CITY OF WOBURN
CITY COUNCIL
COMMITTEE ON FINANCE
COMMITTEE RROM
WOBURN CITY HALL
MONDAY, APRIL 27, 2026, at 6:00 p.m.

Voting Members present: Chair Charles Viola, Councilor Joseph E. Demers, Councilor Robert J. Ferullo Jr., and Councilor Darlene A. Mercer-Bruen. Absent: Councilor Yano Amara

Non-voting Members present: Councilor Jeffrey P. Dillon**,** Councilor Lou DiMambro, Councilor William J. Pappalardo, and President Robert F. Toro Jr.

Also present: Mayor Michael P. Concannon and City Auditor Charles E. Doherty

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Reading and approval of previous meeting minutes: Motion made by Councilor Demers and seconded by Councilor Ferullo to dispense with the reading of and approve the minutes of the meeting of January 28, 2026; all in favor, 4-0-1.

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Report by the City Auditor regarding City of Woburn Debt Book: City Auditor Doherty said the most important sections of the document he distributed to the City Council last week are Section 1 and the end section which references the interest for projects in FY ’27, FY ’28 and FY’ 29. He said there is a breakdown of the bonding for each project and a schedule of payments against the bond. He said Section 8 is what the Auditor’s office uses for the budget. He said it gives a rundown of the principal and interest payments. He said the last piece is a quick overview of outstanding debt. He said there are columns that show each fiscal year. He said he is working on a format that is easier to read. He said this will allow members of the council to look at every project going forward. He said he will send a copy to the City Clerk and each councilor. Councilor Demers thanked Auditor Doherty for putting this document together. He said it is a good idea for the council to see what the city’s commitments are 3, 5 and 10 years out. He said looking forward there is a lot on the city’s docket. He said it is a good idea to have an idea of the debt service. Auditor Doherty said the Auditor’s office is constantly looking at the best way to manage debt. He said they are trying to accomplish level-funding over the next 10-20 years rather than push all the debt down the road. Councilor Pappalardo said he has not seen a document like this submitted to the City Council before. Auditor Doherty said this is something he uses. He said it was requested so members of the council have a better idea of the city’s financial situation. Councilor Pappalardo said there is a lot of data. He asked if this includes capital projects only. Auditor Doherty said this document details everything the city has put out to bond: schools, water improvement projects and the like. Councilor Pappalardo asked if these items are baked into the budget. Auditor Doherty answered affirmatively. He said the water and sewer items also include MWRA subsidies. He said this is only for debt. He said the items highlighted in blue indicate they are included in the water and sewer enterprise account. Councilor Pappalardo asked how free cash gets managed. Auditor Doherty said the policy is to try to move as much free cash as possible to stabilization funds. He said a stabilization fund

offers at least a 6 percent rate of return while free cash only earns the bank rate. He said the Treasurer manages free cash and the Auditor's office oversees it. Councilor Pappalardo asked if the return on investment is shown in the handout. Auditor Doherty said he can provide that information. Councilor Pappalardo said that would be good to see. Auditor Doherty said another advantage to a stabilization fund is that free cash is frozen from June 30 until about December. He said the three stabilization funds the city maintains are for general expenses, special education, and affordable housing, with a total of about $20 million. He said there is currently about $38 million in free cash. Councilor Demers said he attended a recent meeting of the Massachusetts Municipal Association and learned Watertown has between seven and 11 stabilization accounts. He said they have a variety of stabilization funds to leverage. Auditor Doherty said when he started, Woburn had only one stabilization account. He said the special education account was set up because the expenses are so variable and they wanted to work with the schools to account for any surprises. President Toro said it is good for the council and the public to know what the city's financial situation is. He asked what capital projects are falling off the debt service and who makes the determination when money gets moved from free cash to a stabilization fund. Auditor Doherty said that is usually initiated by the mayor based on input from the Auditor's office, but the City Council does have to approve it. President Toro asked if what the ratio is from free cash to the budget. Councilor Doherty said the previous administration wanted 20 percent of the budget in free cash. President Toro said that is fantastic. Councilor Dillon thanked Auditor Doherty for the information. He asked Auditor Doherty to explain for anyone watching on TV what the procedure is of going out to bond and what the benefit is for the city. Auditor Doherty said the budget contains a general fund and a capital budget. He said items in the capital budget aren't typically put out to bond because there are issuance costs. He said if the city was to undertake a major project like building an elementary school, bonding would be preferable because the cost could spread the over 20 years. He said his office talks to bond counsel so he can have an idea of the range and rates, then the city could go out to bid and consider offers, issue bonds, establish a schedule and fix the costs. Councilor Dillon said that is why it is important for the city to keep its bond rating up. Auditor Doherty said the city of Woburn is very well respected in the financial community. Councilor Pappalardo asked what the advantages are of a debt exclusion. Auditor Doherty said a debt exclusion allows a community to expand its levy for a certain time frame. He said the city approved a debt exclusion of 20 years for the high school/White School project, which allowed the city to increase the levy. Councilor Pappalardo said when the city votes for a debt exclusion, the expectation is the tax increase is eventually going to go away. Auditor Doherty said that is correct. He said the city of Woburn is unique in that is has a levy capacity that other communities don't have. He said the city can go ahead with projects without an override. He said the high project was $100 million back in the day when that was an enormous amount of money. He said at the time city government thought it was important for the community to buy in and have their say with a referendum. Councilor DiMambro asked if there is anything the Auditor would like to see implemented in the next 1-5 years. Auditor Doherty said his office works very well with bond counsel. He said he feels very good about the debt level in terms of the budget. He said he would be happy to get information to the City Council about the stabilization accounts and free cash interest. Councilor DiMambro said just like owning a home some things come up from time to time. He said he looks at what other communities are doing with overrides and it scares him. Auditor Doherty said in the past 20-plus years the city of Woburn has been very conservative with its finances. He said other communities are facing challenges and facing shortfalls with their operating budget. He said

Woburn is a city in transition and that is something the city is going to have to address year to year. Councilor Pappalardo said the excess levy capacity is the city's friend. He said the city needs to sustain that. Auditor Doherty said the levy capacity gives the city some flexibility. Councilor Ferullo thanked Auditor Doherty and his staff for all the hard work they do. Councilor Mercer-Bruen thanked Auditor Doherty for providing the committee with this information. She said it is very helpful. She said one of the most difficult things to deal with as a councilor is when people see the level of free cash and ask how it is managed. She said the city has to be very careful. She said a lot of the time people at home don't realize how many departments are doing in-house what other communities outsource. Auditor Doherty said if there are any other questions, councilors can call him at his office or send an email.

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MOTION made by Councilor Demers and seconded by Councilor Ferullo to adjourn; all in favor, 4-0-1. Chair Viola adjourned the meeting at 6:25 p.m.

A TRUE RECORD ATTEST _____

Gordon Vincent
Clerk of Committees