

**CITY OF WOBURN
MAY 26, 2022 – 6:00 P.M.
SPECIAL MEETING OF THE CITY COUNCIL
COUNCIL CHAMBER, WOBURN CITY HALL**

Roll Call

Campbell	Ferullo - Absent
Demers	Gately
Dillon	Mercer-Bruen - Absent
DiMambro	Viola
Concannon	

VOTED to dispense with the reading of the previous meeting's Journal and to APPROVE, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent).

Pursuant to Title III, Section 12 of the Charter of the City of Woburn, His Honor the Mayor has called a SPECIAL MEETING of the City Council to be held in the City Council Chambers.

MAYOR'S COMMUNICATIONS:

A communication dated May 18, 2022 was received from His Honor the Mayor Scott D. Galvin as follows:

Dear President Concannon and Council members:

In accordance with section 12 of The City of Woburn Charter, enacted by virtue of special legislation approved as Chapter 374 of the acts of 1888, ad revised by the legislature by Chapter 172 of The Acts of 1897, I am calling for a Special Meeting of The Woburn City Council to be held on Thursday, May 26, 2022 at 6:00 p.m. to present the FY 2023 Budget.

Sincerely, s/Mayor Scott D Galvin

Motion made and 2nd that any and all communication be received and made part of the permanent record, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent). Motion made and 2nd to suspend the rules to allow His Honor Mayor Galvin to speak, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent). Mayor Galvin thanked the City Council for allowing to present the FY 2023 Annual Budget and that he had copies of his letter for the record. Motion made and 2nd that the communication be received and made part of the permanent record, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent). Mayor Galvin read the following into the record:

Dear President Concannon and Honorable Members of the City Council:

I am pleased to present the FY 2023 budget to The Woburn City Council for review and approval. The general fund budget will increase 4.86% to \$154,620,820 and the water and sewer budget will increase 4.63 % to \$20,240,564. The Grand total for the Fiscal 2023 budget is \$174,861,385 up 4.84% from last year's Grand total of \$166,792,677. The city side of the budget represents a level service budget, with the exception of eight new firefighters hired to provide increased ambulance services. As always, our city employees continue to provide a high level of service to residents and taxpayers.

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 unrestricted state aide to increase by 2.5%, with a \$3 million increase in chapter 70 due to a change in the funding formula. We continue to experience a loss in local city revenues due to the lingering impacts of Covid -19.

We are forecasting continued steady tax growth in our FY 23 residential and personal property tax base, which reflects a valuation date of January 1, 2022. We remain cautious concerning commercial values, with tempered optimism in our burgeoning biotech market. Due to the city of Woburn's premier location at the intersection of Routes 93 and 128, Industrial property in Woburn is experiencing limited supply, increased rental and sales values. This is a direct result of the current trend of ecommerce, increased retail distribution centers and the last mile logistics trend for immediate delivery of goods and products.

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 solid AAA S&P bond rating. Our excellent bond rating, which is the highest rating assigned by S&P, has helped save taxpayers substantial money as we borrowed funds to pay for important infrastructure projects, including, the new Fire Station Headquarters. The debt service for the new \$23 million fire station, scheduled to open in January, is fully accounted for in this budget.

At the same time, we have continued to increase our reserves and unreserved fund balance. Conversely, GASB 43 & 45 reporting requirements pose a significant threat to all city and town balance sheets. These government accounting standards now require all cities to report the financial costs of retiree insurance as they are incurred and not when the employee retires. We have been addressing this monumental expense by changing retiree contributions to health insurance and through the creation of an OPEB trust, which has accumulated over \$10,448,926 through an annual appropriation of \$750,000 and prudent investments. Notwithstanding our efforts, the city has an outstanding OPEB net liability of \$262 million.

The FY 2023 general fund budget will increase by \$7,173,201. The budget is being driven by increases in school funding, labor and salary obligations, trash and recycling costs, maturing debt, health insurance and pensions, increased staffing for the fire department and investments in technology. As always, we regularly monitor city spending after the budget is

approved. In light of the possibility of protracted inflation and its impact on the cost of city services, our review of budget verse spending will be even more critical in FY 23.

The school budget is increasing by \$2,647,184 this year to \$73,273,625, which represents a 3.75% increase. There is an additional \$2 million allocation of federal ESSER funds for school initiatives not included in the 3.75 % spending increase. There is also a \$200,000 increase in our regional vocational school district assessment.

Our continued commitment to solid school funding has helped Superintendent Matthew Crowley and the School Committee with a number of important initiatives that support teachers and students as we continue moving forward together:

Investments in reading and math curriculums k-12

Additional teaching and support positions to meet growing special education population

Additional ML teaching positions to support growing and diverse student population

Expanded access to music and theater with creation of assistant band director and full time theater position at WMHS.

