

BOARD OF SELECTMEN MEETING

February 4, 2019

Chairman Kevin A. Caira called the meeting to order at 7:00 p.m. in Room 9 of the Town Hall. Present were Selectmen Gregory B. Bendel, Jonathan R. Eaton, Edward P. Loud, Sr. and Michael V. McCoy. Also present was Town Manager Jeffrey M. Hull.

Chairman Caira asked those present to rise and he led the pledge of allegiance.

JEFFREY M. HULL, TOWN MANAGER, RE: PRESENTATION OF TOWN MANAGER'S FY 2020 BUDGET

The Board of Selectmen was provided with information regarding the Fiscal Year 2020 budget. Included in the information was the Town Manager's budget summary, Municipal Personnel Book, Motor Vehicle Book and the Capital Improvement Plan.

Finance Committee members were provided the same information, department heads were provided with a copy of the Town Manager's budget summary. Town Manager Hull provided a PowerPoint presentation outlining his budget message which, by attachment, is made a part of these minutes.

Town Manager Hull recognized department heads and other employees that worked closely with him in preparing the budget, members of the Board of Selectmen, Finance Committee and the School Department.

Town Manager Hull recognized Assistant Town Manager/Human Resource Director Kerry Colburn-Dion noting that she began her employment with the Town on January 7. He also recognized the efforts of Beverly Dalton and Wendy Martiniello who "stepped up" and assumed additional responsibilities while the office was working with reduced personnel.

Chairman Caira thanked the Town Manager for his presentation and asked if there were any questions or comments from the Board. Members of the Board commended the Town Manager for the budget presentation, offered comments regarding different aspects of the proposed budget and recognized the continuity from year to year.

COMMUNICATIONS

There were none.

PUBLIC COMMENTS

Ralph Grassia, Chestnut Street, offered comments regarding the heating system at the library. He asked whether the Town had considered a geothermal system and opined that it may be more cost effective.

Kevin MacDonald, Andover Street, offered his comments regarding overtime at the Fire Department and suggested the Town ought to subcontract ambulance services. He stated that he wanted to submit a public records request to identify each expenditure and article that generated the free cash. Town Manager Hull noted that public records requests are for documents that exist and advised there is no document to address Mr. MacDonald's request.

Suzanne Sullivan, Lawrence Street, stated that at the Board's last meeting there were a lot of questions posed to the Board and asked whether the public would be provided answers. Specifically, Ms. Sullivan asked whether the Board would engage special counsel for 362 Middlesex Avenue, the proposed site of a detox facility.

Ms. Sullivan stated that she wanted to remind the Board of Selectmen that they took an oath to uphold the By-laws of the Town. She opined that there is a potential the by-laws will be violated at the upcoming Zoning Board of Appeals (ZBA) meeting especially if there is a vote for accommodation. Ms. Sullivan expressed her belief that the state ought to be involved because there is an effort to override a vote of denial made by the ZBA.

Robert Fasulo, Marjorie Road, asked why the Board changed counsel stating that he had asked in the past and not received an answer.

Mr. Fasulo noted that he had made a public records request that the Board of Selectmen was aware of. He stated that a third determination from the Secretary of State's office had been issued and stated that he wonders whether the emails contain information regarding the change in counsel. He opined that there is no civility from the Town Manager or the Board of Selectmen and the documents being requested belong to the residents.

Mr. MacDonald stated that at a previous meeting he suggested that the Town should reach out to the proponent of the development of 362 Middlesex Avenue to collaborate on a friendly development that would be more appropriate. He asked whether the Town Manager had contacted Mr. Kneeland. Chairman Caira advised that Mr. Hull has not due to his working on the budget.

NEW BUSINESS

Selectman McCoy stated that he was in agreement with Ms. Sullivan and noted that counsel was present at the Board's last meeting and he expected an answer at this meeting.

Selectman McCoy stated that relative to Mr. Fasulo's public records request, he hopes that the Town provides the information it is obligated to provide.

Chairman Caira stated that relative to the question raised about Town Counsel, Mr. Reich advised that he would be defending the decision of the Zoning Board of Appeals which was to deny the permit.

Chairman Caira stated that the Town Manager has been instructed to release the public records that are available to be released. Town Manager Hull stated that there have been oversights relative to emails. The Town Clerk was provided with information that she believed was complete and Town Manager Hull does not believe there was any intent to hide information. Town Manager Hull stated that Town Counsel has made a determination that other emails are attorney/client privilege.

Relative to the question about geothermal systems raised by Mr. Grassia. Town Manager Hull stated that he did not know whether that system was considered and would have to ask the Superintendent of Public Buildings. Mr. Grassia noted that the geothermal system would address cooling as well as heating.

