



# *Town of Wilmington*

## *Finance Committee*

### Meeting Minutes

Tuesday, March 20, 2018

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

Also present were Planning Board Chairman, Michael Sorrentino, Planning Board members: Terrance Boland, Randi R. Holland, Sean Hennigan, and David Shedd, and Director of Planning & Conservation, Valerie Gingrich.

The purpose of the meeting was to review the articles to be presented at the Annual Town Meeting on Saturday, May 5, 2018.

Planning Board Chairman, Michael Sorrentino read Articles 41, 42, 43, 44, 45, 46, 49, 50, 51, 52, 53, and 54, and heard public comments. The Planning Board then adjourned to Room 9 to discuss their recommendations for the aforementioned articles.

### **READING OF THE WARRANT ARTICLES**

PRESENT IN INTEREST: Jeffrey Hull, Town Manager, and others.

ARTICLE 40: Mr. Hull stated that Analog Devices approached the Town in January of 2018 seeking a Tax Increment Financing (TIF) Plan for a proposed \$157,000,000 expansion project, creating 441,000 square feet of space. The tentative terms of the agreement would grant Analog Devices a limit of \$4,300,000 of tax relief over a ten-year period, or sooner if the limit is reached before ten years. Permits and fees for construction would be waived up to \$700,000. It is estimated that permits needed for plumbing, electrical, and building, would total approximately \$1,100,000. The agreement would go into effect once there is taxable value on the new construction and includes language that would prohibit Analog Devices from pursuing any tax abatements during the TIF period. Analog Devices is the largest employer in Wilmington, with 1,600 employees currently employed at the site, and the third largest taxpayer.

Mr. Hull introduced Mike Errera, Vice President of Supply Chain Planning and Logistics at Analog Devices, Cynthia McMakin, Associate General Counsel at Analog Devices, and Lynn Tokarczyk, Government Incentives Consultant at Business Development Strategies, Inc. Mr. Errera noted the involvement Analog Devices has had with the Town. The company has been in Wilmington for over forty years, sponsors events such as the Fourth of July celebration, and sponsors schools, teams and scholarships. The company is searching for the best location to consolidate its Chelmsford, Norwood (current headquarters), and Wilmington sites. The Wilmington site is the largest facility, with a 40+ acre campus. The proposed expansion on the campus would add a 175,000 square foot office building, a community center, and a parking garage. Mr. Errera stated that Analog Devices is asking for

consideration on new taxes to defray the costs in the early years while they are still operating the other facilities, and as they transition 450 people into the new facility.

Kevin MacDonald, 140 Andover Street, asked what Analog Devices currently pays in taxes. Mr. Errera stated that the company pays \$1,500,000 annually. It is estimated that \$1,000,000 in taxes will be added due to the assessed value of the new construction once it is complete and the TIF expires.

Mr. Hull noted that it is a tentative agreement. Once an agreement is reached with the Board of Selectmen, it would be reviewed by Town Counsel, then approved by the State. The Board of Selectmen has not yet formally endorsed the agreement, and the voters at Town Meeting must approve of the Board to enter into an agreement.

Mr. MacDonald asked if the agreement would charge a different commercial tax rate for Analog Devices. Mr. Hull stated that the rate would still be the same at \$32.46 per \$1,000. The TIF schedule is based on percentages up to eight years: 95% reduction in new taxes in the first year; 90% in year two; 85% in year three; 80% in year four; 75% in year 5; 60% year 6; 50% in year 7; and 50% in year 8, unless the full \$4,300,000 limit is reached first.

Mr. MacDonald asked if \$157,000,000 is invested into construction, how can the value only be \$4,700,000. Karen Rassias, Principal Assessor stated that cost does not equate to market value. The estimated cost includes site cost, and personal property, not real estate, which is what is valued in this case. The opinion of value is based on office space, research and development space, parking garage, vacancy rates, and projected assessed value, which could potentially change annually based on the market and economy.

Ms. Manganelli read the following Articles into the record:

Article 1: Regarding positions for election and notification of Annual Town Election on May 5, 2018.

Article 2: Regarding reports of Committees.

Article 3: Request for funds for unpaid bills from the previous fiscal year. Mr. Hull stated he does not anticipate any outstanding bills.