Content specialist at elementary level to allow for more individualized instruction

Increased Human Resources department to better support staff and management.

We have successfully settled three year labor contracts with the firefighters and city hall workers covering fiscal years 22, 23 and 24. Copies of the settled contracts are public records, and are available at the office of the City Clerk. The budget also includes \$1,317,827 to fund wage increases for unsettled city labor contracts, which includes \$680,358 for unsettled school labor contracts.

We continue to incorporate planned increases for new debt in accordance with our five year capital plan. Last year, we borrowed \$23 million for the new Fire Station Headquarters, which will open in January of 2023. The combined principal and interest payments for net debt service in FY 23 will increase by \$1,647,999 totaling \$6.2 million, this change still represents less than 4 % of general fund spending.

We are in year two of our three year contract for trash and recycling pickup with Waste Management. The appropriation required for Fy23 increased by \$191,170 (4.79%) over last year. The increase is being driven by the price of recycling materials and increases in fuel. We will continue to monitor and explore different avenues to address these impacts over the next year.

The budget for the Woburn Fire Department increased by \$514,624 with the addition of eight new firefighters hired to provide increased ambulance services. The IT Department increased

by \$73,500 due to annual service fees for our Citizens permitting system and Laser fiche scanning program. Both programs will provide residents with greater access to expedited online city services and documents, without the need to travel to city hall.

As I advised the city council last year, increases in our pension funding obligations will continue to have an impact on our budget. The appropriation for Fy23 is an increase of \$361,117 (3.38%) over last year. This does not include a state legislative proposal to increase the FY 23 COLA by 5%, which would add an additional \$150,000 to this budget and over \$1 million until the pension system is fully funded in 2038.

The city renewal premium from our insurer, MIIA, for Blue Cross/Blue Shield health insurance and liability insurance increased by 4.67 % (\$959,968) to \$21,529,960. City employees contribute 25% toward their health insurance, which reduces city insurance net cost by \$5,951,116.

The water and sewer budget will increase by 4.63%. This increase is attributed to a new debt service payment of \$250,000 for water system improvements, including the continued relining of aged water lines and mains. We also experienced a \$ 428,000 increase from the MWRA for water they supply to the city. In addition, our MWRA sewer charges increased by \$332,000.

Lastly, I will be submitting the updated capital budget to the city council at your June 7, 2022 meeting. I look forward to discussing both budgets during your committee meetings.

Sincerely, s/Scott D. Galvin, Mayor

Mayor Galvin stated he was happy to answer any questions from the councilors. Upon inquiry from Councilor Demers, Mayor Galvin confirmed that the loss in revenue was mostly from hotel/motel tax and meals tax. Mayor Galvin stated that the hotel/motel tax revenues were still down but that the meals tax revenues have rallied. Upon inquiry from Councilor DiMambro regarding gas and oil increases, Mayor Galvin stated that the city was able to go out to bid in February and was able to get \$3.63 or \$3.23 per gallon. Mayor Galvin stated at the time it was disappointing to have secured a higher price than last year, but it is significant less than most communities now. Mayor Galvin stated that the National Gas contract was locked in prior to escalating prices. Mayor Galvin stated it was 70% lower and is locked in until April 2023. Mayor Galvin stated that the electricity contract was locked in at a lower rate, but that it is expiring in November and it will have to go out to bid. Mayor Galvin stated he hopes the price moderates, but the city has invested in quite a bit of LEDs to mitigate. Mayor Galvin stated that the diesel rate is locked in with a much better price than now. Mayor Galvin stated that the impacts of inflation go longer into the year with construction and construction materials, and water supplies, that the city will need to watch closely. Mayor Galvin stated the city is in good shape but if there are increases based on inflation we will have to act on them. Councilor Viola stated there are eight (8) new fire positions. Upon inquiry from Councilor Viola, the Mayor Galvin stated the city will be running two ambulances and will look at that as we go. Councilor Dillon thanked Mayor Galvin for breaking the budget down. Upon inquiry from Councilor Dillon about commercial

abatements, Mayor Galvin stated that when John Connolly comes down he can address, but that the time to file has already passed. Mayor Galvin stated that in the recap sheet, the city set aside \$2 million for abatements. Councilor Gately stated that the mayor and his team did a good job in the budget. Mayor Galvin stated it was difficult and that the budget is higher than normal. Councilor Gately stated with inflation and the cost of fuel he was surprised the budget was not higher. Councilor Gately stated it was good to lock in the prices when the mayor did. Councilor Gately stated the mayor and staff did a good job. Councilor Gately stated it looks like eight (8) departments are coming in one night and eight (8) others the second night to discuss. Motion made and 2nd to accept the budget and any and all pertinent documents for the record, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent).

