

**City of Beverly**  
**Special Budget Meeting of the City Council**  
**Finance & Property/Committee of the Whole**  
**Department Budget Sessions**  
**Public Meeting Minutes**  
**Tuesday, June 1, 2021, 7pm**

This meeting was conducted under the ‘Executive Order Suspending Certain Provisions of the Open Meeting Law G.L. c.30A, §20’, signed on March 12, 2020. This remote meeting was held over Google Meet and live streamed by BevCam. Public access information for the hearings was provided on the meeting agenda.

Paul Guanci, City Council President, called the meeting to order at 7:00pm over Google Meet. Assistant City Clerk, Christine Dixon, took the attendance by roll call.

Members Present: Stacy Ames, Timothy Flaherty, Kathleen Feldman, Julie Flowers, Scott Houseman, Todd Rotondo, Estelle Rand, Paul Guanci

Members Absent: Dominic Copeland

Guanci made a statement about the meeting being recorded by the City of Beverly and streamed by BevCam on channel 99 and BevCam’s YouTube channel. He confirmed that all members present could hear and noted the remote meeting format and process due to Covid-19.

Guanci turned the meeting over to Councilor Flaherty, the Chair of Finance and Property.

Flaherty gave an overview of the process, highlighting that questions should be asked during these meetings by councilors and public participation will be at the hearing on June 14.

**Department Budget Sessions**

**Mayor Cahill- Executive (page 18 of the budget book)**

Cahill shared observations on the Executive Department budget, noting the two new full-time employees. Together money was put into the Executive budget last year to address racial equity issues for training, consulting, and the position of the diversity inclusion and equity director. We had all talked about the sustainability director position during Covid, and a donor offered to fund the position for three years at the levels of 80% of the salary for year one, 60% in year two and 40% in year three. Erina started in October, so we will be paying 20% until October and then 40% from October to June.

Flaherty asked if the positions would remain in the Mayor’s Office or under HR.

Cahill stated they are both best situated where they are now.

Rand asked about the parts of the budget that go out of the City budget, like the purchase of service section on page 19 of the budget, and what is being supported.

Cahill stated these must be made known publicly and organizations can apply for the funds through the RFP process. In recent years, there has only been one applicant in each area. The first line, Emergency Shelter and Support of Beverly Homeless Population, has gone to River House, now part of Lifebridge. They have not requested that recently, but it is there and available. The Outreach and Coordination Work line Beverly Bootstraps has applied for in the past. The Consultant line stays in the office. City Youth goes to the McPherson Center. Economic Stimulus in the past has gone to the Greater Beverly Chamber of Commerce in recent

years and to the biotech incubator in the Cummings Center. The last line is the Summer Literacy, Summer Learning Program that is run in partnership with Hannah School and the Y. Downtown Initiatives is for the support of downtown; in the past Beverly Main Streets has applied. What we are hoping to do this year is see what they need and try to provide that in ARPA funds. If it makes sense to up that number, it would be next year hopefully when there is some relief from the pandemic. They have done incredible work this year and are important long term to helping this economy downtown. It has really put them in a critical space in terms of trying to survive and help support downtown, so we want to work together with them to make sure that is possible.

Rand asked if on page 21 the reserve for appropriation is part of the Executive budget as well.

Cahill confirmed it is part of the Executive budget.

Rand asked for details on why the reserve for service buyouts is larger.

Bryant Ayles, Finance Director, stated it typically is budgeted at the beginning of the year at \$350,000-\$400,000. What actually gets spent and transferred out of this varies from year to year. When it is more than what was budgeted, we appropriate from other areas, but on average this \$395,000 is likely what would be spent.

Rand asked how much of the differences in the overall budget are reimbursable by state or federal funding due to Covid.

Ayles stated that none of these expenditures will ultimately be reimbursed because those funds are already accounted for in a separate bucket.

Cahill clarified that ARPA is the American Rescue Plan Act, which is money that will go directly to cities and towns and can be spent from now to 2026 to help recover as a community from Covid.

Flaherty stated McPherson is run by the Youth Collaboration Board, which is a collaboration of the City and the Y.

