

Appropriations Committee

Chairman Brodeur, Tramontozzi,
Boisselle, Conn, Forbes, Heavey,
Infurna, Seaboyer, Wright, Mortimer
Absent: Buonopane
In attendance: City Engineer Bob
Beshara

Appropriations Committee called to order by Chairman Brodeur at 7:52 p.m. Chairman Brodeur says there is only one order on the agenda this evening.

President Mortimer motions to open Public Participation, 2nd by Alderman Boisselle. All in favor. No one comes forward. President Mortimer motions to close Public Participation, 2nd by Alderman Boisselle. All in favor.

Order No. 08-046, BOND Amount: \$1,076,000.00 Sewer Enterprise Account through the MWRA I/I Local Financial Assistance Program. The purpose of the allocation is set forth herein.

Chairman Brodeur reads the memo from Arthur Flavin, City Treasurer/Collector:

Subject: MWRA Sewer I/I Bond Appropriation Request dated 9/21/07.

The bond or note request in the aggregate principal amount of \$1,076,000 under the Sewer Enterprise Account through the MWRA I/I Local Financial Assistance Program is well within the City's debt capacity as stated in Massachusetts General Law. The timing of the issue will not affect the Fiscal 2008 Sewer Enterprise budget in terms of repayment. The 45% Grant and 55% Interest Free Loan incentives help significantly minimize the loans impact on future Sewer Enterprise budgets going forward in a manner that is not available through any other debt market offering.

Chairman Brodeur says there is also a memo from the Mayor to the Board of Aldermen:

I respectfully request that the Honorable Board of Aldermen approve a bond in the amount of \$1,076,000 under the Sewer Enterprise Account through the MWRA I/I Local Financial Assistance Program. This will fund repairs and improvements to reduce flooding in Melrose. Please see attached for details.

Mr. Beshara says the goal of the I/I program is to reduce the amount of inflow of ground water into the sewer lines and prevent potential sewer surcharges. The City is metered on the amount of sewer going out. Reducing the amount of inflow entering the system translates to a lower assessment. The program will identify root intrusion, collapsed pipes, and settled and sagging pipes in Wards 2, 4, and 6 and in the sewer pipes located on major roadways that are being paved this year.

Alderman Boisselle says there is so much water coming into Melrose and so much going out. He asks how much extra ground water is entering the sewer lines. Mr. Beshara says that up to 10 times the normal flow during a major storm enters the sewer lines amounting to multiple millions of gallons of water. The City is charged on the amount of sewerage going through the system. As the inflow amount is reduced, the MWRA

assessment will be reduced. Alderman Boisselle asks if any of this money will be used for ongoing projects. Mr. Beshara says no, this is for new projects.

Alderman Conn says the Mayor's memo contains the ubiquitous sentence "This will fund repairs and improvements to reduce flooding in Melrose". Mr. Beshara says this project will not reduce the flooding in Melrose. Alderman Conn asks what financial vehicle is used for the loan and grant blend. Mr. Beshara says the entire MWRA program is grant/loan and is based on the amount of money available. Loans are always interest free and the total is distributed among cities and towns in the MWRA system. This program is available for 1½ years. Alderman Conn says the City will be spending \$1 million per year for this I/I program. Mr. Beshara says the City roughly spends \$850,000 to \$1.1 million each year. Alderman Conn asks if he is currently using the money that the Board of Aldermen authorized to bond last year. Mr. Beshara says yes. Alderman Conn asks how long he anticipates this type of work to continue. Mr. Beshara says the water project is a 10-year project. The I/I project is annual and he doesn't know how long it will continue. Alderman Conn says if the state pulls the plug on offering the grant/loan program then the I/I program will end. Mr. Beshara says that is correct. Alderman Conn asks if the work will be done by the City or if it will be publicly bid. Mr. Beshara says it will be bid out. Alderman Conn asks the impact on the sewer rate. Mr. Beshara says he doesn't know that, but it won't affect the 2008 rates.

Chairman Brodeur says the Aldermen passed an order last year requiring a schedule of how bonding projects will affect the sewer rates. He expects to have it by the full board meeting.

Alderman Conn says that \$6 million for drainage projects was passed last year. He asks Mr. Beshara how much of that has been expended. Mr. Beshara says between \$600,000 and \$700,000. Alderman Conn asks how long he anticipates it will take to spend it. Mr. Beshara says it is a three year program. Alderman Conn says that over \$8 million was bonded last year to address the flooding problems. Mr. Beshara says that a portion of the work being done is funded by FEMA under the May 11 emergency money. He will stretch that as far as he can and is waiting to see how the first project works out. Alderman Conn says he wants to see the rate impact before voting for this and would like it before the full board meeting.

Chairman Brodeur says the City doesn't know if the MWRA funding program will be renewed from year to year and asks what happens if a project is started and no additional funding is available. Mr. Beshara says that only money in the I/I account is used, and projects are based on that amount of money.

Alderman Boisselle moves to recommend pending the disclosure of the rate impact statement from the Auditor, 2nd by Alderman Seaboyer. All in favor.

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

Appropriations adjourns at 8:15 p.m.

Maribeth Harrington
Clerk of Committees