

## BOARD OF SELECTMEN MEETING

January 29, 2018

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

Chairman Champoux welcomed Selectman McCoy back following his absence recovering from hip surgery.

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

### **JEFFREY M. HULL, TOWN MANAGER, RE: PRESENTATION OF TOWN MANAGER'S FY 2019 BUDGET**

The Board of Selectmen was provided with information regarding the Fiscal Year 2019 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.

Chairman Champoux 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.

Town Manager Hull and members of the Board of Selectmen recognized Interim Superintendent of Schools Paul Ruggiero. They expressed their appreciation to Mr. Ruggiero for his serving in the capacity of Interim School Superintendent over the past year.

Chairman Champoux asked if there were any questions or comments from the audience. Director of Administration and Finance for the School Department, Paul Ruggiero, thanked the Town Manager and Board of Selectmen for their support of the School Department. Mr. Ruggiero recognized the work of the entire School Department.

### PUBLIC COMMENTS

There were none.

### NEW BUSINESS

Selectman Bendel noted that, on Saturday, players from the Wilmington High School basketball team and the Shawsheen Tech basketball team had the opportunity to play on the parquet floor at Boston's TD Garden.

Selectman Bendel noted that on Sunday at the TD Garden, members of Wilmington's Police and Fire Departments participated in the Boston Bruins Bfit First Responder Challenge. The event is to raise awareness around health and wellness of first responders and to

support The Hundred Club, Inc., a charity that supports the families of police officers and fire fighters who are killed in the line-of-duty.

Selectman McCoy stated that the Annual Town Meeting is approaching and he would like advance notice of zoning changes sponsored by the Planning Board. He asked that the Director of Planning & Conservation be invited to a future Board of Selectmen meeting to update on planned changes.

Selectman McCoy stated that Friday is the deadline for petitioned warrant articles and offered a motion that the Board of Selectmen instruct the Town Manager to write an article on behalf of the Board of Selectmen for the sum of \$5,982,500 for the purpose of truly affordable senior housing to be constructed at the Whitefield site. Those funds would come out of free cash or debt exclusion. The Board of Selectmen, along with the Town Manager, would determine a policy on occupancy. The occupancy would be that of a Wilmington resident, only a Wilmington resident; the age would be as relative to Social Security retirement age of 62 and rent would be based on Social Security income.

Selectman McCoy stated that he is making the motion because the Town has done a lot for the youth of the community citing the new high school, middle school and public safety building that the seniors contributed to. He believes the Town owes it to the seniors of the community on a fixed income. He noted the ballfields and Yentile Farm Recreational Facility have been constructed and maintained for the youth.

Selectman McCoy believes that, although the site is on septic, it is feasible. He noted that there was discussion in 2004 to construct a 24 unit development and he withdrew his proposal due to the economy.

Selectman McCoy's motion was seconded by Selectman Bendel for discussion. Selectman Bendel appreciates the spirit of Selectman McCoy's motion but would be hesitant to rush into something to beat a deadline. Selectman Bendel asked how Selectman McCoy arrived at the five million dollars and expressed concern how that dollar amount will sustain such a project. He was advised that is what the Town incurred for the property and construction of Yentile Farm Recreational Facility.

Selectman Loud stated that 1.5 acres is not large enough to accommodate affordable senior housing for those who would like that option. He stated that he would like to receive concrete data about truly affordable housing.

Selectman Caira stated that he is in agreement that the Board should begin discussion and formulating additional ideas for affordable senior housing. He expressed concern that restricting occupancy to Wilmington residents only would not be allowed.

Selectman Bendel expressed concern that the proposed dollar amount would be used quickly, especially due to the site not having access to sewer.

Chairman Champoux opined that it is worthwhile for the Board of Selectmen to have this conversation and the Whitefield site on Middlesex Avenue may be an appropriate location. He stated that he is not in favor of the Town being in the landlord business and he would prefer to work with a developer using creative zoning to identify a specific location for a specific audience.

Selectman McCoy stated that he appreciates the civil discussion and noted that he proposed two articles in 2004. He stated that, as a favor to him, Domenic Tutela of Tutela Engineering developed an architectural design showing 24 units. The site can

accommodate a septic system and advised that the site is larger than 1 ½ acres. Chairman Champoux suggested that Selectman McCoy locate those plans and continue discussion. Chairman Champoux opined that it would be hasty to include an article on the 2018 Town Meeting Warrant without additional details.

There being no further discussion, Chairman Champoux called for a vote. The vote was one in favor (Selectman McCoy) and four opposed, motion failed.

Selectman Loud recognized the passing of James Banda over the weekend. Mr. Banda was a veteran of World War II and served the community in many capacities including as Town Counsel, member of the Board of Selectmen and member of the Library Trustees.

Selectman Loud advised that the Board of Appeals will be meeting on Wednesday, February 14 at 7 p.m. He stated that the issue of the Detox facility will be before the Board on that date and encouraged residents to attend, whether they are in favor of the facility or opposed.

#### IMPORTANT DATES

Town Manager Hull reviewed important dates including:

- February 1 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.  
*PLANNING & CONSERVATION AND BUILDING INSPECTOR / BOARD OF APPEALS*
- February 1 – Dr. Ruth Potee – Addiction and the Adolescent Mind  
St. Thomas Church – 7:00 p.m. to 8:30 p.m.
- February 2 – Last Day to Submit Petitioned Warrant Articles for Inclusion on the  
Warrant for the Annual Town Meeting – May 5, 2018
- February 5 – Board of Selectmen – Town Hall – Room 9 – 7:00 p.m.
- February 6 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.  
*PUBLIC BUILDINGS & DEPARTMENT OF PUBLIC WORKS*
- February 13 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.  
*POLICE, PUBLIC SAFETY CENTRAL DISPATCH, FIRE*
- February 15 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.  
*TOWN CLERK, BOARD OF HEALTH, VETERANS' SERVICES*
- February 26 – Board of Selectmen – Town Hall – Room 9 – 7:00 p.m.
- February 27 – Finance Committee Meeting – Town Hall – Room 9 – 7:00 p.m.  
*HISTORICAL COMMISSION, INFORMATION TECHNOLOGY, BOARD OF ASSESSORS*

There being no further business to come before the Board, a motion was made by Selectman Bendel, seconded by Selectman Loud and by the affirmative vote of all, it was

VOTED: That the Board of Selectmen adjourn.

