

Appropriations Committee

Chairman Medeiros, Tramontozzi, Infurna,
Boisselle, Seaboyer, Mortimer, McAteer-
Margolis, Bird, Conn
Absent: Wright, Forbes
In attendance: City Engineer Bob Beshara,
Deputy City Engineer John Scenna, City
Auditor/CFO Patrick Dello Russo

Appropriations Committee called to order by Chairman Medeiros at 7:35 p.m.

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.

Order No. 11-173, APPOINTMENT Of: Curtis Dooling, 53 Orient Avenue, Melrose, MA
To: Board of Appeals, associate member said term to expire on the last day of February, 2013

Alderman Tramontozzi moves to recommend, 2nd by Alderman Boisselle. Alderman McAteer-Margolis motions to suspend the rules, 2nd by Alderman Tramontozzi. All in favor.

Mr. Dooling says he is honored to be appointed and looks forward to giving back to the city. The mission of the Board of Appeals is vitally important. He is a practicing attorney and adjunct professor at the New England School of Law, and has some background in zoning matters.

Alderman McAteer-Margolis thanks Mr. Dooling for volunteering in this capacity.

On the motion to recommend, All in favor.

Chairman Medeiros opens the Public Hearing for the water and sewer rates and will take up the following orders:

Order No. 11-170, Amending Melrose Revised Ordinances, Chapter 228, Article II, Section 228-15 (Water Rates Established) as set forth herein.

Order No. 11-171, Amending Melrose Revised Ordinances, Chapter 228, Article IV, Section 228-30 (Sewer Rates Established) as set forth herein.

Order No. 11-126, Water Enterprise operating budget for Fiscal Year 2012 in the amount of \$4,351,794.68 (Four Million, Three Hundred Fifty-One Thousand, Seven Hundred Ninety-Four Dollars and Sixty-Eight Cents) (Budget #6100)

Order No. 11-127, Sewer Enterprise operating budget for Fiscal Year 2012 in the amount of \$6,414,298.17 (Six Million, Four Hundred Fourteen Thousand, Two Hundred Ninety-Eight Dollars and Seventeen Cents) (Budget #6000)

Mr. Beshara says the budget includes \$150,000 of anticipated rate relief from existing FY2011 surplus funds. The water budget consists of the MWRA assessment (52%) and

debt (17%). The sewer budget consists of 85% MWRA assessment and 6.1% debt.

President Conn says one-third of the water budget is within the city's control and the rest is MWRA and debt service. He asks Mr. Beshara if he starts with a list of projects and factors them in. Mr. Beshara says most projects are done through bonding but some small repairs are done within the budget. President Conn says one cent on residential water is \$6,500 and one cent on commercial water is \$21,017. One cent on sewer is \$7,756.

Mr. Beshara says the FY12 MWRA water assessment is an 8% increase over last year's assessment; the city's proposed residential water rate is a 5% increase, from \$5 to \$5.25 and the proposed commercial water rate is a 5.39% increase, from \$6.12 to \$6.45. The MWRA sewer assessment is a 3.5% increase; the city's proposed sewer rate is a 2.3% increase, from \$9.14 to \$9.35.

President Conn asks if it is expected that both water and sewer enterprise funds will close in the positive. Mr. Scenna says sewer will be very close. Mr. Dello Russo says the sewer fund is literally at a break-even budget with just a \$6,000 balance. The water fund will be in the positive. Mr. Beshara says neither FY12 budget allows for any projects to be done. Alderman Seaboyer asks about the pump house upgrade on the Lynn Fells Parkway. Mr. Beshara says there is some money in the budget for that; work should begin sometime around the second week of July.

Chairman Medeiros asks if there is anyone in the public that would like to address the committee. Joe Pelrine, 70 Howard Street, says he feels the pressure of the water rates. He'd like to know if the city pays the MWRA for storm water drainage and if so, who pays the bill for the water at the High School field project. He'd like to know how much the MWRA charges per 100 cubic feet for water. A certain percentage of money collected is paid as operating costs – he was under the impression that costs for repairs came from the General Fund.

Mr. Beshara says storm water is not part of the sewer assessment but when it rains, some ground water enters the sewer system through leaks in the aging pipes. The I/I program has detected leaks and the department is sealing them up. Mr. Scenna says about 35% of the city's pipes has been studied in the I/I program. Mr. Beshara says there is a separate storm water drainage system throughout the city. The water from the High School field project is going into a retention basin and through the Ell Pond culvert. As far as what the MWRA charges, it doesn't charge for usage. Water is measured in and out. It's a complicated formula based on a three year average. They figure out how much water and sewer is used by the city in comparison to the other communities. If it's 7%, Melrose is charged 7% of the MWRA budget. The FY10 MWRA assessments were \$2,048,045 for water and \$2,261,475 for sewer; 825 million gallons of water were measured. In 2009 751 million gallons of water were measured. Mr. Scenna says some water conservation initiatives the city offers are low flow shower heads, rain gauges, and rain barrels. Residents can also call to have remote water readers installed which easily identifies any leaks in their system. Mr. Beshara says he can't repair trucks and equipment used by the water and sewer departments with general funds.

President Conn says the MWRA has loaned out money at favorable interest rates making it difficult for cities and towns to cut rates while extending the life of the MWRA. It

is good to see single digit increases this year and he applauds the rate committee for applying surplus funds as rate relief. It isn't fair that rates increase every year. He asks if it is possible to put off filling the engineering position in this budget until the second quarter of the fiscal year. Mr. Scenna says most programs take place in the summer months and they are really short staffed in the engineering department. It's a pretty critical position; not filling the position would jeopardize the projects. President Conn asks about the stipend line item in the water fund. Mr. Scenna says the DEP requires two employees to maintain water certification. Each receives a \$1000 stipend as a collective bargaining item. The professional development line item is for the certificate courses and training for union employees – the city needs to show progressive training to the DEP and EPA to be eligible for future bonding. President Conn asks about the sewer overtime budget. Mr. Scenna says of the \$22,000 in the water budget, just under \$15,000 has been expended. Some of the High School field overtime will be applied to this line item; also, the bond paid for certain overtime expenses.

Alderman Bird asks how the proposed 5% increase compares with past fiscal years. Mr. Beshara says the increase in FY10 was 1.83% for residential water, 1.49% for commercial water and 1.9% for sewer. He'll provide the figures from earlier years.

President Conn motions to close the public hearing, 2nd by Alderman Mortimer. All in favor.

President Conn moves to recess the committee until Monday 20 June 2011 at 7:15 p.m., 2nd by Alderman Boisselle. All in favor.

Appropriations recesses at 9:00 p.m.

Maribeth Harrington
Clerk of Committees