



# *Town of Wilmington*

## *Finance Committee*

### Meeting Minutes

Tuesday, February 6, 2018

Finance Committee Chairman, Theresa M. Manganeli, called the meeting to order at 7:00pm in Town Hall, Room 9. Members present were Neal Couture, Jonathan Eaton, Marianne Gallezzo, Michele Kincaid, Leigh Martinson, Bernard P. Nally, and Kevin Stokes. Excused: John F. Doherty.

PRESENT IN INTEREST: Jeffrey Hull, Town Manager and Denise Casey, Assistant Town Manager.

### **PUBLIC BUILDINGS**

PRESENT IN INTEREST: George Hooper, Superintendent of Public Buildings.

Mr. Hooper stated that the Public Buildings Department is responsible for twenty-eight Town buildings, including schools, totaling approximately 795,000 square feet. The department consists of 47 employees, including the administrative staff, custodial division, and maintenance division. The department's fleet of vehicles includes: one box truck, one bucket truck, one pickup truck, one utility truck, and five vans. He noted that salaries may increase as the bargaining agreement expires at the end of the current fiscal year. Mr. Hull noted that negotiations will begin soon and may take several months to reach an agreement.

Mr. Hooper stated that the utility heating fuel budget increased due to the increased cost of heating fuel. He estimated that it takes approximately 270,000 gallons of fuel to heat Town buildings at an estimated cost of \$2.31 per gallon for a total of \$621,000. National Grid sent notification that rates would increase 13-17%. The Town has a blended cost of \$1.00 per therm and is increasing the budget by 10% to cover this cost.

Mr. Hooper noted that the use of heating fuel has decreased thanks to previous conversions of some buildings from heating oil to natural gas, recent window improvement projects, and roof repairs/replacements. Natural gas is more efficient and less costly than oil. Additional buildings under consideration for conversion are the Memorial Library, West Intermediate School, and Middle School. Mr. Hooper stated that he communicates with National Grid about their current projects as Town buildings may be close enough to be included in a gas line extension.

Funding for electrical service for Town buildings provided by Reading Municipal Light Department (RMLD), is level funded at \$220,000. The Town consumes 1.4 million kwh (kilowatt hours) to provide power and light to all Town buildings, schools, and open spaces including: Town Common, Town Park, and Yentile Recreation Facility. Mr. Hooper noted that the Town has continued to reduce kwh usage thanks to converting over 220 light fixtures to LED lighting in all buildings as part of the Mass Save program, with a few buildings now illuminated with 100% LED lighting.

Ms. Manganelli asked what the \$50,000 increase in electrical was between FY 2017 and FY 2018. Mr. Hooper stated that was due to the new High School and the addition of Yentile Farm Recreational Facility.

Mr. Hooper stated that utilities for Town buildings are level funded at \$31,500, which includes alarms and generators.

The maintenance budget increased to cover things like outside winterization services for new equipment, trainings, repairs, and increased costs of belts, motors, and costly replacement parts for older equipment. Expenses for School and Town buildings are level funded, which covers custodial supplies and general maintenance costs. The miscellaneous facilities budget is used for unexpected events such as boiler replacement, elevator repair, and energy upgrades.

Mr. Hooper noted Capital Improvement Projects planned for FY 2019. The Shawsheen Street School and Woburn Street School will be converted to 100% LED. The lights at the football field behind Town Hall will be replaced with LED lights.

Ms. Manganelli asked whether the findings of the Facility Master Plan might affect some proposed projects since Capital Improvements are re-evaluated every year. Mr. Hooper stated that the lighting plans will save the Town money right away. Other plans have been postponed due to more immediate improvement needs that arise. Roofing projects have 20 year warranties. Attention must still be paid to structural elements, so more problems do not arise.

Linda Buckley of Carolyn Road expressed her appreciation for the Facility Master Plan and energy conservation efforts, then asked whether the contract negotiations were for all 46 employees and whether salaries would end up increasing. Mr. Hull stated that there are three individuals in Public Buildings who are not represented by a collective bargaining group. A majority of Public Buildings employees are represented by AFSCME I, and one employee is represented by the AFSCME II bargaining unit. Typically with a collective bargaining agreement, salary increases are approximately 2%.

