

WATER AND SEWER COMMITTEE MEETING MINUTES

THURSDAY, MAY 2, 2017

In attendance: Patrick Dello Russo – Auditor/CFO, Art Flavin – Treasurer, John Scenna – Director of Public Works, Elena Proakis Ellis – City Engineer, Scott Forbes – BOA Representative, Donna Cardillo – MUNIS/Programming Consultant, Lisa Patterson – Water and Sewer Billing Clerk, Amy H. (Clerk), Philip Taymor.

The meeting was opened at 3:30 PM.

1. PAST MEETING MINUTES

No minutes were discussed at this meeting.

2. PUBLIC PARTICIPATION

Patrick Dello Russo made a motion to open public participation and Scott Forbes seconded. All approved.

Philip Taymor of 44 Larchmont Road read a letter. He stated that he has concluded it is not necessary for him to speak at next BOA meeting. This is based on the fact that the City is proposing to hold the FY17 volumetric rates, reduce indirect costs, and pursue I/I reduction. This is contingent upon the budget being in line with the rate.

Mr. Taymor continued by reiterating his belief that the Tier 2 rate is illegal and not commensurate with user impact. In addition, based on the handouts at last meeting, municipal usage will cost about \$450,000 in this fiscal year. This is significantly higher than the figures described by Raftelis last year. Chris Woodcock stated clearly last year that half of municipalities charge city budgets rather than the enterprise funds for these expenses. Pensions increased 70% from 2013 to 2017, due to new rates; Mr. Taymor stated he is glad to see these costs coming down in the 2018 budget.

Mr. Taymor noted that his focus going forward will be that indirect costs should continue to decline, City controlled costs should remain tightly controlled, and I/I needs to be addressed as aggressively as possible. In addition, he predicts that reserves will exceed 10% by end of FY18 by a lot; FY17 will further add to reserves, and FY18 rate setting consumption assumptions will result in even more reserves. The City needs to adopt a plan to return any excess reserves to ratepayers over a reasonable period of time.

Mr. Taymor concluded with a final multi-part question: Is the FY17 current estimated water and sewer spending over or under the FY17 budget, and if so, by how much and why, and have any significant FY18 expenses been pulled back into FY17 expenses; if so, what items, how much, and why? He stated that if the answers to these questions are innocuous, he will have no more comments or questions on this process.

Art Flavin made a motion to close public participation. Scott Forbes seconded. All were in favor.

John Scenna answered some of Mr. Taymor's questions as follows:

As of May 2nd, 70.3% of salaries have been expended, 85% of contractual line items have been expended, and 66% of material and supply items have been expended in water. In sewer, 76% of salaries have been expended, 88% of contractual expenses have been expended, and 50% of materials have been expended. This is on track given where we are in the fiscal year and the lag between work and payment. With regards to materials, this is typical of how inventory is purchased in the spring for summer work.

The City is not projecting a surplus or a deficit. It appears that the FY17 budget was put together correctly and the City will not be carrying a deficit into FY18. Increases in FY18 are mainly for materials.

3. FY18 RATES

John Scenna reiterated the proposed zero increase in water and sewer volumetric rates, zero increases on water base fees, and a small increase to sewer base fees.

Elena Proakis Ellis described the small impact of keeping the MWRA water assessment steady from FY17 to FY18 (see attached handout). The reasons why the City recommended doing this in the model included buffering the anticipated rebound of the MWRA water assessment in FY19 and the negligible impact to the average water bills of decreasing this assessment in the model.

Art Flavin made a motion to approve the rates as stated.

Scott Forbes stated his support for the rates as proposed, given the new information presented regarding the treatment of the MWRA assessment.

Specifically, the motion was to hold the FY17 water volumetric rates and base fees, hold the sewer volumetric rates, and increase the sewer base fees to the amounts shown below:

<u>Fixed Charges</u>	
5/8"	\$ 14.25
3/4"	14.25
1"	14.25
1.5"	55.93
2"	87.19
3"	160.13
4"	264.33
6"	524.83

No further discussion was held. Patrick Dello Russo seconded the motion. All were in favor.

John Scenna then reviewed the orders for the BOA. \$110,000 is proposed to be sent from the meter project to I/I reduction and another \$110,000 from the meter project to water capital to further pipeline improvements. All of the orders will be sent to the aldermen on Monday, May 8th, the public hearing is scheduled for May 22nd, and Thursday, June 8th will be the appropriations committee meeting. These are all tentative dates. On the agenda, rates will be shown with both quarterly and monthly fees. The monthly fees will be the quarterly fees divided by three but will be specifically spelled out.

John Scenna noted that the City Solicitor sent updated language for the penalty for not replacing meters (228-14 of the code of ordinances) by inserting new subsection C: "A manual read fee of \$50 per quarter shall be charged to any account that cannot be remotely read by the City of Melrose." One last registered letter will be sent to those accounts this summer, in addition to the four letters and door knocker they've already received. If they have not replaced meters by October, they will begin to receive the fee. Elena Proakis Ellis asked if the fee would still be escalating. John Scenna said no. Art Flavin asked what happens if a meter is broken and we cannot get in. John Scenna said it would be the same as others who have not changed their meters.

