

JOINT BUDGET MEETING CITY COUNCIL & SCHOOL COMMITTEE

Mayor Donna D. Holaday
Superintendent Susan L. Viccaro
November 28, 2017



Purpose

City Charter, Section 6-2: Annual Budget Meeting

The mayor shall call a joint meeting of the city council and school committee, to include the superintendent of schools, before the commencement of the annual budget process to review the financial condition of the city, revenue and expenditure forecasts, and other relevant information prepared by the mayor in order to develop a coordinated budget.



ANNUAL BUDGET PROCESS



City Budget Process

- **August - December:**
- Review capital improvement needs
- Supplemental budget(s) submitted
- Free Cash/Retained Earnings certification
- Tax rate set
- Tax bills sent out by December 31st



City Budget Process

- **January - March:**

- Mayor meets with Department Heads to present budget development guidelines
- Operating budget and capital needs requests due to Mayor
- Mayor meets with department heads to review budget and capital requests



City Budget Process

- **April - July:**
- CIP submitted to City Council by April 1st
- School Committee adopts budget
- Mayor's proposed budget submitted to City Council by May 15; Council has 45 days to approve
- City Council approves budget by June 30th
- Start of the new fiscal year on July 1st



School Budget Process

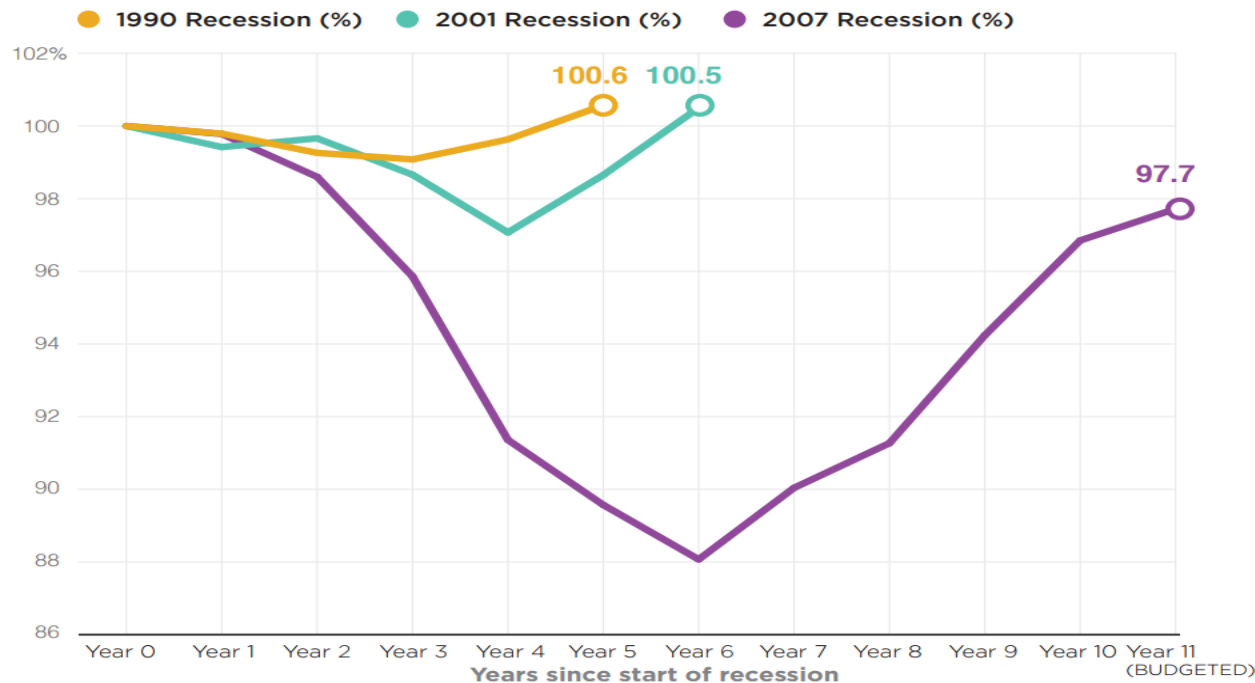
- **November**: Joint Budget Meeting held; Superintendent gives directions to leadership & budget worksheets prepared
- **December**: Special Education transitional needs discussed & individual administrators meet with Superintendent & Finance; Administrators meet with staff and school councils to discuss budget needs & priorities
- **January - April**: Leadership meets to discuss and formulate budget priorities; Presentation of budget to School Committee
- **May**: School budget presented to Mayor once approved by School Committee



