

Appropriations Committee

Chairman Brodeur, Tramontozzi, Boisselle, Buonopane, Conn, Forbes, Heavey, Infurna, Seaboyer, Wright, Mortimer

In attendance: City Planner Denise Gaffey; City Treasurer Art Flavin, City Auditor/CFO Patrick Dello Russo, Mayor Dolan, City Engineer Bob Beshara; Police Chief Mike Lyle, Fire Chief John O'Brien; Chief Assessor Donald Dragt; Deputy City Solicitor Robert Van Campen; IT Director Jorge Pazos; Superintendent of Mt Hood and Melrose Public Open Spaces Nick Gove; Deputy City Solicitor Robert Van Campen

Appropriations called to order by Chairman Brodeur at 7:47 p.m. Alderman Infurna motions to open Public Participation, 2nd by President Mortimer. All in favor. No one comes forward. President Mortimer motions to close Public Participation, 2nd by Alderman Forbes. All in favor.

President Mortimer motions to join orders 08-054 and 08-055 for discussion purposes, 2nd by Alderman Boisselle. All in favor.

Order No. 08-054, GRANT Amount: \$297,000.00 From: Federal Department of Housing and Urban Development (HUD) To: Fund #2457 - Memorial Building – Federal HVAC Said funds will be used for the design and installation of a new air conditioning system and upgrades to the heating and ventilation system at the Soldiers and Sailors Memorial Building as set forth herein.

Order No. 08-055, GRANT Amount: \$500,000.00 From: Commonwealth of Massachusetts, Executive Office of Administration and Finance (EOAF) To: Fund #2592 - Memorial Building – State HVAC Said funds will be used for the design and installation of a new air conditioning system and upgrades to the heating and ventilation system at the Soldiers and Sailors Memorial Building as set forth herein.

Alderman Seaboyer motions to suspend the rules to hear from the City Planner, 2nd by Alderman Boisselle. All in favor.

Ms. Gaffey says the two grants are not new news. The City accepted the grants in January but never formally deposited the funds because her office wasn't ready to initiate the projects back then. The project will begin in May after the last MSO concert. Because it is an historical building in September an RFQ was put together for mechanical engineering firms. A recommendation has been made to the Mayor but no contracts have been signed. Because it is an historic building the decision was made to put the RFQ out for a mechanical engineer who will subcontract with an historic architect. Ms. Gaffey says she is here this evening for the formality of accepting the checks. She can't answer any technical questions about the project – that's why a

mechanical engineer will be hired. The City is updating the heating system and adding air conditioning to the building for the first time.

Alderman Seaboyer says the money the City is receiving may only be used for HVAC. Ms. Gaffey says that is correct. Alderman Seaboyer asks if the money is based on the 1999 study. Ms. Gaffey says yes, that it is estimated the air conditioning will cost in the \$400,000 range. Alderman Seaboyer asks what will happen if the cost is higher than that. Ms. Gaffey says the design fees will be 10% of that amount. The construction budget is fixed and she will keep an eye on the project every step of the way to make adjustments if necessary.

Alderman Forbes asks if there are any conditions to the grants. Ms. Gaffey says there are nuances as with all grants but the major condition is that with federal funds, an historic analysis is required. Alderman Forbes asks who signs off on the project once the contract is awarded and the project is completed. Ms. Gaffey says a final report must be submitted to both the federal and state governments.

President Mortimer asks how much increase in use of the building is expected. Ms. Gaffey says the primary increase will occur during the summer months. It is pretty much occupied the rest of the year. President Mortimer asks if the grant was written through her office; Ms. Gaffey says yes. President Mortimer says this project will cost the taxpayer nothing; Ms. Gaffey says yes. President Mortimer asks if there are any plans to upgrade the sound system. Ms. Gaffey says she can't answer that.

Alderman Wright asks if the new HVAC system will have to meet energy efficiency marks. Ms. Gaffey says the RFQ indicates the City's interest in an energy efficient system.

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

Order No. 08-059, TRANSFER Amount: \$85,500.00 From: A/C #017522-549100 - Temporary Debt, Temporary Debt Interest To: Various Accounts: Memorial Bldg, Building Repair; Fire, Motor Vehicle Repair & Maint.; Mayor, Unclassified; Health, Professional Services; Fire, Overtime as set forth herein.

President Mortimer motions to suspend the rules to hear from Mr. Flavin, 2nd by Alderman Seaboyer. All in favor.

Mr. Flavin says that during the budget process there were a lot of items that had to be cleared up by the end of the year and new construction jobs were coming online. He made a conservative estimate and as it turned out the interest rate came in lower and the City borrowed less money than was anticipated.