IMPORTANT DATES

Town Manager Hull reviewed important dates including:

- February 5 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.
FY 20 BUDGET OVERVIEW; REVENUE; GENERAL GOVERNMENT
- February 6 – Development of Strategic Plan for Wilmington Public Schools
Community Meeting
Wilmington High School – 6:30 p.m.

- February 7 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.
*PLANNING & CONSERVATION, BUILDING INSPECTOR/BOARD OF APPEALS AND
RECREATION DEPARTMENT*
- February 9 – Development of Strategic Plan for Wilmington Public Schools
Community Meeting
Wilmington High School – 9:00 a.m.
- February 9 – Congressman Seth Moulton Town Meeting – Town Hall –
Auditorium – 1:00 p.m.
- February 10 – Dedication of Joanne Benton Auditorium – 2:00 p.m.
Wilmington High School
- May 5 – Plastic Bag Ban in Effect

A motion was made by Selectman McCoy, seconded by Selectman Bendel and by the affirmative vote of all, it was

VOTED: That the Board of Selectmen adjourn.

Meeting adjourned at 8:25 p.m.

Respectfully submitted,

Recording Secretary



TOWN OF WILMINGTON FISCAL YEAR 2020 BUDGET MESSAGE

Chairman Kevin Caira
Members of the Board of Selectmen

Chairman John Doherty
Members of the Finance Committee

Dear Members,

The Town's Fiscal Year 2020 proposed annual operating budget is submitted for your consideration in accordance with the Town Manager's Act. This document establishes the spending plan in support of services to be provided to the taxpayers of the Town of Wilmington. Additionally, you will find a copy of the Town's five (5) year Capital Improvement Plan (CIP). This document reflects a multiyear outlook for "big ticket" items in municipal departments and the school department. Expenditures that qualify to be included in the CIP are goods or services valued at \$20,000 or more with a useful life of at least three (3) years.

The total budget recommendation for Fiscal Year 2020 inclusive of General Government, Wilmington Public Schools, Shawsheen Valley Technical High School assessment, Statutory Charges, Insurance, Debt and Interest is \$119,742,842. Once again this year, for the 5th consecutive year, funds are recommended for transfer into several savings accounts. These accounts include the Capital Stabilization Fund, Retirement Stabilization Fund and the Other Post-Employment Benefits Trust Fund. Funds are also proposed to pre-pay the Town's Middlesex County Retirement System liability. The Fiscal Year 2020 budget represents a 4.45% increase over the current Fiscal Year 2019 budget.

There are four (4) broad categories of the budget. The planned changes in each budget category are reflected below:

	FY2019	FY2020	\$\$\$ Change	% Change
Wilmington Schools	\$40,326,533	\$41,939,603	\$1,613,070	4.00%
General Government	\$29,103,193	\$31,028,959	\$1,925,396	6.62%
Shared Costs	\$40,948,691	\$41,808,772	\$ 860,081	2.10%
Shawsheen Tech	\$ 4,265,878	\$ 4,965,878	\$ 700,000	16.41%

There are many factors responsible for budget increases. The FY2020 budget proposes to increase the Wilmington Public Schools budget by 4.0%. Collective bargaining obligations and staffing increases at Wilmington Public Schools constitute the largest proportion of the School Department's increases. Increases in Special Education and out of district placements constitute the largest share of non-salary changes to the school budget.

The major drivers of cost increases in General Government are the recommendations for additional personnel. The new positions consist of four (4) new patrol officers, four (4) new fire privates and one (1) case worker to provide service to the Elderly Services and Veterans Services Department. These positions add \$591,618 to the General Government budgets.

Shared costs are key components of the budget which consist of debt and interest for borrowing, assessments from other agencies known as statutory charges, insurance premiums, costs for the Town's annual audit, the employer contribution for Medicare, articles for Memorial/Veteran's Day and July 4th Celebration and capital outlays. Increases to many of the shared cost line items are a result of other budgetary actions such as debt from capital expenditures and salary increases.

Wilmington's assessment from Shawsheen Valley Technical High School is projected to increase by \$700,000 or 16.4% over the current assessment. The increase stems from greater enrollments of Wilmington students at the school and enrollment shifts in other member communities.

After reducing the health insurance budget by over \$600,000 to \$13,000,000 in fiscal year 2019, the budget is being level funded for fiscal year 2020. For the first half of the current fiscal year medical claim costs have continued to run below projections. The Town transitioned the Medicare supplemental coverage plan for retirees to a less expensive plan resulting in lower premiums for both the Town and retirees. The other insurances are increasing \$60,000 to reflect a revaluation of Town facilities and an increase in public safety injury claims.