CITY'S FISCAL CONDITION



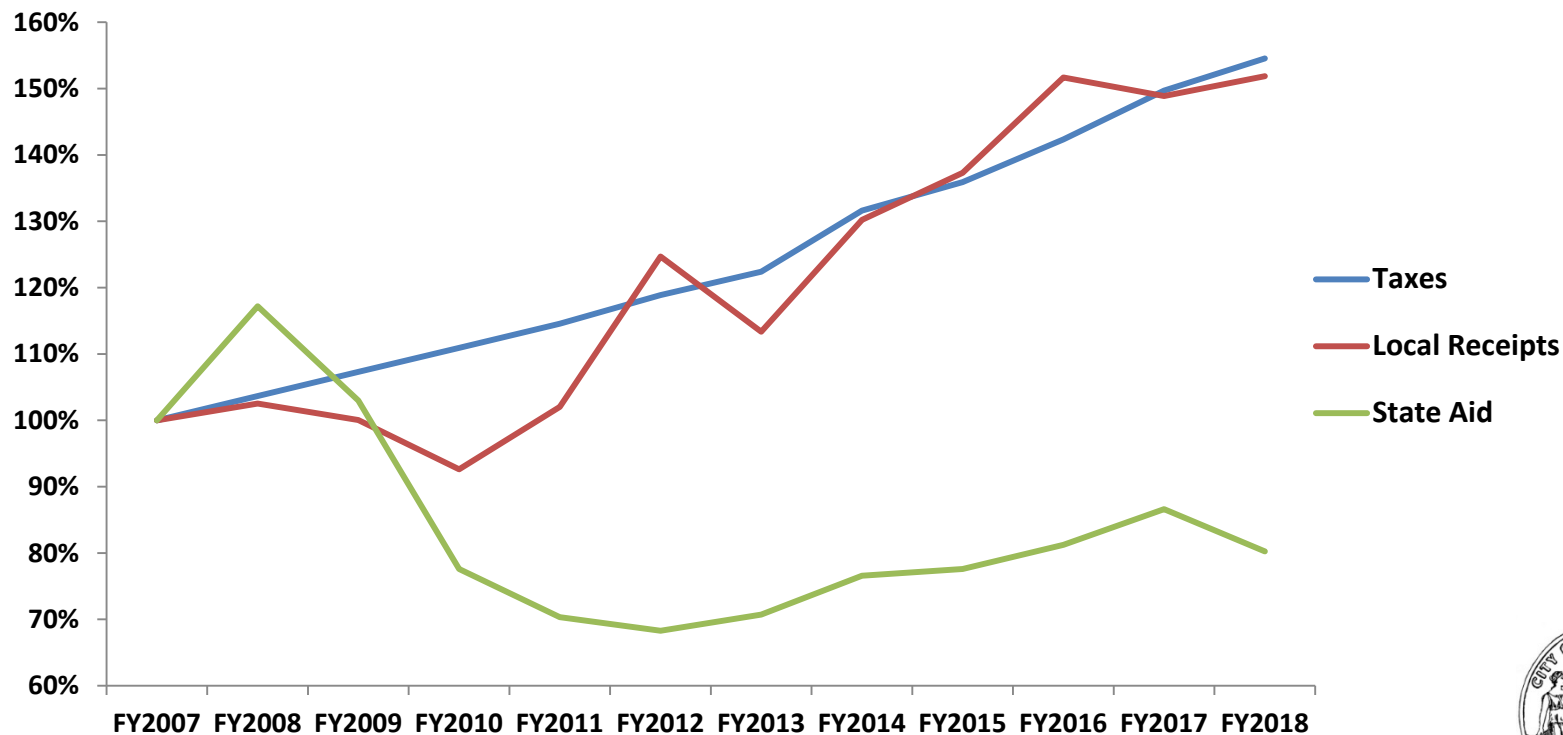
Cities & Towns *Still* Recovering from '07...