CITY OF WOBURN			FISCAL 2023 BUDGET			
ORDERED: that for the purpose of defraying expenses for the fiscal year July 1, 2022 / June 30, 2023 the following sums of money be and they are respectfully appropriated to the accounts and for objects and purpose herein after stated and explained:						
Page	Department	Dept Code #		Summary	FY23 Total	FY22 Total
1	City Council	0111	Salary	\$122,573.15		
			Maintenance	\$11,150.00	\$133,723.15	\$133,723.15
2	Mayor	0121	Salary	\$1,515,286.80		
			Maintenance	\$91,700.00	\$1,606,986.80	\$1,116,202.36
3	Community Services	0122	Maintenance	\$63,211.28	\$63,211.28	\$63,211.28
4	Auditor	0134	Salary	\$319,936.40		
			Maintenance	\$141,500.00	\$461,436.40	\$453,528.29
5	Purchasing	0136	Salary	\$157,480.86		
			Maintenance	\$3,700.00	\$161,180.86	\$155,252.78
6	Assessor	0137	Salary	\$539,984.67		
			Maintenance	\$183,600.00	\$723,584.67	\$628,185.33
7	Treasurer / Collector	0138	Salary	\$459,644.74		
			Maintenance	\$133,200.00	\$592,844.74	\$568,427.30
8	Law	0151	Salary	\$183,626.02		
			Maintenance	\$92,500.00	\$276,126.02	\$299,176.50
9	Data Processing	0154	Salary	\$263,739.34		
			Maintenance	\$626,000.00	\$889,739.34	\$816,239.34
10	City Clerk	0161	Salary	\$343,382.42		
			Maintenance	\$9,510.00		
			Outlays	\$0.00	\$352,892.42	\$346,756.93
11	Election & Reg	0162	Salary	\$78,073.15		
			Maintenance	\$36,075.00		
			Outlays	\$0.00	\$114,148.15	\$114,148.15
12	License Commission	0164	Salary	\$13,500.00		
			Maintenance	\$0.00	\$13,500.00	\$13,500.00
13	Human Resources	0170	Salary	\$182,210.45		
			Maintenance	\$8,600.00	\$190,810.45	\$187,377.98
14	Conservation	0171	Salary	\$125,088.70		
			Maintenance	\$13,650.00		
			Outlays		\$138,738.70	\$138,738.70
15	Planning Bd/ Comm Devel	0172	Salary	\$332,698.42		
			Maintenance	\$46,900.00	\$379,598.42	\$330,069.82
16	Board of Appeals	0173	Salary	\$27,450.00		
			Maintenance		\$27,450.00	\$27,450.00
17	Sundry Boards	0174	Maintenance	\$40,600.00	\$40,600.00	\$40,600.00

18-21	Police	0210	Salary	\$9,100,331.74		
22			Maintenance	\$764,355.00		
23			Outlays	\$55,600.00	\$9,920,286.74	\$9,604,081.93
24-25	Fire	0220	Salary	\$8,441,108.87		
26			Maintenance	\$619,000.00		
27			Outlays	\$5,000.00	\$9,065,108.87	\$8,550,484.35
28	Inspection Services	0251	Salary	\$587,644.86		
			Maintenance	\$12,050.00		
			Outlays	\$0.00	\$599,694.86	\$583,438.73
29	Sealer of Weights	0254	Salary	\$17,476.54		
			Maintenance	\$500.00	\$17,976.54	\$16,464.10
30	Civil Defense	0291	Salary	\$66,142.26		
			Maintenance	\$0.00	\$66,142.26	\$54,915.75
31	Woburn School	0300	Budget	\$72,593,266.34		
31	Northeast Regional	0301	Budget	\$2,184,533.00		
31	Essex North Shore Agricultural & Technical School District	0302	Budget	\$511,862.00		
					\$75,289,661.34	\$73,112,997.00
32	Engineering	0410	Salary	\$311,595.86		
			Maintenance	\$22,000.00		
			Outlays	\$10,500.00	\$344,095.86	\$338,694.54
33-36	Public Works	0411	Salary	\$2,629,067.43		
37	Public Works	0412	Administration	\$9,500.00		
37	Public Works	0414	Tree Moth	\$26,500.00		
38	Public Works	0417	Street Maint	\$383,000.00		
39	Public Works	0418	Snow Remove	\$279,000.00		
39	Public Works	0419	Traffic Control	\$82,900.00		
39	Public Works	0420	Street Lighting	\$175,000.00		
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	\$1,500.00		
41	Public Works	0430	Gas & Oil	\$306,500.00		
42	Public Works	0432	Trucks & equip	\$220,000.00		
42	Public Works	0435	Public building	\$390,000.00		
44	Total Public Works		Budget		\$4,516,967.43	\$4,404,221.64
45	Cemetery	0490	Salary	\$337,292.64		
46			Maintenance	\$55,000.00		
46			Outlays	\$0.00	\$392,292.64	\$378,487.43
47	Board of Health	0512	Salary	\$462,520.25		
48			Maintenance	\$52,050.00		
49	Rubbish Removal	0495	Maintenance	\$4,367,620.00	\$4,882,190.25	\$4,659,198.54
50	Council on Aging	0541	Salary	\$253,668.03		
			Maintenance	\$67,421.00	\$321,089.03	\$313,515.01
51	Veterans Benefits	0543	Salary	\$98,222.75		
			Maintenance	\$2,500.00		
			Benefits	\$259,000.00	\$359,722.75	\$366,224.56
52	United Veterans	0544	Maintenance	\$13,200.00	\$13,200.00	\$11,200.00
53	Public Library	0610	Salary	\$1,201,918.92		
54			Maintenance	\$439,155.00		
					\$1,641,073.92	\$1,608,872.25
55	Recreation	0620	Salary	\$171,458.34		
55			Programs	\$89,320.00		
56-57			Maintenance	\$84,990.00	\$345,768.34	\$340,880.99
58	Parks	0630	Salary	\$411,274.30		
59			Maintenance	\$130,150.00		
59			Outlays		\$541,424.30	\$532,883.28
60	Historical Comm.	0650	Maintenance	\$500.00	\$500.00	\$500.00
61	Handicap Commission	0660	Maintenance	\$500.00	\$500.00	\$500.00
62	Biotech Commission	0670	Maintenance	\$500.00	\$500.00	\$500.00
63	Agricultural Commission	0675	Maintenance	\$1.00	\$1.00	\$1.00