Alderman Conn says this is money that the City doesn't need for the purpose it was budgeted. Mr. Flavin says yes.

Alderman Seaboyer asks what was repaired in the Memorial Building that cost \$9,000.00. Mr. Dello Russo says a breakage in a water pipe caused damage to the tile floor and wood under the kitchen and required immediate repair. Alderman Seaboyer asks what the Mayor's Unclassified line-item is. Mayor Dolan says it's for community

events throughout the year such as the Standard and Poor's function, National Night Out, and the opening of Gooch Park.

Regarding the \$25,000 for Fire Motor Vehicle Repair and Maintenance, President Mortimer asks how the City's motor vehicles are repaired and maintained. Mr. Beshara says this is money to pay the Mobil gasoline bill, not auto repair and maintenance.

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

Alderman Wright motions to take Order No. 08-068 out of order to have the Police and Fire Chiefs come forward. President Mortimer motions to suspend the rules, 2nd by Alderman Boisselle. All in favor.

Order No. 08-068, Be it Ordered that the Board of Aldermen accepts Chapter 110 of the Acts of 2007, AN ACT RELATIVE TO PAYMENT OF FUNERAL AND BURIAL EXPENSES FOR FIREFIGHTERS AND POLICE OFFICERS KILLED IN PERFORMANCE OF DUTIES as set forth herein. (A-3)

Alderman Wright says he hopes this is never needed, but he feels it is important for the City to step up and accept it. Funeral costs have risen and he thinks it is an important piece of legislation to have.

Chief O'Brien thanks Alderman Wright for introducing the order. Chief Lyle commends Alderman Wright for bringing it to his attention.

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

Order No. 08-045, Classification of Property Requesting a Public Hearing on Classification be held on Monday, October 15, 2007 at 8:00 P.M. and subsequently determine the classification of property.

Chairman Brodeur said the public hearing was held on the date specified. At his request the Chief Assessor has provided the aldermen with all shifts between 1.50 and 1.75.

Alderman Conn says there was extensive discussion following the public hearing and there is no doubt that the board will set a single rate. The issue is which shift factor will be adopted.

Alderman Conn motions to classify property and to adopt a shift factor of 1.62, increasing the residential rate by 60 cents and the commercial rate by 71 cents, 2nd by Alderman Tramontozzi.

Chairman Brodeur asks the Assessor if the motion is in correct form to accomplish what needs to be done. Mr. Dragt says the classifying residential rate would be 96.7644. President Mortimer asks if mixed use buildings would be apportioned; Mr. Dragt says yes.

Chairman Brodeur asks what last year's average increase was. Mr. Dragt says if he's not mistaken it was between the \$220 and \$300 range. Alderman Conn says he has last year's printout which states it was \$296.00.

Alderman Wright says the difference between 1.5 and 1.7 shift factor is not a considerable change. It is a difference of \$46 for residential property.

On the motion to recommend, All in favor.

Alderman Seaboyer motions to join orders 08-060 and 08-061, 2nd by Alderman Boisselle. All in favor.

President Mortimer motions to suspend the rules, 2nd by Alderman Boisselle. All in favor.

Order No. 08-060, TRANSFER Amount: \$448,073.00 From: A/C #019111-511010 - Pension Appropriation \$420,573.00 A/C #011522-529000 - HR, Professional Services \$27,500.00 To: A/C #012111-511000 - Police, Salaries & Wages as set forth herein

Order No. 08-061, APPROPRIATION Amount: \$76,927.00 From: A/C # 84042-590000 - Contract Stabilization, Transfer Out To: A/C #012111-511000 - Police, Salaries & Wages The appropriation is necessary for the police arbitration award.

Mr. Van Campen says the JLMC issued the award and the City has the obligation under law to submit it to the Board of Aldermen. The Mayor requests that this award be funded by the Board. It represents a 2% increase in salary for each of the three years and expired on June 30 2007. Contract negotiations are for the current contract are open again. The Patrolmen's union has filed for reconsideration of the award but he is confident that it will be denied. He asks the Aldermen to vote for the requested funding.

Alderman Forbes asks if necessary, if additional funds would be taken from the Stabilization Fund. Mayor Dolan says in the event the award is reconsidered and the City has to find supplemental money it will come out of the Police Department's budget. Alderman Forbes asks if there is a balance in the Stabilization Fund. Mr. Dello Russo says there is currently \$239,278.00 in the fund. If the award is approved by the board, the balance will decrease to \$162,351.00. Mayor Dolan says the point of the Stabilization Fund is to provide 2% increases for each union. Negotiations are ongoing with the MACE and teachers' union, and the ACHE union is coming up in June. The City is currently out of contract with both Police and Fire. If the JLMC comes back with a higher award than what is before them he will have to look at the operating costs of the police department. He says the City's position was recognized in this award.

