



## **Town of Wilmington**

Finance Committee

121 Glen Road Wilmington, 01887

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TOWN OF WILMINGTON, MA

Finance Committee  
Tuesday, October 4, 2022

Finance Committee Chairman, John F. Doherty III, called the meeting to order at 7:00 pm. Members present were Theresa Manganelli, Vice-Chairman, Marianne Gallezzo, Secretary, Jonathan Dugas, Joseph Lavino, Andrew Lavigne, Scott Neville, and David Tamang.

Also present: Town Manager Jeffrey M. Hull, Finance Director Bryan T. Perry, Superintendent of Buildings George Hooper

All votes throughout the meeting were done by a verbal roll call of each committee member.

### Presentation of the Senior Center

Mr. Hooper introduced Lee Morrisette of Diets and Company, who informed the group that a survey had been completed to evaluate the needs of a new Senior Center. Mr. Morrisette explained that the key factors would be how much space is needed now, how much space will be required in the future, and how the space will be used. He then explained the logistics of the color-coded floor plan displayed for the group. Mr. Morrisette included that the Director of Elderly Services, Teresa Marciello, was consulted regarding specific requirements. Exterior drafts of the proposed Senior Center were presented to the group, and Mr. Morrisette explained how the exterior features of the building would contribute to its energy efficiency and overall functionality. Mr. Morrisette provided further visual references, this time concerning the positioning of the proposed facility. He addressed the functionality and positioning of the front entry, the dining spaces, and the parking lot, which has become an issue at the current location of the Senior Center at the Buzzell Building. Mr. Morrisette informed the group that the design would include 160 parking spots, ample space within the parking lot for drop-offs and pick-ups, and room for bus services.

Mr. Pollatta explained that Mr. Morrisette's presentation was the product of 18 months of work and 27 meetings on behalf of the town of Wilmington. Mr. Pollatta stated that the cost of the Senior Center, which includes the costs of factors such as project management, surveying, and construction, was initially estimated at \$14,905,000.00. Adjustments, including a generator and circuitry, and value engineering have changed the estimated cost to \$17,264,561.00.

Mr. Doherty entertained the opportunity for questions.

Mr. Neville inquired about the area of roof space referenced in the design. He asked if the opportunity for solar energy would be available. Mr. Pollatta informed the group that the building could accommodate solar panels in the future.

Mr. Neville questioned the longevity of the proposed senior center. Mr. Morrisette explained that the makeup of the building consisted of low-maintenance and highly durable materials. Mr. Hooper

emphasized the Senior Center Buildings Committee's efforts to establish a building plan to stand the test of time and accommodate current and future resources such as solar energy.

Mr. Neville questioned the proposed Senior Centers' ability to accommodate Wilmington's aging population and increased need for senior services. He asked if room for growth had been set aside. Mr. Pollatta compared the current square footage of the Buzzell Senior Center, being around eight thousand square feet, and the proposed Senior Center Building being roughly eighteen thousand square feet, which would immediately accommodate a more significant number of seniors. Mr. Hooper added that the outdoor space and how would also contribute to serving a larger population.

Ms. Manganelli added that space behind the proposed Senior Center had been sectioned off to accommodate any future needs for additions. Mr. Pollatta added to Ms. Manganelli's comment stating that the proposed plan included resources to accommodate a later addition to the building.

Mr. Neville asked if the generator would be able to power the entire building in an emergency. Mr. Hooper explained that the building would not be used as an emergency shelter. Mr. Morrisette explained that the building was designed to survive an emergency operationally and could be considered a heating and cooling center instead of an emergency shelter.

Mr. Neville asked why a second floor was decided against for the proposed Senior Center. Mr. Morrisette explained that the lot in question did not provide the restraints needed to permit a second floor. The cost of things such as elevators, stairs, and bathrooms were considered and contributed to the accelerated costs. The idea of adding a second floor also accelerated the construction costs.

#### Town Hall/ School Administration Building

Mr. Pollatta introduced Mr. Phil Obrien, an architect from P3. Mr. Obrien presented the design of the Town Hall/ School Administration Building. Mr. Obrien explained that the building required added needs, such as communication with employees, surveys, and identifiable storage needs. Color-coded floor plans were presented to the group; Mr. Obrien noted the plans' functionality and their relation to the relationships between departments. 3 Dimensional drafts displayed of the exterior. He also pointed out that the design would establish security after hours, separating public meeting rooms from the rest of the building. The plan would also allow higher ceilings to alleviate the larger meeting spaces to fall subject to the appearance of a bowling alley.

