



Wilmington, Massachusetts

INTER-DEPARTMENTAL COMMUNICATION

FROM THE TOWN MANAGER

September 11, 2020

TO: Board of Selectmen

RE: Request for Qualifications for Owner's Project Manager

Please prepare the following memo to Selectmen:

A Request for Qualifications (RFQ) was advertised seeking the services of an Owner's Project Manager (OPM) for a new senior center. The OPM serves as the Town's representative interacting with architects, engineers and other contractors during the design, construction or renovation of public buildings valued in excess of \$1.5 million. Once hired the OPM will first work with the Town to procure the services of an architect to work with the Town to complete a feasibility study and schematic design for the facility. Annual Town Meeting authorized \$650,000 from free cash to complete this work. Once this work is complete the expectation is to return to a subsequent Town Meeting to seek funding for final design and construction. At that time a determination will be made as to whether to extend the OPM services for this second phase of the project with the same vendor or to seek the services of another vendor.

Proposals were due on Thursday, August 27, 2020 at 2:00 p.m. Fourteen proposals were received by the stated deadline. The proposals have been distributed to members of the Permanent Building Committee; Terri Marciello, Elderly Services Director; Gregory Bendel, representative from the Board of Selectmen; and Theresa Manganeli, representative from the Finance Committee. The expectation is for this group to rate the proposals and develop a "short list" of firms for the purpose of conducting interviews. Plans call for this group to meet via Zoom the week of September 21st to agree upon the "short list" of firms with the expectation that interviews would take place the week of September 28th. This committee will then present a recommendation to me by order of preference. I will meet with the top rated firm to negotiate a "fixed fee" for their services. This committee's meetings are considered public meetings which will require public posting.


Jeffrey M. Hull
Town Manager

cc: Kerry Colburn-Dion, Assistant Town Manager/Human Resources Director



Wilmington, Massachusetts

INTER-DEPARTMENTAL COMMUNICATION

FROM THE TOWN MANAGER

September 11, 2020

TO: Board of Selectmen

RE: Olin Superfund Site

The U. S. Environmental Protection Agency (EPA) has prepared a draft Record of Decision (ROD) which addresses multiple elements of Olin Superfund site planned remediation. The ROD was published on August 10, 2020. An informational virtual meeting was conducted on August 25, 2020 which provided opportunities for interested parties to comment and raise questions about the clean-up plan. That virtual meeting will be followed by a virtual public hearing to receive formal comments on their proposed clean-up plan on September 22, 2020. The comment period was set to close on Friday, September 25, 2020. At the request of the Wilmington Environmental Restoration Committee (WERC) the EPA has extended the comment deadline through the close of business on Monday, October 26, 2020.

Town officials will be conferencing to develop the comments to be offered by the Town and its environmental consultant GeoInsight.



Jeffrey M. Hull
Town Manager

cc: Kerry Colburn-Dion, Assistant Town Manager/Human Resources Director

Jeffrey Hull

From: White, Sarah <White.Sarah@epa.gov>
Sent: Thursday, September 10, 2020 3:02 PM
To: Anthony Martignetti; Beth Nuzzo; Bevin Engelward, MIT; Brandon, William; Bruce Hilliard , Wilmington Town Crier; Charles Lindberg; Chris and Christie Josefowski; Dave Schmidt ; David Marshall; Diane.baxter@mass.gov; Elizabeth Sabourgian, Wilmington BOH; Emily Kenney; Emma Murphy, Lowell Sun; Ethan Sawyer; Frank Schettino; garry waldeck; Greg Hughes; Cashwell, James M CERG; Jamie Kelly, MIT; Janice Lyons; Jeffrey Hull; Jennifer Kay, MIT; DiLorenzo, James; Joel Trifilo; John Rescigno; Jomarie O'Mahony, Wilmington BOS; Selectman Jonathan Eaton; Ken Gordon; Ken Warner; Kerry Colburn-Dion; Kevin Trainer, GeolInsight, Inc.; Kim Hall; FITWALKER1@aol.com; Lynne Marshall; Martha Stevenson; Megan Kromer; Michael Woods; Mike Raymond, Woburn Neighborhood Assoc.; Miles hall; Nicole Bilbo, Senator Warren's office; Pati George ; Paul Danieli; Peter Hines; Rick and Rosemary Eaton; Rob Faust; Russell MacDonald; Sandra Steiner; White, Sarah; Senator Bruce Tarr; Board of Health; Susan LeFave; Susan Melo ; Suzanne Sullivan; Theresa Mixon; Thom Gorham; Valerie Gingrich
Cc: MORASH, MELANIE; Fontaine, Joshua; Jennings, Lynne; Pechulis, Kevin
Subject: [EXTERNAL] EPA Pre-registration for providing oral comment at the Olin virtual hearing and extension of the Olin public comment period