64	Traffic Commission	0640	Maintenance	\$800.00	\$800.00	\$800.00
65	Human Rights Commission	0685	Maintenance	\$1.00	\$1.00	\$1.00
66	Historical District Commission	0690	Maintenance	\$1.00	\$1.00	\$1.00
67	Maturing Debt	0710	Principal Interest	\$6,202,506.27	\$6,202,506.27	\$4,554,507.56
68	Interest Temp Loans	0715	Interest	\$75,000.00	\$75,000.00	\$75,000.00
69	Woburn Retirement	0970	Salary&Maint	\$11,047,784.00	\$11,047,784.00	\$10,686,667.00
70	Non Contributory Pensions	0970	Salary	\$1.00	\$1.00	\$1.00
71	Unemployment	0980	Maintenance	\$100,000.00	\$100,000.00	\$100,000.00
72	Insurance	0980	Maintenance	\$21,529,960.17	\$21,529,960.17	\$20,569,992.80
73	Medicare Tax	0980	Maintenance	\$1,180,000.00	\$1,180,000.00	\$1,150,000.00
TOTAL GENERAL FUND BUDGET					\$154,620,820.97	\$147,447,619.37
74-75	Water & Sewer Enterprise Fund Budget					
76-78		Water = 0450		\$9,779,543.12		
79-82		Sewer = 0440		\$10,461,021.13		
		Direct Charges to Enterprise Fund			\$20,240,564.25	\$19,345,058.03
		Indirect Charges Reflected in General fund		\$1,834,199.29		
	Total Enterprise Fund Budget			\$22,074,763.54	\$20,240,564.25	\$19,345,058.03
Grand Total Fiscal 2023 Budget					\$174,861,385.22	\$166,792,677.40

Motion made and 2nd to return to the regular order of business, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent). Motion made and 2nd that the matter be REFERRED TO THE COMMITTEE ON FINANCE, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent).

Action on any financial matters including transfers and appropriations pending in Committee on Finance and new transfers and appropriations.

FINANCE:

A committee report was received “ought to pass” for the following:

ORDERED Be it ordained by the City Council of the City of Woburn that,

Whereas, Massachusetts General Laws Chapter 59, Section 5, Clause 45th, as amended by Section 61 of Chapter 8 of the Acts of 2021 allows a municipality to designate an “authorized officer” to negotiate and execute Payment in Lieu of Tax Agreements for solar or wind powered energy systems and co-located energy storage systems (hereinafter “PILOT Agreements”); and

Whereas the “authorized officer” may be the Mayor and Board of Assessors acting collectively; and

Whereas, it has been the City’s established practice that such PILOT Agreements be negotiated by the Mayor and the Board of Assessors, and

Any other matter that may legally come before the City Council. – None

Motion made and 2nd to ADJOURN, all in favor, 7-0-2 (Ferullo and Mercer-Bruen Absent).
Meeting adjourned at 6:27 p.m.

A TRUE RECORD ATTEST:

Lindsay E. Higgins
City Clerk and Clerk of the City Council