Mr. Hull pointed out that the design allowed WCTV to cover two meetings simultaneously.

Mr. Obrien discussed the Site Development of the building. Visuals of the exterior were shown, which portrayed the surrounding buildings, the Buzzell Building, the Roman House, and the High School. Mr. Obrien explained he and his team had verified that the space allocated for parking would be sufficient for the Fourth of July Celebration and that the event would not be affected. It was stated that parking would consist of 300 spaces, not including the 40 spaces in the existing Buzzell Building

lot. Mr. Obrien informed the group that the variations in the height of the building would ensure minimal impact on residential neighbors.

Mr. Polatta informed the group that the Town Hall/ School Administration Building committee had met 27 times, and information regarding the project had been sent out to residents in two of their recent water bills. Mr. Polatta informed the group that the amount needed for this project would be \$36,880,766.00.

Mr. Polatta stated that both projects had surplus funds from the studies completed. Mr. Doherty asked Mr. Hull to clarify whether the previous appropriation amounts from 2020 to conduct the studies could be turned over and applied to the projects at hand. Mr. Hull informed the group that he would need to confirm that the surplus of funds from the studies could be rolled into the available funds to construct the projects at hand.

Ms. Manganelli asked the group to address if there would be any electric charging stations. Mr. Pollatta stated that both projects' conduits were planned to be installed. Typically, these are purchased through various grants. Mr. Pollatta also explained that the most up-to-date technology would be available by the time the proposed projects were to be completed. Mr. Hooper informed the group that RMLD could be consulted for the electric charging station needs. Mr. Hull referenced RMLD's assistance in obtaining current electric charging stations at the town hall, which are moveable.

Ms. Gallezzo questioned how the Committee was addressing the need for outreach to the community to express the current conditions at the town hall, such as the exposed overhead wires and the need for an entirely new Town Hall/ School Administration building in addition to a new senior center. Mr. Pollatta explained that presentations had been provided with photos depicting the shortcomings of the town hall and the Roman House. Ms. Gallezzo asked if these photos would be presented at the town meeting for the group to see. Mr. Pollatta also stated these visuals would be available at the upcoming Public Hearing on October 18, 2022.

Mr. Pollatta expressed his concern with crossing a 30% threshold when performing any work on the current town hall. Crossing this threshold would require the entire building to be upgraded to current codes.

Mr. Neville asked what the timeline would be for both buildings if approved. Mr. Pollatta stated that construction would consist of 18 months or so for the town hall after nine months of the bidding process. A similar timeline would take place for the Senior Center; however, the estimated construction time would be around 12-13 months. Mr. Hooper added that the suggested timelines were established without supply chain issues.

Ms. Manganelli expressed her interest in emphasizing that the town hall school administration building does include the space for the school administration to be housed. She expressed her concern that the town hall is being mentioned on social media without the project's key factor of the

project including the space for school administration. Ms. Manganelli referenced the Roman House not being made for a professional office. Mr. Pollatta stated that the upcoming Public Hearing would be more detailed for the Public, that the lack of functions within the buildings in question would be better addressed and that the common spaces are designed for the use of the school administration and the town administration.

Mr. Doherty entertained questions from the audience.

Chairman Doherty moved to the financing of both the Senior Center and Town Hall/ School Administration Building. Mr. Doherty referenced previous discussions of how to fund these projects, including taking \$6,000,000.00 from the Capital Stabilization Fund and bonding the rest. Mr. Doherty asked Town Manager, Mr. Jeffrey M. Hull, for his comments.

Mr. Hull recalled the initial approach to funding these projects, a conservative approach; when looking at the available funds, the town would like to apply to both building projects. At the close of the fiscal year 2022, there were just over \$30,000,000.00 in free cash and a little over \$16,000,000.00 in the Capital Stabilization Fund. Mr. Hull acknowledged that the amount of money was healthy, and he keeps in mind other future projects. Mr. Hull and Finance Director Bryan Perry discussed the possibility of taking \$6,000,000.00 dollars from the Capital Stabilization Fund to apply towards the cost of the proposed Senior Center project and taking \$12,000,000.00 from free cash to apply to the Town Hall/ School Administration Building project; totaling \$18,000,000.00, that would still leave the town with a little over \$10,000,000.00 in available funds for other capital projects in the coming years. The remaining \$10,000,000.00 in the Capital Stabilization Fund and the remaining \$18,000,000.00 in free cash would still reflect the town's commitment to have 15% of available funds set aside in reserve. This 15% reserve is a criteria factor in receiving our rating from Standards and Poor. Mr. Hull stated that economic up and downturns are cyclical and that having the 15% of available funds set aside is important. Mr. Hull asked Mr. Perry to speak of the importance of retaining 15% of reserve funds.