Good afternoon, everyone:

The following is an update on the upcoming virtual public hearing for the Olin Chemical Superfund Site in Wilmington, Mass.

I wanted to let you know that an Eventbrite pre-registration link has been set up for those wishing to provide oral comments during the Olin virtual hearing. The hearing will take place on Tuesday, September 22, 2020 from 7:00 – 9:00 pm.

Click the link below to pre-register. In doing so, your name will be put on a list and you will be called on to provide oral comments during the Olin hearing:

Olin pre-registration link to provide oral comments during the hearing (pre-registration closes on Friday, September 18th at noon):

<https://www.eventbrite.com/e/olin-chemical-superfund-site-virtual-public-hearing-tickets-120043379981>

If you plan to listen to the hearing and do not have an oral comment, there is no need to pre-register. Join the hearing via the Olin Chemical Superfund Site webpage at: www.epa.gov/superfund/olin

We also want to let members of the community know that EPA has extended the public comment period to Monday, October 26, 2020.

Written comments may be mailed or e-mailed by Monday, October 26, 2020 to:

Melanie Morash
U.S. EPA Region 1 – New England

Mail Code 7-4 Post Office Square
Boston, MA 02109-3912
E-mail: morash.melanie@epa.gov

Additionally, EPA has also established a dedicated voice mailbox at (617) 918-1880 to receive oral comments during the Olin public comment period.

If you have any questions or would like further information, please don't hesitate to contact me.

Thank you,

Sarah White
Community Involvement Coordinator
US EPA Region 1
5 Post Office Square
Suite 100
Mailcode: ORA01-1
Boston, MA 02109-3912
Phone: 617-918-1026
Fax: 617-918-0026
Email: white.sarah@epa.gov



Wilmington, Massachusetts

INTER-DEPARTMENTAL COMMUNICATION

FROM THE TOWN MANAGER

September 11, 2020

TO: Board of Selectmen

RE: Environmental Notice Form 887 Woburn Street

Anthony Martignetti, owner of property at 887 Woburn Street, has filed a 454 page application including an Environmental Notification Form (ENF) and supporting documentation with the Secretary of the Executive Office of Environmental Affairs (EOEA). This filing represents the first formal steps in his efforts to seek approval to construct a 17,235 square foot construction and demolition materials transfer station at the site of the former Whitney Barrel operation. The application notes the development would occur on a 2.47 acre parcel with a capacity to handle up to 500 tons of material per day. In response to the ENF, the Secretary of EOEA will publish the ENF in the Environmental Monitor. There is a twenty (20) day comment period for interested parties to express an opinion as to whether the project warrants the preparation of an Environmental Impact Report (EIR).

Additionally, the Department of Environmental Protection (DEP) must issue a site suitability report within a specified timeline from receipt of an application. That report will conclude whether the proposal meets specific legal requirements as set out in state statute with respect to protecting public health and safety. The state Department of Public Health must also review the application and offer comment as to the impacts to public health and safety. Finally, the Board of Health must conduct a public hearing within thirty (30) days from receipt of the DEP site suitability report to consider issuing a site assignment. Within forty five (45) days from the date of the public hearing the Board of Health must determine whether to issue a site assignment for the facility.

The ENF and proposed development are being reviewed by staff as to the implications and impacts such a development would pose to that area of Wilmington.


