

# Budget and Finance Committee

**5/12/22 6:00 pm City Council Chambers/Hybrid**

**Meeting Post:** <https://www.cityofnewburyport.com/budget-finance/events/307081>

## **Roll:**

B/F: Khan, Zeid, Wright (Remote)

COTW: Preston, McCauley, Shand, Wallace (Remote)

Staff: Ethan Manning, Julie Languirand, Jill Brennan, Andrew Levine, Donna Drelick, Richard Jones

## **BUDGET AND FINANCE ITEMS**

**Matters (Green = Coming out of Committee, Purple = amended, Yellow = Remains in Committee):**

## **Agenda:**

### **Budget:**

#### **Budget Workshop 1: Revenue Forecast, General Administration, Finance, Shared Services**

- Slide deck from Ethan (attached)
- 4.8% increase general, 3% enterprise
- Tax up to full levy limit, needed to fulfill
- Doesn't suggest any override
- New growth - \$700k
- Local receipts – project 5% increase
- State aid may come in higher
- This budget is based on HWM budget, senate could be different
- May do a supplemental later, if desired
- Parking and rec revolving, \$1m and \$313k net,
- Transfer from health insurance stabilization fund 383k
- Differences are based on FY22 revised so you can see any transfers
- 3.5% increase for all non-union full-time employees
- Teamsters admin is up this year
- It is a COLA
- Schools asked for 6%, they got 5%, how is the difference balanced
  - EM – School Committee
  - Superintendent will now propose changes to match the change
  - Ed Committee will meet in June to adjust
- COVID expenses feathering down
- Are revenue estimates conservative enough
- \$150k to get back to 5% stabilization fund

### **Mayor's Office**

- New administration
- Special Projects – can work across departments, some departments are topped out, reduce stress and pressure, Run point, Parks/NYS/etc.

- DEI Increase – asked for full time person (did not receive), asked for increase in funding. Funds a stipend for NYS employee. 3 main focuses – diversify workforce, employee education, community education
- Consulting is primarily for PR services, want more from community paradigm. Anticipate more work to do
- Travel allowance – Mayor/COS
- Is COS – is this contractual, built into contract. 1 year contract
- Contract COS, 1/25/2023
- Travel allowance is in the contract as well
- Special projects – what is the long term objective
- Community Paradigm – matter of weeks to get the report
- Questions on Mgr. of Special Projects
- New allowance for travel stipend for COS. That is new.
- *Information requests:*
  - **DEI numbers on NYS staff**

## **City Council**

- Full weight of salary increase
- 3.5% is the clerk
- Legal Ads getting more expensive and more volume
- Recod reduction – lower volume

## **Clerk**

- 3.5% is the across the board
- Administration is kind of a catch-all, need a little bit more
- Software – how we would do things better packet, this may be part of it. “CivicClerk” is part of the software that we might use. Like it but don’t love it.
- 51102 – Teamster’s contract, Asst. City Clerk
- Performance Measurements – why low in FY21 – COVID, dogs will pick up

## **Board of Registrars**

- Going down most all of it will be spent
- Special elections, may need a transfer

## **Parking**

- Lease for NDN lot reflected, that’s why it’s 450% (line also includes Hales Ct.)
- Kiosks need to be replaced which is the jump there
- Heat Electricity – it is all electricity
- 51100 – Increase because of supplemental request. Adding in 5 hours a week. This is for here.
- 52406 – these are for NRA lots. Mostly goes to shared agreement with WFT.

## ***Informational Request:***

- **WFT agreements**
- **Is the electricity in 52101 for charging stations?**

## **General Administration**

- Events coordinator being shifted entirely to revolving
- MCPPO no longer needed, no longer contractual
- Training/Travel – restore to back where it has been
- Recording will be funded from Comcast tech fund
- MVPC is annual increase
- Heat/Electric was cut during COVID, this is going back to where it was
- 53004 – travel how is this different from travel under the Mayor. Under Mayor to the travel allowances. Travel/training here.
- 53004 – is Mayor covers MMA, it came from here
- 53400 – Comcast tech fund, where is it? It is a special revolving fund.
- Is Owl being addressed here. Maybe Comcast fund?
- Comcast is Fund 2955 – balance is \$114,589

