

Appropriations Committee

Chairman Brodeur, Tramontozzi,
Boisselle, Buonopane, Conn,
Forbes, Heavey, Infurna, Seaboyer,
Wright, Mortimer
In attendance: Mayor Dolan, Police
Chief Rick Morrissey, City Auditor
Patrick Dello Russo

Appropriations called to order by Chairman Brodeur at 7:33 p.m. President Mortimer motions to open Public Participation, 2nd by Alderman Boisselle. All in favor. No one comes forward. Alderman Infurna motions to close Public Participation, 2nd by Alderman Buonopane. All in favor.

Order No. 07-130, APPOINTMENT Of: R. Eric Slagle, 19 Sargent Street as: an associate member of the Board of Appeals to succeed Theodore L. Craft; term to expire on the first Monday in January, 2008.

Mayor Dolan thanks Mr. Craft for his service on the Board for the past couple of years. He is bringing forward Mr. Slagle to replace Mr. Craft. The ZBA is one of the most important boards in the City. Mr. Slagle serves as an Assistant City Solicitor with the City of Lowell. He is invested in Melrose and called to ask how he could serve the City.

Mr. Slagle says he appreciates the opportunity to serve Melrose and that his background is in land use and zoning.

Alderman Wright commends the Mayor and Mr. Slagle. He says that Mr. Slagle will be a great addition to the ZBA with his wealth of experience. Zoning is an important issue to this community.

Alderman Heavey commends Mr. Slagle for all of his volunteer community efforts listed on his resume.

President Mortimer moves to recommend, 2nd by Alderman Boisselle. All in favor.

Order No. 07-132, Proposed changes to Revised Zoning Ordinances, Chapter 235 regulating Home Occupation by amending: Article II Section 235-5. Definitions (Home Occupation) Article V Section 235-17. Table of Use and Parking Regulations Article VIII Section 235-42. Parking of Commercial Vehicles Article XIII Section 235-77. Home Occupation – Conditions as set forth herein

Chairman Brodeur says that the Board neglected to send this to the Planning Board for review as required under Massachusetts General Laws at the full board meeting. President Mortimer motions to refer the order to the Planning Board, 2nd by Alderman Boisselle. All in favor.

Order No. 07-131, APPROPRIATION Amount: \$8,676.25 From: A/C #29062-59000 Parking Receipts, Lots & Permits, Transfers Out To: A/C #012121-511000, Traffic Supervisors Salaries These funds are necessary to cover the cost of increased parking enforcement in the downtown area.

Mayor Dolan says that in speaking with the Chamber of Commerce, one of the biggest issues downtown is parking. There has been a lot of discussion on how to alleviate the problem without building a parking garage. Solutions include painting T-bars on the streets to maximize the number of spaces, paving along Berwick Street to create more spaces, and enforcing parking regulations in the City. With so few numbers of police officers on the force it is difficult for them to enforce parking. This is not a punitive measure against the police department. It is simply to keep the flow of spaces moving. This will allow the City to dedicate a percentage of time for crossing guards to enforce the downtown districts. It will be good for the downtown businesses and for shoppers. Speaking with the police union, they agreed with this. It will alleviate the burden of the Police Department.

Chairman Brodeur reads the letter included in the order from the Police Chief.

Alderman Forbes asks the Police Chief if he will be adding two new Traffic Supervisors to strictly enforce parking or if they will also have morning assignments. Chief Morrissey says he is working with two current Traffic Supervisors now that will perform parking enforcement duties in between their morning and afternoon shifts. He may add one new Traffic Supervisor. Alderman Forbes asks which "designated areas" he refers to in his letter. Mayor Dolan says that one of them is the hospital area. Chief Morrissey says he has not stressed tagging the downtown yet. Alderman Forbes asks if tagging will occur during the day. Chief Morrissey says these funds will pay for tagging by Traffic Supervisors Monday through Friday from 9:00 a.m. to 2:00 p.m.

