

Appropriations Committee

Chairman Medeiros, Tramontozzi, Infurna,
Boisselle, Wright, Seaboyer, Forbes,
Mortimer, McAteer-Margolis, Bird, Conn
In attendance: City Auditor/CFO Patrick
Dello Russo

Appropriations Committee called to order by Chairman Medeiros at 7:17 p.m.

Alderman Mortimer motions to open Public Participation, 2nd by Alderman Boisselle. All in favor.

Joe Pelrine, 70 Howard Street, speaks to the proposed water and sewer rate increases. He asks the Aldermen not to raise the water rate to fund a new engineer for the City. That salary should come out of another budget, not the water rates. He questions why the City needs to hire a new engineer with a PE license; a mechanical engineer or civil engineer could be hired instead.

Alderman Mortimer motions to close Public Participation, 2nd by Alderman Boisselle. All in favor.

Order No. 11-182, APPROPRIATION Amount: \$646,253.29

From: General Fund Available Free Cash

To: Acct # 84044-490000 - Contract Stabilization Fund, Transfer In \$ 38,518.93

Acct # 019162-548000 - Medicare Tax, City Portion \$ 64,000.0

Acct # 014232-524000 - PW, Snow, Hired Equipment \$458,510.56

Acct # 014232-534900 - PW, Snow, Salt & Chemicals \$ 52,602.00

Acct # 014232-531000 - PW, Snow, Gas & Oil \$ 30,547.32

Acct # 014232-531201 - PW, Snow, Tire Chains & Belts \$ 2,074.48

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

Chairman Medeiros says there is a request from the Mayor and a letter of certification of funds from the CFO. On the motion to recommend, All in favor.

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

President Conn says he planned to make a bottom line cut but the CFO has indicated he can't do it that way because it is a line item budget.

President Conn motions for concurrent action with 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), 2nd by Alderman Infurna. All in favor.

President Conn motions to cut \$1,000 from Part Time Salary and Wages line item 614511-512000, 2nd by alderman Tramontozzi. All in favor.

President Conn motions to cut \$5,000 from Overtime, line item 614511-513000, 2nd by Alderman Tramontozzi.

On discussion Alderman Infurna says with all due respect she is uncomfortable making cuts without the Department Heads being present. As much as the aldermen would like to see cuts to water bills, she looks at this budget like insurance for emergencies. Mr. Beshara and Mr. Scenna have done a lot of work on determining the water rates.

Alderman Tramontozzi says the committee had the opportunity to hear from DPW at the last meeting. He is comfortable making cuts; it's the aldermen's job to scrutinize these budgets.

Alderman Forbes opposes cuts to the overtime line item because water and sewer breaks are unpredictable. Last year's water budget came in with \$150,000 in surplus which was applied to this year's rates. He would rather keep the money in this line item and apply any surplus to next year's rates.

Alderman McAteer-Margolis says she understands the desire to make cuts to reach a certain level which would allow the rate to be lowered but overtime goes hand in hand with the repair line item which has already been decreased from last year. She is concerned about making cuts in the absence of Department Heads and feels they have to be cautious with the overtime line item.

President Conn says it wasn't his intention to make cuts without the Department Heads. Water and Sewer Enterprise Funds are different from other budgets because consumers are charged directly. Last year had a surplus of funds; the rate wasn't incredibly precise. If there is an emergency in the City, general funds can be used to service the problem.

Alderman Wright says after conferring with the CFO, it is expected that all of this year's overtime funds will be used. He is hesitant to make cuts; President Conn is correct that general funds can be used but that means funds are coming out of something else.

Alderman Seaboyer motions to suspend the rules to hear from Mr. Dello Russo, 2nd by Alderman Mortimer.

Alderman Seaboyer asks if there would be a big impact by removing \$5,000 from this line item. Mr. Dello Russo says the enterprise budget is prepared on a line item basis. Both the Superintendent and the Operations Manager felt comfortable with the proposed number. Overall everyone needs to be cognizant of the fact that the budget is driven by an 8% increase in the MWRA assessment. The City's objective is to be sure the fund doesn't have a deficit. Any surplus will be applied to keep the rate down next year. The proposed increase is less than the increase assessed by the MWRA – that's progress. The board also has to be mindful that this is not the last stop. Whatever is decided here goes to the Department of Revenue and they will determine if the budget and the rate are sufficient. If not, they will ask the City to revisit the budget. Until the City complies, they will not let the City set the tax rate.

Alderman Boisselle asks the impact of cutting \$6,000 in the \$4 million budget. President Conn says \$6704 equals \$.01 (one cent) on the rate.

Alderman Forbes asks how much free cash from FY10 will be available at the end of this fiscal year. Mr. Dello Russo says zero; the next available free cash will be in October,

after it is certified from FY11.

On the motion to cut \$5,000 from Overtime, line item 614511-513000, motion fails 4-6. (Boisselle, Forbes, Infurna, McAteer-Margolis, Mortimer, Wright opposed).

President Conn moves to divide orders 11-170 and 11-126, 2nd by Alderman McAteer-Margolis. All in favor.

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) Alderman Seaboyer motions to move the amended bottom line of \$4,350,794.68, 2nd by Alderman Infurna. Motion carries 8-2 (Conn, Tramontozzi opposed).

Order No. 11-170 Amending Melrose Revised Ordinances, Chapter 228, Article II, Section 228-15 (Water Rates Established) as set forth herein. Alderman McAteer-Margolis moves to recommend, 2nd by Alderman Seaboyer. Motion carries 7-3 (Conn, Tramontozzi, Medeiros opposed).

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

Alderman Infurna motions for concurrent action with 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), 2nd by Alderman McAteer-Margolis. All in favor.

President Conn says he won't propose cuts to this budget. It's not a good use of time to cut \$1,000 from a \$6 million budget and there isn't a consensus to make responsible cuts. The Enterprise Fund has been managed responsibly. When there is a surplus it is being paid by rate payers. He would be remiss if he didn't reiterate commending the Administration for applying the surplus to rates – it wasn't always done that way.

Alderman Infurna moves to recommend the orders, 2nd by Alderman McAteer-Margolis. All in favor.

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

Appropriations Committee adjourns at 8:00 p.m.

Maribeth Harrington
Clerk of Committees