Wilmington's economy remains strong as reflected by continued increases in property values and steady increases in personal property revenue, suggesting that local businesses are re-investing by replacing equipment that supports their operations. For several years new growth has exceeded projections. New residential construction continues in the Murray Hill area with nine (9) additional building permits and nine (9) occupancy permits issued. Construction continues on Green Meadow Drive off Chestnut Street and the Spruce Farm over 55 development located off Andover Street. Wilmington remains a seller's market for homes. This demand for housing is reflected in home values. The average single family home value increased from \$439,673 in fiscal year 2018 to \$481,922 in fiscal year 2019.

Wilmington residents benefit from their location within the metropolitan Boston region. Unemployment rates held steady in November and December of 2018 at 2.2% which is down from 2.7% in December 2017. With the support of the Board of Selectmen, Finance Committee and annual town meeting participants the Town's largest employer, Analog Devices, has committed to create at least 50 new jobs, retain 1,555 jobs and invest \$142.9 million in their Wilmington headquarters over the next eight years. Analog's commitment will have a ripple effect in the local economy and will provide opportunities for a variety of support services.

REVENUE

The three major sources of revenue for the Town are real estate property taxes, local aid from the Commonwealth and local receipts including motor vehicle excise tax, building fees and meals tax.

The Town will continue to rely upon property taxes for the vast majority of its revenue. Each year municipalities are permitted to raise property taxes by 2.5% of the prior year's levy limit and add amounts received from "new growth" from new construction and major property improvements. The Annual Town Meeting vote in 2011 approved a debt exclusion for costs associated with the high school.

This debt exclusion permits the Town to raise funds in addition to the levy limit to repay the loan associated with the high school. Revenue from these combined sources is expected to be \$86,402,504.

Municipalities receive the largest amount of financial assistance from the state in the form of Chapter 70 aid (education aid) and Unrestricted General Government Aid (UGGA) which is for general municipal purposes. Each year the Governor files a proposed budget bill in late January offering his financial plan for providing services to the broad spectrum of residents throughout the Commonwealth. His FY2020 \$42.7 billion budget plan reflects a 1.5% increase over the fiscal year 2019 budget. Governor Baker's budget proposes a multiyear change in the funding formula for education aid and an additional \$200 million in Chapter 70 aid. The Governor's proposal would translate into increased aid to the Town by \$20 per student or approximately \$65,000. The Town is estimating a slightly higher increase of \$25 per student or \$11,452,960. Unrestricted General Government Aid is proposed to increase by 2.7% which the Town estimates to be an additional \$69,419 bringing the total amount from this source to \$2,640,489. The House and Senate will each develop their own proposed budgets leading to a consensus budget approved by the two branches and presented to the Governor most likely several weeks after the Annual Town Meeting.

Local receipts are projected to total \$9,254,000 which represents a 1.1% increase over the current fiscal year. Most local receipt accounts are projected to stay at their current projected levels. An increase of \$85,000 is projected in motor vehicle excise to \$4,835,000. Revenue from the meals tax is projected to increase by \$10,000 to \$400,000 for the year.

LONG RANGE GOALS:

Invest in the success of students by supporting the initiatives and providing the resources for a 21st century education.

Wilmington's future rests with its young people. The community has demonstrated a strong commitment over the years to investing in the generations that will follow, through the appropriation of funds to support the Wilmington Public Schools and the Shawsheen Valley Technical High School. Beyond the annual operating budgets supported by Annual Town Meeting participants, voters approved significant borrowing to finance the Middle School which was completed in 2000 and Wilmington High School which was completed in 2015.

Education remains a high priority. The fiscal year 2020 budget proposal provides for a 4.0% increase in funding for Wilmington Public Schools resulting in a total operating budget of \$41,939,603. The increase stems from wage increases of \$1,131,400, costs associated with special education programs in the amount of \$387,868, professional development and transportation.

The use of technology continues to play a significant educational role in our schools. Capital expenditures in the amount of \$605,000 are recommended in the upcoming year's budget to help ensure Wilmington's students can develop essential skills for the 21st century.

School capital items proposed for purchase in this budget cycle include Chromebook carts in the amount of \$20,000 which is part of a multiyear effort to provide updated equipment for MCAS testing. The 18 year old Middle School requires an update to its Wi-Fi infrastructure at a cost of \$100,000. As use of technology continues to expand, maintaining connectivity is key. The replacement of projectors and interactive whiteboards is proposed at a cost of \$180,000, as the existing projectors will be ten (10) years old in fiscal year 2020 and do not have the level of resolution as compared with current projectors.