On a Point of Information, Chairman Brodeur asks Mr. Van Campen he based his opinion that the award will not be amended on his experience as a lawyer and his experience dealing with arbitration awards. Mr. Van Campen say yes; the award is binding on both parts. The patrolmen are asking the Commission to retry the complaint on a narrow issue. His experience with JLMC awards is that they are very rarely reconsidered.

Alderman Conn says the problem here is that the cycle of litigating every contract with the JLMC has to be broken. It costs tens of thousands of dollars for both sides to litigate and he hopes this will be the last time. He says those resources could be better spent elsewhere.

President Mortimer asks how long it takes to go to the JLMC and if it could be expedited. Mayor Dolan says it is not in the City's best interest to go to the JLMC. The wait to get a hearing is over a year long. There are only margins of dollars in the city. It is a stable community now, with serviceable levels of public service, but the City received only \$38,000 in new local aid and the special election will cost \$50,000.00. The City must continue to offer good working conditions and benefits and a fair wage.

Alderman Forbes says he believes it is the unions' right to go to the JLMC.

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

Order No. 08-062, APPROPRIATION Amount: \$613,807.00 From: Certified Free Cash
To: various accounts as set forth herein

Mr. Dello Russo says he would like to reference that over 81% of the total amount of this appropriations is to go into various Stabilization Funds. The annual appropriation of \$50,000 to the foundation Stabilization Fund will bring the balance to \$1.1 million. \$300,000 will go to the Capital Stabilization Fund. There is currently \$170,537 in the account. He would like to see \$200,000 appropriated annually to pay for projects costing over \$25,000. Also included in the appropriation are a number of requests to pay for prior year's bills; departments had insufficient funds to pay them last year.

Chairman Brodeur asks if any Alderman has any specific questions to ask the Department heads.

Alderman Boisselle asks what the \$8,500 for IT accounts payable is for. Mr. Pazos says to cover phone service for the previous year. Alderman Boisselle asks if the service is city-wide. Mr. Pazos says it doesn't include the schools.

Alderman Boisselle asks if the Lincoln School is included in the accounts payable. Mr. Dello Russo says it is part of this order.

Alderman Conn asks if the City Solicitor item is for services or claims. Mr. Van Campen says it is for previous legal bills and a \$10,000 deductible payment for insurance. Alderman Conn asks if \$51,000 is for labor counsel services. Mr. Van Campen says yes. Alderman Conn asks if this amount will clean up the outstanding labor bills. Mr. Dello Russo says he believes there may be some charges that are ongoing. Mr. Van Campen says Attorney Mark Ventola exclusively handled the arbitration before the JLMC and that he will respond to the request for reconsideration. Alderman Conn asks if there is any other money for further labor counsel costs. Mr. Dello Russo says there may be a small amount of money in the claims budget. Alderman Conn asks if they will come to the board again. Mr. Van Campen says yes. Alderman Conn asks if he does not think it will be for much money. Mr. Van Campen says no.

Mr. Dello Russo says he is looking to establish a new Suits and Claims Stabilization Fund with an appropriation of \$150,000.00 to address suits and claims pending before the City. This is a proactive approach to claims that may be the City's responsibility to pay.

Chairman Brodeur tells the membership that Order No. 08-064, Creation of a new Stabilization Fund entitled "Suits and Claims Stabilization Fund" in accordance with Massachusetts General Laws Chapter 40, Section 5B, will be before them shortly. The appropriation may be amended at the full board meeting if necessary.

Alderman Conn says it is his understanding that the City is fully insured. Mr. Dello Russo says this fund is for situations outside of that scope. Alderman Conn asks the amount of the annual deductible; Mr. Dello Russo says it is \$10,000 per matter. Alderman Conn asks if there is an aggregate cap; Mr. Dello Russo says he is not sure what the cap is. Alderman Conn says he is not sure if he supports the establishment of the fund but he does not support the appropriation amount exceeding the cap.

Alderman Boisselle asks about the \$15,573.00 for building repair and AC. Mr. Dello Russo says \$6,800.00 is for an air conditioner for the IT department. There were a number of incidents of overheating in the room housing the server. The remainder is for a multitude of issues in the building.

