

**CITY OF WOBURN  
MAY 22, 2018 - 6:00 P.M.  
CITY HALL COUNCIL CHAMBERS  
SPECIAL MEETING OF THE CITY COUNCIL**

Roll Call

Anderson	Gately
Campbell	Higgins
Concannon	Mercer-Bruen
Gaffney	Tedesco
Haggerty	

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Pursuant to Title III, Section 12 of the Charter of the City of Woburn a Special Meeting of the City Council called by the Mayor for the purpose of receiving the Fiscal Year 2019 Municipal Budget and other financial matters.

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Motion made and 2<sup>nd</sup> to suspend the rules to hear from His Honor the Mayor Scott D. Galvin relative to presentation of the Fiscal Year 2019 Municipal Budget, 8 in favor, 0 opposed, 1 absent (Campbell absent). Appearing was Mayor Galvin and he read the following communication dated May 22, 2018 into the record:

Re: FY 2019 City of Woburn Budget

Dear President Haggerty and Honorable Members of the City Council:

I am pleased to present the FY 2019 budget to the Woburn City Council For review and approval. Overall spending is projected to increase by 3.04% above last year's totals. The General Fund budget will increase 3.9% and the water and sewer budget will decrease 3.05%. The grand total Fiscal Year (FY) 2019 budget is \$149,209,027.

We will continue to collaboratively focus on maintaining and improving our strong financial position. Our commitment to conservative budgeting and spending, and the implementation of a number of operational best practices has helped to strengthen our financial position and retain our Aa1 Bond rating. Our excellent bond rating has helped us save taxpayers substantial money as we borrow funds to pay for important infrastructure projects.

In addition, we have continued to increase our reserves and unreserved fund balance while strengthening our balance sheet. A significant threat to our balance sheet is GASB 43&45, which requires all cities to report the financial costs of retiree insurance as they are incurred (just like pension) not when the employees retire. We have started to address this monumental cost with the creation of an OPED Trust, which has accumulated over \$4 million through appropriations and investments. In addition, I have recently forwarded to the City Council a

proposal that will allow the City to further reduce our significant OPED obligation by reasonably increasing contributions for retiree health insurance, only for those employees retiring after July 1, 2018.

I have prepared a lean budget primarily funded by the tax levy and water and sewer fees. The budget is partially funded by locally generated receipts, state aide and Chapter 70 school funding. This year, we anticipate local aide and Chapter 70 funding from the state to slightly exceed last year's numbers. We continue to use conservation and commercial tax base, which reflects completed construction as of December 31, 2017. The City side of the budget represents a level service budget. As always, our City employees continue to provide a high level of service to residents and taxpayers.

The FY 2019 General Fund budget will increase by approximately \$4.9 million. The budget is being driven by increases in pensions, trash costs, maturing debt, public safety salary increase, Medicare taxes, as well as staffing and maintenance needs at the new library.

As I advised the City Council last year, there is another significant increase in our pension funding obligation. The appropriation for FY 2019 increased by more than \$800,000 from the last year's budget and now totals \$8,170,542. In the past two years, the City obligation for funding pension has increased by more than \$2million (36%). Based on the most recent 2016 audit filed with PERAC, we continue to forecast that our pension system will be fully funded by 2036.

Four years of contractual obligations for public safety employees wage increases, which were settled last year in arbitration are included in the budget and account for \$1.6 million of the increase in the FY 19 budget. In addition, increases in payroll have also impacted Medicare taxes, resulting in a \$100,000 budgetary increase.

All City contracts will expire on June 30, 2018, except teachers, which expire August 31, 2018. We have made provisions in the FY 10 budget for salary increases and legal assistance as we begin a new round of contract negotiations with City unions.

We continue to incorporate planned increases in our maturing debt for outlays to the new library, the new Hurd Wyman Elementary School, the newly constructed City parking lot and the recently acquired \$1.2 million ladder truck for the Fire Department. The combined principal and interest payments for debt services increased by \$750,000.00 totaling \$5,132,215.00 which represents less than 4% of the General Fund spending.