## **DEPARTMENT OF PUBLIC WORKS AND WATER DEPARTMENT**

PRESENT IN INTEREST: Michael Woods, Public Works Director; Jamie Magaldi, Operations Manager; and Joseph Lobao, Business and Utility Manager.

### **DPW – ADMINISTRATION, ENGINEERING, CLERICAL, HIGHWAY, CEMETERY, AND PARKS & GROUNDS**

Mr. Woods reviewed the mission, work, and structure of the Department of Public Works. He noted that the top five calls that the department receives are for snow complaints, potholes, downed trees, tree inspections, and sign issues. The department logged 3,272 work orders in 2017.

Mr. Woods highlighted FY 2018 projects including: purchase of a new tree chipper; Town Common walkway replacement; crosswalk RRFs (Rectangular Rapid Flashing Beacons); Woburn Street School tennis court re-pavement; and North Intermediate front lot re-pavement. Other projects to be completed include: purchase of a new six wheel dump truck; a vehicle lift; a tractor, and the installation of a columbarium at Wildwood Cemetery.

Mr. Woods noted Chapter 90 projects completed last construction season include: re-pavement of 5.9 miles of roadway; ½ mile of sidewalk replacement on Lawrence Street (Phase I); and roadway crack sealing.

Mr. Woods reviewed fuel expenses and noted that it is a difficult item to estimate due to fluctuation in fuel prices. The FY 2019 budget is based on the 10-year average of fuel costs and estimated at \$2.50 per gallon of gasoline and \$2.70 per gallon of diesel fuel. Mr. Woods noted that fuel usage has decreased thanks to newer, more fuel-efficient vehicles, especially Police vehicles.

Mr. Woods stated that in FY 2019, the DPW is requesting an additional full-time position for the Parks & Grounds division to provide support facilities recently added including: Yentile Farm, and the Dog Park. A reduction in salary is estimated due to the anticipated retirement of the Cemetery Foreman in September. The position will be filled, but salary will be lower as the current employee has been in the position for almost 30 years.

Mr. Woods noted that the budget for Contractual Services for solid waste disposal is increasing due to the contracted rate with Russell Disposal and Wheelabrator. There has been a 4% decrease in Highway repairs for Town vehicles due to recent purchases of new equipment.

Furnishings and Equipment requests include: a new tire mount machine; a new dump truck body; driver feedback sign; skate park ramp replacement; fencing replacement for a section of the skate park and at Palmer Park; a vacuum bagger for the Cemetery mower; and pallet forks for cemetery Bobcat. Capital outlay includes replacement of existing vehicles with high mileage and significant wear: \$86,500 for a tree dump truck body, and \$162,000 for a heavy-duty dump truck.

Capital projects for FY 2019 include: camera detection system and software; Federal Hill traffic signal; Lowell Street & Woburn Street intersection redesign; cemetery expansion; roadway management; PCI software update (camera software for roadway analysis); North Intermediate rear parking lot replacement; sidewalk reconstruction on Lawrence Street (Phase 2); and construction of Pickleball courts.

Linda Buckley of Carolyn Road asked about the increased schedules for Parks and Grounds for seeding and mowing, and whether under-utilized parks might be down-sized. Mr. Woods stated that more maintenance is required to ensure that the grass is strong enough to sustain foot traffic and there has been no discussion of down-sizing parks. Ms. Buckley asked whether trash barrels had been removed from all parks. Mr. Woods stated that the only carry-in/carry-out facilities without trash receptacles are the Dog Park, Yentile Farm, and Town Beach.

Michael Champoux of Gloria Way asked if it was mentioned that cemetery fencing along Middlesex Avenue was to be replaced. Mr. Woods noted that section had already been replaced, and that another section closer to the intersection was scheduled to be replaced.

#### **DPW – WATER DIVISION**

Mr. Woods provided an overview of the Water and Sewer divisions of the DPW and stated that for water, there were under 1,000 work orders and 16 work orders for sewer over the past year. He reviewed Capital Projects for FY 2018 including: 12-inch water main replacement on Route 62 and on

Ballardvale Street; water distribution leak survey; Shawsheen Avenue and Salem Street well redevelopment; and in-house water main replacement.