Meeting adjourned at 8:30 p.m.

Respectfully submitted,

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Recording Secretary



## TOWN OF WILMINGTON FISCAL YEAR 2019 BUDGET MESSAGE

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Chairman Michael Champoux  
Members of the Board of Selectmen

Chairman Theresa Manganelli  
Members of the Finance Committee

Dear Members,

In accordance with the Town Manager's Act, what follows is the proposed budget plan for the Fiscal Year beginning July 1, 2018. Included is a key supplement to the annual budget, the Capital Improvement Plan (CIP), which represents a 5-year forecast of major equipment purchases, facility upgrades and replacement and acquisition of other capital assets that exceed \$20,000 in value and have a useful life of three or more years of service.

The total budget recommendation for Fiscal Year 2019 including operating and capital expenditures for General Government, Wilmington Public Schools and the Shawsheen Valley Technical High School assessment are projected to increase by 4.69% to \$114,400,729, as compared with the total appropriation for Fiscal Year 2018 of \$109,274,471. It should be noted in Fiscal Year 2018, \$5.0 million dollars was transferred to the following funds Capital Stabilization, Pension Stabilization and Other Post-Employment Benefits Trust Fund. These funds are reserve accounts and are not expenditures. A similar transfer is proposed for the upcoming Fiscal Year in the amount of \$6.0 million dollars. When accounting for the change in true expenditures, the budget has increased 3.96% over the current Fiscal Year.

Increases to the three elements of the operating budget (1) General Government exclusive of shared costs, (2) Wilmington Public Schools exclusive of shared costs and (3) Shawsheen Valley Technical High School are as follows:

	Fiscal Year 2018	Fiscal Year 2019	Dollar Change	Percent Change
Wilmington Public Schools	\$38,869,388	\$40,326,533	\$1,457,145	3.75%
General Government	\$27,681,193	\$28,662,420	\$ 981,227	3.54%
Shawsheen Valley Technical High School	\$ 4,182,233	\$ 4,265,878	\$ 83,654	2.00%

“Shared costs” attributed to both General Government and the School Department increased 6.76% from \$38,541,657 to \$41,145,898. These costs include the following:

- Debt & Interest (principal and interest costs on borrowing);
- Statutory Charges (assessments from other agencies);
- Insurance (premiums for general liability, property, auto, health etc.);
- Unclassified (annual audit, Town Report, Medicare employer contribution etc.);
- Warrant Articles (Memorial/Veterans Day, July 4<sup>th</sup> Celebration, Reserve Transfers); and
- Capital Outlay (goods and services with a multiyear useful life and cost exceeding \$20,000).

Budget increases for Fiscal Year 2019 are primarily the result of personnel and capital projects. Collective bargaining agreements are in place for three of the general government’s six unions, with the remaining three bargaining agreements expiring on June 30, 2018. Funds have been budgeted in anticipation of settlement with the three general government unions. In the fall of 2017, the School Department reached terms for a new agreement with teachers.

Capital improvements continues to have a major effect on the increase in the annual operating budget. Expenditures for capital in Fiscal Year 2019 are projected to increase \$941,500 from \$2,261,100 in the current fiscal year, to \$3,202,600 in the upcoming fiscal year. Vehicle, equipment, technology replacement, infrastructure upgrades and building repairs are an annual responsibility to avoid breakdowns which would affect services. This annual investment avoids spending significantly more money responding to emergencies. The completion of the Facilities Master Plan provides a tool for focusing attention on the need to address older buildings and the importance of designating funds annually for major facility upgrades.

The Town’s general liability, property and casualty insurances continue to respond favorably with a slight decline projected in Fiscal Year 2019 of \$28,591, while health insurance, after being level funded in Fiscal Year 2018, is being reduced by \$612,967 in Fiscal Year 2019.

This fiscal plan seeks to maintain, and where possible, advance municipal services to the residents of Wilmington, while recognizing the very real limits to resources.

During the previous twelve months, the Town completed work on the twenty acre Yentile Farm Recreation Facility, which provides leisure opportunities for a wide range of residents. Recognizing the vital importance of advancing the effort to address substance abuse, the position of Substance Abuse Program Coordinator was filled by a highly qualified, compassionate and dedicated individual. A chairlift was replaced at the Shawsheen Elementary School to ensure continued access to the school for students, parents and teachers. The North Intermediate School had the final section of roof replaced, in addition to the reconstruction and resurfacing of the sidewalk and bus drop-off area. A portion of the walkways on the Town Common were replaced during the fall of 2017. New computers and software were purchased for the Middle School Technology Engineering Lab and desktop computers were purchased for the elementary and early childhood schools. Investments in Town and School facilities and in Wilmington’s children will continue in Fiscal Year 2019.

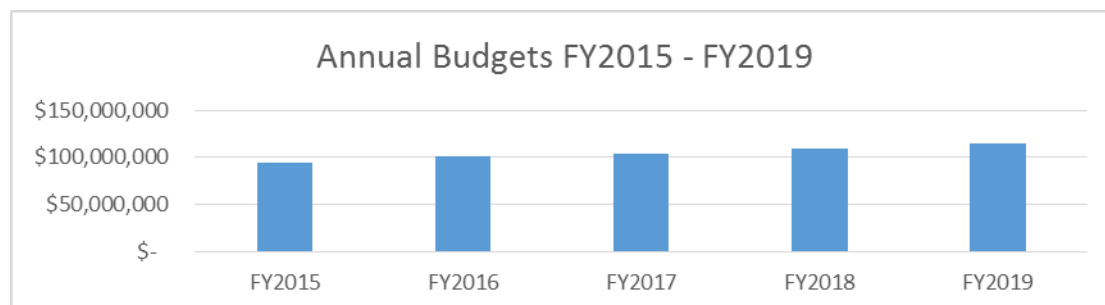
This budget provides the ability to continue to pursue the goals of enhancing educational programs, pursuing energy efficiencies, using technology as a tool to improve services, planning for future capital expenditures and improve upon policies to manage municipal

finances. Additionally, resources are proposed to further efforts to attract businesses to Wilmington. Identifying opportunities to encourage affordable housing will remain a focal point in Fiscal 2019.

