  
*Salary rates effective as of July 1, 2025*

Managers, Supervisors & Advanced Technical		
Level	Minimum	Maximum
7E	74,970.00	101,210
8E	78,718.50	106,270
9	82,654.43	111,583
10	86,787.15	117,163
11	91,126.50	123,021
12	95,682.83	129,172
13	110,160.00	148,716
14	126,684.00	171,023
15	145,686.60	196,677

The HRB notes that the Consultant's compensation survey data was not complete for Information Technology (IT) personnel. As a result, the HR Director is conducting an IT salary survey, and it is expected that IT personnel will migrate to the new system in FY26. In the interim, the HRB is recommending a 2.5% increase to the IT Pay Schedule and these personnel will retain their Hay System Classifications. As noted above, the midpoint is based on market conditions to ensure that salary ranges remain competitive, pending the completion of the salary survey. The 2.5% adjustment only impacts the ranges, not employee compensation.



Information Technology  
Salary rates effective as of July 1, 2025  
Rates reflect a 2.5% increase at the midpoint over Fiscal Year 25

Job Group	Minimum	Midpoint	Maximum	Range
61	102,428.87	130,068.40	157,707.94	78.75% - 121.25%
60	96,248.50	121,833.55	147,418.60	79% - 121%
59	89,826.38	113,704.28	137,582.17	79% - 121%
58	86,078.19	108,959.73	131,841.28	79% - 121%
57	81,090.18	102,000.23	122,910.28	79.5% - 120.5%
56	75,989.63	95,584.44	115,179.25	79.5% - 120.5%
55	72,185.82	90,799.78	109,413.73	79.5% - 120.5%
54	68,814.26	86,558.82	104,303.38	79.5% - 120.5%
53	65,941.30	82,426.63	99,324.08	79.5% - 120.5%
52	62,896.52	78,620.65	94,737.88	79.5% - 120.5%
51	59,938.73	74,923.41	90,282.71	79.5% - 120.5%

The HRB is separately recommending a 2.0% Cost of Living Adjustment (COLA) for all personnel covered by Motion 2 and these employees are eligible for Merit Pay. Both the COLA and Merit Pay are discussed in Article 8, Motion 2.

#### **Advisory Considerations**

In its discussion Advisory members noted this group did not receive a COLA for many years and strongly supported the increases to the salary ranges to remain competitive in the market. Members also noted the salary survey conducted by the HRD and the Consultant was in support of the Town employees to ensure they are compensated appropriately. Finally, Members noted, overall, the new Classification and Compensation System was long anticipated, overdue, and supported.

**Advisory recommends favorable action, 11 to 0**

#### **ARTICLE 5, MOTION 3 – Merit Pay Plan and Salary Adjustments – Moved to Article 8, Motion 2**

**ARTICLE 6.** To see if the Town will vote to fix the salary and compensation of the Town Clerk, as provided by G.L. c. 41 § 108, or to take any other action in relation thereto.

**(Select Board)**

#### **Overview**

Under this Article, the Select Board (SB) seeks Town Meeting approval of the Town Clerk's FY26 annual salary of \$118,738, effective July 1, 2025. In Wellesley, the Town Clerk is the only elected official to receive a salary. Town Meeting must approve any compensation changes. Unlike other Town employees, the Town Clerk does not benefit from a COLA, movements in the salary range, or receive salary step increases described in Article 5. Further, the Town Clerk is not eligible for the Merit Pay Plan. Therefore, each year, the SB reviews the Town Clerk's salary and makes a recommendation to Town Meeting for an appropriate merit increase for the next fiscal year.

The SB noted this year the Managers, Supervisors and Advanced Technical Level (Exempt) employees listed in Article 5, Motion 2 are proposed to receive a 2.0% COLA adjustment and will be eligible for increases of up to an additional 1% to 3% through the Merit Pay Plan, for a likely combined increase of 3.0% to 5.0%.

An additional component of the SB's analysis is periodically benchmarking the Town Clerk's salary against peer towns. Wellesley's Human Resources (HR) Director collected comparable community FY25 Town Clerk compensation data as shown in the table below:

Town	Population	Status	FY25
Arlington	45,617	Elected	\$108,193
Belmont	26,838	Elected	\$108,687
Brookline	62,726	Elected	\$111,717
Braintree	35,744	Appointed	\$126,200
Concord	18,184	Appointed	\$123,945
Franklin		Elected	\$111,366
Dedham	25,240	Elected	\$123,867
Foxborough		Elected	\$114,500
Framingham	71,265	Appointed	\$138,454
Lexington	34,071	Appointed	N/A
Natick	36,426	Appointed	\$115,000
Needham	32,048	Elected	\$129,130
Newton	87,453	Appointed	\$139,310
Norwood	31,441	Appointed	\$127,446
Wayland		Appointed	\$129,855
Westwood		Elected	\$126,765
Winchester		Appointed	\$133,200
<b>Average</b>			
<b>FY25 Salary</b>			<b>\$122,977</b>
<b>Average FY25 Salary</b>			
<b>(Elected)</b>			<b>\$116,778</b>
Wellesley	28,747	Elected	\$113,625

Wellesley's peer communities have a mix of elected and appointed officials. The FY25 average salary of an elected town clerk is \$116,778. Appointed town clerk salaries are typically higher as they often have professional credentials.

With a recommendation from the HR Director, the SB voted to propose to Town Meeting a salary increase for the Town Clerk of 4.5%, bringing the salary to \$118,738 for FY26. The proposed increase of 4.5% yields an annual salary slightly above the average FY25 elected Town Clerk salary of Wellesley's peer towns (which does not take into consideration the potential FY26 increase for the same position for those same peer towns). Further, the proposed salary increase is within the range of likely total combined increases of the Exempt positions, accounting for a 2.0% COLA and 1-3% for Merit Pay.

### Advisory Considerations

Advisory was fully supportive of this motion. Advisory appreciated the comparative peer town FY25 salary evaluation provided by HR in support for the merit increase recommendation to the SB. A couple of members noted that, given comparative salaries for Town Clerk's in neighboring towns, Wellesley's Town Clerk salary is relatively low and a recommendation was made to reconsidered a larger percentage increase next fiscal year due to the importance of the role and intent to be respectful of the elected position. Advisory acknowledged the excellent and reliable service of our current Town Clerk and staff, noting the increased complexity of elections given early voting and voting by mail.

**Advisory recommends favorable action, 11 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 2024 Annual Town Meeting, or to take any other action in relation thereto.

**(Select Board)**

### ARTICLE 7, MOTION 1

Under this Motion, the Select Board (SB) seeks Town Meeting approval for a FY25 supplemental appropriation of \$700,000 from Free Cash to the Board of Public Works (BPW) for winter maintenance.

#### Overview

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, 14 treatment events, 4 plowing events, and one removal event depleted the FY25 budget.

<b>DPW Snow and Ice History</b>						
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25*</b>
<b>Sources</b>						
Appropriation in Article 8, Motion 2	\$366,355	\$379,177	\$379,177	\$379,177	\$379,177	\$379,177
Supplemental	300,000	600,000	700,000	225,000	400,000	<b>700,000</b>
<b>Total Appropriation</b>	<b>\$666,355</b>	<b>\$979,177</b>	<b>\$1,079,177</b>	<b>\$604,177</b>	<b>\$779,177</b>	<b>\$1,029,177</b>
<b>Uses</b>						
Personal Services	\$160,519	\$298,129	\$264,748	\$172,519	\$188,592	\$322,454
Sand/Salt	85,724	190,696	186,994	132,701	96,969	194,146
Contractor Plowing	65,620	143,894	171,414	97,958	63,843	218,742
Vehicle Repair &	216,468	160,397	178,244	177,034	133,226	238,113
Other	10,792	27,459	17,731	23,965	11,437	16,034
<b>Total PS &amp; Expenses</b>	<b>\$539,122</b>	<b>\$820,575</b>	<b>\$819,131</b>	<b>\$604,177</b>	<b>\$494,067</b>	<b>\$989,494</b>
<b>Events</b>						
Sanding/Salting	9	8	17	14	9	14
Plowing	3	10	6	3	2	4
Snow/Ice Removal	0	2	0	0	0	1
Flooding	0	0	0	0	0	0
Total Snowfall	16"	55"	48"	17"	14"	29"

\*FY25 costs and events are given through March 11, 2025.

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 SB or its designee 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 FY24, additional appropriations from Free Cash have been approved by Town Meeting in amounts ranging from \$225,000 to \$1,025,000 per year, depending on the severity of the weather.

This year, the DPW has paid \$713,815 through March 4, 2025, with outstanding unpaid commitments of \$275,679 for a total of \$989,494. The requested \$700,000 will bring the revised balance to \$89,683 with less than one month of winter weather remaining. Unexpended funds from the revised balance will be returned to the Town at year end.

### **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 FY25 is appropriate.

**Advisory recommends favorable action, 11 to 0.**

### **ARTICLE 7, MOTION 2**

Through this Motion, the Select Board (SB) seeks Town Meeting approval of a transfer of \$2,500.00 from the Graves Officer Stipend account to the Celebrations Committee account to support annual community activities.

### **Overview**

The Graves/Ceremonial Officer assists the Veterans Services Officer (VSO) and is responsible for caring for and providing for Veteran graves in the community and organizing and conducting annual ceremonies recognizing Veterans in Wellesley. The Graves Officer position has been vacant, with duties currently carried out by members and volunteers within the Veterans community. With the vacancy, the SB is proposing that the Graves Officer stipend of \$2,500 be transferred to the Celebrations Committee to assist with the Veteran's Day Parade and festivities of Wellesley's Wonderful Weekend. The Celebrations Committee is an appointed 12-member standing committee operating under the authority of the Select Board. The Celebrations Committee are charged with planning and carrying out proper observance of the annual Town Veterans celebration over Wellesley's Wonderful Weekend.

### **Advisory Considerations**

Advisory was fully supportive of the \$2,500 transfer request from the Graves Officer account to the Celebrations Committee and use of the funds as an appropriate offset to assist with the Celebrations Committee's in honoring our Town's Veterans through the Wellesley Wonderful Weekend parade and festivities.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

### **ARTICLE 7, MOTION 3**

Through this Motion, the Select Board (SB) seeks Town Meeting approval of a supplemental appropriation of \$110,000 from Free Cash for "Compensated Absences".

### **Overview**

The compensated absences budget provides funds to pay eligible employees for sick and vacation time earned in prior years upon retirement, termination, promotion in certain instances, or death, subject to the provisions of the respective collective bargaining agreements. Because

these payouts cannot always be predicted or absorbed, the budget appropriation serves as a reserve for non-school budgets. The FY2025 compensated absences budget was \$120,000. Due to an unexpectedly high number of retirements and promotions from union positions to management positions in the fire and police departments, the FY2025 budgeted amount is not sufficient and, therefore, the Select Board is requesting a supplemental appropriation of \$110,000 to pay for such compensated absences.

#### **Advisory Considerations**

Advisory recognizes through their contracts, employees are entitled to these funds, and the funding of the payments through Free Cash is appropriate.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

#### **ARTICLE 7, MOTION 4**

Under this Motion, the Select Board (SB) seeks Town Meeting approval of a transfer of \$1 million from Free Cash to address an unanticipated shortfall in the Town's budgeted Health Insurance premiums.

#### **Overview**

The Town pays a portion of Town employee health insurance premiums. For those employees that elect to be insured through Harvard Pilgrim, the Town pays 60% of the premium and the employees pay 40%; for Blue Cross Blue Shield, the Town pays 78% of the premium and the employees pay 22%. The final budget for the Town's anticipated portion is generated in February when rates are voted by the West Suburban Health Group, and the Town's budget is generated using a Microsoft Excel spreadsheet. Payments are tracked within the Town's financial software, MUNIS. In November 2024 while generating preliminary budgets, the Finance Department discovered there was a human error in the Excel formula that calculated the budgeted Town portion of the FY 2025 budget number for high deductible plan offerings. After further review, the formula error was identified in the FY 2024 budget as well. The budgeted number computed a reduced portion of the Town's contribution, therefore underestimating the requested appropriation at Town Meeting. In short, the Excel formula that was used multiplied the total premium owed by the Town by its 60% obligation twice and, as a result, the Town was only calculating its budgeted cost at 36% of the premium rather than the agreed 60%. The error in FY 2024 resulted in a \$616,000 shortfall, which was not discovered immediately as it was absorbed by the Town within turnback. The FY 2025 error, based on actual enrollments results in a \$996,402 shortfall. The SB is seeking to transfer \$1,000,000 from Free Cash to cover the FY 2025 deficit and confirms the error relates solely to the budget and the supplement is not being requested to pay Harvard Pilgrim.

Going forward, a conservative projection in the health insurance budget is proposed. Further, a secondary review has been added to the spreadsheet calculation review process to avoid a similar error in the future.

#### **Advisory Considerations**

Advisory supports this transfer, and understands the shortfall was caused by a human calculation error. Advisory appreciates that, once the error was found, the Finance Department reviewed prior years and instituted a practice of performing secondary reviews of the spreadsheet calculation. A member also suggested adding a control audit for all the financial spreadsheets by the Town's outside auditors. Advisory further understands this supplemental is needed to avoid a deficit in our insurance account. If this request is not passed, the Town would need to do a year-end transfer and there are no guarantees the Town will have \$1M in turnback to account for this.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

## **ARTICLE 7, MOTION 5**

Under this Motion, the Select Board (SB) seeks Town Meeting approval to transfer \$211,735 from Free Cash to supplement the Traffic and Parking Capital Fund due to overages in the redesign and reconstruction of the Wellesley police station parking lot.

### **Overview**

In 2017, the SB sought to reconstruct and expand the Wellesley Police Station parking lot. This project included:

- expanding the existing police station parking lot.
- improving surface drainage for the parking area.
- installing new ADA compliant sidewalks and ramps.
- improving parking lot lighting.
- demolishing an old bus stop shelter.
- updating pavement markings and signage.

The project was originally funded by a \$150,000 appropriation from the FY19 Traffic and Parking Capital Funds budget.

During the planning phase of the project, it was determined an easement was needed from the adjacent lot controlled by the Wellesley Housing Authority (“WHA”). Negotiations over the easement led to a nearly three-year delay (2017-2020) in the project. A memorandum of understanding (“MOU”) concerning access and parking lot reconfigurations was signed by the WHA in April 2020, shortly after Massachusetts declared a state of emergency in response to Covid-19. The SB approved the MOU in September 2020 and solicited bids for the project, with the winning bid coming in at \$287,000. Since significant additional funding would be required, the SB supplemented the original \$150,000 funding with an additional \$164,580 from the remaining FY18 Traffic and Parking Capital Funds associated with the reconstruction of the Brook Street and Benvenue Street intersection. The new total of \$314,580 was intended to fully fund this project.

As the project moved forward, a significant number of change orders further delayed the completion date of the project which, when compounded with the increasing cost of labor and materials, increased the overall cost of the project by \$211,735. A breakdown of the increased cost is below.

The most significant change order was attributable to an EV charging station grant, which required adjustments to power conduit placements. Simultaneously, the police department received a \$100,000 donation for an all-electric cruiser, which led to the installation of a second EV charger in the back lot. Accommodating these additions meant further redesigns, including the construction of a transfer pad, new conduit installations, and the reconstruction of a drainage manhole.

After the project was completed, the Town and the contractor disagreed on the final costs for changes made during construction. After negotiations, both parties reached a fair settlement on the amount to be paid. The Town is requesting \$211,735 to cover these agreed-upon costs (detailed below), including interest on unpaid invoices while the final price was being determined.

<b>Item</b>	<b>Cost</b>
Landscaping and hydrant relocation	\$32,800
EV charging	\$72,000
Lighting conduit, cable and fixtures	\$25,500
Repair cut power line	\$39,000
Increased cost of asphalt, signs and pavement markers	\$20,000
Negotiated settlement	\$22,435
<b>Total</b>	<b>\$211,735</b>

### **Advisory Considerations**

Advisory Members expressed concerns about the delays and complications that lead to this request for additional funding. They noted concerns regarding the length of time required to resolve the easement issue with the Wellesley Housing Authority and the time required to negotiate with the contractor regarding the final cost of the project. Other Members acknowledged the challenges associated with the COVID pandemic and still others pointed out the change in scope due to the redesign to accommodate the EV charging stations. Finally, Members expressed their gratitude toward the DPW, ED, and SB for the due diligence and patience in properly addressing these issues, implementing lessons learned, and completing the project.

**Advisory recommends favorable action, 11 to 0.**

**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 2025 Tax Rate, or to take any other action in relation thereto.

**(Select Board)**

#### **ARTICLE 8, MOTION 1**

Under this Motion, The Select Board (SB) seeks Town Meeting authorization to accept a \$1 million voluntary contribution from the Municipal Light Plant (MLP) in FY26, 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.

#### **Overview**

Annual passage of this Motion permits the Town's taxpayers to continue receiving the benefit of owning the MLP. Although the MLP's annual voluntary contribution of \$1 million has remained the same for the past 23 years, it remains among the most generous of the 41 municipally owned electric utilities in Massachusetts. The MLP's contribution is also higher than 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 \$919,606.

The MLP provides several other financial benefits to Wellesley. In addition to electric rates which, as of December 2024, were 43.30% 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.

#### **Advisory Considerations**

Advisory values the MLP's \$1 million voluntary contribution and the important role it plays as a funding source for the ongoing operations of Town government. The members also recognize this contribution is in addition to discounted electric rates and reliable service the MLP provides to its customers.

**Advisory recommends favorable action, 11 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, departments, and officials for the purposes as set forth below.

**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
<b>GENERAL GOVERNMENT</b>				
To the Select Board for General Government, \$3,500,502 for Personal Services and 3,386,967 for Expenses. And it is recommended that the sums be allocated as follows:				
<b>Select Board - Administration</b>				
122	Executive Director's Office	746,884	49,000	795,884
126	Climate Action Committee	165,135	10,291	175,426
199	Central Administrative Services	0	14,600	14,600
133	Finance Department	564,616	14,100	578,716
155	Information Technology	874,005	889,600	1,763,605
145	Treasurer & Collector	441,690	140,700	582,390
195	Town Report	0	2,250	2,250
<b>Select Board - Human Services</b>				
541	Council on Aging	512,834	88,850	601,684
543	Veterans' Services	0	85,264	85,264
542	Youth Commission	105,391	17,090	122,481
<b>Select Board - Other Services</b>				
180	Housing Development Corporation	0	6,500	6,500
691	Historical Commission	0	750	750
693	Memorial Day	0	5,950	5,950
692	Celebrations Committee	0	20,000	20,000
693	Cultural Council	0	8,500	8,500
176	Zoning Board of Appeals	89,947	9,430	99,377
<b>Select Board - Shared Services</b>				
151	Law	0	480,000	480,000
945	Risk Management	0	1,010,592	1,010,592
135	Audit Committee	0	63,000	63,000
458	Street Lighting	0	142,000	142,000
198	Land Use Departments Lease	0	128,500	128,500
	Classification & Compensation Study	0	200,000	200,000
<b>Subtotal - Select Board - General Government</b>		<b>3,500,502</b>	<b>3,386,967</b>	<b>6,887,469</b>
<b>Other General Government</b>				
To the following Town boards and officials:				
161	Town Clerk/Election & Registration	376,850	101,290	478,140
141	Board of Assessors	341,155	129,800	470,955
175	Planning Board	400,709	85,600	486,309
152	Human Resources Board	499,190	43,460	542,650
	Merit Pay Plan	275,000	0	275,000
131	Advisory Committee	24,500	15,070	39,570
132	Advisory Committee - Reserve Fund	0	175,000	175,000
<b>Subtotal - Other General Government</b>		<b>1,917,404</b>	<b>550,220</b>	<b>2,467,624</b>
<b>GENERAL GOVERNMENT TOTAL</b>		<b>5,417,906</b>	<b>3,937,187</b>	<b>9,355,093</b>
<b>FACILITIES MANAGEMENT - Select Board</b>				
To the Select Board for Facilities Management, \$5,730,680 for Personal Services and \$4,477,682 for Expenses. And it is recommended that the sums be allocated as follows:				
192	Facilities Management	5,730,680	4,477,682	10,208,362
<b>FACILITIES MANAGEMENT TOTAL - Select Board</b>		<b>5,730,680</b>	<b>4,477,682</b>	<b>10,208,362</b>

Funding Item		Personal Services	Expenses	Total Operations
<b><u>PUBLIC SAFETY - Select Board</u></b>				
To the Select Board for Public Safety, \$16,079,750 for Personal Services and \$1,461,196 for Expenses. And it is recommended that the sums be allocated as follows:				
210	Police Department	7,669,952	902,429	8,572,381
299	Special School Police	142,285	3,887	146,172
220	Fire Department	7,577,391	513,180	8,090,571
241	Building Department	673,671	39,100	712,771
244	Sealer of Weights & Measures	16,451	2,600	19,051
<b>PUBLIC SAFETY TOTAL - Select Board</b>		<b>16,079,750</b>	<b>1,461,196</b>	<b>17,540,946</b>
<b><u>PUBLIC WORKS</u></b>				
To the Board of Public Works, \$5,093,496 for Personal Services and \$3,288,519 for Expenses. And it is recommended that the sums be allocated as follows:				
410	Engineering	379,953	47,662	427,615
420	Highway	1,009,369	379,580	1,388,949
454	Fleet Maintenance	223,230	44,331	267,561
430	Park	1,673,067	535,720	2,208,787
440	Recycling & Disposal	1,377,351	1,868,361	3,245,712
450	Management	430,526	22,865	453,391
456	Winter Maintenance	0	390,000	390,000
<b>PUBLIC WORKS TOTAL</b>		<b>5,093,496</b>	<b>3,288,519</b>	<b>8,382,015</b>
<b><u>WELLESLEY FREE LIBRARY</u></b>				
To the Trustees of the Wellesley Free Library:				
610	Library Trustees	2,495,478	813,736	3,309,214
<b>LIBRARY TOTAL</b>		<b>2,495,478</b>	<b>813,736</b>	<b>3,309,214</b>
<b><u>RECREATION</u></b>				
To the Recreation Commission:				
630	Recreation Commission	450,490	25,000	475,490
<b>RECREATION TOTAL</b>		<b>450,490</b>	<b>25,000</b>	<b>475,490</b>
<b><u>HEALTH</u></b>				
To the Board of Health:				
510	Board of Health	1,071,045	185,000	1,256,045
523	Mental Health Services	0	300,572	300,572
<b>HEALTH TOTAL</b>		<b>1,071,045</b>	<b>485,572</b>	<b>1,556,617</b>
<b><u>NATURAL RESOURCES</u></b>				
To the Natural Resources Commission:				
171	Natural Resources Commission	328,266	36,350	364,616
172	Morses Pond	0	177,000	177,000
<b>NATURAL RESOURCES TOTAL</b>		<b>328,266</b>	<b>213,350</b>	<b>541,616</b>
<b>NON-SCHOOL TOTAL</b>		<b>36,667,111</b>	<b>14,702,242</b>	<b>51,369,353</b>
<b><u>WELLESLEY PUBLIC SCHOOLS</u></b>				
To the School Committee, \$81,889,427 in the aggregate for Personal Services and \$12,145,599 for Expenses. And it is recommended that the sum be allocated as follows:				
320	Instruction	56,859,126	3,218,399	60,077,525
330	Administration	1,456,475	154,875	1,611,350
340	Operations	1,926,389	2,514,399	4,440,788
360	Special Tuition/Transportation/Inclusion	21,647,437	6,257,926	27,905,363
	Subtotal	81,889,427	12,145,599	94,035,026
<b>SCHOOL TOTAL</b>		<b>81,889,427</b>	<b>12,145,599</b>	<b>94,035,026</b>

Funding Item		Personal Services	Expenses	Total Operations
<b>EMPLOYEE BENEFITS</b>				
To the Select Board for the purposes indicated:				
914	Group Insurance	0	25,598,232	25,598,232
912	Workers' Compensation	0	740,348	740,348
919	Other Post Empl. Benefits Liability Fund	0	3,100,000	3,100,000
910	Retirement Contribution	0	9,310,462	9,310,462
913	Unemployment Compensation	0	100,000	100,000
950	Compensated Absences	0	130,000	130,000
<b>EMPLOYEE BENEFITS TOTAL</b>		<b>0</b>	<b>38,979,042</b>	<b>38,979,042</b>
And further, that the balance on hand in the Workers' Compensation fund on June 30, 2025 and any interest earnings of the program, are appropriated for expenses related to the Workers' Compensation Program of the Town for Fiscal Year 2026.				
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>		<b>118,556,538</b>	<b>65,826,883</b>	<b>184,383,421</b>
<b>CAPITAL &amp; DEBT</b>				
To the following Town boards and officials for the purposes indicated:				
<b>Departmental Cash Capital</b>				
400	Board of Public Works - Capital	0	3,892,000	3,892,000
300	School Committee - Capital	0	1,299,481	1,299,481
122	Select Board - Capital	0	436,376	436,376
192	Facilities Management - Capital	0	1,941,000	1,941,000
610	Library Trustees - Capital	0	227,000	227,000
171	Natural Resources Commission - Capital	0	320,000	320,000
172	Morses Pond - Capital	0	35,000	35,000
<b>Subtotal - Cash Capital</b>		<b>0</b>	<b>8,150,857</b>	<b>8,150,857</b>
To the Town Treasurer and Collector for:				
700	Current Inside Levy Debt Service	0	3,568,406	3,568,406
700	Current Outside Levy Debt Service - Issued/Unissued	0	15,693,666	15,693,666
<b>Subtotal - Maturing Debt &amp; Interest</b>		<b>0</b>	<b>19,262,072</b>	<b>19,262,072</b>
<b>CAPITAL &amp; DEBT TOTAL</b>		<b>0</b>	<b>27,412,929</b>	<b>27,412,929</b>
<b>RECEIPTS RESERVED FOR APPROPRIATION</b>				
To the Select Board, to be taken from the Parking Meter Receipts Account:				
293	Traffic & Parking Operations	0	743,135	743,135
<b>RECEIPTS RESERVED TOTAL</b>		<b>0</b>	<b>743,135</b>	<b>743,135</b>
<b>TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 2</b>				<b>\$ 212,539,485</b>

To meet said appropriations, transfer \$175,411 from Water/Sewer/Stormwater for IT services, and \$549,444 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).

Advisory’s analysis below is in four parts:

- Omnibus Budget Overview – Summary, Drivers, Process, Guidelines, Requests vs. Guidelines
- Omnibus Budget Highlights – Selected Departments/Boards/Committees, Employee Benefits, Cash Capital, and Debt Service
- Other Key Funding Strategies – Free Cash, Reserves, New Debt Issuance, Major Capital Projects
- Advisory Considerations – Perspectives, Discussion, and Vote

Further details are provided in the Select Board’s 2025 Town-Wide Financial Plan (TWFP), included with these reports, 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, available online at <https://www.wellesleyma.gov/2402/2025-Annual-Town-Meeting-Budget-Book>. These resources have more detailed information and narratives on each group’s budget requests, and more macro information, such as town-wide financial policies and five-year plans of departmental capital requests. Advisory encourages TMMs to review this additional information.

**OMNIBUS BUDGET OVERVIEW**

**Budget Summary**

The FY26 Omnibus Budget request is \$212,539,485, a \$6,383,402 or 3.1%, increase over the final FY25 Omnibus Budget request. Please note from the TWFP that the overall FY26 Town budget is \$224,493,903 a 1.13% increase over FY25. While the Omnibus Budget accounts for most of the Town spending, it does not include other items funded with Free Cash (various Articles) or appropriations from the Community Preservation Fund (Article 16), property tax abatements and state and county assessments. 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 debt).

FY26 projected sources of Revenue for the General Fund are

- Property taxes of \$169,965,722, an increase of \$5,804,042, or 3.5%, over FY25, based upon the provision of Proposition 2-1/2 and new growth assumed at \$1.7 million.
- State aid of \$12,121,225, an increase of \$100,000 or 0.8%, over FY25, primarily from Chapter 70 (school-related) funding.
- Local revenue of \$14,012,083, an increase of \$1,631,416, or 13.2%, over FY25. The increase is driven primarily by an increase in vehicle excise tax, building permit fees, and new construction square footage pricing effective April 1, 2025.

**Major Budget Drivers**

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

**Table 2 – Major Operating Budget Drivers**

Change from FY25 to FY26		
<b>Employee Related Costs</b>		
School	2,120,737	2.66%
Town	1,748,864	5.01%
Health & Other Insurance	2,869,104	12.11%
<b>Expenses</b>		
School	832,311	7.36%
Town	867,856	6.29%

Employee Wages: The largest recurring items in the year-over-year growth of the Town budget is the cost of wage increases for existing employees.

*Union Employee details:* Most Town employees are unionized, and their annual wage increases are a subject of collective bargaining. There are 14 unions representing 1,215 employees, the largest of which is the Massachusetts Teachers Association (916 members). The Wellesley Public Schools (WPS) and all Town union contracts are settled through FY26.

In addition to setting wage increases, the union contracts 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. In addition to a 3.0% COLA for SY25-SY26, the teachers’ contract currently provides for 16 steps and the value of each step increase is approximately 4.2%. Also, steps for longevity are included in school contracts. Thus, school employees who have not reached the top step generally receive total annual wage increases in the range of 6 to 8%. Most Town union contracts provide for 4 to 8 steps, and an average step increase of 5.3 to 5.6%.

*Non-Union Employee details:* Each year the Human Resources Board evaluates increases in the compensation range tables for non-union municipal personnel. This year there are 131 non-union employees working over 20 hours and 24 part-time employees. Aligning with the strategy applied to compensation for union employees, the Town has budgeted a 3% COLA for 40 Series (Clerical) employees and a 2% COLA for all 50/60 (Management) Series employees. The Select Board, working with the Human Resources Board, recommends additional funding in the Merit Pay Plan for Series 50/60 employees to provide for increases based upon performance. For FY26 the Merit Pay Plan recommendation is \$275,000 and is included in this Omnibus Budget, as a separate line item, until it is allocated to departments.

The Town recently completed a Classification and Compensation Study to modify the existing Hay Classification System to a standard points-based system. The primary goals of the study were to enhance the Town’s ability to compete in a tight job market, to create greater equity among current staff, and to improve retention of valued employees. Working with MGT Consulting, the Town evaluated roles and responsibilities of non-union 40/50/60 series employees. The scope and job evaluation process utilized nine key factors and a comparative market survey of peer communities, to generate a proposed compensation framework with 15 pay grades (a reduction from 28 pay grades), recommendations for implementation, and ongoing management to maintain competitiveness and equity.

Under Articles 4 and 5, the acceptance of the new classification plan would include establishing targeted compensation levels at the 75<sup>th</sup> percentile of comparable communities. In this Omnibus Budget, in addition to the COLA adjustments and Merit Pay mentioned above, there is a proposed allocation of \$200,000 for the implementation of the Classification and Compensation Plan. These funds will be applied to one-time service adjustments, added to base pay, to non-school, non-union staff to acknowledge their service to the town (See Introduction preceding Article 4 for further details).

Employee Benefits: Benefit costs have been a rapidly growing component of the overall Town budget. Employee benefit costs will total \$38.98 million in FY26, 17.4% of the Town’s total budget, and an 8.5% increase over FY25. The principal components of this cost are:

- Health insurance premium costs for active and retired (non-Medicare eligible) employees and other associated benefit costs - \$25.6 million (12.6% increase over \$22.7 million in FY25)

- Pension plan contributions - \$9.3 million (3.0% increase over \$9.0 million in FY25)
- Other Post-Employment Benefits (OPEB) funding - \$3.1 million (3.1% decrease from \$3.2 million in FY25)

### **Budget Process and Guidelines**

The Town of Wellesley strives to provide excellent services to its citizens through its numerous elected and volunteer boards and departmental managers. Each board/department has a mission statement and work plan which forms the basis for its annual operating and five-year capital request. The Select Board is charged with bringing forth a balanced annual town-wide budget, in addition to articulating a longer-term town-wide financial plan, that maintains Wellesley's fiscal strength.

Allocating available resources begins with the Select Board's review of current revenues and revenue enhancement opportunities presented by the Finance Director. After factoring in fixed costs, such as union contracts, employee benefits, issued debt, and past service liabilities; and with input from boards and committees regarding anticipated priorities, the Select Board develops budget guidelines in early fall for the upcoming fiscal year to help allocate available funds to all the departments. Each department then develops a budget within guideline. New initiatives and costs beyond guideline, including the need for any new positions or reclassifications of positions within departments and extraordinary expenses that are not known at the time when guidelines are set, are discussed, and further evaluated by the Advisory Committee and the Select Board during the budget cycle. Other funding mechanisms (such as an override or debt exclusion) may ultimately be proposed if a critical initiative cannot be funded within the current year's resources.

The budget process continues with creating and approving the Omnibus Budget and determining the amount of Free Cash to balance the Omnibus Budget. There are also limited one-time revenue sources from other funds.

Prior to FY25, the guidelines developed by the Select Board were often the same for all departments, but with the WPS and Town contracts settled in FY23 and FY24, there was significant variability in contract terms among the bargaining groups. The Board therefore took the approach in FY25 of issuing individual guidelines and is continuing with this approach in FY26. These FY26 guidelines are as follows:

**Table 3 – Departmental Guidelines**

<b>Department</b>	<b>Personal Services</b>	<b>Expenses</b>
Executive Director's Office	3.75%	3.00%
Climate Action Committee	2.00%	3.00%
Central Administrative Services		3.00%
Finance Department	5.00%	\$2,000
Information Technology	3.00%	8.00%
Treasurer & Collector	3.00%	3.00%
Council on Aging	3.00%	\$10,000
West Suburban Veterans District	3.00%	3.00%
Youth Commission	2.00%	3.00%
Facilities Management	3.00%	5.00%
Memorial Day		2.00%
Celebrations Committee		\$5,000
Zoning Board of Appeals	2.00%	3.00%
Town Clerk	3.00%	3.00%
Board of Assessors	3.00%	3.00%
Planning Board	3.00%	3.00%
Advisory Committee	\$7,000	3.00%
Human Resources Board	3.00%	3.00%
Police	4.00%	4.50%
Fire	4.00%	3.00%
Building	4.00%	3.00%
Sealer of Weights & Measures	3.00%	3.00%
DPW	3.00%	3.00%
Library	3.50%	3.00%
Recreation	3.00%	3.00%
Board of Health	3.00%	3.00%
Mental Health Services		3.00%
Natural Resources Commission	3.00%	3.00%
Morses Pond Project - (NRC, DPW, Rec)		3.00%
Cultural Council		\$2,000
<b>SCHOOL</b>	<b>3.25%</b>	<b>3.25%</b>

Highlights are guidelines other than 3%; if department not listed assumed 3% guideline

### **Budget Requests vs. Guidelines**

In the chart on the next page, each group's FY26 request (matching numbers in Table 1) is compared against FY25 Budgets. Increases in requested funding are divided into funding that is covered when relevant guidelines are applied and funding, if any, that is above guidelines. Brief explanations for funding above guidelines are provided as "Initiatives", with more details provided in the narratives in the Omnibus Budget Highlights section of this report.

- Column 1 shows the FY25 Total Operating Budget after the merit pool was applied and contracts settled.
- Column 2 shows the FY26 Total Operating Request to be voted by Town Meeting under this Article + benefit cost of \$20,000 for any new position (in FY26, there are 4 new positions)
- Column 3 shows the percentage change from the FY25 Budget to the FY26 Request. This is the number that is compared against the established budget guidelines.
- Column 4 shows the dollar change from FY25 to FY26.
- Column 5 shows the dollar change that is within budget guidelines.
- Column 6 shows the amount of the dollar change that is above guideline, if any.
- Column 7 gives a brief explanation of initiatives behind amounts above guideline.



**Table 4 – Department Operating Costs vs. Guideline**

Department	FY25 Budget	FY26 Art 8 Request + New Position Benefits	Increase %	Increase \$	Guideline \$	Increase Above Guideline	Initiatives
<b>Select Board - Administration</b>							
Executive Director's Office	\$743,328	\$795,884	7.07%	\$52,556	\$27,567	\$24,989	Upgraded position
Climate Action Committee	\$171,888	\$175,426	2.06%	\$3,538	\$5,157	\$0	
Central Administrative Services	\$14,500	\$14,600	0.69%	\$100	\$435	\$0	
Finance Department	\$550,307	\$578,716	5.16%	\$28,409	\$28,905	\$0	
Information Technology	\$1,673,562	\$1,763,605	5.38%	\$90,043	\$91,437	\$0	
Treasurer & Collector	\$524,450	\$582,390	11.05%	\$57,940	\$15,734	\$42,207	Traffic & Parking reallocation
Town Report	\$2,250	\$2,250	0.00%	\$0	\$68	\$0	
<b>Human Services</b>							
Council on Aging	\$569,167	\$601,684	5.71%	\$32,517	\$24,710	\$7,807	Salary adjustment
Veterans' Services	\$69,593	\$85,264	22.52%	\$15,671	\$2,088	\$13,583	Veterans' benefits
Youth Commission	\$120,415	\$122,481	1.72%	\$2,066	\$3,612	\$0	
<b>Other Services</b>							
Housing Development Corporation	\$6,500	\$6,500	0.00%	\$0	\$195	\$0	
Historical Commission	\$750	\$750	0.00%	\$0	\$23	\$0	
Memorial Day	\$5,950	\$5,950	0.00%	\$0	\$179	\$0	
Celebrations Committee	\$5,000	\$20,000	300.00%	\$15,000	\$5,000	\$10,000	Reflect actual costs
Cultural Council	\$0	\$8,500	N/A	\$8,500	\$2,000	\$6,500	New to General Fund
Zoning Board of Appeals	\$97,796	\$99,377	1.62%	\$1,581	\$2,048	\$0	
<b>Shared Services</b>							
Law	\$480,000	\$480,000	0.00%	\$0	\$14,400	\$0	
Audit Committee	\$62,250	\$63,000	1.20%	\$750	\$1,868	\$0	
Risk Management	\$926,650	\$1,010,592	9.06%	\$83,942	\$27,800	\$56,143	Premium Increases
Street Lighting	\$142,000	\$142,000	0.00%	\$0	\$4,260	\$0	
Land Use Departments Lease	\$133,500	\$128,500	-3.75%	(\$5,000)	\$4,005	\$0	
<b>Other General Government</b>							
Town Clerk	\$502,387	\$478,140	-4.83%	(\$24,247)	\$15,073	\$0	
Board of Assessors	\$457,521	\$470,955	2.94%	\$13,434	\$13,726	\$0	
Planning Board	\$476,979	\$486,309	1.96%	\$9,330	\$14,309	\$0	
Advisory Committee	\$32,234	\$39,570	22.76%	\$7,336	\$7,439	\$0	
Reserve Fund	\$175,000	\$175,000	0.00%	\$0	\$5,250	\$0	
Human Resources Board	\$526,541	\$542,650	3.06%	\$16,109	\$15,796	\$313	Training, new copier supplies
<b>Facilities</b>							
Facilities Management	\$9,829,713	\$10,208,362	3.85%	\$378,649	\$380,180	\$0	
<b>Public Safety</b>							
Police Department	\$8,113,897	\$8,572,381	5.65%	\$458,484	\$328,874	\$129,610	Traffic & Parking reallocation
Special School Police	\$143,693	\$146,172	1.73%	\$2,479	\$4,311	\$0	
Fire Department	\$7,630,946	\$8,130,571	6.55%	\$499,625	\$300,256	\$199,369	2 positions reinstated
Building Department	\$688,713	\$712,771	3.49%	\$24,058	\$27,158	\$0	
Sealer of Weights & Measures	\$18,651	\$19,051	2.14%	\$400	\$560	\$0	
<b>Board of Public Works</b>							
Public Works	\$8,061,526	\$8,382,015	3.98%	\$320,489	\$241,846	\$78,643	Traffic & Parking reallocation
<b>Wellesley Free Library</b>							
Library Trustees	\$3,195,805	\$3,329,214	4.17%	\$133,409	\$107,930	\$25,479	New hire and new strategic initiative
<b>Recreation</b>							
Recreation Commission	\$461,691	\$475,490	2.99%	\$13,799	\$13,851	\$0	
<b>Health</b>							
Board of Health	\$1,208,115	\$1,256,045	3.97%	\$47,930	\$36,243	\$11,687	Job reclass, training
Mental Health Service Initiative	\$272,400	\$300,572	10.34%	\$28,172	\$8,172	\$20,000	Contractual costs
<b>Natural Resources</b>							
Natural Resources Commission	\$356,579	\$364,616	2.25%	\$8,037	\$10,697	\$0	
Morses Pond	\$173,000	\$177,000	2.31%	\$4,000	\$5,190	\$0	
<b>Wellesley Public Schools</b>							
Wellesley Public Schools	\$91,081,978	\$94,035,026	3.24%	\$2,953,048	\$2,960,164	\$0	
<b>Total FY25 vs FY26 Guideline</b>	<b>\$139,707,225</b>	<b>\$144,989,379</b>	<b>3.78%</b>	<b>\$ 5,282,154</b>	<b>\$ 4,758,512</b>	<b>\$ 626,330</b>	

## OMNIBUS BUDGET HIGHLIGHTS

To better inform Town Meeting, for departments “exceeding” guideline as measured in Table 3, Advisory provides further context in this section and has taken and recorded a Supportive/Unsupportive vote for those departmental budgets. In addition to reports for the departments with budget requests over guideline, **Advisory has included write-ups for Facilities Management and Wellesley Public Schools, due to the relative size and importance of these budgets, even though they are not over guideline.**

- Executive Director's Office
- Treasurer & Collector
- Council on Aging
- Veterans Services
- Celebrations Committee
- Cultural Council
- Risk Management
- Human Resources Board
- Facilities Management
- Police Department
- Fire Department
- Department of Public Works
- Wellesley Free Library
- Board of Health
- Mental Health Service Initiative
- Wellesley Public Schools

This section also includes additional information regarding Pension and Retirement Contribution, Employee Benefits, Cash Capital Requests, Debt Service and Receipts Reserved for Appropriation, which are all included in the Omnibus Budget.

## General Government – Select Board

**Table 5 – General Government Select Board**

	FY22	FY23	FY24	FY25	FY26	FY25-26
	Actual	Actual	Actual	Budget	Request	Change
<b>SB - Administration</b>						
Executive Director's Office	520,987	524,196	573,723	743,328	795,884	7.07%
Climate Action Committee	78,308	110,739	159,309	171,888	175,426	2.06%
Central Administrative Services	10,491	10,231	13,625	14,500	14,600	0.69%
Finance Department	424,752	441,436	529,322	550,307	578,716	5.16%
Information Technology	1,218,022	1,164,729	1,396,382	1,673,562	1,763,605	5.38%
Treasurer & Collector	403,070	393,477	456,576	524,450	582,390	11.05%
Town Report	1,417	2,031	1,922	2,250	2,250	0.00%
<b>SB – Human Services</b>						
Council on Aging	424,801	400,012	503,623	569,167	601,684	5.71%
Veterans Services	60,004	61,791	113,701	69,593	85,264	22.52%
Youth Commission	106,204	106,048	114,190	120,415	122,481	1.72%
<b>SB - Other Services</b>						
Housing Development Corp	4,025	3,915	4,385	6,500	6,500	0.00%
Historical Commission	471	428	478	750	750	0.00%
Memorial Day	4,663	5,925	5,772	5,950	5,950	0.00%
Celebrations Committee	9,400	4,700	7,500	5,000	20,000	300.00%
Cultural Council	0	0	0	0	10,000	#DIV/0!
Zoning Board of Appeals	83,575	84,536	89,124	97,796	99,377	1.62%
<b>SB - Shared Services</b>						
Law	404,796	486,979	333,113	480,000	480,000	0.00%
Audit Committee	60,400	60,530	55,030	62,250	63,000	1.20%
Risk Management	579,647	673,114	694,086	926,650	1,010,592	9.06%
Street Lighting	128,911	130,368	131,223	142,000	142,000	0.00%
Land Use	-	-	122,995	133,500	128,500	-3.75%
Provision for Contract Settlements	-	-	41,902	-	0	0.00%
<b>TOTAL General Govt. - Select Board</b>	<b>\$4,543,944</b>	<b>\$4,665,185</b>	<b>\$5,347,981</b>	<b>\$6,299,856</b>	<b>\$6,688,969</b>	<b>6.18%</b>

## Executive Director's Office

The mission of the Executive Director's Office is to implement the policies of the Select Board, manage and direct any and all matters and activities affecting the interests and welfare of the

Town that are not specifically assigned by law to any other board or office, and to foster continuous and collaborative improvement of public services and programs.

The Executive Director of General Government Services serves as the Chief Operating Officer for the Select Board, overseeing the day-to-day operations of the Office of the Select Board and several critical departments. These include the Finance Department, Facilities Management Department, Climate Action Committee, IT Department, Building Department, Police and Fire Departments (through contractual delegation), the West Suburban Veterans District, and the Sealer of Weights and Measures. Additionally, the Executive Director supervises the Human Resources Director's daily reporting responsibilities (through a Memorandum of Agreement) and manages multiple financial accounts. In collaboration with the Board, the Executive Director helps establish the Town's annual goals and objectives and leads staff initiatives to achieve them. Key responsibilities include developing and implementing the Town-Wide Financial Plan, the Five-Year Capital Budget Program, and the Annual Operating Budget. The role also involves providing leadership for cross-departmental projects, supporting various elected and appointed boards and committees, and implementing the Town's Unified Plan.

The Office of General Government Services is staffed by 6 professionals, led by the Executive Director.

The total operating budget for the Executive Director's Office is \$795,884, an increase of \$52,556, or 7.07%, over FY25. Of this increase, \$24,989 is over guideline, with \$18,219 in Personal Services due to a new position, and \$6,770 in Expenses for mailings, both described below. The FY26 budget prioritizes advancing key initiatives including the Unified Plan, Strategic Housing Plan, Sustainable Mobility Plan, Climate Action Plan, and economic development.

The Executive Director's budget includes a new position, the Creative Content Coordinator, to better align operations and address the growing need for communications support, including the increasing role of social media. The Creative Content Coordinator would aim to better evaluate new strategies and technologies to focus on communication with Town residents, a need identified at STM 2024. The starting salary will be \$62,722. The Executive Director's office has eliminated a clerk position to help cover the cost of the new position, without which the Personal Services budget would be under guideline. Note that there is no impact on the cost of benefits, as the additional benefits costs arising from the creation of a new position are offset by the benefits eliminated along with the clerk's position.

The increase in budgeted Expenses is entirely attributable to the addition of \$8,000 in mailing costs to communicate the Town Wide Financial Plan (TWFP) to residents prior to both ATM and STM (2 mailings, \$4,000 per mailing). Again in response to residents calling for better communication at STM 2024, the Executive Director and Select Board believe that distribution of the TWFP, starting in FY26, will communicate upcoming initiatives that will have significant financial impact over the next several years, thereby illustrating to residents how the Select Board considers growth and major projects.

**Advisory conducted a Supportive/Unsupportive vote.** Members were especially supportive of the new Creative Content Coordinator position, recognizing that coordination will play a big role in responding to requests from many residents for more and better communication. One member encouraged that the Town continue to consider need for written solutions both to mitigate costs and reach the full audience of current and future residents. Another member asked about the potential for an "opt in" alternative to receive digital communication. It was suggested that the new Coordinator would benefit from a study of what town residents want to meet their needs, in

conjunction with this year's Warrant Article 32 proposing that the Town allow "print-free" digital legal notices.

**Advisory voted 11 to 0 in support of the Executive Director's Office FY26 budget.**

### **Treasurer/Collector**

The mission of the Treasurer/Collector's office is to provide the highest level of customer service and support to all of the Town's constituencies (i.e., taxpayers, employees, retirees or vendors), as well as satisfy the legal requirements set forth in Massachusetts General Laws and the Town's bylaws. Responsibilities include issuing and collecting all bills for real estate, personal property and motor vehicle excise taxes; collecting all utility payments; disbursing Town vendor and payroll funds; and issuing and managing Town debt obligations.

