

FY2012 Budgetary Hearings

Appropriations Committee

Chairman Medeiros, Tramontozzi,
Boisselle, Wright, Seaboyer, Forbes,
Mortimer, Bird, Conn
Absent: Infurna, McAteer-Margolis
In attendance: City Auditor/CFO Patrick
Dello Russo, Fire Chief John O'Brien;
Cemetery Superintendent Mike Hughes;
Parking Clerk Jack Higgins, Police Chief
Mike Lyle; Board of Appeals Chairman
Rita Mercado; Conservation Commission
Chairman Susan Murphy; Library Director
Dennis Kelley; Building Commissioner
Paul Johnson; Emergency Management
Director Ed Kelly

Appropriations Committee called to order by Chairman Medeiros at 7:35 p.m. There are four orders in addition to the budget, Order No. 11-125, City of Melrose Operating Budget for Fiscal Year 2012 in the amount of \$62,903,663.18.

Alderman Mortimer motions to open Public Participation, 2nd by Alderman Boisselle. All in favor. No one comes forward. Alderman Mortimer motions to close Public Participation, 2nd by Alderman Boisselle. All in favor.

Alderman Mortimer moves to suspend the rules, 2nd by Alderman Boisselle. All in favor.

Order No. 11-129, Ambulance Enterprise Budget for Fiscal Year 2012 in the amount of \$724,031.89.

Mr. Dello Russo says orders 11-129 and 11-130 are related to accepting and establishing funding for a new Ambulance Enterprise Fund. This is consistent with auditing requirements of all other enterprise funds. FY12 is the first year operating it and therefore it must be established for revenue and expenditures for in-house ambulance service. The Board of Aldermen previously approved funding for a revolving fund for this service until the end of FY11. Any revenues in the revolving fund will be transferred to the Enterprise Fund. This fund will be audited separately by the DoR and separately from other funds in his office. Scrutiny is necessary so everyone can understand the operations of the ambulance service. Any and all revenue will be dedicated to funding the expenditures of the ambulance service – there will be no comingling of funds at any time. Chief O'Brien and Bill Merdendahl are here this evening. Mr. Merdendahl is the CEO of ProEMS and will be working with the city with the billing of the ambulance services.

Alderman Mortimer motions to join orders 11-129 and 11-130 for discussion purposes, 2nd by Alderman Forbes. All in favor.

Mr. Merdendahl says he has worked with the City of Cambridge for the last 11 years, one of 12 towns his company works with. His company hosts electronic run reporting and provides outsource billing services; the bill will go out the day after ambulance

service is provided. Patient satisfaction surveys will be sent to every patient Melrose has contact with, providing data on how residents perceive the ambulance service.

Chief O'Brien says the main problem with startup costs of ambulance service was staffing. His department received two SAFER grants in 2008 and 2009, opening a small window to start ambulance service. He visited fire-based ambulance service communities and everyone spoke about Bill and ProEMS. Some Melrose firefighters will assume dual roles; providing ambulance service is how the department will hold onto the grant positions when the grants end. The ambulance inspection takes place tomorrow, and the department is in the process of receiving a Medicare provider number. He feels confident he'll be able to keep the eight grant positions with the ambulance service.

Mr. Dello Russo says the anticipated revenue is approximately \$900,000 which will come from ambulance services provided by the department. ProEMS will be paid from the Enterprise Fund. The Enterprise Fund must be established for a minimum of three years by statute. Either a home rule petition or legislation filed by the state delegation would be necessary to undo the Enterprise Fund. The key to this fund being self-sufficient is to control the level of expenditures. The department has to walk its way into this – away from grants and into Basic Life Support and then into Advanced Life Support. Both BLS and ALS are necessary to be effective and worthwhile in the long haul. The goal is to use zero General Fund dollars and have the Ambulance Enterprise Fund support 8 positions. The ALS money should step in to cover the grant money the department will lose. He will look at the figures month to month to see if the objective is being met. In addition to their salaries, a portion of health insurance and pensions will come from this fund, and like the Mount Hood Enterprise Fund, the Ambulance Enterprise Fund could at some point make a pilot payment to the City for a nurse or similar use, but all revenue must stay in the Fund.

Mr. Merdendahl says a higher user fee will yield a slightly lower collection fee, but the amount charged per transport will yield a higher net for the City. The usual and customary charge is three times the Medicare rate, or about \$1,300 per patient. Waiving the co-insurance payment is allowed by law. The patient is always ultimately responsible for the bill. His company will receive a percentage based on revenue taken in; the contract is for three years.