The economy both regionally and locally remains strong. According to the Massachusetts Executive Office of Labor and Workforce Development, Wilmington's unemployment rate in November of 2017 was 2.9% and fell to 2.6% in December.

Residential development in Wilmington remains strong. Eight building permits were issued for homes on Green Meadow Drive and three certificates of occupancy were issued. A total of 27 homes are planned for this development. To date, 17 building permits have been issued for construction of homes as part of the multi-phased Murray Hill development with 13 certificates of occupancy issued. Work continues on construction of 25 homes on McDonald Road. Mixed use development is planned for a section of Lowell Street near the former Walpole Woodworkers Inc. In spite of this ongoing residential development, it remains a seller's market in Wilmington. Roadway, drainage and other infrastructure are being installed for the age 55 and older development known as Spruce Farm, a 27 unit development in north Wilmington. Additional residential development is in the permitting stage on Nichols Street, Hopkins Street and Burlington Avenue. Retail development is expected to occur during the summer of 2018 in the vicinity of Target.

Wilmington remains a highly desirable place to live and to raise a family. With the demand for homes outpacing the supply, homes values continue to rise. The average single family home value increased once again from \$423,885 in Fiscal Year 2017 to \$439,673 in Fiscal Year 2018. While the increase in home values is welcome news for many homeowners, it also poses challenges for residents who seek to remain in Wilmington in their existing home or to "downsize" to a smaller home or for residents who would like to see their children have the opportunity to return to the community from which they were raised. Efforts will continue to identify opportunities to foster more affordable housing. Establishing affordable housing will require a long term commitment to pursue zoning changes, work with developers on future projects and assess opportunities to identify parcels of Town owned land that are surplus to the Town's needs, but can reduce construction cost and in turn foster affordable housing units.



## **Revenue:**

As has been the longstanding practice, estimates on revenue to be generated in the upcoming Fiscal Year are conservative. Budgets based upon revenue estimates that are exceeded by actual revenue received place the Town in a far better position than establishing budgets based upon estimates that fall short of actual revenues. As with any business, the forecasting of revenues is never an exact science. Multiple factors will effect revenues that are generated up to 18 months into the future.

The property tax levy is by far the largest source of revenue received by the Town. In accordance with Proposition 2½, property taxes absent new growth and accounting for

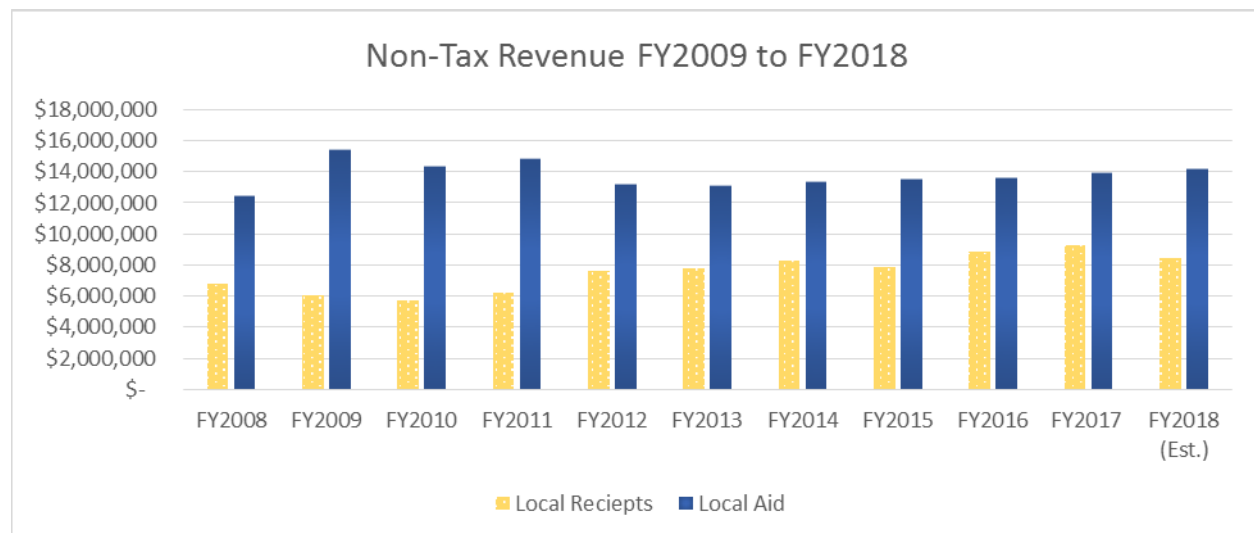
excludable debt cannot exceed 2½ percent of the current year levy. While this calculation is very straight forward, the “X” factor is new growth. New growth is based on the development activity and improvements to property as documented by the Town Assessor. The value from new construction and the acquisition of equipment by businesses generates new growth. Total property taxes are expected to be \$82,689,308.

Local aid is made available to cities and towns through revenues collected by the Commonwealth. The primary Local Aid accounts are Unrestricted General Government Aid (UGGA), Chapter 70 education aid and Chapter 90 road improvement funds. At the Massachusetts Municipal Association’s Annual Meeting on January 19<sup>th</sup>, Governor Charlie Baker announced his intention to increase UGGA funding by \$15 million dollars or 3.5 percent, which matches the increase in state tax collections projected for Fiscal Year 2019. Additionally, the Governor proposed \$118.6 million dollars in Chapter 70 funding, which is a 2.5 percent increase over the current Fiscal Year’s authorization. Of that amount, \$14 million dollars will be distributed to all communities based upon a per-pupil aid formula. Governor Baker clearly recognizes the importance of his municipal partners in providing services to residents of the Commonwealth.