Houseman asked Mayor Cahill to reflect or comment upon the nature of the increase of staffing on the executive side and how the Mayor's Office and the city government benefit by the addition of these staff positions. They certainly have been helpful to the Council.

Cahill stated these positions are really meant to be resources for everyone. Since being elected, the chief of staff, constituent services position, and grant director were created. Before that, certain things got left out during the recession. One of the unfortunate impacts of that was that several department heads in those early years of the 2010s found themselves handling that work which got in the way of them doing their other work. The team in place now does fantastic work and provides those resources we need. Since Erina came on board as sustainability director, her plate filled up in about a day, and a lot of it was projects other departments had all been juggling. By bringing her onboard, she could run point on a lot of things. She has stepped into projects midstream, moved things forward and been able to devote time to new outreach. Some of the work was getting done by other people who were overloaded and some of it wasn't getting done before Erina came. The most recent addition, Abu, is doing incredible work building relationships, partnerships, and bridges. He is a talented person.

Feldman asked about the line item Other Expenses on page 19 with the equity audit and if that will mean that work will be complete after this or if more work in that line item will be projected.

Cahill stated about \$25,000 is needed for the contract with consultants for the racial equity audit, and there is about \$30,000 to work with in that line, but there is not a hard plan for everything in that line at this time.

Abu Toppin, Diversity, Equality and Inclusion Director, stated that money will allow for initiatives and trainings to be opened up.

### **Gerry Perry-Budget Analyst**

Perry stated his opinion is that this is a balanced budget. The overall budget increase is 3.59% from the previous year. It does also have the tax rate go up by two and a half percent as allowed by state law. It does not use any stabilization funds as it did last year during Covid. The administration suggests the usage of \$875,000 in new growth. There are drawdowns from the recreation and senior center retained earnings. The schools are receiving a 3.3% increase from FY21. The Mayor has put a little more investment on the municipal side compared to other years, which is a good decision. One of those areas is debt. The finance director has done a great job in giving a reduced anticipated debt schedule. Sanitation costs have gone up quite a bit from 2.6 million to 3.3 million, which will be experienced by all municipalities in the area because the cost of collecting and disposing trash is going up. It was a wise decision to add another full-time employee to the IT department. A few more officers and the public safety dispatch are coming onboard. Perry recommended the Council spend some time on the water and sewer rates. The overall water budget is increasing by 4.3%, and the rates would be increasing from \$3.02 per 100 cubic feet to \$3.17 per 100 cubic feet. In order to offset the 4.3% increase, the administration is suggesting transferring \$900,000 from water retained earnings, which is 78% of the fund. Perry stated it is a similar situation for sewer, with a 6.2% budget increase, raising the rate a bit, but the increase will mostly be taken from retained earnings as certified by the state. Because so much of the fund balance is being drawn down, there is a possibility of seeing lower retained earnings next year and not having the same amount of money to support the increases next year. Perry stated from his perspective it is a good budget and he would recommend it from a purely financial perspective and defer to the councilors for a policy perspective.

### **Bryant Ayles-Assessors/IT/ Enterprise Funds/Revenues (page 24 of the budget book)**

Ayles stated that if questions arise in the next few meetings that we may not have an answer to right away, we will take notes and get back to the Council before the proceedings draw to a conclusion. As far as the Finance Department which includes Accounting, Assessor, Treasurer/Collector, Procurement, and Information Technology, collectively year over year we are looking at a \$16,000 increase. There are approximately 25 staff members in those departments. Accounting houses all of the City's liability insurance. That is an increase of about \$40,000 because of the value of the new police station. Regarding the IT budget increase, we have felt the need to increase the staffing budget by one, someone who is solely to focus on help desk support. Every time they get a call, it takes away from website support, network and other

long-term planning. To offset that increased cost, there is a decrease in license programs. The other thing to note within the assessor's department that everyone should be aware of is that every five years we have to go through a revaluation process. We will begin that effort later in FY22. There are no expenses built into this operating budget for that, and we will come to you for a separate appropriation which will span several years.