Chief O'Brien says he plans to keep the ambulance in the city but sometimes where it goes is driven by patient protocol and the decision is out of their hands. He doesn't plan on getting into the transport business right now – he is focusing on BLS and ALS. He wants the first call out of the gate. In 2014 service will transition from BLS to ALS. BLS is served by EMTs; once he has enough paramedics, it will transition to ALS. In the meantime he is forming partnerships with Cataldo Ambulance and Hallmark Health.

Mr. Merdendahl says very few fire departments do transport service – it comes down to the department's mission. Melrose Fire Department's is for emergencies in the community; ambulance service is emergency driven. It handles private insurance, Medicare and Medicaid. Most billing is handled electronically with bills turning around in 20-45 days for the biggest bulk of payers.

Mr. Dello Russo says common mistakes made by other communities are the recognition of where revenues go – into the General Fund or the Ambulance Fund. Mr. Merdendahl

says Melrose has a good handle on revenue projections. One pitfall of many communities is over estimating revenue. It's likely only 40-45% of what is billed will be received due to Medicare and Medicaid rates. Mr. Dello Russo says there is a minimum three year window in building the foundation of this fund.

Chief O'Brien says he is hoping to get Hallmark Health on board in bringing patients to its facility; he's hoping to forge a partnership for supplies and equipment. Mr. Merdendahl says Melrose is the first to have a hospital in the community that is interested in EMS. The hospital will be key in ALS service; engaging in the process with the hospital in the beginning is very important. The relationship with medical direct is very important in the process to transitioning to ALS.

Mr. Merdendahl says BLS service includes stabilizing the patient; the average charge is \$1300-\$1400 for basic rate plus mileage. The ALS rate, which serves patients with chest pain, trauma, and cardiac arrest, is a higher fee. Medicaid only reimburses about 1/3 of what it costs to provide the service. Health Service Net doesn't reimburse ambulance service at all – only hospital costs.

Alderman Mortimer motions to recommend the joined orders, 2nd by Alderman Boisselle.

Chairman Medeiros asks about training fire personnel for taking on ambulance service. Chief O'Brien says the department has been working at this for a while; of the 56 firefighters, 45 are trained as basic EMTs, there are 6 paramedics, and one nurse. Cataldo Ambulance has been a big help; they run classes every day. All training is done on-duty by Cataldo, who is certified by the state, at no cost to the City. The guys are ready.

Mr. Dello Russo says he will provide copies of the revenue projections to the Board. The same protocol that guides the Mount Hood and Water and Sewer Enterprise Funds will be used. The advisory board that will oversee this fund is made up of a group of firefighters, the CFO, the City Treasurer, Mr. Merdendahl and Chief O'Brien. Mr. Merdendahl says the City will receive Quality Assurance reports from ProEMS that show deficiencies and positives. Chief O'Brien says a dispute to an ambulance bill will be treated like a dispute to a water bill. The Board of Aldermen will set the fee for ambulance service; the City Solicitor is currently working on the order to revise the ordinances.

On the motion to recommend orders 11-129 and 11-130, all in favor.

8: 50 p.m. Alderman Wright motions for a brief recess, 2nd by Alderman Mortimer. All in favor.

8:56 p.m. Appropriations Committee reconvenes.

Cemetery 187,521.60 Cemetery Superintendent Mike Hughes, Mr. Hughes says this budget has the same level of funding as the last several years. He thanks the board for appropriating funds for the expansion of the cemetery. It will carry them forward for the next 20 years and will be a major source of funding the department.

Alderman Mortimer motions to move the bottom line of \$187,521.60, 2nd by Alderman Seaboyer. All in favor.

Parking 51,250.50 Parking Clerk Jack Higgins
Police Chief Mike Lyle

Alderman Mortimer motions to move the bottom line of \$51,250.50, 2nd by Alderman Boisselle.

Mr. Higgins says the budget is the same as last year. Funds in Professional Services is for Kelly and Ryan and is based on the number of tickets that are issued. Chief Lyle says compliance with parking regulations is higher; ticket revenues fall but more parking permits are sold.

On the motion to move the bottom line, all in favor.

Board of Appeals 15,010.00 Chairman Rita Mercado
Alderman Mortimer motions to move the bottom line of \$15,010.00, 2nd by Alderman Boisselle.

Ms. Mercado says it's the same budget as last year; the majority of it goes to the clerk.

On the motion to move the bottom line, all in favor.

Conservation 20,825.00 Chairman Susan Murphy
Alderman Mortimer motions to move the bottom line of \$20,825.00, 2nd by Alderman Boisselle.

Ms. Murphy says the budget is the same as last year. The two primary responsibilities of the Conservation Commission are the implementation of the Wetlands Acts and stewardship of conservation land. Most of the budget goes to their agent.

On the motion to move the bottom line, all in favor.