The department is comprised of 5 full-time employees: the Treasurer/Collector, Assistant T/C, Sr. Accounting Clerk for Parking & Collections and 2 Accounting Clerks.

The total FY26 operating budget for the Treasurer/Collector department is \$582,390, an increase of \$57,940, or 11.05%, over FY25. Of this increase, \$42,207 is over guideline, with \$38,600 in Personal Services and \$3,607 in Expenses. The Personal Services overage is primarily due to the reinstatement of 50% of the Senior Accounting Clerk position salary (\$37,426) from Traffic & Parking, as requested by the Select Board, bringing total department FTE to 5.0. The overage in Expenses is mainly attributable to the outsourcing of the printing of real estate and personal property tax bills (\$44,500), partially offset by reduced postage costs (\$22,000) and lower banking services costs (\$13,000). This outsourcing is expected to provide a system that is more user-friendly for residents. Without the impact of the Traffic and Parking reallocation, the department would have exceeded guideline by \$4,780 (\$1,173 in Personal Services and \$3,606 in Expenses).

**Advisory conducted a Supportive/Unsupportive vote.** Advisory understands that the Treasurer's department is over guideline this year due to the Select Board's proposal to eliminate its subsidy to Traffic & Parking (T&P), where revenues have not recovered to pre-pandemic levels when T&P was self-sustaining. Expenses are reallocated back to departments which support T&P (namely Police, Treasurer, and DPW), to be included in those departments' operating budgets. Advisory members felt this was an appropriate recognition of costs.

**Advisory voted 11 to 0 in support of the Treasurer & Collector FY26 budget.**

### **Council on Aging**

The mission of the Wellesley Council on Aging (COA) is:

- To serve as the community resource for older adult residents (60+), their families, and caregivers.
- To act as the primary advocate for Wellesley's older adults.
- To provide comprehensive programs, social services, meals, transportation services, educational and fitness activities to enhance socializing opportunities.
- To foster an environment of well-being and community.

As outlined in the 2020 Town census, 6,280 older adults listed as age 60 and above now reside in Wellesley. This is approximately 23% of Wellesley's population.

The COA is overseen by an 11-member board appointed by the Select Board. The department currently has 6 full-time employees and 6 part-time employees.

The total operating budget request is \$601,684, an increase of \$32,517, or 5.71%, over FY25. Of this increase, \$7,824 is over guideline, all in Personal Services. This overage is due primarily to the hiring of a new Assistant Director of Senior Services at Mid-Grade, and multiple Series 40

staff members who received step increases that were not factored into the department guideline, in addition to their 3% COLA increases.

**Advisory conducted a Supportive/Unsupportive vote.** Members recognized that smaller departments with employees receiving step increases or a replacement hire at a level above prior grade – both factors for this department – could likely lead to an acceptable budget increase over a 3% guideline, especially for departments with mostly 40 series employees earning 3% COLAs, since those factors are not considered in setting guideline.

**Advisory voted 11 to 0 in support of the Council on Aging FY26 budget.**

### **Veterans Services**

The West Suburban Veterans District (WSVD) works independently and in accordance with state laws and regulations to administer benefits from the Massachusetts Department of Veterans Services and the U.S. Veterans Administration to eligible Veterans and their dependents. This work is performed by the Veterans Service Officer (VSO) who assists Veterans by assessing benefits, identifying federal, state, and local Veterans programs, and providing referrals for employment, training, housing, and medical care.

The total operating budget request is \$85,264, an increase of \$15,671, or 22.52%, over FY25. Of this increase, \$13,583 is over guideline, all in Expense, mainly due to \$10,000 funding to meet claims as more Veterans have become eligible for financial and medical benefits under Chapter 115 of the Massachusetts General Laws. The remaining request increase is for Wellesley's share of salary increases in the WSVD, serving 5 different communities - Wellesley, Weston, Wayland, Westwood, and Needham.

**Advisory conducted a Supportive/Unsupportive vote.** Advisory members expressed appreciation that the Commonwealth has increased benefits available to Veterans.

**Advisory voted 11 to 0 in support of the Veterans Services FY26 budget.**

### **Celebrations Committee**

The Celebrations Committee operates under the authority of the Select Board as an Appointed Standing Committee. The Committee consists of 12 residents appointed by the Select Board, two of whom are members of the Wellesley Veterans' Council. The Committee plans and carries out a proper observance of the annual Town Veterans' Celebration and other such events as the Select Board may designate.

The Select Board originally set a FY26 guideline of \$10,000, an increase of \$5,000 over FY25. Upon further consideration, the Select Board reset the budget for FY26 to \$20,000, or \$10,000 over the guideline.

**Advisory conducted a Supportive/Unsupportive vote.** Advisory members agreed that the events organized by the Committee are important to the Town and need to be sufficiently funded, with some concern that private donations may be in decline, or not covering the required costs for these popular events.

**Advisory voted 11 to 0 in support of the Celebrations Committee FY26 budget.**

### **Cultural Council**

The Wellesley Cultural Council (WCC) is the local presence of the Massachusetts Cultural Council (MCC) and is a grassroots funding network supporting community-based projects in the arts (visual, musical, media and literary programs); humanities (including history, social studies, philosophy and art appreciation); and interpretive sciences (educational activities engaging all ages in learning about nature, science and technology). WCC members, appointed by the Select

Board, aim to foster creative expression, and bring art to a wider audience by awarding grants to programs that enrich the culture and quality of life in Wellesley.

Prior to FY26, the WCC budget was only funded by state grants, with no Town funds appropriated. The Select Board originally set a FY26 guideline of \$2,000 as a first-time contribution. Upon further consideration, the Select Board increased the FY26 appropriation to \$8,500, or \$6,500 over guideline, to match state grants to civic and nonprofit groups that enhance culture and diversity in Wellesley.

**Advisory conducted a Supportive/Unsupportive vote.** There was broad Advisory support for the Cultural Council. One member felt it was important to understand the mission of the Cultural Council and its disbursements, consistent with Warrant Article 37 proposing to create a new Article under the General Bylaws to define the terms and duties of the Council.

**Advisory voted 11 to 0 in support of the Cultural Council FY26 budget.**

### **Risk Management**

Risk Management is the Town's budget for insurance. The budget provides for the premium costs for general liability, vehicles, property, and public official liability insurance for all Town operations, as well as occupational health services. The work-related medical expenses of active and retired injured or disabled uniformed police and fire personnel are also funded within this budget.

The total operating budget requested for the Risk Management department is \$1,010,592, an increase of \$83,942, or 9.06%, over FY25, due to premium increases. Of this increase, \$56,143 is over a 3% guideline.

Premium increases are generally due to either recent claims experience or increased valuations of insured items. There are several drivers to the increased premiums. Nationally, claims losses due to the Florida and North Carolina hurricanes and California fires increase premiums. Also, in recent years, there has been an increase in the major claims of the Town. Additionally, new equipment and new vehicles are more expensive, and thus are more costly to insure. Also, there has been an increase in professional liability claims. Finally, there has been an increase in the valuation of the Town's many buildings, most notably the inclusion of the Town Hall and Hardy school for a full year.

**Advisory conducted a Supportive/Unsupportive vote.** It is important to note that the Select Board does not set a guideline for the Risk Management cost increase, but that a 3% guideline increase is used in Advisory's analysis for the purpose of discussing the year-over-year change in insurance costs. Several Advisory members commented that it would be helpful to understand the impact that Town specific experience vs. nationwide considerations have on the insurance premium increases, and that understanding this impact might lead to a better understanding and potential predictability of changes. One member also was interested in if the Town had any multi-year contracts with insurance carriers and how often contracts are bid out which might also shed some light on annual changes. In general, Advisory understood how the natural disasters nationally and the increase in value of Town buildings, now all on-line, would contribute to insurance cost increases.

**Advisory voted 11 to 0 in support of the Risk Management FY26 budget.**

## **Other General Government**

**Table 6 – Other General Government**

	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	FY25-26 Change
Town Clerk	327,052	409,703	414,069	502,387	478,140	-4.83%
Board of Assessors	398,203	338,973	407,530	457,521	470,955	2.94%
Planning Board	257,639	291,590	382,632	476,979	486,309	1.96%
Advisory Committee	25,102	26,943	38,021	32,234	39,570	22.76%
Advisory Reserve Fund	175,000	175,000	175,000	175,000	175,000	0.00%
Human Resources Board	430,720	452,006	450,635	526,541	542,650	3.06%
TOTAL Other General Govt	\$1,613,716	\$1,694,215	\$1,867,887	\$2,170,662	\$2,192,624	1.01%

### **Human Resources Board**

Through strategic partnerships and collaboration, the Human Resources Department is dedicated to attracting, developing, and retaining a high- performing, inclusive, and diverse workforce where all employees can thrive. They are committed to ensuring their employees are equipped to serve the public with respect, equity, and compassion. By fostering a healthy, safe, and productive work environment, offering a comprehensive range of benefits for employees and their families, and advocating for the resources employees need to meet both personal and community needs, they strive to position the Town of Wellesley as an employer of choice.

The total operating budget request is \$542,650, an increase of \$16,110, or 3.06%, over FY25. Of the increase, \$313 is over guideline, all in Expenses, primarily due to an increase in Training and Development and the purchase of a new multifunctional copier and its service plan.

**Advisory conducted a Supportive/Unsupportive vote.**

**Advisory voted 11 to 0 in support of the Human Resources FY26 budget.**

## **Facilities Management**

**Table 7 – Facilities Management – Select Board**

	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	FY25-26 Change
Facilities Management	8,065,977	8,252,158	8,715,898	9,829,713	10,208,362	3.85%

The mission of the Facilities Management Department (FMD) is to treat department managers as highly valued customers, by being responsive to their facility needs and allowing them to focus on their own core missions. Facilities will be professionally managed, operated and maintained in an efficient manner and within established budgets. FMD shall maximize service life of facilities and equipment, protecting valuable public assets, through regular preventive maintenance and collaboratively prepared long-term capital plans. FMD staff recognizes the uniqueness of each department's building and operational needs and accomplishes their work in a way that minimizes service interruption. Sustainability and energy efficiency are at the forefront of all FMD operations and practices, and staff shall endeavor to incorporate these into all aspects of their work.

The FMD is responsible for custodial service, maintenance/operations, capital planning and project management for 29 buildings, totaling over 1.2 million square feet, including 10 schools,

the Field House at Sprague, 3 libraries, 2 fire stations, the Police Station, Town Hall, the Warren Building, Morses Pond bathhouse and the Senior Center. The DPW buildings for which FMD has responsibility are 2 garages, the administration building on the Municipal Way campus and 5 buildings at the Recycling and Disposal Facility.

The FMD staff of 74.6 FTEs includes both union and non-union employees. Non-union staff include the managers and central office staff, while all full- time custodians and maintenance staff belong to a union or association (Libraries). Union contracts are settled through FY26.

The total FY26 operating budget for the FMD is \$10,208,362, an increase of \$378,649, or 3.85%, over FY25. Both Personal Services and Expense increases are within the guidelines for the Department. The budget request provides for the continued successful operation and maintenance of the buildings within FMD's purview, including the Hunnewell and Hardy new schools and the renovated Town Hall.

In FY26, FMD's Design & Construction team will manage the construction phase of the HVAC renovation project at the Warren building and oversee the design and bidding of the new RDF Administration building.

## **Public Safety**

**Table 8 – Public Safety**

	FY22	FY23	FY24	FY25	FY26	FY25-26
	Actual	Actual	Actual	Budget	Request	Change
Police Department	6,714,368	7,029,975	7,479,266	8,113,897	8,572,381	5.65%
Special School Police	44,730	45,114	49,393	143,693	146,172	1.73%
Fire Department	6,195,356	6,675,825	7,058,234	7,630,946	8,090,571	6.02%
Building Department	599,692	619,253	645,080	688,713	712,771	3.49%
Sealer of Weights and Measures	13,326	17,286	14,929	18,651	19,051	2.14%
TOTAL Public Safety	\$13,567,472	\$14,387,453	\$15,246,902	\$16,595,900	\$17,540,946	5.69%

## **Police Department**

The mission of the Police Department is to promote and maintain a partnership with the citizens of Wellesley. Their goal is to preserve life, maintain human rights, protect property, promote individual responsibility, and community commitment. They endeavor to enhance the overall quality of life through mutual trust, respect, and the fair and equitable enforcement of the laws while carefully safeguarding the dignity of all.

The Police Department staff includes: the Chief, the Deputy Chief, 4 Police Lieutenants, 6 Police Sergeants, 34 Police Officers, 10 Dispatchers, 3 Administrators, an Animal Control Officer, and an IT specialist.

The total operating budget for the Police Department is \$8,572,381. This amount represents a \$458,484, or a 5.65%, increase over FY25. Of the increase, \$129,610 is over guideline, all in Personal Services. The overage is entirely attributable to the Select Board's allocation of costs from Traffic & Parking back to the Police Department – 50% of a Lieutenant position and 50% of a Patrol Officer position. The Department met the Personal Services guideline of a 4% increase prior to the Traffic & Parking modifications.



**Advisory conducted a Supportive/Unsupportive vote.** Advisory members recognize that the Police Department budget increase over guideline is a result of the reallocation of employee costs from Traffic & Parking back to the Police Department, and that this absorption into the Police budget is expected to continue into the foreseeable future. As a result, revenues from the General Fund rather than Traffic & Parking revenues will cover the full cost of these employees.

**Advisory voted 11 to 0 in support of the Police Department FY26 budget.**

### **Fire Department**

The Wellesley Fire Department is committed to protecting people, property, and environment. They are responsive to the needs of Wellesley residents and others they serve by providing rapid, professional, humanitarian services essential to the health, safety, and well-being of the community. They accomplish their mission through training, preparedness, education, fire suppression, medical service, hazard mitigation, and other related activities.

The Fire Department staff is comprised of the Fire Chief, Assistant Fire Chief, 40 Firefighters (including request), 13 Lieutenants, 5 Deputy Chiefs, 1 Mechanic, and 1 Administrative Assistant.

The total FY 26 operating budget for the Fire Department is \$8,130,571, an increase of \$499,625, or 6.55%, over FY25. Of this increase, \$199,369 is over guideline, entirely in Personal Services. The Fire Department is entering its final year of a three-year phased plan to restore five positions to the Department, four of which were frozen under previous administrations and one that was vacated due to the creation of the Lieutenant of Fire Prevention role. One position was restored in FY24 and two in FY25. The final two positions will be restored in FY26. This will bring all shift strengths up to 14 firefighters to meet minimum staffing levels, while lowering overtime cost and avoiding having members work unsafe consecutive tours. The FY26 increase also includes the cost of new employee benefits of \$40,000 (\$20,000 for each of the 2 new positions). Excluding costs for these 2 new positions, the Fire Department budget increase is within the 4% Personal Services guideline.

**Advisory conducted a Supportive/Unsupportive vote.** Advisory members agreed it is exceedingly important that these two positions be reinstated, understanding that when the positions were frozen, there was a dramatic impact on operations and overtime. Bringing staff up to minimum levels allows understaffed firefighters to obtain needed rest, improves morale and reduces overtime costs which negatively impact the budget. Of note is that Select Board guideline increases do not include new positions and related benefit costs, even if additional staffing is part of a department plan.

**Advisory voted 11 to 0 in support of the Fire Department FY26 budget.**

### **Public Works**

**Table 9 – Board of Public Works**

	FY22	FY23	FY24	FY25	FY26	FY25-26
	Actual	Actual	Actual	Budget	Request	Change
Engineering	549,322	634,944	402,616	420,064	427,615	1.80%
Highway	1,790,677	1,763,265	1,234,299	1,338,369	1,388,949	3.78%
Fleet Maintenance	247,768	252,723	252,723	258,975	267,561	3.32%
Park & Tree	1,793,208	1,818,514	1,982,906	2,099,784	2,208,787	5.19%
Recycling & Disposal	2,498,913	2,641,809	2,881,358	3,122,658	3,245,712	3.94%
Management	446,255	452,264	417,114	442,499	453,391	2.46%
Winter Maintenance	915,515	379,177	494,067	379,177	390,000	2.85%
<b>TOTAL Board of Public Works</b>	<b>\$8,241,658</b>	<b>\$7,942,696</b>	<b>\$7,665,083</b>	<b>\$8,061,526</b>	<b>\$8,382,015</b>	<b>3.98%</b>

The Board of Public Works (BPW) is responsible for overseeing the delivery of essential public works, water and sewer utilities, and other services provided to the Town by the Department of Public Works (DPW). Funding for these services includes both tax revenues and customer payments. Town tax revenues fund the DPW Engineering, Highway, Recycling and Disposal, Park and Tree, and Management Service Divisions. DPW services financed by tax revenues are often referred to as the DPW “tax-impact programs.” Rate-paying customers fund the services provided by the DPW Water, Sewer, and Stormwater Divisions, which do not affect the Town’s tax rate. Budgets for these programs, referred to as “Enterprise Fund programs,” are presented in Articles 12, 13, and 14.

The Engineering Division designs and provides project management services for all DPW projects and reviews private plans for conformance to Town standards for the Planning Board, Zoning Board of Appeals, and other Town departments and maintenance of Town plans and files related to deeds, easements, and construction. The Highway Division maintains Town roadways, sidewalks, curbs, guardrails, and street name signs. The Park and Tree Division is responsible for the care and upkeep of all the Town public shade trees, parks, playgrounds, fields, courts, and site amenities. The Recycling and Disposal Facility (RDF) is responsible for disposing of solid waste and recyclable materials and is the Town’s most widely used facility, with over 350,000 annual vehicle trips to the facility. The Management Division directs and supports all activities of the Divisions in addition to administrative and accounting support for the Fleet Maintenance Service Shop that procures, maintains, and repairs the DPW fleet and performs maintenance for other town departments as requested. The Town’s Winter Maintenance budget is also included in this appropriation to fund the overtime portion of work and all expenses relating to salting, plowing, and removing ice and snow from streets, ways, walks, and pavement areas.

The Board of Public Works is requesting an appropriation of \$8,382,015 from Town funds to pay operating expenditures in FY26. This request represents an increase of \$320,489, or 4.0%, over the FY25 budget. This increase includes the Select Board’s request that the DPW include additional funding of \$80,000 for Traffic and Parking Lot Maintenance for FY26. This reallocation of \$80,000 in costs helps eliminate the need for the Town to subsidize the Traffic and Parking budget. Without this increase, the DPW operating budget would meet its guideline of 3% increase over FY25 budget.

Consistent with recent budget reporting practice, the budget motion provides for an appropriation for Personal Services and an appropriation for Expenses, with recommended specific personal services and expense allocations made to each of the DPW programs. Appropriating aggregate funds for Personal Services and for Expenses with only a recommendation for the allocations allows the Board of Public Works the ability, if necessary and after voted approval by the Board, to transfer funds between the program allocations.

Personal Services are projected to increase by \$215,107, or 4.4%, while Expenses are projected to increase by 105,382 or 3.3% over FY25.

The DPW projects FY26 RDF revenues of \$915,000, which are a component of Local Revenue. Revenues from appliance fees and the sales of metal recyclables will be used as a source of funds for the Baler, Compactors, and up to \$50,000 for the Major Equipment Repair revolving fund. The balance of the RDF revenues is returned to the Town and is not reflected in the DPW budget.

Work for Others: Under some circumstances, the DPW may deploy personnel for DPW capital projects or Town programs funded through other budgets. For FY26, the budget assumes that approximately \$2,785,743 in DPW personal services costs will be funded through other budgets.

In some cases, the occurrence and timing of such work is controlled by other departments, though most of this work is funded through DPW Capital and Enterprise Fund Budgets.

**Advisory conducted a Supportive/Unsupportive vote.**

Advisory understood that this overage is, again, the result of the Select Board's proposal to reallocate the Traffic & Parking expenses.

**Advisory voted 11 to 0 in support of the Department of Public Works FY26 budget.**

**Other Commissions and Boards**

**Table 10 – Other Commissions and Boards**

	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	FY25-26 Change
Board of Library Trustees	2,700,465	2,838,909	2,981,381	3,195,805	3,309,214	3.55%
Recreation Commission	381,605	405,608	427,237	461,691	475,490	2.99%
Board of Health (BOH)	798,983	814,411	917,967	1,208,115	1,256,045	3.97%
Mental Health Services (BOH)	242,606	265,756	268,356	272,400	300,572	10.34%
Natural Resources Commission	249,952	306,322	323,976	356,579	364,616	2.25%
Morses Pond (NRC/DPW/Rec)	137,011	151,250	149,330	173,000	177,000	2.31%
<b>TOTAL Other Commissions/Boards</b>	<b>\$4,510,622</b>	<b>\$4,782,256</b>	<b>\$5,068,247</b>	<b>\$5,667,590</b>	<b>\$5,882,937</b>	<b>3.80%</b>

*Note: Utilities are included under FMD Maintenance Services.*

**Board of Library Trustees**

The Board of Library Trustees (Trustees) is responsible for overseeing the management of the Wellesley Free Library (WFL), which includes the Main Library at 530 Washington Street, the Wellesley Hills Branch at 210 Washington Street and the Fells Branch at 308 Weston Road. In addition, the WFL hosts a robust website that can be considered a “virtual branch.” The mission of the WFL is connecting the community to each other and to the world. The vision of the WFL is to be the cultural and intellectual crossroads of the community. Through comprehensive collections and innovative spaces, technologies, and programs, the WFL provides free and convenient access to information both within and beyond its walls.

The WFL is staffed by 38.7 FTE's, including 11 Librarians (including 1.0 new request) and 17 Assistants.

The total FY26 operating budget requested is \$3,329,214, an increase of \$133,409, or 4.17%, over FY25. Of this increase, \$25,478 is over guideline.

The Personal Services portion of the request is \$2,515,478, an increase of 4.33%, or \$20,000 over the 3.5% guideline. This overage is attributed to the estimated cost of employee benefits for a new position. The additional full-time employee is requested to fill a need for a Technology Librarian who will ensure compliance with 2024 Justice Department finalized rules and technical standards to make the Library website accessible to users with disabilities. This conversion involves making pictures and documents accessible for blind users and adding captions for live and pre-recorded videos for the hearing impaired. The requested Technology Librarian will also coordinate electronic communication, including the social media website and e-newsletter, as well as assist with database selection and maintenance, meeting room technology needs, and desk coverage. Adding a new FTE while being only \$20,000 over the Personal Expense guideline (which takes into account the cost of employee benefits), is made possible by the retirement of some long-term employees, and several cuts to hours on Sunday and on-call hours.

The Expenses budget request for FY26 is \$813,736, an increase of \$29,020, or 3.7%, over FY25. This increase is \$5,478 above the 3% guideline due to a request for a new strategic initiative of \$5,500 to install and maintain menstrual supplies dispensaries in each restroom at the Hills and Fells branches, and in the 4 restrooms in the Main Library, using the same vendor as in the Wellesley Public Schools. Several peer town libraries have had success with this initiative to support the unexpected need for period products and minimize insufficient access.

**Advisory conducted a Supportive/Unsupportive vote.** One Advisory member emphasized support for the Library's Strategic Initiative, encouraged given the success experienced by peer town libraries, and potential cost savings by using the existing vendor for the schools.

**Advisory voted 11 to 0 in support of the Library FY26 budget.**

### **Board of Health**

The Board of Health (BOH) provides leadership on Town health and human service matters. The mission of the Wellesley Health Department (WHD), operating under the direction of the BOH, is to assess and address the needs of the Wellesley community, and to protect and improve the health and quality of life of its residents and work force.

Under the supervision and guidance of the elected three-member BOH, the Health Department's staff evaluates the public health needs of the community and addresses those needs by providing environmental and community health services, infectious disease prevention and surveillance, public health nursing services, and health promotion and education programs.

As agents of the members of the BOH, health department staff assume operational responsibility for enforcing local and state regulations on matters such as sanitation, infectious disease surveillance and control, social, mental, and behavioral health, food safety, emergency and disaster preparedness, tobacco and vaping control, addiction, and environmental hazards. They also participate in federal and state-sponsored regional emergency preparedness planning and response activities. Staff also lead and coordinate educational programs integral to preventing disease and disability. These programs include healthy aging, personal emergency preparedness, reducing the risk of falls, hearing loss, vision, prevention of infectious, chronic diseases and becoming familiar with local resources for social, behavioral, and mental health 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 (HRS), which provides affordable, accessible clinical mental health and counseling services to Town residents regardless of their ability to pay.

The total FY26 operating budget for the BOH is \$1,556,617, including both non-contract (\$1,256,045) and contract (\$300,572) services, an increase of \$76,102, or 5.14%, over FY25. Of this increase, \$31,687 was above guidelines, with \$4,934 in Personal Services due to standing in range, job reclassifications and step increases that took place late in FY24 after town meeting. The budget was not adjusted at STM for these changes; if FY25 actual salaries had been considered, the Personal Services increase would have been only 1.93%. An additional \$26,753 was above guideline in Expenses, due to professional development costs and for a new contract with HRS, which requests this minimally acceptable increase to renew the contract. It is the first requested increase after 6 years without an increase, representing what would be a 1.67% compounded annual increase since FY20.

**Advisory conducted a Supportive/Unsupportive vote.** One member expressed support for the increase in the HRS contract, in light of recent Town discussions regarding reduction of mental

health services in the schools. It was agreed that contracting with HRS, which serves both public and private school students, is an excellent use of Town resources, and the increase in cost over time seems quite reasonable. Other members addressed the rising costs of employees being hired by BOH, and that the Department consider bringing to STM any changes in job reclassifications or standing in range that occur post ATM, so that setting future budget guidelines appropriately reflects expected expenses.

**Advisory voted 11 to 0 in support of the Board of Health FY26 budget.**

## **Wellesley Public Schools**

### **Overview**

The mission of the Wellesley Public Schools (WPS) is to provide a high-quality and equitable education supporting each student's academic, social, and emotional development. WPS is comprised of nine facilities (one preschool, six elementary schools, one middle school, and one high school). In FY25, WPS employed 805.57 full-time equivalent employees (FTEs) funded by the General Fund, an additional 37.71 FTEs funded by Grant funds, and 2.98 FTEs funded by Revolving funds. The District currently serves 3,989 students in-district, 53 students out-of-district, and an additional 16 students in private schools who are receiving services, totaling 4,058 students.

The District established a five-year [Strategic Plan](#) for years 2023-2028. During the budget development process, WPS administration leverages the related blueprint to identify growth areas within the scope of the four listed priorities.

1. Ensuring High Expectations Teaching and Learning for All Students
2. Supporting and Strengthening our Workforce / High Quality Professional Learning
3. Building Community Partnerships and Enhancing Engagement
4. Improving Facilities and Optimizing Resources

When organizing expenditures, WPS uses three categories: "Level Service", "Strategic Priorities", and "Other Critical Needs". WPS defines these terms as follows:

**Level Service:** a budget that supports providing the same standard of service as in the prior fiscal year. Under this definition, line items would increase or decrease depending on changes in need, such as enrollment increases or decreases and/or contract changes, but not provide a higher level of service to meet existing needs.

**Strategic Priorities:** a budget that supports one of the four strategies of the district's strategic priorities

**Other Critical Needs:** a budget that supports additional changes not reflected in Level Service or Strategic Priorities that are critical to the district's operations.

The Select Board requested that the FY26 WPS budget be based on an increase of 3.25% over the FY25 budget appropriation. After receiving this guidance, the School Committee requested WPS prepare three budget models, one that represented the joint Select Board and School Committee guidance of 3.25% increase guideline, one to represent a level service budget, and a third to represent implementing year three of the strategic priorities and other critical needs on top of level service. On January 28, 2025, the School Committee approved the WPS request for a budget for FY26 of \$94,035,026, which is approximately a 3.24% increase from FY25.

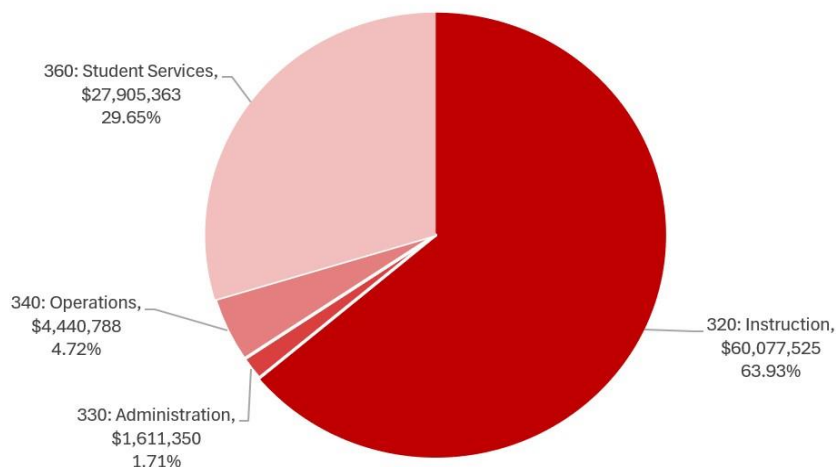
Following is a summary of the development of the FY26 Budget:

	Salary and Other Compensation	Expenses	Total	%Increase
FY25 Adjusted Budget	\$79,638,576	\$11,443,403	\$91,081,979	
Level Service	2,079,193	695,496	2,774,688	3.05%
Strategic Priorities	120,567	0	120,567	0.13%
Other Critical Needs	51,092	6,700	57,792	0.06%
<b>Total FY26 Budget</b>	<b>\$81,889,427</b>	<b>\$12,145,599</b>	<b>\$94,035,026</b>	<b>3.24%</b>

### FY26 Expenses by Category

Below is a breakdown of how the budgeted funds will be used:

Category	Salary and Other Compensation	Expenses	Total FY26 Budget	% of Total	Variance from FY25 to FY26
Instruction	\$56,859,126	\$3,218,399	\$60,077,525	63.89%	\$1,448,981
Administration	1,456,475	154,875	1,611,350	1.71%	15,842
Operations	1,926,389	2,514,399	4,440,788	4.72%	64,756
Student Services	21,647,437	6,257,926	27,905,363	29.68%	1,423,468
<b>Total FY26 Budget</b>	<b>\$81,889,427</b>	<b>\$12,145,599</b>	<b>\$94,035,026</b>	<b>100%</b>	<b>\$2,953,047</b>



Instruction represents the core educational services provided to students in the general education area, including departmental budgets for core academic areas (math, science, etc.) and specials (art, music, etc.). Other categories of expenses include educational technology, multilingual language learners, after school activities, intramural sports, athletics, and school counseling.



Student Services includes nurses, mental health resources, special educators, related service providers (occupational therapists, physical therapists, assistive technology specialists, and speech therapists), inclusion services, in and out-of-district transportation, and out-of-district educational placements.

Administration includes district costs including the superintendent's office, teaching and learning, professional development, and human resources and recruitment.

Operations includes network and computer technology, business office, information management, utilities, production center, McKinney Vento transportation, and in-district transportation.

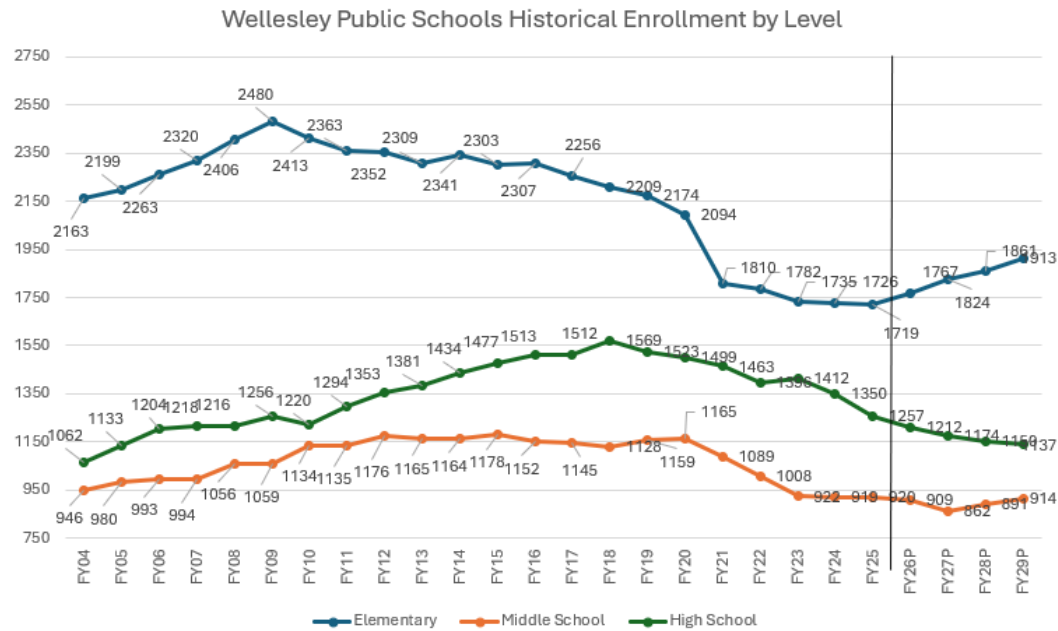
### **Strategic Priorities and Critical Needs**

Total proposed spending for Strategic Priorities and Critical Needs is \$178,359. Below is a summary of these identified items and their related costs.

<b>Budget Item</b>	<b>FTE</b>	<b>Amount</b>	<b>Need Type</b>	<b>Description</b>
Repurpose Reading Intervention Paraprofessionals to Literacy Specialists	0.0	\$120,567	Strategic Priority	As the district continues the Department's focus on rigorous core instruction, the budget includes the replacement of three Unit C reading intervention paraprofessional with three Unit A literacy specialist positions. This will result in two (2) literacy specialist positions per elementary school.
Family and Consumer Science Teacher	0.4	\$33,998	Critical Need	Demand for Family and Consumer Science classes has exceeded the number of available seats. For school year 2024-2025, the number of students who requested enrollment in the Joy of Cooking and Food, Culture, and Society exceeded current capacity by 184 students. The additional FTE is expected to reduce or eliminate the wait list for students.
Family and Consumer Science Course Expenses		\$6,700	Critical Need	Additional materials (food) cost for increased number of course sections
Instructional Library Assistant (ILA)	0.5	\$17,094	Critical Need	With the Librarians teaching more courses (AP Seminar and Capstone and Maker Space) additional student supervision is necessary. The addition of a part-time Instructional Library Assistant (ILA) will ensure the library is properly staffed.
<b>Total Strategic Priorities and Other Critical Needs</b>	<b>0.9</b>	<b>\$178,359</b>		

Enrollment

In October of each school year, WPS Administration provides the School Committee an enrollment update. This presentation includes both a count for the current academic year, as well as updated projections for the upcoming years. WPS uses the projected enrollment calculation as a basis for developing the next FY budget. In October 29<sup>th</sup>, 2024, the School Committee was presented an updated FY25 K-12 enrollment of 3,896 and a projected enrollment figure of 3,888 students for FY26 representing a projected decline of year over year (YOY) enrollment of 8 students, or 0.2%.



Following is a chart showing YOY enrollment deltas along with cumulative enrollment changes using FY14 as a baseline.

FY	Total WPS Enrollment K-12	Increase/ (Decrease) from previous year	Cumulative Increase/ (Decrease) from FY14
FY14	4939	-	-
FY15	4958	0.39%	0.39%
FY16	4972	0.28%	0.67%
FY17	4913	(1.19%)	(0.53%)
FY18	4906	(0.14%)	(0.67%)
FY19	4856	(1.02%)	(1.68%)
FY20	4758	(2.02%)	(3.67%)
FY21	4362	(8.32%)	(11.68%)
FY22	4186	(4.04%)	(15.25%)
FY23	4069	(2.80%)	(17.61%)



FY24	3995	(1.82%)	(19.11%)
FY25	3896	(2.48%)	(21.12%)
FY26 (Proj)	3888	(0.21%)	(21.28%)

### **Salary Agreements**

In May 2023, the Wellesley Educators Association and the Wellesley School Committee ratified collective bargaining agreements that span four years, through Fiscal Year 2026. For SY25-26 the agreed-upon COLA increases for all employees covered by these agreements (which represents 93.11% of all employees) is 3.0%. In addition to COLA costs, the Unit A Teachers and Nurses contract provides for an additional “step” increase for teachers and nurses who have not yet reached the top step, and “lane” increases for teachers and nurses as they attain additional academic degrees. The teachers’ contract currently provides for 16 steps and the value of each step increase is approximately 4.17%.

### **FTE Reductions and Impact on Budget**

The FY’26 Budget includes an overall reduction of 18.96 FTEs from the General Fund, as follows.

- Enrollment calibration (-8.10 FTEs) including: a reduction of (6.3 FTE) classroom teachers; an elementary Math Specialist reduction of (1.0 FTE), resulting in two specialists per elementary building; a School Counselor reduction of (0.50 FTE) at the middle school, a Math Paraprofessional reduction of (0.50 FTE) at the High School, and the addition of 0.2 FTE for Librarian at Sprague
- Level service reductions of (11.7 FTEs) including: the closure of FY’25 unfilled positions (-10.75 FTEs), a Multilingual Learner additional position 1.30 FTE; movement of the School Resource Nurse .29 FTE from the state grant fund to the General Fund, a Language Based Teacher reduction of (0.50 FTE) at Schofield, a School Psychologist reduction (0.30 FTE and 0.20 FTE) at Hardy and High School, a Speech and Language Pathologist reduction (0.20 FTE) at PAWS, repurposing of district wide Student Service positions for a Board Certified Behavioral Analyst and an Out-of-District Team Chair/Board Certified Behavioral Analyst (net reduction of 1.6 FTE), and the replacement of contracted music services with a Music Teacher addition 0.20 FTE at PAWS.
- Critical Need positions +.9, as described above in chart

The FTE reductions provide a total savings of \$2,687,531. This savings helps reduce the impact of step and lane base salary adjustments of \$3,285,344, which represents an increase of 3.6% from the FY25 adjusted budget.

In addition to savings realized through declining enrollment, staff turnover generally results in cost savings. Most employees who retire are at the top of the salary table. With a hiring target of a master’s degree with eight (8) years of teaching experience, the turnover savings for the replacement of one educator can result in savings of approximately \$35K. The turnover savings for instructional support professional positions is less, approximately \$5K per employee. The FY’26 Budget includes projected turnover savings of \$700K.

### **Student Services Expenses**

State and federal law mandates that Wellesley Public Schools provide special education 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 reside in Wellesley who may be candidates for special education are evaluated; if it is determined they are eligible, an Individualized Education Program (IEP) is developed by the Team process. 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.

Currently, there are 732 students who are eligible for special education services.

<b>Fiscal Year</b>	<b>FY'21</b>	<b>FY'22</b>	<b>FY'23</b>	<b>FY'24</b>	<b>FY'25</b>
Eligibility %	17.0%	17.1%	17.3%	17.4%	18.1%
Number of Students	773	741	728	725	732

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 and often better suit individual student needs. But if a student's needs are such that a town cannot appropriately provide for them in a public setting, the law requires that the IEP team agree upon an out-of-district Massachusetts-approved special education placement, including transportation if needed.

In summary, savings realized through enrollment calibration, staff turnover, and the closing out of unfilled positions helped blunt the impact of key budget drivers such as increased salaries and rising student services expenses.

## **Employee Benefits**

**Table 11 – Employee Benefits**

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY25-26</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Request</b>	<b>Change</b>
Group Insurance	20,462,688	21,021,387	21,385,965	22,739,128	25,598,232	12.57%
Workers Compensation	244,149	944,149	700,070	740,348	740,348	0.00%
OPEB Liability Funding	3,432,000	3,450,000	3,450,000	3,200,000	3,100,000	-3.13%
Retirement Contribution	8,234,817	8,586,426	8,846,365	9,039,104	9,310,462	3.00%
Unemployment Compensation	100,000	100,000	100,000	100,000	100,000	0.00%
Compensated Absences	12,668	159,854	120,000	120,000	130,000	8.33%
<b>TOTAL Employee Benefits</b>	<b>\$32,486,322</b>	<b>\$34,261,816</b>	<b>\$34,602,400</b>	<b>\$35,938,580</b>	<b>\$38,979,042</b>	<b>8.46%</b>

## **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 changes to the plan design. In recent years, the Town has negotiated with its employee groups and implemented several plan changes that have helped control rising costs, including providing a higher Town contribution to the most affordable plans and increasing the employee contribution for more expensive plans, and providing opt-out incentives for employees on other insurance plans.

Health benefits are currently covered under a contract that began on July 1, 2022, and includes high deductible and benchmark plans for employees. In FY 2023, the Town signed a Memorandum of Agreement with the unions to extend the health insurance contract through June

30, 2025. That agreement defines the Town's contribution rates towards health care plans, along with other benefit costs (dental, life insurance, accident, and indemnity plans). A new Memorandum of Agreement is currently being negotiated and anticipated to be completed prior to Town Meeting.

At the beginning of FY 2025, Harvard Pilgrim and Tufts merged, creating a new health care company called Point 32. As a result of this merger, WSHG consolidated from three plan options to two plan options and the Town's costs are as follows:

- Blue Cross Blue Shield – the Town pays 78% of the cost of the plan,
- Harvard Pilgrim – the Town pays 60% of the cost of the plan or 50% of the cost of the Harvard Pilgrim PPO plan.

Blue Cross Blue Shield will remain the most affordable plan option.

For the FY26 budget, the Select Board is proposing a health insurance budget of \$25,598,232, a \$2,859,104, or 12.57% increase over FY25. This increase reflects the following:

- The application of \$1.2 million from the WSHG Trust resulting in
  - 3.3% increase in rates for all BlueCross BlueShield healthplans,
  - 3.86% increase in rates for Harvard Pilgrim Benchmark Plans,
  - 6.97% increase in rates for Harvard Pilgrim High Deductible Plans,
- 5% increase in rates for Medicare Supplement Plans,
- Conservative increase of new plan subscribers, and
- One-time cost of \$1 million to correct the FY 2025 budgeted contributions (Article 7, Motion 4).

The WSHG continues to analyze the claims data and recommended increases for all health care plans. The Town continues to employ conservative assumptions based on current job vacancy rates and employees' ability to opt-out of the Town's insurance offerings or to select less expensive individual or high-deductible plans.

### **Worker's Compensation**

The Town self-insures 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.

The FY26 request is \$740,348, a 0% increase over FY25 because expenditures are expected to continue at a similar level as last year.

### **Pension and Retirement Contribution**

Municipal employees in Massachusetts are not eligible for Social Security Retirement Benefits. In lieu of Social Security, the Town of Wellesley maintains a defined-benefit pension plan for retired employees other than its teachers, and the benefits are identical to those offered by other cities and towns in Massachusetts. (Teachers participate in a similar plan administered and funded by the Commonwealth). However, unlike most defined-benefit pension plans in the private sector, municipal employees are required, as a condition of employment, to make significant contributions

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 pension plan during the 2024 calendar year totaled approximately \$4.9 million and are estimated to total about \$5.1 million in calendar year 2025. The Town will make an annual contribution of \$9,310,462 in FY26, which is \$271,358 more than in FY25. The enterprise funds (Water, Sewer, Electric, and Stormwater) also contribute the employer portion for employees in those departments.

### **Other Post Employee Benefits (OPEB)**

The Town is also obligated to subsidize a portion of the health insurance premiums for all its retirees (Other Post-Employment Benefits, or OPEB) who are receiving a pension benefit from either the Town's or Teacher's retirement system. Medicare-eligible retirees are required to enroll in Medicare and the Town pays 50% of the cost of a Medicare supplemental group insurance plan and 50% of the Medicare Part B premium. The Town will contribute \$3.1 million to the OPEB Trust Fund in FY26, which is \$100,000 less than the prior fiscal year contribution.

### **Retirement Board's Guiding Principles (Investment Strategy and Funding)**

**Assess:** Ensure an adequately funded retirement system with due consideration to affordability by the Town.

**Manage:** Mitigate major downside investment risk as funded status improves (it is acceptable to sacrifice some upside potential to avoid potentially disastrous results):

- Assume a more conservative investment perspective for "in-pay status" liabilities (e.g., long bonds or other such investments to hedge the liability) and a long-term, return-seeking investment perspective for all other liabilities.
- Consider funding above 100% to mitigate the impact of adverse experience and employ actuarial "smoothing" techniques to dampen the impact of significant gains/losses on both assets and liabilities.

**Design:** Do not extend funding schedules to pay for benefit improvements (e.g., COLA base increases) or adverse experience unless it creates a structural issue for the Town. This is accomplished by utilizing a combination of actuarial smoothing techniques and a conservative discount rate to manage costs. Always appropriate the Town's full share of normal cost (the actuarial cost of benefits for the current year) unless the system is expected to be significantly overfunded (~110% to 115%).

### **Actuarial Valuations, Assumptions, and Funding**

Actuarial valuations of the pension and OPEB liabilities are performed on a two-year cycle. The January 1, 2023, valuations determined the aforementioned appropriations for Fiscal Years 2025 and 2026. Similarly, the January 1, 2025 valuations will determine appropriations for Fiscal Years 2027 and 2028.

In 2020, the "expected" investment rate of return (used as the liability discount rate assumption for pension and OPEB actuarial valuations) was reduced from 6.625% to a more conservative rate of 6.0% and has remained at that level. The 6% assumption is approximately at the 25<sup>th</sup> percentile of long-term investment expectations (20 or more years), based on the current asset portfolio construct. This implies that one would anticipate the system's assets to outperform expectations 75% of the time (as was the case for the prior two calendar years).

The Town has made great strides in funding pension and OPEB obligations over the past 19 years and is currently tracking to fully fund the pension system as of 2030 and OPEB in 2032, even with the reduction in the rate of assumed investment returns.

The funding schedule currently supports further tapering OPEB contributions gradually from \$3.1M to \$3.0M in FY27, with further reductions hoped for in FY28 and later years, assuming no significant market corrections. Once full funding is achieved for OPEB, all premium costs for retirees will be borne out by the OPEB Trust Fund and any supplemental appropriations toward OPEB may be reduced or possibly even eliminated.

Regarding future pension contributions, the Retirement Board's current intention is to continue funding the system past the 100% funding threshold to build up a modest surplus to guard against significant future budget increases attributable to significant downside market volatility. The Retirement Board is also considering modestly reducing its equity exposures as the system gets closer to 100% funding (i.e., reducing its investment risk exposures). As is expected for OPEB, once full funding is achieved, it would not be unreasonable to assume that pension contributions will start coming down after 2030, possibly by \$1M to \$2M per year (or even more if the funded status exceeds 110% to 115% of plan liabilities)

**Table 12 – Historical Pension Contribution**

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Request
Contributory Retirement Pension Contribution	\$7,562,273	\$7,835,775	\$8,350,000	\$8,851,507	\$9,438,070	\$9,756,209	\$10,034,958	\$10,338,575	\$10,648,372	10,968,194
Tax Impact Portion	6,390,114	6,621,863	7,056,425	7,487,909	7,965,781	8,234,817	8,586,426	8,846,365	\$9,039,104	9,310,462
Year-over-year increase in tax impact portion	239,359	231,749	434,562	431,484	477,872	269,036	351,609	259,939	\$192,739	271,358
Percentage increase in tax impact portion	3.89%	3.63%	6.56%	6.11%	6.38%	3.38%	4.27%	3.03%	2.18%	3.00%

### **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. FY26 is budgeted at \$100,000.

### **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. Nonunion contract employees are not compensated for unused sick time, and vacation carryover is limited by Town bylaws and Human Resources policy. Compensated Absences for FY26 is budgeted at \$130,000.

### **Departmental Cash Capital**

The Capital Financing Policy sets an annual spending limit on capital funded either with cash (referred to as Cash Capital) or with inside-the-levy debt. The Capital Financing Policy sets the Capital Spending Range at 6.2 to 6.8% of recurring operating revenues, and its purpose is to avoid capital needs negatively impacting funds available for operations.

