

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 September 16, 2026 at 6:00 P.M.

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

July 29, 2026 at 12:16 P.M.

(This meeting is being recorded)

ATTENDANCE

OLLA – Varela (chair), Prosniowski, Smith, and Hapworth. **COW** – Merkl, Davis, Sydoriak (Zoom), and King. **From the city** – Mayor Pangallo, Lisa Peterson, Chief of Staff, James LeBlanc, Finance Director and Lisa Cammarata, HR Director.

ABSENT WERE: **OLLA** – Holappa. **COW** – Flynn and Turowski.

#99 Ordinance Amendment to Living Wage Requirement for the City of Salem

Councillor Davis reported on an analysis of the city budget to estimate the cost of implementing the proposed living wage. The review identified employees whose wages would need to increase to \$19.14 per hour, resulting in an average raise of 11.55% and an estimated total cost of \$72,237.78. After discussion at the previous meeting about also adjusting wages for employees earning between \$20 and \$25 per hour, the same 11.55% increase for those employees was estimated to cost an additional \$39,430, bringing the total estimated cost to \$111,667.78. Davis noted that the figures were estimates because complete information was unavailable for a few positions.

Davis emphasized that the estimated cost was relatively modest compared with other city expenditures and would not represent a substantial burden on Salem taxpayers. He also explained that the ordinance would not immediately raise all affected employees to the full living wage; instead, it would provide a \$1-per-hour increase each year until the target wage was reached. Under that approach, the estimated cost of the first-year increase would be approximately \$39,403. Davis said the proposal would provide employees with a more dignified wage while having a limited fiscal impact on the city.

Councillor Merkl said she supports the goal of ensuring city workers receive a living wage but questioned whether an ordinance is the appropriate mechanism. She argued that setting a wage floor through ordinance could interfere with the executive branch's responsibility for developing the city budget and force departments to make difficult trade-offs among staffing, grants, wages, and other needs. She cited concerns raised by department heads about potential effects on employee morale, staffing levels, and partially grant-funded positions. Merkl said she would support a city commitment to the living-wage goal and continued collaboration with the mayor but did not believe budgeting by ordinance was consistent with best practices.

Councillor Hapworth said he shares the goal of a living wage but expressed concern about the effect of the proposal on part-time and high-school employees, particularly library pages and harbor workers. He referenced the statement from the Harbormaster that raising wages could require hiring more experienced workers and reduce opportunities for young people who currently receive on-the-job training. Hapworth also described the proposal as an unfunded mandate and argued that

increasing wages in one area could require reductions elsewhere in the budget, potentially affecting city services relied upon by residents, including marginalized communities. He suggested that a resolution expressing support for a living wage might be more appropriate while emphasizing the need to balance wage increases with maintaining city services.

Councillor Davis said he understood the concerns raised by other councillors but believed the City Council has legislative authority to establish a municipal wage floor. He distinguished the mayor's responsibility for administering the city workforce from the Council's legislative authority to establish compensation policies, noting that the charter gives the Council authority to enact ordinances and appropriate funds. Davis also pointed out that the Council already establishes compensation for certain positions and has authority over matters such as employee hours and overtime. He emphasized that the proposal would establish a general wage floor rather than involve the Council in individual personnel or budget decisions and said he would be hesitant to conclude that the Council lacks this authority when the charter and state law do not expressly prohibit it.

Councillor Sydoriak said he believed the Council has authority under the Home Rule Amendment and Article 89 to establish general municipal policy and did not want the proposal dismissed on the grounds that the Council lacked authority. He raised several questions about how the proposed living wage would be calculated, suggesting that a Consumer Price Index or regional cost-of-living measure might be more consistent and accurate than the federal poverty rate or minimum wage. He also recommended setting the wage calculation earlier than July 1 so the mayor could incorporate it into the budget process and asked that different categories of employees—such as students, seasonal workers, and non-union employees—be separated in the analysis. Finally, he recommended clarifying the ordinance's rounding rules and resolving conflicting language about whether the living wage would be reached immediately or through the proposed \$1-per-year phase-in.

Councillor Smith said he believed the Council has the authority to establish or increase salaries under state law but suggested that the proposal could not take effect until a subsequent fiscal year, potentially making 2029 the relevant starting point. He said the larger question for him was not whether the Council could act, but whether it should, because he viewed wage decisions as part of the mayor's responsibility to manage the overall budget. Smith emphasized that increasing the wage for one group could require reductions elsewhere and referenced the Harbormaster's concern that higher wages could result in fewer seasonal positions for high-school students. He also highlighted the educational and on-the-job training value of those positions. Smith supported the mayor and city staff continuing their efforts to raise wages but expressed concern that establishing a non-union wage floor could diminish the role and bargaining value of unions, which negotiate not only wages but also benefits and working conditions.

Councillor King said she agreed that the Council could adopt the proposal and was comfortable with a 2029 implementation date. She clarified her understanding that the proposal would increase the wage floor by \$1 per hour each year. King acknowledged concerns about reducing opportunities for young workers but argued that paid work provides value even when employees are learning on the job, noting that other Salem youth employment opportunities can pay \$20 or more per hour. She also emphasized that the estimated financial impact appeared relatively small, citing an estimated \$111,000 cost if the full increase were implemented immediately and less than \$40,000 for the first-year increase. King argued that because implementation would be several years away, the financial impact could be manageable and city wage levels might increase naturally during that period.

Councillor Merkl clarified that her concern was not primarily about whether the Council technically has the authority to adopt the measure, but whether doing so is appropriate. She reiterated that conditions could change significantly before the proposed implementation date and maintained that establishing specific budget requirements through ordinance is inconsistent with best practices because the Council is not involved in the detailed budget discussions between department heads and the mayor. She also reiterated concerns about unintended consequences that department heads had raised during an earlier meeting.