Alderman Conn asks if it is expected that all of these funds will be recouped. Chief Morrissey says they should more than recoup it. Alderman Conn asks if any study or survey has been done. Mayor Dolan says a lot of time has been spent on this and he expects a profit of about \$20,000.00 which will be put back into the Police Department. Alderman Conn asks how much money is left in this account. Mr. Dello Russo says currently there is \$94,746.00 and he expects there will be \$40,000.00 remaining after expenses with this transfer and without additional revenue added to it. Alderman Conn says he hopes that the transfer funds are recovered. He is certainly in favor of this order.

President Mortimer says he supports this order and is curious about the training of the Traffic Supervisors. He asks if they will look for expired license plates and expired inspection stickers and then call the police. Chief Morrissey says the primary goal is for them to ticket parking violators. The Traffic Supervisor will review the tickets at the end of the day and can see if further fines can be issued.

Alderman Wright asks if ticketing will be for overtime parking only or for other infractions such as parking in a crosswalk or too close to a corner. Chief Morrissey says all of the above. Alderman Wright asks if a warning will be issued first. Chief Morrissey says warnings are not issued on these issues.

Chairman Brodeur says he would like it communicated to businesses and the medical communities to let their clients know that this change is coming. Mayor Dolan says he will do that.

President Mortimer moves to recommend, 2nd by Alderman Seaboyer. All in favor.

Order No. 07-120, Creation of a new Stabilization Fund entitled "Capital Stabilization Fund" Fund #8405, in accordance with Massachusetts General Laws Chapter 40, Section 5B.

Mayor Dolan says he is trying to create measures and systems that will be in the forefront in future years and to preserve itself the City continues to invest in Stabilization Funds and the Capital Fund. He hopes the Board supports this and invests in it so that the City's streets and water mains, fire trucks and police equipment do not reach such disrepair that the City is put at risk. He says that Alderman Conn does not feel comfortable bonding for police cruisers and trucks, and he appreciates that. This fund will ensure that Capital Improvements are invested in every year.

Mr. Dello Russo says this is a significant positive event for the City. The objective is to permanently change the way the City does business. Capital Improvements, infrastructure, and funding as a whole will provide for the City's basic needs. This order will establish a new Stabilization Fund – the Capital Stabilization Fund. Any request to add funds to it will require a 2/3 vote of the Board of Aldermen and any funds exiting will also require a 2/3 vote of this board. The funds will be used for Capital Improvements that cost \$25,000.00 or more with a life span of 5 years or more. It allows flexibility throughout the year. An appropriation will not have to wait for the budget cycle. Funds may be put in at any time by a 2/3 vote.

Alderman Conn asks if there is a limit on use of these funds. Mr. Dello Russo says the funds may be used for any lawful purpose. The broader the expression the more it can purchase. Alderman Conn asks if this is not a fund that the bonding companies say the City can not use for anything without decreasing the City's bond rating. Mr. Dello Russo says no. Mayor Dolan says he sees it as an investment in the City itself. Alderman Conn asks how procedurally this fund will interact in the budget process and if there will be a presentation of how the funds will be spent. Mr. Dello Russo says the CIP Committee meets in the fall, and he would suggest a presentation at that time. Alderman Conn says there is nothing more he hates than a large bond that includes police cruisers. This is a good step going forward.

Alderman Wright says this is something that will be in place long after the people sitting here are out of office. He asks if there is a definition of Capital by statute and if the Board is able to set a definition. Mr. Dello Russo says the system in place now has a pretty good handle on what is considered Capital. He suggests that perhaps the Board may want to tie this in with the CIP Committee and use that as a guideline. Alderman Wright asks if that is something that Mr. Dello Russo would come back to them with; Mr. Dello Russo says he would be happy to do so.

Alderman Forbes asks the balance in the Special Revenue General Fund. Mr. Dello Russo says there will be a zero balance after these appropriations are made. These funds came from higher than anticipated state reimbursement in the fall. It is one-time revenue. If this request to fund the Stabilization Fund, the Capital Stabilization Fund and the Contract Stabilization Fund is not approved, the City must by law close it out to the General Fund. Alderman Forbes asks if these Stabilization Funds will work against the City in arbitration with the unions. Mr. Dello Russo says that ideally they should not.

The City now has a Contract Stabilization Fund to handle pending contracts, which did not exist in the past.