The combined Cash Capital and inside-the-levy debt service budget for FY26 is \$11,699,674 or 6% of revenue, just under the Select Board target range due to reduced borrowing and moving of capital projects within the Five-Year Capital Plan to out years. Of the \$ 11.7 million, \$3.5 million is for inside-the-levy debt service. The overall Cash Capital budget request for FY26 is \$8,150,857, an increase of 5.04% from FY25.

**Table 13 – Five Year Trend of Departmental Cash Capital**

	FY22	FY23	FY24	FY25	FY26	FY25-26% Change
Public Works	1,696,000	3,101,000	3,487,677	3,325,000	3,892,000	17.05%
Schools	816,739	1,055,497	1,241,365	1,297,340	1,299,481	0.17%
						0.00%
Facilities - Schools	847,000	457,000	1,661,000	896,000	1,091,000	21.76%
Facilities - Town	<u>360,000</u>	<u>1,216,000</u>	<u>272,000</u>	<u>699,000</u>	<u>850,000</u>	21.60%
Facilities - Total	\$ 1,207,000	\$ 1,673,000	\$ 1,933,000	\$ 1,595,000	\$ 1,941,000	21.69%
Select Board	311,500	467,646	713,844	645,621	436,376	-32.41%
Library	122,880	219,300	154,300	201,300	227,000	12.77%
Town Clerk	16,000	23,000	-	37,500	-	-100.00%
Assessors	-	93,000	-	-	-	0.00%
Human Resources	-	-	-	37,704	-	-100.00%
NRC	90,000	105,000	335,000	520,000	320,000	-38.46%
Morses Pond	-	-	-	100,000	35,000	-65.00%
<b>Total Cash Capital</b>	<b>\$ 4,260,119</b>	<b>\$ 6,737,443</b>	<b>\$ 7,865,186</b>	<b>\$ 7,759,465</b>	<b>\$ 8,150,857</b>	<b>5.04%</b>

#### **Department of Public Works (DPW)**

The DPW FY26 Cash Capital request of \$3,892,000 is an increase of 17.05% from FY25. Major components of the budget include vehicles and equipment (\$1,347,000), street and sidewalk improvements (\$1,460,000), athletic/playground improvements (\$470,000), and DPW facilities (\$615,000). Cash Capital needs are projected to average just over \$4 million per year over the FY27-30 timeframe (total \$16.3 million), 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.

#### **Wellesley Public Schools (WPS)**

The WPS FY26 Cash Capital request of \$1,299,481 is an increase of 0.17% from FY25 and is comprised totally of technology, including replacement of desktops, laptops, iPads, Chromebooks, printers, servers, network infrastructure, projectors, and assistive technology. Technology needs are expected to require approximately \$5.0 million dollars of cash capital in total over the next four years. Details are available in the FY26 WPS Budget.

#### **Facilities Management Department (FMD)**

The FMD FY26 Cash Capital request of \$1,941,000, is an increase of 21.69% from FY25. The major component of this budget includes spending in schools (\$1,091,000). Additional spending is for the Senior Center commercial kitchen (\$560,000), DPW operations (\$20,000), DPW Water and Sewer (\$60,000), DPW Highway and Park (\$70,000), Main Library (\$25,000), and districtwide/townwide spending/equipment replacement (\$115,000). FMD needs are projected to average approximately \$2.0 million per year over the FY27-30 timeframe (a total of \$8.0 million, half of which is for WPS projects).

#### **Select Board**

The Select Board FY26 Cash Capital request of \$436,376 is a decrease of 32.41% from FY25. Most of the spending is for the Information and Technology Department (\$215,000) primarily for upgrades to the telephone system and replacement of wifi equipment, and the Police Department

(\$211,376) electronic control devices, in-car video equipment, and a server replacement. The remainder of the spending is for the Council on Aging for replacement of tables and chairs and the kitchen project (\$10,000).

#### **Wellesley Free Library (WFL)**

The WFL FY26 Cash Capital request of \$227,000 is an increase of 12.77% from FY25. Major drivers of this budget are technology costs, including replacement of computers, peripherals, IT infrastructures including a self-check system and new technology/devices (\$142,000), website construction/redesign (\$50,000), and sign replacement (\$35,000).

#### **Natural Resources Commission (NRC)**

The NRC FY26 Cash Capital request of \$320,000 is a decrease of 38.46% from FY25. Major drivers are for trees planting/management program (\$55,000), Squirrel Rd. restoration (\$55,000), Fuller Brook Park knotweed removal (\$100,000), park sidewalk paths/parking lot repairs (\$15,000), natural landscape development (\$25,000), improvements resulting from the Active Field/Court Study (\$35,000), town forest improvements (\$10,000), and landscaping for Hunnewell track and field (\$25,000).

#### **Morses Pond**

The Morses Pond FY26 Cash Capital request is \$35,000, a decrease of 65% from FY25. The funding is for treatment of invasive species.

#### **Debt Service**

This budget provides funds to pay the FY26 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). In FY26, budgeted Debt Service for Debt Inside and Outside the Levy will decrease 10.78% to \$19,262,072, as the Town has instead used Free Cash for many of the prior projected large capital expenditures, and the Town will hit the peak in the Hardy and Hunnewell debt exclusion funding in FY25.

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 (predominantly 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, from Moody's Investors Service, which is the highest rating possible. This rating reflects the Town's strong fiscal management, wealthy tax base, and stable operations, 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.

**Table 14 – Historical Trend of Debt Service**

Debt Service	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Request	FY25-26 Change
Total Inside Levy Debt Service	5,900,000	5,000,000	4,400,000	4,965,457	3,568,406	-28.14%
Outside the Levy Debt Service	11,537,527	17,756,223	14,916,316	16,623,259	15,693,666	-5.59%
<b>TOTAL Debt Service</b>	<b>\$ 17,437,527</b>	<b>\$ 22,756,223</b>	<b>\$ 19,316,316</b>	<b>\$ 21,588,716</b>	<b>\$ 19,262,072</b>	<b>-10.78%</b>

The Town will require close coordination and communication between the Finance Department and all department heads to avoid Proposition 2 1/2 operating overrides, as inside-the-levy and cash capital spending requests on the Five-Year Capital Plan exceed the Capital Financing Policy range of 6.2 to 6.8% for FY27 through FY30. Projected deficits are significant and will require a difficult evaluation of level services operations to identify efficiencies and reductions.

## **Receipts Reserved for Appropriation**

### **Traffic and Parking**

**Table 15 – Traffic & Parking Operating Budget**

	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Request	FY25-26 Change
Traffic & Parking Operations	\$894,685	\$905,291	\$999,003	\$1,034,711	\$743,135	-28.18%

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 traffic and parking budget has required subsidies in recent years to maintain operations. Rather than increase parking rates or continue to subsidize the Traffic and Parking fund, in FY26 the Select Board proposes to stabilize operations by bringing \$286,699 back into the general fund, for staff costs, traffic operations and regular maintenance including landscaping – by reallocating the requests to department budgets - \$129.6K to the Police Department for 50% of Lieutenant and Patrol Officer positions, \$37.4K to the Treasurer & Collector department, \$80K to the Department of Public Works for Traffic and Parking Lot maintenance, and \$40K for related benefits for these positions. The Traffic and Parking budget will continue to fund snow removal, paving, parking meter attendants, parking lot lighting and pedestrian safety improvements.

As a result of this reallocation, the Operating budget request for FY26 is \$743,135, a 28.18% decrease from FY25.

## **OTHER KEY FUNDING STRATEGIES**

This section summarizes other key financial information and funding strategies, that are helpful to understand when considering the Town's overall budgeting process. Any appropriations described here are not covered by Article 8, Motion 2, but are contained in other Articles and Motions, as noted, and require Town Meeting approval.

### **Free Cash**

Free Cash is made up of revenues that exceed budget projections, budget turnback (amounts budgeted but not spent), and other timing differences. 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.

The proposed uses of Free Cash in FY26 total \$9,717,661 (\$2,246,401 Free Cash to balance the budget, plus \$7,471,260 Other Free Cash Items). The projects, with their Article numbers, are listed in the chart below. For additional information, refer to the specific Article write-ups in this report.



**Table 16 – Free Cash Uses ATM24 (FY25) to ATM25 (FY26)**

Free Cash Used at ATM24 (FY25)		November 24 STM (FY25)		Free Cash Used at ATM25 (FY26)	
Purpose	Total Appropriation	Purpose	Total Appropriation	Purpose	Total Appropriation
Article 7.1 - Winter Maintenance Supp.	400,000	Article 4.1 - DPW Fuel Depot	2,000,000	Article 7.1 - Winter Maintenance Supplemental	700,000
Article 8.3 - Free Cash to Balance	2,250,000	Article 5.1 - Fire Supplemental	92,972	Article 7.3 - Comp Absences Fund Supplemental	110,000
Article 10 - Special Injury Leave Stabilization	29,245	Article 6.1 - 2 Linden St. Purchase	136,435	Article 7.4 - Group Health Supplemental	1,000,000
Article 11 - Special Education Stabilization	50,000			Article 7.5 - Police Parking Lot Supplemental	211,735
Article 12 - Baler Stabilization Transfer	11,512			Article 8.3 - Free Cash to Balance	2,246,401
Article 18 - Town Hall Interior*	8,260,681			Article 9.1 - Rec. Revolving Fund Implementation	400,000
Article 19 - RDF Admin Design	635,100			Article 10.1 - Special Injury Leave Stabilization	26,013
Article 20 - Fire HQ Roof	750,000			Article 10.2 - Special Education Stabilization	75,000
Article 21 - Team Room Design	175,000			Article 10.3 - Baler Stabilization Transfer	11,512
Article 23 - Wellesley Square Design	600,000			Article 11 - Comp. Absences Fund Start	500,000
Article 25 - Playground Offset	475,000			Article 17 - New Fire Engine	1,055,000
				Article 18 - School Air Conditioning Feasibility	182,000
				Article 22 - Playground Reconstruction	2,000,000
				Article 24 - Hunnewell Tennis Courts	1,200,000
<b>Total FY25</b>	<b>13,636,538</b>		<b>2,229,407</b>	<b>Total FY26</b>	<b>9,717,661</b>

## Reserves

In 2012 the Select Board set out a Financial Reserves policy, which was updated in December 2023, setting the appropriate level of reserves for the town, with goals of maintaining a top-tier Moody's bond rating, ensuring short-term cash availability, and providing for stable tax rates. The policy has the following provisions:

1. Reserves, comprised of Free Cash and the General Purpose Stabilization Fund, will be maintained in a range of 8 to 12% of current year budgeted Operating Revenue.
2. Reserves in excess of 8% and less than 12% may be utilized for stabilizing tax rates or fluctuations in cash flow requirements, meeting anticipated capital needs, and avoiding or deferring an override or debt exclusion
3. Reserves more than 12% may be used in accordance with the TWFP and be appropriated by Town Meeting; and
4. Reserves may be drawn below 8% for one-time, non-recurring extraordinary expenditures.

Free Cash may be applied to the operating budget, if needed, by a vote of the Select Board. As the Town approaches full funding of long-term obligations such as OPEB, excess capacity in operating budgets should be used to diminish or eliminate use of Free Cash to balance the annual operating budget.

The Town's reserves have been above 12% for several years due to multiple factors, including turnback from the previous year departmental budgets due to a challenging hiring climate leading to multiple vacancies, and overperformance of revenue projections.

At the end of FY24, the Town's reserves totaled \$31,924,672 (\$28,171,581 in Free Cash and \$3,753,091 in the General Purpose Stabilization Fund), for a reserve level of 16.93%.

**Table 17 – Town of Wellesley Reserves**

Fiscal Year Ended	Free Cash	General	Total	Subsequent	General
		Stabilization	Reserves	Year Revenue*	Reserves % of Revenue
06/30/24	28,171,581	3,753,091	31,924,672	188,563,572	16.93%
06/30/23	27,250,546	3,599,216	30,849,762	180,567,386	17.08%
06/30/22	27,138,144	3,568,667	30,706,811	172,371,661	17.81%
06/30/21	25,830,840	3,692,805	29,523,645	165,456,097	17.84%

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

Based on FY25 projections, the estimated reserve level on June 30, 2025, is \$25,977,604 after appropriations and anticipated growth, which is 13.25% of FY26 projected operating revenue.

### **Capital Projects funded with Debt**

The Town is planning to use Inside the Levy Debt to fund the \$6.2 million construction costs of the Warren HVAC systems (approved at STM 2024). At this ATM, the Town is seeking approval for \$3.6M in Inside the Levy Debt for Weston Rd. reconstruction (Article 20). In addition, the Town is likely to seek approval at STM 2025 to fund construction of the new Administration Building at the Recycling and Disposal Facility (estimated cost \$5 million).

### **Major Capital Projects**

The Town maintains a Five-Year Capital Plan projecting the cost and timing of Wellesley's major capital projects. The current plan includes the Morses Pond Beach and Bath House Improvements, Department of Public Works (DPW) Park and Highway Building, the DPW New Recycling and Disposal Facility Administration Building, the Warren HVAC project, and air conditioning feasibility for four of Wellesley Public Schools, among other projects.

If ultimately approved, debt associated with these projects will contribute to an increase in property owners' tax bills. Please see the "Projected Future Major Capital Projects and Borrowing Needs" section of the Town Wide Financial Plan (TWFP) included in these Reports. Additionally, the following charts and Tables in the TWFP are valuable resources to gain context around the Town's projected Debt Service:

- Major Project 5-Year Financing Plan
- Median Tax Bill Projections

### **Advisory Considerations**

The Advisory Committee values the partnership and diligent work of the Executive Director's Office, 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.

To recap, the FY26 Omnibus Budget request is \$212,539,485 a \$6,383,402 or 3.1% increase over the Final FY25 Omnibus Budget request. The overall Select Board budget for FY26 of \$224,493,903 is balanced as required by Town Bylaws.

1. **Expense:** Personnel and employee benefits expenses remain the largest drivers of the Wellesley operating budget. Contract provisions and attracting and retaining strong staff

in an increasingly competitive labor environment have been drivers in many of the budget increases in FY26.

2. **Cash Capital:** 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 FY26, the Select Board agreed to \$11.7 million, which is 6% of revenue, just under the target range.
3. **Debt service:** Debt service, both inside the levy and outside the levy, is projected to decrease by 10.78% in FY26. As several large projects have been completed (Hunnewell, Hardy and Town Hall), Wellesley has managed its debt effectively in terms of both timing and rates.
4. **Use of Free Cash:** Deployment of Free Cash in the amount of \$2,246,401 to assist in balancing the budget is approximately the same as was used last year. The Select Board also proposes to use \$7,471,260 of Free Cash to fund several projects, as previously listed on Table 16.
5. **Status of Reserves:** Reserves remain high and above the 8%–12% policy range, at \$31,924,672 or 16.93% of revenue as of the end of FY24 and are still expected to be above the target range for FY25 year-end at \$25,977,604 or 13.25%.
6. **Median tax bill:** Projected to be \$19,026 for FY26, an increase of 12% from the FY25 median tax bill of \$16,983.
7. **Outlook:** The Town will continue its work to be fiscally responsible while addressing citizen needs, Town staff needs, and a 5-year capital plan. The current projected deficit for FY27 is \$2.8 million with no modifications to the cash capital budget or application of additional Free Cash. The FY28 and FY29 out-year projections have deficits in the range of \$5.6 million to \$9.3 million; these deficit projections assume modest revenue increases and a straight 3% increase in school and town operational costs. For a detailed summary of the FY26 balanced budget and highlights, please refer to the Town Wide Financial Plan.

**Supportive/Unsupportive Votes:** This year 14 departmental budgets met the criteria for an Advisory “Supportive/Unsupportive” vote by being over the Select Board operating budget guideline. All those departments were supported.

### **Discussion**

Advisory members expressed support for the FY26 Omnibus Budget (the “Budget”), appreciating the financial health of the Town. They thanked the Executive Director, the Finance Department, and Select Board (SB) for their leadership and budgetary approach over many years, which contributed to Advisory’s support of the Budget and its strategic initiatives, including:

- Updating Town compensation plans to attract and retain excellent people.
- Establishing a Creative Content Coordinator position to improve Town-wide communications,
- Adding Fire Department personnel to meet important safety standards.

One member noted that of the 14 departments over guidelines, three were due to the new strategic positions (new and upgraded positions are not included when setting guidelines); three were due to a reallocation of Traffic and Parking, which is simply a shift of expenses among departments; one was due to insurance costs; and the rest were mainly to support Mental Health Services, and popular town initiatives, many for small amounts under \$10,000. Advisory agrees with the SB decision to continue (now in its second year) with their setting of individual departmental guidelines rather than setting the same guideline for all departments.

Advisory is grateful for the diligence of all who presented the material and answered many questions. Items included in the Budget that generated the most discussion during Advisory deliberations are summarized below:

### **Human Resources/Compensation Study**

Advisory appreciates the significant efforts of the Human Resources Director, Team, and Board to modernize the Town's Classification and Compensation System, funded with a grant obtained by the Executive Director. Advisory is aware that the study highlighted certain pay inequities and understands the Budget includes \$200,000 to be used for "service adjustments". A member voiced support, noting the Town is served by a strong and dedicated group of professionals. The service adjustment reflects a modest compensation increase intended to improve employee retention, consistent with the Town's goal of becoming an "employer of choice."

### **Wellesley Public Schools (WPS)**

Advisory members were generally supportive of the WPS budget, with one expressing that there is nothing more important than funding an excellent education for Wellesley students. Advisory members noted that the WPS met the SB guideline, with growth of 3.24%, and a budget that is essentially level service (spending for strategic initiatives and critical needs is less than \$180,000 in total). Much of the budget increase from last year is stipulated by union contracts and Special Education funding.

Several members expressed concern about the potential impact of policy changes and other legal activity at the federal level upon the Town's continued receipt of federal grants for the schools, including approximately \$1.2 million in the mandatory area of Special Education.

A few members commented that it is difficult to reconcile the student enrollment decline of (approximately 20% over the past decade) with increasing FTE numbers. While understanding the numbers cannot move in lockstep and that much has changed in the education field over this period, they believe many citizens would be interested in more analysis justifying the increases. Another member requested that WPS provide information addressing performance gaps across different groups of students.

Advisory heard from many professionals, including WPS faculty and staff, and residents offering compelling testimony about cuts in the school psychologist positions, especially at Hardy. Advisory thanks those who came to our meetings, and those of other Town boards and committees, for taking time out of their busy schedules. Some Advisory members questioned if WPS has made the best trade-offs to meet guidelines, particularly regarding reducing important student-facing services. Some members expressed a preference for reducing administrative costs or finding potentially more cost-effective approaches to personal development training.

One Advisory member explained that they have attended WPS meetings and reviewed student-to-psychologist ratios and other related data and feel confident that WPS and the School Committee (SC) have examined this closely. Advisory members acknowledged that WPS leadership and the SC are those most qualified to make spending decisions and trade-offs and note such decisions are their prerogative. Ultimately, Advisory trusts them to allocate funds to the highest priorities as the school year progresses.

Some members further commented on the challenges facing our youth, and the importance of mental health. One member spoke about the many services we have across town and their hope that they are coordinating effectively. One questioned whether returning to the model of providing these services through a centralized source, such as the Health Department, would be a better

means of ensuring resources are available not only for students, but for Town residents and employees, whenever needed throughout the year.

### **Short-Term Capital Spending/Senior Center Kitchen**

There is just over \$8 million in capital spending across all departments proposed in the Budget; almost half is in DPW, with other large amounts in Schools and FMD. Spending is largely for annual needs such as street, facilities, and athletic field improvements, as well as technology needs.

FMD's budget includes \$560k for the Senior Center Kitchen Project. Advisory received many written and in-person comments from project proponents and opponents. In general, Advisory members were supportive of the kitchen and trust the Council on Aging (COA) to assess what is best for the seniors it serves. Members expressed hope that this will be an asset not only for COA patrons, but potentially for the broader community. They also note there is already significant commercial-grade equipment in place and this spending is to finish a job that was planned when the Tolles-Parsons Center construction was approved by Town Meeting.

Several Advisory members also felt the project opponents have reasonable concerns regarding the kitchen's impact on programming both during construction and once the kitchen is operational, especially if the project reduces the size of the multi-purpose room. Advisory members would have appreciated survey data and more details from the COA and FMD concerning exact plans for the kitchen, timeframe of the construction, the use of commercial kitchens in peer communities, and more clarity on how citizen concerns are being addressed. Advisory hopes that the COA will work closely with FMD to address these issues, and improve communication and planning.

### **Long-Term Capital Spending**

While not a consideration for the Budget, Advisory members discussed ideas concerning long-term capital spending.

Judicious use of Cash Capital and Free Cash has led to a decrease in debt service this year. Also, Inside-the-Levy Debt will likely fund three projects this year. Many Advisory members expressed appreciation for the Town-Wide Financial Plan (the "TWFP"), which outlines Town financial policies, and includes an overview of projects on the horizon. As noted in the TWFP, future major projects outlined in the Five-Year Capital Plan, will likely require debt exclusions and operating overrides, increase future operating costs, and are anticipated to increase property owners' tax bills. One member stated it is important to remember that strategic initiatives for any department contribute to increasing the "level service" budget for following years.

The SB policies are prudent, but they have their limitations due to the Town's decentralized structure. Most projects that come before Advisory have great merit, but committee members realize the Town cannot do it all, understanding that many citizens struggle to keep up with taxes and inflation already. Advisory does not believe there is a strong appetite for future overrides. Maintaining conservative spending targets, especially considering potential loss of federal or state funding, will be essential. Several members said they would like to see the Town develop a means of presenting the impact of planned projects under the various funding scenarios available so that Town Meeting members can better prioritize spending.

### **Summary/Votes**

One member who voted against this Motion did so due to concerns over the Town's high taxes and cost of living. They would like greater transparency, coordination, and detail regarding the tax

impact of strategic Town initiatives, such as new construction, infrastructure needs, and the Town's Climate Action goals, and their impact on future operating budgets.

Another member voted against this Motion due to the difficulty to vote for the Budget, because it does not allow for independent departmental votes, especially for the WPS budget, which is such a significant part of Town spending. Concerns cited about the school budget by this Advisory member were the relative increase in administrative positions over the past 9 years which did not seem to be an appropriate trade-off at the cost of the reduction in student-facing positions and scrutiny at this time seems appropriate given the upcoming major capital projects outlined in the TWFP.

Other Advisory members expressed that voting on the total Budget, without an ability to vote separately on some of the larger departmental budgets, is a challenge.

Summarizing the majority vote, Advisory supports the Select Board's focus on delivering a balanced FY26 budget through setting carefully considered operating budget guidelines for each department. Most members feel the overall Budget is reasonable, and the future capital projects will require the Town to make difficult choices about priorities.

**Supportive/Unsupportive Votes:** This year 14 departmental budgets met the criteria for an Advisory "Supportive/Unsupportive" vote by being over the Select Board operating budget guideline. All those departments were unanimously supported. Advisory members recognize that their supportive votes resulted from all the prior hard work of many Town employees and volunteers.

**Advisory recommends favorable action, 11 to 2.**

### **ARTICLE 8, MOTION 3**

This motion seeks the authorization from the Town to transfer the sum of \$2,246,401 from Free Cash to Available Funds to balance the FY26 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 eleven of the last twelve years.

### **Advisory Considerations**

Advisory supports this transfer of funds from Free Cash to adequately balance the budget proposed in Article 8, Motion 2. The amount requested is slightly lower than the amount transferred last year. The reserves policy goal is to reduce or eliminate Free Cash use for the budget.

**Advisory recommends favorable action, 13 to 0.**

**ARTICLE 9.** To see if the Town will vote to take the following actions:

1. Revoke acceptance of G.L. c. 44, § 53D, thereby dissolving the Recreation Department self-supporting service revolving fund established under said Section 53D;

2. Establish a new Recreation Department Revolving Fund, as recommended by the Select Board, for the Recreation Department in accordance with G.L. c.44, § 53E ½, effective July 1, 2025;

3. Amend Article 55 of the General Bylaws by inserting a new subpart (n) into Section 55.1, as follows:

n. Recreation Department Revolving Fund. Funds held in the Recreation Department Revolving Fund shall be expended for Recreation Department programs under the direction of the Recreation Director. Receipts credited to this fund shall include user fees from Recreation Department programs.

4. Pursuant to G.L. c .44, § 53E ½, set the limit on the total amount that may be spent from the Recreation Department Revolving Fund for fiscal year 2026 at \$2,000,000.00 (TWO MILLION DOLLARS);

5. On July 1, 2025, transfer a sum or sums of money from Free Cash to the Recreation Department for expenditures related to departmental programming, to be expended under the direction of the Recreation Director, and which transfer shall be a one-time transfer; and

6. Pursuant to G.L. c .44, §53E ½, to set the limit on the total amount that may be spent from each revolving fund for Fiscal Year 2026 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: \$100,000.00
- h. Library Room Rental Fund: \$35,000.00
- i. Lost/Damaged Library Materials Replacement Fund: \$20,000.00
- j. Brookside Community Gardens Fund: \$4,000.00
- k. Weston Road Gardens Fund: \$10,000.00
- 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)**

## **ARTICLE 9, MOTION 1**

Under this Article, the Select Board (SB) seeks Town Meeting approval to dissolve the Recreation Department's 53D Revolving Fund and establish a 53E1/2 Recreation Revolving Fund.

### **Overview**

Each year, the Town sets spending limits for its revolving funds (53 E1/2), which are accounts designated for specific purposes and funded by specific revenue sources. These funds operate on a self-sustaining basis, with expenditures limited to the revenue they generate and are approved by the Town every year. The current Recreation Department program funding however, does not operate this way; it is a revolving 53D fund.

In the current Recreation Fund, the fees collected for summer programs in the months before July 1 are currently being carried over (\$100,000-\$325,000) to cover expenses and services associated with the programs in July and August. This is not consistent with the current statute of 53D, which states that only \$10,000 can be carried over.

If the town were following this statute, all fees accumulated over the spring to fund summer programs would need to be returned to the Town's General fund prior to July 1<sup>st</sup>. Only \$10,000 could "carry over" to the new fiscal year, creating an incentive for the Recreation Department to spend the surplus fees every June or risk losing them.

To address this, the Recreation Department needs to change the revolving fund from a 53D Fund to a 53E1/2 Revolving Fund. This change would allow the Department to collect and spend funds logically throughout the year, ensuring compliance with the MA statute governing the revolving funds. The proposed new 53E½ Revolving Fund for the Recreation Department is recommended by the Select Board in accordance with G.L. c.44, §53E½, effective July 1, 2025. This new revolving fund would allow any surplus funds left in June, not just \$10,000, to carry forward to the next Fiscal Year.

Money for this proposed Revolving Fund would still require authorization by Town Meeting for the following fiscal year. With the proposed 53E½ Revolving Fund, the Recreation Department would be able to use accumulating funds towards the end of the fiscal year after July 1<sup>st</sup> to smoothly fund summer programming, other special programming, and capital expenses using the surplus.

The proposed new 53E½ Revolving Fund will enable more strategic financial planning and ensuring surplus funds are allocated efficiently. The new structure will also improve coordination with departments that support Recreation programs, such as Public Works (DPW), Facilities Management (FMD), Parks, and Information Technology (IT).

Additionally, the motion limits total expenditures from the new revolving fund to \$2,000,000 for fiscal year 2026. To support departmental programming, the motion also authorizes a one-time transfer of \$400,000 from Certified Free Cash, to be expended under the direction of the Recreation Director.

Approval of Article 9, Motion 1 would ensure a structured and transparent financial framework for recreation programs while aligning fund management with state regulations and departmental needs.

### **Advisory Considerations**

Advisory understands the Recreation Department has been operating this fund out of compliance, as the current structure requires the fund's balance to be returned to the Town's General Fund prior to July 1st, allowing only \$10,000 to carry forward to the next fiscal year. Advisory supports



this motion to create a new revolving fund to ensure all surplus funds remaining in June can roll over. Money for the proposed revolving fund would still require authorization by Town Meeting for the following fiscal year. With the proposed 53E½ Revolving Fund, the Recreation Department could use accumulated funds after July 1st to support summer programming, other special programming, and capital expenses. This change aligns the fund with general practice in Massachusetts.

**Advisory recommends favorable action, 13 to 0 with 1 recusal.**

## ARTICLE 9 MOTION 2

Under this Article, the Select Board (SB) seeks Town Meeting approval to update Article 55 Revolving Accounts for the FY26 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 twelve revolving funds addressed in this Article. The table includes the responsible board/department, the FY26 requested annual expenditure limit for the fund, and the history of past authorization levels.

Revolving Fund	Expended By	ATM	FY22	FY23	FY24	FY25	FY26
Street Opening Maintenance	DPW	2006	\$225,000	\$225,000	\$225,000	\$225,000	<b>\$225,000</b>
DPW Field Use Fund	DPW	2006	\$200,000	\$200,000	\$200,000	\$200,000	<b>\$200,000</b>
Turf Field Fund	DPW	2011	\$150,000	\$150,000	\$150,000	\$150,000	<b>\$150,000</b>
Tree Bank Fund	DPW	2011	\$75,000	\$75,000	\$75,000	\$75,000	<b>\$75,000</b>
Baler, Compactors, and other RDF Equipment Repair Fund	DPW	2017	\$50,000	\$50,000	\$50,000	\$50,000	<b>\$50,000</b>
COA Social & Cultural Programs	COA	2006	\$140,000	\$140,000	\$140,000	\$140,000	<b>\$140,000</b>
Teen Center Program	Rec. Dept.	2006	\$50,000	\$50,000	\$50,000	\$50,000	<b>\$100,000</b>
Library Room Rental	Library	2009	\$35,000	\$35,000	\$35,000	\$35,000	<b>\$35,000</b>
Library Lost/Damaged Materials	Library	2016	\$20,000	\$20,000	\$20,000	\$20,000	<b>\$20,000</b>
Brookside Community Gardens	NRC	2006	\$3,000	\$3,000	\$4,000	\$4,000	<b>\$4,000</b>

Weston Road Gardens	NRC	2017	\$7,000	\$7,000	\$10,000	\$10,000	<b>\$10,000</b>
Library Copier Fees Fund	Library	2018	\$20,000	\$20,000	\$20,000	\$20,000	<b>\$20,000</b>
Cultural Council Revenues Fund	Cult. Council	2019	\$6,500	\$6,500	\$6,500	\$6,500	<b>\$6,500</b>

For FY2026, the only increase in the proposed revolving fund spending limits is an increase from \$50,000 to \$100,000 in the Teen Center Program Revenue Fund. This increase reflects the growth of the Teen Center program which anticipates approximately 500 participants at an average program cost of \$100/year membership fee per participant. Last year, the program had approximately 50 participants. There had been a decline due to Covid, and the Recreation Department is now seeing a strong increase in participation.

The Cultural Council Revenues Fund has been removed from the revolving fund at the advice of Town Counsel, as this fund is not meant to be a 53E ½ account. All funds received by the Wellesley Cultural Council (WCC) should go into a revolving fund operated in accordance with G.L. c.10, s.58. A bylaw isn't needed to create this special Revolving Fund for WCC. The \$3,220.62 balance in the Cultural Council Revenue Fund will be moved into the statutory required fund. The reference to the Town Bylaw in Article 55 will be moved in the fall STM.

The balance in each of these funds as of February 2025 is:

<b>Revolving Fund</b>	<b>Balance (2/25)</b>
Street Opening Maintenance	\$3,826.24
DPW Field Use Fund	\$67,053.26
Turf Field Fund	\$442,298.51
Tree Bank Fund	\$349,466.50
Baler, Compacters, and other RDF Equipment Repair Fund	\$265,270.66
COA Social & Cultural Programs	\$16,722.15
Teen Center Program	\$40,079.06
Library Room Rental	\$68,340.72
Library Lost/Damaged Materials	\$30,215.32
Brookside Community Gardens	\$5,945.89
Weston Road Gardens	\$26,185.79
Library Copier Fees Fund	\$6,173.10

### **Advisory Considerations**

Advisory supports the management of these programs through revolving funds, which have been consistently approved at Town Meetings since 2006. Advisory also approves the \$50,000 increase in Teen Center funds due to projected higher participation after Covid and the removal of the Cultural Council Revenues Fund under Section 53E½. For all these revolving funds, expenditures are covered by cash receipts collected from outside sources specifically for designated purposes, with no cost to the Town. When necessary, as in the case of the Cultural Council Revenues Fund, updating revolving funds by reclassifying them to better align with their intended uses is a practical approach. Additionally, revolving funds may be added or removed periodically to comply with evolving state requirements.

**Advisory recommends favorable action, 13 to 0 with 1 recusal.**

**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 following Reserve and Stabilization Funds:

- Special Injury Leave Indemnity Fund established under Article 9 of the 2017 Annual Town Meeting;
- 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; and
- 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.

**(Select Board)**

### **ARTICLE 10, MOTION 1**

Under this Article and Motion, the Select Board (SB) requests Town Meeting approval for the appropriation of \$26,013 to the Town's Special Leave Indemnity Fund (the Fund).

#### **Overview**

The 2017 Annual Town Meeting (ATM) established the Special Leave Indemnity 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 M.G.L. Chapter 41, Section 111F. The Fund acts to ensure adequate coverage of medical costs and wages lost to injuries when costs exceed the insurance policy and public safety operating budgets.

Annually, under Article 8, the Town appropriates \$100,000 to public safety for the cost of insurance policies. The Town is self-insured, using the \$100,000 appropriation to pay for two insurance policies: one that funds first-dollar medical costs up to \$300,000 and a second policy to cover claims between \$300,000 and \$1million. As in past years this proposal requests that the balance remaining after the two insurance policies have been paid be appropriated to the Special Leave Indemnity Fund.

The balance in the Special Injury Leave Indemnity Fund is \$842,374.83 as of January 29, 2025. The SB and Town officials continue to evaluate the adequacy of funding provided for the Town's injured-on-duty public safety personnel.

#### **Advisory Considerations**

Advisory is fully supportive of the requested \$26,013 appropriation to the Special Leave Indemnity Fund. Since the Fund's establishment in 2017 this has been an annual request to Town Meeting. The Fund covers the Town's obligations beyond medical insurance coverage. Advisory believes this appropriation is important and prudent to manage the Town's liability and to ensure that our injured-on-duty police and fire personnel are compensated and cared for during their medical leave.

**Advisory recommends favorable action, 11 to 0.**

## **ARTICLE 10, MOTION 2**

Under this Article and Motion, the Select Board requests Town Meeting approval for the transfer of \$75,000 in FY25 Municipal Medicaid reimbursement receipts to the Special Education Reserve Fund.

### **Overview**

The Municipal Modernization Bill (Section 24 of Chapter 218 of the Acts of 2016) allows municipalities to create a special education stabilization fund as a reserve for future unanticipated or unbudgeted costs related to special education. The fund is intended to protect the school budget from unforeseen special education costs. These costs can include items such as unanticipated or unbudgeted 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).

At the 2017 Annual Town Meeting (Article 10), Wellesley residents approved the creation of the Special Education Reserve Fund (the "Fund"). Prior to the adoption of the Fund, such varying 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. Requests for disbursements from the Fund require a majority vote of both the School Committee and the Select Board.

Since its inception, the Town of Wellesley has appropriated amounts to the Fund from Free Cash and from the re-direction of school-based Medicaid funds. In addition to the annual Medicaid receipts being transferred to the fund, the Town has contributed separate Free Cash transfers of \$20,000 (FY18), \$500,000 (FY19 and FY20), and \$275,000 (FY23). 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 fund balance by statute is 2% of Wellesley's actual "Net School Spending" as defined by DESE. The fund balance as of January 29, 2025 was \$1,906,828.37.

The Select Board recommends, as usual, contributing the FY25 Municipal Medicaid reimbursement receipts, which are expected to be \$75,000. The Select Board does not anticipate a need for additional Free Cash transfers this year. No Free Cash transfers were requested last year.

### **Advisory Considerations**

Advisory supports the proposed deposit of Medicaid reimbursement receipts to the Special Education Reserve Fund. Advisory continues to believe that the Fund is an appropriate way for the Town to address unanticipated or unbudgeted special education costs, and that requiring both the Select Board and School Committee to vote to authorize expenditures from the Fund provides sufficient oversight. It was also noted that the Special Education Reserve Fund is now well established, based on the Town's buildup of the Fund from Free Cash since its inception, and thus no further funding beyond that currently proposed is presently needed to support this fund.

**Advisory recommends favorable action, 11 to 0.**

### **ARTICLE 10, MOTION 3**

Under this Article and Motion, the Select Board requests Town Meeting approval to appropriate \$11,512 of Free Cash to the Baler Stabilization Fund.

#### **Overview**

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 approximately \$770,000. The baler has well exceeded its expected useful life through proactive and preventive maintenance, though the DPW now plans to replace the Baler in FY26. The five compactors have also exceeded their expected useful life and starting in FY25 the DPW began a five-year replacement plan.

#### **Advisory Considerations:**

Advisory acknowledges that any highly used equipment needs regular repair and upkeep. Advisory also sees the baler and related equipment as critical to the revenue-producing element of the RDF. Advisory believes that funding the Baler Stabilization Fund is an appropriate way to prepare for the replacement of critical equipment at the RDF and provide for the recycling of the affected commodities. It was noted that Article 26 at last year's Annual Town Meeting (2024) included a request to use some of these funds to begin that replacement process. Advisory confirmed that the current balance in the Baler Stabilization Fund is \$770,000. Committee members commended the foresight by the BPW in anticipating and planning for the need to replace this equipment.

#### **Advisory recommends favorable action, 11 to 0.**

**ARTICLE 11.** To see if the Town will vote to (1) accept the provisions of G.L. c. 40 § 13D; (2) establish a Reserve Fund for Future Payment of Accrued Liabilities for Compensated Absences Due Upon Termination of Employment, in accordance with said § 13D; (3) raise and appropriate, transfer, or otherwise provide, a sum of money into such Reserve Fund; and (4) assign the Select Board to serve as the authority to authorize payment from said fund; or take any other action in relation thereto.

**(Select Board)**

Under this Article, the Select Board seeks Town Meeting approval to create and manage a Compensated Absences Fund, a reserve account designed to manage fluctuations in vacation and sick leave payouts due to employees upon termination of employment.

#### **Overview**

Under Massachusetts General Law c. 40 § 13D municipalities may establish a fund to stabilize budget impacts caused by unpredictable employee retirements and resignations.

When an employee retires or leaves, the Town must cover associated payouts from its General Fund. These payouts can lead to budget shortfalls and require supplemental appropriations at Town Meetings. Establishing and using this Fund for these budget shortfalls would allow the Select Board to manage these expenses more efficiently without requiring repeated Town Meeting votes for additional funding.

The Town proposes an initial appropriation of \$500,000 from free cash to establish the reserve fund. In years when actual vacation and sick leave payouts are lower than anticipated, the Select Board may recommend transferring surplus funds from budgeted compensation lines into the

Compensation Absences Fund. These budgeted compensation lines refer to specific funds allocated in the annual budget for employee salaries and benefits, including anticipated leave payouts. Since these expenses can fluctuate, having a reserve fund provides a structured way to smooth out variations from year to year.

The goal is to maintain a balance of \$300,000 to \$500,000, ensuring the Town is prepared for years with higher-than-average retirement and resignation payouts, particularly in public safety departments where retirement eligibility varies widely. Unlike standard operating budget lines, this Fund allows the Town to carry over unused funds yearly, ensuring long-term stability.

While the Fund will be included in the annual budget process, its expenditures will not require separate Town Meeting votes. However, the Select Board will report on its use, providing transparency and oversight.

### **Advisory Considerations**

Advisory members support the establishment of a reserve fund for compensated absences. Recognizing an estimate of compensated absences is made and planned for in the annual budget, members agreed the establishment of this reserve fund will help even out the fluctuation of the compensated absences expenses and the need for supplemental requests. Members felt reserve funds are very important for financial stability and are viewed favorably by rating agencies.

**Advisory recommends favorable action, 11 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 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 (Water Fund) FY26 receipts and cash on hand as of June 30, 2025, for payment of the Water Division operating and capital expenditures in FY26, provided that the total amount of expenditures in FY26 shall not exceed the amount reflected in the "Total Uses of Funds" in the table below.

<b>Water Enterprise Fund</b>	<b>FY25</b>	<b>FY26</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Sources of Funds</b>				
Water Fund Receipts				
Water Use Charges	\$9,693,476	\$9,491,791	(\$201,685)	(2.1%)
Non-Operating Income	420,069	510,069	90,000	21.4%
Loan Proceeds	0	2,803,569	2,803,569	100.0%
Total Receipts	10,113,545	12,805,429	2,691,884	26.6%
Retained Earnings	1,075,095	732,437	(342,658)	(31.9%)
<b>Total Sources of Funds</b>	<b><u>\$11,188,640</u></b>	<b><u>\$13,537,866</u></b>	<b><u>\$2,349,226</u></b>	<b><u>21.0%</u></b>
<b>Uses of Funds</b>				
Salaries	\$2,112,235	\$2,174,259	\$62,024	2.9%
Expenses				
MWRA Water	3,269,073	3,688,164	419,091	12.8%
Health Insurance/Retirement/Risk Management	834,755	890,491	55,736	6.7%
Indirect Costs (IT Salaries)	125,171	108,904	(16,267)	(13.0%)
All Other Operating Expenses	1,180,525	1,183,605	3,080	0.3%
Subtotal - Expenses	\$5,409,524	\$5,871,164	\$461,640	8.5%
OPEB (Other post-employment benefits)	38,500	30,000	(8,500)	(22.1%)
<b>Total Personal Services and Expenses</b>	<b><u>\$7,560,259</u></b>	<b><u>\$8,075,423</u></b>	<b><u>\$515,164</u></b>	<b><u>6.8%</u></b>
Non-Operating Expenses	560,900	560,900	0	0.0%
Non-Operating Expenses (Interest)	42,836	31,936	(10,900)	(25.4%)
Capital Outlay	2,080,000	3,810,000	1,730,000	83.2%
Debt	407,200	455,843	48,643	11.9%
Emergency Reserve	537,445	603,764	66,319	12.3%
<b>Total Uses of Funds</b>	<b><u>\$11,188,640</u></b>	<b><u>\$13,537,866</u></b>	<b><u>\$2,349,226</u></b>	<b><u>21.0%</u></b>

### Overview

The Water Division provides water supply, storage, and distribution 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. Water is supplied from Town wells, supplemented by the Massachusetts Water Resources Authority (MWRA). The principal expenses of the Water Division are for the maintenance and operation of the Town wells and distribution system, as well as for the purchase of supplemental water from the MWRA. Water purchased from the MWRA is more expensive than water produced from Town wells. The

expenses of the Water Division are funded through the Water Fund, which is “non-tax impact.” Revenues are received from rates charged to users. 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 variations, which can affect both revenues and expenses. Overall, cash and equivalents in the Water Fund at the end of FY26 are projected to be \$3.2 million. Interest earned is transferred to the Town’s General Fund.

### Sources of Funds

Projected receipts from ratepayers in FY26 are based on an estimated Town and MWRA annual water usage shown below.

#### Million gallons

Water Sourcing	FY23 Actual	FY24 Actual	FY25 Projected	FY26 Projected
Town Water	334	280	277	277
MWRA Water	636	543	538	538
Total	970	823	815	815

Projected receipts from ratepayers in FY26 are based on an estimated annual usage of 815 million gallons (or 1.089 million CCF) of water. The BPW has not yet set water rates for FY26, and typically does so in the spring of each year. The projected revenue assumes up to a 4% rate increase for FY26.

Projected non-operating income includes fees for water service disconnections and installations. These fees are paid by individual customers requiring service and do not affect water use rates.

### Uses of Funds

The principal expenses of the Water Division are for the maintenance and operation of the Town wells and distribution system, as well as for the purchase of supplemental water from the MWRA.

For FY26, projected expense increases are primarily due to MWRA water purchases, the expected FY26 pay increases for Town and union employees, health insurance, retirement, risk management, and other operating expenses.

### Capital Budget

The BPW projects capital outlays and debt include \$1.34M in design funds for permanent PFAS treatment at the Morses Pond Wells Water Treatment Plant (WTP) and for interim treatment at the Rosemary/Longfellow and Wellesley Avenue WTPs (see Article 27), 600K in PFAS treatment filter replacements, \$500k in water treatment plant upgrades, \$210K for vehicle and equipment replacements, and \$200K in service line replacements. In addition, \$820k in distribution system improvements are also planned which are eligible under the MWRA loan program.

### Outlook

Due to PFAS, the Water Division is now forecasting \$13.4M in construction funding in FY27 for permanent PFAS treatment at the Morses Pond Wells WTP (\$10M) and interim treatment at the Rosemary/Longfellow and Wellesley Avenue WTPs (\$3.4M). The Division is also assessing the feasibility of a second connection to the MWRA Water System and is currently having discussions with the MWRA and neighboring Towns while also taking steps to improve local well yields. The additional MWRA connection is still in development and is not anticipated until FY27 at the earliest. The Water Division also has a multiyear plan underway to make improvements to the water distribution system. The division takes advantage of interest-free loans from the MWRA to minimize the impact to the rate payers. The Water Division has substantially completed a town-wide replacement of water meters; this project is now over ninety-nine percent complete. This



project will increase meter reliability and will also provide more timely information to help identify water leaks and water losses.

### **Advisory Considerations**

The Advisory Committee recognizes the numbers put forth by the BPW are a “best guess,” given the currently unpredictable regulations around PFAS, the variability of weather and expected precipitation, MWRA rates, and other factors. Advisory noted the underlying issues are significant and the Water Division has handled them well. Advisory believes the operating and capital budgets proposed in this article are appropriate. Advisory appreciates that DPW seeks to take advantage of interest-free loans from MWRA. Advisory also discussed the long-term implications of PFAS and suggests the town should engage in state-level discussions concerning these compounds. It was noted that remediation efforts alone address only the consequences of PFAS use rather than preventing their introduction into the environment. A committee member recommended exploring collaboration with neighboring communities to advocate for stopping the use of these chemicals. Advisory supports the Board of Public Works request for the funds required to operate the Water Enterprise Fund for FY2026.

**Advisory recommends favorable action, 10 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 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") FY26 receipts and cash on hand as of June 30, 2025, for payment of the Sewer Division operating and capital expenditures in FY26, provided that the total amount of expenditures in FY26 shall not exceed the amount reflected in the "Total Uses of Funds" in the table below.

<b>Sewer Enterprise Fund</b>	<b>FY24 Actual</b>	<b>FY25 Plan</b>	<b>FY26Plan</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Sources of Funds</b>					
Sewer Fund Receipts					
Sewer Charges	\$8,784,898	\$8,633,270	\$9,572,632	\$939,362	10.9%
Non-Operating Income	47,700	50,000	50,000	0	0.0%
Grant/Loan Proceeds	2,150,000	2,150,000	1,180,000	(970,000)	(45.1%)
Total Receipts	\$10,982,598	\$10,833,270	\$10,802,632	(\$30,638)	(0.3%)
Retained Earnings	176,686	176,686	\$9,284	(167,402)	(94.7%)
<b>Total Sources of Funds</b>	<b>\$11,159,284</b>	<b>\$11,009,956</b>	<b>\$10,811,916</b>	<b>(\$198,040)</b>	<b>(1.8%)</b>
<b>Uses of Funds</b>					
Salaries	\$791,827	\$965,356	\$993,621	\$28,265	2.9%
Expenses					
MWRA Sewer	6,630,804	7,070,548	7,386,688	316,140	4.4%
Indirect Costs (IT Salaries)	52,494	53,642	46,671	(6,971)	(13.0%)
Health Insurance/Retirement/Risk Management	263,202	353,964	324,510	(29,454)	(8.3%)
All Other Operating Expenses	271,241	302,648	287,552	(15,094)	(5.0%)
Subtotal – Expenses	\$7,217,741	\$7,780,802	\$8,045,421	\$264,619	3.4%
OPEB (Other post-employment benefits)	11,000	16,500	10,000	(6,500)	(39.4%)
<b>Total Personal Services and Expenses</b>	<b>\$8,020,568</b>	<b>\$8,762,658</b>	<b>\$9,049,042</b>	<b>\$286,384</b>	<b>3.3%</b>
Non-Operating Expenses	29,243	50,000	50,000	0	0.0%
Non-Operating Expense (Interest)	32,086	19,186	19,186	0	0.0%
Capital Outlay	991,304	1,285,000	940,000	(345,000)	(26.8%)
Debt	231,591	336,591	282,842	(53,749)	(16.0%)
Emergency Reserve	0	556,521	470,846	(85,675)	(15.4%)
<b>Total Uses of Funds</b>	<b>\$9,304,792</b>	<b>\$11,009,956</b>	<b>\$10,811,916</b>	<b>(\$198,040)</b>	<b>(1.8%)</b>

### 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 69% of the Sewer Division's total uses of funds.

The expenses of the Sewer Division are funded through the Town's Sewer 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 FY26 are projected to be \$1.4 million. Interest earned goes to the Town's General Fund.