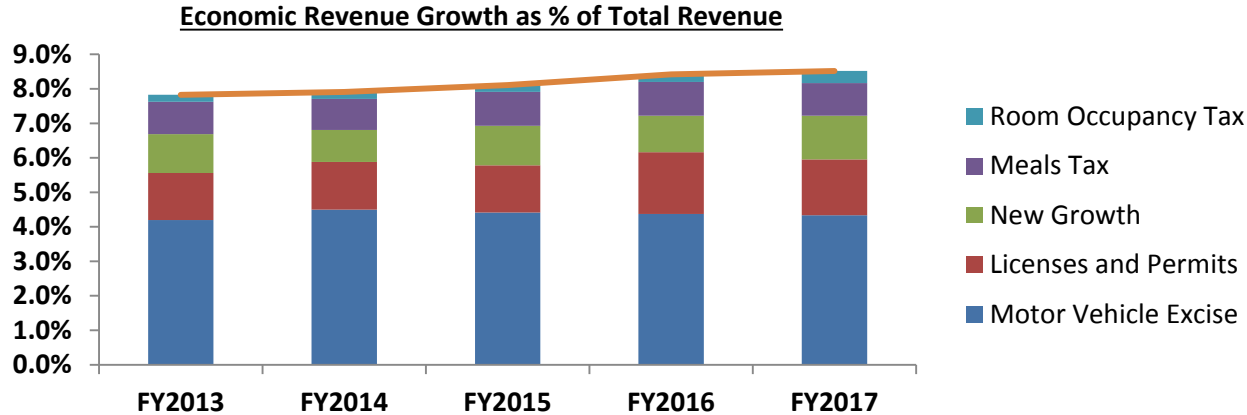
Source:
National League of Cities,
“City Fiscal Conditions 2017”

“Given other indicators of fiscal challenge in the municipal sector, it is possible that revenues may not return to pre-recession levels during this economic cycle.”

Newburyport's Recovery from '07...