Alderman Buonopane asks the balance in the Contract Stabilization Fund. Mr. Dello Russo says it is \$830,195.33. Mayor Dolan says that amount will cover a 2% increase for all outstanding contracts and no more. Alderman Buonopane asks if the \$400,000.00 being requested to fund the Capital Stabilization Fund is going to be used for anything specific. Mayor Dolan says it is being earmarked to purchase police cruisers and a new mower for the cemetery. Alderman Buonopane asks if there are plans to add more money to the fund. Mr. Dello Russo says yes, each and every year, to replenish it. Alderman Buonopane says that by putting in \$400,000.00 now, it is not in there to spend this year. Mr. Dello Russo says that is correct.

Alderman Tramontozzi says the funding source for the Capital Stabilization Fund is state reimbursement and not borrowed money. Mayor Dolan says yes, it is one-time revenue from state reimbursements.

Alderman Buonopane moves to recommend, 2nd by President Mortimer.

On discussion Alderman Wright says he will vote for this with the understanding that at the Full Board meeting he will be looking to amend the order with a definition of Capital.

On the motion to recommend, All in favor.

Order No. 07-121, APPROPRIATION Amount: \$661,558.00 From: Special Revenue General Fund 010004-484005 To: Stabilization Fund (Fund #8401), \$116,558.00; Capital Stabilization Fund (Fund #8405), \$400,000.00; Contract Stabilization Fund (Fund #8404), \$145,000.00; as set forth herein

Alderman Conn asks in relation to the appropriation into the regular Stabilization Fund, if \$116,558 is the appropriation for this coming budget year. Mr. Dello Russo says yes.

Alderman Boisselle asks that since the board just voted to create the Capital Stabilization Fund if they can seed money into it now or wait until after the Full Board meeting. Chairman Brodeur says he believes they can vote for it now.

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

Order 07-122, APPROPRIATION Amount: \$33,954.56 From: Contract Stabilization Fund #84042-590000 To: Salaries & Wages in departments listed herein These funds are necessary to fund the ACHE, Library and Traffic Supervisors Contracts and the Fire Chief as set forth herein.

Mr. Dello Russo says this will satisfy the contracts before the board at a 2% salary increase per year of the contract beginning FY2007. It follows the pattern of taking a prudent approach of setting money aside in these funds.

Mayor Dolan thanks the ACHE, Library and Traffic Supervisors unions for very positive negotiations. He says that the Police and Fire unions are the only contracts outstanding.

Alderman Forbes asks if there are any reductions in wages or hours in these contracts. Mayor Dolan says no, that everything stays the same.

Alderman Wright says these funds are for FY07 and the contracts run to FY09. He asks if the funds for the next two years will be in the budget. Mr. Dello Russo says that is correct.

Alderman Buonopane asks if there are funds left in the account for 2% increases for the outstanding contracts. Mr. Dello Russo says yes.

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

Order No. 07-123, BOND Amount: \$1,317,318.00 Water Enterprise Account through the MWRA Local Pipeline Assistance Program

Mayor Dolan says there is close to \$15 million on the table this evening that will dramatically change the City and make history. He introduces Mike Lindstrom as the new project manager and liaison. He is an expert in communicating with residents, businesses and the City. Also with him are City Engineer Bob Beshara, City Auditor Patrick Dello Russo, Peter Frazier from the bonding agency, City Treasurer Art Flavin, and Matt Shuman and Charlie Serpa, engineers on the project.

Alderman Conn motions to consolidate this order with the other two bond orders so that the Committee is able to get the full impact of the total bonding being requested, 2nd by President Mortimer.

Alderman Buonopane motions to amend Order 07-125 to read an even \$6,000,000.00, 2nd by President Mortimer. All in favor.

On the motion to consolidate, All in favor.

The orders before the Committee are:

Order No. 07-123, BOND Amount: \$1,317,318.00 Water Enterprise Account through the MWRA Local Pipeline Assistance Program

Order No. 07-124, BOND Amount: \$800,000.00 New Sewer Main in Grove Street from Main St. to the MWRA main trunk line in Berwick St. as set forth herein.

Order No. 07-125, BOND Amount \$6,000,000.00 Drainage improvements to the Bennett's Pond Brook Drainage Basin in Ward 2 as set forth herein.