4. FRANK WRIGHT'S ORDER FOR TWO-FAMILY OWNER-OCCUPIED HOMES

John Scenna stated that we do not have anything further on this. Scott Forbes has reached out to the City Solicitor and he is aware of the order and will do his due diligence to determine the legality. If it is legal, the committee will reconvene to discuss the possible impact on the rate.

Art Flavin made a motion to adjourn. Patrick Dello Russo seconded. All were in favor.

The meeting was adjourned at 3:57 PM.



FOR 2017 13

ACCOUNTS FOR: ORIGINAL APPROP TRANFRS/ADJUSTMS REVISED BUDGET YTD EXPENDED ENCUMBRANCES AVAILABLE BUDGET PCT USBD

451 WATER

614512 590000	TRANS OUT	0	.00	.00	979,476.00	.00	-979,476.00	100.0%*
	TOTAL UNDEFINED CHAR	0	.00	.00	979,476.00	.00	-979,476.00	100.0%

51 SALARIES

614511 511000	S & W	767,123	.00	767,122.98	547,035.69	.00	220,087.29	71.3%
614511 512000	PT S&W	15,900	.00	15,900.00	7,101.00	.00	8,799.00	44.7%
614511 513000	OVERTIME	65,000	.00	65,000.00	42,152.75	.00	22,847.25	64.9%
	TOTAL SALARIES	848,023	.00	848,022.98	596,289.44	.00	251,733.54	70.3%

52 CONTRACTUAL

614512 521500	POSTAGE	17,500	3,694.62	21,194.62	6,661.29	3,694.62	10,838.71	48.9%
614512 522401	HYDRANT	30,000	.00	30,000.00	151.18	.00	29,848.82	.5%
614512 522500	ELECTRIC	13,000	445.10	13,445.10	9,161.35	1,113.66	3,170.09	76.4%
614512 522600	GAS HEAT	4,500	.00	4,500.00	1,169.01	309.33	3,021.66	32.9%
614512 524002	CONSTRUCT	54,000	.00	54,000.00	37,904.92	1,235.00	14,860.08	72.5%
614512 525204	CONSULT	18,500	.00	18,500.00	.00	.00	18,500.00	.0%
614512 525307	CODE RED	8,000	.00	8,000.00	7,875.00	.00	125.00	98.4%
614512 527104	LEAK DET	17,000	500.00	17,500.00	10,370.00	500.00	6,630.00	62.1%
614512 527202	WAT REPLAC	17,000	63,870.00	117,870.00	72,841.95	4,443.60	40,584.45	65.6%
614512 527204	METER UPGR	0	.00	.00	950.00	.00	-950.00	100.0%*
614512 527302	REPAIRS	46,500	17,125.00	63,625.00	26,436.32	14,800.00	22,388.68	64.8%
614512 527400	BACKFLOW	15,000	10,576.56	25,576.56	5,438.91	12,760.80	7,376.85	71.2%
614512 527701	PUMP STA	12,800	15,362.54	28,162.54	6,353.32	18,637.70	3,171.52	88.7%
614512 528600	AUDIT SERV	10,000	.00	10,000.00	10,000.00	.00	.00	100.0%
614512 529000	PROF SERV	32,500	12,507.76	45,007.76	29,000.93	.00	16,006.83	64.4%
614512 529200	MMRA ASSES	2,927,124	.00	2,927,124.00	2,624,071.50	.00	303,052.50	89.6%
614512 529205	MAILDEN99	40,000	20,065.79	60,065.79	2,792.86	20,000.00	37,272.93	73.7%
614512 529210	SAFE DRINK	10,000	.00	10,000.00	7,374.79	.00	2,625.21	73.7%
	TOTAL CONTRACTUAL	3,310,424	144,147.37	3,454,571.37	2,858,553.33	77,494.71	518,523.33	85.0%

53 SUPPLIES AND MATERIA

614512 530500	OFFICE SUP	1,250	623.82	1,873.82	214.06	623.82	1,035.94	44.7%
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CITY OF MELROSE v10.5
YEAR TO DATE BUDGET REPORT



