

2022 JUN 23 A 11:07

Scott D. Houseman-Chair
Julie R. Flowers
Matthew J. St. Hilaire

FINANCE AND PROPERTY / CITY COUNCIL COMMITTEE OF THE WHOLE MINUTES

Tuesday, May 31, 2022, 6:30PM

City Council Chambers, 3rd Floor, Beverly City Hall, 191 Cabot St.

Houseman called the meeting to order at 6:30pm.

Members present: Julie Flowers, Matthew St. Hilaire, Scott Houseman

Other Councilors present: Hannah Bowen, Steven Crowley, Kathleen Feldman, Todd Rotondo, Brendan Sweeney

Order #156-Mayor's FY23 Budget - Department Budget Sessions

Budget Analyst – Gerry Perry

Perry reviewed the memo he provided to the City Council. Perry stated that in his professional opinion this is a balanced budget. The general fund is increasing by 4.3% this year. The water rate will go from \$3.17 per cubic foot to \$3.28. The sewer rate will remain the same. The schools are proposing a 6.1% increase in expenditures. On the municipal side, there is an increase in roads and sidewalks and a decrease in debt. Perry reviewed what the Council can do, including pass the budget or reduce the budget (the school's budget cannot go below net school spending). The Council cannot transfer from one line to another and cannot raise a line item but can ask the mayor to raise a line item if he chooses. Perry thanked those who worked on the budgets.

Bowen asked for elaboration on the process for setting the tax rate. Bowen stated she was curious if it seems that other revenues are coming in very strongly at the beginning of the fiscal year, if there is any point after this budget is passed when the balance of revenues could be shifted and the City would not need as much property tax revenue because everything else came in above what was budgeted.

Perry stated that happened last year just before Councilor Bowen came. The City ended up tapping a little more of the new growth that was certified which allowed them to not go to 2½%. The Board of Assessors set the rate, and they work with the Mr. Ayles and Mayor Cahill. There will be a better sense of things in the fall and if that could occur.

Feldman asked about the tax revenue that will be generated by cannabis retail and when the City would start seeing that.

Ayles stated none of the retailers are open yet. DLS will not allow the City to forecast it until they see what the City gets the first year, then it can be incorporated and counted on in the budget process.

Houseman asked about the columns in the budget and the relative significance of those for the benefit of the new councilors.

Perry reviewed the titles across the top of the budget book pages. The "2021 Actual" is the money spent in FY21. "FY22 Original Budget" is what the City Council voted on a year ago, and "2022 Revised Budget" is when things start shifting around with transfers, encumbrances or other adjustments. "2022 Actual" is what has been recorded as spent for FY22 as of the date the budget book was printed. "2022 Projection" is an estimate of what will be spent by the end of the fiscal year. "2023 Mayor's Recommendation" is what is before the Council now for review. The percentage change is the mayor's recommendation versus the revised 2022 budget.

Houseman stated his understanding is that the percentage is not really an apples-to-apples comparison.

Human Resources – Pauline Teixeira

Teixeira gave a summary of the increases, including overtime and part-time, which are both for special projects. Another increase is in employee physicals due to new hires and recertification.

There was some discussion on Covid impacts, DEI initiatives, longevity for non-union positions, and sick leave buyback.

Ayles stated that they budget in for people who buy back sick time every year or if they know there is a retirement coming up, but there is also a reserve that can be transferred to a department if someone leaves.

Purchasing – David Gelineau

Gelineau thanked Betty, the assistant purchasing agent for her work. Gelineau noted some reduced costs, including the copier leases. Historically after three years the City would lease new machines, but the machines are often still in good working order, so the leases have been renewed on the same machines, which saves money.

There was some discussion of advertising, DEI recommendations, and ARPA funding.

Gelineau noted that the state has some places where everything has to be advertised, like COMMBUYS, the Central Register, and the Goods and Services Bulletin, so the hope is to push people to those sites because they will get not only the information for Beverly but for every other city and town.

Veterans' Agent – David Perinchief

Perinchief recognized Chuck and Cory from the Veterans Advisory Committee who have been a big help. They have stepped in and helped with flagging at the cemeteries. The new office location by the hospital has a waiting room and can offer more privatized services, which is helpful when dealing with things that fall under HIPAA. Perinchief stated Veterans' Services has been working directly with fuel companies in the area to ensure anyone who is on Chapter 115 is getting fuel benefits.

There was discussion of hiring someone part time for administrative work, the D2 biological solution for cleaning gravestones, fixing old markers that are sinking, and turning back a surplus of Chapter 115 money.

Assessors, IT, Enterprise, Revenues – Bryant Ayles

Ayles reviewed the four departments under this section, which include Treasurer/Collector, Auditors, Assessors, and Information Technology. Purchasing is also under the Finance Department, but they have their own section of the budget. Under Accounting, the only real differences are the budget for the Assistant Finance Director Position and insurance costs. IT has been an area where there are opportunities for enhancements.

There was discussion of upgrades to the Council Chambers for regular hybrid meetings, cybersecurity, network infrastructure, ARPA funding and communication on the website.

Ayles stated the Assessors increase has to do with required work that needs to be done every five years pertaining to assessed values. That work will happen over FY23 and FY24.

Ayles stated that the Treasurer/Collector increases are contractual obligations for salaries and that the City is looking to get back to a pre-pandemic level this year in Revenues.

There was also some discussion about the part-time department head position, payments in lieu of taxes, revenue estimates, tax relief options, free cash, and capital/infrastructure projects.

City Clerk, Committees, Elections – Lisa Kent

Kent noted the increase in salary for election workers, and there was discussion of record storage and preservation.

The motion to adjourn was made and seconded. A vote was taken, and the motion carried unanimously. The meeting adjourned at 9:00pm.