



Town of Wilmington

Finance Committee

121 Glen Road Wilmington, 01887

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TOWN OF WILMINGTON, MA

Meeting Minutes Tuesday, October 18, 2022

Finance Committee Chairman John F. Doherty III called the meeting to order at 6:00 pm. Members present were Theresa Manganelli, Vice-Chairman, Marianne Gallezzo, Secretary, Joseph Lavino, Scott Neville, David Tamang, Chris DiOrio

Present via Zoom: Jonathan Dugas

Also Present: Town Manager Jeffrey M. Hull, Superintendent of Buildings George Hooper

Mr. Doherty requested that the group remain respectable and on topic, advising that the time limit would be 4 minutes.

Mr. Doherty motioned to open the public hearing, seconded by Ms. Gallezzo and voted upon unanimously.

VOTED: That the Finance Committee open the public hearing.

ARTICLE 1: TO HEAR REPORTS OF THE SENIOR CENTER BUILDING COMMITTEE AND THE TOWN HALL/ SCHOOL ADMINISTRATION BUILDING COMMITTEE AND ACT THEREON.

Superintendent of Public Buildings George Hooper took the floor to provide a presentation of the Senior Center and Town Hall / School Administration Building. Starting with the project history beginning in 2015 when the Town Meeting approved a Facilities Master Plan to evaluate the needs of educational buildings. The Facilities Master Plan was completed in 2018 by the Harriman Group. In the latter half of 2020, an Owner's Project manager and Designers were hired to conduct feasibility studies for the Senior Center and Town Hall / School Administration Building. In 2021 the studies were completed; in 2022, the Schematic Designs were completed, and Recommendations were presented to the Town.

Mr. Hooper summarized the key findings from the Harriman Group, emphasizing the nearly doubled cost increase from 2017. Mr. Hooper then went on to show photos of the current conditions of the Senior Center located in the Buzzell Building, which was built in 1935. He briefly described the challenges of the parking lot, storage issues throughout the building, and the current boiler system. Mr. Hooper informed the group that the Senior Center Building Committee has met 27 times, has produced videos regarding the deficiencies of the Buzzell Building, and has hosted informational sessions for the community, which are available for viewing on WCTV and the Town website.

Mr. Hooper introduced Lee Morrisette, an architect of Diets and Company, who explained 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 by the community. He then explained the logistics of the color-coded floor plan displayed for the group. 3 Dimensional drafts shown of the exterior. Mr. Morrisette explained how the exterior features of the building would contribute to its energy efficiency. Mr. Morrisette provided further visual references, this time concerning the positioning of the proposed facility, noting the functionality of the parking lot, a current issue at the Buzzell Building.

Mr. Hooper and Mr. Morrisette provide a detailed project cost summary totaling \$17,264,561.00. Mr. Hooper discussed the economic considerations of the Buzzell Senior Center; In the short term, the building is at capacity; the long term would include guaranteed cost increases, and moderate renovations would trigger code upgrades. Mr. Hooper provides the next steps. A public information Session will be held on November 2, 2022. Appropriation of funds for the Senior Center building project will take place at Special Town Meeting.

Mr. Hooper ushers to the next project; The Town Hall/ School Administration building. He presented photos depicting the current conditions of the Town Hall, which was built in the 1950s. Images were then displayed of the Roman House, which is used as the School Administration Building, constructed in the 1900s. The Art Center was also presented; Mr. Hooper informed the group that the Town Hall/ School Administration Building Committee had met 27 times, has produced videos regarding the deficiencies of the buildings in question, as well as hosted two community information sessions which are available for viewing on WCTV and the Town website.

Mr. Hooper introduced Mr. Phil Obrien an architect from P3. Mr. Obrien presented the design of the Town Hall/ School Administration Building. Mr. Obrien explained the factors used in identifying special needs, such as communication with employees, surveys, and identifiable storage needs. He also pointed out that the design would establish security after hours, separating public meeting rooms from the rest of the building. This layout would also allow WCTV to cover two meetings at a time. 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.