Jeffrey M. Hull
Town Manager

cc: Kerry Colburn-Dion, Assistant Town Manager/Human Resources Director
Shelly Newhouse, Health Director
Valerie Gingrich, Planning & Conservation Director
Al Spaulding, Building Inspector
Michael Woods, Public Works Director



Wilmington, Massachusetts

INTER-DEPARTMENTAL COMMUNICATION

FROM THE TOWN MANAGER

September 11, 2020

TO: Board of Selectmen

RE: Training to be Provided by KP Law

Mark Reich, Town Counsel, has agreed that KP Law will provide the following training sessions at no additional charge:

1. *How to Conduct a Flawless Public Hearing*
2. *Private and Public Ways – Municipal Duties and Responsibilities*
3. *Conflict of Interest*
4. *The Effects of Technology on the Public Records and Open Meeting Laws*
5. *Procurement and Contracting*

The expected first session will be offered to members of the Board of Selectmen, Planning Board, Conservation Commission, Board of Appeals and Board of Health and their staff during the month of October. *Private and Public Ways* is slated to be offered in early December for members of the Board of Selectmen, Planning Board, Board of Appeals and relevant staff. The session addressing *the Effects of Technology on the Public Records and Open Meeting Laws* is proposed for February and would be offered to boards and committees and staff. The *Conflict of Interest* sessions will be offered to boards and committees and staff in March 2021 and the *Procurement and Contracts* program will be offered in either March or June 2021 to staff. Sessions are expected to take between one and two hours depending upon the topic and will be conducted via Zoom. Over the next couple weeks dates for the first two sessions will be scheduled and communicated to invited attendees.


Jeffrey M. Hull
Town Manager

cc: Kerry Colburn-Dion, Assistant Town Manager/Human Resources Director



TOWN OF WILMINGTON
DEPARTMENT OF PUBLIC WORKS

Highway Water & Sewer Engineering
Tree Parks & Grounds Cemetery

Interoffice Memorandum

TO: Jeffrey M. Hull, Town Manager
FROM: Michael J. Woods, Director of Public Works
SUBJECT: Emergency-vehicle traffic control signals on Rte 62
DATE: August 11, 2020

I have talked with our traffic consultant and asked to receive an estimate to place traffic control at the public safety complex. This would allow for public safety personnel to stop traffic using stationary control signals for safer egress of fire department apparatus. For design and bidding the estimated cost is \$30k, which includes a full land survey and signal borings for geotechnical design. In addition, construction administration, review of shop drawings and construction techniques would be \$15k. This would put the total engineering fee conservatively \$45k.

For construction, without knowing the engineering unknowns that the above task would answer, building it should be approximately \$250k to \$300k to be conservative.



Town of Wilmington
Office of the Town Accountant
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September 10, 2020

TO: Board of Selectmen

RE: S & P Bond Rating

As part of the Advanced Refunding of the High School debt, the town needed to undergo a ratings review with Standard & Poor (S&P). A call was conducted by S&P on August 26, 2020 which included several key staff members from Town Hall. Ultimately, S&P affirmed their rating of AA+ for the town with a stable outlook.

S&P's report notes that the town maintains "very strong budgetary flexibility" with "strong management, with good financial policies and practices." They continue to view the town's Pension and OPEB obligations as a credit weakness. Despite the fact that the town has annually contributed to stabilization funds since 2016 and made additional payments beyond the pension assessment, S&P still views these as a weakness due to the relatively low funded ratios respectively.

I have attached a copy of their report for your review. Should you wish to discuss this further, I will be available to answer any of your questions.

Thank you,

Bryan Perry
Finance Director/Town Accountant

cc: Jeffrey M. Hull, Town Manager
Kerry Colburn-Dion, Assistant Town Manager
Pam MacKenzie, Treasurer/Collector

RatingsDirect®

Summary:

Wilmington, Massachusetts; General Obligation

Primary Credit Analyst:

Felix Winnekens, New York + 1 (212) 438 0313; felix.winnekens@spglobal.com

Secondary Contact:

Anthony Polanco, Boston + 1 (617) 530 8234; anthony.polanco@spglobal.com

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Summary:

Wilmington, Massachusetts; General Obligation

Credit Profile

US\$28.34 mil GO rfdg bnds dtd 09/23/2020 due 03/15/2037

Long Term Rating AA+/Stable New

Wilmington GO bnds

Long Term Rating AA+/Stable Affirmed

Rating Action

S&P Global Ratings assigned its 'AA+' long-term rating to the town of Wilmington, Mass.' series 2020 general obligation (GO) refunding bonds, and affirmed its 'AA+' rating on the town's existing GO debt. The outlook is stable.

