

FY2012 Budgetary Hearings

Appropriations Committee

Chairman Medeiros, Tramontozzi, Infurna,
Wright, Seaboyer, Mortimer, Bird, Conn
Absent: Boisselle, Forbes, McAteer-Margolis
In attendance: Human Rights Chair Suzy Q
Groden, Human Rights Treasurer Sally Stubbs;
CoA Executive Director Dawn Folopoulos; City
Auditor/CFO Patrick Dello Russo; Retirement
Board Executive Director Michael Pasquariello;
Temporary Veterans Agent Walter Rice; City
Planner Denise Gaffey; Mayor Robert J. Dolan,
City Treasurer/Collector Art Flavin; City
Solicitor Robert Van Campen

Appropriations Committee called to order by Chairman Medeiros at 7:37 p.m. 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 Infurna. All in favor. No one comes forward. Alderman Mortimer motions to close Public Participation, 2nd by Alderman Tramontozzi. All in favor.

Human Rights	3,000.00	Suzy Q Groden, Chair Sally Stubbs, Treasurer
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Alderman Mortimer motions to move the bottom line of \$3,000.00, 2nd by Alderman Tramontozzi.

Ms. Groden says the Commission is spending their funds in ways that are appropriate and exciting. They are very busy from September to late June. They participate in the Victorian Fair and contribute to the MAAV walk in October. The International Welcoming Reception has grown steadily over the last seven years, attracting more than 200 people from all over the world; it's an important annual event. The Commission has sponsored the Martin Luther King, Jr. dinner for twenty years and this year it was expanded to include Saturday day of service. The Clergy Association of Melrose took the lead on this venture and the schools provided the venue. For the initial time, about 100 people took part. There is collaboration in the works with the High School and the Commission is starting up an occasional speaker series hosted around the city. Ms. Stubbs says she is grateful for what the city has given them through the years. The English Language program continues to be popular; there is a waiting list for the conversational group.

President Conn says there is a lot of good work being done for a small amount of money.

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

Council on Aging	166,141.01	Executive Director Dawn Folopoulos City Auditor/CFO Patrick Dello Russo
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Alderman Mortimer motions to move the bottom line of \$166,141.01, 2nd by Alderman Infurna.

Ms. Folopoulos says she has been working in her position since April 4; it has been a wonderful experience. Everyone has been welcoming and Jack Beckley has been amazing teaching and helping her. Mr. Dello Russo says the budget is in line with all others – it is conservative and tight.

President Conn says he would like to see in next year's budget any non-collective bargaining mileage reimbursement eliminated; unless it is contractually obligated, he would like to see it eliminated throughout the entire city budget.

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

Alderman Mortimer motions to remove Order No. 11-131 from the table, 2nd by Alderman Tramontozzi.

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. (Council on Aging #2811)

Alderman Mortimer motions to reauthorize, 2nd by Alderman Infurna.

Mr. Dello Russo says this will reauthorize the same limit of \$8,000.00 as the spending limit for FY2012; that amount can't be exceeded without coming before the Board of Aldermen.

Alderman Infurna says the Revolving Fund is different than the Jim Driscoll Endowment Fund. Ms. Folopoulos says that fund was established to reach \$50,000 and as of yesterday that goal was met. The interest will be used for programs. The Revolving Fund receives funds from programs, events, and donations; those funds are used to run the Senior Center and to make repairs to the building.

On the motion to recommend, All in favor.

Pension Weekly	4,882,756.38	Executive Director Michael Pasquariello City Auditor/CFO Patrick Dello Russo
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Alderman Mortimer motions to move the bottom line of \$4,882,756.38, 2nd by Alderman Infurna.

Mr. Pasquariello says the figure is based on the actuary evaluation of 2010 – the amount the City must contribute to the retirement fund. The next actuary evaluation will take place in 2012.

President Conn says the 2008 budget was higher than this year's. Mr. Pasquariello says the schedule was moved out to 2035; Mr. Dello Russo says it can be moved out to 2040. Once the city reaches fully funded status, the payments will decrease further. President Conn asks if continued success with investments will decrease the contribution. Mr. Dello Russo says through the actuary evaluation the contribution could be decreased. Additionally, the Executive Director has made great reductions in operating expenses. Mr. Pasquariello says 8% of the investments are not in the PRIT fund yet, but when those terms expire, all funds will be with PRIT. He was able to reduce the 2009

operating budget by \$145,000; the 2010 budget was \$93,000 (34%) under budget, and the 2011 budget is \$63,000 (22%) under budget. President Conn says a lot of good work has gone into restructuring this operation. This budget is less than it was 5 years ago; this is in pretty good shape. Mr. Dello Russo says Mr. Pasquariello has done a very good job at reining in operation costs.

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

Chairman Medeiros says the City Clerk and the Election/Registrar budgets will be placed on hold until May 5.