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. He explained that the variations in the height of the building would ensure minimal impact on neighbors. It was stated that parking would be sufficient; 300 spaces will be available, not including the 40 spaces in the existing Buzzell Building lot. It was verified that the space used for the Fourth of July Celebration would not be affected.

Mr. Hooper and Mr. Obrien provide a detailed project cost summary totaling \$36,880,766.00. Mr. Hooper discussed the economic considerations of the Town Hall, Roman House, and Art Center.

QUESTIONS

Mr. Doherty discussed the protocol for questions, directing the audience to the microphone in the center of the room.

Scott Neville asked if the diagram modeling from 2017 would be accurate for current special needs. Mr. Obrien explained that each department head was interviewed and questioned on staffing, storage, and electronics needs. The information obtained from the department heads was then compared against industry standards. He explained the process of turning this data into a plan.

Mr. Neville asked about the facilities master plan considering veterans' services to move into the proposed building. Mr. Hooper specified that after the initial interview process Director of Veterans Services, Lous Cimaglia, preferred to keep his current location. Mr. Obrien also expressed that the decision to leave Veterans Services out of the proposed building was due to veterans' privacy.

Mr. Neville asked how the everyday Wilmington resident would see an improvement and how will this improve the Town. Mr. Obrien provides the example of the engineering department needing space to lay out plans. He also states that the nurse's office is not located with the Board of Health. He also noted that the current room for the Treasures Office couldn't accommodate everyday foot traffic.

Ms. Manganelli asked Mr. Hooper to address the specific shortcomings of the current Town hall. Mr. Hooper identified that the Town hall was built in 1958. The windows for the building do not provide sufficient heat retention, and the heating system of forced hot hair and is being kept going by the public buildings department. Mr. Hooper stated that where the building had been a school, some bathrooms and doorways were not ADA compliant. He also pointed out that the asbestos floor tiles are still present. He identified the obstacles with working with the current building, such as shutting down the building to complete any work. The building was repurposed in 1984 and used for the Town hall.

Ms. Manganelli asked if it would be possible to obtain a specific dollar amount to keep the current Town Hall going. Mr. Hooper introduced the OPM, Dan Polatta. He explained the 30% rule and that making improvements to the building would trip that, and then the building would need to be brought up to code entirely. Given the state of the facility, it would be highly costly.

Ms. Manganelli then asked how the school departments' consolidation impacts the community. Superintendent of Schools Glenn Brand stated that currently, 30 employees are spread across four locations within the district. The Roman house is not ADA-compliant; it is the central meeting house for new hires, and accessibility is a big problem.

Ms. Gallezzo questioned the privacy issue for student support services, provided that the space photo showed cabinets acting as walls. She asked if the staff had problems with this. Mr. Brand

described the situation as challenging given the number of meetings, both in person as well as virtual.

Mr. Doherty asked if there were any questions or comments from the public.

Mr. Hull summarized that in addition to the Roman House and the privacy of student support services, he pointed out that most of the Town hall offices have partitioned walls, which doesn't permit private conversations for matters such as abatement cases and human resources.

Mr. Hull also brought up the issue of the heating and cooling inefficiency within the Town hall. He stated that in the winter months, some offices would have the windows open to cool off, and others would have space heaters to achieve a comfortable balance. Both buildings are not energy efficient. He brought up the practicality of combining the two facilities and the cost benefits of only having one heating system, one plumbing system, and one building to maintain as opposed to two buildings if the Town were to move forward with the project.

George Leonard, 11 Concord Street, stated that completing the Senior Center and the Town Hall / School Administration Building would not be appropriate. He recalled a mailing he had received at home. He raised the question of whether the Town Hall / School Administration Building would be financed by a transfer of existing funds and whether it would be rolled into the tax levy. Mr. Leonard also questioned if the Town would expect a new grammar school.