The town had voted that the debt that is being refinanced is exempt from Proposition 2 1/2 limitations and, therefore, Wilmington's full-faith-and-credit pledge secures the 2020 bonds without the limitations of Proposition 2 1/2. The town's other outstanding debt is subject to Proposition 2 1/2 limitations, but we do not make a rating distinction, as we rate the limited obligation at the same level with our view of Wilmington's general creditworthiness as expressed in our rating on the unlimited-tax GO notes. We rate the limited-tax GO debt based on the application of our "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" criteria (published Nov. 20, 2019, on RatingsDirect).

We understand the town will use the bond proceeds to refund on an advance basis an aggregate principal amount of \$26,475,000 of the town's 2012 bonds.

Credit overview

Wilmington entered the national recession triggered by the COVID-19 pandemic from a position of strength. Following several years of surpluses, the town has built up and maintained very strong reserves. Conservative budgeting practices and a growing tax base have supported the town's very strong performance. We understand the town's economy has been broadly stable throughout the pandemic benefiting from the proximity to and participation in the Boston-Cambridge-Newton, Mass.-N.H., MSA. However, the scope of the economic and financial challenges posed by the COVID-19 pandemic remains unknown and we believe a prolonged disruption could weaken the town's local economy and affect revenues received from the state. (For more information, see "The U.S. Faces A Longer And Slower Climb From The Bottom" published June 25, 2020, on RatingsDirect). In the longer term and in line with other Massachusetts localities, rising pension and OPEB contributions remain a risk, though management is proactive in addressing these challenges. Therefore, our stable outlook indicates that we do not expect to change the rating within the outlook period.

The rating reflects our opinion of the following factors for Wilmington, including its:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);

- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Notwithstanding a track record of very strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2019, we currently assess performance as strong to reflect potential risks from the ongoing pandemic and recession;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 45% of operating expenditures;
- Very strong liquidity, with total government available cash at 55.4% of total governmental fund expenditures and 16.8x governmental debt service, and access to external liquidity we consider strong;
- Adequate debt and contingent liability profile, with debt service carrying charges at 3.3% of expenditures and net direct debt that is 30.3% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value, but a large pension and other postemployment benefit (OPEB) obligation and the lack of a plan to sufficiently address the obligation; and
- Strong institutional framework score.

Environmental, social, and governance factors

Our rating incorporates our view regarding the health and safety risks posed by the COVID-19 pandemic. Absent the implications of the pandemic, we consider the town's social risks in line with those of the sector. We analyzed Wilmington's environmental and governance risks relative to the town's economy, management, financial measures, and debt and liability profile, and determined that all are in line with our view of the sector standard. We view positively from a governance perspective the steps the town has taken to protect itself from emerging risks, such as cyber risks.

Stable Outlook

Downside scenario

We could lower the rating should budgetary pressures arise, for instance through reductions in state aid, that force the town to draw down reserves to levels below those of peers. In addition, continued growth in pension and OPEB expenses accompanied by an inability to improve respective unfunded liability positions could negatively affect financial performance, putting downward pressure on the rating. This pressure could be exacerbated by the use of reserves to hedge volatility in annual pension and OPEB costs.

Upside scenario

We could raise the rating should, all else equal, Wilmington mitigate its pension and OPEB liability without substantially hindering its budgetary performance or flexibility, while its income levels and property wealth improve relative to those of higher-rated municipalities in the commonwealth.

