CITY OF MELROSE

BOARD OF ALDERMEN

BULLETIN● MAY 2, 2016

Aldermanic Chamber	Joint Meeting with the School Committee	7:00 PM

ORDER-2016-156 Joint Meeting/School Committee

Joint Meeting of the Board of Aldermen and the School Committee to be held at 7:00 p.m. on Monday, May 2, 2016, in the Aldermanic Chamber, City Hall, Melrose, MA, on the Financial Condition of the City, revenue and expenditure forecasts, and other relevant information in preparation of the FY2017 Operating Budget.

Attendee Name	Title	Status	Arrived
Robert A. Boisselle	Ward 4 Alderman	Present	
Scott M. Forbes	Ward 7 Alderman	Present	
Gail M. Infurna	Ward 5 Alderman	Absent	
Jennifer L. Lemmerman	Ward 2 Alderman	Present	
Mary Beth McAteer-Margolis	Alderman at Large	Absent	
Monica C. Medeiros	Alderman at Large	Late	7:04 PM
Peter D. Mortimer	Ward 6 Alderman	Present	
John N. Tramontozzi	Ward 1 Alderman	Present	
Francis X. Wright Jr.	Ward 3 Alderman	Present	
Michael P. Zwirko	Alderman at Large	Present	
Donald L. Conn Jr.	President, Alderman at Large	Present	

Roll Call:
School Committee Members Present:

Christine Casatelli
Lizbeth DeSelm
Mayor Robert Dolan
Margaret Driscoll (Chairman)
Jessica Dugan
Jaime McAllister-Grande
Edward O'Connell

Patricia White-Lambright, Asst. Supt. of Pupil Personnel in attendance for Supt. Cyndy Taymore

Chair/Pres. Conn - stated that the Mayor would present his Budget first and would be followed by Public Participation.

Motion: Suspend Rules to hear from Mayor Dolan

By: Alderman Mortimer, 2nd Alderman Forbes - motion carried

Mayor Dolan came forward and delivered a speech on budget and the financial condition of the city. Mayor Dolan gave the following presentation:

Good evening. Tonight I present the FY 17 City of Melrose budget in the amount of $75,328,574.79. This represents a consistent practice of conservative budgeting during my term as Mayor.

This is a balanced budget that was developed using a combination of efficiencies, new revenue, and reductions. The majority of the increases we see in this budget reflect increases in health insurance costs, contracted salaries and wages, and necessary operational adjustments.

This budget also represents the most transparent budget in our city's history. There is unprecedented direct access through the Melrose Visual Budget, which citizens can review at any time. The Visual Budget also provides projections and a clear breakdown of where your taxes go.

The concerns that I presented last year remain. The Federal Government is withdrawing, and any state assistance is partially offset by increased assessments for the charter school and other state obligations. Furthermore, our city's demographics are changing, which is reflected in increased enrollment from pre-K to grade 3. This has resulted in the need to hire additional staff to accommodate this growth with limited new revenue.

This budget does not irresponsibly compromise reserves, and it reflects the will of the people as stated in the last election regarding spending and the decision not to raise our levy limit to increase revenue.

Although these constraints present an operational challenge, the city is moving forward with many important initiatives. We will be finishing the renovation of Melrose High School in the summer, as well as the Hoover School project. Essex Street will also be completed this summer, finishing the revitalization of all our business districts. Our Master Plan Committee will complete their work and present us with an updated blueprint for the city. We will see the final results of the preservation of the Beebe Estate, and the sole new position in the City budget is the hiring of a Substance Abuse Prevention Coordinator. This addition will advance the good work that has taken place to fight the great epidemic of our time, which is opiate addiction.

I must be clear: The challenging times that we faced in the past never prevented this administration from taking on major issues in this community head on and finding solutions. We have found solutions to problems in the worst of times that were never solved in the best of times. That is going to continue, and I would like to focus on that this evening.

First is the challenge of increasing the capacity of our public schools to accommodate an influx of new students in the lower grades. Some say this challenge has been brought on by our community's collective success, and I believe that is true. Many communities are seeing decreases in their school populations, but families are coming to Melrose in droves with young children, revitalizing our city and our schools. Melrose is a fantastic place to live, and now everyone knows it. But there is no more space. The Roosevelt and Lincoln schools next year will each have four kindergartens and four first grades. The greater challenge is that the following year there will be four kindergartens, four first grades, and four second grades, and so on and so on into the immediate future.