Article 4: Request to authorize the Town Treasurer/Tax Collector to enter into agreement with banks to conduct Town business. Kevin MacDonald, 140 Andover Street, asked what the total balances are for the bank accounts. Ms. Manganelli stated that the Committee does not carry that number.

Article 5: Request for funds for salaries for Town Officers and Departments.

Article 6: Request for funds for procurement of capital equipment. Mr. Hull stated that the Police Department is seeking to replace five police cruisers totaling \$270,000. The Department of Public Works (DPW) is seeking to replace two heavy duty dump trucks: one for \$162,000, the other for \$86,500. The School Department is seeking to purchase one handicapped accessible student transport van for \$65,000. Mr. MacDonald asked if the requested figure may be over-budgeted and whether the Town utilizes the Central Register for the purchase of items on the state bid list. Mr. Hull stated that the Central Register is not repository for exact amounts on particular products, rather it is an advertising

source controlled by the State. The Town tries to estimate costs for capital equipment as accurately as possible to prevent the need for a transfer of funds in the future.

Article 7: Request for funds to replace computer workstations for general government departments. Mr. Hull stated \$55,000 is budgeted to replace forty computers that are five years old to keep up with current technology.

Article 8: Request for funds to purchase Universal Power Supply units for the Public Safety Building and Town Hall. Mr. Hull stated that \$20,000 is budgeted for the devices, which protect computers from power surges. In the event of a power failure, they allow computers to transition to emergency generators at the Public Safety Building, and can send a signal to inform IT whether servers shut down properly.

Article 9: Request for funds to purchase a new Enterprise Software System. Mr. Hull stated that the Enterprise Software is the “backbone” of the Town’s financial system which handles the online payment system, tax collection, assessing, accounting, payroll, and other financial operations. The current software, SoftRight, was purchased by Accela, which was purchased by another company, which is no longer supporting SoftRight. The cost is quoted at \$941,800 by Munis, a company on the State bid list. Mr. MacDonald asked if the Town plans to go out to bid even though Munis is on the State Bid List and encouraged the Finance Committee to recommend approval of the article on the condition that the Town issue a Request for Proposal. Denise Casey, Assistant Town Manager, stated that the Town has done its due diligence by researching companies which support municipal operations, and can perform all necessary financial operations. Three companies were interviewed, and based on the Request for Proposals that the Town developed, only Munis could meet the minimum requirements.

Article 10: Request for funds to upgrade to LED lighting fixtures at the Woburn Street School and Shawsheen School. Mr. Hull stated that that it will cost \$370,000 to change out the existing lighting, and switching to LED fixtures will save approximately \$38,000 annually. Michael Welch, 42 Cottage Street, asked if it was possible to add a line item of \$1 for Capital Outlay of the proposed budget for senior housing. Mr. MacDonald asked if the Committee had been provided with an itemized list of lights and actual proposal invoice. He stated that he had changed to LED fixtures and does not believe the fixtures have the longevity or life expectancy as promised.

Article 11: Request for funds to upgrade light fixtures at Town Hall football field. Mr. Hull stated that the lights at Palmer Field behind Town Hall need to be replaced and the project is budgeted at \$75,000. Mr. MacDonald asked if the current lights were broken or deficient. George Hooper, Superintendent of Public Buildings, stated that the current fixtures were installed by volunteers in the 1980s, have outlived their usefulness, and their light level has diminished. The mounting brackets have deteriorated and many bulbs have been replaced over the years. The lights will be replaced with energy efficient fixtures and all the work will be performed “in-house” by Public Buildings employees.

Article 12: Request for funds for a study to determine the need for a fire substation in North Wilmington. Mr. Hull stated this article was withdrawn.

Article 13: Request for funds to construct pickleball courts at Town Hall. Mr. Hull stated that the entire project is budgeted at \$80,000 for site work and paving. The Recreation revolving account will provide

\$40,000, while the other \$40,000 will come from appropriation. Mr. MacDonald stated that construction of Yentile Farm Recreational Facility was also a Recreation item which was over budgeted, and asked why the funds for pickleball courts are not coming from the \$500,000 left over from Yentile construction. Mr. Hull stated the funds to construct Yentile were borrowed, and the Town only borrowed what it spent. The facility will benefit the community for years to come and borrowing gives future generations a chance to share the cost of the facility. Mr. MacDonald encouraged the Committee to vote against this article, or vote in favor on the condition that the funds come from the Yentile Recreational Facility funds.