Veterans	288,419.32	Temporary Veterans Agent Walter Rice City Auditor/CFO Patrick Dello Russo
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Mr. Rice says he is an experienced veteran service officer and has been filling in since March 22. Mr. Dello Russo says Mr. Rice has been a tremendous help and is continuing the process of going after reimbursements in an aggressive way. The amount received this past year is testament to the fact that the City is helping veterans and doing it properly. Mr. Rice says the lion's share of reimbursement goes to veterans benefits; The Chapter 115 program provides cash assistance to low income veterans and is overseen by the state. All expenditures are authorized by the state. The City receives 75% of what it pays out. The outreach by Natalee Webb is admirable to say the least.

Alderman Mortimer motions to move the bottom line of \$288,419.32, 2nd by Alderman Tramontozzi. 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.

Alderman Mortimer moves to authorize the Veterans Events Revolving Fund #2607, 2nd by Alderman Tramontozzi.

Mr. Dello Russo says the cap is the same as last year. The fund enables veterans services to provide self-funded activities. Chairman Medeiros asks what people would do if they were interested in donating to this account; Mr. Dello Russo says revenue charged for a veterans event would go into this account.

Alderman Mortimer moves to table Order No. 11-131, 2nd by Alderman Infurna. All in favor.

President Conn motions to suspend the regular order of business, 2nd by Alderman Mortimer. All in favor.

Order No. 11-144, BOND Authorizing City Treasurer with the approval of the Mayor to issue bonds or notes of the City to the aggregate amount of One Million Sixty Two Thousand One Hundred and Ninety Eight Dollars (\$1,062,198.00) for the Partial Roof Replacement and Associated Work at Melrose High School.

President Conn motions for concurrent action with Orders 11-48B and 11-155, 2nd by

Alderman Infurna. All in favor.

Order No. 11-148B, BOND Rescind portion of the bond authorization of December 6, 2010, in the amount of Seven Hundred Forty Thousand Dollars and No cents (\$740,000.00) dedicated to repair High School Roof; namely, Order No. 11-48. The newly adjusted total amount of Bond including Orders No. 11-48 and 11-48A is \$2,130,000.00

Order No. 11-155, Authorizing the City of Melrose to enter into a Project Funding Agreement with the Massachusetts School Building Authority on behalf of the Green Repair Project entitled Partial Roof Replacement and Associated Work at Melrose High School.

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

City Planner Denise Gaffey says she is asking for authorization for the High School roof replacement project. She was before the board in November asking for funding and at that time it was unclear if the City would be invited into the Green Community program. The SBA has invited Melrose into the Green Repair program. Her office worked very quickly to bid the project and it's ready to go. The roof can be replaced this summer while school is in recess; it's original to the building and is in dire need of replacement. Funding authorization is required for full cost of the project; the other two orders are related to the project agreement.

President Conn asks if the project will cost approximately \$1 million. Ms. Gaffey says the city will receive half that from the SBA and she has applied for the grant. The funds will come in as the project progresses.

Mr. Flavin says the short term borrowing is already in his budget.

Alderman Mortimer moves to recommend the three orders, 2nd by Alderman Tramontozzi. All in favor.

Order No. 11-145, BOND Authorizing City Treasurer with the approval of the Mayor to issue bonds or notes of the City to the aggregate principal amount of Five Million Two Hundred Eighty Thousand Dollars (\$5,280,000.00) to fund High School Athletic Field Renovation and Site Improvements Project (\$4,280,000.00) and the City's portion of the Pine Banks Track and Field Project (\$1,000,000.00).

Alderman Mortimer moves to recommend, 2nd by Alderman Tramontozzi.

Mayor Dolan says in the fall of 2010 he presented to the Board of Aldermen a request for new fields. Special legislation was passed, and the Park Commission voted 4-1 in favor. A building team convened, and he feels very confident that every aspect of the project has been reviewed. A bid has been accepted by the City, and parks grants can be used. As construction continues, especially on the Pine Banks side, the cost could continue to decrease due to receiving more grants. He is confident that the golf course will not be compromised. Voting this amount this evening will solve the problems the City has had with the parks system for 50 years.

President Conn says the board had discussion the other night about the ability of the golf course to support this bond and if there would be any detriment to the golf course as a result of this borrowing. Mr. Dello Russo says the work done to look at the ability of the golf course to address the debt issue was not light. An independent audit and Department of Revenue figures were presented to the Park Commission. The golf course has just under \$800,000 in reserves. It's a good time to look at the contract and seek an increase in percentages. Because the reserve fund is so healthy, CIP projects can be funded from the reserves, relieving the budget. The special legislation provides safeguards for everyone. President Conn says that over the last decade Melrose has come from having substandard fields to upgrading the facilities and being a source of pride with no impact to taxpayers.

