

Salem City Council
Committee on Administration and Finance
Minutes of Meeting
June 21, 2011

A meeting of the Salem City Council Committee on Administration and Finance, Co – Posted with the Committee of the Whole was held on Tuesday, June 21, 2011 at 6:30p.m. in the Salem City Council Chambers, Salem City Hall, 93 Washington Street, Salem, Massachusetts.

Councillors Present: Chairman Robert McCarthy, Councillor Paul Prevey, Councillor John Ronan, Councillor Steven Pinto, and Councillor Thomas Furey.

Also present were: Mayor Kimberley Driscoll, Finance Director Rich Viscay, Assistant Finance Director, Nina Bridgeman, Mayors Chief of Staff, Jason Silva and Eileen Sacco, Budget Clerk.

Councillor McCarthy stated that this meeting is being taped by SATV to be aired sometime in the future.

Electrical Department

City Electrician John Giardi is present at the meeting.

Mr. Giardi addressed the Committee and explained that the level funded budget for FY12 has no significant budget changes. He noted that there was one retirement in the department this past April and that position has been filled by Richard Para who has a Journeyman's License and that is a plus.

Mr. Giardi reviewed the accomplishments of the Electrical Department this past year. He noted that the fire alarm system is being upgraded on route 107 to accommodate the Bridge Street renovation project..

Mr. Giardi reported that the Salem State Marsh Hall project is near completion and has a state of the art fire alarm system.

Mr. Giardi reported that the city is working with Verizon to transfer the city's fire alarm cable to the new poles being installed throughout the city. He also noted that they are working on eliminating the double poles throughout the city.

Councillor Prevey noted that the electronic speed sign on School Street has no power and asked if they are close to solving that. Mr. Giardi explained that Verizon has custody of the pole and they need to work out a third party agreement to utilize the pole. He also explained that 1,200 pre-cast bases will be installed throughout the city and will be wired by the city.

He noted that the continue to work with the new company that owns National Grid, but noted that things are moving slowly.

Councillor Ronan asked if the LED lights at Lafayette Street and Holly Street have been changed. Mr. Giardi stated that they have been changed.

Councillor Ronan noted that there was a reduction in the electricity line item but no reduction in the street light line. Mr. Viscay reported that there is still another bill to pay for the month of June and explained the year to date expenditures of that line, noting that the report in the budget book was generated in May. He estimated the bill to be about \$56,000. Councillor Ronan suggested that the line could be over budgeted and stated that the June bill will come in the next fiscal year. Mr. Viscay explained the payment process and noted that we cannot pay bills from this fiscal year with funds from next year. He noted that the money is encumbered and the closes out the fiscal year when all bills are paid. Mr. Viscay stated that he thinks it is risky to cut the line and the budget is right on target.

Councillor Pinto noted that the red light at Bridge and North Street is out. Mr. Giardi stated that he would look into that.

There being no further questions or comments regarding the Electrical Department Budget:

Budget Councillor Pinto moved to approve the Personnel Budget for the Electrical Department Budget in the amount of \$261,218.00 seconded by Councillor Furey. The motion carried.

Budget Councillor Pinto moved to approve the Non Personnel Budget for the Electrical Department Budget in the amount of \$772,000.00 seconded by Councillor Furey. The motion carried.

Budget Councillor Pinto moved to approve the total Budget for the Electrical Department Budget in the amount of \$1,033,218.00 seconded by Councillor Furey. The motion carried.

Human Resources

Personnel Director Lisa Cammerata was present at the meeting.

Ms. Cammerata stated that it has been a good year noting that health insurance is the biggest piece of the budget. She noted that they have maintained a strong working relationship with the School Department on all fronts. She also noted along with the City Solicitor and the Finance Department they have successfully negotiated 2010-2011 collective bargaining agreements with the Salem Superior Officers Union, the AFSCME 1818 Union, and the Fire Fighters Union. She stated that the those agreements represent

successful negotiation of moving these employees to the Network Blue NE Option v. 3 health insurance plan a tiered plan that resembles the GIC.