Mr. Doherty explained that the Wildwood School would not be addressed in this evening's hearing. Mr. Doherty then asked if there were any more comments or questions.

Rick of 10 Middlesex Avenue stated he looked at the budget and saw a four or five percent contingency allocated for the projects; he asked if there was a better quality, more detailed summary of the budget for the public to view.

Mr. Doherty explained that this time was for questions and comments regarding the design process. Rick of 10 Middlesex Avenue offered to hold his questions for a later time.

Barb Bowdoin of 1 Leonard Lane questioned the sequencing of projects, the Senior Center being constructed, and then the Town Hall / School Administration Building. Mr. Hull referred to previous comments, summarizing the benefits of combining the Roman House and the Town Hall into the proposed Town Hall/ School administration building. Ms. Bowdoin then asked what the future of the Buzzell Building would be. Mr. Hull explained that if the Senior Center and the Town Hall / School Administration Building were to be passed, the use of the Buzzell Building would need to be discussed further.

Selectman Judy O'Connell of 11 Broad Street asked how waste management was being handled at the Roman House and the Buzzell Center. Ms. O'Connell stated that it was her understanding that the septic system and waste management system configuration for the Roman House was not ideal. She

noted that the waste management process should be looked at for the Roman House, the Buzzell Center, and the Town Hall, considering that the systems are a significant cost driver and factor.

Mr. Hooper stated that the Roman House waste management system consists of a tight tank, previously a cesspool. The tank is pumped out regularly. The Buzzell building also needs to be pumped out as it is on a septic system. Mr. Hooper clarified that The Arts Counsel building is also on a septic system and requires similar maintenance and the Town Hall's waste management operates off sewerage. Ms. Gallezzo questioned the age of the systems, to which Mr. Hooper informed her the systems were of the original design.

Mr. Ngyuen asked if the new school administration building project had considered the expected growth of faculty and storage needs. Mr. Obrien explained how the design process was conducted with growth and a lack of space in mind. He also clarified that the building design would permit additions if necessary. Mr. Obrien also acknowledged the changes in technology, which will contribute to the reduced need for storage over time.

George Allen questioned the warrant. He asked the group to clarify that since each Article possessed a bond requirement, the articles would require a majority, two-thirds vote. Mr. Hull confirmed that a two-thirds majority would be needed for the articles to pass. Mr. Allen then asked if the Town could accept grants and other project funding, which Mr. Hull confirmed would be possible. Mr. Allen asked if Town counsel had reviewed the warrant, which Mr. Hull confirmed.

Ms. O'Connell asked for her understanding and clarification for the public of the building code 30% rule. The 30% rule is based on the current assessed value; respectively, the buildings would have a much lower value than if they were brand new. This would provide a great chance of tripping the 30% rule. (OPM) confirmed that the statement would be correct.

Kevin Caira, 251 Woburn Street asked what the future of the Buzzell School would be; he wondered why the Town would continue to pay the operating costs of the building. He referenced DAN POLATTAs statement that bringing the building up to code would be nearly impossible; he questioned the possibility of an alternative use for the Buzzell building without making improvements and asked that the group keep that in mind.

Mr. Doherty asked what the condition of the foundation was. Mr. Hooper explained that the Buzzell building is on a fieldstone foundation with a crawlspace, currently in good condition; however, with current code requirements, it would be impossible to move forward with that.

