

FY2010 Budgetary Hearings

Appropriations Committee

Chairman Mortimer, Infurna,
Brodeur, Tramontozzi, Forbes,
Wright, McAteer-Margolis,
Seaboyer, Medeiros, Conn,
Boisselle

In attendance: City Planner Denise
Gaffey; Conservation Commission
Chairman Susan Murphy; Library
Director Dennis Kelley; IT Director
Jorge Pazos; HR Director Marianne
Long; Northeast Metropolitan
Vocational School Representatives
Henry S. Hooton, Patricia K. Cronin,
Ernest Zucco and John X. Crowley

Appropriations Committee called to order by Chairman Mortimer at 7:32 p.m. Order No. 09-166, City of Melrose Operating Budget for Fiscal Year 2010 in the amount of \$60,281,978.62

Alderman McAteer-Margolis motions to open Public Participation, 2nd by Alderman Infurna. All in favor. No one comes forward. Alderman McAteer-Margolis motions to close Public Participation, 2nd by Alderman Seaboyer. All in favor.

Planning Board 128,272.96 City Planner Denise Gaffey
Ms. Gaffey says the nature of her budget is such that the only way she could reduce it by 5% was to cut salaries. She has offered to reduce her salary and hours for the next fiscal year. The budget reflects a reduction in her salary of roughly 15%. She'll reduce her hours to 35 and work 4 days and 1 night per week. She'll be here one less day per week. It works for her for personal reasons as well as budgetary. She doesn't see it as a long-term solution but she thinks it's feasible with the workload for this year. It wouldn't have worked a few years ago with the Middle School project.

Alderman McAteer-Margolis asks if anyone else's hours will be cut. Ms. Gaffey says the department will maintain the full-time Assistant Planner and part-time secretary, whose hours will increase to full-time to fill the City's GIS dedicated position, paid from the water and sewer enterprise funds.

Alderman Infurna thanks Ms. Gaffey and the Planning Board for their expertise and volunteerism.

President Boisselle motions to move the bottom-line, 2nd by Alderman Infurna.

On discussion, Alderman Forbes asks if she would welcome her hours being reinstated if funds are available at the end of the budget hearings. Ms. Gaffey says she is willing to reduce her hours for the upcoming year.

On the motion to recommend, Brodeur opposed. Motion carries.

Conservation Commission 20,825.00 Chairman Susan Murphy
Ms. Murphy says the Conservation Commission submitted its budget with a 5% reduction. The largest part of the budget is Salary and Wages for the Conservation Agent. It's a new position created last year which has made a huge difference and has proven to be an essential position to them. Currently the Commission is working on a new trail map and a grant application for water quality assessment of Ell Pond. The conservation line-item is for a 3-year plan to hydro-rake Towners Pond; it's been years since it's been done and in recent years only chemicals have been used to treat it. Ell Pond won't be treated this year.

President Boisselle motions to move the bottom-line, 2nd by Alderman McAteer-Margolis. All in favor.

Library 855,994.38 Director Dennis Kelley
Mr. Kelley says this budget is reduced by \$41,000. The custodian's hours have been reduced to 20 per week, all part-time positions have been reduced to 2 hours, and the library will be closed on eight Sundays before Monday holidays.

Alderman Brodeur says the biggest hit is to purchasing books. Mr. Kelley as budgeted, the library doesn't meet the state's Library Board's certification requirements. He intends to transfer \$30,000 from the fines account in September, \$35,000 from the donations account, and the Trustees will appropriate another \$33,000. With those funds added to the Books line-item and no further reductions, the library will just meet the requirements. Alderman Brodeur says that one of his goals was to restore funds to the Books line-item. He's not sure there will be additional funds available. Mr. Kelley says a requirement of the Library Board is to spend 13% of the bottom-line on books and periodicals.

Alderman McAteer-Margolis says she is encouraged that he has found other resources but she is concerned about dipping into them. She asks if he has done so in the past. Mr. Kelley says he's never needed to use this much before. Alderman McAteer-Margolis says she is concerned about whittling away the reserves. Mr. Kelley says they'll be gone by the end of the year. Alderman McAteer-Margolis asks if the state is making any accommodations. Mr. Kelley says he has been told there will be waivers but the material requirement has to be met. Alderman McAteer-Margolis asks if the only operating hours that are being cut are the eight Sundays. Mr. Kelley says yes, during the school year. Alderman McAteer-Margolis asks how the cut in hours of staff will affect service. Mr. Kelley says he hopes it won't have a significant impact on service, but even losing the custodian for 15 hours per week will have a big impact.

Alderman Wright says he will vote against this as a symbolic expression of his dissatisfaction with this budget due to cuts in local aid.

President Boisselle motions to move the bottom-line, 2nd by Alderman McAteer-Margolis. Wright and Seaboyer opposed. Motion carries.

Info Tech 344,043.40 Director Jorge Pazos
Alderman Brodeur asks if there are any funds for security cameras. Mr. Pazos says there are none in this budget.