Credit Opinion

Very strong economy

We consider Wilmington's economy very strong. The town, with an estimated population of 24,497, is located approximately 16 miles northeast of Boston, in Middlesex County in the Boston-Cambridge-Newton, Mass.-N.H., MSA, which we consider to be broad and diverse. The town has a projected per capita effective buying income of 136% of the national level and per capita market value of \$203,340. Overall, the town's market value grew by 5.6% over the past year to \$5.0 billion in 2020. Even though the county unemployment rate was at a multi-year low of 2.3% in 2019, we believe rapidly changing economic conditions as a result of the COVID-19 and our expectations for a slow recovery will have negative consequences for local labor markets as well (for more information, please see "The U.S. Faces A Longer And Slower Climb From The Bottom," published June 25, 2020). In June 2020, the county unemployment rate stood at 14.7%.

That said, we understand Wilmington's economy has been broadly stable. While some smaller businesses struggled, in part because of state-mandated stay-at-home orders, Wilmington's largest employers remained stable. Analog Devices, a semiconductor manufacturer and the town's largest employer, is close to opening its expanded campus, which will further increase the number of employees based in Wilmington. The town and the company had agreed on a tax increment financing agreement, under which the town will waive collection of approximately \$4.3 million, over eight years, on the assessed value of the company's 400,000-plus-square-foot expansion. In addition, Wilmington's favorable location close to Boston, with Interstate 93 running through the town and easy train access to Boston, supports the economy. Wilmington's location makes the town attractive for warehouse and distribution centers with Amazon, Lowe's, FedEx, and UPS all expanding within the town.

In addition, Wilmington's residential tax base, accounting for 77% of assessed value, continues to grow. Several residential and mixed-use developments are ongoing or in planning stages, some of them part of transit-oriented developments close to Wilmington's train station. We understand there are no larger tax abatement claims.

Overall, property values remain strong, and new growth remains substantial. We expect that the town will continue to see development in knowledge-based economic development, while also benefiting from access to the broader Boston MSA. Therefore, we expect the economy will remain very strong throughout the outlook period.

Strong management

We view the town's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or regularly monitor all of them.

The town has a history of conservatively budgeting both expenditures and revenues, using assumptions from prior budgetary performance and historical trends from the past five years. Budgetary performance is discussed monthly with department heads, and formalized documents detailing year-to-date performance are provided to the board. The town follows a town manager form of government, and the town manager allocates any necessary midyear adjustments. The town has a long-term financial plan that covers the upcoming budget year and projects out five years to estimate long-term budgetary performance. A comprehensive, rolling five-year capital policy is maintained, with funding sources identified. Formal banking and investment management policies are maintained, and fund balances, holdings, and performance are reported quarterly. The formal debt policy follows state debt limits. The policy further

identifies conditions under which debt may be issued and a target amortization schedule, among other principles. The town's reserve policy calls for an unreserved fund balance minimum of 15% of the prior year's budget and outlines the scenarios under which reserves may be appropriated.

We view positively steps management has taken to protect the town from emerging risks, such as cyber security. Among other measures, town staff receives regular training and testing through the state.

Strong budgetary performance

Wilmington has a track record of strong to very strong budgetary performance including operating surpluses of 7.6% of expenditures in the general fund and of 7.4% across all governmental funds in fiscal 2019. That said, our current assessment of strong budgetary performance reflects potential downside risks to the town's performance from the ongoing pandemic and recession, especially risks around potential state aid cuts and revenue shortfalls of more economically sensitive revenues.

The town's budgetary performance has been strong to very strong historically, demonstrated by 10 consecutive operating surpluses. Management attributes the positive operating performance in those years to robust property tax levy growth and positive variances in other revenue sources compared with budgeted figures, along with conservative appropriations that have been relatively consistent with budgeted amounts. In fiscal 2020, management expects another sizable surplus despite the negative budgetary impact from the pandemic and recession. Especially economically sensitive revenues, such as the local meals tax and motor vehicle excise taxes, fell short of budgeted amounts. In addition, the town incurred unplanned expenses, for instance, for personal protective equipment. Conservative budgeting allowed overall revenues to still come in higher-than-budgeted figures, while grants, FEMA reimbursements, and CARES Act money should offset the additional costs. Property taxes account for almost 71% of general fund revenues, providing additional stability to Wilmington's budgetary performance.