Article 14: Request for funds to repave the North Intermediate School rear parking lot. Mr. Hull stated that the project is budgeted at \$137,000 to re-pave the parking lot behind the North Intermediate School. Last fiscal year, the front drop-off area of the school was repaved.

Article 15: Request for funds to expand Wildwood Cemetery. Mr. Hull stated that \$20,000 is budgeted to build a columbarium to increase the available number of burial spaces at the cemetery. Mr. MacDonald asked if the funds would be limited to available or through taxation. Mr. Hull confirmed the funds will be raised through taxation.

Article 16: Request for funds to construct 1,750 linear feet of sidewalk on Lawrence Street. Mr. Hull stated that \$110,000 is requested to continue this sidewalk construction project, which began a few years ago.

Article 17: Request for funds for Pavement Condition Index (PCI) professional engineering services and software licensing. Mr. Hull stated that \$35,000 is budgeted for road surface assessment, which was last done 2005. The funds are for \$5,000 for software and \$30,000 for assessment. Mr. MacDonald asked why outside services are being paid when the Town has engineers on staff.

Article 18: Requests for funds to upgrade traffic signals at Middlesex Avenue and Federal Street, and installation of granite curbing on Middlesex Avenue. Mr. Hull stated the project is budgeted at \$210,000. Chapter 90 funds will provide \$105,000, and the other \$105,000 will come from appropriation.

Article 19: Request for funds for traffic signal detection at the intersection of Burlington Avenue and Chestnut Street/Deming Way/Marion Street. Mr. Hull stated that \$21,000 is budgeted to install a camera to monitor cuing length at the intersection to alleviate traffic congestion.

Article 20: Request for funds for the design and construction of a grinder system assembly at the Pilcher Drive Sewer Pump Station. Mr. Hull stated that the cost is \$150,000 and the funds will come from free cash.

Article 21: Request for funds to replace seven desktop computers and eighty-six laptop computers at the middle school. Mr. Hull stated that the cost to replace the computers is budgeted at \$161,100. The computers are for teachers and staff.

Article 22: Request for funds to replace existing projectors and interactive whiteboards at the North Intermediate, West Intermediate, Woburn Street, and Shawsheen Schools. Mr. Hull stated the replacement of up to fifteen projectors and whiteboards is budgeted at \$135,000.

Article 23: Request for funds for the third phase to purchase and install a Voice Over Internet Protocol (VOIP) Phone System for the Wilmington Public Schools. Mr. Hull stated this is an ongoing project for the schools, and this phase is budgeted at \$50,000.

Article 24: Request for funds to purchase a new data center at the high school. Mr. Hull stated that the new data center will cost \$50,000. The data center will service the district, but reside at the high school.

Article 25: Request for funds to design, construct and reconstruct water mains over Route 93. Mr. Hull stated that during the cold snap in December of 2017, the water line over Route 93 between Woburn Street and Park Street needed a section removed. The project to replace the water main is budgeted at \$850,000 and funds will come from free cash.

Article 26: Request for funds to replace the Nassau Avenue water tank. Mr. Hull stated that the water tank was constructed in the early 1900s. The original plan was to repaint the tank, however the contractor expressed concern over the rust on the rivets and scraping them may compromise their condition. The project to replace the tank is budgeted at \$2,500,000, and the funds will be borrowed.

Article 27: Request to apply borrowing premiums to project costs. Mr. Hull stated that when the Town borrows money, it receives premiums. Premiums have gone into the general fund but under this provision, the funds would be used to pay down the cost of the debt.

Article 28: Request to deposit funds into the Other Post Employment Liability Trust Fund (OPEB). Mr. Hull stated that is part of the Town's ongoing effort to address Other Post Employment Benefit liability and has budgeted to appropriate \$1,000,000.

Article 29: Request to deposit funds into the "Capital Stabilization Fund." Mr. Hull stated that this is an ongoing effort by the Town to set aside money in Capital Stabilization to support future projects. The deposit is budgeted at \$4,000,000 with \$3,000,000 from free cash, and \$1,000,000 from appropriation. Mr. MacDonald asked what the interest rate is for the Capital Stabilization Fund. Pamela MacKenzie, Town Treasurer and Tax Collector, stated the interest rate is 1.45%. Mr. MacDonald stated that there are banks that will offer 1.75%.