### **Sources of Funds**

Projected total receipts in FY26 are based on a projected usage of 752,000 CCF (or 576 million gallons) in FY26, even with FY25 levels. The BPW has not yet set sewer rates for FY26. The projected revenue assumes a 10% rate increase as of July 1, 2025. Half of this increase is due to expected MWRA increases, and the other half is intended to build up the retained earnings reserve over the next few years, as per guidance from the Finance Director and the Department of Revenue.

### **Uses of Funds**

The total Personal Services and Expenses increases are driven primarily by MWRA charges and anticipated salary changes. The projected MWRA charges are based on information the BPW has received from the MWRA Advisory Board and are subject to change.

### **Capital Budget**

The FY26 projected capital outlay includes \$500,000 for sewer main maintenance and repair and \$400,000 for pumping station improvements. The capital and debt outlay are a decrease from FY25, primarily due to a one-time reduction in maintenance and repair of sewer mains, the vehicle replacement schedule, and an offsetting increase in ejector stations (which follow an alternating cycle of design one year and construction the next). Sewer main repair and replacement projects are eligible for the MWRA Loan/Grant program discussed in Article 26. This recurring program offsets the cost of necessary sewer infrastructure improvements and helps mitigate sewer rate increases.

### **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 for the Deer Island Treatment Plant and other MWRA infrastructure. These increased charges will result in regular sewer rate increases.

### **Advisory Considerations**

The Advisory Committee believes the operating and capital budgets proposed in this Article are appropriate. The DPW does a commendable job of minimizing the impact on the Sewer Fund budget while providing much-needed services. Advisory supports the Board of Public Works request for the funds required to operate the Sewer Enterprise Fund for FY26.

**Advisory recommends favorable action, 11 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 Stormwater 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 Stormwater Utility Enterprise Fund ("Stormwater Fund") FY26 receipts and cash on hand as of June 30, 2025, for payment of the Stormwater Program's operating and capital expenditures in FY26, provided that the total amount of expenditures in FY26 shall not exceed the amount reflected in the "Total Uses of Funds" in the table below.

<b>Stormwater Enterprise Fund</b>	<b>FY24 Actual</b>	<b>FY25 Plan</b>	<b>FY26 Plan</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Sources of Funds</b>					
Stormwater Fund Receipts		\$2,629,014	\$2,507,776	(\$121,238)	(4.6%)
Transfer & Proceeds	\$1,974,232	0	0	0	0.0%
<b>Total Sources of Funds</b>	<b>\$1,974,232</b>	<b>\$2,629,014</b>	<b>\$2,507,776</b>	<b>(\$121,238)</b>	<b>(4.6%)</b>
<b>Uses of Funds</b>					
<b>Personal Services</b>					
Stormwater Management and Compliance	\$117,983	\$214,169	\$218,452	\$4,283	2.0%
Engineering Services	91,527	46,254	47,179	925	2.0%
Highway Administration	67,222	113,971	116,250	2,279	2.0%
Facilities & Grounds	35,083	34,400	35,432	1,032	3.0%
Street Cleaning	88,264	81,341	82,968	1,627	2.0%
Drains, Brooks, Basins	268,628	241,319	246,145	4,826	2.0%
Administration	76,509	51,528	52,559	1,031	2.0%
Customer Accounts – MLP	0	82,580	85,057	2,477	3.0%
General Government Services	0	70,555	19,837	(50,718)	(71.9%)
<b>Subtotal – Personal Services</b>	<b>\$745,216</b>	<b>\$936,117</b>	<b>\$903,879</b>	<b>(\$32,238)</b>	<b>(3.4%)</b>
<b>Expenses</b>					
Stormwater Management and Compliance	\$35,945	\$19,533	\$19,533	\$0	0.0%
Street Cleaning	33,346	40,000	71,000	31,000	77.5%
Drains, Brooks, Basins	100,768	130,000	155,000	25,000	19.2%
Administration	6,308	1,205	1,205	0	0.0%
Equipment Maintenance	59,570	48,200	48,200	0	0.0%
Customer Accounts – MLP	0	65,000	65,000	0	0.0%
General Government Services	0	154,250	154,250	0	0.0%
Operating Contingency	0	159,709	159,709	0	0.0%
<b>Subtotal – Expenses</b>	<b>\$235,938</b>	<b>\$617,897</b>	<b>\$673,897</b>	<b>\$56,000</b>	<b>9.1%</b>
<b>Total Operating Expenses</b>	<b>\$981,154</b>	<b>\$1,554,014</b>	<b>\$1,577,776</b>	<b>\$23,762</b>	<b>1.5%</b>
Enterprise Fund Contingency	0	200,000	200,000	0	0.0%
<b>Personal Services &amp; Expense Total</b>	<b>\$981,154</b>	<b>\$1,754,014</b>	<b>\$1,777,776</b>	<b>\$23,762</b>	<b>1.4%</b>
Capital Outlay	0	875,000	730,000	(145,000)	(16.6%)
<b>Total</b>	<b><u>\$981,154</u></b>	<b><u>\$2,629,014</u></b>	<b><u>\$2,507,776</u></b>	<b><u>(\$121,238)</u></b>	<b><u>(4.6%)</u></b>

**Overview**

The Spring 2023 Annual Town Meeting established a Stormwater Fund to more equitably distribute expenses required to meet increasing demands associated with the Town's stormwater management program. The Stormwater Fund is similar to Wellesley's existing water, sewer, and electric utilities funds. The stormwater system provides for flood control and drainage and safe vehicular and pedestrian traffic, prevents illicit discharge, and reduces pollution and construction site runoff into waterways. Wellesley's stormwater system consists of 10 primary watersheds; a distribution system including 100 miles of pipe, 4310 catch basins, 400 outfalls, 2200 drainage manholes; and 28 intersection points. The natural elements of the system include one constructed wetland, 2 dry detention basins, 4 bioswales, and 90 public and private infiltration systems.

Starting in FY25, these investments are funded via a fee that is applied to all non-municipal properties including those owned by tax-exempt, nonprofit, and state agencies. The stormwater fee is based on the amount of impervious surface on each property. Impervious surfaces are any hard material that prevent stormwater from infiltrating into the ground and include parking lots, driveways, and buildings.

**Sources of Funds**

Revenue is based on a projected billing of 14,000 Equivalent Residential Units (ERU) at an average rate of \$225 per ERU offset by approximately \$150K in projected Stormwater credits. The BPW will finalize FY26 stormwater rates this Spring. Any year-end balances will remain in the Stormwater Fund to offset future increases. Cash and equivalents in the Stormwater Fund at the end of FY26 are projected to be \$673,000. Interest earned goes to the Town's General Fund.

**Uses of Funds**

The decrease in Personal Services is driven by a reduction in General Government Services charges, per guidance from the Finance Director. Other expense increases are due to a rise in costs for contracted catch basin cleaning, street cleaning, and material disposal to comply with MS4 permit requirements. The Department of Public Works (DPW) previously cleaned half of the catch basins in the Town each year but now must clean every catch basin annually. This increase is expected to be a one-time adjustment and will not reoccur every year.

**Capital Budget**

The capital budget funds drainage improvements. The decrease in capital outlays is primarily due to the alternating between design and construction each year for Green Infrastructure Improvements

**Advisory Considerations**

The Advisory Committee believes the operating and capital budgets proposed in this Article are appropriate. Advisory supports the Board of Public Works request for the funds required to operate the Stormwater Enterprise Fund for FY2026.

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 15.** To see if the Town will transfer from the PEG Access and Cable Related Fund a sum of money to be expended under the direction of the Wellesley Media Corporation for purposes of operating and managing the Town's public, educational, and government access cable television services; or to take any other action in relation thereto.

**(Select Board)**

Under this Article, the Select Board seeks Town Meeting approval to allocate funds to Wellesley Media Corporation to continue:

- Broadcasting government meetings and community events
- Supporting local programming, including sports and educational content
- Maintaining and improving digital media services for residents

### **Overview**

Wellesley Media Corporation is a nonprofit digital media organization that provides public, educational, and government (PEG) programming for the Town. It plays a critical role for the Town by broadcasting municipal meetings, local events, and educational content. Wellesley Media also maintains an on-demand video library and live-streaming services, making town government more transparent and community activities more accessible to residents.

Currently the Town funds Wellesley Media through funds received from cable licensing of Verizon and Comcast; these funds include a 5% fee collected from customers by the cable operator and must be used to support PEG programming. Verizon and Comcast customers may have noticed this charge in the "Taxes, Fees, and Other Charges" portion of their monthly bills.

Previously, these funds were paid directly to Wellesley Media, but pursuant to Section 53F  $\frac{3}{4}$  of Chapter 44 of the Massachusetts General Laws established in 2018, the Town now collects and holds these moneys in a dedicated PEG Access and Cable Related Fund and requires Town Meeting approval to distribute them. The Town anticipates appropriating approximately \$500,755.60 to Wellesley Media, which includes pending payments from Verizon and Comcast.

Unfortunately, PEG revenue has been declining due to cord-cutting and the shift to streaming services, raising concerns about the long-term sustainability of this funding source. Current contracts with the Town and its cable providers expire in 2026 and will be renegotiated. Moving forward, the Town and Wellesley Media will be exploring ways to address declining revenue, including negotiating new agreements with providers and potential future funding solutions.

### **Advisory Considerations'**

Advisory members support the transfer of the funds from the PEG Access and Cable fund to Wellesley Media and acknowledged these funds come from the fees paid by cable users. Members felt Wellesley Media is an important resource for the Town to enable residents to watch meetings to stay well informed. However, members acknowledged there could be future funding challenges with fee revenue decreasing due to other streaming services competing with cable companies. Members also acknowledged, in the future, other people with different levels of professional experience could be managing Wellesley Media, so it will be important to have a secondary body evaluating Wellesley Media over time.

**Advisory recommends favorable action, 11 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 2026 Community Preservation Budget, to appropriate or reserve for future appropriation, from Fiscal Year 2026 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, 2025, to make debt service payments, 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, and to amend prior fiscal year Community Preservation Act appropriations and authorizations; or to take any other action in relation thereto.

**(Community Preservation Committee)**

Under this Article, Community Preservation Committee (CPC) seeks Town Meeting approval on three (3) Motions that ask to appropriate or support expenditure of funds from the Community Preservation Fund. The full text of these recommendations appears in the *Report of the Community Preservation Committee* appended to this Report. Please refer to that report for a more complete understanding of the Community Preservation Act (CPA) and the proposals the CPC recommends for approval.

### Overview

CPA funds come from two sources: (1) a surcharge on local property taxes and (2) a “match” from the state CPA Trust Fund. The CPA helps communities preserve open space and historic sites, create affordable housing, and develop recreational facilities.

FY 2024 CPA revenues totaled \$2,566,615 from the following sources:

- \$ 1,610,373 from the local property 1% property tax surcharge.
- \$ 329,314 in state CPA matching funds.
- \$ 626,928 in interest on CPA reserve account balances (see table below).

CPA Reserve Account Balances at the end of FY24 were as follows:

<b>CPA Reserve Account Balances*</b>	
Community Housing	\$1,815,565
Historic	\$ 880,413
Open Space	\$ 10,277
Undesignated	\$5,464,886
<b>TOTAL AVAILABLE</b>	<b>\$8,171,142</b>
*As of June 30, 2024	

Based on those FY24 revenues and those reserve balances, the CPC seeks 2025 Annual Town Meeting approval of the following appropriations:

<b>CPA Recommended FY 2026 Appropriations</b>		
Motion 1	Administration & Reserves	\$550,000
Motion 2	Morses Pond Beach Supp. feasibility	\$168,000
Motion 3	Wight Pond study	\$ 72,000*
	<b>TOTAL</b>	<b>\$790,000</b>

*\*As this report goes to the printer, CPC has not finalized its approach to Motion 3. CPC may seek a Town Meeting vote resolving to support expenditures for the Wight Pond study, rather than an appropriation. If so, CPC plans to use previously-appropriated FY 2025 CPA administrative funds. Doing so would reduce the dollars appropriated under Motion 3 to zero and would reduce the total to \$718,000. CPC nevertheless seeks Town Meeting approval to proceed with the Wight Pond study, even if it uses only previously-appropriated administrative funds. See discussion of Motion 3, below.*

Favorable action under these motions would have no tax impact but would reduce the balance in the Town's Community Preservation Fund available for future projects. An additional \$550,644 for the FY26 annual debt service payment covering the 2015 Town purchase of the North 40 is included in the Article 8 Omnibus Budget. If Town Meeting approves these motions, CPC projects that the CPA fund balances as of June 30, 2026, will be \$2,040,565 in Community Housing Reserves, \$1,105,413 in Historic Resources reserves, \$10,277 in Open Space reserves, and \$6,015,633 in undesignated funds. For more details, see the CPC Annual Report, appended to this Report, and the Budget Book at [2025 Annual Town Meeting Budget Book](#).

#### **ARTICLE 16, MOTION 1**

Under this Motion, CPC seeks Town Meeting approval for appropriation from CPA funds in the total amount of \$550,000, consisting of \$ 100,000 for Administrative Expenses and \$ 450,000 for Designated Reserves.

##### **Administrative Expenses.**

The CPA permits the appropriation of up to 5% of the previous year's revenues for administrative purposes. These funds finance, among other items, a part-time administrative assistant who is responsible for CPC clerical and reporting duties; consultants and engineers to help analyze and define potential projects that may receive CPA funding; and coalition dues and hearing notices. The administrative appropriation has increased from \$85,000 in and before FY23 to \$100,000 for FY24 and FY25 and remains at \$100,000 for FY26. Any unused administrative funds revert to the undesignated balances. The appropriation of \$100,000 represents 3.9% of FY24 revenues ( \$2,566,615), within the 5% statutory limit, and is below the appropriation percentages in FY25, FY23 and FY22 (4.8%) and in FY24 (4.9%).

##### **Appropriations to Designated Reserves.**

As noted above, in each fiscal year, the CPA requires the Town to appropriate or reserve for future appropriations a minimum of 10% of the estimated annual revenues in the Community Preservation Fund for each of three designated purposes: Historic Resources, Open Space, and Community Housing. The CPC has requested that \$225,000 (approximately 10.4% of estimated FY26 revenues) from the Community Preservation Fund be reserved for each of Historic Resources and Community Housing, for a total of \$450,000. Note that the required appropriation to Open Space is being satisfied by the annual debt service payment for the purchase of the North 40. FY26's debt service is \$550,244.

##### **Advisory Considerations**

Advisory believes the requested appropriations for administrative costs and to the designated reserves are reasonable, appropriate and consistent with CPC's annual practice.

**Advisory recommends favorable action, 11 to 0.**



## **ARTICLE 16, MOTION 2**

Under this motion, CPC seeks Town Meeting approval for an appropriation from CPA funds to the Natural Resources Commission (NRC) in the amount of \$168,000 for a supplemental feasibility study of the Morses Pond Bathhouse and Beachfront Project ("Project"), as described below.

### **Timeline of Events Since 2024 ATM**

- 2024 Town Meeting appropriated \$925,000 from CPA funds to the Permanent Building Committee ("PBC") for design work and construction documents on the Project. [See 2024 ATM Warrant Article 17, Motion 2.](#)
- As reported to 2024 ATM, CPC required formation of a "Morses Pond Beach Advisory Committee" (MoPoBAC). See Report of the Community Preservation Committee to 2024 Town Meeting, reprinted in the same report as above on p. 196. Also see 2024 Advisory Committee Report at 132. The MoPoBAC's responsibilities included community input and potential resolution of problems with project scope, location and permitting that NRC and the Recreation Department (Rec) identified in January 2024.
- The Permanent Building Committee (PBC) and Facilities Management Department (FMD) concluded that adopting the MoPoBAC's recommendations would require conducting certain studies and work that had not yet been done and must occur before the design phase.
- MoPoBAC met and determined that it could not resolve the outstanding questions without more information about site conditions, grading and proposed building location. See Morses Pond Advisory Committee Recommendations and Considerations (August 29, 2024), available at: <https://wellesleyma.gov/DocumentCenter/View/44495/Morses-Pond-Beach-Advisory-Committee-Recommendations-8-29-2024>.
- Among other things, MoPoBAC recommended that the Town confirm whether the original proposed bathhouse location in fact would minimize site grading, achieve handicap accessibility and adequately account for site conditions. This recommendation requires testing and analysis of soil conditions, mitigation requirements, building components and location, etc.
- NRC agreed with MoPoBAC's recommendation and FMD/PBC's position and decided to request funds for a supplemental feasibility study prior to design.
- After consulting Natural Resources Commission (NRC) and other Town stakeholders, PBC postponed expending the design appropriation approved at 2024 ATM.

Please refer to the "Additional Historical Background" section below for additional context, including the Project's lengthy history before the 2024 ATM and a summary of the MoPoBAC's Recommendations.

### **The Proposal**

The supplemental feasibility study would test, analyze and rethink aspects of the Project that the prior feasibility study (authorized by 2021 ATM) did not address. These aspects include site conditions, mitigation, possible changes in building size or function and the like. It would precede and inform the design phase. The Supplemental Study's scope of work arises out of the MoPoBAC's recommendations (including NRC's memo), which raised unanswered questions that surfaced after the Town and public reviewed the original Feasibility Study's findings and recommendations.

**Rationale**

By conducting the supplemental feasibility study now and deferring project design, the Town will obtain more technical information about soil conditions, mitigation requirements, building use and features, and other matters that will drive the decision about what to build and where to put it. The work includes clarifying the unique permitting issues of this site (including environmental mitigation requirements) and Project’s scope, size, function and costs. NRC and FMD need this information to select the most beneficial and least impactful scope and location for this Project.

The additional information should permit a clear definition of Project elements *before* the Town invests in the Design Phase. In addition, the proposed supplemental feasibility study will consider additional value engineering, which could significantly reduce overall Project costs for design and construction.

NRC and FMD/PBC believe that the proposed supplemental feasibility study will reduce the risk of surprises arising during the design. If that risk were to materialize, it could require rework and add significant time and expense to the Project’s Design Phase, which tends to be more costly than the feasibility phase.

As the named recipient of the design funds appropriated at 2024 ATM, PBC controls expenditure of those funds. It has denied a request to use last year’s appropriation for the proposed supplemental feasibility study.

**Details of the Proposed Supplemental Feasibility Study**

The Weston & Sampson proposal for the supplemental feasibility study includes the following work:

- Soil borings and topographical analysis to inform the extent of ADA/MAAB impact.
- Consider the extent and impact of pedestrian/vehicular circulation (footpaths, driveways, parking lots).
- Consider stormwater management and potential mitigation.
- Evaluate trees, vegetation, and habitat and consider potential mitigation.
- Assess site and safety lighting.
- Evaluate the bathhouse’s and playground’s final size, location, program, operation needs, safety and code requirements, potential for changes in use in the future, utilities, materials, sustainability, construction means and methods.
- Update the Conceptual Site Plan and Building Plan to reflect the Project’s final scope.
- Update the project budget and schedule to reflect the study’s results.

**The NRC’s proposed budget for the supplemental feasibility study is:**

<b>SUPPLEMENTAL FEASIBILITY STUDY BUDGET MORSES POND BATHHOUSE &amp; BEACHFRONT PROJECT</b>	
Weston & Sampson Proposal	\$123,000
DPW Test Pits	\$ 12,000
Hazardous Materials Hygienist (assess existing structures)	\$ 8,000
<b>Engineers and Other Professional Services - Total</b>	<b>\$143,000</b>
<b>Contingencies</b>	
Soft Cost Contingency (includes any potentially required additional field work, additional meetings, cost estimates, reimbursables, etc.	\$25,000
<b>TOTAL SUPPLEMENTAL STUDY BUDGET</b>	<b>\$168,000</b>

The Town's Department of Public Works ("DPW") will dig test pits in an effort to save costs by avoiding the potentially large mark-up of the cost for similar excavation services from a third-party vendor.

Rather than reassembling the same study team whose original feasibility study has met with criticism, the consultant has committed to staffing the supplemental feasibility study with personnel who did not work on that original feasibility study.

The proposed supplemental study includes tasks that the prior feasibility study did not identify or complete. The work in the Supplemental Feasibility Study may result in Consultant fee savings during the Design Phase. Weston& Sampson's proposal to the Town states: "*Weston & Sampson understands that with the Town pursuing this feasibility study assessment that certain outcomes that may typically be resolved during future design phases of the project will be determined as result of this assessment and therefore we acknowledge that there are anticipated savings in future design phases that can be garnered. We anticipate design fee savings in future design phases of approximately \$70,000.00.*" The project personnel indicated no other cost breakdown or itemization is available, since the tasks are all "interconnected and overlapping".

### **Impact on Timing and Cost of Design and Construction**

*Revised Schedule Estimates:* The following chart reflects NRC's current estimate of project timing, including predictions that will need reevaluation after the supplemental study concludes.

<b>PRELIMINARY ESTIMATED TIMELINE</b>	
Commence supplemental feasibility study	May 2025 (study length: 4-6 months)
Complete supplemental feasibility study	Fall 2025
Commence design/bidding	Fall 2025 (estimated)
Complete design and permitting	Early 2027 (estimated)
Request appropriation for construction	2027 ATM or STM (estimated)
Commence construction	2027 (estimated)

We will have a better estimate of the last four dates in the table above at the completion of the supplemental feasibility study. The current preliminary estimate for commencing construction in 2027 compares with the estimate in last year's Advisory Report to 2024 ATM that "project construction" was "likely to begin in fall of 2025."

*Design Costs:* NRC and CPC plan to use the \$925,000 in design funds appropriated at 2024 ATM. Weston & Sampson anticipates "design fee savings in future design phases of approximately \$70,000.00" because the supplemental feasibility study will include some work typically done during design.

Town Counsel has ruled that the 2024 design fund appropriation remains available to fund design of the project upon completion of the proposed supplemental feasibility study. Barring unforeseen circumstances, CPC and NRC will not return to Town Meeting for design funds unless the supplemental feasibility study estimates that design costs will exceed the 2024 design appropriation. Town Meeting will have the opportunity to consider the Project when CPC requests an appropriation for construction costs.

*Construction Costs:* No formal cost estimate has occurred since the original feasibility study. The supplemental feasibility study could change project scope and cause large changes in prior construction cost estimates. After completion of the study, the NRC (working with Recreation and FMD) will have to review the project's scope and costs and establish an appropriate construction budget.

Any revised construction estimate will also reflect the postponement of the construction period. Generally, the Town assumes a 7.5% annual escalation of construction costs for inflation. The ultimate construction costs will not necessarily increase, because the supplemental study's outcome may or may not offset future construction cost increases, and could be substantially lower or higher than previous predictions.

Therefore, while Advisory is aware of the cost estimate presented to 2024 ATM and some placeholder estimates in the Townwide Financial Plan presentation and in CPC's own capital plan, no reliable estimate is possible (even on a "ballpark" basis) until the supplemental study defines the ultimate project scope and timing.

As it did last year, CPC has continued its commitment to future CPA appropriations through the construction phase of the project, with details of full financing to be determined. CPC and NRC have not decided how to fund project construction, but note that possibilities include a Town debt exclusion or CPC borrowing.

### **Additional Historical Background**

The Town has invested significant CPA funding over the years in Morses Pond. The 2018 ATM approved the use of CPA funds (\$40,000) to fund half the cost of a comprehensive analysis and recommendation for the Morse's Pond Bathhouse and Beachfront Project. In 2019, the Recreation Department (Rec) engaged the Weston and Sampson firm to undertake and complete this initial analysis which, among other tasks, involved engaging Town departments, holding three community forums and determining a layout that would enhance the experience of residents and visitors, while respecting the unique historic nature and environmental qualities of the property. The analysis addressed a wide range of topics including parking, optimum access routes to the beach and bathhouse, security, and Town wellheads and water quality protection.

The 2021 ATM appropriated \$175,000 from CPA Undesignated Funds to Rec for a feasibility study of the Morse's Pond beach and pond area. The final Morses Pond Beach & Bathhouse Feasibility Study, dated May 7, 2024, is available at:

<https://wellesleyma.gov/DocumentCenter/View/40611/20240507-Final-Feasibility-Study-report-with-appendix>.

The Recreation Department proceeded with Weston and Sampson for the Feasibility and Design phase, and accomplished the following before 2024 ATM:

- Project kick-off meeting January 2022
- Two working group meetings
- Two public meetings
- One Select Board meeting
- Two NRC meetings
- One PBC meeting
- Development of site design and buildings
- Opinion of probable construction cost produced
- Feasibility study report submitted for review

In January 2024, Rec presented the project to NRC, which is charged with the care and custody of the land and has regulatory authority (through its Wetlands Committee) over the wetlands and environmentally sensitive areas at the Morses Pond beachfront. NRC sent a letter to Rec dated January 31, 2024, in which it identified five "considerations that need to be addressed," including "wetlands considerations and plan/budget for mitigation." In February 2024, NRC voted to support the allocation of CPC funds to advance the Project from feasibility to design stage, provided that

its concerns were met in the design phase. Rec, NRC, and CPC all agreed to present the Project's design fund proposal to 2024 ATM rather than delay this long-awaited project any further.

Going into 2024 ATM, Rec, NRC and CPC had identified several outstanding issues (particularly those listed in NRC's January 31, 2024, letter), which they hoped to resolve in time to start the design phase last spring. In part, this expectation reflected the formation and input of the MoPoBAC, as a vehicle to resolve those issues. As it turned out, that expectation was overly optimistic, because (as discussed at the beginning of this summary), the MoPoBAC's recommendation ultimately required additional work to study site grading and revisit building location.

In its August 29, 2024, final report, the MoPoBAC made 6 formal recommendations, 5 of which NRC and Rec resolved quickly. Recommendation #4 called for the Town to confirm whether the proposed bathhouse location in fact would minimize site grading to achieve handicap accessibility. It questioned whether site borings showed adequate separation between groundwater and potential building locations. It pointed out the roughly 6-foot difference between the handicapped parking area and the proposed building. It asked whether a switchback or boardwalk would enhance handicap accessibility. The report noted that Rec did not support changing the proposed building location.

Some of the additional work outlined in the MoPoBAC's recommendation #4 properly fell outside the scope of work for the original feasibility study because that study assessed the location contemplated by the original Project scope. A portion of the proposed supplemental feasibility study would address issues arising out of that recommendation.

In retrospect, the pandemic slowed and complicated progress on the Project and impeded coordination between the many stakeholders in this complex undertaking. Moreover, FMD was already so busy with two school building projects and the Town Hall renovation that it informed Rec that it could not provide its usual project evaluation expertise and technical support at that stage. Rather than delay the Project until FMD could provide support, Rec and CPC moved forward with the 2021 feasibility study. Unfortunately, the initial feasibility study did not account for certain mandatory environmental mitigation and regulatory restrictions (including the Wellesley wetlands bylaw), did not account for limitations on use of parklands (e.g. Mass. Const. Art. 97), and proposed a Project location and scope that has not achieved consensus support. The initial feasibility study therefore did not cover the issues that the NRC and Town now believe they need to address.

### **Advisory Considerations**

Advisory again acknowledges the importance, complexity and longevity of this Town project. Morse Pond is a Town treasure for passive and active recreation that serves a wide section of the Town's residents and visitors. The DPW, NRC, PBC, Rec, and CPC have discussed, considered, and worked on this project for many years as they have sought to identify a cost-effective solution to improve the facilities at Morse Pond. After receiving much-appreciated input from all those agencies, Advisory members gave careful thought to this request and were generally satisfied that the supplemental feasibility study is appropriate. Given the project's long history and the need for improvement in the facilities at Morse Pond, Advisory unanimously supports this article.

Despite Advisory's unanimous vote, a number of questions and concerns arose during Advisory's review of this request.

Advisory noted the supplemental feasibility study could well generate significant changes in the project's final design, cost, and overall appeal to users of the Pond. Some members believed the project proponents would be wise to report the study's findings and recommendations to Town Meeting, even if no legal requirement exists to do so, before the design phase commences. The scope of the project, projected construction cost and timing, and other matters may affect TM's consideration not only of this project, but also of other projects that may have to compete for Town funds, particularly since some form of CPC borrowing or Town debt exclusion may be needed for construction funding.

Advisory noted this project illustrates the challenges Wellesley faces because of its decentralized decision-making processes. Some members appreciated the recent coordination that has uncovered shortcomings in the original feasibility study, but many expressed concern this project did not follow the usual Wellesley model – getting all agencies who own, use, and maintain the property and facilities together at the start of a project. Some members suggested creating additional capacity “in-house” to do feasibility studies and the like in the future thus having no need to hire a consultant.

Several members questioned how this project reached the point where the original feasibility needed supplementation. They urged review of the original feasibility study's scope, the team that worked on that study, consultant selection, and other factors that contributed to the problems this Motion seeks to address. Other members acknowledged a “post-mortem” review by other Town agencies and officials may well be productive in an appropriate forum, but pointed out the only issue before Town Meeting is whether or not to approve funding for the supplemental feasibility study, no matter how the need for such a study arose.

Advisory asked whether prior unspent appropriations might fund some or all of the work in question. A portion (\$18,837) remained unspent from the 2021 ATM appropriation for the original feasibility study. Advisory asked whether those funds could pay for some of the necessary additional feasibility study work. Those funds are no longer available because Rec voted on February 13, 2025 to return them to CPC. Advisory also inquired whether the Motion might be amended to seek a reduced appropriation that applied a credit for the anticipated future savings in design costs (approximately \$70,000 for work now included in the supplemental feasibility study). While acknowledging that PBC might end up holding an extra \$70,000 after completion of design, NRC and CPC point out that all agencies that receive CPC funds are subject to conditions to return unused funds to CPC no later than the end of the year the project ends and the “moving around money now is not a good use of time.”

**Advisory recommends favorable action, 12 to 0.**

### **ARTICLE 16, MOTION 3**

This Motion concerns the proposed expenditure of CPA funds for an initial study of Wight Pond, as described below. The final wording of this motion was unresolved at the time this report went to the printer.

*The original draft motion sought an appropriation of CPA funds in the amount of \$72,000 (\$56,900 plus 25% contingency). As this Report goes to the printer, CPC is rethinking its motion language and may simply ask Town Meeting to resolve to support the expenditure for this project. In any event, CPC remains committed to presenting the Wight Pond proposal for Town Meeting's approval in the most appropriate form.*

*The need to revisit Motion 3's language reflects Town Counsel's advice, delivered at CPC's March 12, 2025 meeting, that funding the Wight Pond feasibility study is best treated as an administrative*

*expense under the CPA, because the study arguably lacks a design or acquisition component (which would make it a stand-alone project eligible for appropriation of CPA open space or recreation funds). CPC has enough unspent funds in its FY25 administrative appropriation to cover the study's \$56,900 cost as well as a 25% contingency.*

*No matter the ultimate language of Article 16, Motion 3, Advisory believes that the discussion below presents the information that Town Meeting will need to evaluate and vote upon this motion. Should any material changes occur after this Report is finalized, Advisory plans to submit a supplemental Report.*

Wight Pond, located at 25 Hundreds Road ("Property"), lies within a 5.5 acre, undevelopable parcel near Wellesley Farms Train Station. See Figure 1 below. The Town assesses the Property's value at \$84,000. Since 1955, the Carrisbrooke-Wight [sic] Pond Trust ("Trust") has owned the Property for the benefit of owners of a nearby development. Fed by Cold Stream Brook, Wight Pond itself drains under Hundreds Road and into Farm Station Pond, which the Town owns.

The Trust has proposed to donate the Property to the Town's Natural Resources Commission for protection and maintenance in perpetuity, possibly in coordination with the Wellesley Conservation Land Trust. Transfer of the Property requires assent of all beneficiaries of the Trust. All such beneficiaries have signed a non-binding letter authorizing the Trust to negotiate a possible transfer of the Property to the Town for conservation purposes. Potential benefits of Town ownership include improved management of Wight Pond and Farm Station Pond as a combined ecosystem, public recreational use of Wight Pond for fishing and ice skating, and possible addition of a short walking trail with public access from the road at 25 Hundreds Road.

To conduct due diligence before accepting or rejecting the proposal, the Town must study existing conditions and the feasibility of the potential transfer (Phase 1 study). The Phase 1 study might reveal a need for follow-up on some of the initial findings, which could require a future appropriation for more in-depth investigation and testing before the Town decides whether to proceed with the acquisition. If the Phase 1 study (along with any supplemental work) ultimately favors acquisition by the Town, NRC would request funds for Phase 2, which may entail removing chemicals and invasive plants from the Property and transaction costs for the land transfer.

The estimated budget for the Phase I study is:

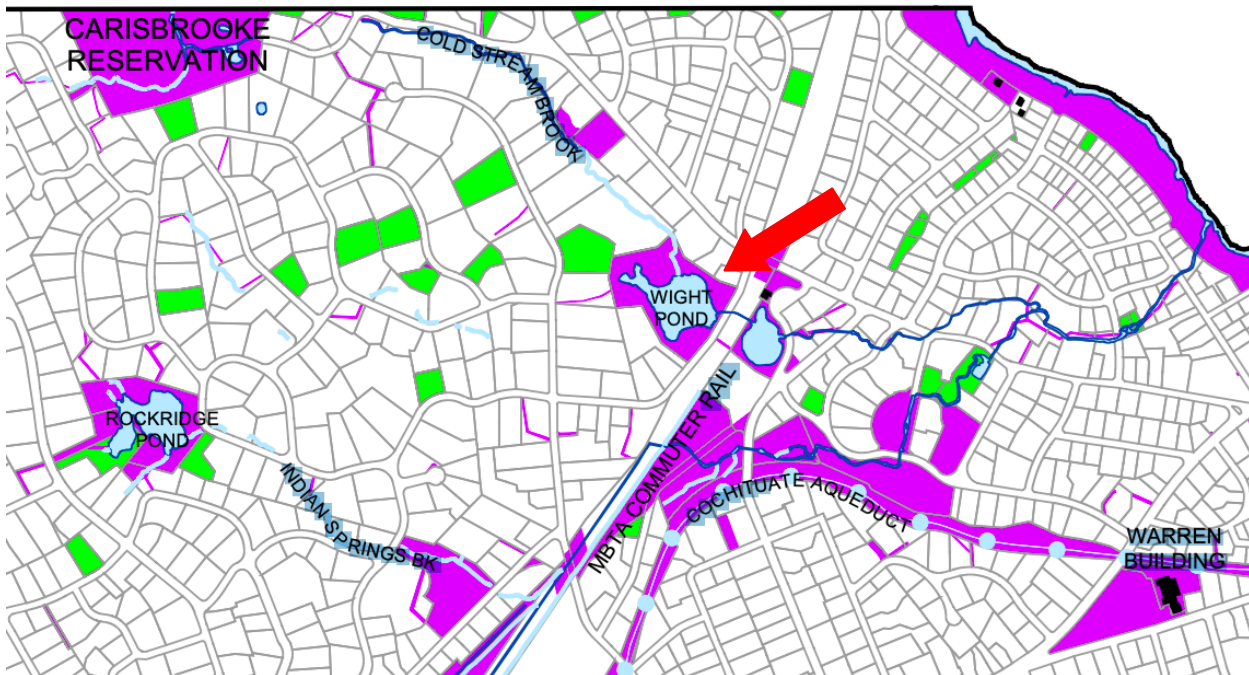
<b>Wight Pond Feasibility Study Estimates – Phase I</b>	
Land survey (not including topo or wetlands)	\$15,000
Environmental Assessment of past uses (no testing)	\$ 2,500
Examine invasive plants on the land and estimate costs of removal	\$ 3,000
Document costs and liability of managing the land portion of the property	\$ 2,500
Site visit to assess the structural integrity of visible drainage system and culvert to Farm Station Pond	\$ 2,400
Conceptual drawing and estimating the cost of a walking path around the pond	\$ 1,500
Water testing for chemical contamination and invasive plants, with estimated removal costs, if any	\$22,500
Wildlife Habitat survey	\$ 7,500
<b>SUBTOTAL</b>	<b>\$56,900</b>
Contingency (25%)	\$14,225
<b>TOTAL</b>	<b>\$71,125</b>



**FIGURE 1: LOCATION OF WIGHT POND AND SURROUNDING AREA**



**FIGURE 2: CARISBROOKE RESERVATION AND ECOSYSTEM**





### **Advisory Considerations**

Advisory believes the proposed feasibility study (phase I) is a prudent initial step to identify potential risks and benefits to Town ownership before accepting (or rejecting) a donation of Wight Pond. The Pond is part of a connected ecosystem that includes Farm Pond (already owned by the Town) as well as an important wildlife corridor connecting with the Charles River. Advisory notes that the existing eutrophication of Wight Pond demonstrates a need for better management, which the Town has the resources to provide. Advisory also notes the necessary unanimous approval by all beneficiaries of the Carrisbrooke-Wight [sic] Pond Trust now appears achievable, presenting a potential opportunity that has precluded such a donation in past decades.

### **Advisory recommends favorable action, 12 to 0.**

**ARTICLE 17.** 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 purchase of a fire truck and equipment associated therewith, including the payment of all costs incidental or related thereto and, 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)**

In this Article the Select Board (SB) seeks Town Meeting approval to purchase a new fire truck, an E-ONE Typhoon pumper/tank engine, for \$1,055,000 using Free Cash.

### **Overview**

The Wellesley Fire/Rescue Department consists of 58 firefighters and two support staff who have at their disposal six major pieces of firefighting apparatus, including:

- Engine 1, 2009 Seagrave
- Engine 2, 2015 E-ONE
- The Quint, 2021 E-ONE
- The Tower, 2012 E-ONE
- Engine 4, 1991 Pierce (backup and replacement parts are obsolete)
- Engine 5, 1995 Pierce (backup and replacement parts are obsolete)

The Fire Department follows the industry standard replacement cycle of 10 years for front-line pumping engines. The planned purchase of new E-ONE Typhoon pumper/tank engine will replace Engine 2 and Engine 2 will be placed in reserve as a back-up replacing Engine 5. (Engine 1 replacement is currently on order based on an appropriation at the 2023 ATM. Engine 1 will be placed on reserve and Engine 4 will be retired.)

As noted, the planned purchase will replace Engine 2. The Fire Department's Engine 2 responds to all major requests for aid: fires, medical calls, motor vehicle accidents, residential fire alarm activations and commercial box alarms. The replacement engine will be designed with a heavy-duty suspension and chassis to extend vehicle life. Fire Department experience has shown the value of a heavy-duty suspension and chassis due to the sheer weight of the vehicle and its equipment, as well as the frequency of use. The engine carries 750 gallons of water weighing more than 8,000 pounds, in addition to ground ladders, tools, equipment and gear.

The new engine would be assigned to Station 2 at Route 9. The new engine offers significant additional firefighter safety features beyond the present engine, including front and side-impact airbags; stability control reducing rollover risk; passenger side emergency brake; ABS braking

integrated with stability control; front and rear disc brakes to reduce stopping distance to meet the new federal standard; data recorder to record seat belt and warning light use; rear backup camera; enhanced visibility to meet new fire industry visibility standards; LED warning lights; enhanced reflective chevron striping; improved scene and work area lighting; reduced sound levels in cab; galvanized frame rails to increase longevity; and compliance with Environmental Protection Agency (EPA) exhaust emissions requirements.

The Fire Department makes equipment purchases through a collective purchasing program developed by the Metropolitan Area Planning Council (MAPC) and the Fire Chiefs Association of Massachusetts (FCAM). Using the MAPC and FCAM purchasing program saves the Fire Department valuable administrative time. MAPC facilitates this process so that all its members can participate on an equitable basis with those manufacturers who participate in the program. As of the date of this Advisory Report, the Fire Department anticipates that the cost of the new engine will not exceed \$1,055,000, fully outfitted.

The Fire Department expects that it will select a Florida-based manufacturer, E-One, which maintains a local service center, for the new engine. The Fire Department already owns three pieces of front-line equipment – Engine 2, Quint 3, and Tower 2 – that were manufactured by E-One, and has another engine, on order. The surrounding communities of Newton, Needham, Natick, Weston, and Boston all provided positive feedback on trucks procured from E-One. In addition, the Fire Department mechanic has familiarity with E-One equipment based on his prior employment history. If Town Meeting approves this Article, it will take approximately 3 years for delivery.

### **Advisory Considerations**

Advisory supports the purchase of a new engine that will provide safety and service needs to Wellesley and surrounding communities. Advisory noted the Fire Department is following the industry standard which supports replacement of frontline pumping engines every 10 years, while older engines are moved to reserve status for another 10. In addition, Advisory supports the use of free cash for this purchase.

**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 Facilities Management Department, for architectural designs, engineering services, bid documents, and bidding support for the construction, reconstruction, replacement, and retrofitting, of Wellesley Middle School, Fiske School, Schofield School, and Bates School for Air Conditioning, including all costs incidental and related thereto; and 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)**

Under this Article, the School Committee (SC) seeks Town Meeting approval to appropriate \$182,000 to fund a supplemental air conditioning feasibility study (FY26 Feasibility Study) for four school buildings in partnership with the Facilities Management Department (FMD).

### **Overview**

Wellesley Public Schools (WPS) operates nine schools (including P.A.W.S.), of which Bates Elementary, Fiske Elementary, Schofield Elementary, and Wellesley Middle School do not have air conditioning in the vast majority of their classrooms and public spaces. In 2018, after

consistently experiencing very hot temperatures at the start of the school years, WPS administration requested FMD pursue an engineering study to examine the feasibility and costs associated with adding air conditioning to these buildings. In FY2020, as a \$80,000 cash-capital project, the feasibility study was approved. The [“School Air Conditioning Feasibility Study”](#) (the 2020 Study) commenced in 2019 and was presented to the SC on July 27, 2020. The following table provides a brief history of the schools within the scope of this study:

Summary of Impacted Schools					
School	Year Built	Additions	Significant Renovations	Estimated (Minimum) End of Mechanical System Service Life	Sq. Ft Pro-posed AC
Bates	1953	2004	2004 (complete building renovation)	2030	52,750
Fiske	1952	2006 (modulars)	2008 (new roof), 2010 (windows, boiler, sprinklers), 2015-2016 (unit ventilators, classroom, elevator, and site renovation)	2040	45,350 <sup>1</sup>
Schofield	1963	1987, 1994, 2006 (modulars)	2008 (new roof), 2009 (boiler), 2015-2016 (unit ventilators, windows, classroom, and site renovation)	2040	43,500
Wellesley Middle School	1952	1958, 1966	2006-2008 (major renovation), 2011 (classroom renovation), 2014 (Donizetti Plaza renovation), 2016 (MSBA window renovation), 2020 (Condensate piping and boiler replacement), 2021 (building systems replacement), 2022 (repaving)	2046	228,700

1: Excludes 25,453 square feet of basement storage

The 2020 Study presented six different cooling options, a benefits analysis, and estimates of the associated costs to implement each of these mitigation strategies in each of the four schools. It also highlighted making major building modifications of this magnitude would likely trigger the need to bring the buildings and sites into compliance with the state building code and accessibility requirements (MAAB/ADA). However, the 2020 Study did not elaborate on cost or schedule impacts associated with these compliance issues.

At the time the Study was completed in July 2020, the SC and WPS were focused on operational impacts of the COVID pandemic (e.g., remote learning and classroom ventilation) and then on the complexities of the Hunnewell and Hardy building projects, including Hunnewell swing space and system-wide redistricting. During those years, the SC continued to hear from families and staff about their concerns with the lack of air conditioning.

The opening of two air-conditioned schools (Hunnewell in February 2024 and Hardy in August 2024) further intensified the focus on the disparity between students and staff who enjoy appropriate learning and working environments versus those in the four unairconditioned or

under-airconditioned buildings. The SC then examined the scope and severity of the issue. A [WPS analysis](#) presented to the SC in January 2025 indicated over the last 10 academic years there was an average of 21.5 annual “Heat Days” (defined as a school day with a heat index greater than or equal to 80°F). They also heard from an elementary school principal on the impact hot classrooms have on teaching and learning.

Along with cost estimates for the systems being evaluated, the FY26 Feasibility Study would also provide

- detailed timelines and costs to complete design options,
- related accessibility compliance requirements, and
- various permutations of project scheduling/phasing options, and budgetary impacts for each option.

Additionally, the Wellesley Municipal Light Plant (WMLP) would be consulted to determine if the current electric service size to each school is adequate for the proposed work, or if it would need to be upgraded along with the estimated costs. The study will assess sustainability considerations such as estimating electricity usage, CO2 generation, and estimated service life of each option to assist the Town with staying on track with its sustainability goals.

The following table details the cost breakdown of the requested appropriation:

<b>Budget for A/C Supplemental Study</b>	
<b>Engineering &amp; Professional Services</b>	<b>\$153,000</b>
BLW Engineers Study Fee	68,000
Reimbursable Expenses	5,000
Detailed MAAB Evaluation (placeholder)	40,000
Additional Cost Estimates (placeholder)	10,000
Additional Architectural Renderings (placeholder)	5,000
Testing & Inspections	10,000
Hazards Materials (UEC)	15,000
<b>General Supplies &amp; Services</b>	<b>6,000</b>
Printing, Mail, Misc. Expenses	1,000
FMD Support & Custodial OT	5,000
<b>Contingencies</b>	<b>22,950</b>
Soft Cost Contingency (15% of engineering)	22,950
<b>Total Budget</b>	<b>181,950</b>
<b>Appropriation Request</b>	<b><u>\$182,000</u></b>

### Advisory Considerations

Advisory heard from the proponent (SC), as well as from parents, students, and staff of the WPS community, that air-conditioned learning environments are an increasingly urgent need. Advisory members referenced recent articles, research, and anecdotal evidence that validated this point as both a health and educational imperative. It was noted two recent builds, Hardy and Hunnewell Elementary Schools, added to the growing inequity of learning environments within Town: the schools with air conditioning and without air conditioning.

Several members of the Advisory Committee wrestled with interpreting feedback from the community. They posited the urgent feedback may warrant a faster response such as narrowing the scope of the study to focus on lower cost, less complex solutions such as installing window air conditioning units, as this option was assumed to be deliverable on a much shorter time scale. Some Advisory Committee members along with the proponents responded to this sentiment by

pointing out this study aims to deliver a range of options tailored to each school. They felt getting this full, individualized slate of options (including the option of adding no mechanical systems) along with their respective costs, benefits, and drawbacks, will allow for fully informed decisions. This point also responded to another common theme among Advisory's deliberation: concerns of the ultimate implementation cost being delivered at a time where the Town is previewing multiple upcoming large capital projects.

Attention was paid to the environmental impact of adding air conditioning to four schools, and that some otherwise desirable solutions might dramatically affect the Town's ability to meet its climate goals. It is hoped that School Committee's stated intention to work with the Climate Action Committee during the study will set a path to provide sufficient information to evaluate this concern. Several members also expressed hope the SC and WPS will communicate updates to its constituents as this process unfolds so the community remains informed of potential solutions, along with the related costs and timelines.

Overall, Advisory was very supportive of the need to perform this study.