ARTICLE TWO: TO SEE IF THE TOWN WILL VOTE TO APPROPRIATE THE SUM OF SEVENTEEN MILLION TWO HUNDRED SIXTY-FOUR THOUSAND FIVE HUNDRED SIXTY-ONE DOLLARS (\$17,624,561), MORE OR LESS TO BE EXPENDED UNDER THE DIRECTION OF THE TOWN MANAGER IN CONSULTATION WITH THE SENIOR CENTER BUILDING COMMITTEE FOR THE PURPOSE OF CONSTRUCTING, ORIGINALLY EQUIPPING AND FURNISHING A NEW SENIOR CENTER INCLUDING SITE PREPARATION AND DESIGN

COSTS, AND ALL COSTS INCIDENTAL AND RELATED THERETO: WITH FUNDING FOR SAID APPROPRIATION ANTICIPATED AS FOLLOWS:

Raise by Taxation	\$
Transfer from Free Cash	\$
Transfer from Stabilization	\$ 6,000,000.00
Borrow	\$ 11,246,561.00
(Other)	

Mr. Hull stated that each Article would require a two-thirds majority vote concerning both projects, specifically this project and the proposed borrowing. \$6,000,000.00 would come from the stabilization account. The intent is to fund 1/3 of the projects from reserves. Currently, we have roughly \$16,500,000.00 in the stabilization account. Our free cash still needs to be certified; however, our finance director has submitted the requisite documents to the department of revenue, and we are expected to have that information before the Town meeting. The projects would not interfere with the current tax rate by tapping into our reserves.

Mr. Doherty asked if the public had other questions or comments regarding the project's funding.

Rick of 10 Middlesex Avenue requested confirmation from the group that the increasing cost of construction and materials was considered with the allotted four or five-percent contingency. Mr. Polatta clarified that the allotted four or five percent was only for the construction contingency and that the overall budget included many contingency costs, including the design and escalation contingencies.

ARTICLE THREE: TO SEE IF THE TOWN WILL VOTE TO APPROPRIATE THE SUM OF THIRTY-SIX EIGHT HUNDRED EIGHTY THOUSAND SEVEN HUNDRED SIXTY-SIX DOLLARS (\$36,880,766), MORE OR LESS, TO BE EXPENDED UNDER THE DIRECTION OF THE TOWN MANAGER IN CONSULTATION WITH THE TOWN HALL/ SCHOOL ADMINISTRATION BUILDING COMMITTEE FOR THE PURPOSE OF CONSTRUCTING, ORIGINALLY EQUIPPING AND FURNISHING A NEW TOWN HALL/ SCHOOL ADMINISTRATION BUILDING, INCLUDING SITE PREPARATION AND DESIGN COSTS, AND ALL COSTS INCIDENTAL AND RELATED THERETO; WITH FUNDING FOR SAID APPROPRIATION ANTICIPATED AS FOLLOWS:

Raise by Taxation	\$
Transfer from Free Cash	\$ 12,000,000.00
Transfer from Stabilization	\$
Borrow	\$ 24,880,766.00
(Other)	

Mr. Leonard noted that we are in unprecedented economic times, referencing inflation, stating that he did not want to get into the politics of it and how we got here. He voiced his concerns about the depletion of petroleum reserves and the upcoming expected costs of oil. He noted that he believes the projects should be staggered. It would be financially irresponsible to expend our free cash on the projects as we may need this money for heating. He stated that he would support the construction of the Senior Center; however, he cannot support the Town Hall / School Administration Building.

Mr. Doherty respectfully disagreed with his statement; he reminded the group that the construction costs would increase over time.

Ms. Manganelli spoke about where the Town would be free cash-wise after these two projects, bringing the balance down to roughly \$20,000,000.00, and the balance in capital stabilization would be about \$10,000,000.00. We would have a total of \$30,000,000.00; this would offset anything that could come down the road and provide seed money for future projects.

Mr. Hull and the finance director have focused on maintaining 15% of the operating budget as reserves. This 15% equates to \$18,800,000.00. Standards and Poor, the financial rating agency the Town uses, considers this information. Mr. Hull explained that he respected the speaker's concerns and noted that he had been through previous economic downturns; he stated that the economy is cyclical, and that upswings and downswings are to be expected.