Ms. Cammerata also noted that her department completed a salary schedule for non union employees, noting that our salary schedules have not been modified since 2000 and the data ranges compiled from other communities will assist us in expanding our ranges and in attracting qualified candidates for positions as they become vacant.

Councillor Ronan asked why there is a line in the Personnel Budget for legal services arbitration. Ms. Cammerata explained that she follows up on AFSCME grievances and if they go into arbitration it would be through her office and it would come out of her budget.

Mayor Driscoll stated that she is proposing a 7% increase for Ms. Cammerata noting that he salary is way out of line with that of positions in surrounding communities. She noted that she is trying to keep good people here.

Councillor Ronan stated that Beverly and Peabody are proposing no raises for their employees across the board. He stated that holding raises to 2 ½ % is not punitive on his part. He also stated that the Salem Budget is a third higher than Beverly's budget. Mayor Driscoll stated that is not correct, explaining that the Beverly budget figure referred to in the papers does not include enterprise funds and in reality the budgets are similar.

Councillor Prevey asked what the Education and Training line is for. Ms. Cammerata explained that it is for CSL licenses and MUNIS training that relate directly to jobs. She explained that the employees pay for them and present proof to get reimbursed.

There being no further questions or comments regarding the Personnel Budget:

Councillor Ronan moved to reduce the Personnel Budget for the personnel Department by \$1,777.00 for a total personnel Budget in the amount of \$221,089.00 seconded by Councillor Pinto. The motion carried (3-2) with Councillor Furey and McCarthy opposed.

Councillor Ronan moved to approve the Non Personnel Budget for the Personnel Budget in the amount of \$29,950.00, seconded by Councillor Pinto. The motion carried.

Councillor Ronan moved to approve the total Budget for Personnel Department in the amount of \$251,039.00, seconded by Councillor Pinto. The motion carried with Councillor Furey opposed.

Workman's Compensation

There being no further questions or comments regarding the Workmen's Compensation Budget:

Councillor Ronan moved to approve the Personnel Budget for the Workmen's Compensation Budget in the amount of \$445,000.00 seconded by Councillor Furey. The motion carried.

Councillor Ronan moved to approve the total Budget for the Workmen's Compensation in the amount of \$445,000.00, seconded by Councillor Furey. The motion carried.

Unemployment Compensation

Ms. Cammerata stated that they have successfully protest some unemployment claims this year.

There being no further questions or comments regarding the Unemployment Compensation Budget:

Councillor Ronan moved to approve the Personnel Budget for the Unemployment Compensation Budget in the amount of \$250,000.00 seconded by Councillor Furey. The motion carried.

Councillor Ronan moved to approve the total Budget for the Unemployment Compensation in the amount of \$250,000.00, seconded by Councillor Furey. The motion carried.

Group Insurance

Mayor Driscoll explained the status of the pending legislation regarding plan design.

There being no further questions or comments regarding the Group Insurance Budget:

Councillor Prevey moved to approve the Personnel Budget for the Group Insurance Budget in the amount of \$11,276,999.00 seconded by Councillor Pinto. The motion carried.

Councillor Prevey moved to approve the total Budget for the Workmen's Compensation in the amount of \$11,276,999.00, seconded by Councillor Pinto. The motion carried.

Health Department Budget

Larry Ramden is present at the meeting.

Mr. Viscay noted that Dave Greenbaum crafted the budget for the Health Department but was unable to be here this evening. He introduced Mr. Ramden the new Director of the Health Department.

Councillor Furey welcomed Mr. Ramden and invited him to tell the Councillors about his background. Mr. Ramden stated that he was excited about being in Salem, noting that he was the Director of Public Health for the Town of Reading.

Councillor Ronan suggested that the In State Travel line could be cut \$3,000 noting that the year to date expenditure is \$1,300. Mayor Driscoll explained that \$5,000 is budgeted for mileage for employees who use their personal vehicles for city business. She explained that the city has done away with city cars and the employees get reimbursed. Mr. Viscay explained that the employees get a \$1,500 stipend and they have to submit paperwork to get the stipend.