**Advisory recommends favorable action, 14 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 Department of Public Works, for architectural designs, engineering services, bid documents, and bidding support for the construction, reconstruction, replacement, and retrofitting, of the Team Rooms at the Hunnewell Track and Field inclusive of all building and mechanical systems, associated site work improvements, and the payment of all costs incidental or related thereto, which project was approved under Article 17 of the 2018 Annual Town Meeting; or to take any other action in relation thereto.

**(School Committee)**

**Advisory expects no motion under this Article.**

**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 services, bid documents, construction, reconstruction, rehabilitation, and repair of Weston Road, including street, sidewalk and drainage repairs and improvements, and including all costs incidental and related thereto; and 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)**

This Article seeks an appropriation and authorization of \$4,000,000 for the reconstruction of 0.9 miles of Weston Road from Route 9 to the Weston town line. This amount shall be raised by transferring the sum of \$389,818.68 from the Grove Street Construction Project and borrowing the sum of \$3,610,181.32.

**Overview**

Weston Road is one of only a few north-to-south routes connecting Route 9 to the Town of Weston, is almost entirely residential, is heavily influenced by commuter traffic; and the road and sidewalks are used for traversing to schools (Bates and Hardy), shops, and parks.

The condition of this section of the roadway is poor due to age, use, and extensive trench patching. This portion of Weston Road was most recently paved in 1986, with a partial overlay in 1995 and additional crack sealing was performed in 2001. Past resurfacing has resulted in reduction or elimination of the curb reveal on both sides of the street in many locations, creating sidewalk safety and drainage issues. Roadway borings determined that full depth reclamation is not required. From a technical engineering perspective, the sidewalk and curbing issues are best addressed at the same time the roadway reconstruction is performed. The condition of the sidewalk is generally poor, and there are additional concerns including roadway speeding, sight distance, and accommodating all mobilities.

Design funding of \$75,000 was appropriated in FY22, and construction has twice been delayed due to National Grid construction conflicts. The DPW continues to be in close contact with National Grid and no additional conflicts are anticipated.

Safety, multimodal transportation, the residential character of the neighborhood, and Complete Streets<sup>1</sup> elements have been incorporated into the design, to the extent practicable given the relatively narrow width of the right-of-way throughout this segment of road. The project will provide:

- New roadway surface
- Uniform and slightly narrowed street with vertical curbs
- New 5' wide ADA compliant sidewalks and ramps
- Storm drainage improvements
- New pedestrian signal at Elmwood
- High visibility crosswalk markings, road striping, and signs
- Water infrastructure upgrades (in cooperation with the Water Division) to avoid future roadway disruption and repairs

The DPW held informational meetings in March 2023 and January 2025 to gather additional feedback from the neighborhood and the public. Bids for this project are anticipated in March 2025. If funding is approved, construction is expected to last 4 to 6 months and will take place during the summer and fall of 2025.

### **Advisory Considerations**

The Advisory Committee noted this project has been delayed several years due to National Grid utility work. Members emphasized the project has reached a state of urgent need, evidenced by the ongoing maintenance work required to keep Weston Road open. Members noted that it is a key north-south connector, and pedestrians, bicyclists, and vehicles depend on this roadway for travel, including traveling to multiple neighborhood schools.

On the project itself, the Committee commended DPW's proactive process where by they sought out and responded to community feedback during the design phase. Members applauded the design work and specifically called out the inclusion of granite sidewalk curbing as important element for driver and pedestrian safety. A member noted that the relatively narrow road width created hazardous conditions for cyclists, and hoped that signage or other measures to assist with driver awareness could be implemented during this project.

### **Advisory recommends favorable action, 12 to 0.**

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<sup>1</sup> Complete Streets is an approach to planning, designing and building streets that provides safe access for all users of the roadways, trails and transit systems. It considers all the users of the roadway network enabling pedestrians, bicyclists, transit riders, motorists, commercial vehicles, emergency vehicles and individuals of all ages and abilities to get to where they want to go. In 2019, the Wellesley Select Board adopted a [Complete Streets Policy](#) in accordance with Massachusetts Department of Transportation (MassDOT) guidelines.

**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 Board of Public Works, for engineering services, bid documents, construction, reconstruction, rehabilitation, and repair and improvements of the High School Hunnewell Field Irrigation System, including all costs incidental and related thereto; and 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)**

**Advisory expects no motion under this Article.**

**ARTICLE 22.** 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 services, bid documents, construction, reconstruction, remodeling, rehabilitation, of Fiske School and Upham School and Oulette Park Playgrounds including all costs incidental and related thereto; and 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)**

This Article seeks Town appropriation and authorization for \$2,000,000 for the replacement and/or reconstruction of playgrounds at Fiske School, Ouellet Field, and Phillips Park.

### **Overview**

In FY18 funding was approved to create a master plan for the systematic replacement and upgrading of the Town's eighteen (18) playgrounds on sixteen (16) properties. These include eleven playgrounds on School Department-owned property, six on NRC-owned property, and one on Recreation property. In FY20 playground reconstruction projects were added as a regular component of the DPW's "Tax Impact Capital Budget" to address key concerns and objectives presented in the master plan and to ensure that all playgrounds meet consistent quality standards while avoiding disparities between playgrounds. These playgrounds are viewed as community resources.

Key concerns and objectives presented included:

- Several play structures are approaching the end of their lifecycle.
- The play surfacing at many playgrounds does not provide reliable ADA compliance. Existing engineered wood fiber mulch is highly dependent on a frequent and regimented maintenance protocol. If not maintained, a playground's accessibility is reduced or lost.
- Play equipment accessibility and user inclusivity are limited at many locations due to the shortage of pathways and inconsistent ADA-compliant surfacing.

Completed projects under this master plan include the playgrounds behind the Bates School, also referred to as the Bates Back Playground, (FY2020), PAWS (FY2021), and Sprague School (FY2024).

Last year, with guidance from the Finance Department, DPW introduced a three-year plan to expedite these replacements and improve accessibility and playability for all users. Three playgrounds (Bates Front Playground, Schofield, Warren) were funded in FY25, another three

(Fiske, Ouellet, Phillips) are now being requested for FY26, and two more (Perrin, Upham) are anticipated in FY27.

If funding is approved, this project will be procured through a state contract, and construction will be coordinated with the School Department and with the Natural Resources Commission.

### **Advisory Considerations**

Advisory recognizes that upgrading the playgrounds is a long-standing Town commitment to meet the needs of all its residents. These projects have special significance, given the age and condition of existing equipment, as well as current ADA non-compliance for connecting paths and access. Advisory notes the playgrounds are an important component of the Town's commitment to promoting mental health, encouraging children and families to spend time outside, and to exercise. Advisory highlighted the importance of the accessibility and inclusive features of the new equipment and was appreciative of the Town's placing a priority on access issues. It is noted the funding for playground reconstruction in the past few years has been through an annual Cash Capital request. Using Free Cash as opposed to the capital budget has allowed for bundling a few projects over those years, thereby smoothing the expense. Advisory also acknowledged, in previous years, individual school PTOs paid for the upkeep of playgrounds on school grounds. While grateful for their support, Advisory feels it is important for the Town to be responsible for the maintenance of playgrounds including coordination of needs and accessibility requirements for all children.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 23.** 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 services, bid documents, construction, reconstruction, remodeling, rehabilitation, of RDF Baler and Compactors and associated areas; including all costs incidental and related thereto; and 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)**

**Advisory expects no motion under this Article.**



**ARTICLE 24.** 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 services, bid documents, construction, reconstruction, remodeling, rehabilitation, of the Hunnewell Tennis Courts, which work shall include converting Court 8 to three (3) pickleball courts, and painting a pickleball court on the surface next to the hitting wall, including all costs incidental and related thereto; and 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)**

Under this Article, the Board of Public Works is seeking Town Meeting approval for the appropriation and authorization of \$1,200,000 for the renovation and/or reconstruction of the Hunnewell Tennis Court Facility.

### **Overview**

This project will address the renovation of the Hunnewell Tennis Court Facility including the eight tennis courts, the tennis practice-wall, the surrounding fence, and site amenities as well as the repaving and striping of the parking lot.

Various levels of maintenance have been performed on the courts and Tennis Facility over the past several years: a major reconstruction, in which the undersurface of the courts was replaced, was last performed in 2003; a resurfacing was conducted in 2012, and cracks throughout the Facility were filled and repainted in 2018.

In early February 2025, in response to a solicitation, the Town received an “Opinion of Probable Cost – Hunnewell Tennis Courts” (“OPC”) from consultancy Weston & Sampson. The OPC is a detailed estimate of all the prospective costs required to appropriately remove and replace or improve the eight aging tennis courts, nets, posts, fencing, practice wall, pathways and parking lot, including any temporary elements (such as fencing and tree protection, etc.) required during construction. Two versions of the OPC estimate were provided to the Town: the first for continued use of the tennis courts as they are today, the second for the inclusion of a conversion of court #8 and the practice wall for pickleball use. Including contingencies, the total estimated costs were \$1,061,606 or \$1,109,384, respectively.

Some additional costs are expected to be incurred by the Town, totaling \$40,500, which include a hydration station, picnic tables, a bulletin board, benches and recycling and trash receptacles. These are included in the BPW request to ATM and will be a part of the third-party bidding process.

BPW anticipates having bids in hand in time for ATM but anticipates that the OPC is a reliable rough estimate of costs.

As the owner of the project, the Natural Resources Commission (NRC) will determine the final elements to be included. Brandon Schmitt, Director of the NRC stated “...assuming that favorable bids are received and approved by Town Meeting [the NRC] is supportive of the option that includes 4 pickleball courts...” On February 13, 2025 the Town Recreation Commission voted unanimously in favor of the optional pickleball inclusion design.

Pending favorable action at ATM, construction is expected to take place in summer 2025 and will be coordinated with the NRC, Schools, and the Recreation Department.

**Advisory Considerations**

The Advisory Committee expressed its continued appreciation for all the DPW does to maintain the pleasant and highly livable nature of the Town.

Much of the Advisory discussion centered around the pickleball option, supported by both NRC and the Recreation Committee. One Advisory member commented court 8 is already being used for pickleball but requires hand-marking lines with chalk, and this improvement would make for a more definitive pickleball location. DPW confirmed this conversion will include all of the necessary pickleball markings, nets and net posts required for courts. Advisory also considered the lifespan of the proposed repairs and reconstruction and, referring to the experiences from the last significant reconstruction, agreed the expectation of at least 10 years before patching would be required, made the expense worthwhile.

Advisory members supported the proposed improvements and conversion, and acknowledging the effective coordination between DPW, NRC and Recreation in creating a viable plan.

**Advisory recommends favorable action, 12 to 0.**

## AUTHORIZATIONS

**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)**

**Advisory expects no motion under this Article.**

**ARTICLE 26.** 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 water and 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 26, MOTION 1**

Under this Article and Motion, the Board of Public Works (BPW) seeks Town Meeting 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.

#### **Overview**

Wellesley is eligible to receive ten-year interest-free loans and grants under the MWRA's Infiltration/Inflow Local Financial Assistance Program for sewer rehabilitation work. Actual borrowing takes place in several stages, to coincide with the work schedule. The grant funding is available after the loan funding is expended.

The Town has approved a total of \$4,486,755 of MWRA Sewer Infiltration/Inflow borrowing since FY94 that, in turn, resulted in the receipt of \$4,762,945 of grants for this purpose. The proposed borrowing of \$295,000 qualifies the Town for an additional \$885,000 in grants for a total funding of \$1,180,000. The percentage split between funding through the MWRA Program's interest-free loans and grants varies from year to year. The amount to be borrowed this year is based on sewer rehabilitation work completed in FY25 and work to be completed in FY26.

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 and inflow are defined terms under the Town's Sewer Regulations. Infiltration includes water that seeps into the sewer lines due to defective pipes or joint connections; inflow includes water that enters the sewer lines through direct connections such as impermissible 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.

#### **Advisory Considerations**

Advisory believes the payback on these MWRA loans is very high, as they are interest-free, trigger additional funding through grants, and the improvements they fund are important for the long-term health of the Town's sewer system.

**Advisory recommends favorable action, 12 to 0.**

## **ARTICLE 26, MOTION 2**

Under this Article and Motion, the Board of Public Works (BPW) seeks Town Meeting authorization for the Water Fund to borrow up to \$500,000 from the Massachusetts Water Resources Authority (MWRA).

### **Overview**

The MWRA Local Water System Assistance Program (LWSAP) provides interest-free loans for water system improvement work. Funds from this MWRA loan can be used for water distribution system improvements including cleaning and lining or replacement of unlined water mains, the 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 \$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 payback on these MWRA loans is very high, as they are interest-free and the improvements they fund are important for the long-term health of the Town's water system.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 27.** 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 water system improvements including design, construction, engineering, procurement, permitting, inspection, and contract administration for the installation of additional water treatment, and for any other equipment or services connected therewith; or to take any other action in relation thereto.

**(Board of Public Works)**

This Motion seeks authorization to borrow up to \$1,340,000 to design:

- 1) a permanent PFAS treatment solution at the Morses Pond Water Treatment Plant (WTP), for approximately \$1,000,000, and
- 2) interim PFAS treatment solutions at the Wellesley Avenue and Rosemary/Longfellow WTPs, for approximately \$340,000

### **Overview**

PFAS are man-made chemicals that were produced in the United States starting in the 1950s and are generally associated with firefighting foams and anti-stick, rainproof, and stain-proof surfaces. PFAS chemicals, often known as "forever chemicals" since they break down very slowly, are prevalent in the environment and in consumer products such as apparel, leather goods and plastics. They are no longer made in the United States, but most Americans have been exposed to PFAS, and over two dozen community water systems in the Commonwealth of Massachusetts exceeded the Massachusetts Department of Environmental Protection ("MADEP") standard of 20 parts per trillion ("ppt") established in September 2020. These standards are non-negotiable and

non-discretionary, and in order to continue to adequately supply drinking water to Wellesley, the Wellesley Department of Public Works (DPW) must comply with the MADEP rules.<sup>1</sup>

The Morses WTP exceeded the MADEP ppt limit and was taken off-line in May 2021. Thereafter, the DPW sought approval to construct an interim treatment system, combining carbon filter and ion exchange technology, at the Morses Pond WTP. The 2021 Special Town Meeting approved \$1,500,000 in funding and subsequently the Town approved funding the project through American Rescue Plan Act funds rather than through a borrowing. The system was completed and made operational in June 2022 and has proved to remove PFAS to the “Non-Detect” level.

Prior to PFAS, the Morses WTP produced 1.2 to 1.4 million gallons of water per day, which met approximately half of Wellesley’s water needs. Since PFAS it has produced approximately 750,000 gallons per day. The Wellesley Avenue and Rosemary/Longfellow WTPs each provide approximately 300,000 gallons per day. Water that is not supplied from the local WTPs is bought from the Massachusetts Water Resources Authority (the “MWRA”) to deliver to Wellesley customers. The cost of water from the MWRA is approximately twice the cost of water from the Wellesley WTPs.

The appropriation sought through this Motion will allow for interim systems to be designed at both the Wellesley Avenue and at Rosemary/Longfellow WTPs. The interim solutions would likely consist of trailer-mounted tanks and associated piping to operate as a filtration system adjacent to the existing WTP buildings. (Use of an interim solution is MADEP’s preferred approach as a proof-of-concept for a possible permanent treatment solution.)

This appropriation will also fund the design of a permanent treatment solution for the Morses Pond WTP to remove PFAS to the Non-Detect level to meet current and future EPA & MADEP regulations. The treatment will be located next to the existing treatment plant and the design scope will include the building envelope, treatment vessels, and process piping.

If approved, the DPW will pursue possible grant funding and 0% interest loans through the Clean Water Trust<sup>2</sup> and MADEP. The design phase for the projects is expected to last 12 – 14 months and then DPW would return to Town Meeting for construction funding, currently estimated to be approximately \$13.4 million for the three WTPs.

The DPW is simultaneously engaged in conversations with the MWRA and neighboring communities for an additional connection to the MWRA water supply. With this potential MWRA project, and any possible technical solutions to PFAS still several years away from construction, the DPW is recommending continued treatment of local water supplies as the preferred alternative to stringent water use restrictions.

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<sup>1</sup> On April 10, 2024, the United States Environmental Protection Agency (EPA) finalized new national drinking water standards for six PFAS chemicals. These regulations establish Maximum Contaminant Levels (MCLs) to limit PFAS concentrations in public water systems. Additionally, the federal standards include two PFAS compounds that are not currently covered under existing Massachusetts regulations and will require new state-level oversight. In response, the MADEP will be updating its PFAS regulations to ensure they meet or exceed the EPA’s new requirements.

<sup>2</sup> The Massachusetts Clean Water Trust is a state agency that improves water quality throughout the Commonwealth by providing low-interest loans to municipalities and other eligible entities.

## Advisory Considerations

Advisory supports borrowing up to \$1,340,000 to design a permanent PFAS treatment solution at the Morses Pond WTP and interim water treatment solutions at the Wellesley Avenue and Rosemary/Longfellow WTPs. Advisory acknowledged the ongoing challenges posed by PFAS contamination, which originates from a variety of sources beyond local control. While long-term solutions depend on state and federal regulations, Advisory emphasized the importance of investing in immediate mitigation efforts to ensure the safety of the Town's water supply. Members expressed support for the DPW's proactive approach, noting the proposed treatment methods would not only address PFAS but also remove other contaminants, thereby improving overall water quality.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 28.** To see if the Town will accept the Heroes Act by accepting G.L. c. 59, § 5, clause 22I, which authorizes an annual increase in the amount of the exemption granted under G.L. c. 59, § 5, clauses 22, 22A, 22B, 22C, 22E, and 22F by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the previous year as determined by the Commissioner of Revenue, to be effective for applicable exemptions granted for any fiscal year beginning on or after July 1, 2025; or to take any other action in relation thereto.

**(Select Board/Board of Assessors)**

Under this Article, the Board of Assessors (BOA) and Select Board (SB) seek Town Meeting approval for the adoption of a tax relief modification for qualifying Veterans that would increase a currently available property tax exemption by tying it to inflation, based on recent legislation popularly known as the "HERO Act". This is one of two requested modifications; the second is the subject of Article 29 below.

## Overview

The "HERO Act" (An Act Honoring, Empowering, and Recognizing our Servicemembers and Veterans)<sup>1</sup> is a comprehensive legislative package dedicated to the welfare of Veterans in Massachusetts that was signed into law on August 8, 2024. The Act includes over 30 provisions that impact hundreds of thousands of Veterans in Massachusetts, by increasing benefits, modernizing services, and promoting inclusivity. One provision under the "HERO Act" increases local flexibility for Veterans' property tax exemptions by allowing municipalities to tie the annual property tax exemption amount to inflation.

Massachusetts General Law, c. 59, §5, establishes local property tax exemptions for individuals and organizations. Clauses 22, 22A, 22B, 22C, 22E and 22F of c. 59, §5, specify exemption amounts and conditions for eligible Veterans (and to spouses where applicable). Benefits apply for Veterans with a 10% or greater service-related disability rating<sup>2</sup>. Eligible Veterans must be legal residents of Massachusetts, occupy the property as his/her domicile on July 1 in the year of application, and have either lived in Massachusetts for at least six months prior to entering the service, or have lived in Massachusetts for two consecutive years immediately prior to filing for a property tax exemption.

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<sup>1</sup> Chapter 178 of the Acts 2024 (See section 23)

<sup>2</sup> as determined by the Veterans Administration

Currently, the property tax exemptions available to Veterans (typically \$400 - \$1,000 annually) are fixed amounts without adjustment to reflect changes in the cost of living. Clause 22I, the subject of this Article, is a local option that would increase the amount of the tax exemption granted to qualifying Veterans on their domiciles annually by a cost-of-living adjustment (COLA) determined by the Department of Revenue based on the consumer price index (CPI). Adoption of clause 22I requires a vote of Town Meeting.

It is important to note that a qualifying Veteran can receive only one exemption each fiscal year, and a portion of the exemption is reimbursed by the Commonwealth. Presently 46 Wellesley veterans receive one of the available tax exemptions.<sup>1</sup> After the exemptions are applied, the amount of taxes uncollected from them in FY25 is \$25,200, The Commonwealth's reimbursement of \$17,325 brings the net "cost" to the Town to \$7,875.

If Article 28 is accepted by the Town, the amount of taxes uncollected from these Veterans will rise slightly. To illustrate, if the exemption amount is increased by an assumed 3.4% COLA for FY26, the amount of uncollected taxes is projected to increase by \$857, bringing the estimated net cost of the property tax exemptions to \$8,732. The Commonwealth's reimbursement will not change, as any exemption enhancements accepted under the "HERO Act" are paid for exclusively by the municipalities. The additional uncollected tax would result in a tax increase of approximately \$.08 for the owner of a single-family home with a median value in Town.

Wellesley's Veterans Service Officer endorses Articles 28 and 29 as "appropriate and efficacious to those disabled Veterans and their spouses who are residents of our community to demonstrate gratitude and appreciation for their service to our Nation."

### **Advisory Considerations**

Advisory applauds the efforts made by the Commonwealth under the recently signed HERO Act to enhance a tax relief measure for disabled Veterans. Advisory strongly supports adopting this measure which ties a currently available fixed property tax exemption to the cost of living, so the exemption remains a viable tax relief available to our Veterans. One member summed up the comments of the group as being fully in favor of paying a tiny bit more, so our Veterans can pay less, and welcomes any such opportunities to express our appreciation for our Veterans in Town.

**Advisory recommends favorable action, 13 to 0 with 1 recusal.**

**ARTICLE 29.** To see if the Town will accept the Heroes Act by accepting G.L. c. 59, § 5, clause 22J, which authorizes an annual increase in the amount of the exemption granted under G.L. c. 59, § 5, clauses 22, 22A, 22B, 22C, 22E, and 22F by 100% of the personal exemption amount, subject to the conditions in clause 22J, to be effective for applicable exemptions granted for any fiscal year beginning on or after July 1, 2025; or to take any other action in relation thereto.

**(Select Board/Board of Assessors)**

Under this Article, the Board of Assessors (BOA) and the Select Board (SB) seek Town Meeting approval for the adoption of a tax relief modification for qualifying Veterans that would increase a currently available property tax exemption by effectively doubling it, based on recent legislation popularly known as the "HERO Act". This is one of two requested modifications; the second is the subject of Article 28 above.

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<sup>1</sup> The Veterans Agent anticipates that the number of Wellesley Veterans receiving exemptions is not likely to grow dramatically, with an increase of 1-2 Veterans per year moving into Wellesley in recent years.

## Overview

The “HERO Act” (An Act Honoring, Empowering, and Recognizing our Servicemembers and Veterans) <sup>1</sup> is a comprehensive legislative package dedicated to the welfare of Veterans in Massachusetts that was signed into law on August 8, 2024. The Act includes over 30 provisions that impact hundreds of thousands of veterans in Massachusetts, by increasing benefits, modernizing services, and promoting inclusivity. One provision under the “HERO Act” increases local flexibility for Veterans’ property tax exemptions by allowing municipalities to increase the annual property tax exemption amount by up to 100 percent.

Massachusetts General Law, c. 59, §5, establishes local property tax exemptions for individuals and organizations. Clauses 22, 22A, 22B, 22C, 22E and 22F of c. 59, §5, specify exemption amounts and conditions for eligible Veterans (and to spouses where applicable). Benefits apply for Veterans with a 10% or greater service-related disability rating<sup>2</sup>. Eligible Veterans must be legal residents of Massachusetts, occupy the property as his/her domicile on July 1 in the year of application, and have either lived in Massachusetts for at least six months prior to entering the service, or have lived in Massachusetts for two consecutive years immediately prior to filing for a property tax exemption.

Currently the property tax exemptions available to Veterans (typically \$400 - \$1,000 annually) are fixed amounts without adjustments. Clause 22J, the subject of this Article, is a local option that would increase the amount of the tax exemption granted to qualifying Veterans on their domiciles annually by up to 100 percent. The BOA proposes increasing the exemptions for Veterans in Wellesley by the maximum 100 percent. The rationale is that the current exemptions are relatively low given the median tax bill and this would allow the Town to use the available tools offered by the state to slightly improve the affordability for our Veteran residents. Adoption of Clause 22J requires a vote of Town Meeting. The voted percentage will continue to apply in subsequent years unless and until another percentage is voted before the July 1 beginning of a later fiscal year.

It is important to note that a qualifying Veteran can receive only one exemption each fiscal year, and a portion of the exemption is reimbursed by the Commonwealth. Presently 46 Wellesley veterans receive one of the available tax exemptions.<sup>3</sup> After the exemptions are applied, the amount of taxes uncollected from them is \$25,200, The Commonwealth’s reimbursement of \$17,325 brings the net “cost” to the Town to \$7,875.

If Article 29 is accepted by the Town, the estimated amount of taxes uncollected from these Veterans would double, rising by \$25,200, and bringing the estimated net cost of the exemptions to \$33,075 for FY26. The Commonwealth’s reimbursement will not change, as any exemptions accepted under the “HERO Act” are paid for exclusively by the municipalities. The additional uncollected tax would result in a tax increase of approximately \$2.37 for the owner of single-family home with a median value in Town.

If both Article 29 and Article 28 are passed, the COLA adjustment would be applied first, and then the exemption amount would be doubled. Both adjustments together would raise the estimated net cost to the Town for the tax exemptions to \$34,789, an increase of \$26,914 over FY25. The

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<sup>1</sup> Chapter 178 of the Acts 2024 (see section 23)

<sup>2</sup> as determined by the Veterans Administration

<sup>3</sup> The Veterans Agent anticipates that the number of Wellesley Veterans receiving exemptions is not likely to grow dramatically, with an increase of 1-2 Veterans per year moving into Wellesley in recent years.



BOA has estimated if both Articles are approved, the estimated median single-family tax bill will be impacted by approximately \$2.45.

Wellesley's Veterans Service Offices endorses Articles 28 and 29 as "appropriate and efficacious to those disabled Veterans and their spouses who are residents of our community to demonstrate gratitude and appreciation for their service to our Nation."

### **Advisory Considerations**

Advisory strongly supports this second tax relief provision under the HERO Act that would allow the amount of the tax exemption granted to qualifying Veterans on their homes to double. The impact of this provision on taxpayers' bills is slightly more than for the cost-of-living adjustment, but it is still a very small amount and will be a greater benefit to the Town's disabled Veterans. Advisory thanks the Board of Assessors for bringing these Articles forward and again appreciates being able to show our support for our Veterans in Town.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

**ARTICLE 30.** To see if the Town will adopt as the maximum qualifying gross receipts amount for the purposes of G.L. c. 59, § 5, clause 41A the amount of income determined by the commissioner of revenue as set forth in the last sentence of clause (2) of the first paragraph of said cl. 41A; or authorize the Select Board, on behalf of the Town, to petition the General Court for passage of a special law to set a higher limit for the maximum qualifying gross receipts for the purposes of G.L. c. 59, § 5, clause 41A than that permitted in the General Laws, and where the Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature, and authorize the Select Board to approve amendments that shall be within the scope of the general public objectives of the petition; or take any other action in relation thereto.

**(Board of Assessors)**

Under this Article, the Board of Assessors (BOA) seeks Town Meeting approval to petition the General Court to update eligibility for the Town's senior tax deferral program, by increasing the maximum qualifying "gross receipts" of residents, from \$50,000 to \$103,000.

### **Overview**

Under Massachusetts General Law **c. 59, § 5**, Clause 41A, seniors, aged 65 and over, may be able to delay payment of their property taxes. A property tax deferral does not discharge the tax obligation like an exemption; instead, it defers payment allowing seniors to use resources that would go to pay taxes to defray living expenses instead.

Qualifying seniors<sup>1</sup> could elect to defer any portion of their property taxes, up to a maximum of 100% of the tax bill. Interest would accrue on the deferred taxes and would be collected when the property is sold, or the owner (or the owner's surviving spouse) passes away. Participants have the option to pay the taxes and interest at any point. When taxes are deferred, the BOA will record a statement at the Norfolk County Registry of Deeds to confirm the lien on the property, with the Town as the first lien holder, securing repayment of the deferred taxes.

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<sup>1</sup> All exemptions have ownership, occupancy, and other qualifications that must be met, including - must have primary residence in Massachusetts for ten preceding years and have owned property in state for five years.

The maximum qualifying gross receipts level in Wellesley to be eligible for tax deferral is currently \$50,000. “Gross receipts” means income from all sources and is broader than taxable income for federal or state income tax purposes. This Article would raise the maximum level to \$103,000.

Wellesley currently has one of the lowest qualifying maximum gross receipts levels, with one of the highest average residential assessments and average residential tax bills. Other nearby cities and towns have already increased the maximum qualifying gross receipts for their senior deferral programs, as shown in this survey of 12 towns.

	<b>Gross Receipts Limit</b>	<b>DOR FY25 Avg RE Tax Bill</b>
Weston	\$119,440	\$25,464
Brookline	\$103,000	\$24,729
Lexington	\$103,000	\$19,306
Sudbury	\$ 96,000	\$16,343
Newton	\$ 93,000	\$16,314
Concord	\$ 69,000	\$19,585
Dover	\$ 69,000	\$18,563
Natick	\$ 69,000	\$10,500
Wayland	\$ 69,000	\$17,854
Lincoln <sup>1</sup>	\$ 69,000	\$20,462
Married	\$103,000	
Belmont	\$ 69,000	\$18,775
Married ...	\$103,000	
Framingham	\$ 60,000	\$ 7,798
Wellesley	\$ 50,000	\$19,792

Currently, Wellesley has 12 residents participating in the program with a total outstanding balance of just over a million dollars. The FY25 interest rate charged on deferred taxes is 4.77%. Interest rates are based on the two-year constant maturity Treasury rate for the start of each fiscal year. There is no loss in revenue to the Town over time with this program because all deferred amounts must be paid back to the Town with interest.

If Article 30 passes, the new gross receipts limit of \$103,000 would be implemented for the fiscal year after the Legislature approves the Home Rule Petition.

### **Advisory Considerations**

Advisory recognizes that seniors can be particularly impacted by increasing property tax bills and supports allowing qualifying seniors to defer their tax payments to ease the strain for those who may struggle to meet other living expenses. Advisory members understand raising the maximum qualifying “gross receipts” of residents, from \$50,000 to \$103,000 will bring Wellesley more in line with many neighboring communities that also have high property values and will open up this benefit to more seniors. Advisory notes deferred tax will be collected with interest after a death or once the property is sold, and a lien will be held on the property. One member pointed out that “gross receipts” is broader than income, which makes the maximum even more restrictive than if it were on just income, supporting a higher maximum level.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

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<sup>1</sup> In this sample, Lincoln and Belmont have different maximums for single and married residents; all others are by household.

**ARTICLE 31.** To see if the Town will vote to authorize the Select Board, on behalf of the Town, to petition the General Court for passage of a special law substantially as provided below. The Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature. The Select Board is hereby authorized to approve amendments that shall be within the scope of the general public objectives of this petition; or take any other action in relation thereto.

**AN ACT RELATIVE TO NON-CIVIL SERVICE PUBLIC SAFETY  
PERSONNEL IN THE TOWN OF WELLESLEY**

SECTION 1. Notwithstanding section 99A of chapter 41 of the General Laws, or any other general or special law to the contrary, the town of Wellesley may increase the 15-mile residency limit contained in said section 99A of said chapter 41 for members of the Wellesley police and fire departments. Provided, that any increase in the residency limit shall be subject to a collective bargaining agreement negotiated in accordance with chapter 150E of the General Laws.

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

**(Select Board)**

Under this Article, the Select Board (SB) seeks Town Meeting approval to petition the Massachusetts General Court for permission to extend the residency limit for police officers and firefighters from 15 miles to 35 miles from Wellesley's town border. Notwithstanding the foregoing, police officers and firefighters will continue to be required to live in Massachusetts. Both Wellesley Police and Fire Department leadership support this Motion.

**Overview**

Under Massachusetts General Law Chapter 41, Section 99A, "[a]ny members of the regular police or fire department" are required to live within 15 miles of the limits of the Town, provided that this state law can be modified by municipalities through a Home Rule petition<sup>1</sup>. Town Counsel notes that a change in state law could mean either the adoption of a special act passed following the Home Rule Petition process (as the SB is proposing through this Article) or through an amendment to the General Law itself. Some Massachusetts towns have successfully petitioned the State for changes that increase this limit. If this Article is approved, and the Legislature adopts the special act, Wellesley will be able to implement the new residency limit with the fire department (whose contract already specifies a 35-mile residency limit). The Town would also be able to negotiate a new limit with the police union.

The proposed change addresses the growing challenge of housing affordability, which makes it difficult for many public safety employees to live within the current residency limit. The SB believes the existing residency law may limit the pool of qualified candidates and create retention challenges, as employees may seek positions in towns with more flexible residency policies or in more affordable areas. Additionally, the SB notes that many first responder applicants mention

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<sup>1</sup> A Home Rule Petition is a formal request from a city or town to the state legislature seeking permission to enact a law that otherwise falls outside its authority. This process stems from the Home Rule Amendment to the Massachusetts Constitution, adopted in 1966.

they would prefer to remain or live in communities where their existing support network of family or friends exists. The SB believes that extending the residency limit will strengthen Wellesley's ability to recruit and retain top talent in its police and fire departments, ensuring stable and effective public safety services.

Concerns about whether increasing the residency limit could delay emergency response times if first responders live farther away have already been addressed by the Town. Wellesley does not rely on off-duty personnel for emergency response. Instead, the Town depends on mutual aid agreements, which allow neighboring police and fire departments to assist in emergencies when local resources are overwhelmed. These agreements ensure adequate emergency coverage, even if some personnel live farther from town, by enabling departments to rely on regional support when needed. The SB also notes that the residency requirements were put in place prior to the widespread use of mutual aid from surrounding communities. Now that mutual aid is commonplace, it is no longer necessary that off-duty personnel remain within a 15-mile radius.

There is no direct cost impact associated with this change. The proposal does not alter salaries, benefits, or staffing levels; it simply expands the geographic area where police and fire personnel may reside.

### **Advisory Considerations**

Advisory supports extending the residency limit for police officers and firefighters from 15 miles to 35 miles from Wellesley's town border. Advisory considered several factors in support of this proposal. One member noted historically residency restrictions were implemented under different economic and logistical circumstances, and the current 15-mile limit may no longer be practical. Furthermore, changes in workforce dynamics—including the prevalence of dual-income households and increased job mobility—were noted as reasons to modernize the restriction. Additionally, members acknowledged the financial realities that make it difficult for many first responders to afford housing within Wellesley or its immediate surrounding areas. Further discussion highlighted that Wellesley already benefits from mutual aid agreements with other municipalities for emergency response, reducing concerns about immediate availability of personnel. Broadening the residency limit would also help attract a larger pool of qualified candidates, enhancing the town's ability to recruit and retain top talent.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 32.** To see if the Town will vote to authorize the Select Board, on behalf of the Town, to petition the General Court for passage of a special law substantially as provided below. The Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature. The Select Board is hereby authorized to approve amendments that shall be within the scope of the general public objectives of this petition; or take any other action in relation thereto.

**AN ACT ALLOWING “PRINT-FREE” DIGITAL LEGAL NOTICES FOR THE  
TOWN OF WELLESLEY**

**SECTION 1. Purpose.**

The purpose of this act is to allow the Town of Wellesley, including the Select Board, the School Committee, the Planning Board and all other elected or appointed boards and committees, or municipal officials, to satisfy the legal notice requirements entirely by digital publications in light of the lack of an available adequate print newspaper in the community.

**SECTION 2. Process.**

Where legal notice in a newspaper or a newspaper of general circulation is required by statute, bylaw, or judicial order, alternative means of posting such notice, as specified in section 3 of this Act, may be used if approved by a majority vote of the public body or at the discretion of the municipal official legally required to post such notice.

**SECTION 3. Means of Legal Notice Publication.**

Notwithstanding Massachusetts General Law c. 4 § 13(b) and subject to Section 2 of this Act, whenever legal notice in a newspaper or newspaper of general circulation is required by statute, bylaw, or judicial order, such notice requirement shall be satisfied by posting notice in one or more of the following places:

- (A) A print newspaper of local or general circulation;
- (B) A newspaper’s website;
- (C) Websites reporting local news and opinion which satisfy the criteria for digital publication as set forth in G.L. c. 4 § 13(b);
- (D) A statewide website that may be maintained as a repository for such notices; or
- (E) A townwide website that may be maintained as a repository for such notices.

**SECTION 4. Legal Requirements.**

Nothing set forth in this Act shall be construed to alter or amend the timing requirements of the publication of legal notices set forth in the Massachusetts General Laws, bylaw, or judicial order.

**SECTION 5.**

This act shall take effect upon its passage.

**(Select Board)**

Under this Article, the Select Board seeks Town Meeting approval to petition the Massachusetts General Court for permission to satisfy certain legal notice requirements through digital publication rather than printed newspapers.

### **Overview**

Massachusetts law (MGL c. 40A § 11) requires that public legal notices be published in a newspaper of general circulation. Since this requirement is set at the state level, individual towns like Wellesley cannot unilaterally change the method of publication. Instead, Wellesley must file a Home Rule Petition requesting legislative approval to allow digital publication as an alternative. Several Massachusetts towns, including Arlington, Bedford, Lexington, and Lincoln, have successfully petitioned the Commonwealth to allow digital publication of legal notices (Jan. 2025), as proposed in this Motion.

If approved by Town Meeting and subsequently by the General Court, and then signed by the Governor, this change would apply to all public legal notices issued by the Select Board, School Committee, Planning Board, Zoning Board of Appeals, other elected or appointed boards or committees, and municipal officials that currently are required to be published in a newspaper of general circulation. It would not affect legal notice requirements that mandate delivery via other methods, such as mailed notices to abutters.

The Select Board believes Wellesley lacks an adequate local print newspaper, making the current notice method ineffective. Residents increasingly rely on digital platforms for news and community updates. By allowing digital publication, the Town aims to more successfully notify residents on platforms they regularly use. This Article provides Wellesley with the option—but not the requirement—to publish notices digitally. The Select Board envisions platforms such as *The Wellesley Report* and a designated legal notice repository on the Town's website as suitable options for digital publication. The Select Board believes that there is no material cost difference to the Town.

One potential downside of the proposal is that a small number of residents may not use digital media to access notices. These residents could have less access to important information if the Town chooses not to publish these legal notices in a newspaper of general circulation

### **Advisory Considerations**

Advisory supports petitioning the Massachusetts General Court for permission to satisfy certain legal notice requirements through digital publication rather than printed newspapers as described above. Advisory members generally expressed strong support for this modernization effort, recognizing traditional print newspapers are becoming less accessible and digital notifications would enhance efficiency in disseminating important information. Members noted digital publication would provide greater flexibility and could improve public awareness of local government actions, particularly in discussions related to zoning and land use issues. While members acknowledged most residents already rely on digital communications, some concerns were raised about ensuring accessibility for those who do not regularly use online platforms. To address this, suggestions were made to supplement digital notifications with printed notices at key locations such as the Wellesley Free Library or the Tolles Parsons Center. Additionally, an opt-in system for email notifications was proposed as a way to further improve public engagement.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 33.** 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 2020, 2021, 2022, and 2023 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 90 of the General Laws and other programs that support alternative modes of transportation; or to take any other action in relation thereto.

**(Select Board)**

**Advisory expects no motion under this Article.**

## AMEND GENERAL BYLAW

**ARTICLE 34.** To see if the Town will take the following actions:

1. Vote to accept the provisions of Chapter 44, Section 55C of the Massachusetts General Laws to establish a trust to be known as the Wellesley Affordable Housing Trust, whose purpose shall be to provide for the creation and preservation of housing that is affordable in the Town of Wellesley for the benefit of low- and moderate-income households;
2. Amend the General Bylaws of the Town by inserting a new Article 20 to be entitled "Wellesley Affordable Housing Trust," as follows:

### **Article 20. Wellesley Affordable Housing Trust**

20.1 There shall be a Board of Trustees (Trustees) of the Wellesley Affordable Housing Trust composed of one *ex officio* non-voting member and seven voting members. The Executive Director or the Executive Director's designee shall serve as the *ex officio* non-voting member. The voting members shall include a member of the Select Board (designated by the Select Board) and six Wellesley residents appointed by the Select Board. One of the six Wellesley residents may be a tenant who resides in subsidized housing units as defined by G.L. c. 40B, receives state- or federally-sponsored rental subsidies, or who lives in workforce housing.

The Select Board shall appoint at least five Trustees with complimentary skills and expertise from the following areas to the extent possible: affordable housing/affordable housing advocacy (including consideration of a member of Wellesley Housing Authority), development and construction, law, real estate, banking, finance, and social services.

The Select Board shall appoint the Trustees for terms not to exceed two years, except that three of the initial trustee appointments shall be for a term of one year. Trustees may be re-appointed at the discretion of the Select Board. Vacancies shall be filled by the Select Board for the remainder of the unexpired term. Any Trustee may be removed by the Select Board for cause after the opportunity of a hearing.

20.2 The Trustees are hereby authorized to execute a Declaration of Trust and Certificate of Trust for the Wellesley Affordable Housing Trust to be recorded with the Norfolk Registry of Deeds and filed with the Norfolk Registry District of the Land Court.

20.3 The powers of the Trustees, all of which shall be carried on in furtherance of the purposes set forth in G. L. c. 44, § 55C, shall include the following:

- a. To accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the Trust in connection with any ordinance or bylaw or any general or special law or any other source, including money from G. L. c. 44B;
- b. By vote of a supermajority of the Trustees, to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;



- c. By a vote of a supermajority of Trustees, to lease any real property for such consideration and on such terms as appropriately related to credit or otherwise, and to make such contracts and enter into such undertaking relative to Trust property as the Trustees deem advisable notwithstanding the length of any such lease or contract;
- d. To execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases, grant agreements and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the Trustees engage for the accomplishment of the purposes of the Trust;
- e. To employ advisors and agents, such as accountants, appraisers and lawyers as the Trustees deem necessary;
- f. To pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the Trustees deem advisable;
- g. To apportion receipts and charges between incomes and principal as the Trustees deem advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
- h. To participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
- i. To deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the Trustees may deem proper and to pay, out of Trust property, such portion of expenses and compensation of such committee as the Trustees may deem necessary and appropriate;
- j. To carry property for accounting purposes other than acquisition date values;
- k. To make distributions or divisions of principal in kind;
- l. To compromise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the Trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the Trustees may deem appropriate;
- m. To manage or improve real property;
- n. To hold all or part of the Trust property uninvested for such purposes and for such time as the Trustees may deem appropriate; and
- o. To extend the time for payment of any obligation to the Trust.

20.4 With the prior approval of the Select Board, the powers of the Trustees, which shall be carried on in furtherance of the purposes set forth in G. L. c. 44, § 55C, shall also include the following:

- a. To borrow money on such terms and conditions and from such sources as the Trustees deem advisable, and/or to mortgage and pledge Trust assets as collateral;

- b. To sell, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as appropriately related to credit or otherwise, and to make such contracts and enter into such undertaking relative to Trust property as the Trustees deem advisable notwithstanding the length of any such contract; and
- c. To abandon any property which the Trustees determine not to be worth retaining.

20.5 The Trustees shall develop an action plan which includes the Trustees' priorities for their work for the coming three to five (3-5) years, in furtherance of the objectives as set forth in this Bylaw, as well as a plan to coordinate their work with other boards, committees and commissions in Wellesley which address the issue of housing. The action plan shall be updated as appropriate, and a new action plan shall be developed within five years of each previously approved plan.

20.6 The Town Treasurer shall be the custodian of Trust's funds and shall maintain separate accounts and records for such funds. Any income or proceeds received from the investment of funds shall be credited to and become part of the Trust Fund. In accordance with G.L. c. 44, § 55C, the books and records of the Trust shall be audited annually by an independent auditor, appointed by the Trustees, in accordance with accepted accounting practices. Upon receipt of the audit by the Trustees, a copy shall be provided forthwith to the Select Board, and upon request, to the Advisory Committee.

3. Amend the Zoning Bylaw to reflect the adoption of the Affordable Housing Trust by:

- a. Deleting the term "Housing Development Corporation" from the definition of "Administering Agency" in Section 3.6.B, and inserting, in place thereof, the term "Affordable Housing Trust";
- b. Striking the first sentence in Section 5.7.D.2, and inserting, in place thereof, the following:

A cash contribution may be made to the Affordable Housing Trust Fund as a payment-in-lieu of providing the required ratio of Assisted Units on the project site.

- c. Deleting the term "Housing Development Corporation" from Section 5.7.F.4 and inserting, in place thereof, the term "Affordable Housing Trust";
4. Authorize the Select Board, on behalf of the Town, to petition the General Court for passage of a special law substantially as provided below. The Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature. The Select Board is hereby authorized to approve amendments that shall be within the scope of the general public objectives of this petition.

## **An Act Authorizing the Town of Wellesley to Dissolve its Housing Development Corporation**

SECTION 1. Notwithstanding section 5 of chapter 311 of the acts of 1998, or any other general or special law, all property and funds held by the Housing Development Corporation of the town of Wellesley established under said act of 1998 are hereby transferred to the Municipal Affordable Housing Trust Fund of the town of Wellesley established pursuant to section 55C of chapter 44 of the General Laws and shall be managed, disposed of or expended in accordance with said section 55C of said chapter 44.

SECTION 2. Chapter 311 of the acts of 1998 is hereby repealed.

SECTION 3. This act shall take effect upon the posting or publication by the town clerk in accordance with section 32 of chapter 40 of the General Laws of an amendment to the general by-laws of the town of Wellesley establishing an affordable housing trust in the town of Wellesley pursuant to section 55C of chapter 44 of the General Laws.

Or to take any other action in relation thereto.

**(Wellesley Housing Development Corporation/Select Board/Planning Board)**

### **Overview**

Under this Article, the Wellesley Housing Development Corporation (WHDC), with co-sponsorship from the Select Board (SB) and the Planning Board (PB), seek Town Meeting approval to establish an Affordable Housing Trust (AHT) to replace the existing WHDC for the purpose of developing and preserving affordable and community housing in town. The Article includes two Motions:

- To create the Wellesley Affordable Housing Trust (WAHT) by:
  - Accepting the Massachusetts AHT (MAHT) law, Chapter 44, Section 55C of the Massachusetts General Laws;
  - Adopting a new town general bylaw (Bylaw) governing WAHT; and
  - Petitioning the Legislature for a special law to dissolve WHDC and transfer its accounts and assets to WAHT; and
- To substitute “WAHT” for “WHDC” in the Town’s zoning bylaws.

### **ARTICLE 34, MOTION 1**

#### **Summary rationale**

The WHDC believes that, compared to the existing WHDC, an AHT provides a more flexible and efficient way to create and preserve affordable housing (AH) housing in Wellesley. The proposed WAHT would have greater ability to respond to market opportunities and to rehabilitate homes, fund or construct affordable units, create and preserve affordability restrictions, provide rental assistance, support the Wellesley Housing Authority (WHA), access federal funds and commission affordable housing studies.

To protect the interests of the Town and its residents, Article 34 imposes guardrails upon the WAHT by requiring either SB approval or a 2/3 vote of AHT trustees before taking certain major actions (such as borrowing money or purchasing, leasing or selling real property).

For a more complete discussion of the WHDC's reasoning, see "Detailed Rationale for the Proposed Bylaw," below.

### **The Proposed Wellesley Affordable Housing Trust**

This Article directs the Town to form the WAHT as a trust under state law for the "purpose of creating and preserving affordable housing and community housing in the Town of Wellesley for the benefit of low- and moderate-income households." See Chapter 44, Section 55C of the Massachusetts General Laws.

The SB will appoint 7 Wellesley residents to serve as voting Trustees for staggered terms of up to 2 years.<sup>1</sup> One Trustee will be a SB member. The Executive Director or designee will serve as a non-voting member. The other members will, so far as possible, have expertise in affordable housing, development and construction, law, real estate, banking, finance, and social services. Trustees may include one or more residents living in subsidized housing, receiving rent subsidies, or living in workforce housing. The SB may remove Trustees for cause, after a hearing.