For fiscal 2021, the town conservatively budgeted for a reduction in state aid, although recent statements by state officials suggest state aid might be level funded. Wilmington also identified a number of expenditure savings totaling \$1.5 million, which should offset lower revenues. The tax rate will be kept flat while the tax levy grows thanks to AV growth. Town officials indicated that free cash might be used for a number of smaller capital projects. Overall, we believe conservative assumptions underpinning the fiscal 2021 budget and a strong management team will allow the town to maintain strong performance despite near-term uncertainties. Longer term, reduced state aid and pressures from pension and OPEB costs could present challenges to Wilmington's budgetary performance. However, the buildup of reserves over the last couple of years provides the town with a buffer to react to these challenges.

Very strong budgetary flexibility

Wilmington's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 45% of operating expenditures, or \$48.7 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Available reserves have consistently remained very strong over the past seven fiscal years, growing to 45% in 2019 from 16.0% of expenditures in 2013. We believe these reserves provide an important buffer to offset any unforeseen revenue or expenditure shocks, especially given medium-term uncertainty around state aid and long-term pressures from pension and OPEB obligations. The town has adhered to its reserve policy of maintaining an unassigned fund

balance above 10% of expenditures and does not have any plans to drawdown reserves.

While the town continues to add to the available fund balance, it continues to face operating pressures from its pension and OPEB liabilities. It has indicated a willingness to use excess free cash for alleviating these burdens and supporting pension, OPEB, and capital stabilization funds. Management anticipates using reserves as necessary to hedge volatility in pension and OPEB costs, as long as the free cash balance remains above 10% of general fund expenditures. In conjunction with positive results, we do not anticipate that the use of free cash will affect the available general fund balance, at least in the medium term, to a degree that would warrant a lower budgetary flexibility score. If the town's OPEB and pension liabilities are not addressed, material draws from available reserves may be possible in the medium to long term.

Very strong liquidity

In our opinion, Wilmington's liquidity is very strong, with total government available cash at 55.4% of total governmental fund expenditures and 16.8x governmental debt service in 2019. In our view, the town has strong access to external liquidity if necessary.

We adjusted the town's available cash balance to factor out restricted cash in the capital projects fund and other nonmajor governmental funds. The town has demonstrated strong access to liquidity through the recent issuance of GO-backed debt. In addition, it is not exposed to any contingent liabilities that could affect its liquidity position in the near term. The town does not currently have investments we consider permissive or aggressive. We believe that the town will maintain a very strong liquidity position with no significant deterioration in available cash balances likely.

Adequate debt and contingent liability profile

In our view, Wilmington's debt and contingent liability profile is adequate. Total governmental fund debt service is 3.3% of total governmental fund expenditures, and net direct debt is 30.3% of total governmental fund revenue. Overall net debt is low at 0.8% of market value, which is in our view a positive credit factor.

Following this issuance, the town will have about \$41 million in direct debt outstanding. In 2019, the town meeting authorized feasibility studies for a new senior center and a new joined town hall and school administration building. If carried out, these projects could require significant borrowing. That said, we understand these projects will not be carried out over the next two-to-three years. In the near term, the majority of the town's capital improvement plan will be funded through the tax levy, free cash, user charges and state aid.

Pension and other postemployment benefits

- In our opinion, a credit weakness is Wilmington's large pension and OPEB obligation, particularly given the pension system's and OPEB trust's low funded ratios.
- While the use of an actuarially determined contribution (ADC) is a positive, we believe some of the assumptions used to build the pension ADC reflect what we view as slightly weak assumptions and methodologies, which we believe increases the risk of unexpected contribution escalations. That said, in fiscal 2019 the town made a voluntary excess contribution of \$500,000 in addition to the ADC toward its pension obligation.
- Although OPEB liabilities are predominantly funded on a pay-as-you-go basis, costs remain manageable despite the large liability.

As of June 30, 2019, the town participated in the following plans:

- Middlesex Contributory Retirement System (MCRS): 46.4% funded, \$90 million net pension liability.
- Massachusetts Teachers Retirement System (MTRS): 54% funded, no liability attributable to the town.
- A single-employer, defined-benefit health care plan (OPEB): 5.43% funded, \$97.9 million net OPEB liability.