The Governor’s proposed budget of \$40.9 billion dollars represents the kick-off of state budget deliberations. These deliberations will unfold over the next several months and in all likelihood will conclude following the Annual Town Meeting. The House and Senate will consider the Governor’s budget proposal then craft their own budgets, which will ultimately lead to a consensus budget. The state continues to face many financial challenges, including health care costs both for its own employees and residents who obtain coverage through the MassHealth program. An estimated \$95 million dollars in revenue is expected to be generated through marijuana sales, and tax revenues through gaming.

As always, there is a significant degree of uncertainty with respect to the final Local Aid distribution. The projection calls for a slight increase in Wilmington’s Local Aid of \$38,653 in Fiscal Year 2019 for a total of \$14,254,109.

Local receipts are the third most significant source of revenue to the Town. Motor vehicle excise, the local meals tax, payments in lieu of taxes from Reading Municipal Light Company and fees from building permits are some of the primary local receipts. This revenue source is not expected to change dramatically and is projected to result in \$8,572,000 in revenue.



### **Long Range Goals:**

#### **Invest in the success of students by supporting the initiatives and providing the resources for a 21<sup>st</sup> century education.**

The education of our children is a core function of local government. In June 1993, the state legislature passed, and the Governor approved, Chapter 71 *An Act Establishing the Education Reform Act of 1993*. Part of the intention of this legislation was to set standards for the education of students. One key requirement was a minimum level of financial resources that each city and town in the Commonwealth would commit to the support of education. That minimum level of resources became known as the “foundation budget”. Since that time, each budget for the Wilmington School Department has consistently exceeded that foundation budget level.

The Fiscal Year 2019 budget proposed for the Wilmington School Department is \$40,326,533, which represents a 3.75% increase over the current budget or \$1,457,145 in additional funding. Adjustments associated with salary increases, step and lane changes and new positions offset by salary savings account for \$1,022,656 in budget increases. Nearly \$363,000 of the non-salary increase will fund Special Education tuitions and transportation. New textbooks account for \$53,200 in additional costs.

Spending in the amount of \$451,100 in capital expenditures is earmarked for educational purposes. This includes \$161,100 for the replacement of laptops at the Middle School, replacement of elementary school projectors at a cost of \$135,000, purchase of a new handicapped accessible van for \$55,000, continued upgrade of the phone system to Voice over Internet Protocol (VoIP) at a cost of \$50,000 and upgrades to the data center for \$50,000.

Wilmington has been very fortunate over many years with the level of cooperation and collaboration that has taken place between the School Superintendent and staff and my office. While we on “the town side” have never questioned the importance of providing resources to foster the academic, social and emotional development of Wilmington’s youth, it has been heartening to see that “the school side” recognizes and supports the idea that we are strongest when working together. The Town, in general, and the School Department in particular, has experienced an extraordinarily challenging period with recent changes in the Superintendency over the past 12 months and I would venture to say that this stretch will continue in the short-term.

We have all witnessed the talents, resilience and wherewithal of Danny Amendola of the New England Patriots rise to the occasion again and again when the game was on the line. For the Wilmington School Department, that “go to guy” has been Paul Ruggiero, Interim Superintendent of Schools. He was called upon to assume the role of Superintendent during a difficult time. Paul is the consummate professional and has done an incredible job to stabilize operations during this time of transition. I have had the pleasure and the privilege of working with Paul for the past 10 years. Trust and competency are critical commodities in these roles and I can unconditionally say that Paul Ruggiero has demonstrated both. On behalf of myself and the Town, I extend my sincere “thank you” for a job well done.

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

Identifying ways to reduce energy consumption continues to be a priority as we head into the next Fiscal Year. Reductions in energy consumption are not only a win for our



environment, but these measures offset rising energy costs and may even lead to a reduction in spending from the prior year.

Replacement of existing lighting at the Shawsheen School and Woburn Street School is proposed at a cost of \$370,000. Existing fluorescent, incandescent and HID bulbs that have passed their useful life will be replaced with energy efficient LED lights. There are multiple benefits to this investment. In addition to reducing electrical costs for the School Department, the new fixtures will improve the lighting levels and provide higher quality lighting for classrooms, offices and other rooms in both schools. New lighting is estimated to reduce electricity costs by \$38,879 per year and will reduce the time and cost of regularly replacing ballasts, sockets and wiring in existing light fixtures.

The Town continues to cycle the Ford Crown Victorias out of the fleet. The remaining Crown Victorias are used by administrative staff. These vehicles are very inefficient, averaging approximately 11 miles per gallon. The longstanding practice has been to transfer former police cruisers out of the Police Department for use by administrative personnel who conduct frequent inspections throughout Town, or who are required to travel between Town buildings. A review of the administrative requirements for vehicles will be completed during Fiscal Year 2019 to determine the best options for personnel who require access to a vehicle on a regular basis as a function of their job. Additional options such as the purchase of smaller more fuel efficient vehicles will be considered, along with mileage reimbursement or payment of a travel stipend.

In the longer term, the Town must address the energy inefficiencies of buildings like the Town Hall, the Roman House, the Buzzell Senior Center, the Wildwood and Boutwell Schools and the Harnden Tavern. The buildings' age, lack of insulation, single pane windows and inefficient heating systems lead to challenges to maintain even heat distribution. Significant savings can be achieved with building replacement, and closure or in the case of the Harnden Tavern, renovation.

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

Technology remains the conduit through which the Town provides many services. As previously noted, the School Department is seeking \$396,100 to upgrade technology for use by students and to address ongoing improvement to their Voice over Internet Protocol (VoIP) telephone system.