Mayor Pangallo's statement

Mayor Pangallo said the city is committed to paying every employee at least a living wage and noted that, since he took office, the percentage of city employees below the living-wage threshold has been cut in half. He emphasized that no full-time city employees are currently below the living wage and that the remaining employees in question are primarily part-time, seasonal, intern, and library-page positions. While acknowledging that there may be legal arguments supporting the Council's authority to establish a wage floor, he said the larger issue was whether doing so through an ordinance was appropriate. Pangallo argued that the detailed questions being considered—employee classifications, wage calculations, timing, and potential

increases—are normally addressed through the annual budget process, where the mayor, finance director, and department heads can evaluate the broader consequences and trade-offs.

Pangallo also warned that an ordinance establishing a specific appropriation could create an unfunded mandate and set a precedent for future councils to codify spending requirements without knowing the city's future revenues, financial circumstances, collective bargaining obligations, or other budget priorities. He said wage increases can have ripple effects by creating pay-equity issues among employees with similar responsibilities or between supervisors and subordinates, while ultimately affecting other positions, programs, services, or taxpayers. Pangallo highlighted the city's recent progress on union compensation and the creation of a non-union employee compensation and classification plan, saying these efforts are helping the city recruit and retain workers. He concluded that he could not support the proposal as an ordinance but would fully support a resolution or joint statement affirming the city's commitment to paying employees a living wage.

Councillor Davis questioned whether the living-wage effort should be led through an ordinance or by the mayor, saying he would welcome an executive-led approach. He asked Mayor Pangallo whether he would consider pursuing a model similar to Boston's and whether he was concerned that future administrations could reverse the progress being made on wages. Davis also emphasized that part-time and seasonal employees should still receive a dignified wage, even though their annual compensation would naturally differ from full-time employees. He questioned whether the same benefits cited for raising full-time wages—such as improved recruitment and retention—also apply to part-time and seasonal workers. In response, the mayor said the city does consider those employees in its annual budget and compensation reviews and has already significantly reduced the number of employees below the living-wage threshold.

Councillor King said she understood the mayor's argument that wage decisions are best addressed through the budget process because that process provides the broader financial and operational context needed to evaluate trade-offs. She appreciated the mayor's suggestion that the Council adopt a resolution expressing its commitment to a living wage. King then suggested that the discussion itself reflected concerns raised by newer councillors during the recent budget process, particularly requests for greater clarity about how the administration develops the budget, establishes priorities, and makes operational decisions. She encouraged the mayor and administration to incorporate that feedback into the next budget process and provide more information about how those decisions are made.

Councillor Smith asked Mayor Pangallo for more information about the city's newly developed non-union salary and compensation plan, including where it is maintained and whether the Council could review it. He noted that state law appears to give the Council some authority to establish salary plans, creating questions about how that authority relates to the administration's position regarding the budget process. Smith said he would like the Council to see the compensation plan because it could provide insight into how the city is addressing employee wages. He also noted that the number of employees below the living-wage threshold has declined substantially compared with the previous year and praised the administration for cutting that number in half over roughly two years. Smith said he believed this progress was significant and that the public and Council would benefit from greater awareness of these efforts.

Public Comment

Steve Kapantis said he agreed with Mayor Pangallo's position that employee wages should be addressed through the budget process, since the mayor is responsible for managing the city workforce and the Council and mayor must negotiate budget priorities. He questioned whether the proposed wage increases had fully accounted for benefits, retirement-system liabilities, and the broader financial impact of raising wages across multiple positions. Kapantis also discussed differing definitions of a "living wage," citing research that produces different wage levels depending on household circumstances, and noted that some part-time or seasonal positions may not be intended to independently support a household. He acknowledged that city wages have already increased substantially and argued against adopting either an ordinance or resolution, saying the administration had demonstrated its commitment to improving wages and that most city employees were being paid fairly.

Jeremy Mele spoke in support of the Living Wage Ordinance and shared his experience as a former seasonal City of Salem employee at the Witch House from 2015 to 2021. Although his position was classified as seasonal, he said he worked throughout the year and never earned more than \$20 per hour, requiring him to hold two additional jobs and share an apartment with his wife and a roommate to afford living expenses in Salem. Mele said he no longer directly benefits from the proposal because he has since obtained higher-paying employment, but he urged the Council to support it because municipal workers provide essential services and deserve wages that allow them to live with dignity in the community they serve. He also

argued that living wages could improve recruitment and retention, reduce turnover and burnout, and encourage other employers to offer better compensation in order to compete for workers.

Councillor Varela said he did not believe setting employee wages was within the Council's purview, noting that voters elected the mayor to run the city and make spending decisions. He said he believed the mayor was doing a good job identifying staffing needs and addressing gaps, and that he did not see a need to continue pursuing the issue unless problems emerged. Varela outlined several possible procedural options, including voting the proposal favorably or unfavorably, discharging it, or leaving it in committee, while leaving the decision to the Council. He thanked Councillor Davis for bringing forward the proposal and said the discussion had highlighted the value of having more dialogue with the mayor's administration earlier in the budget process about city employment and potential changes. He viewed that as a constructive outcome and said he hoped the conversation would continue regarding the direction of the city.

Councillor Hapworth motions to refer it back to the full council with a recommendation to discharge and seconded by Councillor Prosniewski. Motion carries 3-1.

On the motion of C. Hapworth, the meeting adjourned at 6:55P.M.

Andrew Varela

nb

(Chairperson)