### **Budget Contingency**

- That's for the 1 contract that is expected to close

### **Information Technology**

- Hard budget to put together
- How to restructure
- Should we look at shared agreement? Should we look at managed service (outsource)
- Or stick with traditional model
- 75k is a placeholder
- Is community paradigm looking at this – wasn't on the radar at the time, but could ask. Doing internal research
- May look for a inter departmental transfer
- Transfer for contractors

### **Auditor's Department**

- 51102 – COLA + Merit
- Procurement was moved to DPS, they have their own purchasing agent
- What is best practice – centralized purchasing agent, vs distributed

### **Assessor**

- 53001 - \$7k out of the \$8k is for Vision and move it to a cloud based server
- There would be a contract
- \$7k is the license annually
- This would be an ongoing expense
- 53003 – result is that we have new mandates from DLS. Once of those mandates is that they do more cyclical applications. Vendor helps so this is an increase in cost. Do more parcels each year. Another mandate is to have fee appraisal on utility companies. Have to hire contractor.

### **Treasurer**

- Salary line item are all contracted

### **Human Resources**

- Time and attendance – this is to respond to auditor’s suggestion to deal with accruals. We should be able to handle this. Employees will be able to see the time.
- Advertising – trying to bolster hiring. Competition for staff, etc.
- Trying to get employees to sign to give some commitment
- Dues – asked for more to be able to go conferences. Give staff person opportunity to develop themselves.
- Assessment Center – transfer for police sergeant position. Decision was made to keep it again. Needed for fire and police. Given that retirements may need it again.
- Guidance on social media – yes, working on it with KP and Andrew Levine. Trying to incorporate everything into one policy. Final drafts with KP.

### **Information Request:**

#### **\* Employee Handbook**

### **Insurance:**

- This transfers every penny
- Fund will still exist
- 10% includes adding month
- 5.6% is the more real number

### **Retirement Boards:**

- For City and School employees
- Schools does not include mass teachers. Based on funding schedule
- Pure 5% but between general/enterprise

### **Legal**

- Might be higher than that
- Trending closer to \$150k but will monitor
- KP Law – are there rates going up. Mostly utilization but rates are going up too
- Are there other firms
- Title Examiner – came out of Council line

### **Debt Service**

- Excluded debt service
- Within tax is the ordinary
- Full weight of Phillips and Fire Station
- 57k is the “slack”
- This is the 2%
- Rates climbing into the 3’s maybe heading into the 4’s
- Maybe 4% for debt going into next year

### **B/F Items:**

**TRAN00125\_05\_09\_2022 Health Ins. Stabilization Fund \$60K to INS Health Ins. Premiums \$60K**

- We thought that the premium holiday was for all plans but it was not, retired folks not covered so need
- This is the tail

**Motion to Approve - AK/MW – 3-0**

**TRAN00126\_05\_09\_2022 SUS Solid Waste \$50,000 to LGL City Solicitor \$50,000**

- Sustainability is better than expected
- Improvements primarily on better than expected recycling

**Motion to Approve - AK/MW – 3-0**

**TRAN00127\_05\_09\_2022 Gen. Fund Free Cash \$222,166.68 to Snow & Ice-Labor \$29,559.88 and Snow & Ice-Expenses \$192,606.80**

**Motion to Approve - AK/MW – 3-0**

**ORDR00351\_05\_09\_2022 Loan Order \$750,000 Bulkhead Project**

- Still an earmark but we are applying for a BRICK grant
- Requires match
- Increase to \$750k, remove tie in to specific grant
- Also hopeful that we'll get state funds from Seaport Economic Council. \$1.3m. That funding could be used as a match.
- Timing issue so we need to show the match before we hear back from Seaport Economic Council
- We are hopeful on the FEMA grant (\$2.25m), \$750k match = \$3m. EDA is \$1.75m and then seaport is \$1.3m.
- Total number is \$5.4m so there could still be a shortfall.
- We have moved through next round EDA. That's the \$1.75m. Federal Economical Development Agency ("EDA")

**Motion to Waive 7J – AK/MW – 3-0**

**Motion to Approve - AK/MW – 3-0**

**ORDR00349\_05\_09\_2022 FY22 Revolving Fund Spending Limit Increase**

- Ordinance defines the revolving funds
- Order sets the spending limit annually
- NYS – 99%
- Senior Center is at 98.3%