A reliable and secure software system is vital to both the Town and the School Department's ability to process payroll, collect property taxes and motor vehicle excise taxes, issue water bills, track employee benefits and perform all municipal accounting functions. The Town's current software vendor SoftRight was purchased by Accela a larger competitor approximately 2 years ago. A corporate decision was made to discontinue upgrades to the SoftRight software and to focus their resources on the package of products offered by Accela. More recently, Accela was purchased by another company, further diminishing the attention provided to maintaining the Town's software platform. Some of the other municipalities who relied upon SoftRight have already transitioned to enterprise software from other vendors. With a software program that already has limited support and a shrinking client base, it is only a matter of time before the SoftRight product is simply discontinued.

The Town will be seeking an appropriation of \$1,050,000 to contract with another vendor to provide these services. Several vendors who offer replacement software and service have been interviewed by Town and School staff. Based upon discussions with these vendors,

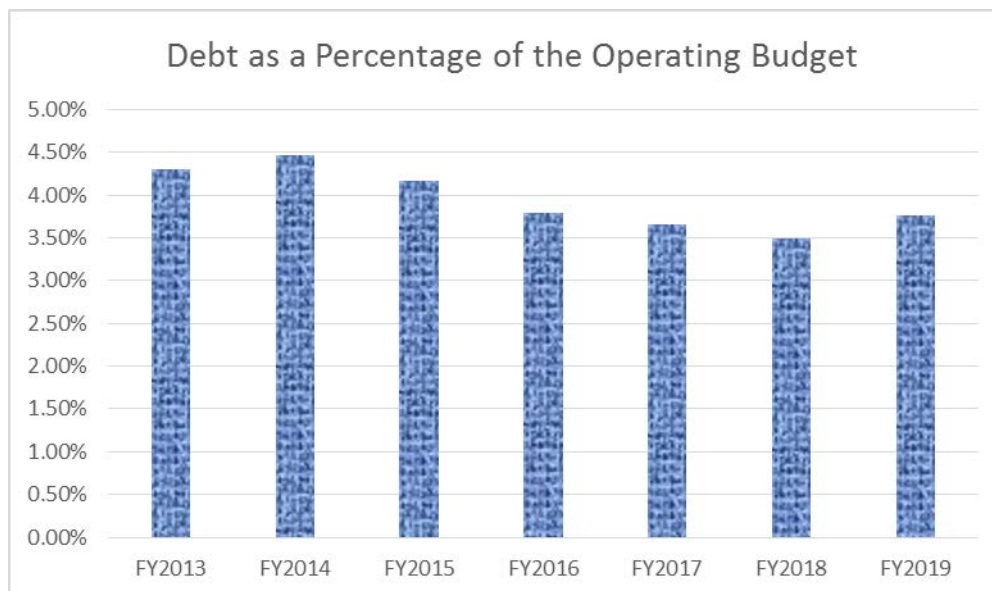
the appropriation request will provide access to a full menu of software to support municipal operations. The Town is seeking to enter into a long-term relationship with a vendor familiar with municipal government operations who will provide access to software upgrades and client support. This represents a major investment in transactional and financial software for the Town. Funding is proposed to be provided from free cash.

Plans call for the continued replacement of desktops. The amount of \$55,000 is being requested to maintain the 5-year replacement schedule. Replacement of a universal power supply (UPS) is required at the Police Department for \$20,000.

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

Due to the support of the Board of Selectmen, Finance Committee and Annual Town Meeting, the Town has made a sustained effort to replace and upgrade vehicles, infrastructure, buildings and technology. In last year's budget message, I detailed indicators of the scope and scale of Town operations. The Town is an enterprise of over 17 square miles and 22,714 stakeholders, a medium sized municipal corporation. The total value of the Town's assets is in the hundreds of millions of dollars. A key role of the Town Manager is to make responsible decisions that provide for maintenance of its capital stock. Failure to make sufficient annual investments in capital will lead to a tsunami effect of breakdowns to critical facilities and the inability to address multiple significant projects simultaneously.

The Facilities Master Plan was just recently completed and has been incorporated into the CIP. That plan documents the state of the Town's principle buildings and lays out a blue print for addressing needs for additional space for educational flexibility, personnel, programming, document retention and storage of the expensive vehicles in the Town's fleet, building accessibility and energy efficiency. The first major project scheduled for 2022 is for the construction of a combined Town Hall and School Administration facility in addition to a new Senior Center. Through the Facilities Master Plan, the community has target dates for addressing major facility replacements and upgrades. The dates are not cast in stone, but should serve as beacons that focus our attention.



Conversations continue about the prospect of a fire substation in north Wilmington. Funds in the amount of \$45,000 will be requested in this budget to carefully evaluate whether response times from the Adelaide Street Public Safety Building to north Wilmington warrant a second station and if so the type of facility required.

There has been much debate about the size of the financial reserves the Town maintains. Having significant financial reserves presents residents with the opportunities to address large scale building projects without being restricted to pursuit of a debt exclusion. One function of the financial reserves is to offset borrowing costs and with some projects avoid the need for a debt exclusion or for general borrowing.

Another value of completing this facilities plan and incorporating it into the CIP is that the inventory of major projects serves as a reminder about important investments that must be undertaken. When other ideas are brought forward about pursuing a new capital expenditure on a more immediate time frame, thought should be given as to the impact such an expenditure will have on well-documented needs already included in the CIP.

In Fiscal Year 2019, just over \$3.2 million dollars is proposed for expenditure on a variety of capital improvements. Plans call for expenditure of \$137,000 to resurface the parking area behind the North Intermediate School. With the completion during the summer of 2017 of the front drop off and sidewalk area, the proposed work will finish paving at the North Intermediate School.

A complete listing of capital projects can be found on pages 79 and 80.

**Develop policies, plans and tools to enhance our financial planning capabilities, reduce risk and improve efficiency of operation.**

The Town's financial policies will become particularly important as the Town enters the market for long-term borrowing to finance the Yentile Farm Recreational Facility project and a fire pumper that was purchased following Town Meeting authorization in Fiscal Year 2017. Standard and Poors will be evaluating both the Town's financial health and the policies and methodologies used to navigate fiscal waters.

