

Appropriations Committee

Chairman Mortimer, Infurna,
Brodeur, Tramontozzi, Forbes,
Wright, McAteer-Margolis,
Seaboyer, Medeiros, Conn,
Boisselle
In attendance: City Treasurer Art
Flavin, City Auditor/CFO Patrick
Dello Russo; Mayor Robert Dolan,
City Engineer Bob Beshara, Deputy
City Engineer John Scenna, Fire
Chief John O'Brien, City Solicitor
Robert Van Campen

Appropriations Committee called to order by Chairman Mortimer at 8:58 p.m. Order No. 09-216, Authorizing City Treasurer with the approval of the Mayor to issue refunding bonds pursuant to Mass. General Laws, Chapter 44, Section 21A as set forth herein.

Mr. Flavin says doing this will result in reduced interest payments on a couple of bonds. There's an opportunity to refinance bonds at historically low interest rates. The environment is such that the City would save \$10,000 - \$15,000 per year. Mr. Dello Russo says if the opportunity is there, a savings of \$10,000 - \$15,000 is a lot of money for the City.

Alderman Wright asks what risk this would be to the City. Mr. Flavin says there is no risk.

Alderman Brodeur asks if the City faces a pre-payment penalty. Mr. Flavin says the bonds are from 1999-2001. Alderman Brodeur asks if this will allow him the freedom to discharge any outstanding obligations. Mr. Flavin says yes.

Alderman Conn says this isn't specific to any bonds but authorizes him to refund any bonds that are outstanding. Mr. Flavin says that's correct. Alderman Conn asks how widespread this practice is with other communities. Mr. Flavin says the environment dictates it; it's an extraordinary time for interest rates. Alderman Conn asks if he has identified bonds from the 1999-2001 timeframe that he thinks are appropriate for this. Mr. Flavin says yes; he is not extending the term of years on the bonds.

Alderman McAteer-Margolis asks if the savings is going to pay back the principal. Mr. Flavin says the savings would free up dollars for debt interest in FY11.

Alderman Forbes asks if there are any out-of-pocket expenses to complete this. Mr. Flavin says between \$60,000 - \$70,000, but it's factored into the gain.

Alderman Brodeur asks Mr. Flavin to give notice to the Board of Aldermen at the time he plans to take advantage of this as it would be helpful for them to know.

Alderman McAteer-Margolis moves to recommend, 2nd by Alderman Wright.

Order No. 09-217, Authorizing City Treasurer with the approval of the Mayor to issue bonds or notes of the City to the aggregate principal amount of \$1,317,312.00 under the

Water Enterprise Account through the MWRA Local Pipeline Assistance Program (LPAP) for various water projects as set forth herein.

Mayor Dolan requests the Board's consideration so the City's water line problems may be attended to. There are areas in the City with deficient fire flow capacity and lead service replacement is needed throughout the City.

Alderman Conn asks what impact this would have on water rates. Mr. Beshara says the funds are paid back interest-free over a 10-year period. The impact is about \$.08. Alderman Conn says he is sure most of this work needs to be done; each year the Board of Aldermen approves this program results in increasing the water rate.

Alderman McAteer-Margolis says this work needs to be done. Before the Aldermen received the budget there was discussion about excess funds in the Water Enterprise Fund. She asks if that money is added into this. Mr. Beshara says it's all in the same program. Alderman McAteer-Margolis asks if this \$1.3 million covers the cost of the projects; Mr. Beshara says it covers the projects within \$100,000. Mr. Dello Russo says \$1.3 million is coming from the MWRA; \$252,000 was set aside for capital improvements by this Board. The combined \$1.5 million helps to address these costs and will go towards numerous projects in the Water Department.

Alderman Medeiros says it was presented to the Board that the money appropriated to the Reserve Fund would go toward the fire flow projects. Mr. Beshara says it is. Alderman Medeiros asks if the Board will see transfers from the Reserve account going toward these projects. Mr. Beshara says yes.

Chief O'Brien says the greatest user of water in the City is the Fire Department. What the DPW has done in the past 10 years is improve fire flow in the City. Fire hydrants didn't work – there was a huge water flow problem that was kept under wraps. Now, each time a water problem is identified the Fire Department is notified. There are still areas in the City without proper water flow. Chief O'Brien congratulates Mr. Beshara for notifying the Fire Department about the problems and for coming up with a plan to remedy them. He says he has spent \$100,000 in overtime for a third pumper because of tremendous water problems in the Forest Street area. He says infrastructure is very important and the City has made tremendous strides in the past 10 years.