We recently negotiated a three-year contract for trash pickup with Waste Management. The appropriation required for FY 19 will increase by \$303,000.00 (10%) over last year, and 5% in each of the remaining years. The renewal increase is being driven by the collapse in the price of recycling materials, which is heavily driven by policies in China that limit the use of recyclables. We will continue to monitor and explore different avenues to address this impact over the next three years.

The budget for the Woburn Public Library will increase by \$145,000 (12%) as we plan for the grand opening of the rehabilitated Richardson Building and new addition in January 2019. We have conservatively increased the maintenance budget, added a teen librarian and a general part timer, as well as including provisions for additional custodial hours.

The budget reflects a \$75,000 decrease in City Health insurance costs. This is the result of a very good renewal increase from MIIA of 1.59% and the recently negotiated 25% employee contribution towards health insurance premiums.

The budget appropriation for the Woburn public schools will increase by 3.5% to \$62,321,962. In addition, the budget provides for \$1,728,898 (3.3% increase) to the Northeast regional vocational school and \$190,630 (14% increase) to the Essex regional vocational school.

After extensive collaboration, the School budget has identified two key areas priorities – social and emotional support and instructional leadership. The budget proposal will reallocate existing funds and use new funding to provide teachers and students with the support and resources they need to learn and thrive in a positive environment. We continue to offer a great education to all students, providing free full-day kindergarten, and no busing fees nor user fees for athletics and arts.

Sincerely, s/Scott D. Galvin, Mayor

Mayor Galvin addressing that the overall spending projected an increase. The FY 2019 General Fund budget will increase by approximately \$4.9 million driven by increases in pensions, trash collection costs, maturing debt, public safety salary increases, Medicare taxes, as well as staffing and maintenance of the new library. Alderman Gately asked about the low bidder for the demolition of the Clapp School. Mayor Galvin responded that NASDI was the low bidder. Alderman Mercer-Bruen asked the Mayor to have the list of streets that will be paved this year available for the committee meeting before final action on the budget.

	<b>CITY OF WOBURN</b>				
	<b>FISCAL 2019 BUDGET</b>				
<b>ORDERED:</b>	<b>that for the purpose of defraying expenses for the fiscal year</b>				
	<b>July 1,2018 / June 30, 2019 the following sums of money be and</b>				
	<b>they are respectfully appropriated to the accounts and for objects</b>				
	<b>and purpose herein after stated and explained:</b>				
<b>Page</b>	<b>Department</b>	<b>Dept Code #</b>	<b>Summary</b>	<b>FY19 Total</b>	
<b>1</b>	<b>City Council</b>	<b>0111</b>	<b>Salary</b>	<b>\$121,847.96</b>	
			<b>Maintenance</b>	<b>\$11,150.00</b>	<b>\$132,997.96</b>

2	Mayor	0121	Salary	\$1,471,643.29	
			Maintenance	\$66,700.00	\$1,538,343.29
3	Community Services	0122	Maintenance	\$67,741.80	\$67,741.80
4	Auditor	0134	Salary	\$291,166.25	
			Maintenance	\$137,500.00	\$428,666.25
5	Purchasing	0136	Salary	\$140,940.33	
			Maintenance	\$3,700.00	\$144,640.33
6	Assessor	0137	Salary	\$535,990.25	
			Maintenance	\$96,000.00	\$631,990.25
7	Treasurer / Collector	0138	Salary	\$411,781.97	
			Maintenance	\$126,200.00	\$537,981.97
8	Law	0151	Salary	\$163,778.34	
			Maintenance	\$143,000.00	\$306,778.34
9	Data Processing	0154	Salary	\$110,356.85	
			Maintenance	\$427,000.00	\$537,356.85
10	City Clerk	0161	Salary	\$326,535.49	
			Maintenance	\$7,660.00	
			Outlays	\$0.00	\$334,195.49
11	Election & Reg	0162	Salary	\$95,347.96	
			Maintenance	\$39,125.00	
			Outlays	\$0.00	\$134,472.96
12	License Commission	0164	Salary	\$13,500.00	
			Maintenance	\$0.00	\$13,500.00
13	Human Resources	0170	Salary	\$164,746.83	
			Maintenance	\$8,600.00	\$173,346.83