Mr. Perry informed the Committee that the 15% policy the town has devised to stay within the good graces of Standards and Poor. The number of 15% is not a number pulled out of thin air; it is based on a metric that rating agencies use to assess the health of the entity they are evaluating. The fact is that the town does have the reserves to start leveraging these projects.

Mr. Hull added that \$4-5,000,000.00 had been added to free cash recently. The town was able to level fund health insurance costs because people were not receiving the health care that they usually would be due to Covid, and this generated \$2,000,000.00. However, people are returning to their regular health services. Mr. Doherty agreed with Mr. Hull that the recent incoming free cash would not be expected to come in as large as it has.

Mr. Doherty suggested being slightly more conservative and taking from free cash for the Town Hall/ School Administration project rather than \$12,000,000.00. Mr. Hull explained that the numbers suggested were created proportionately; \$6,000,000.00 for the Senior Center would be a little over

thirty percent, and \$12,000,000.00 for the Town Hall/ School Administration project was right around thirty percent as well.

Mr. Hull stated that the debt service, going from \$3,000,000.00 to almost \$6,000,000.00 annually, would be part of the operating budget, making \$2,900,000.00 unavailable for other operating costs. Mr. Hull added the idea of putting a certain amount of money up front to pay down right out of the gate and then using some of the remaining available funds annually to offset some of the borrowing costs. With \$18,000,000.00 dollars in subsidy of these projects, the increase of annual debt service would go up to ninety-four percent or so. Mr. Perry confirmed this ninety-four percent increase.

Ms. Gallezzo asked what the increase of the debt service is for the Town Hall/ School Administration project to be for \$10,000,000.00 versus \$12,000,000.00 upfront. Mr. Perry informed the group that he would need to do further calculations to provide an accurate comparison of the two numbers.

Ms. Manganelli thanked the Town Manager and the Finance Director for taking a further look at the financing of the proposed projects. Ms. Manganelli stated her agreement with Mr. Doherty, providing \$6,000,000.00 of the Capital Stabilization fund for the proposed Senior Center project; and \$10,000,000.00 from free cash for the Town Hall/ School Administration project. Ms. Manganelli stated that this conservative approach would send the message to the community that this is their money, and it's being returned to them with buildings that are very sorely needed and that they can be proud of.

Mr. Doherty asked when the next Standards and Poor rating would be conducted. Mr. Dugas also asked what would happen if the town were to drop below the 15% of funds in reserves. Ms. Gallezzo stated that Tewksbury had voted on a new D.P.W. Building, and their free cash combined with their Capital Stabilization fund, about \$16,000,000.00, which is way under a threshold of 15%, still has an AA+ Standards and Poor rating. Mr. Perry clarified that the 15% is merely a piece of a puzzle when conducting a rating. Ms. Gallezzo added that if the town were to drop below 15%, she couldn't comprehend Wilmington losing its AA+ rating.

Mr. Hull added that deviating from the established policy of retaining 15% as a reserve would be a red flag; it's unclear that it would trigger a change in the town's rating, as it's only one of many collective factors.

Ms. Manganelli asked if the rating included both Capital Stabilization and Free Cash, even though Capital Stabilization is restricted. Mr. Hull stated it did, as Capital Stabilization is considered a reserve. Ms. Manganelli referenced that the town has often kept more than 15% between the two funds and asked that the town had established a new policy with a higher percentage of reserves through this action. Mr. Hull noted that it would appear favorable to Standards and Poor. Mr. Hull pointed out that the town rating is also based on infrastructure investments.