**Motion to Approve - AK/MW – 2-1**

**Ongoing:**

**ORDR00338\_04\_11\_2022 Capital Improvement Program FY2023-2027 (COTW)**

**ORDR00350\_05\_09\_2022 FY2023 Budget Order (COTW)**

**Organizational/Not expected to be In-Depth:**

**ORDR00354\_05\_09\_2022 FY23 CPC Recommendations (COTW)**

**ORDR00355\_05\_09\_2022 Loan Order \$2,574,000 Bartlet Mall Improvements Project (COTW)**

**ORDR00356\_05\_09\_2022 Loan Order \$3,000,000 Market Landing Park Expansion Project (COTW)**

Above 2 matters - We discussed and Committee would like to discuss during existing scheduled meetings, Chair will work to coordinate.

**ORDR00336\_03\_28\_2022 ARPA Amesbury 250K**

**ODNC00110\_05\_09\_2022 Updating Departmental Revolving Funds**

- To be discussed in 5/18 B/F Meeting

**Adjourn:**

8:44pm AK/MW – 3-0

**Recording:**

[https://us02web.zoom.us/rec/share/VEFYoDu6y91aLkKJZUgppBC87XUeHSy9fS5RgeVwOiynza\\_pBYqE923ho-3oYJ9Q.LsTz64GFyf99KCvG](https://us02web.zoom.us/rec/share/VEFYoDu6y91aLkKJZUgppBC87XUeHSy9fS5RgeVwOiynza_pBYqE923ho-3oYJ9Q.LsTz64GFyf99KCvG)

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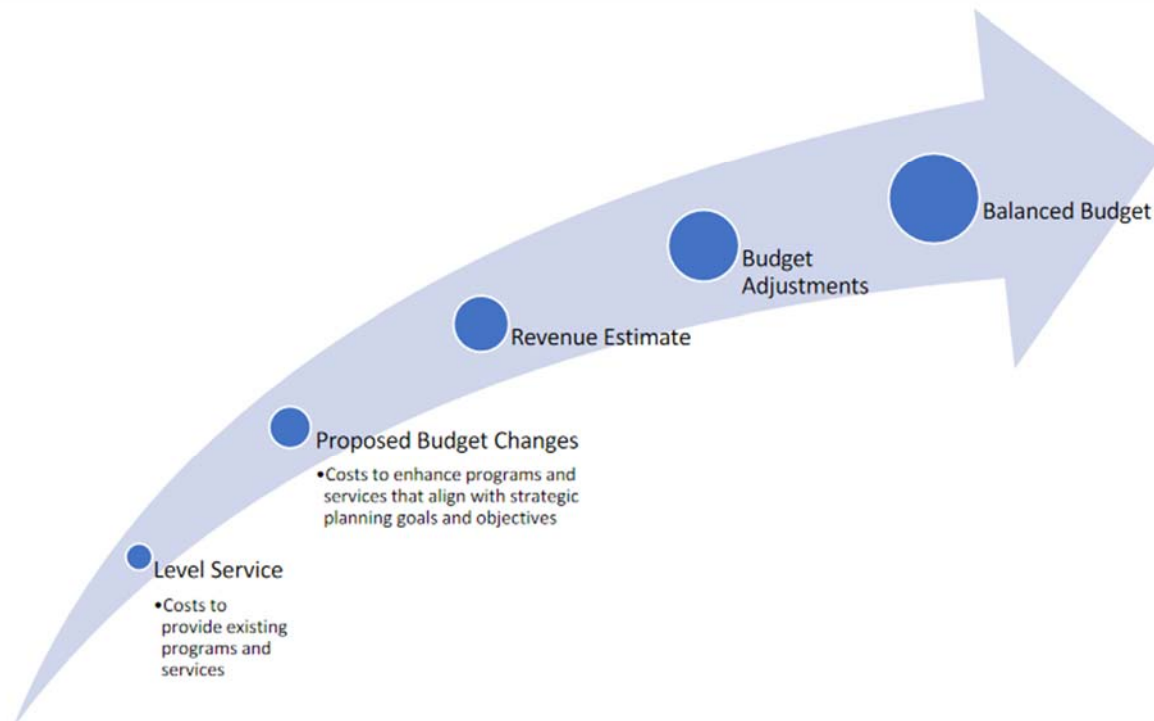