Rand and Ayles confirmed that the new position in IT is under 1138151127 (page 27) where it says vacant. Rand asked on page 30 line 1141358803, if that is the process when the Cummings Center does not agree with the City's assessment.

Ayles stated there is some support in that line for the Cummings Center. There are unique properties that require outside consulting, so this line is for specialists.

Houseman stated he has spent time working with the IT department and can't sing their praises enough, so it is good to see them getting extra resources as well as a better physical facility to work in. Hopefully they can move out of the basement as the old police station is renovated and City Hall is improved. We only have to look at ransomware cases to see how valuable they are. As chair of the Financial Forecasting Committee, a deficit was projected going into the budget season. Houseman asked if Mr. Ayles and Mr. Perry could address how the administration goes about taking the information from that report and comes up with a balanced budget.

Ayles stated as we get closer to the budget process, a lot more of those variables become clearer and we are able to make other types of spending decisions. There are other aspects like school spending and state aid. This year state aid came in higher than expected.

Perry stated there was relief in education costs, and the City got more state aid than expected, so all of that is what made it possible to balance the budget. It was extremely helpful to have the financial forecasting done in the timeframe set by ordinance. Perry complimented Councilors Ames and Houseman for getting that done in a timely manner.

Houseman asked Mr. Ayles to reflect on the value that the budget analyst adds to the City.

Ayles stated that the ability for Mr. Perry to be a resource for elected officials is very helpful.

Houseman asked Mr. Perry for his perspective.

Perry said going back to 1993 when the City got into trouble, the story was that the councilors and mayor were pointing at each other, and it was an unbalanced budget that caused a lot of trouble. It is a check and balances. It protects the fiduciary position of the City. Since coming onboard almost five years ago, numerous other cities are doing this now. Perry stated he hopes that he has been able to add service, not only to the council, but to the administration and the citizens of the community.

Houseman said the relationship has been a very positive one that has added value. He thanked Flaherty for his role the last time the charter was reviewed and the position was created.

Flaherty said he could not take full credit, but a lot of the current charter was shaped in response to the City's financial troubles and there are clear lines of responsibility and accountability.

Ames asked Mr. Ayles for an Excel version of the budget.

### **Pauline Teixeira-Human Resources (page 37 of the budget book)**

Teixeira gave an overview of the Human Resources budget. The first section is related to salaries for employees within the department. Purchase of service includes seminars and training for those within the department. Employee physicals are for the pre-employment physicals, and there is funding for recertification of DOT licenses. There have been increases in advertising in an effort to broaden posting locations in order to broaden outreach.

Flaherty asked if there has been difficulty in hiring people lately, noting that restaurants and other small businesses have had trouble finding help recently.

Teixeira stated she has not really seen that and has been getting a lot of responses to City job postings.

Rand asked what projects there may be that would require overtime this year.

Teixeira stated overtime may be used if there is a career fair that employees would go to in addition to their regular working hours or projects like the Affordable Care Act report. Teixeira stated she is working with Mr. Toppin and Dr. Morgan to have a career fair in late summer or fall.

Flowers asked about the places that they are hoping to expand to posting jobs like diversity.com.

Teixeira listed a few like the NAACP job finder, blackjobs.com, and blackcareernetwork.com. Handshake does not cost extra but is where the City can reach out to colleges.

### **Stephanie Williams-Solicitor (page 34 of the budget book)**

Williams said the legal office's basic job is to protect the City's legal interest. The day-to-day core function is to advise City employees, boards, elected officials and commissions with respect to their official authorities. There are 30 different departments in the City, so it is important for the department to have a significant breadth of knowledge. On top of that, there are the basic rules and regulations like open meeting, conflict of interest, public records and procurement law. The legal office is available regularly to advise employees with respect to those issues. Other core functions include contract review; to date this year 176 contracts have been reviewed. As of this time last year 117 had been reviewed; that is a pretty significant increase and is really a reflection of how busy all the different departments are with respect to the different initiatives and projects that they are handling. The law department is responsible for drafting legal opinions, contracts, agreements, leases, licenses, deeds, easements, and purchase and sale agreements. The law department is responsible for prosecuting and defending in all court cases and any arbitrations. The law department assists with drafting and review of ordinances and orders that go to the City Council as needed and attends the meetings of public bodies, including the City Council, as needed. All of this is just in the ordinary course of business and assuming there is no crisis or unforeseen event that arises. The pandemic has brought and will continue to bring new issues. Union contract negotiations are beginning. There are about 12 active court cases; the majority of them are land use regulation cases but also others more mundane types. The case right now that is taking up a fair amount of litigation resources is the Burnham litigation. That is the one line item in the budget that this year is a larger number than the past three or four years. We are asking for more this year in order to be able to ensure that we continue to protect the