Mr. Beshara says this is quite an undertaking to address the flooding problems in Ward 2 and in other locations in the city. It is a big \$6 million project. The problems began in 1906. There are three points to it: water, drainage and roads, which will be rebuilt curb-to-curb. As a result of the project, every Ward will be getting updated. The need for Order No. 07-123 is the result of two unanticipated expenses that were discovered while doing the Dell Ave. grant work.

President Mortimer asks if all sewerage leaves the City in the Berwick Street area; Mr. Beshara says yes. President Mortimer asks if storm water drains from the west side into the Oak Grove culvert and from the east side into the Saugus River; Mr. Beshara says yes. President Mortimer asks if any storm water from the east side will make its way to Oak Grove. Mr. Beshara says no, that the flow pattern is not changing at all. It is going where it naturally wants to go. President Mortimer asks if the Town of Saugus closes the locks in the Saugus River; Mr. Beshara says not that he knows of.

Alderman Conn says he has not seen the plans for the project before this evening but it looks like all of the water in Ward 2 is being channeled into his property. He asks how the \$6 million price tag was determined. Mr. Beshara says he conducted a preliminary drainage analysis, sized the pipes required and determined the linear foot costs for drainage pipes and water lines and added in the cost to rebuild streets. Alderman Conn asks if no work will be done on private property. Mr. Beshara says yes, that some work will have to be done on private property because of a culvert that runs through it. His plan is to minimize the amount of work done on private property, and will only do so if the owner allows it. Alderman Conn asks the number of private parcels that will be impacted; Mr. Beshara says he does not know. Alderman Conn asks when they will identify the private properties that will be impacted; Mr. Beshara says that will be determined after the preliminary design is completed. Alderman Conn asks when the ground will be broken on the first phase; Mr. Beshara says ASAP – likely in April. Alderman Conn asks when the drainage study will be complete; Mr. Beshara says by mid-April. Alderman Conn says there will be significant work done on Hesseltine Field, and asks what impact that will have to the school. Mr. Beshara says it is his intent to do the drainage piece during school, complete the connection to Ruggles Street when school is out, and rebuild the field in the fall. Alderman Conn asks if each phase will go out as a separate contract. Mr. Beshara says that has not been determined yet. Alderman Conn asks if he wishes that one contractor could do all of the work; Mr. Beshara says it would be easier. Alderman Conn says there is a lot going on in the City and asks if he is able to manage all of the projects. Mr. Beshara says absolutely, although he may have to hire a construction consultant.

Chairman Brodeur asks how firm the \$6 million amount is. Mr. Beshara says he will not be coming back to ask for more funds. Chairman Brodeur asks if going on to private property will affect the total amount; Mr. Beshara says it shouldn't.

Alderman Infurna commends Mr. Beshara on all of the work being done on the infrastructure and asks what type of reconstruction will be done on the sidewalks. Mr. Beshara says the existing type will be replaced.

Alderman Buonopane asks if this is a three-year project; Mr. Beshara says yes. Alderman Buonopane says it is the right thing to do.

Alderman Forbes asks if the Sylvan and Lebanon Street area will be included in the work. Mr. Beshara says yes, that work will be done in the cemetery to alleviate the problem. Alderman Forbes asks if FEMA has signed off yet. Mr. Beshara says he has an active federal project with the Hesseltine Field project which FEMA awarded \$25,000 for design. He is hoping for construction money as well. Alderman Forbes asks how large the culvert is that runs under the resident's property. Mr. Beshara says between

2.5 and 3 feet. Alderman Forbes says all the water dumps into a not very healthy culvert. Mr. Beshara says the culvert is in good shape but needs attention.

Alderman Seaboyer asks if this project will delay the paving of Howard Street. Mr. Beshara says not by this project but because of the water line work that needs attending. Alderman Seaboyer says the Saugus River was part of the reason for the Mother's Day flood and has since heard that work was done to free it up. Mr. Beshara says he had not heard that.