FOR 2017 13

ACCOUNTS FOR:
6100 WATER ENTERPRISE FUND

ORIGINAL
APPROP

TRANSFRS/
ADJSTMTS

REVISED
BUDGET

YTD EXPENDED

ENCUMBRANCES

AVAILABLE
BUDGET

PCT
USED

614512 531000	GAS & OIL	24,000	.00	24,000.00	15,264.57	1,215.80	7,519.63	68.7%
614512 533500	TOOLS	12,500	6,558.22	19,058.22	3,091.08	6,204.42	9,762.72	48.8%
614512 535000	SAND&GRAVE	3,500	.00	3,500.00	490.01	.00	3,009.99	14.0%
614512 535501	CLOTHING	9,150	.00	9,150.00	6,335.00	.00	3,960.00	61.6%
614512 535800	PATCHING	24,500	8,940.99	33,440.99	20,990.42	143.69	12,306.88	63.2%
614512 536100	PIPES&FITTT	60,000	70,511.46	130,511.46	51,022.61	50,788.30	28,700.55	78.0%
614512 536300	HYDRANTS	40,000	33,101.42	73,101.42	16,524.89	33,070.01	23,506.52	67.8%
614512 536310	WAT METERS	17,500	.00	17,500.00	17,500.00	225.00	17,275.00	1.3%
614512 536320	EQUIP PTS	26,500	.00	26,500.00	13,597.04	4,899.97	8,002.99	69.8%
TOTAL SUPPLIES AND MATERIA		218,900	120,900.91	339,800.91	127,549.68	97,171.01	115,080.22	66.1%

54 OTHER CHARGES

614512 540704	PROF DEVEL	3,850	4,800.00	8,650.00	3,175.00	3,880.00	1,595.00	81.6%
TOTAL OTHER CHARGES		3,850	4,800.00	8,650.00	3,175.00	3,880.00	1,595.00	81.6%
TOTAL WATER		4,381,197	269,848.28	4,651,045.26	4,565,043.45	178,545.72	-92,543.91	102.0%



FOR 2017 13

ACCOUNTS FOR: ORIGINAL APPROP TRANFRS/ ADJUSTMTS REVISED BUDGET YTTD EXPENDED ENCUMBRANCES AVAILABLE BUDGET PCT USED

6000 SEWER ENTERPRISE FUND

441 SEWER
604412 590000 TRANS OUT 0
TOTAL UNDEFINED CHAR 0

51 SALARIES

604411 511000 S & W 442,637
604411 512000 PT S&W 15,900
604411 513000 OVERTIME 26,500
TOTAL SALARIES 485,037

52 CONTRACTUAL

604412 521500 POSTAGE 17,500
604412 522500 ELECTRIC 16,500
604412 524002 CONSTRUCT 42,500
604412 525204 CONSULT 5,000
604412 525307 CODE RED 7,875
604412 527302 REPAIRS 42,500
604412 527701 PUMP STA 46,500
604412 528600 AUDIT SERV 10,000
604412 529000 PROF SERV 25,000
604412 529200 MWRA ASSES 6,291,182
TOTAL CONTRACTUAL 6,504,557

53 SUPPLIES AND MATERIA

604412 530500 OFFICE SUP 850
604412 531000 GAS & OIL 11,500
604412 532000 CLEAN&DISF 6,500
604412 533500 TOOLS 9,500
604412 535000 SAND&GRAVE 4,500
TOTAL 6,504,557

600.00
.00
1,085.00
925.00
.00
1,450.00
11,500.00
7,585.00
10,425.00
4,500.00
376.55
6,061.23
1,569.78
2,483.40
223.45
782.70
1,085.00
260.83
850.00
4,656.07
6,500.00
8,855.22
1,755.77
41.4%
59.5%
14.3%
15.1%
61.0%

76.2%

88.1%

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CITY OF MELROSE v10.5
YEAR TO DATE BUDGET REPORT



FOR 2017 13

ACCOUNTS FOR:
6000 SEWER ENTERPRISE FUND

ORIGINAL
APPROP

TRANSRS/
ADJSTMTS

REVISED
BUDGET

YTD EXPENDED

ENCUMBRANCES

AVAILABLE
BUDGET

PCT
USED

604412 535501	CLOTHING	3,800	627.00	4,427.00	3,287.00	.00	1,140.00	74.2%
604412 535504	GLOVES	1,000	783.23	1,783.23	45.30	783.23	954.70	46.5%
604412 535800	PATCHING	8,500	7,271.01	15,771.01	4,906.76	2,886.16	7,978.09	49.4%
604412 536000	CEM&CONCR	5,500	.00	5,500.00	663.28	1,073.70	3,763.02	31.6%
604412 536100	PIPES&FIT	12,500	.00	12,500.00	2,282.15	339.08	9,878.77	21.0%
604412 536320	EQUIP PTS	18,500	7,184.57	25,684.57	16,272.82	4,998.79	4,412.96	82.8%

TOTAL SUPPLIES AND MATERIA

82,650

18,475.81

101,125.81

37,948.27

12,432.94

50,744.60

49.8%

54 OTHER CHARGES

604412 540704 PROF DEVEL

2,250

3,262.00

5,512.00

210.00

3,262.00

2,040.00

63.0%

TOTAL OTHER CHARGES

2,250

3,262.00

5,512.00

210.00

3,262.00

2,040.00

63.0%

55 CAPITAL OUTLAY

604413 551002 PW VEH&EQU

68,129

.00

68,129.00

68,128.89

.00

.11

100.0%

TOTAL CAPITAL OUTLAY

68,129

.00

68,129.00

68,128.89

.00

.11

100.0%

TOTAL SEWER

7,142,623

183,613.17

7,326,236.25

6,945,292.97

177,533.76

203,409.52

97.2%