Library 901,340.27 Director Dennis Kelley
Assistant Director Linda Walsh

Mr. Kelley says he is seeking \$901,000 for the FY12 budget. In September a request for an additional appropriation of \$87,500 will be made. These funds will come from the Trustees and the donation and fines accounts. The total of these funds will allow the library to be certified by the Board of Library Overseers without requesting a waiver. These additional funds will be applied to the audio and books line items. He will be retiring at the end of April and Ms. Walsh will serve as acting Director for seven weeks. The search for his replacement is under way.

Alderman Mortimer motions to move the bottom line of \$901,340.27, 2nd by Alderman Boisselle. All in favor.

Inspection Services 206,897.46 Building Commissioner Paul Johnson
Alderman Mortimer motions to move the bottom line of \$206,897.46, 2nd by Alderman Boisselle.

Mr. Johnson says the budget has a slight increase due to salaries. His department is nearing the end of an aggressive categorizing system for filing information of buildings in the city. Permits have picked up from last year resulting in an increase in revenue. Melrose has held its own with the amount of work being done. The value of construction is up a little more – there is more high-end work being done. The Washington Street project has brought in \$350,000. The plumbing/gas inspector position is vacant; Mr. Diozzi is working as a vendor 12-15 hours per week at an hourly rate. They are able to maintain the same level of service at this time; he will evaluate at the end of the fiscal year. There has been talk of regionalizing the position but he is concerned about customer service for Melrose residents. They need someone to review plans and answer questions. The Stretch Energy Code has added another layer to inspections. It's a struggle because the state doesn't do enough to educate and communicate with contractors. They now have to be certified to install sheet metal – more layers have been added to the process.

On the motion to move the bottom line, All in favor.

Order No. 11-131, Reauthorization of Revolving Funds

Requesting the annual approval and reauthorization of the revolving funds the City currently has established, in accordance with MGL Chapter 44, Section 53E ½ for fiscal year 2012 as set forth herein. Multi-Family Housing Inspection #2658

Alderman Mortimer motions to remove the order from the table, 2nd by Alderman Seaboyer. All in favor. Alderman Mortimer moves to recommend, 2nd by Alderman Boisselle.

Mr. Johnson says this is a state mandated program. Mr. Aldenberg takes care of inspections of all buildings with the exception of churches. Mr. Aldenberg is paid out of this account.

On the motion to recommend, All in favor.

Alderman Mortimer moves to return the order to the table, 2nd by alderman Seaboyer. All in favor.

Emergency Management	17,750.00	Director Ed Kelly
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Mr. Kelly says the budget is the same as last year. The number of volunteers has increased to 53; it's getting harder to uniform them and train them.

Alderman Mortimer motions to move the bottom line of \$17,750.00, 2nd by Alderman Boisselle.

Alderman Tramontozzi asks who licenses the auxiliary police and asks if they have all the duties and powers of police officers; Mr. Kelly says the Board of Aldermen licenses them; only under a declared state of emergency would they have the duties and powers of a police officer.

On the motion to move the bottom line, All in favor.

Fire 3,479,052.55 Fire Chief John O'Brien
Alderman Mortimer motions to move the bottom line of \$3,479,052.55, 2nd by Alderman Boisselle.

Chief O'Brien says he has a 57 man department. The budget is level funded and straight forward. The only change is in vehicle repair. The Ambulance Enterprise Fund will support uniforms for 8 firefighters. The overtime budget is \$120,000 – another \$100,000 will be provided for in the Enterprise Fund. Melrose had the lowest OT expenditures of 34 cities and towns this year. No one has indicated they are retiring next year, and there is no one scheduled for deployment at this time. 111F injuries are practically non-existent; last year there were only two men out on 111F for a few months.

On the motion to move the bottom line, All in favor.

Order No. 11-133, TRANSFER Amount: \$20,000.00
From: A/C #012111-511000 - Police – Salaries & Wages
To: A/C #012211-513000 - Fire Overtime

Chief O'Brien says these funds will likely take him to the end of the year. The department was hit hard last year. They lost a captain in September, another captain was out for 90 days with shoulder surgery, and two lieutenants were out – one with a muscle tear and another with a broken foot. Everyone is either back or due back by next week. There has been a significant decrease in OT over the years. He doesn't have a sick or injury problem anymore. About four years ago EMT training was brought in-house, on-duty, eliminating OT in that area.

Chairman Medeiros says in 2004 OT was \$424,000; in FY2010, it's \$157,000.

On the motion to move the bottom line, All in favor.

Alderman Mortimer moves to place Order No. 11-125 on hold, 2nd by Alderman Boisselle. All in favor.

Alderman Mortimer motions to adjourn, 2nd by Alderman Boisselle. All in favor.

Appropriations Committee adjourns at 10:01 p.m.

Maribeth Harrington
Clerk of Committees