# City of Newburyport FY23 Budget Proposal

MAY 12, 2022



## How We Prepared the Budget





	FY2021 ACTUAL	FY2022 BUDGET	FY2022 REVISED	FY2023 ESTIMATE	FY22 Budget/FY23 Est. \$ Chg.	% Chg.
<b>PROPERTY TAXES</b>						
Prior Year Levy Limit	56,390,995	58,726,600	58,726,600	61,029,959	2,303,359	3.9%
2 1/2 % Increase	1,409,775	1,468,165	1,468,165	1,525,749	57,584	3.9%
New Growth	925,830	700,000	835,194	700,000	0	0.0%
<b>TOTAL LEVY LIMIT</b>	<b>58,726,600</b>	<b>60,894,765</b>	<b>61,029,959</b>	<b>63,255,708</b>	<b>2,360,943</b>	<b>3.9%</b>
Debt Exclusion	3,171,545	3,171,735	3,171,735	3,167,680	(4,055)	-0.1%
<b>TOTAL MAXIMUM LEVY LIMIT</b>	<b>61,898,145</b>	<b>64,066,500</b>	<b>64,201,694</b>	<b>66,423,388</b>	<b>2,356,888</b>	<b>3.7%</b>
Excess Levy Capacity	(869,029)	(293,633)	(477,812)	0	293,633	-100.0%
<b>TOTAL TAX LEVY</b>	<b>61,029,116</b>	<b>63,772,867</b>	<b>63,723,882</b>	<b>66,423,388</b>	<b>2,650,521</b>	<b>4.2%</b>
<b>LOCAL RECEIPTS</b>						
Motor Vehicle Excise	2,874,396	2,749,830	2,900,000	2,850,000	100,170	3.6%
Other Excise					0	NA
a. Meals	569,637	600,000	600,000	640,000	40,000	6.7%
b. Room	242,075	280,000	350,000	340,000	60,000	21.4%
c. Other	233	0	0	0	0	NA
Pen & Int on Tax & Exc	332,363	300,000	290,000	300,000	0	0.0%
Payments in Lieu of Taxes	27,196	40,000	20,000	20,000	(20,000)	-50.0%
Fees	298,646	295,000	250,000	300,000	5,000	1.7%
Other Dept. Revenue	72,014	55,000	70,000	70,000	15,000	27.3%
Licenses and Permits	945,583	850,000	1,150,000	950,000	100,000	11.8%
Fines & Forfeits	4,898	10,000	7,500	7,500	(2,500)	-25.0%
Investment Income	59,770	90,000	50,000	47,500	(42,500)	-47.2%
Medicaid Reimbursement	115,227	110,000	110,000	110,000	0	0.0%
Miscellaneous Recurring	100,646	177,000	180,000	200,000	23,000	13.0%
Miscellaneous Non-Recurring	117,454	0	330,000	0	0	NA
<b>TOTAL LOCAL RECEIPTS</b>	<b>5,760,138</b>	<b>5,556,830</b>	<b>6,307,500</b>	<b>5,835,000</b>	<b>278,170</b>	<b>5.0%</b>
<b>TOTAL NET STATE AID</b>	<b>4,879,892</b>	<b>4,909,318</b>	<b>4,909,318</b>	<b>5,464,195</b>	<b>554,877</b>	<b>11.3%</b>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,026,919</b>	<b>1,113,953</b>	<b>1,121,717</b>	<b>1,522,086</b>	<b>408,132</b>	<b>36.6%</b>
<b>RESERVE FOR ABATEMENT</b>	<b>(311,489)</b>	<b>(300,000)</b>	<b>(353,461)</b>	<b>(363,659)</b>	<b>(63,659)</b>	<b>21.2%</b>
<b>TOTAL GENERAL FUND</b>	<b>72,384,576</b>	<b>75,052,968</b>	<b>75,708,957</b>	<b>78,881,010</b>	<b>3,828,041</b>	<b>5.1%</b>
<b>ENTERPRISE FUNDS</b>	<b>14,503,669</b>	<b>13,989,976</b>	<b>13,989,976</b>	<b>14,406,734</b>	<b>416,758</b>	<b>3.0%</b>
<b>TOTAL REVENUE</b>	<b>86,888,245</b>	<b>89,042,944</b>	<b>89,698,933</b>	<b>93,287,744</b>	<b>4,244,799</b>	<b>4.8%</b>

