

**COMMITTEE ON FINANCE
MONDAY, FEBRUARY 10, 2020 AT 6:00 p.m.
COMMITTEE ROOM
WOBURN CITY HALL**

Voting Members present: Chairman Michael Concannon, Alderman Lindsay Higgins and Alderman Richard Gately. Absent: Alderman Robert Ferullo and Alderman Edward Tedesco

Non-Voting Members present: Alderman Joanne Campbell and Alderman Jeffrey Dillon.
Absent: Alderman Darlene Mercer-Bruen and President Michael Anderson

Also present: Mayor Scott Galvin, Auditor Charles Doherty, Treasurer/Collector Timothy Donovan, and Fire Chief Stephen Adgate

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VOTED to dispense with the reading of the previous meeting's minutes and to approve, all in favor, 3-0.

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Order to appropriate \$30 million for construction of a new fire station and headquarters and renovation of existing fire stations: Mayor Galvin said the city's financial team has put together a list of options and debt schedules, along with an estimate of what the increase in property tax will be if the order is approved. Motion made by Alderman Higgins and seconded by Alderman Gately to accept and make part of the permanent record the financial documents for the fire station project as submitted by Mayor Galvin; approved, 3-0. He said the new fire station will cost an estimated \$23 million. He said the council already appropriated \$600,000 for a feasibility study. He said that money has almost been exhausted, but there is enough left over to hire DiNisco Design. He said once Article 97 status clears in May, the city can go full bore with the design of the new fire station, similar to what the city did for the Hurld/Wyman School. He said the site will be cleared and they will be ready to go with construction starting in July. He said they are not going to do anything until Article 97 status is attained. He said he plans to move forward with combined civilian dispatch. He said they have about a year to implement combined dispatch. He said he will be negotiating with the unions and consulting with the chiefs of police and fire. Alderman Gately said he got an email from a constituent who wants him to ask whether the new fire station will have solar panels. Mayor Galvin said solar power is an important component and that the new building will have solar panels. Mayor Galvin said there is a healthy funding contingency. Mayor Galvin referred to page 2 of his handout that provides a grand summary of costs. He said this is what the adjuster came up with. He said the figures do not include soft costs. He referred the committee to page 3 of his handout which breaks down the costs of renovations to the existing fire stations. He said the renovations will cost \$5.3 million plus soft costs. He said renovations will be made to stations 1, 4 and 5. Alderman Concannon asked if the demolition of station 3 was included in the financial schedule. Mayor Galvin said there is no money included in the renovations schedule for anything involving stations 2 or 3. Alderman Gately asked if there is any contingency for asbestos. Patrick Saitta, President, Municipal Building Consultants, 200 Sutton Street, North Andover, MA, said they won't know the extent of the asbestos removal until they get into the building, but there is an allowance for asbestos removal. Mayor Galvin said three debt models were prepared. He said now is the ideal

time to borrow because rates have never been lower. He said the debt service schedules show options for 20, 25 and 30-year terms. He said the construction schedule calls for a start in August and completion in September 2022. He said the repairs to the existing stations are staggered and will begin in January 2023, with one station being renovated every year. He said the longer the term of the bond, the more money the city will end up paying. He said a 30-year option will cost the city \$34 million; the 25-year option will cost the city \$31 million and the 20-year term will cost the city \$28.8 million. He said the 20-year option will save the city \$5.7 million over the 30-year option. He said the Treasurer, the Auditor and he think the 20-year option is a good move for the city. Mayor Galvin said he anticipates the debt service will increase by \$500,000. He said the financial team is working to smooth over the debt. Chairman Concannon referenced the debt service chart and asked what happens in 2027. Mayor Galvin said there is other debt that comes off the books. He said the city is about 5-7 years away from building a new Altavesta School. Mayor Galvin said Chief Assessor Andy Creen prepared the final chart that shows the fiscal impact of the construction and renovation projects for the fire stations. He said the result will be a \$70 increase in the property tax bill for an average single-family home. The mayor added he intends to soften that with a capital outlay and the increase will actually be much less. Alderman Gately asked what the impact on taxes is from the library renovation and expansion project. Mayor Galvin said the city borrowed about \$15 million and the impact was less than \$40. He said the city has no other choice but to build a new fire station. He said he can look for savings in other areas of the budget. Alderman Gately said everyone knows the city needs a new fire station and it is time to step up to the plate and pay for it. Chairman Concannon said the 20-year debt service option certainly makes the most sense because the interest rate is lower. He said the best news of all is all the debt the city has been carrying is on its way down. He said the end is in sight in terms of paying off a lot of the city's major projects. Motion made by Alderman Gately and seconded by Alderman Higgins that the order "ought to pass," with the 20-year debt service option; approved, 3-0.

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Motion made by Alderman Higgins and seconded by Alderman Gately to adjourn; approved, 3-0. Chairman Concannon adjourned the meeting at 6:19 p.m.

A TRUE RECORD ATTEST

Gordon Vincent
Clerk of Committees