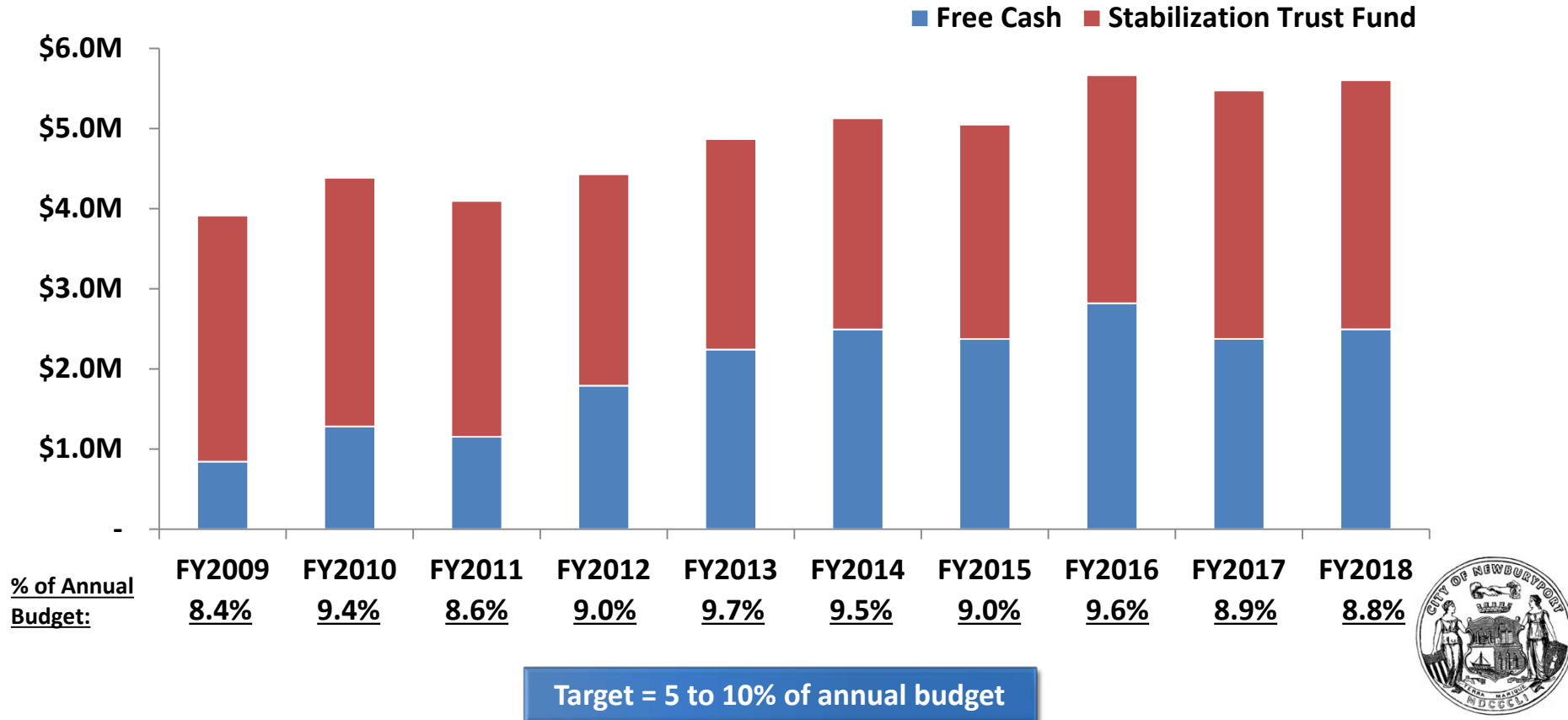
Economic Growth Indicators



| | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Motor Vehicle Excise | \$2,154,345 | \$2,496,696 | \$2,528,836 | \$2,620,498 | \$2,707,801 |
| Licenses and Permits | \$700,719 | \$765,738 | \$785,676 | \$1,071,855 | \$1,011,209 |
| New Growth | \$578,224 | \$513,764 | \$656,531 | \$633,895 | \$791,279 |
| Meals Tax | \$481,125 | \$499,232 | \$561,480 | \$586,573 | \$591,292 |
| Room Occupancy Tax | \$103,277 | \$112,074 | \$112,842 | \$130,608 | \$220,859 |
| Economic Growth Revenue | \$4,017,690 | \$4,387,503 | \$4,645,365 | \$5,043,429 | \$5,322,440 |
| Total Revenue | \$51,336,800 | \$55,486,623 | \$57,301,171 | \$59,911,686 | \$62,481,887 |
| <i>Economic Growth Revenue as % of Total Revenue</i> | 7.8% | 7.9% | 8.1% | 8.4% | 8.5% |