Alderman Wright asks about the work to be done on Grove and Berwick Streets. Mr. Beshara says the pipes will be coming down Grove to Berwick to W Wyoming and run parallel to the train tracks to Malden. Alderman Wright asks if accommodations will be made during construction for the students attending the Lincoln, Beebe and St. Mary's schools. Mr. Beshara says there are obviously some issues there with the number of students attending those schools. He has looked at detouring traffic and the time that this work will be done. He will make it as safe as possible. When the project begins on Myrtle Street it will be very disruptive for schools, churches and for Shaw's. Alderman Wright says the water at Conant Park does not seem to flow and asks if these projects will help alleviate that problem. Mr. Beshara says the problem there is that the area requires a lot of cleaning and maintenance.

Alderman Boisselle asks since this is a three-year project if any plans are in place to protect the homes in the area from heavy rainstorms during the work. Mr. Beshara says drain pipes will be connected every day. The pipe at Hesseltine will be the first to be repaired.

Alderman Buonopane says that some residents already have manholes in their yards and that the City will be asking their permission to access their properties. He asks what happens to the existing pipes when certain properties are bypassed. Mr. Beshara says the plan is to leave the system intact and build the new system. When the new one is complete the old one will be disconnected.

Alderman Infurna asks Mr. Beshara if he will involve the Ward Aldermen in the smaller pockets where the work is being done. He says absolutely.

Chairman Brodeur says that Mr. Frazier, Mr. Flavin, Mayor Dolan and Mr. Dello Russo are here to tell them how to pay for all of this. Before them is a memo dated 23 February 2007.

Mayor Dolan says they have a \$15 million project. Only 20% has an effect on water and sewer. The City's management of debt is conservative – an assumption of 5% debt.

Mr. Dello Russo says the debt program is carved out from the rest of the system. This is a 30-year program which can be modified day-to-day. It is very flexible. The General Fund does not come close to the 5% threshold.

Mr. Frazier says he has made a few observations. The Mayor and Mr. Dello Russo have developed a 30-year model based on the cash flow needs of varying projects with layering in borrowing options. Regarding credit concerns in August 2006 the City attained an A+ rating. The debt profile is rated very favorably. This will not change that.

Alderman Conn asks if the 5% figure does not account for the Middle School debt. Mr. Frazier says that is correct. Alderman Conn says that debt still has to be paid and still has an impact on the tax rate. He asks if the \$6 million bond is on a 30-year schedule. Mr. Frazier says the City may borrow up to 30 years but this model is at 25 years. Ultimately the structure will be determined at the time of sale. Alderman Conn asks what impact this borrowing will have on real estate taxes and on the water and sewer rates. Mr. Dello Russo says the 2008 debt will be covered within the 2½ levy limit. Alderman Conn asks if there are any signs of bonds rolling off in the next three years. Mr. Dello Russo says that Chart #4 shows a 5-year snapshot of notes coming out of the package. Alderman Conn asks about the impact on water rates. Mr. Beshara says that using last year's rate chart it is projected that in 2008 it will be 17 cents and in 2009 it will be 24 cents.

Chairman Brodeur asks how the \$6 million bond will affect the water and sewer rates; Mr. Beshara says it will have no effect on them. Chairman Brodeur says the debt projections do not include the Middle School debt. Mayor Dolan says that was a debt exclusion that the voters approved. Chairman Brodeur asks if the rating agencies know about this project. Mr. Dello Russo says yes, and it reinforces to them that the City is not ignoring the problem but is instead doing something about it. Chairman Brodeur asks what impact this will have on the City's ability to manage future crises. Mayor Dolan says the City will have tremendous capacity by 2010-2011 but that it still has room. Debt can go up to 7 to 10% in case of emergency, but he is choosing to keep it at 5%.

Alderman Wright asks if the project is going out to bid as one project or multiple projects. Mr. Beshara says he can not make an accurate assessment at this time but that there are four or five contracts to be awarded. He knows the first one will happen this contracting season. The project is a fairly large one, requiring a pipe being installed in Damon Ave. The next one is the reconstruction of Hesseltine Field followed by the water relocation, which will happen next year. The fourth is all the mains work. Alderman Wright asks if he expects to use different contracts for different jobs and areas of work; Mr. Beshara says yes.

Chairman Brodeur says the three orders are conjoined.

Alderman Buonopane moves to recommend the three orders, 07-123, 07-124, and 07-125 as amended, 2nd by Alderman Infurna. All in favor.

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

Appropriations adjourns at 10:08 p.m.

Maribeth Harrington
Clerk of Committees