Continued upgrade to the school system's data center is recommended in the amount of \$100,000. In the current fiscal year \$50,000 was approved at Annual Town Meeting for the data center. The existing infrastructure consists of multiple hosts and servers working independently within the district. Continued replacement of the existing infrastructure will provide for automatic data balancing, greater reliability and data protection while providing capacity for data and computing growth. Plans calls for spending \$100,000 to replace laptop and desktop computers in the North and West Intermediate Schools. The existing computers are used regularly during the academic year and are five (5) years old. The remaining capital projects call for beginning the replacement of the public address system control boxes and amplifiers at the early childhood, elementary and intermediate schools for \$30,000 and replacement of eighty desktops and monitors in labs at the Middle School for \$75,000

Under the leadership of Dr. Glenn Brand, Superintendent of Schools and Assistant Superintendent of Administration and Finance Paul Ruggiero the Town continues to enjoy a collaborative working relationship. Dr. Brand and Mr. Ruggiero are focused on improving the learning experience and outcomes for students attending Wilmington Public Schools and the department heads and staff on the general government side of the aisle are eager to work cooperatively with them.

Reducing energy consumption by improving efficiencies of our buildings, vehicle fleet and systems throughout Town.

Discussions will be taking place with key decision makers in the coming months about the use of the Facilities Master Plan as a guide for upgrades, expansion or replacement of several Town buildings over the next decade plus. Decisions about investing significant funds into window replacement, for example, must be based upon the expected future useful life and plans for the buildings.

Funds are earmarked for replacement of the heating system at the Wilmington Memorial Library. The existing heating system is original to the building which was constructed in 1969. A new high efficiency dual fired furnace is expected to cost \$185,000. The system will initially operate on heating oil as is the case with the current system. Talks have been ongoing with National Grid to extend a gas line along Middlesex Avenue in front of the library. Once access is available to natural gas the library will be switched over.

The Public Buildings Department will continue with efforts to improve the quality of both interior and exterior lighting at the schools, while at the same time reducing electricity costs through replacement of existing fluorescent, incandescent and HID bulbs with high efficiency LED fixtures at the West Intermediate School. Lighting replacement is estimated to cost \$100,000.

While consideration has been given to purchasing smaller, more energy efficient vehicles for use by administrative personnel who are frequently on the road conducting inspections, performing home visits or conducting field work, the low annual mileage tallied by personnel using these vehicles does not justify expending funds in that manner at the present time. The plan for now will be to transition former police SUVs to be used by personnel who require daily access to a vehicle.

Improved service delivery through utilization of technology as a tool in our organization.

As noted previously investment in replacement of computers, projectors, smartboards and computer infrastructure represents nearly the entire capital expenditure proposed by the School Department. While education still depends upon dedicated, knowledgeable teachers and educational assistants to establish a safe, positive and productive learning environment, technology remains a crucial tool.

In the fiscal year 2019 budget \$941,800 was appropriated for transition of the Town's financial software from SoftRight to Tyler Technology. With uncertainty over SoftRight's future, the Town will be transitioning its payroll, tax collection, treasury and accounting functions to the new software. The transition began in July of 2018 with a review and development of the Town's chart of accounts. Establishment of the chart of accounts is the basis upon which much of the software applications rest. With the departure of several individuals who were key to executing the move to Tyler, the transition has been placed on temporary hold pending the replacement of personnel. Resumption of the transition is expected in June/July of 2019.

Technology is utilized in various forms in all of our town departments. Central Dispatch is a critical component of emergency police and fire response. The existing communications infrastructure was installed with the construction of the Public Safety Building which was completed in 2001. This year's capital budget calls for replacing the fire station alerting system and radio box fire alarm receiver system at a cost of \$175,000. Businesses throughout Wilmington maintain radio boxes which serve as "first alert" systems in the event of fire. A signal is transmitted to the receiver system located in central dispatch to alert personnel of an emergency at a specific location. Dispatchers rely upon the fire station alert system to transmit tones communicating to fire personnel the nature of the emergency. The system controls lighting and opening and closing of doors in the apparatus bays. The age of the existing technology makes repairs to the systems challenging. The new alerting system and fire alarm receiver system will greatly improve reliability and add redundancy.