Alderman Seaboyer says the mileage line-item has been completely cut and asks if it is

used for the two IT employees traveling to schools and other buildings. Mr. Pazos says he tried to spread the pain across the budget and this is something they can do without.

President Boisselle asks about the 9% increase in the Telephone line-item. Mr. Pazos says it's part of the cost for the GPS system. President Boisselle asks about the 73% decrease in the WAN line-item. Mr. Pazos says that figure is based on the revised FY09 budget. It has been reduced from the original FY09 budget but funds received from Verizon will be used. President Boisselle says the telephone maintenance line-item is reduced. Mr. Pazos says that line-item is used for inside maintenance; he hopes to minimize maintenance next year.

Alderman Wright says the seminar line-item is reduced by 40%; he asks Mr. Pazos if he anticipates spending \$3000 next year. Mr. Pazos says a lot of that money sends employees in the Auditor's office out for training. The reduction is possible because on-line training is now available. Alderman Wright asks if it's necessary to train people on an annual basis. Mr. Pazos says software changes all the time and it's important to do the end of year accounting correctly. Alderman Wright asks if he will reach \$3000 in that line this year; Mr. Pazos says it will be close. Alderman Wright asks about the \$12,256 stipend. Mr. Pazos says it's for the network manager at the schools who acts as support if he or the system administrator is on vacation. Two positions in the schools were reduced to one, saving the cost of having 2 health insurance premiums. Alderman Wright asks if this is a straight stipend; Mr. Pazos says it's part of his salary.

Alderman McAteer-Margolis says this is a school department employee and the City is supplementing his salary. She asks if this is the only school department employee supplemented by the City. Mr. Pazos says it is for IT. Alderman McAteer-Margolis asks if he is the main go-to guy at the schools. Mr. Pazos says the employee fills the IT Director role when he is not available. Alderman McAteer-Margolis asks if this is part of the agreement with the schools. Mr. Pazos says yes. Alderman McAteer-Margolis asks for more information about the WAN line-item. Mr. Pazos says the original FY2009 figure was \$5000 and it's been reduced to \$3000. He thinks the security camera transfer went to that line last year. Alderman McAteer-Margolis asks about using Verizon money. Mr. Pazos says he is in the process of building the fiber network to the schools. All of that work will be paid for with Verizon funds; going forward funds are needed to move equipment from one pole to another. Alderman McAteer-Margolis asks if this is the first year the stipend has been in the budget. Mr. Pazos says no, but it's the first full year.

Alderman Conn says he has never liked calling a salary a stipend. He would like an explanation from the Auditor relative to the propriety of this line-item.

Alderman Forbes asks if computer maintenance is done in-house. Mr. Pazos says the work is done in-house; this line-item is used to purchase replacement parts.

President Boisselle motions to move the bottom-line, 2nd by Alderman Forbes. Conn opposed. Motion carries.

Dept. Equipment 103,255.00 IT Director Jorge Pazos
Alderman Medeiros asks if line-item 525350, DR/BC SVC is a back-up system. Mr. Pazos says it was an assessment done last year by an outside firm. It's a lot of work

requiring a large funding source. Going forward that line-item will be maintenance; he hopes to pick it up again next year.

Alderman McAteer-Margolis says that line-item appeared in other departmental budgets. Mr. Pazos says it's for IT disaster recovery and continuity; Mr. Dello Russo likes to spread out the costs across departments.

President Boisselle motions to move the bottom-line, 2nd by Alderman Forbes. All in favor.

Human Resources	103,118.55	Director Marianne Long
-----------------	------------	------------------------

Alderman Conn says he is surprised to see some of the HR responsibilities shifted to the Health Insurance line-item. Ms. Long says Chapter 32B mandates it; Mr. Dello Russo has asked for an opinion from the City Solicitor. Fifty percent of the HR Administrator's salary and 25% of the Director's salary was transferred to the health insurance line-item at the request of the CFO.

Alderman Brodeur asks if it's an accounting matter. Ms. Long says yes.

Alderman McAteer-Margolis motions to move the bottom-line, 2nd by President Boisselle. All in favor.

Worker's Comp	417,500.00	HR Director Marianne Long
---------------	------------	---------------------------

Ms. Long says that reductions were made in this budget like all others. She reduced the Benefits line-item by 5%.

Alderman Conn asks if the benefits line was developed on the expenditures of actual claims. Ms. Long says she based it on this year's actual numbers and the calculated risk. Alderman Conn asks the actual expenditure of benefits this year. Ms. Long says that as of April 10, there is less than \$139,000 available. Alderman Conn asks if there will be a surplus this year; Ms. Long says there may be a small surplus. Alderman Conn says he would like an accounting of it.

President Boisselle motions to move the bottom-line, 2nd by Alderman Forbes. All in favor.

Unemployment	75,000.00	HR Director Marianne Long
--------------	-----------	---------------------------

Alderman Medeiros asks how this account works. Ms. Long says it is self-funded. A person is eligible for unemployment if he or she terminates employment with the City. The amount received is based on the last 4 quarters of that person's employment and a percentage decided upon. The Federal Government has increased the number of weeks of eligibility from 26 to 30.