There being no further questions or comments regarding the Health Department Budget:

Councillor Ronan moved to approve the Personnel Budget for the Health Department Budget in the amount of \$344,000.00 seconded by Councillor Furey. The motion carried

Councillor Ronan moved to approve the Non Personnel Budget for the Health Department Budget in the amount of \$19,600.00 seconded by Councillor Furey. The motion carried

Councillor Ronan moved to approve the total Budget for the Health Department Budget in the amount of \$363,600.00 seconded by Councillor Furey. The motion carried

Parking Department

Mr. James Hacker was present at the meeting.

Mr. Hacker reported that the Parking Department has record revenues for the parking lots and meters in October this year. He noted that the visitor center saw a decrease of 13% this year but that did not affect parking revenues

Mr. Hacker stated that he expects an increase in the electricity cost for the garage next due to rate increases and extended hours of operation in the garages and the addition of lighting fixtures. He also stated that he expects an increase in the telephone line item due to the popularity of the pay by space equipment and credit card use.

Mr. Hacker reported that the main increase in the budget is for painting and cleaning of the stairwells in the South Harbor Garage.

Mayor Driscoll stated that she has included a salary increase that is greater than 2 ½% in this budget. She explained that the salary range for the position is \$65,000-\$74,000. She also noted that the parking department generates significant revenue for the city.

Councillor Prevey asked Mr. Hacker if they would be contracting the painting and cleaning for the South Harbor Garage, or would the city be doing it. Mr. Hacker stated that they would contract it out because it will have to be professionally done.

Councillor Prevey asked if the increase in electricity was for lighting improvements. Mr. Hacker explained that they replaced lights and improved the security lighting and it has made a big difference.

Councillor Prevey stated that he could not support a 7 ½% increase in salary because people are concerned about their taxes. He noted that people have been talking to him about that recently because of the announcement that dominion will be closing.

There being no further questions or comments regarding the Parking Department Budget:

Councillor Ronan moved to reduce the Personnel Budget for the Parking Department by \$2,738.00 for a total personnel Budget in the amount of \$544,904.00 seconded by Councillor Pinto. The motion carried (3-2) with Councillor Furey and McCarthy opposed.

Councillor Ronan moved to reduce the Parking Department non personnel budget by \$10,000.

Mr. Hacker explained that the \$10,000 is proposed for building kiosks for the pay by space machines noting that there have been problems with money and cards getting wet during inclement weather and there have been problems with the machines as a result.

Councillor Prevey noted that he understands Councillor Ronan's intent but he feels that the city should install the kiosks. Councillor Ronan stated that he is concerned about how the funding is listed in the budget.

Councillor McCarthy noted that there was a motion on the floor. There was no second on the motion. The motion FAILED for lack of a second.

Councillor Pinto moved to approve the Non Personnel Budget for the Parking Department Budget in the amount of \$161,100.00, seconded by Councillor Furey. The motion carried (4-1) with Councillor Ronan opposed

Councillor Pinto moved to approve the total Budget for the Parking Department in the amount of \$706,004.00, seconded by Councillor Prevey. The motion carried (4-1) with Councillor Ronan opposed.

Engineering Department

Dave Knowlton, Director of Engineering is present at the meeting. Julie Rose was also present at the meeting.

Mr. Knowlton stated that he has eight full time employees and four part time employees.

Mr. Knowlton explained that they have initiated a city wide paving program utilizing pavement management program Chapter 90 funds. He explained that 26 roadways are to be reconstructed under this \$7 million dollar project. He noted that four streets were completed in the fall of 2010 and the remaining 22 are in process.

Mr. Knowlton stated that Route 1A reconstruction project started in April 2010 and was funded by ARRA funds.

Mr. Knowlton reported that the Canal Street project is at 75% design and will be funded by the TIP program. He also noted that the Boston Street project is in the conceptual design phase.

