

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

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## FINANCE AND PROPERTY / CITY COUNCIL COMMITTEE OF THE WHOLE MINUTES

Wednesday, June 15, 2022, 6:30PM

City Council Chambers, 3<sup>rd</sup> Floor, Beverly City Hall, 191 Cabot St.

Houseman called the meeting to order at 6:33pm.

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

Other Councilors present: Hannah Bowen (arrived at 6:41pm), Steven Crowley, Kathleen Feldman, Estelle Rand, Todd Rotondo, Brendan Sweeney

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

City Council Budget Analyst Gerry Perry presented a memo on the spending percentage as requested by Committee Chair Houseman. In the proposed FY2023 budget, municipal spending increases by 3.08% and school spending increases by 6.1%. Perry stated the City will see a substantial increase in Chapter 70 funding for schools, which is driving some of this.

Bowen arrived at 6:41pm.

### Public Schools – Dr. Sue Charochak

Charochak presented the district goals of creating conditions that promote equity, rigorous and consistent curriculum, innovative practices, and operations and management practices. Charochak also shared some focus areas for the next academic year, factors that impact the budget, and information on Chapter 70 funding.

A copy of the presentation was filed with the FY2023 budget book in the Clerk's Office.

St. Hilaire asked what success looks like for schools, what is being measured at the end of the year and what the metrics are.

Charochak stated there is a district improvement plan and improvement plans for each building. Those are used to see how the district and schools measure up to those plans and goals.

Flowers asked about the increase in contractual obligations and noted that it seems like the City's contribution does not quite cover those.

Charochak stated the district has taken restructuring opportunities where possible and is looking in the appropriated budget to make sure it is level-service so that there is not a cliff budget in 2025 when the ESSR funding is gone. Throughout this there are a number of allowable expenses that can be covered with ESSR.

Flowers asked about the difference between the total number in the School Committee budget and in the appropriation.

Finance Director Bryant Ayles stated it is essentially a scrivener's error and will be resolved.

Houseman asked about the ESSR-funded teacher positions that were in the presentation.

Charochak stated if it has ESSR next to it, then the decreases were funded on ESSR I and the increases will be funded on ESSR II or III.

Houseman asked about sustainability from a staffing point of view.

Charochak stated the positions that are on ESSR are knowingly put on ESSR. When they are advertised and hired, it says it is an ESSR-funded position and a one-year contract, so those folks know. The City Connects counselors are in the appropriated budget because the school department is making a minimum five-year commitment to this opportunity. Two positions on ESSR are middle school reading teachers. There are two middle school reading teachers in the appropriated budget and then two additional middle school reading teachers that are ESSR funded. This was done largely because of some of the gaps that were seen for students in grades five and six, but it is anticipated that need will go away. Those positions will no longer exist when they are not needed and the ESSR funding goes away, then it will go back to two reading teachers. There are some

positions that have been identified to move to the appropriated budget. For example, with a couple of director positions that were fully funded on ESSR in FY22, now 50% of that funding has been moved into the appropriated budget. Charochak stated she does anticipate another Chapter 70 increase and intends to move the remaining part of those positions into the appropriated budget or other grants. There are a lot of other expenses that are truly one-time expenses that are being looked at for ESSR funding.

Houseman asked about the impacts of Covid on families that may be facing homelessness or other economic ripple effects and if City Connect specifically addresses those impacts in the student population.

Charochak stated that the school department is really still identifying those impacts because it may come in different shapes every year. Resources need to be identified prior to a crisis. There are eight buildings including the preschool, and City Connects will be one place where school adjustment counselors can go and access the community resources they need. This also will help identify resources that might be missing. City Connects has been around for 20 years even though it is a new initiative in Beverly, so they are not only addressing Covid impacts.

Feldman asked if Chapter 70 funding has strings attached to what it can be spent on, how that might impact future planning, and if the City can rely on getting the same amount going forward.

Charochak stated she believes there are no strings attached, unlike ESSR which has allowable funding. It is based on students but should not fall below \$30 per student. There was some discussion of the Student Opportunity Act, which is in the second year of a six-year phase.

Sweeney asked if the \$30 minimum increases in the following phases.

Charochak stated she is not sure about that specifically. There are other things that are increasing throughout the phases, like special education transportation where the funding formula reimbursement starts at 25%, then goes to 50%, 75%, then 100%. There has also been extra funding provided to communities that received the minimum of \$30, but that may be more of an annual decision.

Rand stated she appreciated what Dr. Charochak said during the presentation about elevating student voices since that will help create conditions that form equity. Rand asked if anti-bias training is included for paraprofessionals.

Charochak stated the training provided is districtwide and includes paras, clerks, transportation, and food service. Anti-bias training is targeted to all employees so they have the tools they need rather than just a one-time class.

Rand referenced a part of Dr. Charochak's presentation about the district providing transportation for Beverly students whose families live in shelters or temporary housing in other communities and said that she would be interested in having out of the box conversations about how much it would cost to just house those families versus transporting those students.