Budget changes for FY 2019 include: personnel budget decrease due to some senior employees retiring, contractual services decrease 22%, and capital outlay increases 24.35% for construction. The Professional & Technical Services and Laboratory Services budget increase is due to state requirements to test for certain chemicals. Materials & supplies increase is \$20,476 due to the increased price of gasoline, and Furnishings & Equipment decrease to \$53,400.

Capital Outlay for FY 2019 includes the Woburn Street water main project. During the cold snap of December 2017, 170 feet of 10-inch cast iron pipe broke due to icing. The plan was to replace the main as Mass Highway moved through with their bridge replacement project, however replacement is now urgently needed. The estimated cost is \$850,000 to replace the water main with new 12-inch ductile iron pipe. When Mass Highway does come through with their bridge replacement, the main will need to be replaced again, however, it will be at Mass Highway's expense. So as not to have a significant impact on water rates, the funds for this project will be borrowed, which Michael Morris, Town Accountant, is currently working to secure. Water to the areas that were previously supplied by this main are being temporarily supplied by other sources, however, those sources are not ideal for a long term solution.

Other projects include: boiler room renovation at the Butters Row water treatment plant; Nassau Avenue water tank replacement; granular activated carbon replacement for treatment plants; Barrows Wellfield rehab; new fuel tank at the Sargent water treatment plant, and Route 38 water main project.

## **DPW SEWER DIVISION**

Mr. Woods stated that there are 34 miles of public sewer mains. 20% of the Town is connected to sewer, which discharges to the MWRA Deer Island Treatment Plant. The Personnel budget has a slight increase for two part-time employees. Miscellaneous contractual services and expenses remain the same and utilities will increase to \$32,700.

The only Capital Project for sewer is for the Pilcher Drive Treatment Plant. A grinder style assembly is needed to help break down waste material before treatment. Currently, the pump gets clogged with larger industrial type waste, which results in the need for overtime repairs.

Michael Champoux of Gloria way asked if there was another water main crossing the Woburn Street Bridge and how residents in the area are still getting water service. Mr. Lobao stated that there is no other water main across the bridge. Mr. Woods stated the Sargent Street Station and Butters Row treatment plant are supplying water to the area. The water quality is not the best, but it does the job for the short term. If another water main fails in the area, it could mean service disruptions.

## **NEW BUSINESS**

Ms. Gallezzo asked how much is anticipated to come out of free cash for FY 2019. Mr. Hull stated approximately \$4.2 million: \$150,000 for sewer, \$1,050,000 for enterprise software, and \$3 million for Capital Stabilization.

Ms. Kincaid asked if the \$850,000 for the Woburn Street water main replacement will be included in the FY 2018 or FY 2019 budget. Mr. Hull stated that those funds will be borrowed, and the first year's payment will come out of Water FY 2019 budget. It will not be expended from free cash.

Mr. Hull noted that at the February 5<sup>th</sup> Selectmen's meeting, Analog Devices communicated the advantages to the company consolidating in Wilmington. There is room for negotiation with their Tax Incremental Financing (TIF) proposal, and ask for 95% of new growth be removed from the tax levy seems aggressive.

Mr. Eaton asked what kind of preparation members are expected to do in advance of the Finance Committee's upcoming meeting with Analog Devices on Thursday, February 8<sup>th</sup>. Ms. Manganelli instructed the members to review the reading material provided by Ms. Casey, prepare questions, list pros and cons, and prepare for a Committee discussion following the presentation by Analog Devices.

Mr. Hull asked if the Committee would like to designate a liaison to attend negotiations with Analog. Ms. Manganelli stated that Mr. Doherty has the most knowledge of the history and finances of the Town, expressed interest in attending, and will be the Finance Committee representative at the negotiations.

Following a brief discussion of the TIF proposal, and there being no further business to come before the Committee, a motion was made by Mr. Eaton, seconded by Ms. Kincaid, and by the affirmative vote of all, it was

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 9:32pm.

Respectfully submitted,

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Recording Secretary