On September 29, 2017, the Town was awarded two Commonwealth Community Compact grants by the state. The Baker/Polito Administration is seeking to recognize municipalities that are striving to become more innovative by granting incentives through state grants and programs to reward towns that commit themselves to continuous improvement. The Town's total grant of \$26,000 will allow Town officials to work with consultants at the Collins Center at the University of Massachusetts Boston on three projects.

The first project is a Five Year Financial Forecast grant to review the Town's existing forecasting models and incorporate the information to create a scenario based forecasting model. The forecasting model will help the Town Manager, Assistant Town Manager, finance team, Finance Committee and Board of Selectmen establish a framework and a financial model to be utilized to help analyze the implications of proposed policies, potential projects requiring long-term debt, collective bargaining agreements, employee benefit changes and other costs.

The second area of focus is an Organizational Study of Financial Management Functions which will review the Town's organizational structure, staffing and processes that exist today, as they relate to financial management. As the Town has grown in population, program and service offerings, municipal financial management has become more complex. The Town, despite these changes, has largely maintained the same organizational structure and staffing for decades. The Collins Center will provide a report identifying the strengths

and challenges of the existing processes and interrelationships between the finance divisions and recommend potential improvements to the existing system.

The Town's third project, in conjunction with a review of the organizational structure, a review of the Town's Financial Management Policies will be conducted.

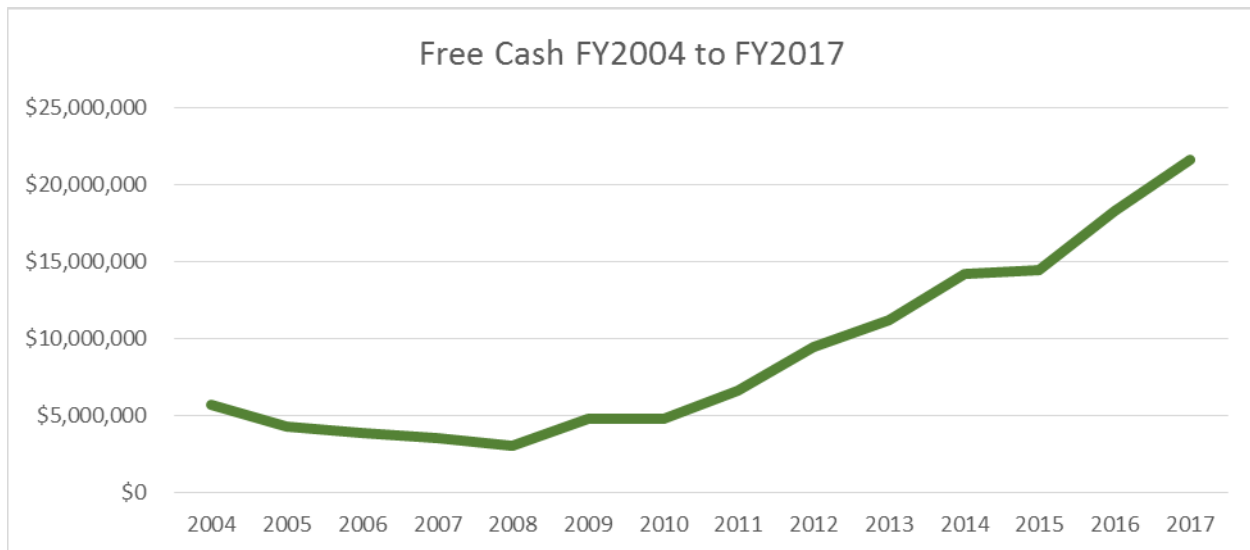
At the conclusion of this report, the Town expects to implement a revised financial modeling tool to better anticipate financial needs and financial conditions. Decisions will be made as to where advantages exist for realignment of responsibilities within the financial departments, as opportunities present themselves.

Decisions in this budget are predicated on current financial policies. In an effort to address the Town's Other Post-Employee Benefits (OPEB), the Town has made a commitment to place an amount at least equal to the annual revenue received from the meals tax into the OPEB Trust fund. While the meals tax generated \$371,692 in Fiscal Year 2017, once again the Town proposes to transfer \$1.0 million dollars from the tax levy to the OPEB Trust Fund. With this contribution, the Trust fund balance would equal over \$5.2 million dollars against liabilities of \$105 million dollars. Rating agencies expect to see municipalities committing a reasonable amount of funds annually to offset their OPEB liability.

Each community in the Commonwealth has an unfunded pension liability. This liability is due to the "pay as you go" funding schedule that existed for many years and did not account for the growth in retirees outpacing the growth of employees paying into their respective retirement systems. Also, for many years, cities and towns did not make adequate contributions to their retirement systems. Wilmington's current liability stands at \$78,674,503. Retirement systems are required to conduct an actuarial review of their pension liability every two years. Such a review is underway, which will update the Town's liability as of January 1, 2018. Changes in the pension liability, in addition to changes in the interest rates on funds invested by the Middlesex Retirement System, impact the Town's annual retirement assessment. The Fiscal Year 2019 retirement assessment increased 6.6 percent from \$6,126,993 to \$6,535,038.

For the third consecutive year, this budget proposes to transfer funds into the Retirement Stabilization Fund. The additional \$1.0 million dollar contribution to that fund will provide a total balance of \$2.8 million dollars. Funds from this account may be used to supplement the payment of a future assessment or to make an advance payment on the Town's pension liability. For the second consecutive year, \$500,000 is proposed to make an additional payment towards the Town's liability. Similar to advance payments on a mortgage or automobile loan, the expectation is to retire the obligation sooner and at a lesser cost than following the payment schedule currently in place.