Chairman Brodeur asks about the \$4,000 Lincoln School statue. Mr. Dello Russo says it is the Mayor's request to replace the statue that was taken by theft. It originally cost \$15,000. The \$4,000 appropriation will begin the process to replace it by raising additional funds. Alderman Infurna says the Lincoln School community is upset with the absence of the little boy statue; she approached Mr. Dello Russo asking for assistance. The PTO is grateful for this appropriation and is looking to replace the stolen statue.

Alderman Seaboyer asks if Free Cash was certified early. Mr. Dello Russo says a lot of work by several departments goes into getting free cash certification. This year everyone worked together to get it done in September compared to last year, when it was certified on 28 March.

Alderman Conn motions to divide the order making 08-062A Suits and Claims in the amount of \$150,000.00.

Chairman Brodeur says that is a privileged motion. Order No. 08-062 is amended to \$463,807.00 by striking Suits and Claims in the amount of \$150,000.00.

Alderman Conn moves to recommend Order No. 08-062, 2nd by Alderman Infurna. All in favor.

Alderman Conn moves to place Order No. 08-062A on hold, 2nd by Alderman Seaboyer. All in favor.

Order No. 08-063, APPROPRIATION Amount: \$226,842.00 From: Certified Free Cash To: Mt. Hood Enterprise Reserve Fund in accordance with MGL Chapter 44, Section 53F I/2

Mr. Dello Russo says this is an annual order. \$226,842.00 will be added to the reserve fund as a result of Mount Hood operations, bringing the total to \$838,820.48. Spending any of the funds require the approval of the Board of Aldermen.

Alderman Conn asks if there is a fiscal target for this fund. Mr. Gove says he cannot speak on behalf of the Park Commission on what it will be used for but it puts them in a comfortable financial position. There are two outstanding bonds and the Park Commission will look at several projects over the next two years. As yet the Commissioners have not had a chance to look at this free cash.

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

Order No. 08-064, Creation of a new Stabilization Fund entitled "Suits and Claims Stabilization Fund" in accordance with Massachusetts General Laws Chapter 40, Section 5B

Attorney Van Campen says the sole purpose of the establishment of this fund is to insulate the City from any uninsured claims that are filed. There is an outstanding claim against the City from 2001. Mr. Ventola has been handling that and the award could be substantial.

Alderman Conn asks if there is any special category of claims. Attorney Van Campen says one claim is in the \$200,000.00 range. Chairman Brodeur asks if the City is covered for any part of the award; Attorney Van Campen says he is not aware that any part of it would be covered by the City's policy.

Alderman Wright asks if there are particular types of cases such as civil service that are not covered under the City's insurance. Attorney Van Campen says yes, civil service is one of them. The level of appropriation being requested is based strictly on the outstanding case that is lingering. On appeal the amount of the award could increase or decrease. Alderman Wright asks if this fund is for one or two particular cases or for general categories not insured. Attorney Van Campen says the Legal Department has a line-item for suits and claims but he thinks that may be phased out and those expenses will be covered with this fund.

Alderman Conn says he will support the establishment of this fund and appropriation, but he is looking for an estimation of the number of cases and grievances pending that would total \$150,000.00. He is not looking for specifics of the cases. Attorney Van Campen asks if he is looking for an itemization of claims. Alderman Conn says he isn't looking for case-specific claims, but the number of claims outstanding that are not covered by insurance and that equals over \$100,000.00.

Alderman Conn asks Mr. Dello Russo if this fund is only to pay for claims and not attorney fees. Mr. Dello Russo says itemized costs paid from this fund have to go before the Board of Aldermen for approval. He does not know that legal fees would not be included.

Alderman Buonopane asks how many Stabilization Funds are needed. He asks if having them make the auditor's job easier. Mr. Dello Russo says that in the past municipalities were only allowed to have one Stabilization Fund. It proved to cause difficulty. The law changed to allow the establishment of specific funds for specific purposes. The Board of Aldermen may transfer money between the funds as a situation surfaces. It gives the City flexibility it did not have in the past. Alderman Buonopane asks how much total money is in the Stabilization Funds. Mr. Dello Russo says currently

there is \$1.1 million in the foundation Stabilization Fund; \$470,000 in the Capital Stabilization Fund; \$167,000 in the Contractual Stabilization Fund; and if approved, \$150,000 in this Suits and Claims Stabilization Fund. He says the City is moving in the right direction setting these funds aside. Chairman Brodeur says the money may be carried over from year to year. Mr. Dello Russo says that is correct.

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

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

Appropriations adjourns at 9:15 p.m.

Maribeth Harrington
Clerk of Committees