14	Conservation	0171	Salary	\$116,113.73	
			Maintenance	\$7,150.00	
			Outlays	\$7,250.00	\$130,513.73
15	Planning Bd/ Comm Devel	0172	Salary	\$256,390.92	
			Maintenance	\$64,650.00	\$321,040.92
16	Board of Appeals	0173	Salary	\$24,300.00	
			Maintenance	\$0.00	\$24,300.00
17	Sundry Boards	0174	Maintenance	\$38,700.00	\$38,700.00
18-21	Police	0210	Salary	\$8,802,759.18	
22			Maintenance	\$665,484.00	
23			Outlays	\$51,600.00	\$9,519,843.18
24-25	Fire	0220	Salary	\$7,217,603.16	
26			Maintenance	\$449,244.00	
27			Outlays	\$5,000.00	\$7,671,847.16
28	Inspection Services	0251	Salary	\$530,103.87	
			Maintenance	\$10,550.00	
			Outlays	\$0.00	\$540,653.87
29	Sealer of Weights	0254	Salary	\$16,408.11	
			Maintenance	\$500.00	\$16,908.11
30	Civil Defense	0291	Salary	\$49,018.44	
			Maintenance	\$0.00	\$49,018.44
31	Woburn School	0300	Budget	\$61,341,962.00	
31	Northeast Regional	0301	Budget	\$1,728,898.00	
31	Essex North Shore Agricultural & Technical School District	0302	Budget	\$190,630.00	

					\$63,261,490.00
32	Engineering	0410	Salary	\$299,217.90	
			Maintenance	\$22,500.00	
			Outlays	\$9,900.00	\$331,617.90
33-36	Public Works	0411	Salary	\$2,394,073.60	
37	Public Works	0412	Administration	\$10,500.00	
37	Public Works	0414	Tree Moth	\$26,500.00	
38	Public Works	0417	Street Maint	\$387,000.00	
39	Public Works	0418	Snow Remove	\$279,000.00	
39	Public Works	0419	Traffic Control	\$82,900.00	
39	Public Works	0420	Street Lighting	\$200,000.00	
40	Public Works	0421	Repair & resur	\$0.00	
40	Public Works	0422	Sidewalk Rep	\$0.00	
40	Public Works	0424	Comm. Events	\$14,000.00	
40	Public Works	0425	Bridge Repair	\$0.00	
40	Public Works	0426	Fence Repair	\$0.00	
41	Public Works	0428	City Garage	\$0.00	
41	Public Works	0429	Telephone	\$2,000.00	
41	Public Works	0430	Gas & Oil	\$276,500.00	
42	Public Works	0432	Trucks & equip	\$220,000.00	
42	Public Works	0435	Public building	\$420,000.00	
44	Total Public Works		Budget		\$4,312,473.60
45	Cemetery	0490	Salary	\$445,128.59	
46			Maintenance	\$0.00	
46			Outlays	\$0.00	\$445,128.59
47	Board of Health	0512	Salary	\$410,016.69	
48			Maintenance	\$63,550.00	
49	Rubbish Removal	0495	Maintenance	\$3,412,500.00	\$3,886,066.69
50	Council on Aging	0541	Salary	\$240,985.21	
			Maintenance	\$67,421.00	\$308,406.21