This budget continues the Town's annual effort to replace approximately 30 desktops per year which is expected to cost \$43,000. That sum will also pay for the replacement of 3 laptops and a self-checkout computer for the library. Given the total number of computers in use by personnel throughout Town offices, this schedule ensures that no computers will be more than five (5) years old. Funds are budgeted in the amount of \$15,000 to purchase 20 network switches at locations throughout Town offices. These switches are a vital link that permit data to be transferred throughout the computer network.

Establish and maintain a multi-year capital improvement plan to enable the Town to make informed decisions on spending, borrowing and saving for future capital improvement needs.

While the immediacy of operating expenses can tend to draw the most attention during budget review, maintaining a longer term view is critical to the Town's ability to provide services and maintain strong financial health. The fiscal 2020 through 2024 Capital Improvement Plan seeks to identify foreseeable major investments in vehicle stock, infrastructure, facilities and technology that will have a useful life extending at least several years into the future. Placing these projects on the proverbial "radar screen" enables the Town to determine the best financing approach to avoid major spikes in borrowing costs and excessive strain on the levy limit.

The Facilities Master Plan can be a valuable tool which will allow for discussions about addressing significant facility needs. The Town has done a masterful job of reusing its buildings. The Daniel T. Buzzell School, built in 1935, became the home of the current Buzzell Senior Center in the mid-1980s. The Roman House, constructed in 1900 and formally a 17 acre estate has served admirably as the administrative offices for the Superintendent of Schools. The Glen Road School constructed in 1958 was established as the temporary Town Hall in the mid-1980s. The Public Buildings headquarters was formerly the fire station constructed in 1954. The Town's two early childhood centers and two elementary schools are each nearly 50 years old or older.

Discussions will need to take place with the Board of Selectmen, School Committee, Finance Committee, Facilities Master Plan Committee and residents at large about addressing these aging buildings. The Public Buildings Department has performed a stellar job to maintain these buildings in their current condition however, routine cleaning and maintenance can only go so far. As the buildings continue to age significant upgrades are needed. The Wildwood Street School, the Woburn Street School, Town Hall and Boutwell School all have single pane windows with little insulation value and should be replaced. Reaching agreement upon a plan to address these buildings will then enable decisions to be made about whether to replace windows and roofs.

Capital improvements for fiscal year 2020 total \$5,082,000 and breakdown as follows:

Cost	Funding Source
Chapter 90	\$ 850,000
Tax Levy	\$1,850,000
Free Cash	\$ 751,000
MWRA Grant/Loan	\$ 856,000
Water	\$ 775,000

This budget proposes \$250,000 to continue its annual program of replacing frontline police cruisers. The existing police vehicles will be circulated to detectives, Student Resource Officers and other personnel within the Police Department.

Public Works is seeking \$180,000 to replace a nineteen year old bucket truck with a new bucket truck with a 75 foot extension arm. Two 3/4 ton pick-up trucks with plows are scheduled for replacement for a total cost of \$80,000. A one ton heavy duty dump truck will replace a 2003 Ford F350 dump truck with a blown motor for \$72,000. Plans call for replacement of the 10,000 gallon underground gasoline and diesel storage tanks at the Public Works garage. The storage tanks were installed in 1986 and while no problems with the tanks have been detected they are approaching the end of their useful life. As part of a multiphase project to complete a sidewalk connection between Glen Road and Middlesex Avenue via Lawrence Street and Shady Lane Drive, \$84,000 is proposed to continue the sidewalk project. Replacement of 2,300 linear feet of bituminous curbing with granite curbing along Middlesex Avenue between Federal Street and First Avenue will be completed at a cost of \$100,000. Phase I of repaving the Woburn Street School parking lot will be completed in fiscal year 2020 at a cost of \$155,000. The second and final phase of the repaving project is planned for fiscal year 2021. Maintaining the integrity of the Town's sewer system is critical for the environment and for functioning infrastructure. Through a grant and zero interest loan from the Massachusetts Water Resources Authority (MWRA), the Public Works Department will contract for the removal of infiltration and inflow in the sewer lines. The total amount of the grant and loan will be \$856,000.

The Town's water infrastructure will remain a focus with \$225,000 slated for the inspection, rehabilitation and upgrade of the Ballardvale Water Storage Tank. Work to the tank, which was constructed in the 1980's, includes restoration of the tank's exterior shell and potentially the addition of an internal mixing device. In-house replacement of undersized water mains and removal of dead-end mains where possible will cost \$100,000. Purchase of a heavy duty 10-wheel dump truck with plow for \$185,000 will replace a 2005 dump truck which has excessive corrosion and has limited use due to mechanical issues. The Salem Street wellfield has experienced a decline in water yield over recent years. A hydrogeological study of the wellfield, expected to cost \$90,000, will assess the available safe

options, if any, for increasing water production from this source. Funding in the amount of \$75,000 will be expended for cleaning the raw water main that transports untreated water to the Town's water treatment plants.