On the motion to recommend, All in favor.

Order No. 11-143, APPROPRIATION Amount: \$300,000.00
From: A/C #29132-590000 – Affordable Housing, Transfer Out
To: A/C #20004-490000 – Community Development, Transfer In

Alderman Mortimer moves to recommend, 2nd by Alderman Tramontozzi.

Ms. Gaffey says this is a request to move funds from one account to another. Funding is tied to the Oak Grove Village project where \$300,000 would be put into a fund to mitigate traffic impacts to Derby Road and Waverly Street due to increased traffic and to be used for Affordable Housing. Funds were to be held for two years and that time period has expired. The Community Development Fund will assist her department's activities with no impact to the city budget. Those funds are dwindling; this is coming at a crucial time to pay for the department's salaries.

Alderman Infurna says that Pembroke has been great; she's happy that the City will receive these funds.

President Conn asks what restrictions apply to the Community Development Funds. Ms. Gaffey says the fund is not very restrictive; most of the funds are used for salaries.

On the motion to recommend, All in favor.

Order No. 11-142, APPROPRIATION Amount: \$18,500.00
From: General Fund Certified Free Cash
To: A/C #84054-490000 – Capital Stabilization Fund, Transfer In

Alderman Mortimer moves to recommend, 2nd by Alderman Tramontozzi.

Mr. Dello Russo says he believes the board has received correspondence from the Pine Banks Foundation. It is the City's protocol to fund these projects from the Capital Stabilization Fund. The request would typically come before the board in the fall, but Pine Banks needs it now. He asks the board's consideration.

Chairman Medeiros says there is a memo from Mr. Henry Kezer explaining the need for renovations.

Alderman Infurna says the cost is shared by Melrose and Malden; this is Melrose's share.

On the motion to recommend, All in favor.

Treasurer/Collector	379,193.73	City Treasurer/Collector Art Flavin
Alderman Mortimer motions to move the bottom line of \$379,193.73, 2nd by Alderman Infurna.		

Mr. Flavin says his department's business doesn't change; it is the financial mechanism of the City. Collections are still strong, electronic payments are increasing monthly. There isn't much change in the budget. People are getting used to only receiving tax bills twice per year; it saves the City \$13,000 per year.

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

Municipal Debt	3,248,784.00	City Treasurer/Collector Art Flavin
Alderman Mortimer motions to move the bottom line of \$3,248,784.00, 2nd by Alderman Bird.		

Mr. Flavin says this is paying for projects done in prior years. It is the amount the City is indebted to and must pay.

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

Municipal Debt Interest	1,878,207.00	City Treasurer/Collector Art Flavin
Alderman Mortimer motions to move the bottom line of \$1,878,207.00, 2nd by Alderman Bird.		

Mr. Flavin says this is interest associated with the principle.

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

Anticipation Interest	71,280.00	City Treasurer/Collector Art Flavin
Alderman Mortimer motions to move the bottom line of \$71,280.00, 2nd by Alderman Tramontozzi.		

President Conn asks if all bond orders that came before the board this evening are figured into this amount; Mr. Flavin says yes.

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

Medicare City Portion	475,000.00	City Treasurer/Collector Art Flavin
Mr. Flavin says this is another annual event. It's a hard number to pinpoint and there is always an increase.		

Alderman Mortimer motions to move the bottom line of \$475,000.00, 2nd by Alderman Tramontozzi.

President Conn asks if this includes the entire City workforce; Mr. Flavin says yes.

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

Planning 112,004.48 City Planner Denise Gaffey
Alderman Mortimer motions to move the bottom line of \$112,004.48, 2nd by Alderman Bird.

Ms. Gaffey says the bottom line doesn't reflect the full cost of the department. Only about 60% of the salaries are in this budget.

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

Auditor 327,237.30 City Auditor/CFO Patrick Dello Russo
Alderman Mortimer motions to move the bottom line of \$327,237.30, 2nd by Alderman Tramontozzi.

Mr. Dello Russo says this budget covers the auditing services of the City.

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

City Solicitor 536,252.52 City Solicitor Robert Van Campen
Atty. Van Campen says the budget is level funded except for salaries and electronic MGLA services.

Alderman Mortimer motions to move the bottom line of \$536,252.52, 2nd by Alderman Infurna.

President Conn asks if the three employees are full time benefits positions; Atty. Van Campen says yes.

Alderman Wright asks what the dues line item covers. Atty. Van Campen says Massachusetts City Solicitor's, Massachusetts Bar Association, and the American Bar Association.

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

Alderman Mortimer motions to place Order No. 11-125, City of Melrose Operating Budget for Fiscal Year 2012 in the amount of \$62,903,663.18, on hold, 2nd by Alderman Infurna. All in favor.

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

Appropriations adjourns at 9:19 p.m.

Maribeth Harrington
Clerk of Committees