Rotondo asked about the Elementary Library resource.

Charochak stated the intention is not to replace the volunteers but to support the parent volunteers.

Bowen asked a clarifying question on how school choice funding works and where that is factored into the budget.

Charochak stated the School Committee votes annually for the number of seats available for students to opt into Beverly schools. Once a student is awarded a school choice seat, they have the right to stay through graduation. There are few available seats. When someone opts in, funding comes from the Department of Education. Revenues come into a revolving account which are utilized to offset salaries for teachers. The City receives the bill for students that go out of the system.

Bowen asked, in thinking about how teachers and staff are doing after a few difficult years, what the summer looks like with recovery, preparation time and plans to support staff.

Charochak stated there are opportunities for teachers to do curriculum work over the summer, which sounds like work, but for many can be a time to get grounded again. The hope is that solid planning and the feeling that schools will be going back to a somewhat more stable start of the school year will be helpful.

Sweeney asked if it is typical for the special education circuit breaker that the 75% funding that is currently projected throughout the state budget is the level that will hold until the state budget is finalized.

Charochak stated that one of the unique things about the circuit breaker is that it comes a year later, so the revolving account is actually the receipts from the previous year. There are requirements on how to spend that. One of the recommendations for a stable school system is to make sure to carry 100% funding for the circuit breaker from one year into the next. Five or six years ago, the system was at 25%, which came on the heels of 14 move-ins in one year. Now it is more around 72-75%. Charochak stated she is pretty confident that percentage of reimbursements will be available.

Sweeney asked about the metrics of success for the City Connects program.

Charochak stated that there is an action plan and metrics in the goal area. A lot of the first year really is building this virtual dashboard.

The motion for a five minutes recess until 8:15pm was made and seconded. A vote was taken, and the motion carried unanimously.

Houseman called the meeting back to order.

### **Airport – Gloria Boullion**

Boullion talked about her work bringing the airport up to being run like a business and an upcoming project to extend a runway. Boullion stated airport operations have grown over 40% in the past four years.

St. Hilaire asked about economic development around the airport like restaurants or other businesses.

Boullion stated there is some acreage available and demand for that space.

There was some discussion around the runway extension, noise impacts on residents and PFA remediation.

### **Public Services, Engineering & Public Works**

#### **Enterprise Funds: Airport, Golf & Tennis, Water/Sewer – Mike Collins**

St. Hilaire asked about the transition of parking enforcement to the engineering department and about the revenue stream.

Ayles stated that parking meter revenues go into a special revolving fund. Some money is pulled from that every year for general fund operations, but the money is deposited in a separate fund so it is not seen here.

Ayles stated that with the pandemic, there has not really been a whole 12-month report on activities since the transition. Ayles estimated the City brings in about \$300,000 to \$400,000 a year in meter revenue and about another \$200,000 in violation revenues.

Bowen asked about the vision of parking going forward.

Collins stated that Beverly does not see parking as a large revenue stream. The City has a lot of parking, it just needs to be utilized and managed efficiently. The number one goal is to help the businesses thrive downtown by generating open parking spaces in front of their doors so they can get high turnover. In that regard, it seems to have been very successful. It has been difficult to assess the success of the program because something has happened every year whether it be Covid or software changes, so there has not been a clean year of data to really lean on and say how much revenue can be counted on going forward. Philosophically, the City is looking to manage a system that really helps the businesses as much as possible and helps the people who live between Cabot Street and Rantoul Street by getting the people who are commuting to Boston to not park their cars in front of somebody's house all day long. The way the City is managing residential parking with the permit program seems to be reasonably successful; some tweaks are being made to it. The department has observant enforcement personnel who give a lot of great feedback. The kiosks are incredibly maintenance intensive, so it will be nice when it is all software and app-based.

When looking at the sanitation section of the budget, Bowen asked for clarification on the amount in line 49710 versus the 2021 actual, and Ayles stated he would look into it.

Rand asked about vacancies in the department and increasing salaries or hiring people coming out of the technical school.

Collins stated whatever is done as far as increases go will have a ripple effect with unions. Generally there is trouble hiring now. Collins stated he has been working on developing a relationship with Essex Tech but those graduates have people standing in line to hire them.

Sweeney asked about the sidewalk program line 55366 which seems separate from the larger road and sidewalk projects.

Collins stated this is more for things done internally to address individual requests rather than work done by a contractor. It is mostly for the cost of materials since the work is done in-house to address smaller issues versus large repaving projects.

Bowen asked about storm water drainage and flooding. In the Capital Improvement Plan, it mentions \$125,000 in drainage or storm water work and \$50,000 in brook clearing that are built into the operating budget. Bowen asked where to find those in the budget.

Collins stated some of what is in the capital expenditure plan is more hopeful and does not mean it is put into the budget. Collins said that any storm water related items are within the Sewer Enterprise Fund. A number of years ago the Department of Revenue clarified that cities and towns could move their storm water expenses to be housed within the sewer enterprise funds, so the City of Beverly did that.