A complete listing of capital projects can be found on pages 74 and 75 and in the CIP.

Develop policies, plans and tools to enhance our financial capabilities, reduce risk and improve efficiency and operations.

As noted in my 2018 budget presentation, the Town obtained two Community Compact grants for the purpose of reviewing the Town's financial systems. During fiscal years 2018 and the first half of 2019 representatives from the Edward J. Collins Jr. Center for Public Management at the University of Massachusetts Boston completed an evaluation of the Town's financial management structure, revenue and expenditure projection models and financial management policies. The results of their efforts has led to recommendations in all three areas designed to improve the effectiveness of the Town's efforts to maintain its strong financial position.

During a November 13, 2018 presentation to the Board of Selectmen, representatives from the Collins Center proposed the transition of the Town Accountant's position to a Finance Director overseeing accounting, treasury and collections and assessing. This change would establish a point person for the overall development of financial planning and operations. This change in reporting structure will enhance the coordination of efforts amongst the three departments. The director will focus more attention on financial forecasting and understanding long term commitments to develop strategies to ensure that financial obligations do not outpace the ability to pay.

While the Town Accountant has consistently engaged in assessing revenue and expenditure trends beyond the current fiscal year, the Town has been presented with a more formalized five (5) year model for projecting expenditures and revenues. This tool will enhance the Town's ability to evaluate the impacts of decisions surrounding collective bargaining agreements and other operational commitments while also enabling the Town to develop a realistic plan to addressing facilities, infrastructure and other capital outlay obligations.

The Town's current financial policies address banking and investments, reconciliations, theft and fraud and debt management. These policies will be reviewed against the recommendations provided by the Collins Center aimed at further strengthening existing policies.

As noted previously, the Town has several aging facilities that will need to be addressed in the coming years. In recognition of the need to systematically address these buildings, the Town continues a methodical approach to annually earmarking money into its capital stabilization account. Within the past four years over \$10 million has been added to this account. Again, in fiscal year 2020 \$4 million is proposed for transfer to this account. These funds will be available to reduce borrowing costs for major renovation or replacement of facilities or investment in other capital projects. The Facilities Master Plan report, which was completed in early 2018, estimated nearly \$100 million for potential expansion and renovation of the North and West Intermediate Schools and the Shawsheen Street and Woburn Street Schools.

The Town's pension liability is the difference between the total amount due to retirees and the amount of money on hand to make those payments. In 2018 the Middlesex County Retirement System completed an actuarial review of the pension liability for each of its member communities. As of

January 1, 2018 Wilmington's pension liability was \$84,993,500. According to state law, municipalities must "retire" this liability by a 2040. Middlesex County Retirement System has a goal of fully funding the liability by 2035. Efforts to address the Town's liability have included two steps. First, funds have been transferred to a Retirement Stabilization fund. Once again, \$500,000 is proposed for transfer to this account. Due to a combination of downward adjustments in expected return on investments by the retirement system and other factors, retirement benefit assessments are likely to increase significantly in future years. For the fiscal year 2020 Wilmington's assessment will increase \$545,136. Funds from this account can be used to offset some of the impact of dramatic increases in the assessment. Second, efforts continue to accelerate the pay down of this liability. This budget calls for a \$1,000,000 advance payment towards the Town's pension liability.

Finally, Other Post-Employment Benefits (OPEB) continues to draw the attention of rating agencies. This liability accounts for the cost of benefits, primarily health insurance, that are provided to retirees by their municipal employers. After three successive actuarial audits that reported declines in the Town's OPEB liability, the liability increased as of June 30, 2018 from \$104,812,462 to \$112,695,125. As the General Accounting Standards Board (GASB) increases the reporting requirements for OPEB and with an increasing employee population this liability will likely increase. While municipalities must be mindful of the full financial impact of hiring, they should not be held hostage to meeting service requirements by fears of OPEB liability.

The Town continues to commit funds to its OPEB Trust account far in excess of its OPEB policy commitment of earmarking at least the amount received in meals tax revenue. Once again in fiscal year 2020 this budget proposes directing \$1,000,000 towards meeting that obligation. Demonstrating a sustained meaningful commitment towards addressing this liability should receive positive consideration by rating agencies.

