

City of Salem, Massachusetts



**"Know Your Rights Under the Open Meeting Law, M.G.L. c. 30A ss. 18-25 and
City Ordinance Sections 2-2028 through 2-2033."**

The City Council Committee on Ordinances, Licenses and Legal Affairs co-posted Committee of the Whole

met in the Council Chamber on June 10, 2021 at 6:30 P.M.

for the purpose of discussing the matters(s) listed below. Notice of this meeting was posted on

June 8, 2021 at 3:55 P.M.

(This meeting is being recorded)

ATTENDANCE

ABSENT WERE: None

In attendance from COW: Councilors Riccardi, McCarthy

Also in Attendance: Anna Freedman, Finance Director; Vickie Caldwell, Assistant City Solicitor; Mayor Driscoll; Dominick Pangallo, Mayor's Chief of Staff; Ilene Simons, City Clerk; David Knowlton, City Engineer; Michael Sulprizio, Engineering Department

SUBJECT(S)

#273 Amending an Ordinance relative to Rates for use of Water

Ms Friedman summarizes the water rates, which are proposed to go up 2 cents from last year or about 1/2 %, with a residential rate of \$3.64 and a non-residential rate of \$4.92. 86% of our budgeted revenue has been collected this year. This increase is on the lower side for North Shore communities.

Councilor Dominguez asks for clarification of the rates.

Councilor Sargent asks for last year's rates: \$3.62 for residential, \$4.90 commercial.

Councilor Dominguez asks about the comparison between area North Shore communities. Ms Freedman states that we are generally on the lower end for water rates for our tier.

Councilor Dominguez asks if there is any necessity for this increase, due to the economics of the pandemic and the impact on residents. Ms Freedman states that the combined water and sewer rate comes out to an increase of \$6 on average per quarter. The City hopes this will be moderate enough for residents.

Mayor Driscoll emphasizes that water and sewer run on an Enterprise Account. The rates are based on the cost for the service and maintenance. This is divided among the users for the rate. We do not subsidize this account through property taxes. This ensures that our non-property tax payers contribute their share to the water and sewer costs for the City.

Councilor Hapworth moves to refer this to the Council with a positive recommendation for approval. Seconded by Councilor Prosniewski. Motion passes 4-1 (Dominguez votes no).

#274 Amending an Ordinance relative to Rates for use of Sewer

Ms Freedman states that the proposed increase is 3.89%, an increase of 28 cents for residential rates to \$7.41, an increase of 42 cents for non-residential under 25,000, to \$11.22, and an increase of 54 cents for non-residential over 25,000, to \$13.83.

There were similar increases last year. We are on track to meet the budgeted revenue collection for sewer fines. We are very much in line with peer communities for sewer rates.

Councilor Dominguez states that he is not in favor of any increase at this time due to the economics of the pandemic. He thinks that we need to grow in a smarter way so that it is not an issue for those who need to pay rent. He thinks property owners will pass these increases on to renters.

Ms Freedman states that the Enterprise Funds need to close out the fiscal year in balance. Because of the anticipated expenditures, without an increase, the Fund may not be in balance.

Mayor Driscoll reminds the Councilors that we have expanded and maximized exemptions for property taxes for seniors. The City works closely with residents to help with issues related to property taxes, or with rental assistance, or mortgage assistance through Federal funds. This rate increase is very low, due to the use of grant money for infrastructure programs. We also leverage the private development happening in the City to fund repairs and upgrades to our systems.

Councilor Dominguez states that he is not opposed to the need for the increases, but we need to wait until everyone has recovered economically. He asks if we can delay the increase for a month or so, and that we are moving too quickly on the increase.

Councilor Sargent asks if any of the federal funds coming to the City can be used for utility increases.

Mayor Driscoll states that some of the ARPA funds will be used for utility maintenance, but the funds cannot be used to reduce taxes or pay down pension funds.

Councilor Hapworth makes a motion to refer this to the Council with a positive recommendation for approval, seconded by Councilor Prosniewski. Motion passes 4-1 (Dominguez votes no).

On the motion of C. Sargent the meeting adjourned at 6:19 P.M.

(Chairperson)