Alderman Wright says the City has to do maintenance on the water system much like homeowners have to maintain their homes. By not taking care of it, the problems will be passed along to the next generation. He likes to be responsible both fiscally and in regards to general maintenance.

Alderman Medeiros asks about DEP requiring lead service replacement. Mr. Scenna says DEP requires 7% of lead service be replaced annually. The City is responsible for replacing it from the water main to the sidewalk; from the sidewalk to the home is the responsibility of the homeowner. Alderman Medeiros asks how much it costs the City. Mr. Scenna says it varies according to the contract they put out. This year it costs between \$1600 and \$1800 per household and typically between 50-60 households are serviced.

Alderman Infurna says this is a public safety issue and she urges each alderman to

support the order.

On the motion to recommend, one opposed (Conn). Motion carries.

Order No. 09-218, Authorizing City Treasurer with the approval of the Mayor to issue bonds or notes of the City to the aggregate principal amount of \$2,200,000 to fund roadway improvement projects that will support our water improvement program and address deteriorated roadways in neighborhoods in all seven of our wards.

Mayor Dolan says road repair in New England is an impossible task. Over the last few years Melrose has been able to do major road and sidewalk work combined with other projects.

Alderman Brodeur asks if parking lot receipts could be used for Cedar Park Street. Mr. Beshara says there's a \$700,000 grant for a neighborhood improvement plan that was never implemented. The City's contribution is \$100,000. Alderman Brodeur asks if parking lot receipts could be used for that project instead of bonding. Mr. Beshara says parking lot receipts will be used for maintaining the lots and line painting. Alderman Brodeur asks when the work is being contemplated. Mr. Beshara says it's planned to start on W Wyoming on July 1, then Belleview, followed by the Mount Vernon Avenue water project and the Willard Street water project. He says \$3 million in projects will be started this year.

Alderman Wright asks if prep work is already being done on W Wyoming. Mr. Beshara says they are replacing lead service. Alderman Wright says W Wyoming is a gateway to the City; it's in deplorable condition and this project is long overdue.

Alderman Medeiros says part of the Hesseltine, Boardman, Baystate and Pearl paving project is in a bond already out. Mr. Beshara says Baystate isn't included in that bond. Alderman Medeiros asks if they won't be done until next year. Mr. Scenna says if the utility construction continues on schedule these streets will be paved in the fall; the sidewalks won't be done until next year.

Alderman Infurna echoes Alderman Wright's statements. The #1 complaint she hears is the condition of the City's streets.

Alderman McAteer-Margolis says she wants to be assured that the Board of Aldermen is updated throughout the summer.

Alderman Brodeur moves to recommend, 2nd by Alderman Infurna. All in favor.

Order No. 09-220, APPROPRIATION Amount: \$51,769.65 From: A/C #27902-590000 - Ban/Bond Premium, Transfer Out To: A/C #27024-490000 - Fire Detail Account, Transfer In

Attorney Van Campen says this order involves replenishing the Chief's detail account as a result of a fire watch. If any member has questions about the technical details they should be addressed in Executive Session.

Alderman Brodeur says he thinks the committee can get through this without an

Executive Session. He says any time there is a fire watch the City is the first payer and that cost has to be replenished. Alderman Brodeur says this appropriation is needed to pay this cost. Mr. Van Campen says that is correct.

Alderman Conn moves to recommend, 2nd by Alderman Brodeur.

On discussion Alderman Forbes asks if the detail has ended. Chief O'Brien says yes.

On the motion to recommend, All in favor.

Order No. 09-221, TRANSFER Amount: \$45,000.00 From: A/C #019122-543102 - Worker's Comp, Benefits To: A/C #012211-513000 - Fire – Overtime \$20,000.00; A/C #012211-511000 - Fire – Salaries \$25,000.00

Alderman Forbes moves to recommend, 2nd by Alderman Wright. All in favor.

Order No. 09-214, To increase transparency in local government as set forth herein.
(AL-1)

As the maker of the order, Alderman Brodeur says he thought it may be more transparent to have orders posted on the web. He needs to discuss the logistics with the IT Department.

Alderman Brodeur motions to place on hold, 2nd by Alderman Infurna. All in favor.

Alderman Brodeur motions to adjourn, 2nd by Alderman Infurna. All in favor.

Appropriations Committee adjourns at 10:15 p.m.

Maribeth Harrington
Clerk of Committees