Wilmington's combined required pension and actual OPEB contributions totaled 9.5% of total governmental fund expenditures in 2019. Of that amount, 5.5% represented required contributions to pension obligations, and 4.0% represented OPEB payments. The town exceeded its full annual required pension contribution in 2019, which it is required to do annually, by around \$500,000. Wilmington also established a pension stabilization fund in 2016 and has made annual contributions to the fund in each of the last four years including \$1,000,000 during 2019. The fund currently maintains a balance of nearly \$3.4 million. This reserve fund is designed to smooth any unanticipated jumps in the required contribution.

The town participates in the MCRS for pensions. At Dec. 31, 2018, the plan's funded ratio was 46.4%, which we calculate as the plan's fiduciary net position as a share of total pension liabilities, assuming a 7.5% discount rate. Wilmington's total net pension liability was an estimated \$90.1 million. The plan's 7.5% discount rate is high, in our opinion, and could lead to contribution volatility. While Massachusetts requires all pension systems to achieve full funding no later than 2040, MCRS has planned to achieve full funding by 2035. We generally view closed, short amortization schedules as positive, but for MCRS to meet its adopted funding schedule to achieve full funding by 2035, costs must rise, given the low funded ratio. While we believe costs are currently manageable for Wilmington, we expect they will rise. The town also has an OPEB trust with a current balance of about \$5.6 million corresponding to a 5.43% funded ratio.

Management has taken steps to address and limit retirement pressures by bolstering its retirement stabilization account, creating an OPEB trust, and paying more than the annual minimum requirement assessment to MCRS. Management has specified that it will, at a minimum, dedicate the town's meals tax proceeds, which generate approximately \$300,000-\$400,000 annually, to the OPEB trust fund. Although management has recognized these pressures and taken several steps to address them, the manner in which these measures sufficiently address long-term pressures is uncertain. Given the magnitude of the liabilities, we believe a sufficient plan would specifically delineate the degree to which future contributions and funds held in trust reduce the current pension and OPEB liabilities over time.

Strong institutional framework

The institutional framework score for Massachusetts municipalities is strong.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for

Summary: Wilmington, Massachusetts; General Obligation

further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Jeffrey Hull

From: Danielle <dmccoy0717@gmail.com>
Sent: Thursday, September 10, 2020 11:21 PM
To: Jeffrey Hull; Selectman Jonathan Eaton
Subject: [EXTERNAL] Committees

Dear Chairman Eaton,

I want to thank you for allowing my letter to be read during the selectmen's appointments. It was brought to my attention from an individual that on Thursday, September 10, 2020 at the Board of Selectmen's meeting of August 17, 2020 that a discussion took place under Memorandum: Board of Selectmen Designee on Board Committees and Commissions. From what I understand back in July, Selectwoman O'Mahoney was looking for an update on Board of Selectmen Committees. Fast forward to August 17, 2020 where the discussion took place relative to these committees. Mr. Caira stated "now that Mr. McCoy is no longer a member of the Board of Selectmen, his name should be removed from ALL of these committees."

When I made the announcement not to seek reelection back in February of 2020, I stated publicly that I would like to continue to serve on the MBTA Advisory Board, which meets usually twice a year in the fall and in the spring. The next meeting was scheduled for September 9, 2020 and it was rescheduled to September 17, 2020. A second board I serve on is the Wilmington Hockey Rink Committee because quite simply, I want to help the youth of Wilmington. And finally, I was appointed to the Bylaw Committee as well. I also expressed my desire to continue to serve on these three committees at my final meeting on the Board of Selectmen. There was no objection from any of the board members sitting with me.

Over the years, there have been sitting selectmen who did not seek reelection who have served and continue to serve on various committees that were appointed by the Board of Selectmen. I've given 33 years of my adult life to this town and 30 of those years as an elected member of the Board of Selectmen. Put aside that I am the longest serving member of this board in the town's history, it would have been nice if this board sent a letter asking me if I was still interested in serving on these three committees. My reply would have been "yes".

I would hope to think that this board extends at least professional courtesy to keep me on these committees as they have extended to past board members.

Sincerely,
Michael V. McCoy
11 Treasure Hill Road
Wilmington, MA 01887