

The Honorable Revere City Council

City Clerk's Office

Revere City Hall

Revere, Massachusetts 02151

Re: Proposed Fiscal Year 2013 Budget

Dear Councilors:

The proposed FY2013 Budget and Appendix along with a separate proposed FY2013 Water and Sewer Enterprise Fund had been sent to you on June 1, 2012, in order to afford the City Council as much time as possible to review these documents. However, these documents were sent to you without a letter which completely outlines the changes made in FY2013.

In an attempt to clarify the changes in the FY2013 budget, please review the supplemental information below:

The final version of our Cherry Sheet figures has not been released nor voted on in the Joint Committees in the legislature as of today. Until the state releases these figures, cities and towns across the Commonwealth are not able to accurately finalize the FY2013 budget. Understanding this, there may be adjustments made to portions of the proposed budget. When the final figures have been forwarded to the City, I will request from your honorable body, the appropriate action to bring this budget into balance. The School Department as I mentioned in my letter of June 4, 2012, is the major reason for the increase in our budget. After the Chapter 70 final budget numbers are approved by the Legislature, the City's contribution will be calculated by the Department of Education (DOE).

It is important to note that there has not been any appropriations requested for any salary increases as a result of labor negotiations. Presently all of the city unions are in negotiations for new contracts that will become due on June 30, 2012. These negotiations are now underway and have been for some time. Also, under this budget, City Hall hours will remain reduced by the closing on the last Friday of the month.

The Health Insurance lists all unions on an eighty /twenty percent split as of July 1, 2012. However, the figure that has been included in this proposed budget reflects a four week "premium holiday" which needs to be approved by the insurance advisory board of the City. If this not approved, an additional amount of \$1,188,390 will be required.

I have created the following personnel additions and changes in this budget as follows:

The City Engineer was previously funded through grants in the Office of Community Development. These funds are no longer available. The City Engineer plays an important role in the City's compliance with our consent decree with the Environmental Protection Agency/Department of Justice (EPA/DOJ).

The Water and Sewer Division of Public Works has four additional water craftsmen in this budget. Three of these employees were hired after the FY2012 budget was approved by the prior administration. In my opinion, I did not feel that it was prudent to terminate these employees; in fact, I found it necessary to add an additional position to this department. The Department of Public Works has experienced a drastic reduction in manpower over the years, which has caused and created the need for significant increases in payment of overtime.

With respect to the Police Department, they too have been and continue to be grossly understaffed. Last year, the department consisted of 84 personnel with an additional 4 officers on grant inclusive of the Chief. This year, the city has applied for a grant through the United States Department of Justice which would cover the salary of four additional patrolmen. If these funds are received by the city, these patrolmen will be hired during this fiscal year 2013. During my campaign for Mayor, I had highlighted a strong public safety platform. It is my goal to bring this to fruition. In addition to more staffing, the position of grant writer has been increased to full time. An aggressive grant writing campaign may afford the city the necessary funding to upgrade this department to a full staffing level. On another note, the City will continue to pursue 911 grants from the Commonwealth to provide the resources necessary to fund the combined Regional Emergency Call Center (RECC) with the Town of Winthrop. In the future, other communities may come on board to achieve even greater economies of scale.

The Fire Department, although adding no additional personnel, continues to employ the ten firefighters funded by the Safer Grant. They hold a staffing level of 102 fire fighters inclusive of the Chief.

The position of Principal Clerk has been restored to the budget of the Treasurer's Office. This position had been included for many years in previous budgets. The absence of this payroll clerical position has caused resources that would have ordinarily been directed toward other important projects to be re-directed to this function. Further, this budget demonstrates the additional responsibilities that have been placed in on this department including the oversight of the city's Health Insurance, Workers' Compensation, and Unemployment Benefits.

Further budget items that are noteworthy:

The Retirement system, as required by the Public Employers Retirement, has increased our contribution by \$421,838 for which the City is responsible.

In the Veterans Affairs Department, Veterans benefits have increased by \$234,010. The number of Veterans returning home from the war in the Middle East has necessitated the increase in this account. I'm sure we would all agree these patriotic men and women, who have fought so valiantly for our county deserves the support of their country and our city. On another note, housing these veterans has become another major issue in communities across the nation. The City Council and I have contacted the appropriate Federal, State, and local agencies to help achieve this goal.

In the Parks and Recreation Department, there is a line item adding \$50,000 to assist in the funding of the New England Sand Sculpture Competition. This event has brought national attention to the City of Revere in a very positive light. Over 500,000 people visit Revere Beach during this exhibition.

The Solicitor's Office outside legal services have been increased (\$33,989) to handle the more complex and specialized cases.

The MIS Department shows an increase of \$62,099 due to the implementation of new security safeguards as required. Further, there is an effort is afoot to convert the City to a paperless organization. This would reduce our need for costly man hours spent identifying and locating files, as well as safeguarding the city's information and documents. Additional funds may be necessary during this Fiscal Year to help this process along. New upgraded technology is also slated to be brought on board, along with the unveiling of a new City website during the third quarter of this year.

The Public Works Department, Water and Sewer Division, has experienced increases in the Water and Sewer assessments from the MWRA totaling \$338,645. As we all know, the city is under a consent decree with the Environmental Protection Agency and the Department of Justice to ensure that the City is in compliance with the Clean Water Act. In the past, the City has been most fortunate to receive funding from the low interest/principal forgiveness program with the State Revolving Fund (SRF). In the near

future, a presentation will be made to the City Council seeking additional bonding from the (SRF) in order to keep the city in continued compliance. Monies have been placed in the accounts on page 110 of the budget that demonstrate our compliance with the decree.

Another one of the commitments that I had made to the residents of this community is that city government will operate more efficiently. To achieve this goal, the first step that the City must take is a movement towards performance based budgeting. More commonly known as Citi Stat, communities across the nation have looked to Citi- Stat to provide the proper informational data to assist in the budgeting and decision making process. The City of Baltimore, Maryland along with the City of Somerville, Massachusetts has had Citi Stat in place for a number of years. They have experienced great success and have more effectively spent tax dollars where they were most needed. This program has been so successful, Governor Deval Patrick has required State Departments to institute Citi Stat in their budget processes as well. We are currently finalizing an agreement with the Collins Center for Government at the University of Massachusetts to assist us with the implementation of this software system. Further, the City has made overtures to the professors at the McCormick Graduate School of Government at UMASS that would incorporate the participation of their student population in getting it off the ground here in Revere.

You will see that I have requested a \$50,000 appropriation in my budget to aid in the preliminary funding of this program. You should note that the city has also made application to the Collins Center for grant monies that would also assist in this process.

In closing, my administration has submitted this proposed budget to the City Council for review and approval. The Department heads and I will be available to answer any questions you may have. I have requested from the City Auditor, an up to date financial statement that will be provided to the City Council at the start of your budget deliberations to assist in the decision making process. I look forward to further discussion with your honorable body and hope to make this process a most fruitful and transparent experience for the residents of this community.

Very Truly Yours,

Dan Rizzo,

Mayor