PERSONNEL

Staffing increases are always viewed with much reservation. Clearly the largest cost of the annual operating budget is tied to employee salaries and benefits including pensions and OPEB liability. While the demand for services has grown in areas such as Veterans services, online access to bill paying and substance abuse services to name a few, the Town General Government's full-time employee population has increased by 4% since fiscal year 2013 and currently stands at 259. Total staffing including permanent part-time and seasonal employees has grown by 2% during that period from 294 to 300 in the current fiscal year.

Overtime for fire personnel remains an issue of concern. The department operates with four (4) groups each working 24 hour shifts at intervals throughout the week. Each group is comprised of a lieutenant and 8 privates. The department operates two ambulances which account for most of the department's activities. However, beyond medical emergencies the department responds to a variety of other calls including activated fire alarm boxes and fire suppression. In fiscal year 2009 staffing was adjusted to the current level of forty (40). The number of runs reported in calendar 2009 totaled 3,364. This statistic reflects ambulance runs, responses to fire radio boxes and fire responses. For the most current reporting period, calendar year 2018, the Fire Department reported 4,192 runs or an increase of 24.6% over that nine (9) year period. Ambulance runs, exclusive of the other response, for that same period have increased 46.6% from 1,785 reported in calendar year 2009 to 2,617 reported in calendar 2018.

For more than a year the department has consistently been short staffed due to long term work injury, personal injury, retirements or military deployments. Since staffing levels cannot be reduced below current levels without impacting service, each absence has been filled at the overtime rate. Reducing overtime costs and adjusting the staffing levels to meet the current service demands cannot be completed in one fiscal year. However, adding four (4) fire fighter privates will begin to address these issues. The cost for additional fire personnel is projected to be \$267,628. If these positions are funded, the timeline for these individuals to be capable of filling a shift could be nine (9) months or more due to the requirements of Civil Service, academy training and in-service training. The increased staffing in combination with resolving the absences will begin to reverse the overtime trend.

Another issue that remains to be addressed is span of control. The number of instances in which simultaneous runs occur is increasing. While some of these runs occur during periods when the Fire Chief and Deputy Fire Chief are present, there are many instances during which neither the Chief nor Deputy are on duty. The need for additional command staff to manage multiple emergency responses occurring before the first group has returned to quarters will be a topic for consideration in a future budget.

The Police Department has also experienced a growing demand for services while also being called upon to address an increasing number of mental health and social service related issues. The addition of the Substance Abuse Coordinator is evidence of the Police Department's greater involvement in activities beyond strict law enforcement. Overtime continues to be an issue although to a lesser degree than in the Fire Department. The increased pressures on the overtime budget has led to a recommendation to increase overtime by \$50,000. Similar to the Fire Department, the Police Department is affected when employees are absent for extended periods of time for reasons noted above for fire personnel. The last time positions were added to the Police Department was in fiscal year 2008 when two lieutenant positions were funded, bringing the total complement of officers to the current level of 48.

Due to the varied demands in law enforcement, some positions have been created with more limited duty assignments. Eleven (11) officers are assigned specialized duties including school resource officers (SRO), detectives, drug and narcotics officers, training instructor, community liaison officer and traffic and safety officers. As a consequence of their more focused duties, these individuals are not typically in the "pool" with those who are available for sector patrols.

In light of the increased level of activity and in many instances the increased amount of time required for each call, the plan is to establish a new patrol sector increasing the number in Town to four sectors. During each of the three shifts that operate 24/7, one officer is assigned to patrol one specific area of Town unless called to respond to an incident outside of their sector. Establishment of an additional sector will require a total of eight additional officers. The request for four (4) officers in fiscal year 2020 will cost approximately \$280,100.

Continuing the theme of increased demands on the Town's social service agencies, the Veterans Services and Elderly Services Departments have expressed concern about their ability to meet the demands of their clients for timely service and follow-up. In many instances both departments are responding to the same constituency – seniors who are Veterans. The Veterans Office is currently managing over 400 active cases. Each claim can involve a variety of benefits including state Chapter 115 benefits and federal benefits through the Veteran's Administration (VA). Elderly Services is experiencing increased demands for services. The need for case management services has increased 15% from 2015 to 2018. Requests for fuel assistance have increased 33% between 2015 and 2018. The population of

seniors in Wilmington has increased from 4,045 in 2010 to 5,176 in 2017 which represents a 27.9% increase. This trend will continue and will only increase the demands for service.

A full-time case worker at a cost of \$43,898 is proposed to be shared between the two departments. This individual will split their time between both departments in making home visits to seniors and Veterans, conducting follow-up visits or calls to ensure that residents are obtaining their medications, attending doctor's appointments and identifying other assistance that may be available. The case worker will assist by working with residents to complete documentation to obtain benefits such as fuel assistance, food through the supplemental nutrition assistance program (SNAP), financial assistance and medical coverage. Additionally, the case worker will assist each department in maintaining up to date case files and with any reporting that may be required.