The proposed Bylaw specifies the WAHT's powers in detail. It does not grant the AHT the maximum power that state law allows. Rather, it limits the Trustees' authority in certain respects, as summarized in the next two paragraphs.

Certain WAHT actions require SB approval as well as approval by a majority of the Trustees. Those actions are:

- Borrowing money and mortgaging or pledging Trust assets as collateral.
- Selling or conveying any personal, mixed, or real property and making such contracts and entering undertakings relative to trust property that the Trustees deem advisable notwithstanding the length of any such contract.
- Abandoning any property that the Trustees deem not worth retaining.

The WAHT may take certain other actions only by a 2/3 vote of a quorum of the Trustees, namely:

- Purchasing and retaining real or personal property (including investments that yield a high rate of income or no income).
- Leasing any real property and entering contracts and other undertakings regarding trust property that the Trustees deem advisable notwithstanding the length of any such lease or contract.

The WAHT may exercise its other powers by majority vote of a quorum of the Trustees. The list of these powers is long and appears in Section 2.3.a and d-o of the proposed Bylaw. For instance, a majority of a quorum of the Trustees may accept and receive property; employ and pay advisors, agents and professionals (lawyers, consultants, advisors, builders, etc.); manage or improve property; and take certain other actions specified in the proposed Bylaw. For a full list of the AHT's powers please consult section 2.3 of the proposed bylaw (reproduced in full in the warrant article).

Finally, the proposed Bylaw requires the Trustees to develop:

- (1) an action plan setting forth the Trustees' priorities for their work for the coming three to five (3-5) years (including adopting written policies and procedures in the first year); and
- (2) a plan to coordinate their work with other Boards, Committees and Commissions in Wellesley that address the issue of housing.

The Trustees must provide for an annual audit of the Trust by an independent auditor.

For a discussion of some important additional state law restrictions on Massachusetts AHTs, see Addendum # 1: WAHT's Legal Status and Constraints.

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<sup>1</sup> To avoid simultaneous expiration of all 7 terms, 3 of the initial appointments would be for 1 year.

The following chart summarizes some of the differences between WHDC and the proposed WAHT:

<b>SUMMARY COMPARISON BETWEEN THE EXISTING WHDC AND PROPOSED WAHT</b>		
	<b>Existing WHDC<sup>1</sup></b>	<b>Proposed WAHT</b>
<i>Membership – all appointed by SB</i>	At least 5 people	7 residents (including one SB member) plus the Executive Director (or designee) as a non-voting trustee
<i>Term of office</i>	3 years	2 years, but SB may remove for cause
<i>Officers</i>	Chair, Vice Chair, Secretary and Treasurer	Chair, Vice Chair, Secretary
<i>Powers (in summary - not the exact text):</i>	<i>Required Approvals</i>	<i>Required Approvals</i>
<ul style="list-style-type: none"> <li>Borrow money and mortgage or pledge property</li> </ul>	SB approval	SB approval
<ul style="list-style-type: none"> <li>Sell or convey land and other property and make contracts relative to trust property</li> </ul>	SB approval	SB approval
<ul style="list-style-type: none"> <li>Abandon property that Trustees deem worthless</li> </ul>	SB approval	SB approval
<ul style="list-style-type: none"> <li>Purchase and retain land and personal property</li> </ul>	SB approval	2/3 vote of Trustees
<ul style="list-style-type: none"> <li>Lease property and make contracts relative to trust property</li> </ul>	SB approval	2/3 vote of Trustees
<ul style="list-style-type: none"> <li>Accept and receive land</li> </ul>	SB approval	Majority of Trustees
<ul style="list-style-type: none"> <li>Hire and pay contractors, advisors, professionals and other agents</li> </ul>	SB approval	Majority of Trustees
<ul style="list-style-type: none"> <li>Manage or improve property</li> </ul>	SB approval	Majority of Trustees
<ul style="list-style-type: none"> <li>Take other actions specified in the statute or proposed Bylaw</li> </ul>	SB approval [WHDC law omits some powers. See below]	Majority of Trustees
<ul style="list-style-type: none"> <li>Acquire, sell or use Town-owned land (except uses that expend only AHT trust funds on land held for general governmental purposes, without any appropriation of Town or CPA funds)</li> </ul>	Needs Town Meeting approval	Needs Town Meeting approval
<i>How Funds are held</i>	Some WHDC funds are on the Town books, while others are in a separate bank account. Some may be held in trust.	Held in a municipal account under the Town Treasurer and invested according to the Town's financial policies
<i>How to Amend (governance, powers, etc.).</i>	Needs vote of TM and special state legislation for all such changes	1) TM amends the bylaw; or 2) WAHT amends the trust (consistent with the bylaw); or 3) Legislature amends the AHT statute

<sup>1</sup> See discussion below under “Addendum #4: Additional Historical Background,” including a citation and link to WHDC’s enabling statute. St. 1998, § 311.

### **Detailed Rationale for the Proposed Bylaw**

As shown by the above chart, the WAHT could act without SB approval in many ways that the WHDC cannot. With this enhanced independence and flexibility, the WAHT should be able to capitalize more effectively on opportunities in the affordable housing market, which often requires a quick response. By contrast, WHDC's need for SB approval to exercise any of its powers has reduced WHDC's effectiveness and ability to carry out its affordable housing mission.

The need for SB approval has particularly hindered WHDC's ability to use CPA funds. As recently as FY 2014, CPC directed CPA funds to WHDC. It stopped doing so because, in practice, WHDC has not been able to use those funds for community housing. That inability results in large part because the WHDC act requires multiple approvals that add uncertainty, create unfamiliar risks and can take unacceptably long from the viewpoint of potential partners. Since FY 2015, CPC has allocated its community housing funds to its affordable housing reserves. See Addendum #2: Potential Sources of AH Funds. In a more specific and recent example, WHDC could not hire an architect last year to assist with the renovation of a town-owned property, given the need for SB approval, which would have complicated procurement and likely raised costs to a degree that WHDC could not afford. The proposed WAHT Bylaw should provide enough flexibility to avoid these impediments and to fund affordable housing effectively.

Moreover, WAHT's flexibility and clear authority will likely appeal to potential partners in the community housing market. The MAHT model's efficiency has led to widespread adoption by 147 Massachusetts communities. Potential developers and other participants in the affordable housing arena work regularly with MAHTs because they are familiar and comfortable with the MAHT approval framework and funding context. By contrast, developers and others in the housing industry are not familiar with the WHDC's unique statute, structure and limitations, which set up cumbersome approval processes that may create unknown risks and could be a disincentive.

Of course, giving WAHT greater flexibility comes at the expense of reducing the SB's existing control over the activities that WHDC now conducts. The SB is willing to give up this authority because doing so is essential to the Town's AH efforts. It believes that the proposed Bylaw retains the SB approval where needed to protect the Town and its residents' interests. Indeed, the proposed Bylaw imposes more restrictions on its AHT than the great majority of other towns. The Executive Director reports that most other towns with AHTs allow their AHT autonomy to take actions, including spending and borrowing, without SB approval. A much smaller number of towns impose additional requirements for action such as SB approval, approval by a two-thirds majority of the AHT Board, or limitations on borrowing.

In addition, the AHT model has some other advantages compared to the current WHDC, as outlined by the Executive Director, WHDC and SB:

- The AHT's larger Board allows for a broader range of expertise.
- To facilitate coordination, the proposed WAHT would have at least one SB member on the Board as well as the Executive Director/designee as an ex officio member.
- Funds can be allocated to the WAHT faster and more efficiently than under the WHDC:
  - For the WHDC: Funds from sources such as inclusionary zoning fees must be held until distribution is approved by TM. This process can take as long as 12-18 months.
  - For the WAHT: Funds can go directly into the AHT for immediate use. For example, inclusionary zoning fees generated by a project of significant impact can be directed to the AHT without approval by TM.
- An AHT is a better vehicle for holding funds, because a bonded Town treasurer holds them and may invest them in an interest-bearing account.

- The Town can modify the WAHT bylaw in the future more easily than it can now.
- The WHDC and SB believe that the relatively flexible AHT structure will be more attractive to potential WAHT Trustee candidates.
- The 1998 WHDC special act is outdated in that it omits authority to engage in certain activities that current state law recognizes as appropriate means to address problems that can arise in affordable housing field. Among other things, the special act does not authorize WHDC to hire consultants, auditors, architects, landscapers, etc.; nor can it receive or accept, lease, sell, borrow money, mortgage, pledge, or abandon any trust property.

### Implementation

The Executive Director anticipates that it will take about a year to get the WAHT in place, including approval of the bylaw by the Attorney General; appointment of the Board; adoption/recording of the Declaration of Trust; adoption of the mission statement; and development of an action plan as stated in the motion. The Executive Director estimates that the WHDC holds \$ 976,053.28, which it will transfer to the WAHT immediately upon creation of the WAHT and enactment of the special legislation discussed in Motion #2. Those funds are:

<b>Currently Available WHDC Funds</b>	
Unrestricted Funds	\$97,476.00
Inclusionary Zoning Funds	\$363,398.00
Bank Interest	\$24,425.78
CPC Funds Appropriated in Town Funds (unspent)	\$490,753.50
<b>Total</b>	<b>\$976,053.28</b>

### Advisory Considerations

Advisory strongly supports this motion and applauds the well-coordinated efforts of the WHDC and the SB in advancing this proposal, with support from the WHA, the CPC and the PB. The proposal implements long-standing recommendations of the 2018 Housing Production Plan and 2019 Unified Plan while thoughtfully resolving concerns about AHTs expressed by Wellesley citizens in recent years. The proposed WAHT structure employs a well-recognized Massachusetts model (the affordable housing trust) while introducing important guardrails to address Wellesley citizens' concerns and interests, namely ensuring the WAHT board will consist entirely of Wellesley residents and will need SB approval for certain major decisions and a 2/3 vote of the WHAT trustees for others.

WAHT's structure should enable it to enhance the Town's affordable and community housing efforts through funding, by providing expert and professional services, property management and in other ways. Given the wide acceptance of AHTs in Massachusetts, potential partners should be comfortable in transacting business with the WAHT and would no longer have to navigate the WHDC's unique special legislation. With fewer approvals needed (except for certain major decisions), WAHT should be able to respond to market conditions more quickly and should be able to use CPA funds effectively for community housing by improving the condition of WHA's existing public housing stock and providing new housing options, such as housing for younger people with disabilities. Advisory hopes this will enable CPC to resume allocating money for community housing projects, instead of adding to CPA reserves.

The proposal's SB approval requirements are not required by state statute and depart from the norm in the great majority of Massachusetts towns with AHTs. After WAHT has accumulated sufficient experience under the proposed bylaw, Advisory hopes the town will re-evaluate the

impact of these relatively strict requirements to determine whether relaxing some restrictions would better promote affordable and community housing goals without significant downside.

Advisory observed the usual protections of public sector rules (including state procurement laws, open meeting laws, ethics laws and the like) will apply to WAHT. Members also appreciated that the SB and Town Meeting will still have their usual powers over matters such as transfers of town land and appropriation of CPA funds.

Additionally, Advisory agrees the consolidation of WAHT's funds with the Town treasurer will improve accountability, transparency, and financial management consistent with town investment policies. Some members praised the current WHDC chair's intention to appoint a treasurer. One member noted with approval that Article 4 of the Town Bylaw would require the WAHT to provide an annual report as a matter of course.

One member found it confusing for the proposed bylaw to use identical wording in two different sections, with different approval requirements, for making "contracts ... relative to Trust property ...", See proposed bylaw § 20.3(c) (2/3 vote); § 20.4(b) (SB approval). The WHDC and the SB believe that market participants will recognize and accept this language. The member hoped, in the future, town agencies will involve Advisory earlier in the drafting process for significant legislative enactments, at a time when changes can still be made easily.

The dissenting member found the asserted advantages of the WAHT unclear. The member expressed concerns about how WAHT's authority would affect properties owned by the WHA and the Town; how, as a body bound by municipal law, the WAHT would be more nimble than the WHDC; and how, given competing demands on the time of the Executive Director and trustees, the WAHT could manage a real estate portfolio.

**Advisory recommends favorable action, 12 to 1, with 1 recusal.**

## **ARTICLE 34, MOTION 2**

Under this Motion, the WHDC, SB, and PB seek approval from Town Meeting to substitute the "Affordable Housing Trust" for "Wellesley Housing Development Corporation" in three places in the Wellesley Zoning By-Laws.

First, it would amend the definition of "Administering Agency" in section 3.6.B, which deals with Smart Growth Overlay Districts. As the Administering Agency, AHT would assume WHDC's detailed responsibilities to monitor and enforce compliance with zoning requirements regarding assisted units, including computing rental and sales prices, income eligibility, administration of approved housing marketing and resident selection plans and recording and enforcing an Affordable Housing Restriction for each Assisted Unit in a Smart Growth Overlay District.

Second, the motion would amend the Inclusionary Zoning Article, Section 5.7.D.2 of the Town's Zoning Bylaw by substituting "Affordable Housing Trust Fund" for the phrase "account established by the Wellesley Housing Development Corporation . . ." When inclusionary zoning applies, payments by developers in lieu of building affordable units would go to the Affordable Housing Trust Fund, administered by the Town Treasurer, instead of into a bank account managed by WHDC.

Third, the motion would amend the Inclusionary Zoning Bylaw Section 5.7.F.4 by substituting the "Affordable Housing Trust" for "Wellesley Housing Development Corporation" so that the AHT's procedures will govern selection of tenants and purchasers of assisted units.



### **Advisory Considerations**

Advisory supports this Motion as long as Motion 1 of this Article is approved by Town Meeting. Replacing the WHDC with the WAHT requires corresponding changes in all provisions of the Wellesley Zoning Bylaw that currently refer to the WHDC.

**Advisory recommends favorable action, 12 to 1, with 1 recusal.**

### **ADDENDA**

For additional background, Advisory provides four addenda:

ADDENDUM # 1: WAHT's Legal Status and Constraints

ADDENDUM # 2: Potential Sources of Funds for the Proposed WAHT

ADDENDUM # 3: Wellesley's Existing Affordable Housing Agencies.

ADDENDUM # 4: Additional Historical Background.

### **ADDENDUM # 1: WAHT's Legal Status and Constraints**

Under the AHT statute, WAHT would be a public employer and a municipal agency. WAHT would have to comply with the state open meeting law and public records statute. AHT trustees and employees would be special municipal employees subject to the state ethics law. In Town Counsel's opinion, the WAHT would be subject to the same general Town Bylaw provisions that govern the conduct of business by other Town boards. See Wellesley Town Bylaws, Articles 2-7. Both the WHDC and proposed WAHT must comply with state procurement and designer selection laws. The AHT statute does clarify that contracts and transfers between an AHT and *other town agencies* are exempt from the procurement laws. Under the CPA, town agencies generally are exempt from certain bidding, notice and selection requirements when acquiring land with CPA funds "for the purposes of community preservation and upon recommendation of the community preservation committee," provided that the purchase price does not exceed the property's professionally appraised value. Mass. Gen. Laws c.44B §5(f). The following examples illustrate how WAHT may operate in practice under the procurement laws:

- For Town Land
  - If Town land is declared surplus and given to WAHT, the trustees can pick a developer through the procurement process to complete work if the development company will manage or sell the units. This requires no further procurement from Town.
  - If the Town gives surplus land to the AHT and AHT wants to build, the full Chapter 149 construction procurement process applies.
- Both WHDC and WAHT could seek procurement relief through Special Act.
- WHDC and AHT (as well as CPC) can fund private projects without triggering procurement if they do not control the project and limit their support to funding.

Apart from procurement, Town Counsel notes that the following circumstances would also continue to involve the SB and TM:

- Appropriation of CPC funds would require TM action (once dedicated to the AHT, the Trust can use the funds for allowable purposes without TM action).
- Use of Town land would require both SB and TM approval (except in the uncommon event that a project uses Town land held for general purposes and WAHT pays for it entirely from its own trust funds without using Town money or unappropriated CPA funds).
- Use of Local Initiative Program for friendly 40B projects would require SB approval.

- Modifications to zoning would require TM action.
- Incurring debt that binds the Town would require TM action (the proposed bylaw only authorizes WAHT to incur debt that binds the trust itself).
- Unless a project is allowed by right, permitting would require approval from several boards/departments including SB, Planning, and ZBA.

## **ADDENDUM # 2: Potential Sources of AHT Funds**

The Mass. Housing Partnership's 2023 [Municipal Affordable Housing Trust Operation's Manual](#) lists a number of potential revenue sources (which may or may not ever apply to Wellesley) including:

- Community Preservation Act (CPA)\*
- Inclusionary zoning
- Special bylaws
- Voluntary developer payments
- Municipal/tax title property
- Private donations
- Cell tower payments
- Tax override
- Municipal bonds
- Resale of affordable units
- Other municipal funds

The Community Preservation Act (CPA) is the most common source of funds for housing trusts. M.G.L. c.44B § 6. It requires that at least 10 percent of total annual CPA revenue, including revenue raised from the local surcharge and the state Community Preservation Trust Fund distribution, be spent or reserved for affordable housing. The following chart lists Wellesley CPA funds appropriated to the WHDC in past years, as well as CPC appropriations to community housing reserves (i.e. not to a specific recipient such as WHDC):

<b>RECENT WELLESLEY CPC COMMUNITY HOUSING ALLOCATIONS</b>		
<b>FISCAL YEAR</b>	<b>APPROPRIATION/ALLOCATION</b>	<b>AMOUNT</b>
2008	Reserves for Community Housing	10% of estimated annual CPA revenue
2009	WHDC	\$350 K
2010	WHDC	\$375 K
2011	WHDC	\$450 K
2012	WHDC	\$330 K
2013	WHDC	\$225 K
2014	WHDC	\$225 K
2015 to present	Reserves for Community Housing	10% of estimated annual CPA revenue

Bringing the WHDC funds under the auspices of the town Treasurer, conducting an annual audit, and having an AHT with the ability to use the funds productively, are all steps the CPC will likely consider in determining future appropriations directly to the proposed WAHT.

Under G.L. 44, § 55C(a),(c)(1), an AHT must spend any CPC funds it receives exclusively for allowable community housing purposes. It must account for and report those expenditures to the CPC annually for inclusion in CPC's report to the state Department of Revenue. The current WHDC chair plans to appoint a Treasurer to handle these and other financial matters.

## **ADDENDUM # 3: Wellesley's Existing Affordable Housing Agencies**

For *private* housing developments in Wellesley, most people know that well-publicized zoning and permitting initiatives have mandated or encouraged affordable units. Less well-known are

Wellesley's *public* sector efforts that directly fund, manage, develop or promote affordable and community housing.

Created by Article 35 of the Town's General Bylaws, Wellesley Housing Authority (WHA) is a public housing authority, which operates under the state law governing local housing authorities (G.L. c. 121B) for the purpose of "planning, constructing, operating, and maintaining housing for families, veterans, and elderly of low income." It manages a total of 245 low-income rental units or housing opportunities. These include units that it owns (4 Elderly properties and 2 Family properties), plus 1 state-subsidized rental voucher and 11 Federal (Section 8) rental vouchers. The Housing Authority Board controls the land that WHA owns.

The town's Community Preservation Committee (CPC) also plays a role in funding community housing. The state's community preservation act requires CPC to allocate at least 10% of estimated annual CPA revenues to community housing. "Community housing" includes more than the "low income" population served by WHA. As defined in G. L. c. 44B, § 2: "Community housing" means "low- and moderate-income housing for individuals and families, including low or moderate income senior housing." "Low-income housing", means housing for those persons and families whose annual income is less than 80 per cent of the areawide median income." "Moderate income" housing means housing "for those persons and families whose annual income is less than 100 per cent of the areawide median income." From 2009 to 2013, CPC obtained annual appropriations from Town Meeting to the WHDC for that purpose, as shown in the above chart entitled "Recent Wellesley CPC Community Housing Allocations." WHDC, however, was unable to capitalize on opportunities to use these funds, in part because of the constraints on its powers that the WAHT seeks to rectify. Since 2013, CPC has allocated its housing funds to its community housing reserve account. For details on the Wellesley CPC, see discussion of Article 16, above, and the 2025 Report of the Community Preservation Committee to Town Meeting, reprinted in an Appendix to this Report, below.

Finally, and most relevant to the WHA, is the WHDC, created by special legislation in 1998. The WHDC's mission is "to sponsor and assist in the development of affordable housing opportunities for persons of low, moderate, and middle income in the Town of Wellesley in order to implement the Town's Affordable Housing Policy." WHDC provides funding, development expertise and other support to the WHA. It has purchased affordable housing restrictions on other properties, so that those properties remain affordable. It funds housing studies, including a 2022 study of market demand for affordable housing in town. While WHDC has purchased dwellings in the past, it later resold them and currently owns no land or other assets beyond funds on hand. As noted above, each of these WHDC acts and expenditures required SB approval.

Although the WHDC and WHA have some overlapping powers, the WHDC has more latitude in, for instance, serving populations that do not qualify as "low-income" under the state housing authority statute. It also could pursue housing opportunities beyond the narrower scope of the state housing authority statute and could obtain certain federal and state funding for which a housing authority, such as WHA, does not qualify.

Of course, many other town agencies have major input into Wellesley's affordable housing strategy, including the SB, Planning Board and other departments that consider affordable housing within their more general missions. In addition to the SB, PB, WHDC, CPC, and WHA have also voted to support this Article.

#### **ADDENDUM # 4 Additional Historical Background**

The Town adopted an AH Policy in 1989. It created the WHDC, approved by special act of the State Legislature in 1998, to increase housing options in the town. See St. 1998, § 311, available

at: <https://www.wellesleyma.gov/DocumentCenter/View/41153/Session-Law---Acts-of-1998-Chapter-311Wellesley-Housing-Development-Corporation>. Working with the SB and Planning Board, the WHDC provided AH goals for the 2007-17 Comprehensive Plan, and for the Wellesley Unified Plan in 2019. The SB, Planning Board and WHDC commissioned Wellesley's first five-year Housing Production Plan (HPP), issued in 2018.

After extensive public engagement and expert analysis, the HPP recommended revisiting WHDC's powers and considering creation of a more autonomous entity such as an affordable housing trust, as authorized by the state's Municipal Affordable Housing Trust Fund law of 2005. It specifically recommended creating an AHT.

The Town then reviewed and implemented the HPP's recommendations. The SB discussed the AHT recommendation with other Town entities, including the Housing Task Force (comprised of two Planning Board members, an SB member, a WHDC member, the Planning Director, a member of the Housing Authority Commission, the Housing Authority Director, and a member of the CPC). Public opportunities for comment included a Public Zoning Hearing, an Advisory Hearing, and a specially designated Select Board meeting, although no public comments were received.

During the process, some members of Advisory Committee in 2021 commented, among other things, that "the proposal needed additional work to tighten up the governance oversight model."

Since that time, and after considering the concerns expressed by Advisory and residents, the WHDC and SB responded by revisiting the proposal. They have engaged in additional consultation with other Town boards and officials. They believe the current proposal addresses prior concerns by:

- creating a WAHT governed by Wellesley resident Trustees,
- granting WAHT limited but sufficient authority to accomplish its AH goals,
- placing appropriate limits on the WAHT's powers, including oversight by the SB so that the proposed WAHT's actions will align with the Town's AH goals and be accountable to the community.

**ARTICLE 35.** To see if the Town will vote to amend the Town Bylaws Article 34. Board of Health to establish customer opt-in for single-use service ware and single serving packaged condiments as follows:

34.5D Customer Opt-In For Single-Use Service Ware And Single Serving Packaged Condiments

**Section I. Findings and Purpose**

The purpose of this bylaw is to reduce single-use service wear and packaged condiments. For the health and welfare of our community and in accordance with the sustainability goals of Wellesley's Climate Action Plan, this bylaw serves a public purpose to minimize the impact of single-use items on the environment by advancing solid waste reduction and reducing the carbon footprint of Wellesley's businesses and residents.

**Section II. Definitions**

- a. "Director" means the director of community and public health services of the Town of Wellesley.
- b. "Condiment" means a single-use packet containing relishes, spices, sauces, confections, or seasonings, that requires no additional preparation, and that is used with food or beverages, including, but not limited to, ketchup, mustard, mayonnaise, soy sauce, wasabi, sauerkraut, salsa, syrup, jam, jelly, salad dressings, salt, sugar, sugar substitutes, pepper, and chili pepper.
- c. "Food Establishment" means an operation that stores, prepares, packages, serves, vends food directly to the consumer or otherwise provides food for human consumption such as a restaurant, mobile food, satellite, or catered feeding locations.
- d. "Online Food Ordering Platform" means the digital technology provided on a website or mobile application through which a consumer can place an order for pick-up or delivery of Prepared Food. Such platforms include those operated directly by a Food Establishment, by companies that provide delivery of Prepared Food to consumers from Food Establishments, and by online food ordering systems that connect consumers to a Food Establishment directly.
- e. "Prepared Food" means food or beverages that are serviced, packaged, cooked, chopped, sliced, mixed, brewed, frozen, squeezed, poured, or otherwise prepared (collectively "prepared") in a Food Establishment for individual customers or consumers. Prepared Food does not include raw eggs or raw, butchered meats, fish, and/or poultry sold from a butcher case, a refrigerator case, or similar retail appliance.
- f. "Reusable" refers to food and beverage service ware that will be used multiple times in the same form by a food establishment. Such products are intended to be washed multiple times in a commercial dishwasher and to retain their form and function over multiple usage and washing cycles.

- g. "Single Item Dispenser" means bulk dispensers that are intended to dispense one item at a time.
- h. "Single-Use" means designed to be used once and then discarded, and not designed for repeated use and sanitizing.
- i. "Single-Use Articles" means utensils and food containers designed and constructed to be used once and discarded. All types of single-use items provided alongside Prepared Food including but not limited to utensils, tongs, chopsticks, napkins, condiment cups and packages, straws, stirrers, splash sticks, cocktail sticks, toothpicks, cup sleeves, cup trays, and food trays designed for a single-use for Prepared Foods.
- j. "Utensil" means a food contact implement or container used in the storage, dispensing or service of food, including but not limited to forks, spoons, knives, sporks, chopsticks, or other instruments used to serve food or to eat food.

### **Section III. Regulated Conduct**

- a. Except as provided by Section IV Exemptions, a Food Establishment, for on-premises dining, takeout, and delivery orders, or when using a third-party delivery or Online Food Ordering Platform, shall only provide Single-Use Articles or Condiments to a customer when specifically requested by the consumer. Customers must specify which specific Single-Use Articles or Condiments they want included with their order. Food establishments may have single-use accessories available at self-service stations.
- b. Online Food Ordering Platforms must provide Food Establishments with a method to list each Single-Use Article and Condiment that is offered by the Food Establishment such that customers can specifically request the Single-Use Articles and Condiments that they wish to have included with their order.
- c. Single-Use Articles and Condiments packaged for single-use provided by Food Establishments for use by consumers shall not be bundled or packaged in a manner that prohibits a consumer from taking only the type of Single-Use Article or Condiment desired without also having to take additional Single-Use Articles or Condiments.

### **Section IV. Enforcement**

- a. The Board of Health and its Health Agent shall have the authority to administer and enforce this bylaw.
- b. The enforcing authority, upon a determination that a violation has occurred, shall issue a written warning notice to the establishment specifying the violation. A written warning notice shall be issued for the first three violations.
- c. The following penalties shall apply:
  - 1. A fine of \$50 shall apply for the first violation following the issuance of at least three written warning notices.

2. A fine of \$100 shall apply for the second violation following the issuance of at least three written warning notices, and for each additional violation of this bylaw.

d. Fines shall be cumulative and each day on which a violation occurs shall constitute a separate offense.

### **Section V. Exemptions**

Any food establishment may seek an exemption from the requirements of this bylaw by filing a request in writing with the Director of Community and Public Health. The request must state specifically which section and products they are seeking an exemption from and state reasons why application of the specific requirement would cause undue hardship. The Director may waive any specific requirement of this bylaw for a period of not more than one year. A food establishment granted an exemption must re-apply prior to the end of the one-year exemption period and demonstrate continued undue hardship if the food establishment wishes to have the exemption extended. The Director's decision to grant or deny an exemption or to grant or deny an extension of a previously issued exemption shall be in writing and shall be final.

### **Section VI. Effective Date**

This bylaw shall take effect on January 1, 2026.

### **Section VII. Regulations**

The Board of Health may adopt and amend rules and regulations to effectuate the purposes of this bylaw.

### **Section VIII. Severability**

If any provision of this bylaw is declared invalid or unenforceable the other provisions shall not be affected thereby.

And amend Article 52. Bylaw, Rule or Regulation Violations; Non-Criminal Disposition, to allow for the non-criminal disposition of violations under the new bylaw pertaining to single-use service ware and single serving packaged condiments; or take any other action in relation thereto.

**(Climate Action Committee/Select Board/Board of Health)**

Under this Article, the Climate Action Committee (CAC), the Select Board (SB), and the Board of Health (BOH) seek Town Meeting approval to amend the Town's General Bylaw Article 34 (Board of Health) to reduce the waste created by single-use food service ware and single-serving packaged condiments. If approved, the new bylaw would take effect on January 1, 2026.

## Overview

This Article, referred to as “Skip the Stuff”, named after a national campaign, aims to:

- Reduce the amount of waste generated by single-use items
- Change customer habits regarding single-use items
- Help restaurants reduce costs

The new bylaw would:

- Require customer opt-in for single-use service ware (including, but not limited to, utensils, napkins, straws, stirrers, and trays) and single-serving packaged condiments when ordering in from a food establishment, including when using an on-line food ordering platform.
- Require that single-use articles are not bundled or packaged in a manner that prohibits a consumer from taking only the type of single-use service ware or condiment desired.
- Allow the Director of Community and Public Health to exempt a food establishment.

The BOH and its Health Agent will administer and enforce this bylaw. The Health Agent may issue citations to the food establishments, with each day on which a violation occurs constituting a separate offense.

1. First through third violation: Written warnings.
2. Fourth violation: \$50.
3. Fifth and each subsequent violation: \$100.

This proposal supports implementation of the Town’s Climate Action Plan (CAP), a roadmap for achieving greenhouse gas emissions reduction goals and meeting related sustainability and resilience objectives. The CAP includes a waste reduction strategy to “Develop a culture that minimizes single-use products and packaging”, and an action to “Explore and implement programs and/or regulations to minimize use of disposable single-use products throughout town.” In 2016, Annual Town Meeting passed an amendment to the Town Bylaws regulating the use of plastic check-out bags to help address the problem of plastic litter, and its environmental impacts, while promoting sustainability. The Article’s sponsors consider this bylaw addition to be another step towards meeting waste reduction goals.

In recent decades, American dining habits have changed. A recent US Foods survey reports the average American purchases take-out/delivery 3 times per month. Americans use more than 560 billion disposable food service items, including more than 36 billion utensils, and 142 billion straws, resulting in at least 4.9 million tons of waste annually.<sup>1</sup> Virtually all of the single-use items covered by this Article cannot be recycled. Many take-out/delivery meal single-use items go to homes and offices only to fill drawers, litter streets and waterways, or end up in landfills, often unused. According to the Environmental Protection Agency, municipal solid waste landfills are the third-largest source of human-related methane emissions, a greenhouse gas and significant contributor to climate change. In addition, the steps to get the disposable items to the consumer—manufacturing, transporting, and distributing—negatively impact the environment, and exacerbate climate change.

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<sup>1</sup> Reported by the National Reuse Network, part of the environmental nonprofit Upstream, which launched a national Skip the Stuff campaign to enact policies that require restaurants to include single-use plastic utensils, straws, condiments and napkins only when customers request them.



More than 50 U.S. towns and cities, including New York City, and communities in Massachusetts, already have similar ordinances or bylaws in place. Newton passed a “Skip the Stuff” ordinance in March 2024. Local governments in neighboring towns including Needham, Brookline, and Watertown, will vote on “Skip the Stuff” bylaws/ordinances this spring. California and Washington State have statewide legislation in place and the legislatures of New York State and New Jersey are currently considering statewide bills.

“Skip the Stuff” has strong support from the Charles River Regional Chamber (“the Chamber”) and the local business community<sup>1</sup>. As expressed by the Chamber, “It’s a practical, common-sense measure that benefits both businesses and the community. Many of our members have noted that such a policy is easy to implement, reduces unnecessary expenses, and aligns with broader sustainability goals. Additionally, this ordinance would provide businesses with a clear reason they can point to when customers inquire about the absence of utensils in their takeout orders. Having a town-backed policy allows businesses to reinforce sustainable practices while ensuring consistency in customer interactions.”

Many Wellesley food service establishments already require customers to opt-in for single-use accessories when ordering online. All four major food delivery applications—Uber Eats, Postmates, Grubhub, and DoorDash—have default settings so that “no one receives plastic cutlery unless they opt-in to request it”.

If Town Meeting adopts this bylaw, the Climate Action Committee will work with relevant departments and Sustainable Wellesley to lead a public education campaign to inform the community about bylaw provisions. This would include outreach with the Chamber, Wellesley Square Merchants, and the Linden Square Merchants Association.

All members of the Select Board, Board of Health, Climate Action Committee, Department of Public Works, and Natural Resource Commission voted unanimously in support of adopting this Bylaw. The members of the Board of Health and the Director of Community and Public Health have determined the proposed bylaw will not require additional staff for enforcement.

### **Advisory Considerations**

Advisory members strongly support this “Skip the Stuff” initiative as a common-sense next step in the Town’s waste reduction efforts. They view these measures as relatively modest, but which could still have a big impact. One member explained they often forget to opt-out for these single-use items, thus ending up with unwanted plastic, so they would prefer to have to opt-in. One member expressed appreciation for the three written warnings before fines are applied and another noted the January 1, 2026 start date will give food establishments time to prepare. One member questioned whether there would be a “slippery slope” with more items added in the future, which may impact the BOH’s ability to administer this, but still thought this was a very reasonable proposal. Advisory notes a communication campaign will be rolled out to the business community should this pass. Advisory is thankful to Sustainable Wellesley and the Article sponsors for their work and collaboration in bringing this forward, including the outreach to businesses, and for the compelling data provided.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

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<sup>1</sup> Per surveys conducted by Sustainable Wellesley

**ARTICLE 36.** To see if the Town will vote to amend Article 49.12 of the General Bylaws related to Restrictions of the Use of the Town's Water Supply due to recent changes in the Water Management Act; or take any other action in relation thereto.

**(Board of Public Works)**

Under this Article, the Board of Public Works (BPW) seeks Town Meeting approval to amend Section 49.12b.5f of the Town's General Bylaws by replacing the "Alternate Day Outdoor Water Use" with a more flexible "Outdoor Watering Days" provision in the list of permissible water use restrictions available to the BPW during a "State of Water Supply Conservation". This amendment will also ensure the Town is in compliance with certain state regulations.

### **Overview**

Section 49.12b of the Town's Bylaws (Restrictions on the Use of the Town's Water Supply) allows the BPW to regulate and restrict water use to protect public health and welfare by declaring a "State of Water Supply Conservation" (Section 49.12b.4). Essentially, the BPW may declare a shortage of water exists and conservation measures are appropriate to ensure an adequate supply of water to all customers. The current conservation measures available to the BPW under Section 49.12b.5 include "Alternate Day Outdoor Water Use", which allows the BPW to restrict outdoor water use to alternate days of the week (e.g., Monday, Wednesday, Friday).

Through this Article, the BPW proposes to replace the "Alternate Day Outdoor Water Use" provision with a more flexible "Outdoor Watering Days" provision, which, if adopted, will allow the BPW to restrict outdoor water use to one, two, or three days during a given week. This change would provide the BPW with additional tools to respond proactively to water shortages while balancing the community's irrigation and other outdoor water use needs.

The adoption of this Bylaw amendment will also permit the BPW to impose a mandatory one-day-per-week watering restriction that the Department of Environmental Protection ("DEP") believes is necessary for the Town to comply with recently promulgated regulations. Briefly, the Massachusetts Water Management Act (the "Act") governs water withdrawals in the Commonwealth. DEP is the primary agency responsible for implementing and administering the Act. In January 2023, DEP amended its Water Management Regulations (the "Regulations") to include a requirement that municipalities subject to certain DEP issued withdrawal approvals, establish enforceable restrictions limiting nonessential outdoor water use during droughts declared by the Secretary of Energy and Environmental Affairs. The Town, along with over 20 other registered water suppliers, is currently challenging the legality of DEP's Regulations. However, the litigation does not stay the compliance date. Thus, Wellesley, along with all registered water suppliers, must adopt certain new water conservation measures, including the ability to prohibit nonessential water use to one day per week and outside the hours of 9 a.m. and through 5 p.m. The compliance date for the new requirement is April 8, 2025. The "one day" language in the Bylaw amendment proposed by this Article is necessary to enable the Town to comply with the Regulations.

By adopting this amendment, Wellesley will enhance its ability to manage water usage effectively and meet the current regulatory requirements during periods of high demand or limited supply

### **Advisory Considerations**

Advisory supports replacing the "Alternate Day Outdoor Water Use" restriction with a more flexible "Outdoor Watering Days" restriction in the bylaw's list of permissible water use restrictions available to the Board of Public Works as a tool during a State of Water Supply Conservation. Advisory members noted the current bylaw's strict alternating-day requirement does not allow for adjustments based on changing water conditions or evolving state mandates. The amendment

would provide the Town with greater flexibility to implement water use restrictions as needed, including compliance with potential state-mandated one-day-per-week limitations.

One Advisory member questioned the necessity of specifying a set number of restricted watering days rather than allowing full discretion to Town officials. It was clarified that the updated bylaw structure follows state guidelines while preserving the Town's ability to tailor restrictions as appropriate. Members agreed the amendment would improve Wellesley's ability to manage water resources effectively and ensure compliance with state requirements.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 37.** To see if the Town will vote to create a new Article under the General Bylaws to define the terms and duties of the Cultural Council; or take any other action in relation thereto.

**(Select Board)**

Under this Article, the Select Board seeks Town Meeting approval to create Article 46D under the General Bylaws of the Town to define the terms and duties of the Wellesley Cultural Council. The Cultural Council supports arts and cultural initiatives in the community, enhances public engagement, and fosters local creative activities.

### **Overview**

Historically, the Cultural Council has received funding to support small grants. The funding is directed to Wellesley-based organizations for arts and culture-related projects. The Council is currently undergoing leadership restructuring and applying for grants to develop a comprehensive arts and culture plan for the Town. The Cultural Council strives to support local arts organizations, contribute to economic development, and create a more vibrant cultural scene.

Establishing a formal Town bylaw will define the Cultural Council's role and responsibilities within Town governance. Massachusetts General Laws (MGL) Chapter 10, sections 52-58, and [962 CMR 2.00](#), provides guidance on operations, procedures, and grant funding, with a focus on local autonomy and public benefit. Article 46D will ensure funding mechanisms and budget requests go through the Select Board for approval. The new FY26 funds will be held for cultural council expenditures, and the 53E1/2 Revolving Fund will be dissolved at the 2025 Fall Town Meeting and the bylaw amended. As stated in G.L. c.10, s.58, all funds received must be placed in a Special Revolving Fund. Additionally, the Cultural Council can, under the state provisions, accept gifts unilaterally for the same purposes for which they operate.

By creating a more structured approach to expanding and sustaining cultural initiatives in Wellesley, the creation of this Article will strengthen the Cultural Council's ability to advocate for the arts and integrate cultural programming into broader town development efforts.

### **Advisory Considerations**

Advisory members expressed support for formalizing the Cultural Council with the creation of the bylaw. Members felt this formal structure will help the Cultural Council's work, which will be increasingly important in the coming years. One member questioned the rationale behind using taxpayer money to fund grants through the Cultural Council instead of the Town directly granting the funds. It was clarified that the proposed funding method, while seemingly indirect, is designed to increase oversight of the Cultural Council. By involving the Select Board in the funding, it establishes a level of accountability that is currently lacking. Members also acknowledged the state statute allows the Cultural Council to accept gifts.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**

## AMEND ZONING BYLAW

**ARTICLE 38.** To see if the Town will amend the Zoning Bylaw to amend Section 1.4 Restrictions Affecting All Districts, subsection C, to clarify that mobile homes are permitted as required by G.L. c. 40A, § 3, with changes shown in bold as follows:

### SECTION 1.4 RESTRICTIONS AFFECTING ALL DISTRICTS

Any other provision of this Bylaw notwithstanding, no new building or structure shall be constructed or used, in whole or in part, and no building or structure, or part thereof, shall be altered, enlarged, reconstructed or used, and no land shall be used, in any part of the Town:

- C. For the parking, keeping or storing of a mobile home or house trailer, **except as provided in G.L. c. 40A, § 3.**

Or take any other action in relation thereto.

**(Planning Board)**

### Overview

Under this Article, the Planning Board is requesting that Town Meeting approve two changes to Section 1.4. of Wellesley's Zoning Bylaws (ZBL). One change, at the request of Massachusetts' Office of the Attorney General (AG), is required to bring the bylaw into compliance with Massachusetts General Laws. The second change is to correct a typographical error.

Section 1.4 of the ZBL, "Restrictions Affecting All Districts", limits what can be built within the Town in any Zoning District. It provides that "[A]ny other provision of this bylaw notwithstanding, no new building or structure shall be constructed or used ... and no building or structure shall be altered, enlarged, reconstructed ... in any part of Town ... C. For the parking, keeping or storing of a mobile home or house trailer."<sup>1</sup>

On July 29, 2024, the Town received a letter from the AG in response to the Town's request for approval of the ZBL amendments approved at the 2025 Annual Town Meeting. All ZBL amendments require approval of the AG. This letter approved a number of these amendments and suggested a course of action where approvals were not immediately granted, including for Section 1.4.C. It provides that:

The Town should consult with Town Counsel about a future corrective amendment to this provision because, in certain circumstances, the use of a manufactured home is protected by statute, G.L.c.40A,§3,¶7 provides that:

No zoning ordinance or by-law shall prohibit the owner and occupier of a residence which has been destroyed by fire or other natural holocaust from placing a manufactured home on the site of such residence and residing in such home for a period not to exceed twelve

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<sup>1</sup> Other longstanding restrictions in Section 1.4 include prohibitions on structures emitting noxious chemicals, the long-term parking of trailers, the creation of certain businesses that the Town felt would not be in the community's best interests and the requirement that all building projects be appropriately permitted.

For historical reference, Section 1.4 has undergone a number of changes over time, including a former version, enacted in 1965, that restricted the parking of structures or vehicles for "human habitation", including mobile homes, for longer than 15 days unless permitted or stored within the existing structure on the site. In the early 1970s a fine of \$5 per day was added for such structures that remained after the owner had been notified of the need to remove them.

months while the residence is being rebuilt. Any such manufactured home shall be subject to the provisions of the state sanitary code.

It is worth noting for clarity that the AG's considers "mobile homes and house trailers" in the ZBL as types of "manufactured homes". The ZBL provision applies only to *mobile homes and house trailers* and not to other manufactured homes. To remedy the AG's concern, the Planning Board consulted with Town Counsel and proposes the amended language in Motion 1 to provide a simple fix to bring the ZBL in line with Massachusetts G.L. c. 40A, §3.

This Article also would amend the letter designation of two subsections within ZBL Section 1.4 to correct a typographical error. Whereas the current text of this section includes subsections A, B, C, D, E, F, G, G and H; the amendment would change the last 2 subsections listed to be subsections H and I.

### **Advisory Considerations**

Advisory members expressed appreciation for the Planning Board and Planning Department's commitment to ensuring the Town's bylaws are and remain compliant with Massachusetts General Laws.

Advisory Committee deliberations focused largely on arriving at an understanding of the relationship between "mobile homes and house trailers" as articulated in the Wellesley Zoning Bylaws (ZBL) and "manufactured home" as mentioned in the identified Massachusetts General Laws. Some members wondered whether the Town Bylaw should also include "manufactured home" as a permissible temporary dwelling under the described circumstances, or whether the proposed reference to Massachusetts General Laws would be sufficient. Planning noted Town Counsel is comfortable with the reference alone being sufficient. Others noted the lack of a clear definition for a manufactured home leaves some ambiguity. However, all members ultimately agreed that this lack of clarity did not itself create concerns about modifying the ZBL to bring it into alignment with Massachusetts General Laws. Finally, one Advisory member remarked the Attorney General's Office appeared to have performed an impressively thorough review of the Town's ZBL. Overall Advisory members supported the requested modifications.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 39.** To see if the Town will amend the Zoning Bylaw to amend Section 3.7 Flood Plain or Watershed Protection Districts subsections B, C, E, H, I, and add a new subsection J to add additional definitions, add a placeholder for the soon to be released FIRM and FIS reports, update floodway encroachment language, delete outdated agency addresses, and add a disclaimer of liability to comply with the state's Model Bylaw, with changes shown in bold and strikethrough text as follows:

## SECTION 3.7. FLOOD PLAIN OR WATERSHED PROTECTION DISTRICTS

### 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.

**Floodway** – The channel of the 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** – means 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** – means 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:

1. Listed individually in the National Register of Historic Places (a listing maintained by the Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
2. 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 to qualify as a registered historic district;
3. 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
4. Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:
  - a. By an approved state program as determined by the Secretary of the Interior or
  - b. Directly by the Secretary of the Interior in states without approved programs.

**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.

**Recreational Vehicle** – means a vehicle which is:

1. Built on a single chassis;
2. 400 square feet or less when measured at the largest horizontal projection;
3. Designed to be self-propelled or permanently towable by a light duty truck; and
4. Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

**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.**

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 25021C0004EF, 25021C0008EF, 25021C0009EF, 25021C0012EF, 25021C0014EF, 25021C0016EF, 25021C0017EF, 25021C0018EF, 25021C0028EF, and 25021C0036EF. The exact boundaries of the District shall be defined by the 1%-chance base flood elevations shown on the FIRM dated July 17, [month] [day] 204225 and further defined by Norfolk County Flood Insurance Study (FIS) report dated July 17 [month] [day] 204225. 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

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 3.7.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.
  - b. In Zones A1-30 and AE, along watercourses that have a regulatory floodway designated on the Town's FIRM encroachments are prohibited, including fill, new construction, substantial improvements, and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not 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 6.3 and subject to the provisions of Section 3.7.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 5.6 shall apply.

- a. Plans submitted in accordance with Section 5.6 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 & 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 A, 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, 8<sup>th</sup> floor~~  
~~Boston, MA 02114~~
- NFIP Program Specialist  
Federal Emergency Management  
Agency, Region I ~~99 High Street, 6<sup>th</sup>~~  
~~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:

- **NFIP State Coordinator**  
**Massachusetts Department of Conservation and Recreation**
- **NFIP Program Specialist**  
**Federal Emergency Management Agency, Region 1**

~~FEMA Region I Risk Analysis  
Branch Chief 99 High St., 6<sup>th</sup> floor,  
Boston, MA 02110~~

~~And copy of notification to:~~

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

#### **J. Disclaimer of Liability**

**The degree of flood protection required by this Zoning Bylaw is considered reasonable but does not imply total flood protection.**

Or take any other action in relation thereto.

**(Planning Board)**

#### **Overview**

Under this Article, the Planning Board is requesting that Town Meeting approve a set of amendments to Section 3.7 of Wellesley's Zoning Bylaws (ZBL) covering Flood Plain or Watershed Districts in the Town. The proposed changes are in response to the Federal Emergency Management Agency's (FEMA) pending release of updated Flood Insurance Rate Maps (FIRM) and Flood Insurance Studies (FIS) for Norfolk County, and to bring this section of the ZBL into full compliance with the State's Model Bylaw language requirements. Town Counsel has advised that when flood maps are updated, a community must have local floodplain regulations conforming to National Flood Insurance Program (NFIP) regulations for Town residents to have uninterrupted access to flood insurance under the National Flood Insurance Program (NFIP).