Mr. Neville asked if the combined dollar amount, Capital Stabilization and Free Cash would not be anywhere near 15% if there would be \$28,000,000.00 remaining. Mr. Hull noted that regular

expenses, such as fire apparatus, vehicle replacement, and boilers, must be considered, the possibility of being in a recession at some point. Mr. Hull provides the example of the early 2000s, the town had a little over \$9,000,000.00 in free cash, and by the time things played out, the town was down to \$3,500,000.00 in free cash. Mr. Hull pointed out that this experience has kept him alert to the importance of being prepared for such circumstances.

Ms. Gallezzo stated that the good news is there would be no tax increase to the residents, \$6,000,000.00 for the Senior Center, and \$12,000,000.00 for the Town Hall/ School Administration Building; there would be no tax increase because of these two projects. Mr. Hull confirmed that the statement made was correct.

Mr. Doherty stated that there would not be a vote on these issues tonight; instead, the vote would take place at the Finance Committees' upcoming Public Hearing.

#### Review and Discussion of Warrant Articles

Mr. Hull stated that there would be a conversation had with the Board of Selectmen regarding their thoughts on taking such amounts from funds; the expectation would be that their opinion would be offered as well. The suggestion of three articles, one report on the two projects, a stand-alone article on the Senior Center and funding, and a separate article for the Town Hall/ School Administration Building. The other approach would be to incorporate the report within the two articles: a Senior Center article, report, and then a vote, and then a Town Hall/ School Administration Building article, report, and then a vote. Typically, the practice at Annual Town Meetings, capital articles do not have specific amounts in them when posted as the warrant; ultimately, when the motion is made, that would be when the amounts are plugged in. Mr. Hull expressed his concern with including the amounts, where historically they had not been placed; doing this would entertain the opportunity to question why amounts were being included with these specific projects.

Ms. Manganelli expressed her interest in providing amounts in warrant articles at Annual Town Meeting Moving forward. Mr. Doherty added that including numbers would establish transparency. Ms. Gallezzo added that most towns do include amounts in their warrants at town meetings, and where there are only two articles at the upcoming town meeting, it may be the perfect starting point.

Mr. Hull referenced the eight hundred-thousand-dollar roof project at the Shawsheen School, and the specific amount hadn't been put in the warrant article, for the fact that a specific number hasn't been set and that provides some measure of flexibility between when the warrant articles are signed at town meeting it would be reflected in the motion.

Ms. Manganelli provided her thoughts on residents receiving the warrant book, finding the exciting things happening within the town, and not knowing the number because they haven't followed the Finance Committee meetings. Ms. Manganelli stated the ease and function of including the amounts in the warrant for the town meeting.



Public Comment

Mr. George Allen of Stonehenge Drive noted the room's acoustics were not too good, and he hoped the new town hall would provide a better atmosphere. Mr. Allen asked Mr. Hull to confirm that there would be three articles on the warrant at the Board of Selectmen's meeting. Mr. Hull informed us of his intentions to bring two approaches, those as mentioned earlier: three articles, one report on the two projects, a stand-alone article on the Senior Center and funding, and a separate article for the Town Hall/ School Administration Building. Approach two; would be to incorporate the report within the two articles: a Senior Center article, report, and then a vote, and then a Town Hall/ School Administration Building article, report, and then a vote.

Mr. Kevin Caira of 251 Woburn Street asked if the Board had entertained the idea of free cash not yet being certified, as understandably, it would go up higher than what was discussed this evening. Mr. Caira stated that he believed it would make more sense to pay off one-third of each project, \$6,000,000.00 to the Senior Center and \$12,000,000.00 to the Town Hall/ School Administration Building.

Mr. Gary DePalma of 46 Swain Road stated that he agreed with the Finance Committee and their proposal of presenting the dollar figure of each project at the town meeting; Mr. DePalma provided the example of not buying a home without knowing how much it costs. Mr. DePalma strongly suggested that the amounts be included in the warrant.

Finance and Budget Subcommittee of the School Committee

Mr. Ruggiero provided the fact that there would be a fourteen percent increase.

New Business

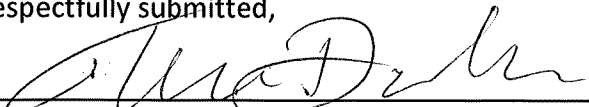
None

At the conclusion of the discussion, being no further business, a motion was made by Mr. Doherty for the Finance Committee to adjourn, seconded by Ms. Gallezzo and unanimously:

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 8:40 pm

Respectfully submitted,



Thomas F. Donahue  
Recording Secretary