St. Hilaire confirmed with Collins that the vehicle fuel line 54810 is expected to be enough with rising costs. Flowers asked about animal disposal line 53837 to confirm that this is if an animal is hit on a road and separate from pest management.

Collins confirmed that this is different and stated that cats and dogs are stored and cataloged when picked up. If the owner wants to pick them up, they can, or the City brings them to a crematorium.

Bowen asked about other small dead animals such as rats or wildlife.

Collins stated the City does not pick those up and they quickly get taken care of by nature.

There was some discussion of funding for equipment purchases, current costs and manufacturing delays. Collins stated the City sometimes wait until closer to the end of the fiscal year to sign the contracts to make sure there is not some other disaster that needs to be covered.

Houseman asked if the streets hypothetically were all at the ideal level, what would be the ongoing cost to maintain them in that kind of condition.

Collins said if, for example, all the streets were perfect today and scored 100% on the Pavement Condition Index (PCI) that is probably not a great place to be because there would not be much cost incurred the first year, second year or third year. After that there would start to be preservation costs, which for all 650 streets at the same time could be fairly significant. If it was managed that way, every street would hit the same threshold at the same time. It would be very difficult to budget because there would be minimal cost for a couple years and then they would ramp up and become crushing costs. The current program is very expensive because the City is building connectivity for the first time on many streets by putting in sidewalks, curbing and drainage infrastructure that does not exist, so going forward, once all that stuff is in the ground, it will become a lot easier to maintain the road network. The next iteration of maintenance will be far cheaper than what was invested for the long term. Spending more up front to build the road to a higher level of service pays for itself more than two and a half fold in the long run with lower maintenance costs, and the total cost of ownership goes down if the road is built to last longer.

Rotondo asked about the sodium chloride budget in the snow and ice section.

Collins stated that every city and town underfunds this area and hopes for a light winter because once these line items are increased, they can never be decreased.

Sweeney asked if there is a planned reserve in case the winter is worse than expected.

Collins stated that the law allows overspending in snow and ice to be carried to the next fiscal year, which is unusual. The City almost did that in 2015 when it went over by about two million dollars but ended up covering it with various transfers instead. A lot of it ends up being covered internally from the DPS budget by shifting things around. In the grand scheme of the City's budget, it is usually something that can be figured out.

Houseman asked about fence repair money in the cemetery section of the budget where the budget shows \$10,000 and yet no repairs have been done.

Collins stated that the line used to have \$20,000 in it, and that was just enough if the City did work in-house, but costs have increased so this is not really enough and there is not the capacity to do it in-house anymore. That money was diverted to cutting grass and maintaining basic operations at cemeteries.

When looking at the Electric Division, Rand said it is great to see the savings from switching over to LED and asked about the use of the dashboard that controls lighting.

Collins stated the dashboard has been used to set dimming schedules. The City is paying a lot less for electric bills than before.

There was some discussion on the possibility of a dark sky ordinance.

Rand asked about public tree maintenance under the parks and forestry section of the budget, and how National Grid coming through and trimming trees near the power lines affects the City's budget.

Collins stated that National Grid has a full-time arborist who works closely with the City's forestry and grounds foreman. Sometimes the work they are doing helps the City out. It has been a tough 20 years for trees with some devastating species of insects and microorganisms. It continues to get more challenging.

Bowen asked about the decrease in the tree replacement line this year.

Collins said that the City plants trees as part of the paving program, which is above and beyond what is funded here. 200-250 trees are planted per year. That is about the limit, based not so much on funding, but on the department's capacity for maintaining new trees.

In regards to the water enterprise fund, Collins stated there is a shortfall in revenue this year due to fewer permit fees and demand fees for new construction. Hopefully that will rebound next year. The expenses go towards operations, contractors, engineering services, debt service, wholesale buying of water, and a transfer to the general fund. Collins also spoke briefly about the Sewer Enterprise Fund.

Bowen asked about line 52911 with \$20,000 for drainage.

Collins stated this is for specific repairs not extensions or improvements.

Rand and Collins had some discussion about the Goat Hill infrastructure, and Collins stated when the larger National Grid project kicks off that may allow the City to infuse some cash into that area.

In reference to the Golf and Tennis Enterprise Fund, Collins stated that golf has really made a comeback and a plan is being worked on for potential renovations to the club house so it can be more of a community asset.

Rotondo commended Commissioner Collins since this is the only budget that has decreased.

Collins credited the department's professional staff that pulls off amazing work.

There was some discussion on the recent announcement that the Hall-Whitaker Bridge will be closing. Collins said it is already on the replacement list for MassDOT so it is in design but will still take a while. MassDOT is seeing if there is anything they can do to put something temporary to relieve traffic in that area.

The motion to adjourn was made and seconded. A vote was taken, and the motion carried unanimously. The meeting adjourned at 10:09pm.