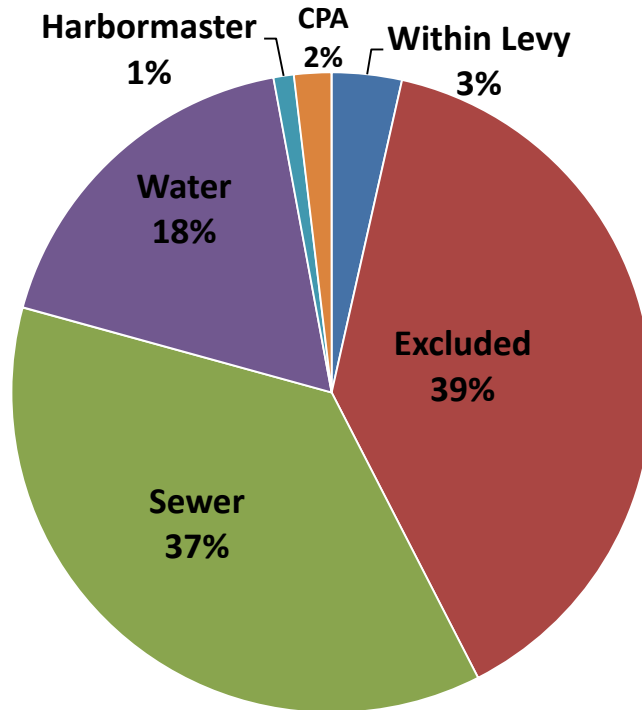


Reserve Balances



As of 6/30/2017

Total Outstanding Debt



General Fund

| | |
|-----------------------------|---------------------|
| Within Tax Levy | \$3,784,600 |
| Excluded | \$41,584,098 |
| Total - General Fund | \$45,368,698 |

Enterprise Funds

| | |
|---------------------------------|---------------------|
| Sewer | \$39,370,401 |
| Water | \$19,038,584 |
| Harbormaster | \$1,096,602 |
| Total - Enterprise Funds | \$59,505,587 |

| | |
|-----|-------------|
| CPA | \$2,015,000 |
|-----|-------------|

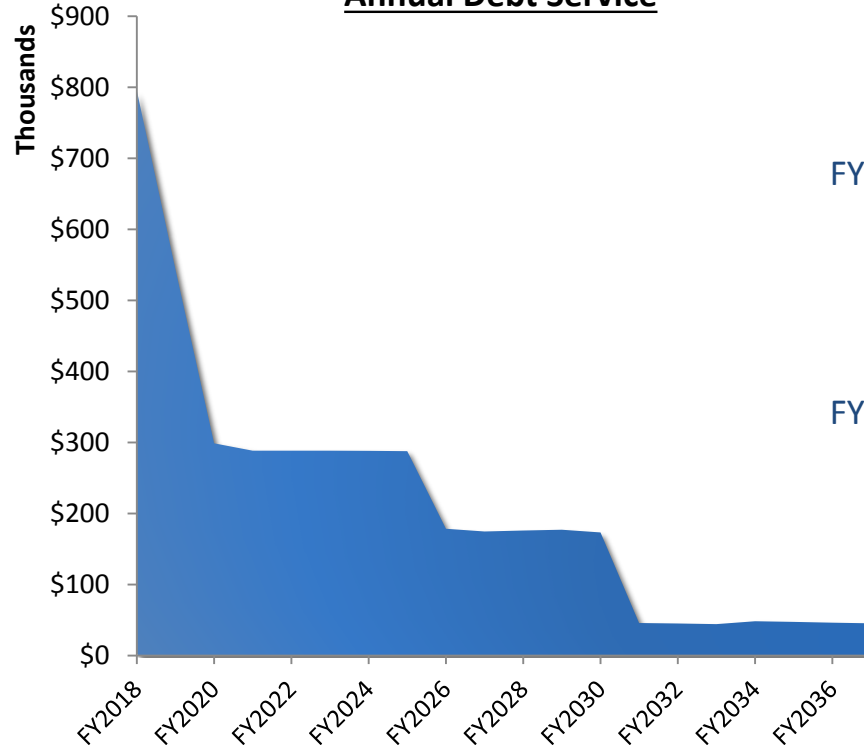
| | |
|--------------------------|----------------------|
| Total - All Funds | \$106,889,285 |
|--------------------------|----------------------|