COMMUNITY DEVELOPMENT

On the housing front the Town will continue to focus on addressing the pressing need for affordable housing. Discussions have taken place and will continue to take place with developers about the prospect of creating housing in various forms for individuals seeking to remain, return or come to call Wilmington "home." An inclusionary zoning bylaw will be proposed at the Annual Town Meeting. Such a measure, if adopted, will help to keep pace with ongoing construction of market rate housing but will not make up ground lost to ongoing development of market rate homes. The Town should at least keep the prospect of transferring town owned property to a private developer for creation of affordable housing "on the table" for consideration. Additionally, the Town will communicate with members of the development community to determine whether opportunities exist to work with them on housing creation that has an affordable component.

The establishment of the Economic Development Committee (EDC) will serve as a catalyst towards examining what residents believe is appropriate development and identifying Wilmington's strengths and weaknesses as a location for business creation. Seeking perspectives not only from residents and business owners in Wilmington but also from regional commercial real estate developers will assist the Town with its efforts to strike the right balance in pursuing development that residents generally support.

In the coming fiscal year the Town will review the recommendations of the Route 38 Main Street Corridor Market Study to determine "next steps." The report will likely be a point of discussion with the EDC.

Determining reasonable approaches to address the issue of unaccepted ways will also be on the docket for fiscal year 2020. Unaccepted ways exist in many communities across the state and have existed in Wilmington since its incorporation. Efforts have been made in the past to address unaccepted ways but there are no easy answers. Issues of equity, long term financial cost to the Town and liability amongst others must be considered.

Customarily, unaccepted ways that are brought to Annual Town Meeting for acceptance have been reviewed by the Engineering Division and other departments to confirm that the streets meet an acceptable standard with respect to the quality of the road construction, drainage and road width to accommodate emergency vehicles. The Town has invested significant funds to improve conditions on accepted ways through improved drainage and establishment of retention areas to appropriately address road runoff. One recent example is the multi-phased project on Cunningham Street which removed collection points for significant standing water following rain events. More work on accepted

ways needs to occur. Once Town Meeting votes to take ownership of unaccepted ways the Town accepts the streets “as is.” All cost for upgrades and repairs and legal liability associated with those streets will rest with the Town.

CONCLUSION

As evidenced by the ongoing construction of new homes and strong housing sales over the past year, Wilmington remains a highly desirable place to live and raise a family. The increase in housing and retail/commercial activity that Wilmington has experienced since the turn of the century creates opportunities and challenges. New residents have been welcomed and embraced into the community and local non-profit organizations like the Wilmington Community Fund and We’re One Wilmington have provided increased opportunities for civic engagement while extending support to those in need. The arrival of Osram Sylvania and the development of retail business along Ballardvale Street and Analog Devices’ commitment to establish Wilmington as their corporate headquarters have created employment opportunities and shopping choices right here in Wilmington. This growth also challenges the Town’s ability to continue to provide quality services that the residential and business community expect. Pressures and problems experienced by other communities in eastern Massachusetts and the greater region do not stop at our borders.

Some of these pressures manifest themselves in calls for emergency services that may increase in frequency, be more complex and require more time to resolve. An aging population and the interrelationship of mental health disease and substance abuse continues to impact the school system, police and fire services and the Town’s social service agencies. This budget recognizes those stresses on the system and seeks to direct additional resources to enable the Town to meet these demands for service.

The work of those who serve in local government is not easy. For every challenge that is overcome there is another to take its place. In the words of John Quincy Adams “patience and perseverance have a magical effect before which difficulties disappear and obstacles vanish.” I fully believe that my colleagues with whom I have the privilege to work will continue to exercise that patience and perseverance and I wish to extend a sincere “thank you” to each town and school employee and volunteer board and committee member who endeavors each day to make your best effort to serve the Town of Wilmington.

The presentation of the Town’s annual budget and Capital Improvement Plan provides an opportunity for the Board of Selectmen, the Finance Committee and the community at large to assess where we are in terms of meeting community needs. The recommended expenditures in this document set a course for addressing those needs.

The Finance Committee begins their review of this budget document tomorrow evening and will continue that process for the balance of February concluding their departmental meetings in early March. I look forward to working with the Board of Selectmen and the Finance Committee to complete the review of this budget, which will be presented to Annual Town Meeting for their careful consideration on Saturday, May 4, 2019.

Respectfully Submitted

Jeffrey M. Hull
Town Manager