I thank God for the sound planning that this city went through in the early 2000s, when all indications and demographic studies pointed toward decreasing populations in the Melrose Public Schools and the city itself. We chose to build the Lincoln and Roosevelt schools to fit a far larger capacity than was needed at the time or projected for the future, because we were building a school for the next 50 years, not the next 10. We built a middle school that was far bigger than was necessary for the number of students attending at the time and bigger than all demographic studies projected in coming years. We renovated Melrose High School to eliminate open spaces, putting in formal classrooms and dramatically improving the inferior design of the original building, which was built in the 1970s. We planned for the future properly, but the growth in the school-age population is unprecedented, incredibly fast, and happening all over our city-not just in one neighborhood.

We have built a desirable community that was once a hidden gem and now is the hottest real estate market in America. And that is not stopping any time soon. No one could have predicted this dramatic an increase. It is not just a Winthrop School challenge. It's not a Horace Mann challenge or a Roosevelt School challenge. It is a city-wide phenomenon. Thankfully, we chose not to sell off our schools once they were closed, as we did with the Coolidge and Washington schools in the 1980s. The Beebe and the Ripley are revenue centers outside the tax base and are absolutely crucial to the budget of the Melrose Public Schools, and they also provide space for the SEEM Collaborative, which serves Melrose students. The Franklin School is a model of early childhood education throughout the Commonwealth of Massachusetts, providing exceptional and unique services to Melrose families.

The Superintendent is in the process of formulating a plan in the coming months that will create an economically and educationally sustainable solution to this issue, which has few options. But one solution is not viable. The reopening of the Beebe School is not a sound option. First, the incoming kindergarten class needs 15 classrooms. The Beebe is not big enough to fit this year's incoming class, with only 12 classrooms. The reopening of the Beebe or an addition to a current elementary school would not only not solve the problem, it would force the redistricting of the entire city, creating a domino effect of movement from school to school and affecting hundreds of families with involuntary transfers. That massive citywide disruption should not be considered. The Beebe also would have dramatic infrastructure startup costs of over $1 million. The cost for new staff, new administrators, and new facilities staff would be another $300,000. And the loss of rental revenue, which is $210,000 per year, in a budget that has already been substantially reduced, makes no financial sense. And I must repeat: The Beebe is not big enough to hold our kindergarten class. Therefore, its space would be obsolete, and we would be facing the same issue again in a few short years.

When we talk about the possibility of additions to schools, or building new schools, that is also not a viable option. We can't build our way out of this challenge. Major construction projects are completely cost prohibitive within the current Proposition 2 ½ levy, and operationally are not financially sustainable within our city's tax base in future years.

But the fact remains that collectively, the Melrose School Committee and this Board of Aldermen have to work together with the Superintendent of Schools, because in school year 2017-18 there is not enough space in our elementary schools under the current configuration, and when the Superintendent presents a plan in the coming months, that plan must be sustainable financially and operationally for at least the next 10 years under our current revenue models. At the end of this month the Superintendent will present her proposal, which will require the cooperation of each of you and the city as a whole.

The financial challenges of water and sewer rates are not simply a Melrose issue. It's a burden shared by the 61 cities and towns under the Massachusetts Water Resources Authority. I believe that we have an obligation to the citizens of Melrose to do our best to make things better through spending controls and reforms. However, we have two obligations when it comes to water and sewer rates:

1. Our rate structure must be legal under the laws of the Commonwealth of Massachusetts, and
2. The amount of revenue attained through this rate formula must meet our fiduciary obligation to the MWRA. This Board of Aldermen has learned in the past that when the rates do not meet that financial obligation, the Department of Revenue will come to Melrose, as they did a few years ago, and demand that we institute conservative practices to ensure the solvency of both the water and the sewer fund.

But tonight, with the orders I am submitting to you, I am tackling this issue in a manner not done by any Melrose mayor since the MWRA was established in 1985.