51	Veterans Benefits	0543	Salary	\$96,999.41	
			Maintenance	\$2,500.00	
			Benefits	\$269,000.00	\$368,499.41
52	United Veterans	0544	Maintenance	\$11,200.00	\$11,200.00
53	Public Library	0610	Salary	\$1,021,489.99	
54			Maintenance	\$309,311.00	
					\$1,330,800.99
55	Recreation	0620	Salary	\$140,304.76	
55			Programs	\$89,320.00	
56-57			Maintenance	\$77,640.00	\$307,264.76
58	Parks	0630	Salary	\$394,076.91	
59			Maintenance	\$122,650.00	
59			Outlays	\$0.00	\$516,726.91
60	Historical Comm.	0650	Maintenance	\$500.00	\$500.00
61	Handicap Commission	0660	Maintenance	\$500.00	\$500.00
62	Biotech Commission	0670	Maintenance	\$500.00	\$500.00
63	Agricultural Commission	0675	Maintenance	\$1,000.00	\$500.00
64	Traffic Commission	0640	Maintenance	\$790.00	\$790.00
65	Human Rights Commission	0685	Maintenance	\$1.00	\$1.00
66	Historical District Commission	0690	Maintenance	\$1.00	\$1.00
67	Maturing Debt	0710	Principal	\$2,106,800.00	
			Interest	\$1,314,702.56	\$3,421,502.56

68	Interest Temp Loans	0715	Interest	\$350,000.00	\$350,000.00
69	Woburn Retirement	0970	Salary&Maint	\$8,170,542.00	\$8,170,542.00
70	Non Contributory Pensions	0970	Salary	\$3,906.31	\$3,906.31
71	Unemployment	0980	Maintenance	\$100,000.00	\$100,000.00
72	Insurance	0980	Maintenance	\$19,836,629.43	\$19,836,629.43
73	Medicare Tax	0980	Maintenance	\$900,000.00	\$900,000.00
	<b>TOTAL GENERAL FUND BUDGET</b>				<b>\$131,159,885.09</b>
74-75	<b>Water &amp; Sewer Enterprise Fund Budget</b>				
76-79		Water = 0450		\$8,009,216.28	
80-83		Sewer = 0440		\$10,039,926.06	
			Direct Charges to Enterprise Fund		\$18,049,142.34
			Indirect Charges Reflected in General fund	\$1,586,850.11	
	<b>Total Enterprise Fund Budget</b>			<b>\$19,635,992.45</b>	<b>\$18,049,142.34</b>
		<b>Grand Total Fiscal 2019 Budget</b>			<b>\$149,209,027.43</b>

s/President Haggerty

Motion made and 2<sup>nd</sup> that the document be received and made part of the record, 8 in favor, 0 opposed, 1 absent (Campbell absent). Motion made and 2<sup>nd</sup> to return to the regular order of business, 8 in favor, 0 opposed, 1 absent (Campbell absent). Motion made and 2<sup>nd</sup> that the MATTER be REFERRED TO THE COMMITTEE ON FINANCE, 8 in favor, 0 opposed, 1 absent (Campbell absent).

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ORDERED That the amount of \$260,000.00 be and is transferred as follows: From Unreserved Fund Balance Acct #01-356000 \$260,000.00 to Demolition of Clapp School Acct #0112158-58750 \$260,000.00

I hereby recommend the above: s/Scott D. Galvin, Mayor  
I have reviewed the above: s/Charles E. Doherty, City Auditor

s/President Haggerty

Motion made and 2<sup>nd</sup> that the MATTER be REFERRED TO COMMITTEE ON FINANCE, 8 in favor, 0 opposed, 1 absent (Campbell absent)

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ORDERED That the amount of \$815,000.00 be and is transferred as follows: From Fire/BLS Receipts Acct #31359-595000 \$815,000.00 to Fire Regular Salary Acct #0122051-511500 \$570,000.00; Fire Clerk's Salary Acct #0122051-511200 \$1,000.00; Fire Ambulance Salary Acct #0122051-511500 \$31,000.00; Fire/Overtime Acct #0122051-513100 \$110,000.00; Fire/16<sup>th</sup> Man Overtime Acct #0122051-513101 \$22,000.00; Fire/Holiday Pay Acct #0122051-514500 \$13,000.00; Fire/Electric Acct #0122052-521100 \$1,500.00; Fire/Natural Gas Acct #0122052-521300 \$3,500.00; Fire/Ambulance Maint. Acct #0122054-544300 \$20,000.00; Fire/Apparatus Maint. Acct #0122054-544400 \$35,000.00; Fire/Medical Attention Acct #0122054-558103 \$8,000.00