Councillor Ronan questioned the purchase of a filing cabinet for plans and noted that the Registry of Deeds has cabinets that they will not be using when they move into the new facility. Mr. Knowlton stated that the cabinet purchase is a start to getting a handle on the plans retained by the department and get them in order.

Councillor Prevey noted that Mr. Knowlton reported in the budget that there were 225 road way openings permits issued this year and asked if there is a charge for the permits. Mr. Knowlton stated that a new water or sewer permit is \$500.00, repair of an existing line is \$200.00, and an opening permit for utility companies is \$500.00. Councillor Prevey asked who sets the fees. Mr. Knowlton stated that the fees are governed by ordinance. Councillor Prevey asked if the fees go into the general fund. Mr. Knowlton stated that the go into the general fund.

There being no further questions or comments regarding the Engineering Budget:

Councillor Prevey moved to approve the Personnel Budget for the Engineering Department Budget in the amount of \$72,320.00 seconded by Councillor Ronan. The motion carried.

Councillor Prevey moved to approve the Non Personnel Budget for the Engineering Department Budget in the amount of \$5,750.00 seconded by Councillor Pinto. The motion carried.

Councillor Prevey moved to approve the total Budget for the Engineering Department Budget in the amount of \$78,070.00 seconded by Councillor Pinto. The motion carried.

Engineering – Water Enterprise Budget

Councillor Ronan question the expense for the copy machine and stated that he thought that it was high for a copier. Mr. Knowlton explained that it is a copier/scanner and the cost includes maintenance, toner and copies over the contract amount.

There being no further questions or comments regarding the Engineering Water Enterprise Budget:

Councillor Ronan moved to approve the Personnel Budget for the Engineering – Water Enterprise Budget in the amount of \$178,687.00. Seconded by Councillor Prevey. The motion carried.

Councillor Ronan moved to reduce the Non Personnel Budget for the Engineering Water Enterprise Budget in the amount of \$1,500.00. There was no second on the motion. The motion FAILED for lack of a second.

Councillor Prevey moved to approve the Non Personnel Budget for the Engineering Water Enterprise Department Budget in the amount of \$348,845.00 seconded by Councillor Pinto. The motion carried (4-1 with Councillor Ronan opposed).

Councillor Ronan moved to approve the total Budget for the Engineering Water Enterprise Budget in the amount of \$527,532.00, seconded by Councillor Pinto. The motion carried (4-1 with Councillor Ronan opposed).

Trash Enterprise Budget

Mr. Knowlton reported that there has been a 26% reduction in solid waste disposal and the city's recycling program has increased 4% this year.

Councillor Ronan questioned the \$2,500 Accounting and Auditing Expense. Mr. Viscay explained that the \$2,500 is the Engineering Department share of the total cost of the audit done on the city. He noted that the bulk of the cost is listed in the Mayor's budget.

Councillor Ronan questioned the education and expense item of \$2,000. Mr. Viscay explained that an average daily training costs between \$800-\$1,000 and this would be used for MUNIS etc. He noted that training is important and the departments use the money as they need it for training.

There being no further questions or comments regarding the Trash Enterprise Budget:

Councillor Pinto moved to approve the Personnel Budget for the Trash Enterprise Budget in the amount of \$32,990.00 seconded by Councillor Prevey. The motion carried.

Councillor Pinto moved to approve the Non Personnel Budget for the Trash Enterprise Budget in the amount of \$2,706,991.00 seconded by Councillor Prevey. The motion carried.

Councillor Pinto moved to approve the total Budget for the Trash Enterprise Budget in the amount of \$2,739,981.00, seconded by Councillor Furey. The motion carried (4-1 with Ronan opposed).

Treasurer Debt Service

There being no further questions or comments regarding the Treasurer Debt Service Budget:

Councillor Ronan moved to approve the Non Personnel Budget for the Harbormaster's Department Budget in the amount of \$166,125.00 seconded by Councillor Prevey. The motion carried.