## FY23 Revenue (p. 20)

- Assumes taxation up to full levy limit under Proposition 2 ½
- New Growth = \$700,000 in add'l levy (same estimate used in FY22)
- Conservative estimates for local receipts (5.0% increase)
- State Aid based on HWM Budget (p. 33)
- Other Financing Sources:
  - Paid Parking: \$1,028,771 (debt service, parking operations, downtown improv. in parks budget)
  - Health Insurance Stab: \$379,675
  - Recreation Revolving: \$113,640
- Enterprise funds fully supported by user rates and charges

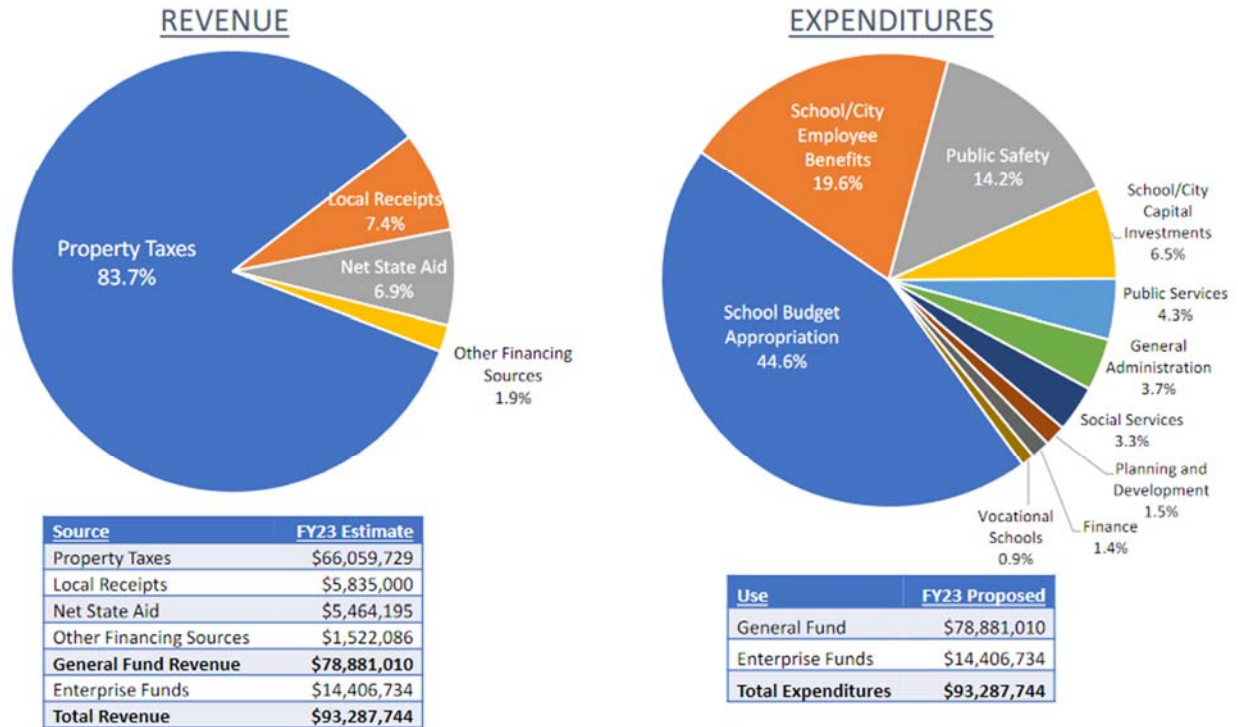
## FY23 Proposed Expenditures (p. 21)

	FY2022 ORIGINAL	FY2022 REVISED	FY2023 PROPOSED	\$ CHANGE	% CHANGE*
<b>GENERAL FUND</b>					
CITY SERVICES	21,601,871	21,861,391	22,861,585	1,000,194	4.6%
EDUCATION	34,244,780	34,253,174	35,894,131	1,640,957	4.8%
SHARED EXPENSES	18,797,961	18,797,961	20,125,294	1,327,333	7.1%
<b>GENERAL FUND Total</b>	<b>74,644,612</b>	<b>74,912,526</b>	<b>78,881,010</b>	<b>3,968,484</b>	<b>5.3%</b>
<b>ENTERPRISE FUNDS</b>					
HARBORMASTER ENTERPRISE FUND					
Total	522,232	522,232	520,360	(1,872)	-0.4%
SEWER ENTERPRISE FUND Total	7,675,758	7,715,758	7,818,840	103,082	1.3%
WATER ENTERPRISE FUND Total	5,751,985	5,751,985	6,067,534	315,548	5.5%
<b>ENTERPRISE FUNDS Total</b>	<b>13,949,976</b>	<b>13,989,976</b>	<b>14,406,734</b>	<b>416,759</b>	<b>3.0%</b>
<b>Grand Total</b>	<b>88,594,587</b>	<b>88,902,501</b>	<b>93,287,744</b>	<b>4,385,243</b>	<b>4.9%</b>