Article 30: Request to deposit funds into the "Employee Retirement Benefits" stabilization fund. Mr. Hull stated that the Town has budgeted \$500,000 to increase the employee retirement account.

Article 31: Request for funds to pay the Middlesex Retirement System (MRS) in addition to the annual assessment. Mr. Hull stated that Town would like to expedite payments on retirement liability and is proposing to fund \$1,000,000 from appropriation, in addition to the regular payment to MRS.

Article 32: To review what sum the Town will vote to transfer into various Fiscal Year 2018 budget line items. Mr. Hull stated that he will specific information at the Annual Town Meeting which outlines overages in terms of overtime for Police and DPW snow removal operations.

Article 33: Request for funds for the Town's Fourth of July celebration. Mr. Hull stated that the Town has appropriated \$50,000 toward the cost of the July Fourth event for overtime for Police.

Article 34: Request for funds for the Town's observance of Memorial Day and Veterans' Day. Mr. Hull stated that Town has budgeted \$6,000 for the activities for both holidays.

Article 35: Request for funds for renewal of Veterans of Foreign Wars Clubhouse and American Legion Clubhouse. Mr. Hull stated that the renewal is budgeted at \$750 for each clubhouse, for a total of \$1,500.

Article 36: To determine the spending limits the Town will establish for Compost Bin and Subsurface Sewage Disposal Upgrade revolving funds. Mr. Hull stated that there are two revolving accounts: One for compost bins, where the funds received are used to purchase new compost bins, with a limit of \$4,500; the other for a septic tank replacement loan program, with a limit of \$200,000.

Article 37: Request for funds to operate the Public Rink enterprise. Mr. Hill stated that this account was established years ago when the Town obtained the authority to borrow up to \$2,250,000 to purchase the rink. It is a revolving account held in the event the Town purchases the rink. The funds are budgeted at \$526,000, and are not appropriated, just reserve the authorization for the Town to purchase the rink.

Article 38: Request to rename the high school auditorium the Joanne M. Benton Auditorium.

Article 39: Request to authorize the School Committee and Town Manager as Chief Procurement Officer to award a contract for school bus transportation services for a term exceeding three years. Mr. Hull stated that this article would limit the length of a contract to three years, and would allow the School Committee to enter into a contract with a three year time frame with two one year options.

Article 47: To request the State Legislature authorize Adam J. Silva to have his 2016 results (and future results, if needed) for the Massachusetts Civil Service Fire Fighter Exam be allowed without regard to his age. Mr. Hull stated that this happens occasionally when an individual takes the Civil Service exam but has exceeded the age to be considered. Ms. Manganelli asked how old Mr. Silva is. Joseph McMahon, Fire Chief, stated that he does not know the candidate's age.

Article 48: Request to amend by-laws to ban the use of plastic shopping bags. George Hooper, 7 Hanson Road, stated that his daughter is the petitioner and was unable to attend the public hearing, though she will attend the Annual Town Meeting. Mr. MacDonald expressed concern that this could open the Town up for liability, and concern on the environmental impact of cutting down trees to produce paper bags.

## **NEW BUSINESS**

Mr. Hull stated that Michael Morris, Town Accountant, provided a memo on March 19, 2018 regarding Fiscal Year 2019 Budget Revisions. Department of Public Works Rubbish Collection and Disposal, which was originally appropriated at \$1,826,797, has an adjusted increase of \$153,200 to \$1,979,997 due to increased cost to Russell Disposal, the Town's rubbish vendor, to dispose of recyclable material. Capital Outlay for a proposed North Wilmington Fire Substation Study in the amount of \$45,000 (Article 12), was withdrawn and the revised appropriation is \$0. Capital Outlay for a new Enterprise Software System, originally appropriated at \$1,050,000, has an adjusted decrease of \$108,200 to \$941,800, as the quote from the vendor was lower than anticipated.

At the conclusion of the discussion, and there being no further business to come before the Committee, a motion was made by Mr. Doherty, seconded by Mr. Eaton, and by the affirmative vote of all, it was

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 11:13 pm.

Respectfully submitted,

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Recording Secretary