City's legal interests. The line item in the budget with an increase is for specialized matters/outside counsel; those costs go up every year but is also increased because of active cases.

Houseman stated that the department has a broad set of responsibilities and asked about the lines of delineation in terms of providing support to the City Council.

Williams stated the staff of the legal office are all available to provide support to the City Council. Williams stated she works with different people individually if they reach out and would like to draft an ordinance or some kind of order. Occasionally, councilors have questions that relate to an issue that arises with a constituent. As far as official legal advice to the City Council, boards and commissions, any public body can only act as a public body, so the City Council would have to vote to request a legal opinion. Someone from the legal department typically attends meetings and is available to answer questions about procedure, licenses, or other orders that are before the City Council. The legal department represent the City's interest, not one particular individual, and advises those with respect to their official responsibilities, and that would include the City Council as a body.

Houseman asked if Williams could delineate the role that the solicitor's office has with regard to if an ordinance were to be drafted by a city councilor for submission to the Council. Houseman stated at a recent Legal Affairs Committee meeting, he had asked about the substance of an ordinance being discussed and was told that it was reviewed by the solicitor's office to make sure it was consistent with state law and not problematic, but the wording of the ordinance itself was not for the solicitor's office to decide.

Williams stated the councilors make policy. Williams stated that when councilors come up with an outline or framework of the policy goal, she would typically cull together a sampling or variety from other communities and send it to a councilor to highlight what they like or don't like, then once there is a working draft, it may be edited to clarify and ensure there is no ambiguity and that it is consistent with state law. It is more accurate to say that the solicitor's office tends to stay away from making a decision about whether or not the policy is a good idea. The solicitor's office makes sure it is a legally sound document and does not typically do the ordinance out of whole cloth because it may be the initiative of one or two city councilors, and the law department really works for the City Council as a body.

Houseman asked about the contrast between that approach of supporting the councilors on ordinances to the work performed for the executive branch in drafting and negotiating leases, contracts, easements and so forth, which is fairly detailed language drafting work.

Williams stated they are two different branches of government. The City Council is the legislative branch and drafts ordinances, and detailed information is provided to city councilors; the legal department does not make policy with city councilors. Comparable services are provided to the executive branch.

### **David Perinchief-Veteran's Agent (page 104 of the budget book)**

Perinchief thanked everyone for continuing the temporary helpline. It is going to be great to keep doing the work that we are doing with restorations of graves and the upkeep of some of the markers around the City.

Guanci thanked Perinchief for his work and the recent Memorial Day events and stated how nice it was to see 25 veterans over 80 years old recognized.

Perinchief credited the Veterans Advisory Committee and Senator Lovely's office for a lot of that work of getting the names and certificates together.

### **David Gelineau-Purchasing (page 35 of the budget book)**

Gelineau said his budget is pretty straightforward. It has been an interesting year. With PPE and Covid testing, it has been challenging and rewarding.

Houseman noted the advertising section of the budget has a decrease and asked how that might intersect with diversity efforts in the City.

Gelineau stated he is required to advertise for certain postings. The central register is where contractors are used to looking for bids as well as the goods and services providers are used to looking at the good and services bulletin, so they are probably the best places to advertise. Certainly if the directive is to also advertise somewhere else, we would follow through on that.

Cahill stated that with both the racial equity audit and taskforce work, these conversations may lead to some recommended action items. Everything has to comply with state law, and we are also trying to travel a path that will hopefully include more opportunities for minority-owned businesses, LGTB-owned businesses and others to be more actively involved and have more opportunities.