#### **ZBL Amendments**

Wellesley's Floodplain or Watershed ZBL was amended most recently through approval of motions under Article 33 at 2022 Annual Town Meeting. At that time the 2020 FIS, FIRM and Model Bylaw updates had been delayed, but were anticipated before Special Town Meeting later that year.

The Planning Department (Planning) was alerted to the upcoming Letter of Final Determination (LFD) in mid-December 2024 by the Massachusetts State Department of Conservation & Recreation (DCR), which is responsible for NFIP oversight. The DCR highlighted the need to adopt the new FIS and FIRM and to amend zoning bylaws to remain in compliance or risk being "suspended from the NFIP". Planning has provided the amendments (as shown in this Article and Motion) to the DCR, which were approved as drafted on January 22, 2025.

#### **Addendum: Regulatory Background – NFIP, FIS, FIRM, Model Floodplain Law** **The National Flood Insurance Program (NFIP)**

Congress passed the National Flood Insurance Act in 1968. The act established the NFIP, which provides federal flood insurance to property owners in communities that have adopted and enforced floodplain management regulations.

Wellesley joined the program in mid-1974. (<https://www.fema.gov/cis/MA.html>).

The NFIP is managed by FEMA and provides flood insurance to covered communities through a network of over 50 private insurance companies. NFIP participation enables Wellesley residents to purchase flood insurance.

### **Flood Insurance Studies (FIS) and Flood Insurance Rate Maps (FIRM)**

In roughly 5-year cycles, FEMA updates national FIS based on new flood risk data for each state's watercourses, coastlines and lakes. New maps are drafted based on these data and the compiled studies and maps are then made available to the public. FIS reports contain detailed flood elevation data displayed as flood profiles and tables. The most recent FIS for Norfolk County, including Wellesley can be found on the Town's web site at:

<https://wellesleyma.gov/2143/Proposed-Flood-Hazard-Determinations>. Here, the highly detailed FIS data and reporting are broken into 7 volumes, and the relevant area FIRM is accessible as a set of contiguous and FEMA-designated numbered map panels.

The FIRMs provide the minimum standards for identifying and demarking floodplains. Flood-resistant construction must be used in at least the 1%-chance floodplain (formerly referred to as the 100-year floodplain.)

For each mapping update FEMA sends out a LFD to alert States to the pending revisions. An LFD was issued on January 8, 2025, and notes the new FIS and FIRM, when finalized, will be effective as of July 8, 2025 (<https://www.fema.gov/flood-maps/change-your-flood-zone/letter-final-determination/2025?efs=1>)

FEMA uses the latest FIS and updated FIRM to set flood insurance rates for the NFIP, using factors such as flood risk (the likelihood of different types of flooding, such as river overflow, storm surge, and coastal erosion); property characteristics (the elevation, distance from water, and replacement cost of the property); building characteristics (the type of foundation, age, and design of the building); flood history (the frequency of flooding and any prior claims); and building adaptations (how the building is adapted to withstand floods, such as elevated utilities or a basement).

### **The Model Floodplain Bylaw**

Massachusetts publishes and updates a Model Floodplain Bylaw, which serves as a required blueprint for creating and maintaining compliance with the NFIP. The most up-to-date version of this can be found on this Massachusetts Floodplain Management web page: <https://www.mass.gov/guides/floodplain-management#-nfip-flood-insurance->

### **Advisory Considerations**

Advisory members expressed gratitude to the Planning Board (PB) for its diligence in ensuring Wellesley remains a member of the National Flood Insurance Program, and Town residents can purchase lower cost flood insurance when appropriate.

Advisory deliberations focused largely on the impact new floodplain maps may have on residents who find their property to now be in a different floodplain zone from when these maps were last issued in 2012, and the impact that may have on flood insurance premiums for these properties. The ability of Town residents to question the maps and to engage in dialog with FEMA was highlighted, though the PB made clear the most recent maps were not modified following community feedback. Advisory members did note the Town will be responsible for alerting any impacted property owners of changes created by the updated maps and studies, and there are currently 72 properties securing flood insurance through the government program. Advisory members were supportive of the Motion, acknowledging that Town Counsel advised these changes are both required and advisable for providing residents access to this insurance.

**Advisory recommends favorable action, 12 to 0.**



**ARTICLE 40.** To see if the Town will amend the Zoning Bylaw to amend Section 5.13 Accessory Dwelling Units, subsections D and E, to comply with recent amendments to Massachusetts General Law Chapter 40A relating to accessory dwelling units, inserted by Sections 7 and 8 of Chapter 150 of the Acts of 2024, also known as the *Affordable Homes Act*, by removing language related to the owner occupancy requirement, the special permit requirement for detached accessory dwelling units, and adding a provision for off-street parking requirements, with changes shown in bold and strikethrough text as follows:

## 5.13. ACCESSORY DWELLING UNITS

### 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 subject to 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.
- ~~iviii.~~ There shall be no pickup or delivery of products and/or articles at the premises that is not customary in a residential area.
- ~~viv.~~ The Accessory Dwelling Unit may not be used for a Home Occupation.
- v. **Accessory Dwelling Units meeting the definition in G.L. c. 40A, § 1A, will only be subject to the off-street parking requirements permitted by G.L. c. 40A, § 3 (that not more than 1 additional parking space shall be required for an accessory dwelling unit; and provided further, that no additional parking space shall be required for an accessory dwelling located not more than 0.5 miles from a commuter rail station, subway station, ferry terminal or bus station).**

## 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 5.13.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 6.3.~~
- 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.
- iviii. Notice of Sale of the property containing the Accessory Dwelling Unit must be provided to the Planning Department.
- viv. 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.

Or take any other action in relation thereto.

**(Planning Board)**

Under this Article, the Planning Board seeks Town Meeting approval to amend Wellesley's Accessory Dwelling Unit (ADU) Zoning Bylaw to bring it into compliance with State law by eliminating both the owner occupancy requirement and the need for a special permit for detached ADUs.

### Overview

In 2022, Wellesley's Annual Town Meeting (ATM) approved Article 39, which amended the Zoning Bylaw by adding section 5.13 that allows property owners to create ADUs within or adjacent to their principal dwelling in the Town's Single Residence Districts. This change was part of the Town's ongoing efforts to address housing challenges, promote sustainable growth, and provide more diverse housing options for residents consistent with the Unified Plan (2018–2028) and Housing Production Plan (2018).

Key Provisions of the Original ADU Bylaw, Section 5.13:

- [Physical Requirements of ADUs](#): The bylaw allows ADUs to be a minimum of 250 square feet and no more than the lesser of 900 square feet or 50% of the gross floor area of the principal dwelling and requires detached ADUs to be located at the rear or side of the primary residence.
- Self-Containment and Separate Entrance: ADUs are required to be self-contained with separate sleeping, cooking, and sanitary facilities. They also need to have a separate entrance, with the exterior door not visible from a public street or private way.
- Owner Occupancy Requirement: Property owners shall live in either the principal dwelling or the ADU for at least 184 days per year.
- Other Requirements: ADUs are also subject to requirements regarding architectural compatibility, a prohibition of short-term rentals, and restrictions on conversion to condominiums. Additionally, ADUs must be leased for a minimum term of 30 days.

On August 6, 2024, Governor Maura Healey signed the [Affordable Homes Act](#) into law, effective February 2, 2025. One of its provisions allows ADUs to be built by-right in single family zoning districts. Among other provisions, the legislation allows municipalities to impose reasonable restrictions for ADUs, such as requiring site plan reviews, imposing dimensional and setback requirements, and to restrict short-term rentals. However, it prohibits municipalities from imposing owner occupancy requirements and requiring special permits for detached ADUs. The State law supersedes local law where there is a conflict.

To align the Town's ADU bylaw with the Affordable Homes Act, the Planning Board requests Town Meeting amend section 5.13 as indicated in the Motion to eliminate both the owner occupancy and Special Permit requirements for detached ADUs.

### **Advisory Considerations**

Advisory understands the State's recent enactment of the Affordable Homes Act requires the Town to make conforming amendments to its ADU Zoning Bylaw. Specifically, Wellesley must amend section 5.13 to comply with state law by eliminating both the owner-occupancy requirement and the special permit requirement for detached ADUs.

While Advisory voiced support for these changes, a member raised a technical concern about the definition of "ADU Property Owner". Advisory appreciated the Planning Department and Town Counsel quickly and thoughtfully addressing the concern, ensuring resident and absentee ADU owners are treated equally.

Looking ahead, Advisory noted the state may issue additional guidance on ADUs, necessitating further changes to the Town's ADU Bylaw. Given that, one member suggested engaging Advisory early in the process when significant changes to the zoning bylaw are anticipated. Another recommended keeping such warrant articles language general to address issues that may arise after the warrant closes.

**Advisory recommends favorable action, 11 to 0.**

## CITIZEN PETITIONS

**ARTICLE 41.** To see if the Town will “move that pursuant to M.G.L. c4 ss4 and M.G.L. c 175 ss10, the Town adopt the following Massachusetts General Laws pertaining to the Paid Family and Medical Leave (PMFL): MGL c 175M for employees of the Town, and further, that Annual Town Meeting authorizes FY26 budget adjustment(s) and transfer(s) for the purpose of funding FY26 PFML Town contributions and related employer and employee expenses; and the funds shall be allocated from the Town of Wellesley General Fund or another Fund as recommended by the Town of Wellesley Advisory Committee such as certified free cash, or to take any other action relative thereto.”

**(Citizen Petition)**

**Advisory expects no motion under this Article.**

**ARTICLE 42.** To see if the Town will vote to amend its Zoning By-Laws to allow for the application of a Residential Incentive Overlay District only over any Business District, Business District A, Industrial District, Industrial District A, Transportation District, and the Lower Falls Village Commercial District.

**(Citizen Petition)**

### Overview

This Citizens’ Petition seeks Town Meeting to amend Section 3.2B of the Zoning Bylaw (ZBL), Residential Incentive Overlay (RIO) “Applicability”, to allow the development of multi-family housing, assisted elderly living, independent elderly housing, nursing homes and skilled nursing facilities only in the following zoning districts: Business District, Business District A, Industrial District, Industrial District A, Transportation District, and the Lower Falls Village Commercial District. The proposal would reverse the amendment to this section approved at the May 2019 Special Town Meeting, allowing RIOs in all zoning districts, thereby retuning the section to read as originally enacted in 1998.

### Residential Incentive Overlay District

Section 3.2 of the ZBL describes the RIO Bylaw. The RIO enables the development of multi-family housing, assisted elderly living, independent elderly housing, nursing homes, and skilled nursing facilities on 45,000 square foot parcels (approximately one acre) in areas where existing Zoning Districts would not typically permit such uses. The RIO Bylaw includes restrictions on maximum density, building height and setbacks, and off-street parking. Town Meeting must first approve RIOs onto specific parcels proposed prior to development.

The RIO provisions were initially enacted at the 1998 Annual Town Meeting (ATM).<sup>1</sup> ATM 2012 approved a RIO onto an area of approximately 10 acres in Lower Falls to facilitate the Waterstone at Wellesley development. From 1998 to 2019, Waterstone was the only project to have used the RIO provisions. The May 2019 Special Town Meeting approved several amendments to the RIO,

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<sup>1</sup> The RIO was initially adopted at the 1998 Annual Town Meeting (ATM) through Articles 21, 22, and 23. These articles implemented zoning recommendations from the Lower Falls Plan, which was created at the request of the Planning Board in response to the Economic Vitality Section of the 1994 Comprehensive Plan. The RIO encouraged re-development of properties that lie in close proximity to commercial districts and transportation. The 1998 RIO established minimum lot sizes (2 acres), maximum unit density, and minimum required open space. It also regulated building setbacks, building height, and allowable signage. The RIO applied only to the Business District, Business District A, Industrial District, Industrial District A, Transportation District, and Lower Falls Village Commercial District. See the Advisory Report to the May 2019 Special Town Meeting for a detailed description of the RIO Bylaw and changes approved that year.

including applying it to all zoning districts (the “2019 Applicability Amendment”)<sup>1</sup> and other amendments redefining the RIO’s purpose, reducing the minimum lot size, and building site area.

### **The 2019 RIO Amendments**

The May 2019 Special Town Meeting (STM) amended the RIO as part of a strategy to work with the developer of what is now The Bristol Wellesley and Terrazza Wellesley<sup>2</sup>. These multifamily developments were originally proposed in [Single and General Residence](#) Districts without the Town’s participation under Chapter 40B of the Massachusetts General Laws.<sup>3</sup> The developer did not require certain Town approvals because less than 10% of the Town’s housing stock met the definition of “affordable housing”.

Seeking to find a solution acceptable to the Town, the developer, and the community, the Select Board (SB) proposed significant changes to the RIO and to enter specific Development Agreements that would reduce the scope of the projects. Absent these actions the developer could have bypassed local zoning and constructed denser and much larger multi-family housing units than the current structures on each site. In addition to the 2019 Applicability Amendment, other proposed RIO changes included reducing minimum lot sizes from two acres to one acre and increasing residential density from 17 to 24 units per acre. Ultimately, this strategy succeeded: the May 2019 STM approved the RIO amendments, and the developer agreed to reduce the size and scope of the projects and withdrew the 40B application.<sup>4</sup>

While the May 2019 STM RIO amendments helped solve the immediate concerns with the Bristol and Terrazza projects, they went further. The expansion of the RIO to all zoning districts was considered and approved by the STM and Advisory. Advisory’s Reports provides the following Considerations and recommended STM pass the amendment by an 11-0 vote.<sup>5</sup>

Advisory members commended the Board of Selectmen and the Planning Board for their thoughtful evaluation of the existing RIO provisions, which had originally been drafted with a specific area of Town in mind. In the view of these members, the proposed amendments will allow greater flexibility in application of the RIO and thereby assist the Town in achieving its goals of increasing housing diversity and alternatives.

Several Advisory members responded to concerns that the proposed amendments could cause RIO developments to spring up in the future throughout the Town’s residential districts. These members emphasized that, before any future RIO project could proceed, Town Meeting must first approve, via a two-thirds vote, the application of the RIO District onto the parcels in question. No development pursuant to the RIO provisions can occur without prior Town Meeting approval. Other Advisory members pointed out that, by its terms, the RIO District is restricted to parcels that are ‘located in close proximity to the Town’s commercial districts and public transportation,’ a requirement that will limit its application to areas of Town suitable for denser development.

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<sup>1</sup> See Article 4 of the [Advisory Supplemental Report to the Special Town Meeting, May 13, 2019](#), page 4.

<sup>2</sup> See, [Advisory Report to the Special Town Meeting, May 13, 2019](#), Article 4, page 12.

<sup>3</sup> [Chapter 40B](#) was enacted to facilitate the construction of low- and moderate-income housing; to avoid perceived long delays in developers’ proposals to construct affordable housing; and to allow waiver of local zoning by-laws that are not “consistent with local needs.” It enables local Zoning Boards of Appeals (ZBA) to approve affordable housing developments under flexible rules (Comprehensive Permit) if at least 20-25% of the units have long-term affordability restrictions. Each community in the Commonwealth must strive to have 10% of their housing stock qualify as “affordable housing”.

<sup>4</sup> See, Advisory’s Supplemental Report to the Special Town Meeting, May 13, 2019 for a full description of the proposal, Advisory’s analysis of it, and copies of the Development Agreements.

<sup>5</sup> See Article 4 of the [Advisory Supplemental Report to the Special Town Meeting, May 13, 2019](#), page 5.

## **The Proponents' Rationale for Repealing the 2019 Applicability Amendment**

The Citizens' Petition makes several arguments for restricting the RIO to the eligible districts in the 1998 ZBL.

- Wellesley now meets the Chapter 40B 10% Affordability Threshold. The Proponent notes the need to expand RIOs to all zoning districts no longer applies because there is no threat of a 40B development outside of normal Town processes. Wellesley has met the 10% affordability requirement (as of February 2025, Wellesley is at 10.68%).
- The proponent notes extensive community concerns were raised during evaluation of recent development proposals in or near residential Zoning Districts.<sup>1</sup> While the circumstances of each proposal differed, and not all the proposals involve RIOs, a common thread of community feedback ran through all of them. They include proximity to and impact on Single and General Residence Districts, increased density on small parcels of land, preservation of land, the impacts of increased traffic on safety (pedestrian and vehicle) as well as increased congestion, the impact on schools and infrastructure, and changes to the character of established neighborhoods.
- The Town's passage of the MBTA Communities Law and Accessory Dwelling Unit Bylaw reduces the need for RIOs to provide multi-family housing in all Zoning Districts. The Proponent also emphasizes that the recent passage of the MBTA Communities Law allows for the building of 1,727 multi-family housing units near MBTA stations. Further, [Accessory Dwelling Units](#) are now allowed by right in all Single Residence Zoning districts. Given this increase in potential housing supply, the need to build multifamily units via RIOs in all Zoning Districts is not needed.
- RIOs are very time consuming for residents and town officials. Significant concerns have been raised regarding the amount of time spent by the SB, the Planning Board, the Advisory Committee, and Town employees, as well as the fear and frustration voiced by entire neighborhoods with the recent proposals.
- The 2019 RIO Amendment was passed with an understanding that approving a RIO would require a supermajority vote. In 2019, and as noted in the May 2019 STM Advisory report cited above, a RIO required a Town Meeting super majority vote of 66.6% for approval. Now, due to changes to Section 5 of the Mass Zoning Act, only a simple majority of 50% is required making it easier to pass RIOs in Residential Zoning Districts. Given this change, it is appropriate to revisit the 2019 Amendment.

## **The Planning Board Does Not Support the Citizens' Petition**

Planning Board members formally voted against the Citizens' Petition 4-0 at their February 13, 2025 meeting. One member indicated he would likely support it if other changes were made. Members expressed several concerns with Citizens' Petition, including:

- A desire to examine the RIO more holistically and then determine what, if any, changes are appropriate.
- Some members recommended waiting for the results of the Strategic Housing Plan prior to considering changes to the RIO.
- Some members favored retaining the ability to propose RIOs in all Zoning Districts, feeling it is appropriate to allow Town Meeting members to evaluate and vote on proposed RIOs.
- Some members noted there is a lack of land that can be developed if the zoning districts, in particular Single and General Residence Districts are excluded from the RIO, a view

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<sup>1</sup> The developments include 8 Cliff Road (multiunit housing development), 200 Pond Road (proposed senior living facility), proposed RIOs at 6 Washington Court and Walnut Street (multiunit housing developments), 125 Oakland Street (differing multiunit proposals within the Educational Zone). The 2024 ATM approved a RIO for the proposed development at the combined properties of 192 Worcester Street, 194 Worcester Street, and 150 Cedar Street. The property at 150 Cedar St. is in a Single Residence District abutting a Business District.

consistent with the rationale in 2019 to expand the RIO to all zoning districts to provide flexibility to address the Town's housing needs.

- Some members felt there are other ways to address residents' concerns with the RIO, for example, assessing whether the total number of allowable units per acre in a RIO could be reduced to address density concerns.

Of note, at the March 4, 2025 Planning Board meeting, the Board voted 4-0 to support the creation of a task force to review and recommend modifications to the RIO.

### **Advisory Considerations**

Advisory understands Article 42 seeks to limit Residential Incentive Overlays (RIOs) to their originally intended zoning districts. Supporters argue this responds to significant resident concerns about dense development in single-family neighborhoods, citing traffic, scale, infrastructure, and compatibility issues. They believe RIOs have allowed multifamily projects without sufficient community input and that ongoing efforts such as the approval of MBTA Communities zoning, commercial redevelopment, and accessory dwelling units, already support housing growth. They also warn that expanding RIOs could drive up housing costs by encouraging teardowns and large-scale developments - prioritizing profit over affordability.

Opponents argue restricting RIOs before the housing study is complete is premature pending the release of the planned Strategic Housing Plan and limits flexibility for future transit-oriented and affordable housing. They contend no immediate risk exists, as any RIO proposal requires Planning Board sponsorship and Town Meeting approval. They also note existing RIO projects, such as Terrazza and Bristol, have integrated well into the community. Additionally, they warn limiting RIOs could be viewed as anti-housing, potentially inviting state intervention in local zoning. Instead, they advocate for refining density rules, improving notification processes, and allowing the RIO task force to propose adjustments.

**Advisory recommends unfavorable action, 9 to 5.**

## GENERAL

**ARTICLE 43.** 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)**

Under this Article, the Select Board (SB) requests Town Meeting approve the rescission of \$967,345 of debt authorized for the construction of the Hardy Elementary School. Borrowing for the Hardy School Building Project was approved at the October 2021 Special Town Meeting (STM) under Article 3.

Town Mtg Vote	Project	Total Debt Authorized	Amt to be Rescinded
Art 3 – STM 10/2021	Hardy/MSBA	\$70,000,000	\$1,067,848

### Overview

In partnership with the Massachusetts School Building Authority (MSBA), the Hardy School Building Project was approved at the October 2021 STM and subsequently by town-wide debt exclusion vote in December 2021. Under the MSBA agreement, the Town is allowed to recoup up to 34.9% of the eligible costs. The total debt authorized for borrowing was \$70,000,000. The MSBA reimburses the Town for a portion of eligible project costs as invoices are paid. Reimbursements are paid monthly to the Town.

The Town periodically rescinds unused and no longer necessary borrowing authorizations. The rescinding of debt for this project is for monies that have never been borrowed. This ATM request to rescind debt marks the fourth (4<sup>th</sup>) rescission request of the Hardy School Project. ATM 2024 approved \$1,652,611, STM 2023 approved \$3,120,015, and ATM 2022 approved \$218,723, all are MSBA reimbursed funds. With the proposed amount to be rescinded at this ATM, total debt rescinded would be \$6,059,197.

The remaining debt authorization on the project will be approximately \$10.5 million after the rescission of the \$1,067,848. This will remain available until the Town feels it has completely completed the project including, but not limited to, receiving invoices, the first year or two of warranty work, etc. Under the original MSBA funding agreement it was expected that \$13-14 million would be proposed for the total rescindment. A recent provision of law provides supplemental MSBA funds to Towns with existing school building projects. This new provision will likely provide an additional \$2 million in MSBA reimbursements to the Hardy School Project, increasing the range for total rescindment to \$15-16 million.

The new Hardy School opened to students in the fall of 2024.

### Advisory Considerations

Advisory considers this action to be appropriate and prudent. Debt rescission is a standard housekeeping motion and reduces the amount to be borrowed.

**Advisory recommends favorable action, 13 to 0, with 1 recusal.**



**ARTICLE 44.** 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 45.** 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 \$50,000.00 (FIFTY 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 46.** 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)**

This Article requests Town Meeting approval providing the Select Board (SB) with authorization to appoint one or more of their members as fire engineers.

#### **Overview**

When dealing with administrative matters within the Fire Department, the Select Board (SB) is required to convene as the Board of Fire Engineers. The Board of Fire Engineers handles administrative matters within the Fire Department, including 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. Town Meeting must annually authorize the Select Board the authority to appoint members of the Select Board to the Board of Fire Engineers.

#### **Advisory Considerations**

Advisory is fully supportive of providing the SB authorization to appoint its members as fire engineers as it ensures critical Fire Department personnel and policy matters can be addressed with SB-appointed members convening as the Board of Fire Engineers. The request for authorization is a standard, annual Town Meeting action.

**Advisory recommends favorable action, 12 to 0.**

## REPORT OF THE CLIMATE ACTION COMMITTEE

The Climate Action Committee (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.

A brief timeline of Town Meeting climate action milestones:

- **2023:** Annual Town Meeting adopts the Municipal Opt-in Specialized Energy Code, a necessary step toward achieving net zero greenhouse gas (GHG) emissions by 2050. This code encourages electrification and avoids costly retrofits by requiring new buildings that are not all-electric to prewire for future electrification. The Specialized Code also offsets GHG emissions by requiring solar installation for some mixed-fuel projects (i.e., buildings with combustion equipment designed for fossil fuel use).
- **2022:** The CAC completes a Climate Action Plan (CAP), and Town Meeting approves a reporting line change for the Sustainability Director, who now reports to the Executive Director of General Government Services.
- **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. 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 making the Sustainable Energy Committee (SEC) the Climate Action Committee.
- **2020:** The town achieves the 25 percent emissions reduction goal due to 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 GHG 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.
- **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.
- **2010:** ATM establishes the SEC to lead efforts to accomplish the goal adopted at the 2009 Annual Town Meeting to reduce town-wide 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.

## MEASUREMENT OF 2023 EMISSIONS AND TRENDS

### Inventory Methodology Update

The GHG emissions inventory for 2023 reflects a new method (applied to all years reported here) for calculating on-road vehicle emissions. The on-road vehicle emissions were calculated based on annual vehicle miles traveled by vehicles registered in Wellesley using data from the Department of Transportation Massachusetts Vehicle Census. On-road emissions estimates will inform local policy, outreach, and incentives aimed at furthering sustainable mobility in Wellesley and lowering vehicle emissions.

## Preliminary Measurement of Emissions 2022-2023<sup>1,2</sup>

As shown in the table below, Wellesley's total 2023 GHG emissions decreased more than 6% from 2022 levels. Significant emissions reductions in 2022 can be attributed to a large decrease in natural gas use in the commercial sector and an increase in carbon-free electricity purchases by the Municipal Light Plant (MLP).<sup>1,2,3</sup> The percentage of non-emitting energy sources in the MLP portfolio increased from 55% to 62%. Emissions increased for college buildings as Wellesley College resumed using its natural gas cogeneration systems to generate heat and electricity for the campus to help with peak shaving during periods of highest electricity demand.

Preliminary Greenhouse Gas Emissions (CO <sub>2</sub> e) in metric tons <sup>‡</sup>						
	Share of Total 2023 Emissions	2023 Emissions	2022 Emissions	2022 - 2023 Percent Change	2007 Emissions	2007 - 2023 Percent Change
<b>Buildings</b>	<b>62.5%</b>	<b>119,813</b>	<b>133,894</b>	<b>-10.5%</b>	<b>255,941</b>	<b>-53.2%</b>
Residential	41.7%	79,912	83,326	-4.1%	138,172	-42.2%
Commercial	6.8%	13,115	24,753	-47.0%	61,421	-78.6%
College	12.2%	23,420	21,860	7.1%	48,747	-52.0%
Municipal & School	1.8%	3,366	3,954	-14.9%	7,601	-55.7%
<b>On-road Vehicles</b>	<b>31.8%</b>	<b>60,997</b>	<b>60,229</b>	<b>1.3%</b>	<b>72,938</b>	<b>-16.4%</b>
<b>Municipal Services<sup>§</sup></b>	<b>0.2%</b>	<b>412</b>	<b>468</b>	<b>-11.9%</b>	<b>2,369</b>	<b>-82.6%</b>
<b>Waste</b>	<b>5.5%</b>	<b>10,524</b>	<b>10,659</b>	<b>-1.3%</b>	<b>8,912</b>	<b>18.1%</b>
<b>Total Emissions</b>	<b>100.0%</b>	<b>191,747</b>	<b>205,250</b>	<b>-6.6%</b>	<b>340,160</b>	<b>-43.6%</b>
<b>Gas Leaks<sup>◇</sup></b>			<b>6,400</b>			
<b>Total w/Gas Leaks</b>			<b>211,650</b>			

<sup>‡</sup>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, annual on-road vehicle miles traveled using Registry of Motor Vehicle data, a mix of actual and estimated waste data, fuel efficiency of on-road vehicles, and conversion factors that translate energy use into GHG emissions. The methodology is guided by the U.S. Community Protocol for Accounting and Reporting of GHG Emissions established in October 2012, and results are calculated using ICLEI – Local Governments for Sustainability software.

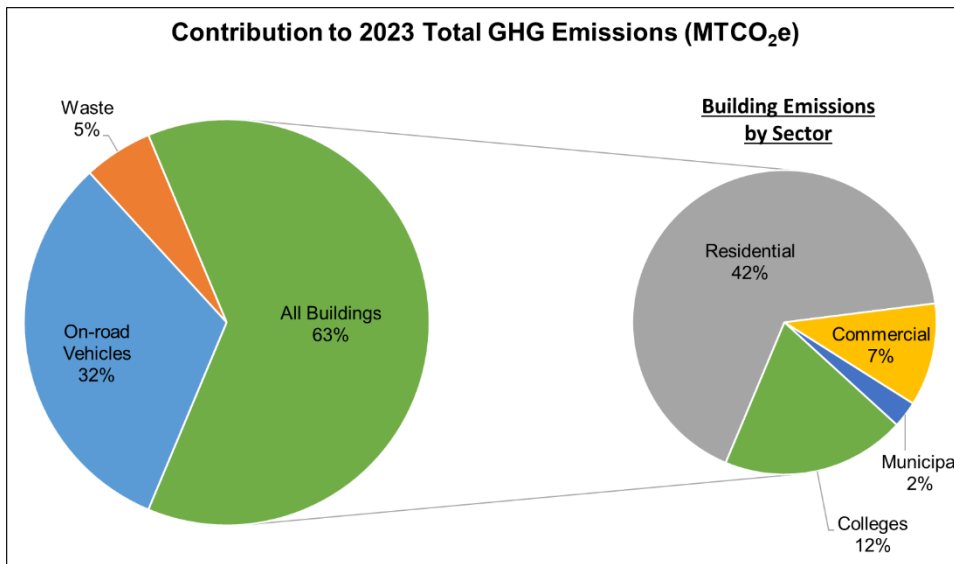
<sup>§</sup>Municipal services include water treatment, Recycling and Disposal Facility waste processing, as well as street, traffic, field, and municipal parking lot lights.

<sup>◇</sup>Gas leaks are not yet included in emissions totals used to track progress toward Wellesley's GHG reduction goals due to lack of data for the baseline year of 2007.

<sup>1</sup> GHG inventory results for 2023 and 2022 are preliminary since emissions factors for the electricity grid are updated annually with a two-year lag.

<sup>2</sup> Climate Action staff are working with National Grid to confirm the large decrease in 2023 commercial sector natural gas use.

<sup>3</sup> GHG electricity emissions factors for 2021 and 2022 were revised based on new reports from Massachusetts Department of Environmental Protection and updated information on MLP electricity purchases.



**Building** emissions decreased between 2022 and 2023 across all sectors except for colleges. As noted above, Wellesley College's use of natural gas for cogeneration was the main source of increased emissions in the college sector, though emissions remain well below 2007 levels. Commercial building emissions dropped by 47%, largely due to a 70% decrease in natural gas use.<sup>2,1</sup> The reason for this sudden, large reduction is not known because the Town receives aggregated natural gas use data from National Grid. Modest decreases in electricity consumption (1-5%) across each building sector combined with the lower GHG emissions factor for electricity in 2023 accounts for 33% of the reduction in total GHG emissions between 2022 and 2023. Note that a large portion of the municipal building electricity use reduction is due to the closure of the old Hunnewell Elementary School and Town Hall during construction.

**On-road vehicle** emissions for 2007-2023 were recalculated based on annual vehicle miles traveled (VMT) by vehicles registered in Wellesley. This method is now possible using Massachusetts Vehicle Census data recently made available by the Department of Transportation as well as 2009-2014 data available from the Metropolitan Area Planning Council. Some extrapolation is necessary to fill data gaps. For 2007, VMT is estimated to be the same as 2009, and for 2015, VMT is estimated to be the same as for 2014. VMT percentage by vehicle type for 2007, 2011, and 2015 is based on the average mix of fossil fuel vehicles for 2020-2023.

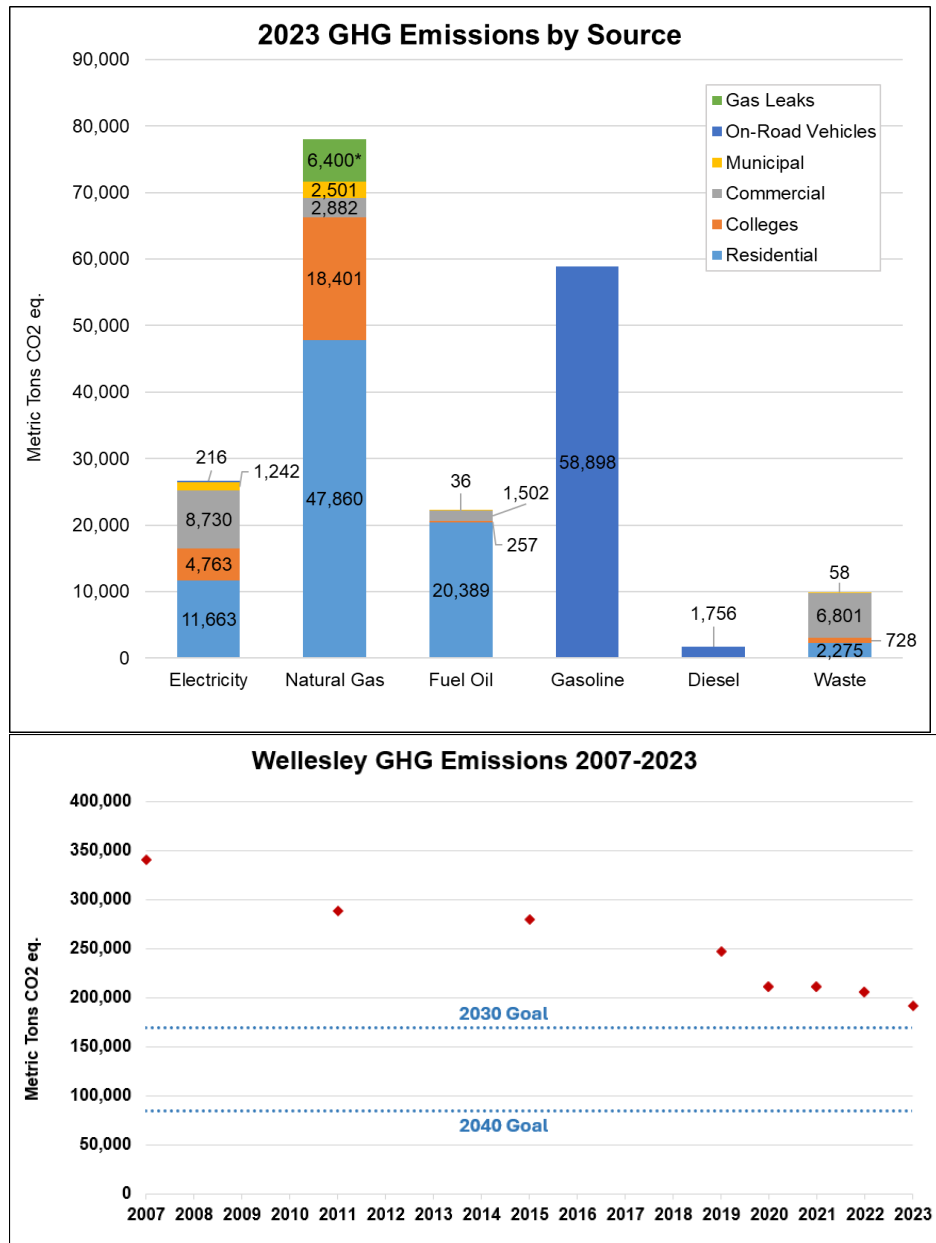
**Municipal service** emissions decreased by 12% in 2023 compared to 2022. This change reflects a lower emissions rate associated with electricity consumption, less electricity use for field lighting through installation of LED light fixtures, and reduced energy use due to changes in water treatment and distribution operations by the Department of Public Works.

**Waste sector** emissions dropped 1% from 2022 levels, driven by reductions in materials discarded by college (7%), commercial (5%), and municipal (6%) sectors. Residential waste tonnage and emissions rose by 16%. Waste is a small sector and tends to fluctuate with the economy, building demolition waste, and fees for waste disposal in Wellesley and the surrounding area.

**Gas leaks** are not yet included in emissions totals used to track progress toward Wellesley's GHG reduction goals due to lack of data for the baseline year of 2007. However, according to analyses

<sup>1</sup> [Mass Save data](#) also showed a large drop in town-wide natural gas use.

from the Home Energy Efficiency Team ([HEET](#)) at the end of 2022, Wellesley had 201 unrepaired gas leaks emitting an estimated 74 metric tons of methane annually, equaling 6,400 metric tons of carbon dioxide equivalents (MTCO<sub>2</sub> eq.). The volume of methane leaked was somewhat lower in 2023 than in 2022. Annually, gas leak emissions are approximately 1.5 times greater than municipal/school buildings and municipal services combined.



### 2007-2023 Emissions Trends

Significantly lower energy consumption, warmer than average winters, and large increases in MLP purchases of carbon-free electricity in 2023 resulted in emissions reductions of more than 40% compared to 2007 levels. While on-road vehicle emissions are rebounding after significant pandemic-related reductions in 2020 and 2021, the gradual shift to electric vehicles should

decrease on-road vehicle emissions. Reductions in building sector emissions are expected to continue. Long-term trends contributing to GHG emissions reductions since 2007 are listed below.

- **Decarbonization of the electricity grid:** Over the last 15 years, Wellesley MLP's electricity sources shifted from coal and oil to natural gas and included more non-emitting energy, lowering the emissions per unit of electricity by 74%.
- **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 2023 fell by 2.8% 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 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 most electricity from the Municipal Light Plant instead of generating electricity on-site.
- **Transportation:** The 16% reduction in on-road vehicle emissions in 2023 compared to 2007 is due to improved vehicle performance (57%), gasoline and diesel-powered passenger vehicle replacements with electric vehicles (32%), a reduction in annual vehicle miles traveled by Wellesley vehicles (9%), and a reduction in heavy duty diesel vehicles registered in Wellesley (2%).

Note that the 2023 and 2022 GHG emissions inventory results are preliminary since emissions factors for the electricity grid are updated annually with a two-year lag. In addition, CAC staff are investigating the large drop in 2023 commercial building natural gas use. The most up-to-date GHG emissions for 2007, 2011, 2015, and 2019-2023 can be found on the Town's Climate Action website at: <https://wellesleyma.gov/1126/Greenhouse-Gas-Emissions-Inventory>.

## COMMITTEE ACTIVITIES IN 2024 AND EARLY 2025

In addition to tracking and analyzing GHG emissions, the CAC collaborated with Town departments, boards, and committees to implement actions spanning all six pathways of Wellesley's Climate Action Plan.

### Governance

Since 2018, Wellesley earned nearly \$1 million in Green Communities grant funding. All Green Communities projects reduce the Town's operating costs. In 2024 the Town was awarded a \$500,000 Green Communities Building Decarbonization grant to support the all-electric renovation of the Warren Building. The CAC prepared this grant application with support from the Facilities Management Department.

The CAC led the development of the Town's application to the Department of Energy Resource's Climate Leader Program. This process included Zero-Emissions-Vehicle-First Fleet Policy (ZEV Policy) development and adoption. CAC staff also created, with help from FMD and DPW, a Decarbonization Roadmap, a planning tool that demonstrates how the municipality can bring its buildings and vehicles to net zero by 2050.

CAC staff continued to use MassEnergyInsight software to track municipal energy use and report results to the Department of Energy Resources.

The CAC publicized its “Climate Action - Be Part of It!” website and campaign to promote residential climate action in the areas of home weatherization, heat pump adoption/home electrification, solar installations, sustainable mobility, sustainable landscaping, and waste reduction. Initiatives included a heat pump webinar, Climate Café, tabling at several community events, programs at Wellesley Wonderful Weekend, an Electric Vehicle Showcase and Test Drive event (see below), a direct-mail postcard, and an evening at Wellesley Free Library entitled “Six Ways YOU can Save Money and the Climate.”

The CAC launched a Climate Action dashboard to track progress on CAP implementation. The dashboard details activities underway for the 90+ actions in the Climate Action Plan. The dashboard also tracks progress on 55 CAP metrics.

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.

## **Energy**

The CAC collaborates closely with the MLP on an energy coaching program, decarbonization audits, electric vehicles and charging infrastructure, renewable energy, and public outreach. These activities support the CAC’s efforts to encourage greenhouse gas mitigation and resilience town-wide.

## **Buildings**

The CAC partnered with HomeWorks Energy, a Mass Save® approved contractor, to invite Wellesley residents who are gas customers of National Grid to sign up for a no-cost home energy assessment via door-to-door canvassing and tabling at the Recycling and Disposal Facility. The goal of the program is to help Wellesley homeowners reduce their energy costs and climate impact by improving their home insulation and by converting to energy-efficient air source heat pumps, electric appliances and more. To date, HomeWorks has completed more than 200 home energy assessments.

The CAC leads a Building Working Group to address sustainable zoning, sustainable guidelines for municipal buildings, engagement with the Rocky Mountain Institute’s Building Electrification Accelerator, and building-related community outreach. With Building Working Group input, CAC staff identified ways to enhance the Municipal Sustainable Building Guidelines and began discussing potential improvements with Town staff.

The CAC leads the Building Energy Tracking and Reporting (BETR) program. BETR is a Town of Wellesley initiative to assist large commercial, multi-family, and institutional properties in Wellesley with lowering energy costs, making buildings more sustainable, and reducing GHG missions. The program has two components: energy tracking and reporting, and a Building Energy Roundtable. The CAC recruits participants, provides information and support regarding building energy tracking and reporting software, and hosts Building Energy Roundtable meetings.

**Mobility**

The CAC drafted and garnered support for a ZEV Policy from vehicle-owning boards. The CAC worked with the Finance Department to integrate this policy into the Town’s budget process.

In spring 2024, the CAC, MLP, Sustainable Wellesley, and Energy New England collaborated on a successful EV Showcase and Test Drive event at MassBay Community College. The event enabled residents to view and learn about many makes and models of EVs and plug-in hybrid electric vehicles (PHEVs) from dealers and from Wellesley residents who own these vehicles.

**Waste**

The CAC participates in the 3R (Reduce, Reuse, Recycle) Working Group which engages the CAC, DPW, Natural Resources Commission, and Sustainable Wellesley in sustainable materials management.

The CAC worked with the Department of Public Works to design and fill two new part-time Waste Reduction Coordinator positions. The CAC supported efforts by Wellesley Public Schools to pilot food waste diversion programs in the Middle School and High School cafeterias.

The CAC partnered with the Celebrations Committee, Department of Public Works, and Sustainable Wellesley to enhance materials management practices at the Wellesley Wonderful Weekend picnic.

The CAC is co-sponsoring 2025 ATM Warrant Article 35, also known as Skip the Stuff, to reduce waste created by single-use food service ware and single-serving packaged condiments. The proposed bylaw supports implementation of the CAP strategy to “Develop a culture that minimizes single-use products and packaging” and CAP action to “Explore and implement programs and/or regulations to minimize use of disposable, single-use products throughout town.” Skip the Stuff is co-sponsored by the Select Board and Board of Health and unanimously supported by the Board of Public Works and the Natural Resources Commission.

The DPW, RDF, and CAC are working with a class of students at Olin College of Engineering to identify opportunities to improve the Town’s waste management model.

**Conclusion**

Robust Climate Action Plan implementation continues with many actions underway through leadership from and collaboration with Town departments, boards, committees, residents, businesses, and institutions across Wellesley.

**CLIMATE ACTION COMMITTEE**

- |                   |                         |               |                |
|-------------------|-------------------------|---------------|----------------|
| Sue Morris, Chair | Ellen Korpi, Vice Chair | Sharon Clarke | Martha Collins |
| Mary Gard         | Lise Olney              | Madison Riley |                |



## REPORT OF THE COMMUNITY PRESERVATION COMMITTEE

The Community Preservation Act (G.L. c.44B) was enacted into law in September 2000. The Town of Wellesley was an early adopter of the CPA, voting to do so in November 2002. The CPA was designed to be a smart-growth tool to assist participating communities in the preservation of their open spaces and historic resources, to create and preserve affordable housing units in their communities, and to support outdoor recreation facilities. The CPA now has 200 participating municipalities with over 71% of Massachusetts residents now living in a CPA community.

The CPA created a statewide Community Preservation Trust Fund that is managed by the Department of Revenue and is funded through fees collected at the Registry of Deeds. Under the CPA, participating municipalities receive an annual distribution from that trust fund under a statutory formula, which is commonly referred to as the “state match.” In addition, CPA communities must place surcharge on their real estate taxes to fund a local Community Preservation Fund, with the amount of the surcharge limited to no more than 3%. Wellesley adopted the CPA as a 1% community, meaning that there is a 1% surcharge on our real property tax bills that funds Wellesley’s Community Preservation Fund. Wellesley receives its state match each year based on its status as a “1% community.”

While in the very early days when the number of adopting municipalities were measured in the dozens, the state match regularly ran as high as 100%. As the number of municipalities that have adopted the act has substantially increased, and as the fees collected at the registry have fluctuated, the level of the state match rate has decreased and also fluctuates year to year. The most recent state match was 18%, which the Town received in November of last year.

Wellesley’s Community Preservation Committee is a nine-member committee consisting of a representative from each of the Historical Commission, the Natural Resources Commission, the Planning Board, the Recreation Commission, and the Wellesley Housing Authority, as well as four additional members who are appointed by the Moderator. The CPC accepts and considers applications for CPA in four allowable areas: open space, historic preservation, community housing, and recreation. The CPC reviews these proposals and presents its recommendations to Town Meeting, which makes the appropriation.

When the CPC evaluates a request for CPA funding, it takes into consideration several criteria that go beyond just whether the proposal qualifies under the CPA. These include: Does the project preserve a resource or opportunity that would otherwise be lost to the Town? Will the project have a significant long-term benefit to the community? Does the CPA funding leverage other public or private funding? Does the project fit in with the Town’s long-range planning? Does the project have the support of other Town boards and committees? Will the project benefit a large cross section of the Town? Also, it is very important to note that CPA funds cannot be used for maintenance or for ordinary operating expenses.