1. For 30+ years, the recommendation for water rate setting was usually done in DPW offices, without a full public process outside of the vote by the Board of Aldermen to set the rates. We have created the most open process of rate setting in the city's history. We have a Water and Sewer Committee that includes a member of the Board of Aldermen and meets publicly and openly year-round. The commission discusses not only rates but all issues regarding infrastructure, policy, and mandates. This process is an open book.
2. In previous years my administration has sent down a single recommendation for water and sewer rates. In FY 2017, we are sending down ten options to this Board of Aldermen and the citizens of this city. Four are recommended by the Water and Sewer Commission. All options meet the two criteria of legality and meeting our fiduciary responsibility. This board has never been given so many options before.
3. All ten proposals eliminate pro-ration permanently in the City of Melrose. This has been a major point of contention for a number of years, and we are going to solve it, with the new rates starting in October.

4. For the first time, senior discounts on water and sewer will be available to all qualifying senior citizen property owners, whether they own their own home or live in a condominium. This has also been an unsolved challenge for a number of years, in

particular for seniors living in condominium complexes where the units are not individually metered.

5. We will develop an opt-in program for monthly water and sewer billing in the City of Melrose. We will begin with large commercial properties to work out any kinks that may arise, and then provide citizens an opt-in option to pay monthly rather than quarterly to help manage their finances.
6. In the fall, we will present to the board the most aggressive inflow and infiltration capital improvement plan in the city's history.

My administration has made every effort to hear citizens' concerns, and these proposals answer many of them. When given the authority, we do our very best to help ratepayers, to be more flexible, and to provide more choices to the Board of Aldermen. We have done all of these things with these proposals, and I am proud of these solutions.

In addition to the water and sewer solutions, my administration has expanded several important discounts and exemptions for seniors and families with low income.

- In Fiscal Year 2016, we will grant approximately $42,000 in solid waste fee discounts, up from $37,000 in 2015. We anticipate this number increasing to approximately $84,000 in 2017.

- We saw an increase in low income water discounts of $77,000 in 2015 to $99,000 in 2016, an increase of over $22,000.

- Our reformed senior tax workoff program grew from 18 participants in 2015 to 27 in 2016, and we are already at 40 applications for the upcoming fiscal year.

- Beginning in September we will have the first of two drop in events to educate and enroll eligible citizens in our discount programs for water, sewer, property taxes, and solid waste, as well as veterans' benefits. We invite all citizens to meet personally and confidentially with the city hall team in a "one stop shopping" environment to help eligible citizens to continue to live and thrive in our community.

It is always a priority to balance operational needs with affordability, particularly for those citizens who are on fixed incomes.

In 2002 I formed a group of highly qualified citizens to assist me in taking on the great infrastructure challenge of our time, which was the middle school-high school complex. Would it be a new building, renovation, collaborative space? The options were endless. The committee completed a comprehensive study of the problem, analysis and community input was provided, and the process culminated in a community vote to rebuild Melrose Veterans Memorial Middle School. I believe it was a historic moment in our community that has brought us to the great place we are today as a city.

Tonight, I call on the civic leaders in this room and the citizens of Melrose to rise up and take on another great challenge, which is the state of our public safety facilities

Tonight I announce the formation of the public safety building committee, chaired by former Fire Chief John O'Brien and Planning Director Denise Gaffey. The committee will also include Melrose Firefighter and Lieutenant Colonel Robert Driscoll, former Chief of the Somerville Police Department Charlie Femino, School Building Committee Chairman John McLaughlin, architect Joe Nevin, DPW director John Scenna, historic preservationist Ward Hamilton, Police Chief Michael Lyle and Fire Chief Chris Leary. I have asked President Conn to appoint a member of the Board of Aldermen. We can no longer put off this challenge. In the fall I will seek funding for a comprehensive analysis and study. I know over the past 50 years studies have been done regarding this challenge, but this administration has never put a study on a shelf to collect dust. We have put studies into action and completed every initiative put before us, and this will be no different. I thank these volunteers for their efforts, and I look forward to this community journey. It is said every journey starts with a single step, and tonight, we have taken it.

The budget process is now in the hands of the Board of Aldermen, as the legislative body of the city. Once the budget is passed, this is not the end of the process but the beginning of a new year. And like every new year, there are new resolutions and opportunities, but it can never be forgotten that the process must be guided by the citizens of Melrose.

In that light, I would like to end by reaffirming my core belief to each of you that we are a community that promotes and involves an active citizenry, that works in partnership with a responsive government, that manages this City in a thoughtful, honest, and accountable manner.

I thank each of you for your service, and I offer this budget for your consideration and passage.