\*Change from FY2022 Revised to FY23 Proposed



# Balanced Budget



## FY23 Budget Assumptions/Trends

### Salaries & Wages

- Contractual increases based on collective bargaining agreements
- Contingency for expiring collective bargaining agreements
- 3.5% increase for all non-union, full-time employees
- Increases for PT/seasonal employees based on hiring market and increased minimum wage
- Certain line items show larger/smaller changes based on staff turnover
  - E.g. new hire coming in at a different rate due to longevity, steps, changes in job descriptions, qualifications, market adjustments, etc.
- Elected official salaries; ordinance took effect 1/1/22 so FY23 reflects full budget

### All Other Expenses

- Known-costs for debt service, health insurance, retirement appropriation, assessments (Whittier, MVPC, MBLC), P&C/workers comp insurance
- Inflationary pressures for supplies/services

# FY23 Budget Additions

Use	Amount	Rationale
School Funding Towards Aspirational Budget	\$441,931	Add'l 1.3% beyond level service budget
COA Outreach Specialist	\$53,000	Supports/services for elder population
Water Hydrant Replacement Program	\$50,000	Begins hydrant replacement program
P/T & Seasonal Groundskeepers	\$49,685	Address parks maintenance needs
Mgr. of Special Projects (Mayor's Office)	\$44,108	Staffing for Mayor's Office
Diversity, Equity, and Inclusion Initiatives	\$30,000	Increases budget from \$20K to \$50K
First Due Software (Fire)	\$22,500	Implements software approved in FY22
P/T Office Assistant (Veterans Services)	\$19,500	Veterans benefits admin support
Building Records Reorganization	\$10,000	Replaces outdated permit filing system
Health Project Assistant	\$8,000	Previously funded by COVID funds
Cloud-hosted Appraisal Database	\$7,000	Better functionality; Reduced IT demand
P/T Help (DPS-Highway)	\$2,000	Additional help to support department
<b>Total Budget Adds</b>	<b>\$737,724</b>	

## Major Budget Items

### School Appropriation (\$35.2M)

- Funds the "level service" school budget + \$442k increase to help district achieve aspirational budget
- Full school budget aspirational adds totaled \$787k; see p. 2 of school budget (p. 285 of budget book)

### Health Insurance Premiums (\$9.8M)

- Costs going up due to roll-off of one-month premium holiday that was offered in FY22
- Offset increase by \$379,675 transfer in from Health Insurance Stab. Fund

FY2022 Budget	\$8,960,025
FY2023 Budget	\$9,840,000
Difference	\$879,975 +9.8%
Less: Trans From Health Ins. Stab.	-\$379,675
<b>Net Increase</b>	<b>\$500,300 +5.6%</b>

### Debt Service (\$4.6M)

- Funds existing debt plus newly issued debt for Phillips Drive and West End Fire Station
- \$55,000 contingency for new debt
- Funding in line with CIP

### Capital Outlay (\$519k)

- Funds sidewalk line item at 50% of meals tax
- Shifts the difference plus \$45,000 from the traffic calming line into a new account called Pedestrian/Safety Improvements (\$100,000)
- Funds payments on lease to purchase agreements

### Solid Waste (\$1.7M)

- Budgeting a \$50,000 contingency for anticipated cost escalation
- Could come in higher/lower based on new hauling contract and market pricing to dispose of trash/recycling

# Other Notes

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Everything in the budget binders (including this presentation) is posted on the website:

<https://www.cityofnewburyport.com/budget>

Besides the budget, binders include:

- Budget workbook showing YTD expenditures, highlights changes +/- 5%, notes where applicable
- Information on employee vehicle usage/stipends
- Departmental Revolving Funds
- All Funds Summary
- Individual Trust Fund Balances