For additional information on the CPA, the guidelines for communities and statutory requirements, surcharge information, and the Community Preservation Trust Fund account balances, please go to the following website: [www.mass.gov/lists/community-preservation-act-cpa-payments-decile-reports-and-other-information](http://www.mass.gov/lists/community-preservation-act-cpa-payments-decile-reports-and-other-information)

Since adopting the CPA over twenty-two years ago, Wellesley has generated more than \$31 million in CPA revenues inclusive of the state match, and the Town has approved over 100 CPA appropriations. The decisions of Town Meeting and of the voters to adopt the CPA has been and continues to be a great benefit to our community. To see a complete list of Wellesley’s CPA

projects, as well as other communities, please visit the Community Preservation Coalition's databank of projects on its website, <http://www.communitypreservation.org/databank/info>

**Wellesley CPA Financial Plan: July 1, 2025 to June 30, 2030**  
**March 10, 2025**

REVENUE	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	
Local Surcharge	\$1,610,373	\$1,658,684	\$1,708,445	\$1,759,698	\$1,812,489	\$1,866,864	\$1,922,869	
	102.8%	103.0%	103.0%	103.0%	103.0%	103.0%	103.0%	
State Match	\$329,314	\$290,306	\$248,803	\$256,267	\$263,955	\$271,873	\$280,030	
(match %)	21.0%	18.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Interest	\$626,928	\$200,000	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000	
Other Revenues								
Total	\$2,566,615	\$2,148,990	\$2,157,247	\$2,115,965	\$2,176,444	\$2,238,737	\$2,302,899	
APPROPRIATIONS	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	FY26 SOURCE
Administrative	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	Undesignated
Housing Task Force - Strategic Housing Plan	\$65,000							
NRC - Morses Pond Phase I Erosion Mitigation				\$150,000				
NRC / PBC - Beach & Bathhouse Study		\$925,000	\$168,000	\$5,000,000				Undesig - Open Space
NRC - Wight Pond Study (Land Acceptance)			\$72,000					Undesig - Open Space
REC - Pickle Ball Feasibility Study	\$70,000							
PFTF HS Track & Field (Phase II Bathrooms)		\$500,000						
DPW - Clock Tower Restoration				\$500,000				
SEL - Restoration of Weights & Measure Display Case (Approved at 10/2024 STM)		\$6,000						
Wellesley History Center		\$640,000						
Other Projects (FY2025 and future)	\$0	\$244,000	\$250,000	\$250,000	\$450,000	\$450,000	\$450,000	
Subtotal Open Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Historic	\$0	\$646,000	\$0	\$500,000	\$0	\$0	\$0	
Subtotal Community Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal Recreation / Undesignated	\$135,000	\$1,425,000	\$240,000	\$5,150,000	\$0	\$0	\$0	
Other TBD	\$0	\$244,000	\$250,000	\$250,000	\$450,000	\$450,000	\$450,000	
Admin	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Total	\$235,000	\$2,415,000	\$590,000	\$6,000,000	\$550,000	\$550,000	\$550,000	
North 40 Borrowing \$10,000,000								
Debt Service on North 40 Debt Service to 2045	\$550,644	\$550,644	\$550,244	\$549,444	\$553,244	\$549,394	\$550,394	Undesignated
Planned Reserve Appropriations	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	
Open Space Reserve (satisfied by debt service)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Historic Reserve	\$220,000	\$220,000	\$225,000	\$230,000	\$235,000	\$240,000	\$245,000	
Community Housing Reserve	\$220,000	\$220,000	\$225,000	\$230,000	\$235,000	\$240,000	\$245,000	
Total Approp for Reserves	\$440,000	\$440,000	\$450,000	\$460,000	\$470,000	\$480,000	\$490,000	
Fund Balances	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2026</u>	<u>6/30/2027</u>	<u>6/30/2028</u>	<u>6/30/2029</u>	<u>6/30/2030</u>	
Encumbered	\$3,904,674	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
Open Space Reserve	\$10,277	\$10,277	\$10,277	\$10,277	\$10,277	\$10,277	\$10,277	
Historic Reserve	\$880,413	\$1,105,413	\$835,413	\$1,070,413	\$1,310,413	\$1,555,413	\$1,805,413	
Community Housing Res	\$1,815,565	\$2,040,565	\$2,270,565	\$2,505,565	\$2,745,565	\$2,990,565	\$3,240,565	
Specific Reserves	\$2,706,255	\$3,156,255	\$3,116,255	\$3,586,255	\$4,066,255	\$4,556,255	\$5,056,255	
Undesignated	\$5,464,886	\$6,017,633	\$1,665,436	\$2,208,156	\$2,805,206	\$3,453,549	\$4,155,742	
Total Available	\$8,171,142	\$9,173,888	\$4,781,691	\$5,794,412	\$6,871,461	\$8,009,804	\$9,211,997	
Total Assets	\$12,075,816	\$11,173,888	\$6,781,691	\$7,794,412	\$8,871,461	\$10,009,804	\$11,211,997	

In FY 24, Wellesley's CPA revenue totaled \$2,566,615. Revenue from the local real estate tax surcharge was \$1,610,373, and the state match was \$329,314. In addition, the fund's annual revenues were also enhanced by much greater than anticipated interest earnings of \$626,928. While welcomed, we are still taking a very conservative approach to the state match and interest earnings in our projections for the coming fiscal years.

At the 2025 ATM, the CPC plans to recommend CPA appropriations under Article 17 totaling \$790,000, with an additional appropriation of \$550,244 from the CPA fund under Article 8 for the FY 26 debt service on the funds borrowed for the 2015 purchase of the North 40. Thus, the total recommended CPA appropriation for the 2025 ATM is \$1,340,244.

**Proposed Actions for the 2025 ATM: Article 17**

**Motion 1: Administrative Funds and Appropriations to Designated Reserves**

**Total Recommended Appropriation under Article 17, Motion 1: \$550,000**

The CPC requests the following appropriations (based upon estimated FY 26 revenues of \$2,157,247):

- \$100,000 for administrative funds (4.6% of estimated FY 26 revenues);
- \$225,000 to be appropriated to Historic Resources Reserve (10.4% of estimated FY 26 revenues); and
- \$225,000 to be appropriated to Community Housing Reserve (10.4% of estimated FY 26 revenues).

The CPA provides that communities may appropriate up to 5% of estimated revenues for the administrative purposes of the CPC, and its uses may include consultant or professional services related to potential CPA projects, the salary of a part-time administrative assistant for the CPC, membership dues in the Community Preservation Coalition, and other administrative expenses. Any unused monies will revert to the CPA undesignated balance at the close of the fiscal year.

The CPA requires that participating communities annually appropriate or reserve for future use a minimum of 10% of estimated future revenues for three designated purposes: community housing, historic resources, and open space. The CPC is recommending an appropriation of \$225,000 each to the Community Housing and Historic Resources reserves. The requirement of a minimum appropriation for Open Space is being met by the FY 26 debt service payment of \$550,244 from CPA funds that was part of the Article 8 appropriations.

**Motion 2: Morses Pond Bathhouse and Beachfront Project – Supplemental Feasibility Study (Sponsor: NRC)**

**Total Recommended Appropriation under Article 17, Motion 2: \$168,000**

The CPC requests an appropriation of \$168,000 to the FMD, with the expenditures to be under the direction of the NRC, for a supplemental feasibility study of the Morses Pond Bathhouse and Beachfront Project (the "Project").

Based upon an estimated by Weston & Sampson, the supplemental feasibility study shall address concerns about the Project that emerged since last year's town meeting, and it shall include:

- Soil borings and topographical analysis to inform extent of ADA/MAAB impact
- Extent and impact of pedestrian/vehicular circulation (footpaths, driveways, parking lots).
- Stormwater management assessment and potential mitigation considerations

- Tree, vegetation, and habitat evaluation and potential mitigation considerations.
- Site and safety lighting assessment.
- Bathhouse and playground's final size, location, program, operation needs, safety and code requirements, potential for changes in use in the future, utilities, materials, sustainability, construction means and methods,
- An updated Conceptual Site Plan and Building Plan reflecting final scope of the project.
- An updated project budget and schedule as result of the Study.

Ordinarily, the monies appropriated at the annual town meeting are not available to be spent until the start of the next fiscal year, July 1. The CPC, however, can include as part of its recommended appropriation a provision that the monies appropriated are made available at the close of town meeting, which we are doing so here. This will provide the project with a two-month head start and, CPC hopes, enable Weston & Sampson to do as much of the site testing that might otherwise be delayed when the site is an active beach before the beach season begins.

While the CPC is disappointed that the construction of this project will be delayed, the clear ethos of the Town in its many capital projects over the decades decades has been to spend as much time and money to fully study and address the concerns of all relevant boards and constituencies before the first shovel is put to the ground. This is the latest example of the Wellesley process working in its way. As we look at the what the Town has built or substantially renovated and modernized in the last 25 years or so, this has resulted in the stellar Town assets that meets the needs of our community, and these projects were completed at or, in some instances, under budget. We believe that this will result in a similar outcome for the Morses Pond Bathhouse and Beachfront Project, which the Town very much needs. The current bathhouse was built nearly ninety years ago and faced a beach that in the early seventies was moved by the Town to behind the building, it is no longer adequate to meet the needs of the Town. and the commitment remains here to build a facility that meets the needs of our community today and for the next fifty years (or, perhaps, the next ninety, as well).

The CPC voted unanimously to recommend this appropriation to Town Meeting. Since at least the 2018 ATM appropriation of \$40,000 in CPA funds for a needs assessment of the Morses Pond Beach, the CPC has been a strong supporter of the Project, as has the Town. While the additional delay itself was not desired, the CPC also recognizes that it is critical that the Town gets it projects right. Meanwhile, the CPC remains steadfast in its support of the project and for this vital resource of our community, and it looks forward to Wellesley's CPA funds to be a significant part of the funding for the construction of new Morses Pond Beach facility.

### **Motion 3: Wight Pond Feasibility Study**

**Total Recommended Appropriation under Article 17, Motion 3: \$72,000** (Sponsor: Trustees of Carisbrook-Wight Pond with the support of NRC)

The CPC requests an appropriation of \$72,000 to the NRC for a feasibility study of a proposed acceptance by the Town of Wight Pond and its adjacent land as a gift by the Trustees of the Carisbrook-Wight Pond Trust (the "Trust"), including studies to evaluate its conditions.

Wight Pond is located at 25 Hundreds Road and lies within a 5.5 acre parcel, which is near the Wellesley Farm Train Station. The pond covers approximately 3.5 acres of the parcel. The parcel is held by the Trust that was created in 1955, and the beneficial interests are held by the owners of the abutting properties.

The Trustees have in the past explored with the NRC donating the pond and its adjacent land to the Town, but this time all of the beneficial owners are now in support of the proposed transfer to the Town.

The Town, of course, needs to do its due diligence before accepting what would be a generous gift to the Town. As part of that process, this appropriation will provide the funding for necessary studies, including conducting a land survey; conducting an environmental assessment of past uses (no testing); examining invasive plants on the land and estimate the costs of their removal; document costs and liability of managing the land portion of the property; conducting site visit(s) to assess the structural integrity of visible drainage system and culvert to Plant Station Pond; conceptual drawing and estimating the cost of a walking path around the pond; water testing for chemical contamination and invasive plants with estimated removal costs; and conduct a wildlife survey.

The Town has been presented with a rare opportunity to add a limited precious resource to its ownership – open space. The CPC voted unanimously to recommend this appropriation to Town Meeting, as it provides the funding to evaluate this potential addition to the Town's Open Space, for which we would be grateful to the trustees and the beneficial owners.

### **The Future**

Later in the 2025 Annual Town Meeting, the Select Board will be presenting a set motions to Town Meeting that would establish the Wellesley Affordable Housing Trust (WAHT). In the past, the CPC was an active supporter of the Wellesley Housing Development Corporation and CPA funds were a major source of its funding. The CPC is very excited about this next phase in the Town's commitment to affordable housing in our community, and is looking forward to engaging with the WAHT in its efforts to address these needs.

In the 2023 ATM, Town Meeting empowered the Select Board to petition the state legislature for a Special Act that would allow the Town of Wellesley to appropriate CPA funds to the Wellesley Housing Authority (WHA) for use on rehabilitation and restoration projects at WHA properties. Under the CPA, Wellesley could not use CPA funds for those uses because the WHA properties were not acquired or created with CPA funding.

Last summer, the Legislature passed, and the Governor signed an amended version of the Special Act. In addition to allow Wellesley to use its CPA funds for use on rehabilitation and restoration projects at WHA properties, as amended, the Act also requires that for every dollar appropriated for this purpose, we must also appropriate an additional dollar to the Community Housing reserve. We very much welcome this Special Law and look forward to working with the WHA to better serve those members of our community who reside there. We are also very appreciative of the active support and guidance of Representative Alice Peisch and Senator Cynthia Creem in bringing this bill into law.

While it now appears that the Morses Pond Bathhouse and Beachfront Project will not be ready with bids in hand for Town Meeting consideration of actual construction until sometime in calendar 2027, the CPC has planned since the beginning of the project that a major source of the construction funds would come from CPA funds. The CPC has carried as a placeholder the sum of \$5 million for the CPA contribution to the project, but it recognizes the supplemental feasibility study will develop updated construction estimates, the CPC will look to adjust the CPA fund contribution, as would the Select Board in the Capital Budget.

The CPC can report that there has been some progress in the discussions with the Select Board regarding the placement of the CPA required conservation restriction on a portion of the North 40.

With the guidance of the NRC, CPC has submitted a suggested map to the Select Board that, in part, provides greater protection to the vernal pool and its connected environment, as well as submitting a suggested draft conservation restriction and permitted uses. The CPC looks forward to assisting the Select Board as it brings this process to its conclusion.

Finally, but hardly least, the CPC is very fortunate to be able to work with Wellesley's excellent staff in many Town departments, and we greatly appreciate the extraordinary efforts that they make for this committee and for the Town. Without them, we could not do what we do. We also have the pleasure of working with a wide cross section of elected officials and committed citizen volunteers, who contribute hundreds of hours to make Wellesley the community that it is. Together with the collegiality of the members of the committee itself, being a member of the CPC is a very enjoyable opportunity to be of service to the Town, and we are grateful for that.

Respectfully submitted,  
Stephen Murphy, Chair (Moderator appointed)  
Mason Smith, Vice Chair (Moderator appointed)  
Barbara McMahon (Moderator appointed)  
Allan Port (Moderator appointed)  
Bea Bezlamirovic (Natural Resources Commission)  
Mark Carney (Planning Board)  
Janic Coduri (Wellesley Housing Authority)  
Mark Wolfson (Recreation Commission)

## **MUNICIPAL LIGHT PLANT BOARD**

The Municipal Light Plant ("MLP" or "Department") is an independent Town department established and governed by Massachusetts General Law, Chapter 164. The Municipal Light Board ("Board") is comprised of five members, three elected members that also serve on the Board of Public Works, Ellen L. Korpi, Scott Bender and Jeffrey P. Wechsler, and two members appointed by the Select Board, Paul L. Criswell and Ned Hall. The Department's Mission and Vision Statement guide the Board members and employees of the MLP when making decisions on how to manage our business:

### **Mission Statement**

The Wellesley Municipal Light Plant ("WMLP") implements best business practices to protect the safety of our employees and the public, deliver environmentally sustainable and highly reliable electricity and commercial internet services at competitive rates and provide financial and in-kind support to the Town. The WMLP conducts its affairs in a socially responsible and ethical manner, with respect for our many stakeholders.

### **Vision Statement**

The Wellesley Municipal Light Plant strives to be the municipal power and commercial internet services, distribution organization most admired in the industry for its record of safety, reliable and competitive rates, commitment to reducing greenhouse gases and its financial and infrastructure support to the Town.

### **Safety**

The MLP continues to make safety the highest priority for the staff and the community we serve. At the end of FY24, the MLP completed 1260 days without a lost-time accident. The internal Safety Committee meets monthly and discusses safety areas that need improvement, in addition to addressing feedback and concerns brought up by employees.

### **Financial Results**

The MLP Net Income before Town voluntary contribution payment was \$6,845,115 in FY24. With a \$1,000,000 Town voluntary payment, the Total Net Income was \$5,845,115. The Net Income before the Town payment was budgeted to be \$2,793,729. The positive variance was driven by a decrease in FCM costs vs. budget and an increase in Non-Operating Income from the MLP additional business ventures.

The \$1,000,000 voluntary contribution is the highest as a percent of revenue among Massachusetts' 40 electric municipalities and approximately \$250,000 more than an investor-owned utility would pay in real estate taxes.

The MLP continues to maintain low electric rates relative to peers as well as a Standard & Poor's credit rating of "AA Stable."

### **Sustainability**

The MLP continues to work towards meeting or exceeding the greenhouse gas ("GHG") emissions reduction targets set by the State and locally by the Town through the Climate Action Plan. With a non-carbon-emitting energy supply portfolio of 58.6% in CY22, 62.4% in CY23 and 79% in CY 24 WMLP already meets the State's 2030 target of 50%. We plan to continue to accelerate our power supply decarbonization schedule as well as motivating additional beneficial electrification projects.

Partnering with Citizens Energy, in 2024, a 4.99 MW/15 MWH energy storage facility was interconnected with the WMLP distribution system. This system will enable us to lower our peak demand, which will lower our capacity costs. WMLP has entered into a shared savings agreement which is forecasted to yield \$8,000,000 in avoided capacity cost over the life of the system. In addition, lowering our peak demand is expected to reduce the carbon impacts of our energy purchases.

The MLP is currently negotiating a Power Purchase Agreement with the commercial developer of the Wellesley Park 9 site that would support the installation of 597 kW DC of solar power. The MLP continues to support new solar installations on both residential and municipal addresses in Wellesley. In 2024, the MLP updated the solar incentive program.

Beneficial electrification projects encourage customers to transition from fossil energy sources to electric, which reduces carbon impacts. For FY24 these projects included:

#### Electrification and Efficiency Incentives

The MLP increased the heat pump incentive for oil conversions to a maximum of \$10,000 to match the MassSave rebate for gas conversions. In FY23, 224 residents requested heat pump consultations from our service provider, Abode, and 32 heat pump systems were approved through this service. The MLP also launched its whole-home decarbonization program to support and expedite decarbonization of non-gas customer homes in Wellesley. In addition to traditional weatherization, efficiency, and upgraded heating and cooling system recommendations, these energy assessments include a separate section with a strategic electrification roadmap and a carbon offset summary for any recommended changes.

#### Drive Electric Promotions

On May 9<sup>th</sup> 2024, at MassBay Community College, the MLP sponsored EV Ride & Drive events promoting EV adoption. Our event was well attended with eight (8) dealers and 11 EV test drive vehicles. 47 individuals scheduled test drives, many of whom test drove several EVs. Sustainability staff from Needham, Weston, and Ashland visited the event to see “how it is done.” Feedback from attendees was overwhelmingly positive, though a surprising number of survey respondents said they were unaware of MLP, state, and federal rebates. For next year’s event, we will focus more on education about the many EV options available – rebates/incentives, charging technology, availability, and best practices.

#### Demand Management

The MLP continued public outreach/community engagement through partnerships with the Wellesley Climate Action office, Wellesley Police, Sustainable Wellesley, and the Town Public Information Officer to educate residents about decarbonization goals and strategies, and the importance of peak reduction and load leveling.

#### Reliability:

Businesses and residents continued receiving reliable electric service in FY24. The System Average Interruption Duration Index (“SAIDI”) of 38.5 minutes placed the MLP among the most reliable electric systems. A 38.5- minute SAIDI would indicate that, on average, an MLP customer was without electricity for slightly more than thirty-eight minutes this past fiscal year. The MLP had a total of 33 outages in FY23, compared to 38 outages during FY22. It is important to mention that 75% of the total number of outages during FY23 were either caused by animal, tree, or weather-related events. The MLP continues to work on ways to mitigate the causes of outages in the system and to make it more robust to withstand adverse weather events.



The Board is confident the MLP is well-positioned to continue providing highly reliable electric service at competitive prices for the foreseeable future while exceeding the State and Town's Climate Action GHG reduction goals.

### **Other Accomplishments**

#### Automated Meter Infrastructure (AMI):

The Department is replacing its outdated meter reading technology with a new system that will enable automated, real time, and on demand measurements of energy use. Throughout the calendar year the department has replaced nearly 85% of the meters and fully expect to be completed in CY 25. Completion of this project will give Wellesley residents greater insights on energy consumption, and an outage management systems that improve service delivery and reliability.

#### Commercial Internet:

The MLP's Commercial Internet Service continues to provide a faster, more reliable internet service to Wellesley businesses at a competitive price. FY24 ended with a customer count of 175 businesses, over a 91% increase in the number of customers since FY20. To minimize financial risks, the staff targets customers in those locations where the MLP has existing fiber optic cable.

#### Succession Planning and Staffing

The Municipal Light Plant, over the years, has established a standard of excellence in all that it does to serve the Town of Wellesley. That standard of excellence has been obtained and fortified by the many people who over the years have served as the staff of the MLP. From Customer Service to Engineering and Operations, the Municipal Light Plant has had a history of being staffed with people that are very committed to the Vision and Mission of the MLP and that continues to be a priority moving forward. It is essential for the MLP to continue making sure it is properly staffed for current and future operations. FY24 was a year of change, with the addition of a new Director, Assistant Director, Supervisor Electrical Engineer, two Apprentice Lineworkers and, a Fiber Technician the MLP is well positioned to meet its goals. The Department continues to evaluate future staffing needs of the organization to accommodate all the present and future areas of demand of the department in the most effective way.

Wellesley Municipal Light Board,  
Ned Hall, Chair

## **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 may also appoint a Landscape Advisory Committee, a Long-Range Planning Committee and other committees as/when required.

The department is currently staffed by four full-time employees including the director, the wetlands administrator, secretary, and environmental education, outreach and compliance coordinator. 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-seven miles of trails in Town, twenty-nine 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 or as liaisons to the Community Preservation Committee (CPC), the Trails Committee, the Playing Fields Task Force, the Climate Action Committee, the Mobility Committee, and other committees as needed.

### **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 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.
- Identify and address Wellesley's gas leaks.
- Advocate for legislation that supports these goals.

Each of these goals relates to action and policy recommendations explicitly outlined in the Unified Plan and the Climate Action 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.

The NRC is currently developing a Land Preservation Plan. Given recent missed conservation opportunities, the NRC believes a comprehensive, Town-wide plan is of great value. By engaging in a Town-wide planning process and building consensus upfront, the Town will be best prepared to conserve open space. The best time to conserve is proactively – not when development is imminent, and costs are high. The Land Conservation Plan will position the Town to achieve this. The NRC carries out its mission of Stewardship, Education and Advocacy in the following ways:

### **ENVIRONMENTAL EDUCATION OUTREACH and COMPLIANCE (EEO&C)**

Throughout the year, the NRC continued to offer environmental educational 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, participation in Elm bank's festival of trees, and the Wellesley parade, and coordination of the annual citizen-scientist City Nature Challenge campaign.

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 EEO&C Coordinator to learn more about our diverse and customizable program offerings. Please subscribe to our monthly Newsletter at [www.wellesleyma.gov/NRC](http://www.wellesleyma.gov/NRC).

Finally, the EEO&C coordinator helps ensure compliance with various Town bylaws and policies related to public tree and wetlands resource area protection, and private encroachment on public land. The NRC has recently started a project to develop an encroachment identification and monitoring program, with the goal of mitigating encroachments on NRC land as detailed in the Town's Policy for Encroachments on Town Land.

### **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:* Members of the NRC approved new LED field lights at the Hunnewell Track and Field, and the high school teams played under the lights in the fall. The NRC worked with the School Committee to create policies for the use of the lights and sound system. NRC Members have also been working with the Schools' Athletics Department and School Committee to complete the design and construction of new team rooms and restrooms at the field.

*Morses Pond Beach Improvements:* The NRC works closely with the 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 and treatment. The NRC is also taking the lead on proposed building and landscape

renovations at the Morses Pond beach area, and will be requesting an appropriation from the CPC for a supplemental feasibility study for the project.

***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. Initial sampling and permitting for dredging of Reeds Pond and Duck Pond are underway.

### **Ongoing:**

***Lawn Conversion:*** The Natural Resources Commission requested CPC funding to create biodiverse 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). DPW staff and volunteers prepped the area adjacent to the Main Library and planted over 5,000 new trees, shrubs grasses and wildflowers.

***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 provides recommendations to achieve these goals by examining field demand, scheduling and 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.

### **Ongoing Land Stewardship**

***Tree Planting Program and 41st 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. 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 forty-first consecutive year in June of 2024. Any resident may contact the NRC to request the installation of a free public shade tree under the tree program to help maintain the Town's tree canopy.

***Brookside Community Gardens and the Weston Road Garden Club:*** The NRC staff continues to coordinate Brookside Community Gardens and the Weston Road Gardens. In the summer 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.

*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 has extended the knowledge gained from this work to our other parks and open space such as the Morses pond shoreline, and North 40 Vernal pool.

*Morses Pond Restoration Project:* The Comprehensive Plan for the Management of Morses Pond was originally formulated and funded in FY2007 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 design, construction, 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 fifteenth 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 three seasons, has been exceptionally challenging due to warmer winters. The large harvester, purchased in 2007, was replaced this year and funded by the Community Preservation Committee in 2021/2022. This winter, new housing and pumps will be installed at the pond, along with new controls to better treat incoming stormwater. 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.

## **TRAILS COMMITTEE**

Committee members monitor assigned trails, perform basic trail maintenance, check trail markers, fill map pamphlet holders, and replenish doggie bag dispensers. The Trails Committee also plans improvements and develops new trails to augment the network. During the last year we have completed the following projects and outreach initiatives:

## **Projects**

- In memory of John Schuler, the John G. Schuler Path was created along the Charles River marked with a plaque mounted on a stone reading: "In appreciation of John G. Schuler, the visionary behind Wellesley's expansive network of wooded trails. His work began in 1975 and continued for almost a half a century, supporting public access to open space across Town."
- Advocated for restrictions on the proposed sale of the Sisters of Charity property to protect Centennial Reservation woods, wildlife, trails, and use by future generations.
- With the renewed interest in the future of the North 40 land, we ran walks for the public and Town Departments to encourage retaining the land as open space for passive recreation.
- Received DCR permission to add the Charles River Reservation Trail at the Wellesley Office Park to our list of woodland trails, and we have marked the trail with our directional arrows.
- Refurbished the hand carved Brook Path sign on State Street.

## **Outreach**

- Have ramped up our attendance to trail walks since the Covid pandemic, and we are now offering walks on week days.
- Kid's Trail Day at Morses Pond attracted 50 kids walking the trails in search of treasure boxes.
- An Eagle Scout candidate constructed a three-section bog bridge at Centennial Reservation across a wet and muddy trail section and improved trail drainage.

## **WELLESLEY WETLANDS PROTECTION COMMITTEE**

The NRC serves as the Conservation Commission for the Town of Wellesley and per Chapter 555 of the Acts of 1978 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. This year, the NRC proposed two changes to the Town bylaws. Approved at the Special Town meeting, the first confirmed the specific fine associated with a violation of the Wetlands Bylaw (Article 44) to remove any ambiguity. The second identified the WPC and its agent as the issuing authority for those fines to streamline the issuance of fines and correction of violations. The WPC continues to review its Rules and Regulations for consistency and clarity, and this year considered including Climate change adaptation in the interests and values protected under our bylaw.

## **APPRECIATION**

The NRC thanks the many volunteers who help protect and maintain Wellesley's open space and natural resources.

## REPORT OF THE PLANNING BOARD

In accordance with the provisions of Section 6.4, *Notice of Public Hearings*, of the Zoning Bylaw, and Chapter 40A of the General Laws of the Commonwealth of Massachusetts, the Planning Board convened a duly advertised public hearing on:

- (i) Thursday, February 13, 2025, on the proposed amendments to the Zoning Bylaw as contained in the Warrant for the April 1, 2025 Annual Town Meeting (Articles 34, 38, 39, 40 and 42)

Following the closing of the public hearing on Articles 34, 38, 39, 40 and 42 and as further required by the Zoning Bylaw and General Laws of the Commonwealth of Massachusetts, the Planning Board voted at the February 13, 2025 meeting approving Articles 38, 39, 40 and voted unfavorable action on Article 42.

### **Article 34 – Wellesley Affordable Housing Trust (Replacing the Term “Wellesley Housing Development Corporation” to “Wellesley Affordable Housing Trust”)**

#### **Final Recommendation - Adopt (Planning Board votes 4-0)**

The Planning Board co-sponsored this Article with the Select Board and the Housing Development Corporation. The Planning Board is supportive of replacing the term “Wellesley Housing Development Corporation” with “Wellesley Affordable Housing Trust” in the three instances it appears in the Zoning Bylaw (Section 3.6 Smart Growth Overlay Districts and Section 5.7 Inclusionary Zoning).

### **Article 38 – Amend Section 1.4 Restrictions Affecting All Districts**

#### **Final Recommendation – Adopt (Planning Board votes 4-0)**

Article 38 is sponsored by the Planning Board and seeks to amend Section 1.4 Restrictions Affecting All Districts by allowing the temporary placement of a mobile home on the lots of a residence that has been destroyed by a fire or natural disaster, as required by state law. At present, Section 1.4 states that “no land shall be used, in any part of the Town...” inclusive of the following “for the parking, keeping or storing of a mobile home or house trailer.” During a recent review of the Town’s Zoning Bylaw by the Attorney General’s Office for compliance with the MBTA Communities Act, the Attorney General’s office noted that this section of the Town’s Zoning Bylaw was not in compliance with state law in this regard.

To correct this discrepancy, the Planning Board is proposing to amend the bylaw by adding a reference to Mass. General Law Chapter 40A Section 3 that allows the owner and occupier of a residence which has been destroyed by a fire or natural disaster to place a manufactured home on their lot for a period of no more than twelve months while the residence is rebuilt.

The Planning Board believes that this Article is a “housekeeping item” and that it is a best practice for our written zoning bylaws to be consistent with state law. Therefore, the Planning Board supports the amendment under Article 38 by a vote of 4-0.

## **Article 39 – Amend Section 3.7 Flood Plain or Watershed Protection Districts**

### **Final Recommendation – Adopt (Planning Board votes 4-0)**

Article 39 is sponsored by the Planning Board and seeks to amend Section 3.7 Flood Plain or Watershed Protection Districts by adopting certain provisions of the most recent version of the Massachusetts 2020 Model Floodplain Bylaw as well as new FEMA Flood Insurance Rate Maps (FIRM) and Flood Insurance Study (FIS). The adoption of this article will bring the Town into conformity with the requirements of FEMA's National Flood Insurance Program (NFIP), as administered by the state Flood Hazard Management Program (FHMP).

This bylaw was most recently amended at the 2022 Annual Town Meeting to adopt provisions of an earlier version of the Massachusetts 2020 Model Floodplain Bylaw. At that time, it was expected that new, final FEMA flood maps would be released in late 2022 or early 2023; however that did not occur.

Since the 2022 Annual Town Meeting, FEMA released revised FIRMs and a revised FIS. Additionally, an updated version of the Massachusetts 2020 Model Floodplain Bylaw was also released, necessitating further amendments to the Town's Floodplain Bylaw. The proposed, amended

Floodplain Bylaw makes the following required changes to the current Section 3.7:

- Addition of six specific definitions required by the state's model bylaw
- Reference to the updated FIRMs and FIS
- Further restrictions on encroachments in floodways
- Deletion of outdated state and federal reporting agency addresses
- Addition of a disclaimer of liability

The amendments to the bylaw are intended to minimize the impacts of flooding in the community and to ensure that property owners have the opportunity to purchase federal flood insurance through the NFIP. If the Town does not adopt floodplain regulations that conform to the state's model bylaw and adopt the new FEMA flood maps before July 8, 2025 (the effective date of the new maps), affected citizens in Wellesley will likely not be able to participate in the NFIP.

The Planning Board believes that the adoption of the article is essential to remain in compliance with federal and state law and to allow residents to continue to purchase flood insurance through the National Flood Insurance Program. Therefore, the Planning Board supports the amendment under Article 39 by a vote of 4-0.

## **Article 40 – Amend Section 5.13 Accessory Dwelling Units**

### **Final Recommendation – Adopt (Planning Board votes 4-0)**

Article 40 is sponsored by the Planning Board and seeks to amend Section 5.13 Accessory Dwelling Units to comply with recent amendments to Mass. General Law Chapter 40A as a result of the Affordable Homes Act of 2024. This Act allows Accessory Dwelling Units (ADU) by-right in all zoning districts that allow single-family dwellings state-wide, effective February 2, 2025.

To bring the Town's ADU bylaw into compliance with current state law, the Planning Board is proposing the following changes:



- Removal of the owner occupancy requirement in either the Principal Dwelling or the ADU
- Removal of the special permit requirement for detached ADUs

One Planning Board member has concern that the inclusion of the Total Living Area & Garage Space (TLAG) calculation of ADUs in determining if a project is subject to the Large House Review (LHR) process. The member believes that the TLAG of an ADU should be excluded from the LHR process if the Town wants to encourage the construction of ADUs. Despite this concern, the Planning Board believes that it is best practice to be compliant with state law and these two changes would allow the Town to do that. Therefore, the Planning Board supports the amendment under Article 40 by a vote of 4-0.

After the Planning Board voted its support of the article, a member of the Advisory Committee suggested an additional minor change to clarify the obligations of the record owner of an ADU. Planning Department Staff and Town Counsel are comfortable with this change. However, at the time of this report an approval of the updated language by the Planning Board and by the Advisory Committee has not yet been held.

## **Article 42 – Citizen’s Petition to amend the Residential Incentive Overlay (RIO)**

### **Final Recommendation – Do Not Adopt**

**(Planning Board votes 0 in favor and 4 opposed to amend the petitioned amendment)**

Article 42 is a Citizen’s Petition proposed by resident Peter Welburn to amend Section 3.2 Residential Incentive Overlay (RIO) District. The petition is proposing to amend the applicability of where a RIO could be placed. The current Applicability subsection of the RIO bylaw allows the RIO to overlay “other zoning districts”. The petition proposes to change the applicability of where a RIO could be overlaid to only over any Business District, Business District A, Industrial District, Industrial District A, Transportation District, and the Lower Falls Village Commercial District to encourage denser residential development in commercial areas and advocates that this change is returning the RIO Bylaw to its original intent.

Mr. Welburn made a presentation in support of the proposed petition noting the following:

- Recent proposals for multi-family housing in single-family neighborhoods (some were RIO, some were not) have caused residents in these neighborhoods some level of stress due to concerns that included change in the neighborhood character and increased traffic.
- An opinion that multi-family housing should be prioritized in areas near MBTA Commuter Rail Stations, resulting from the Town’s recent adoption of MBTA Communities compliant zoning (designed to increase multi-family housing near MBTA Commuter Rail Stations)
- The Town has been supportive of affordable housing as evidenced by the Town surpassing the Chapter 40B state statute in 2020 that requires each community have at least 10% of its housing stock affordable according to state regulations.
- Evaluation of RIO proposals was felt to demand a lot of time and effort from many people, including neighbors, multiple volunteer Town Boards and Committees as well as Town Staff.
- When the RIO was first adopted in 1998 and amended in 2019, the law required a supermajority (two-thirds vote) of Town Meeting add a RIO District, but due to a state law change in 2021, the threshold to add a RIO District is now a simple majority. Mr. Welburn noted that when the RIO bylaw was amended in 2019, one of the arguments in support of it was that it required a super majority, which is no longer the case.
- Concern with possibility of residential developers purchasing multiple single-family homes and combining the lots to create large multi-family developments in single-family residential zoning districts.

Prior to the Public Hearing, the Board received a number of emails from residents who were both in favor and opposed to the Petition. During the Public Hearing, the Board also heard from residents who were in favor and opposed to the Petition. Residents in support of the Petition noted they want to preserve single-family zoning districts and do not want to see the possibility of multi-family housing being built in these districts which they felt would destroy green space and overcrowd the neighborhoods and streets. Some residents stated they believe the Town is at the mercy of developers who want to exploit the RIO bylaw, while others noted an opinion that recent RIO proposals had no regard for a neighborhood's history and character. Residents opposed to the Petition noted that the Petition would limit the ability of the Town to expand and diversify its housing stock, as the Petition eliminates RIO in other districts beyond excluding just Single-Family zoning districts. Other residents argued that it would limit the ability of residents to downsize, while others noted that the Town should not make any zoning changes until the Strategic Housing Plan has been finalized and adopted.

The Planning Board has multiple reasons for not supporting Article 42. Among them are:

1. Lack of deliberation and consensus building. The proposal is on the warrant, as allowed by law, because of 10 signatures, mostly from a single neighborhood. There were no public meetings nor the opportunity for citizen speak prior to the proposal being placed on the warrant. The Planning Board believes that significant public policy should not be made without public outreach and consensus building.
2. Wait for the Strategic Housing Plan results. The loudest point made by the opponents of RIO Map Change Articles 16 and 17 at 2024 Special Town Meeting was that the Town has paid for a Strategic Housing study and the Town ought to wait for the results to be known before taking any actions. The Planning Board believes that standard should still stand. The conclusions, priorities and action plans are still not available (as of mid-March).
3. Why take decisions away from Town Meeting? The result of this Citizen's Petition is to take potential zoning decisions away from Town Meeting. In the opinion of the Planning Board, Town Meeting is exactly where decisions like this should be taken. Town Meeting has shown every capability to consider the nuance, and to say NO to proposals it doesn't favor.
4. The Citizen's Petition is an insufficient scope for beneficial RIO bylaw changes. The Planning Board believes all of the parameters of the RIO zoning bylaw should be assessed and potentially amended. Some of the potential changes that could better fit Wellesley's *future* zoning needs are a) amending the current one-size-fits all density, b) providing a clearer definition of "close proximity to the Town's Commercial Districts and public transportation", and c) clarifying the regulations for parcels with multiple underlying zoning districts. None of these three examples are considered in this petition.
5. The Planning Board has indicated its intent to study changes to the RIO bylaw. The Planning Board has voted to initiate a thorough analysis of the RIO bylaw via broad-based citizen involvement and input via open meeting standards, once the results of the Strategic Housing Plan are published and digested.

Wellesley has written the RIO bylaw two times before – in the late 1990s and the late 2010s. In both cases, it was done to focus on a specific need faced by the Town. The Planning Board believes it's time for a 3rd rewrite of RIO to address the needs of the Town, NOT a blunt approach to revert to the 1998 language without citizen input or open deliberation. Wellesley is not the same as it was in 1998, and we ought to look forward and consider an updated RIO bylaw via a lengthy public discussion.

## REPORT OF THE WELLESLEY HOUSING DEVELOPMENT CORPORATION

### Chronology

**1998** The Town of Wellesley created the Housing Development Corporation (WHDC) in 1998 with a mission to sponsor and assist in the development of affordable housing opportunities for persons of low, moderate, and middle income in the Town of Wellesley in order to implement the Town's Affordable Housing Policy. For more information please refer also to the WHDC webpage at <https://wellesleyma.gov/410/Housing-Development-Corporation>, which includes a description of the Town's Affordable Housing Policy, also pasted below for reference. WHDC's Board members are appointed by the Select Board, and the WHDC serves as an advisory capacity to the Select Board. The structure of the WHDC was innovative in 1998, and approximately a dozen municipalities created similar housing corporations around the same time. The creation of each required legislative approval through home rule petition, which was often a time-consuming process and one that resulted in different structures from community to community.

**2005** In response to this variety of housing corporations across the state, and to coordinate with passage of the Community Preservation Act (CPA) in 2000, Massachusetts enacted the Municipal Affordable Housing Trust (MAHT) statute (M.G.L. Chapter 44, Section 55c). The MAHT statute facilitates the establishment of trusts to provide for the creation and preservation of affordable housing in municipalities for the benefit of low- and moderate-income households and for the funding of community housing. It outlines specific powers of the trust board, which may be omitted, modified or added to by the city or town consistent with the statute. Almost 150 cities and towns in Massachusetts have adopted the MAHT structure.

**2002-2014** The Town of Wellesley was an early adopter of the CPA, establishing a Community Preservation Committee (CPC) in 2002, but did not adopt a MAHT structure because the WHDC already existed for essentially the same purpose. From 2002 to 2013 the WHDC received appropriations from the CPC, and achieved some impact, for example by expending available funds to increase affordability levels in housing development projects in Wellesley, while also acting as an advisory body to the Select Board on such projects. From 2008-2013, CPC appropriations to WHDC averaged \$346,000 per year. Since 2014, the WHDC has struggled to achieve any meaningful impact. The CPC has not appropriated funds to WHDC since Annual Town Meeting 2013, pending a clearer action plan from WHDC, but has instead deposited statutorily required appropriations into its community housing reserves.

**2021** The Select Board appointed four new members to the WHDC Board, all of whom continue to serve. Board members include a member of the Select Board, and collectively they bring professional expertise in law, construction, affordable housing development, and community development finance to WHDC. As this Board has met regularly and worked for four (4) years to advance various projects and development ideas, it has become apparent that an Affordable Housing Trust structure would enable the WHDC to operate on a more market-oriented timeline, engage consultants, home inspectors, energy assessors, architects, estimators, property maintenance firms, and contractors to assess feasibility, develop scopes of work and estimate pricing, and take approved actions in a much more effective manner. Moreover, real estate professionals interested in partnering with the new Affordable Housing Trust could rely on its commitments without waiting for further approval. The WHDC's proposed adoption of the MAHT structure is a significant step toward creating a body that is better able to serve the Town in meeting housing priorities established by the Town.

#### **2025 At the 2025 ATM, the WHDC proposes to:**

(i) create a new Wellesley Affordable Housing Trust to replace the existing, obsolete and ineffective Housing Development Corporation structure, and then

(ii) dissolve the Housing Development Corporation. Specific motions are listed below.

Over the past few months, members of the WHDC have presented this proposal and obtained the support of the Select Board, the Planning Board, the Advisory Committee, the Community Preservation Committee, and the Wellesley Housing Authority.

**Summary of Actions for 2025 ATM: Article 34 (See Motions for further details)**

**Motion 1:**

- **Vote to accept the provisions of Chapter 44, Section 55C of the Massachusetts General Law to establish a trust to be known as the Wellesley Affordable Housing Trust, whose purpose shall be to provide for the creation and preservation of housing that is affordable in the Town of Wellesley for the benefit of low- and moderate-income households.**
- **Amend the General Bylaws of the Town by inserting a new Article 20 to be entitled “Wellesley Affordable Housing Trust.”**
- **Authorize the Select Board on behalf of the Town to petition the General Court for passage of a special law to dissolve the Housing Development Corporation.**

**Motion 2:**

- **Amend the Zoning Bylaw only to reflect change of name.**

**Looking Ahead**

WHDC has a five-member Board, with four current members and one open position. Upon adoption of the Wellesley Affordable Housing Trust (AHT) structure, which calls for a Board having seven voting members plus the Town Executive Director (non-voting), the Select Board would appoint members of the AHT Board, which will necessarily include new members. A top priority for the new AHT Board will be to develop a 3–5-year action plan in coordination with other Wellesley boards, committees and commissions that are focused on housing in the Town. As of December 31, 2024, the WHDC had funds available to it as listed below.

<b>Available Funds</b>	<b>12/31/2024</b>
Bank Interest	\$24,426
Unrestricted Funds	\$97,476
Inclusionary Zoning Funds	\$363,398
CPC Appropriations (unspent) <sup>1</sup>	\$490,753
<b>TOTAL</b>	<b>\$976,053</b>

<sup>1</sup> As noted above, CPC appropriations to WHDC have not been made since 2013, pending a clearer action plan from WHDC. The WHDC’s proposed adoption of a MAHT structure is a significant step in that direction. As a point of reference, from 2008-2013, CPC appropriations to WHDC averaged \$346,000 per year.

**Guiding Principles**

The current members of the WHDC have drafted the following mission statement and five-year objectives to help guide their work following the establishment of the Wellesley Affordable Housing Trust.

**Draft Affordable Housing Trust Mission Statement**

The purpose of the Wellesley Affordable Housing Trust is to provide for the creation and preservation of affordable housing in the Town of Wellesley for the benefit of low- and moderate-

income households. The Trust is guided by the recommendations set forth in the Town's Strategic Housing Plan, with a particular focus to assist the Town and other public agencies, including the Wellesley Housing Authority.

#### Draft Affordable Housing Trust Five-Year Objectives

- Establish full board as defined in the newly established AHT.
- Collaborate with Wellesley Housing Authority to evaluate their current portfolio and ways to improve or enhance utilization of property.
- Advocate for affordable housing and support the town in maintaining proper affordable housing stock and development.
- Facilitate public-private partnerships for affordable housing projects.
- For properties that may come under Wellesley Affordable Housing Trust control, direct the development and/or redevelopment of affordable housing, including occupying 156 Weston Road with an affordable household.

**Town of Wellesley Affordable Housing Policy** (referenced above; copied from <https://wellesleyma.gov/410/Housing-Development-Corporation>)

"Wellesley is an outstandingly attractive residential community, enriched by the diversity of its residents. Wellesley seeks to maintain and enhance its present character by preserving a mix of housing stock that includes low income, moderate income and market rate housing."

In establishing this Affordable Housing Policy, Wellesley seeks to control its own growth and development. Affordable Housing is housing which, under the guidelines and regulations promulgated by Massachusetts General Laws, Chapter 40B, is defined as low- or moderate-income housing, or housing which may otherwise be determined by vote of Wellesley Town Meeting to be affordable housing.

#### **Criteria for the Development of Affordable Housing**

1. The predominantly single-family residential character of Wellesley shall be preserved.
2. Urban-scale projects are to be avoided.
3. Preferences shall be given to projects where 100% of the units satisfy Town housing goals, however, the Town recognized the potential necessity of including mixed income housing in order to ensure a development's overall economic viability.
4. Any affordable housing shall, to the maximum extent possible, remain affordable in perpetuity.
5. Insofar as it is legal, Wellesley residents shall be given priority in the marketing of affordable housing units.
6. Preservation of open space and protection of natural resources shall be important considerations in the Town's land use planning.
7. Development of affordable housing should not overburden existing utility systems or other public facilities that serve the Town, including services, streets, the public water supply and sewers to a greater extent than would any other development.
8. Wellesley's Fair Housing Policy shall be respected.

**Note:** Wellesley's Affordable Housing Policy was adopted by the 1989 Town Meeting under Article 31 and amended by the 1997 Town Meeting under Article 42.

#### **Respectfully submitted,**

Micah O'Neil, Chair (construction)

Holly Grace, Secretary (affordable housing development)

Mike Nilles, Treasurer (affordable housing finance)

Marjorie Freiman, Select Board Member (attorney)

## APPENDIX A: MODERATOR'S GUIDELINES FOR CONDUCT OF THE WELLESLEY REPRESENTATIVE TOWN MEETING

### I. INTRODUCTION

The purpose of the 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 present 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 votes 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 Select Board 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**

***Need for Motion*** - Action by the Meeting is taken solely by a vote of the Meeting on a motion duly made at the Meeting.

- A. *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.
- B. *Order of Consideration*** - All articles shall be considered in the order in which they appear in the warrant, unless the order is changed at the discretion of the Moderator,

or the Meeting by majority vote. 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 order is changed at the discretion of the Moderator, or the Meeting by majority vote.

- C. *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 Select Board by a date specified by the Select Board. 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 be either 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.

- D. *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.
- E. *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 Moderator's 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. Only Town Meeting Members may make a motion.
- B. *Permission of the Moderator*** - Persons wishing to address the Meeting shall raise their hands or stand and wait, either at their seat or at a standing microphone if in use, 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. **Speaking Time** – Individuals who address the Meeting should 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. Any person who wishes to address the Meeting for more than three (3) minutes shall first request permission from the Moderator to do so before the start of the Meeting or between sessions, but not while the Meeting is in 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. **Motions To Move The Previous Question** - At any point after there has been at least thirty (30) minutes of debate on any particular motion, a Town Meeting Member who has been recognized by the Moderator to speak in the regular course of the debate may make a verbal motion to move the previous question (or call the question) provided that said motion is made without any statement of reason or supporting comment of any kind. The Moderator shall then immediately call for a vote, which is not debatable, and which requires at least a two-thirds (2/3) vote in favor to carry. If the motion to move the previous question carries, the Moderator shall then put the pending motion under consideration to a vote. If the motion to move the previous question does not carry, the debate on the pending motion continues and a new motion to move the previous question shall not be in order until there has been at least another thirty (30) minutes of debate.
- I. **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

- A. **Electronic Voting** - Subject to the availability of a system to enable electronic voting by Town Meeting Members using handheld mobile devices, the Moderator may count the vote, or conduct a roll call vote, on any matter before the Town Meeting by the use of such a system. (As per Town Bylaw Article 8.25).

1. There shall not be any scroll-through of the electronic vote on any Motion unless at least seven (7) or more Town Meeting Members immediately rise to request that such a scroll-through be conducted.
  2. If any Town Meeting Member who is recorded as not voting in any electronic vote notifies the Town Clerk within twenty-four (24) hours of the posting of the votes on the electronic vote on any Motion that they actually did vote on that Motion, the Clerk shall place an asterisk next to that Town Meeting Member's name on the official record of the vote on that Motion. The asterisk will indicate only that such Member actually voted on that particular Motion, but not how they voted. No Town Meeting Member will be permitted to change how their electronic vote on a particular Motion is recorded on the official record.
- B. Voice Voting** - If the Moderator decides not to use an electronic voting system on any motion either because of the unavailability of such a system or for any other reason, voting shall be by voice vote or 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. (As per Town Bylaw Article 8.20).

## **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. (As per Town Bylaw Article 8.22).
- 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. (As per Town Bylaw Article 8.21(a)).
  - 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. (As per Town Bylaw Article 8.21(b)).

## **VII. ADJOURNMENT AND DISSOLUTION**

- A. *Adjournment*** - Sessions of the Town Meeting shall normally adjourn about 10:30 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 at 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**

The 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* (Third Edition, 2001), 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 the Wellesley Town Meeting pursuant to which the Moderator regulates the conduct of the meeting.

## APPENDIX B: TOWN MEETING ACRONYMS

AC	Advisory Committee
ACFR	Annual Comprehensive Financial Report
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
BPW	Board of Public Works
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
SB	Select Board
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.