As noted earlier, another significant liability currently faced by the Town is the replacement, repair and upgrade of its capital stock. The total capital liability over the next five years alone is \$65,727,270. The Town has taken significant strides over the past five years to build up a "savings account" specifically to meet capital expenditures. The Fiscal Year 2019 budget proposes that \$3.0 million dollars be transferred from free cash and \$1.0 million dollars from the tax levy to the Capital Stabilization Fund bringing the total balance in that account to \$10.4 million dollars. Additionally, it should be noted that proceeds from the sale of Town owned land and the sale of surplus vehicles and equipment is directed to that account.



## **Personnel:**

This budget recommends the addition of one full-time position and the transition of two part-time positions to full-time positions.

One full-time seasonal position is recommended to be changed to a full-time year round position in the Parks and Grounds Division of the Public Works Department. The last increase in staffing in this division took place in Fiscal Year 2002. At the time, staffing was increased from four to six individuals. In Fiscal Year 2002, a total of 56 full-time and 15 part-time and seasonal employees staffed the Public Works Department. Today, the department has 50 full- time positions and 15 part-time and seasonal employees.

During the intervening time, the Parks and Grounds Division has assumed responsibility for the one acre Whitefield athletic field, 1.5 acres for athletic fields off Wildwood Street which are part of the High School campus, a half-acre dog park and ten acres at Yentile Farm Recreation Facility. This division is also responsible for inspection and maintenance of all playground areas throughout Town, including the Sean Collier playground constructed in 2015 at Silver Lake. The increase in areas to maintain, in addition to the increase in use of athletic fields and courts, makes the conversion of a position from seasonal to year-round important. This position will also provide additional support for snow removal operations. The funding of the full-time seasonal position will be discontinued and the net impact to the budget will be \$29,697.

A part-time clerical position in the Police Department is recommended to be increased to full-time. The department has operated with two full-time clerks since prior to my arrival in 1987. A part-time position was added in Fiscal Year 2015. The change to the public records law has resulted in a significant increase in public records requests. The department received 1,105 requests in calendar year 2015, 894 requests in calendar year 2016 and 2,531 in calendar 2017 when the change in the public records law became effective. The process of locating, collating and redacting appropriate information to respond within the time limits of the records law has required an increased time commitment from clerical and administrative staff. Requests for firearms licenses are expected to increase. In 2012, 376 licensure requests were filed, as compared with 621 in 2013. The firearms permit requests have fluctuated since then, but with the licenses carrying a six year term, those licenses obtained in 2013 will be subject to renewal in 2019.

There are strict time limits on responses to service requests. With these demands, the administrative staff struggles to address its records retention and management responsibilities. The increase in hours of the part-time position to a full time position will add \$27,251 to the clerical salary budget.

Currently the Treasurer/Collector's office is staffed with five positions. Since one position is primarily responsible for water bill collections, that position is funded through water receipts. In Fiscal Year 2010, one full time position was added, bring the staffing to its current complement. Since that time, the department has taken on the responsibilities of selling white good stickers, yard waste punch cards and signing off on all building permits to confirm payment of taxes. Since 2013, the number of building permits requiring research and signoff increased from 1,994 to 2,204 in 2017. The number of white good and yard waste stickers sold over the same period increased from 1,902 to 2,225. To better serve the residents, the Treasurer/Collectors office has expanded online services to include payment of water and sewer bills and acceptance of credit cards. The convenience to the customer has not translated into less work or a decrease in workload for the staff to process these payments.

This position will spend approximately half of their time working in the Treasurer/Collector's office and the balance of their time working in other Town Hall offices that may be short staffed due to vacations or illness or to address project specific tasks or demands. An additional \$40,906 is included in the Treasurer/Collector salary budget.

While there are no requests in this budget for additional police or fire personnel, as noted in my Fiscal Year 2018 budget message, the Police Chief and Fire Chief both continue to express concerns over the ability to meet the demands for service. Fiscal Year 2008 was the last time personnel were added to each department. In calendar year 2007, the Fire Department responded to 1,799 medical calls, while the Police Department received 24,220 complaints or requests for service. During calendar year 2017, the Fire Department responded to 2,521 medical calls, while the Police Department received 26,006 complaints or requests for service. Not only is call volume increasing, but the complexity of calls has increased, as the departments deal with the Opioid crisis and many mental health related calls for service.

## **Community Development:**

While Wilmington is in a highly desirable location with an educated residential population and access to quality colleges and universities in the Boston metropolitan area, location alone will not attract commerce. Businesses analyze cost of operations, ease of entry with respect to zoning and permitting and in many cases local or regional demand for their goods and services. Wilmington is in a very competitive "league", as neighboring communities are actively engaged in attracting businesses.

A focus during the upcoming Fiscal Year will be assessing market conditions along a portion of the Route 38 corridor. There have been several vacancies in this area and attracting new businesses to these locations has been a challenge. The budget calls for \$15,000 to conduct a market analysis of commercial and retail demand along a portion of the corridor. The study will identify how and where individuals in the immediate area are spending their money. The Route 38 corridor approximately between Richmond Street and Clark Street will be evaluated in a regional context to identify who is shopping there and why. The expectation is to obtain information about the business sectors that might prosper in this area and to identify opportunities that might exist for retail enterprises.

The market study is a first step in developing a roadmap for actions that can foster desirable development in this area. A key to this endeavor will be gathering input from the public in an effort to link businesses that can be supported in the corridor with the types of businesses that residents will welcome.

A new retail or restaurant building is expected to be under construction at 196 Ballardvale Street in 2018. As part of the plan approved through the Planning Board, the developer agreed to contribute \$5,000 toward a study for streetscape improvements along the southern portion of Ballardvale Street. The goal of these improvements is to facilitate safe and convenient pedestrian access between office, retail and restaurants located on the lower end of Ballardvale Street.

Work is expected to be completed in Fiscal Year 2019 on updating the subdivision control regulations. Approximately \$3,000 will be earmarked to supplement the \$6,500 authorized in Fiscal Year 2018 to complete this effort.