I hereby recommend the above: s/Scott D. Galvin, Mayor  
I hereby approve the above: s/Stephen W. Adgate, Chief, Fire Department  
I have reviewed the above: s/Charles E. Doherty, City Auditor

s/President Haggerty

Motion made and 2<sup>nd</sup> that the MATTER be REFERRED TO COMMITTEE ON FINANCE, 8 in favor, 0 opposed, 1 absent (Campbell absent)

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ORDERED That the sum of \$50,000.00 be and is approved for expenditure from the Peg Cable Special Revenue Fund to purchase Projector, TV and Digital Signage for Media Enhancement to City Hall

I hereby recommend the above: s/Scott D. Galvin, Mayor  
I hereby approved the above: s/David Mastronardi  
I have reviewed the above: s/Charles E. Doherty, City Auditor

s/President Haggerty

Motion made and 2<sup>nd</sup> that the MATTER be REFERRED TO COMMITTEE ON FINANCE, 8 in favor, 0 opposed, 1 absent (Campbell absent)

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ORDERED That the amount of \$113,000.00 be and is transferred as follows: From DPW Bldg. Maint. Acct #0141151-511001 \$12,000.00; DPW Operations Salary Acct #0141151-511002 \$12,000.00; DPW Equip Parts Acct #0141054-543100 \$1,000.00; DPW Asphalt/Concrete Acct #0141754-553100 \$5,000.00; DPW CPR Course Acct #0141752-530701 \$1,500.00; DPW Repairs/Rental Acct #0141754-543303 \$5,000.00; DPW Supplies/Tools Acct #0141754-553200 \$4,000.00; DPW Testing& Physicals Acct #0141754-558405 \$2,000.00; DPW Crosswalks Acct #0141954-553500 \$5,000.00; DPW Str. Flood Lights Acct #0142052-521104 \$25,000.00; DPW Gas Acct #0143054-548100 \$20,000.00; DPW Oil Acct #0143054-548102 \$2,000.00; DPW Tires/Tubes Acct #0143254-548300 \$1,000.00; DPW Training Acct #0143254-548810 \$1,000.00; DPW Utilities Acct #0143552-521501 \$5,000.00; DPW Repairs Acct #0143554-554704 \$1,500.00; DPW Bldg. Maint. Acct #0143554-554701 \$10,000.00 to DPW/Overtime Acct #0141151-513100 \$113,000.00.

I hereby recommend the above: s/Scott D. Galvin, Mayor  
I hereby approve the above: s/John F. Duran, III, DPW Superintendent  
I have reviewed the above: s/Charles E. Doherty, City Auditor

s/President Haggerty

Motion made and 2<sup>nd</sup> that the MATTER be REFERRED TO COMMITTEE ON FINANCE, 8 in favor, 0 opposed, 1 absent (Campbell absent)

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ORDERED The City of Woburn, in accordance with Section 31D of chapter 44 of the Massachusetts General Laws, approve deficit spending that is in excess of appropriation for the removal of snow and ice. The budgeted appropriation for the removal of snow and ice for fiscal year 2017 amounted to \$279,000. The additional amount to be expended, but not to exceed, is \$750,000 (\$1,029,000 total) for the fiscal year beginning July 1, 2017 and ending June 30, 2018. The exact amount of the deficit shall be raised by taxation on the Fiscal Year 2019 tax recapitulation forms.

I hereby recommend the above: s/Scott D. Galvin, Mayor

s/President Haggerty

Motion made and 2<sup>nd</sup> that the MATTER be TABLED, 8 in favor, 0 opposed, 1 absent (Campbell absent)

Motion made and 2<sup>nd</sup> to ADJOURN, 8 in favor, 0 opposed, 1 absent (Campbell absent).  
Meeting adjourned at 6:17 p.m.

A TRUE RECORD ATTEST:

Joyce M. Gray  
Assistant City Clerk and  
Clerk of the City Council, Pro Tem