Councillor Ronan moved to approve the total Budget for the Treasurers Debt Service in the amount of \$166,125.00, seconded by Councillor Furey. The motion carried.

SESD Assessment

There being no further questions or comments regarding the SESD Assessment Budget:

Councillor Ronan moved to approve the Non Personnel Budget for the SESD Assessment Budget in the amount of \$6,140,989.00 seconded by Councillor Prevey. The motion carried.

Councillor Ronan moved to approve the total Budget for the SESD Assessment Budget in the amount of \$6,140,989.00, seconded by Councillor Furey. The motion carried.

Insurance Deductible - Sewer

There being no further questions or comments regarding the Insurance Budget:

Councillor Ronan moved to approve the Non Personnel Budget for the Insurance Deductible Budget in the amount of \$5,000.00 seconded by Councillor Pinto. The motion carried.

Councillor Ronan moved to approve the total Budget for the Insurance Deductible Budget in the amount of \$5,000.00, seconded by Councillor Furey. The motion carried.

Water Long Term Debt

There being no further questions or comments regarding the Water Long Term Debt Budget:

Councillor Ronan moved to approve the Non Personnel Budget for the Water Long Term Debt Budget in the amount of \$1,130,050.00 seconded by Councillor Pinto. The motion carried.

Councillor Ronan moved to approve the total Non Personnel Budget for the Water Long Term Debt Budget in the amount of \$1,130,050.00 seconded by Councillor Pinto. The motion carried.

SBWSB Budget

There being no further questions or comments regarding the Salem Beverly Water Supply Board Budget:

Councillor Ronan moved to approve the Non Personnel Budget for the SBWSB Budget in the amount of \$2,403,095.00 seconded by Councillor Pinto. The motion carried.

Councillor Ronan moved to approve the total Non Personnel Budget for the Water Long Term Debt Budget in the amount of \$2,403,095.00 seconded by Councillor Pinto. The motion carried.

Insurance Deductible - Water

There being no further questions or comments regarding the Insurance Budget:

Councillor Ronan moved to approve the Non Personnel Budget for the Insurance Deductible Budget in the amount of \$5,000.00 seconded by Councillor Pinto. The motion carried.

Councillor Ronan moved to approve the total Budget for the Insurance Deductible Budget in the amount of \$5,000.00, seconded by Councillor Furey. The motion carried.

Sewer Enterprise Budget

Councillor Ronan expressed concern that the expense for the copier machine. Mr. Knowlton explained that it is the copier on the 4th floor at 120 Washington Street. Councillor Ronan stated that he feels that \$500 a month is outrageous and the city is overpaying. Mr. Knowlton explained that it is a color copier with a scanner.

There being no further questions or comments regarding the Engineering Sewer Enterprise Budget:

Councillor Ronan moved to approve the Personnel Budget for the Engineering – Sewer Enterprise Budget in the amount of \$178,687.00. Seconded by Councillor Prevey. The motion carried.

Councillor Ronan moved to reduce the Non Personnel Budget for the Engineering Sewer Enterprise Budget in the amount of \$5,000.00. Councillor Prevey seconded motion. The motion FAILED (2-3 with Councillors Furey, Pinto and McCarthy opposed).

Councillor Pinto moved to approve the Non Personnel Budget for the Engineering Sewer Enterprise Department Budget in the amount of \$187,200.00 seconded by Councillor Furey. The motion carried (3-2 with Councillors Ronan and Prevey opposed.)

Councillor Pinto moved to approve the total Budget for the Engineering Sewer Enterprise Budget in the amount of \$365,887.00, seconded by Councillor Pinto. The motion carried (4-1 with Councillor Ronan opposed).

There being no further business to come before the Committee on Administration and Finance this afternoon, Councillor Ronan moved to adjourn the meeting, seconded by Councillor Furey.

The meeting was adjourned at 10:30 p.m.

Respectfully submitted by:

Eileen M. Sacco
Budget Clerk