Houseman thanked Mr. Gelineau for the work he does.

Ames asked if an assessment of the different contracts that have been given out has been done and what percentage go to non-white-owned firms currently and where the City is hoping to go.

Gelineau said it is a big question, and we want to do the right thing and ask the right questions, but that has not been looked at yet. He stated that his door is always open to continue this conversation.

### **Steven Fredrickson-Inspectional Services (page 43 of the budget book)**

Fredrickson reviewed the types of inspections provided and stated they issue probably an average of 4,000 permits per year as well as enforcing regulations. This year has required flexibility with remote inspections and online permitting.

Rand asked about any changes coming up in terms of inspectional policies.

Fredrickson stated he serves on the state board and they are looking at net-zero construction. In 2022 there will be public hearings with the goal of implementing it by 2023.

Rand asked if that would require additional training.

Fredrickson stated everyone is required to do a certain amount of training every year, but this would require a third-party review or report. The burden would not be added much on inspectional services but really on third-party inspectors.

Rand asked about household water use and if there are any things coming up in regulations around household water use in Massachusetts that would allow things like gray water usage, catching rainwater or more sustainable use of water when it comes to building codes or regulations.

Fredrickson said not that he has heard. There is an International Green Construction Code the state has not adopted that may get into things like that.

Rand and Houseman recognized the work and knowledge of Mr. Fredrickson's department and his professionalism and expertise.

### **Bruce Doig-Parks & Recreation/Enterprise Funds (page 111 of the budget book)**

Doig stated that unfortunately last year there was about \$75,000 in lost revenue with parking permits and more with the lower enrollment in youth programs and higher staffing costs due to Covid regulations, so it has been a tough year from the enterprise funds perspective. We are still healthy enough to continue and hopefully have great programs.

Ayles stated the intent of this year is to provide robust programming; we felt the best strategy for going about this is to build in a transfer from the fund balance to support the spending levels. What that will do is act as a draw to infuse money into the fund because the bulk of the revenues happen later in the fiscal year, so if we infuse the money up front, it allows Bruce to perform the level of service that he wants to provide, and in the event that revenues exceed what we have seen over the last year, it will effectively just replenish the fund balance. Ayles stated it is almost like a contingency to use the fund balance this way.

Guanci left the meeting at 9:03pm.

Rand asked what park is the park of the year.

Doig stated all the parks have been renovated. The park of the year fund was to get them all up to date. This year the money will be used for replenishing safety surfacing in the parks and repairs to broken equipment.

Ayles clarified that in terms of the park of the year funding, FY21 saw a reduction to \$25,000. The budget before the Council now replenishes it to \$50,000.

Rand suggested renaming the fund if it is no longer being used for a park of the year.

Doig stated that it really is an ongoing maintenance fund; there will be occasions where some is contributed to match the CPC or a project at a specific park.

Feldman asked about any programming on diversity and inclusion.

Doig stated he is looking with Mayor Cahill and Mr. Toppin at how to expand to become a more diverse workforce and get the word out that there are still positions available. The goal is also to encourage kids in the park program now to become counselors in training (CIT) and recruit from the councilors in training to become employees so there is a feeder system for staff.

There was discussion between Doig and Flowers about the CIT program, which is currently unpaid and has a fee to participate. Scholarships are offered, but a lot of kids would rather be making money during the summer, and it really is a position of privilege to be able to do an

unpaid CIT program. We could have a conversation together to see how to support that in the future.

Flowers asked about online permitting for use of fields.

Doig stated Parks and Recreation is getting set up with CentralSquare for use of the parking permits at Lynch Park to be able to take credit cards, and it is something that is being worked towards.

There was discussion about portable restrooms for the park programs and if those were in the budget.

Ames stated that parks are such an asset and offered to help with outreach.

Flaherty noted the next meeting will be tomorrow night at 7pm by Google meet.

Rand motioned to adjourn Finance and Property. Flaherty seconded. A roll call vote was taken, and the motion carried (2-0).

The motion was made and seconded to adjourn the Committee of the Whole. A roll call vote was taken, and the motion carried (7-0). The meeting adjourned at 9:29pm.