Barb Bowdoin 1 Leonard Lane acknowledged the hard work put into the projects. She noted that the project costs had nearly doubled, mentioned increasing interest rates, and noted that future borrowing would be more costly. She stated that the value we had put into the facilities master plan had gone down. She asked to see the economic and business model for the Town. She questioned how the debt we would be taking on for these projects would affect our capacity to address other projects, then mentioned the conditions of the Wildwood. Mr. Doherty intervened and asked that the group stay focused on Article 3. Mr. Doherty referenced the 5-year capital plan within the Town budget released at the annual Town meeting.

Mr. Hull stated again that the total reserves between the capital stabilization of 16.5 and, at the close of the last fiscal year, \$30,000,000.00 of free cash, that's \$45,500,000.00 in reserves. The proposed plan is to use \$12,000,000.00 from free cash and \$6,000,000.00 from capital stabilization, leaving us with an estimated \$28,000,000.00 in reserves; one of the projects on the docket, taking a tremendous amount of attention, is the Wildwood. We will be working with the Massachusetts School Building Authority, we will likely get reimbursement from them; this would be an offset to that project. Overall, debt services are around three percent, a small part of our operating budget. Mr. Hull references comparable communities having a higher percentage of debt services.

Barb Bowdoin asked if the Wildwood school project would be funded out of reserves, to which Mr. Hull explained there had not been any specific decisions regarding the Wildwood. More than likely, some amount would come from reserves.

Rick of 10 Middlesex Avenue asked the group if residents should expect additional taxes to be levied onto the residents. Mr. Doherty referred to Article two, stating that taxes would not increase because of these projects. If residents see a tax increase, it will not be from the projects. Mr. Hull did state for clarification that annually, the Assessor reviews property values, and there is a process conducted at the end of November, which is then reported to the Board of Selectmen concerning the tax classification process.,

Jennifer Benelli, 17 Jacobs Street stated that she would love to see both projects go through; she acknowledged the work and effort put into the projects so far. Ms. Benelli asked how the funding of these projects would affect our borrowing ability. Mr. Doherty noted that AA+ rating. Ms. Bennli asked that taking on the debt from these projects would jeopardize our rating, referencing Tewksbury spending \$100,000,000.00 on a new school. Ms. Benelli reiterated, using Mr. Obrien as a hypothetical example, she stated they each have certain financial states; she could go out and buy a new car and put an addition on her house; however, if Mr. Obrien didn't make wise choices, would he not be able to take out the loan for a Ferrari.

Ms. Gallezzo stated that Tewksbury is building a new school, fire station, and Town hall. Tewksbury only has \$7,000,000.00 in free cash and still has the same rating as us; considering that, we would more than likely still have an AA+ Rating.

Mr. Doherty asked if there were further questions or comments on Article 3.

Ms. Manganelli motioned to close the public hearing, seconded by Ms. Gallezzo, and voted upon unanimously.

VOTED: To close the public hearing

ARTICLE 1

Motioned by Ms. Manganelli to pass over the Article, seconded by Ms. Gallezzo, and voted upon unanimously

VOTED: To pass over Article 1 article.

ARTICLE 2

Motioned by Maryanne Gallezzo to accept the Article 2 as written, seconded by Andrew Tamang, voted upon unanimously

VOTED: To accept Article 2 as written.

ARTICLE 3

Motioned by Ms. Manganelli to accept the Article as written, seconded by Ms. Gallezzo, and voted upon unanimously.

VOTED: To accept Article 3 as written.

DISCUSSION

Ms. Manganelli commented that at a previous finance committee meeting, she had recommended a \$10,000,000.00 pull from free cash for this project; however, she is relying on the Town Manager and Finance Director, and she is confident in the decision to pull \$12,000,000.00 from free cash.

Mr. Doherty motioned to adjourn, seconded by Ms. Manganelli, and voted upon unanimously.

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 7:51 pm

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom Donahue', is written over a solid horizontal line.

Thomas F. Donahue

Recording Secretary

SPECIAL DATES TO REMEMBER:

- Special Town Meeting
Wilmington High School
Joanne M. Benton Auditorium
9:00 am.