Staff in the Planning Office will begin work on drafting an Inclusionary housing zoning bylaw. Such a zoning bylaw will require that for new residential developments of a predetermined size, a certain percentage or number of the units must be affordable. In order for such an effort to gain traction and be adopted, input will be sought from a variety of stakeholders. Efforts will continue to identify approaches to foster affordable housing either through working with parties interested in developing in Wilmington or through identifying tools that can spur an increase of a more diverse and affordable housing stock.

## **Recreation:**

Wilmington takes great pride in the recreational opportunities it provides for its residents. The Recreation Department is beloved for the variety of programs ranging from yoga to upholstery, cooking to karate, basketball to ballet and trips to the mountains of Alaska or the Badlands of South Dakota.

With the construction of the new High School in 2015, both students and the community have access to new tennis and basketball courts, an artificial turf field and multipurpose fields. Over \$30,000 was spent on upgrades to Aprile Field, which is home to girl's high school softball and adult softball leagues. Aprile Field is also host to an extremely popular dog park. With the opening of Yentile Farm Recreation Facility in 2017, residents have access to a second artificial turf field, a walking path, a playground area for young children, basketball and street hockey courts and a pavilion and concession facility.

One group of residents has for the last several years persistently sought a location to break out the paddle and perfect their game of pickleball. This game has elements of tennis, badminton and ping pong. The sport is played on a court similar to a tennis court with ping pong like paddles and a small plastic ball with holes similar to a whiffle ball. The game is very popular in Florida and other parts of the country and has become increasingly popular here. While the Town has made multiple attempts to accommodate their needs through retrofitting other courts in Town, a variety of factors have made each set up less than ideal.

This budget proposes to spend \$80,000 to construct three pickleball courts behind the Town Hall. The cost, which will be split between the Recreation Revolving fund and Town appropriation, will include tree removal and site preparation, installation of paved and striped courts, nets and fencing. If approved, the plan is to construct the courts during the upcoming construction season.

## **Debt Financing:**

As in any business or household, debt is an essential tool for the purchase of assets with a long-term benefit. Wilmington has been very judicious with its use of debt. In the current Fiscal Year, Wilmington's debt as a percentage of the overall operating budget is only 3.5 percent. This low debt level is inclusive of the significant investment made in the construction of a new High School and campus.

Thanks to the support of residents who attended the May 2, 2015 Annual Town Meeting, authorization was granted to borrow \$4.8 million dollars to construct the Yentile Farm Recreation Facility. At the April 30, 2016 Annual Town Meeting, residents authorized the borrowing of \$650,000 for the purchase of a fire pumper to replace a 1997 pumper. Bond anticipation notes (BANs) were issued to finance both expenditures. These BANs are a financial tool used by municipalities to engage in short term financing. The use of BANs enables the Town to bundle multiple projects that may occur at different times and for different purposes together for single long-term borrowing. The Bond anticipation notes will expire in June of 2018. Payments for principle and interest on the long term debt will begin in Fiscal Year 2019. Since no debt exclusion vote was taken to exclude these costs from the limits of Proposition 2 ½, these debt costs will be within the tax levy.

Based upon an estimated interest rate of 3.8 percent the expected first year cost for the Yentile Farm Recreation Facility is \$502,400. The term of this borrowing will be 15 years. The term of the borrowing for the fire pumper will be 10 years and is based upon a 3.6 percent interest rate. The estimated first year principle and interest cost is \$88,400.

In Fiscal Year 2020, the Town will issue permanent debt on two borrowings that were authorized at the April 29, 2017 Annual Town Meeting. Funds in the amount of \$275,000 were authorized to replace a water line extending along Middlesex Avenue between Federal Street and Glen Road. This debt will be retired over 15 years. A second water line replacement, which extends along Salem Street over Interstate Route 93 towards the intersection with Ballardvale Street, will be completed in 2018. The project cost is \$1,050,000. The Town received a ten-year no interest loan in the amount of \$611,000, with annual payments of \$61,100 beginning in Fiscal Year 2019. The remaining \$439,000 will become part of permanent financing over fifteen years beginning in 2020 at an estimated cost of \$43,730. Debt costs for both of these projects will be borne by water rates.

On December 29, 2017, due to the severely cold conditions, a water break occurred in a 170 foot length section of water line extending across Interstate 93 between Woburn Street and Park Street. There has been no impact to water pressure in the abutting areas, but this section of water line is a vital link within the water distribution system. The estimated cost for replacement of this pipe is \$850,000. Annual Town Meeting will be asked to authorize borrowing for this project. Costs associated with this project may be borne by the water rates, but alternative funding sources will also be explored.

One final water project, which will require Town Meeting approval, is the replacement of the Nassau Avenue water storage tank. The current tank was constructed in the 1920's. A new tank will improve water quality, structural integrity and aesthetic appearance. The estimated cost for site work and construction is \$2.5 million dollars. Borrowing costs may be covered by the water rates. Alternative funding sources will also be explored to pay for some or all of the costs.



## **Conclusion:**

This budget represents a collection of ideas transformed into goals and shaped into a plan that strives to improve the conditions for those who call Wilmington “home.” The intentions that are summarized here are based on the contributions offered by Town and School Department management and staff. The women and men who work for the Town of Wilmington – teachers and principals, police officers and fire fighters, custodians and equipment operators, librarians and social workers, and administrative staff come together each day to offer the best of themselves. We are not flawless. There are times when it would be nice to have a reset button. If we fall short, then we rise up to strive for a better result next time, strive to be more kind, strive to be more responsive, strive to be more effective and strive to be more understanding. Pat Riley, former NBA player and NBA coach said: “Excellence is the gradual result of always striving to do better.”

It is my privilege to work with so many dedicated people who strive to move Wilmington to the next level. The Fiscal Year 2019 budget represents my attempt to do just that based upon the recommendations of many professionals.

I look forward to working with the Board of Selectmen and the Finance Committee to vet the ideas and proposals contained herein and to present a plan for the coming Fiscal Year that will garner the approval of Annual Town Meeting participants and deliver on the expectations of Wilmington residents.

Respectfully submitted,

Jeffrey M. Hull  
Town Manager