Alderman Infurna motions to move the bottom-line, 2nd by President Boisselle. All in favor.

HealthLife Contractual	8,868,000.00	HR Director Marianne Long
------------------------	--------------	---------------------------

Alderman Conn says this is the first time the City has realized a savings in this line-item. There is over \$1 million in savings; without it the City would be in deep trouble. He applauds the Administration and the City's employees for taking the necessary steps in

realizing these savings.

Alderman Forbes motions to move the bottom-line, 2nd by President Boisselle. All in favor.

Regional School	657,146.00	School Committee member Henry Hooton Superintendent/Director Patricia Cronin Business Manager Ernest Zucco Deputy Director/Principal John X. Crowley
-----------------	------------	---

Mr. Hooton says he sent the Aldermen a copy of the budget. The Superintendent and the Business Manager have made additional cuts since then and as a result there's less than a 1% increase in the budget from last year. Melrose's minimum contribution set by the DOE is \$567,000 for 48 students and an additional \$13,000 for transportation costs. The total assessment for Melrose in the budget as presented is \$628,720.00. That number represents a \$190,000 savings from last year.

Alderman Brodeur asks if stimulus package money is not included in this budget. Ms. Cronin says the state has deemed that the school will receive \$675,000; they are below net school funding. Melrose isn't on the list of communities to receive any savings. It's one-shot money and the purpose is for one-time uses – safety issues, students needing help with English language, upgrading textbooks, and equipment purchases. In the budget overall, an Administrator position is being eliminated as well as a librarian, paraprofessional and the lavatory monitors. The co-op program is down from 81 students to 31, due to the economy; the program is not being funded this year. Sports and Student Council have also been cut. Textbooks have been cut and Stabilization money will be used. Melrose's budget reflects 20 fewer students. Alderman Brodeur says the Board of Aldermen and the Mayor have a strong commitment to them and the school. He asks if the teachers are a bargaining unit. Ms. Cronin says yes. Alderman Brodeur asks which contract year they are currently in and what COLA has been agreed upon. Ms. Cronin says FY09 was 3%, FY10 is 2.5% and FY11 is 2.75%. Alderman Brodeur says Melrose teachers are getting 2-2-2 and agreed to give up Blue Cross health insurance and join the State's GIC plan. He says the City employees were willing to do more than what the Vocational employees were willing to do. Ms. Cronin says there was movement in shifting co-pay amounts and contribution costs for Blue Cross/Blue Shield coverage.

Alderman Infurna asks what happened to have Melrose enrollment drop to 48. Ms. Cronin says every community changes; when Woburn built its new High School there was a big drop in enrollment.

Alderman McAteer-Margolis says she isn't sure she can support this budget at this time; Melrose schools have taken a huge hit. She says they need to look at ways to work smarter. She says she needs to ask them to comb through line-items; she sees write-offs for the School Committee. She has a general question on revenues and asks if they receive any circuit breaker funds or federal grants. Ms. Cronin says they receive about \$450,000 in Perkins money, Title 1, SpEd and Title 2A. That money is used to carry some items off-budget; \$918,618 in salaries is paid outside of the budget. Alderman McAteer-Margolis says she thinks the price is still a little high for Melrose.

Alderman Forbes asks how many teachers have taken advantage of incentives for

retirement. Ms. Cronin says the school doesn't have an incentive for retirement; there could be a buyback of sick days at \$40 per day with a one-year notice.

Alderman Seaboyer says he will support this budget as presented.

Alderman Conn says he is happy to see this budget down from last year. The problem with the budget is that the Great and General Court and the DOE have a formula and they determine what each community can pay. In Boston, they decide that Melrose is going to contribute to pay for other communities. Melrose pays \$13,000 per student and Chelsea pays \$3,000 per student. The subsidy should be done at the state level or in a forthright fashion, not snuck into a formula. He asks how many communities have voted on their budgets so far. Ms. Cronin says only two have voted and both were negative. Once they receive 5 negative votes the School Committee has to go back and rework the budget. It usually takes until mid to late June to hear from all of the communities. Alderman Conn asks if she thinks it will be passed. Ms. Cronin says she thinks it's 50/50.

Alderman Tramontozzi asks if there are 12 communities voting on the budget. Ms. Cronin says yes; they need 8 affirmative votes to pass; if they receive 5 negative votes they have to make more cuts. The communities will have 45 days after receiving it to vote on it.

Alderman Conn moves to reduce the bottom-line by \$28,426.00, 2nd by Alderman Brodeur. All in favor.

Alderman Conn motions to move the bottom-line as amended to \$628,720.00, 2nd by Alderman Forbes. Infurna, McAteer-Margolis, Brodeur, Mortimer opposed. Motion carries 7-4.

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

Appropriations adjourns at 9:33 p.m.

Maribeth Harrington
Clerk of Committees