General Fund Debt Service =
6.3% of FY18 Expenditures



General Fund Debt – Within Tax Levy

Annual Debt Service

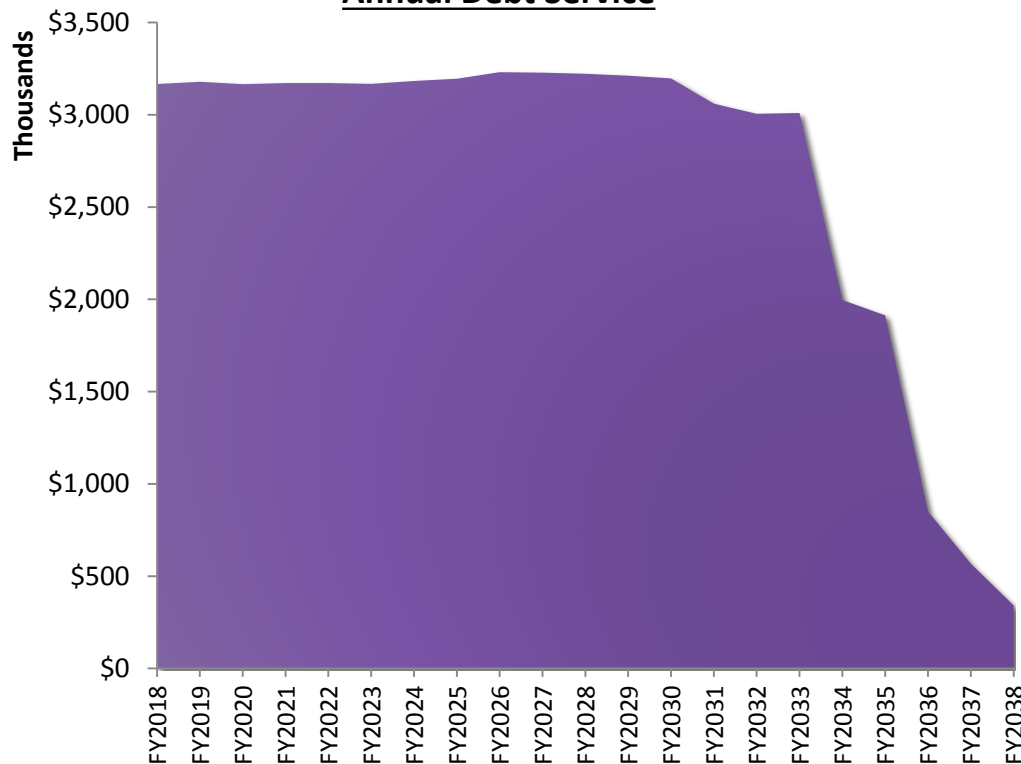


Par Outstanding as of June 30, 2017

| | Purpose | Amount | Maturity |
|------|------------------------------------|------------------|----------|
| FY18 | Equipment | 55,000 | FY2018 |
| | School Renovations | 55,000 | FY2018 |
| | School Demountables | 49,600 | FY2018 |
| | Drainage | 40,000 | FY2018 |
| | Land Acquisition | 30,000 | FY2018 |
| | Recreational Facility | 5,000 | FY2018 |
| FY19 | School Building Improvements | 150,000 | FY2019 |
| | Fire Truck | 100,000 | FY2019 |
| | Stormwater Management | 100,000 | FY2019 |
| | Paving State St. & Turkey Hill Rd. | 100,000 | FY2019 |
| | Inn Street Electrical | 20,000 | FY2019 |
| | Relocation of N Reservation Terr | 10,000 | FY2019 |
| | City Hall | 30,000 | FY2020 |
| | Fire Trucks | 810,000 | FY2025 |
| | World War Memorial Stadium | 1,430,000 | FY2030 |
| | Firehouse | 400,000 | FY2037 |
| | Drainage | 400,000 | FY2037 |
| | Total | 3,784,600 | |

General Fund Debt – Excluded (Outside Levy)

Annual Debt Service

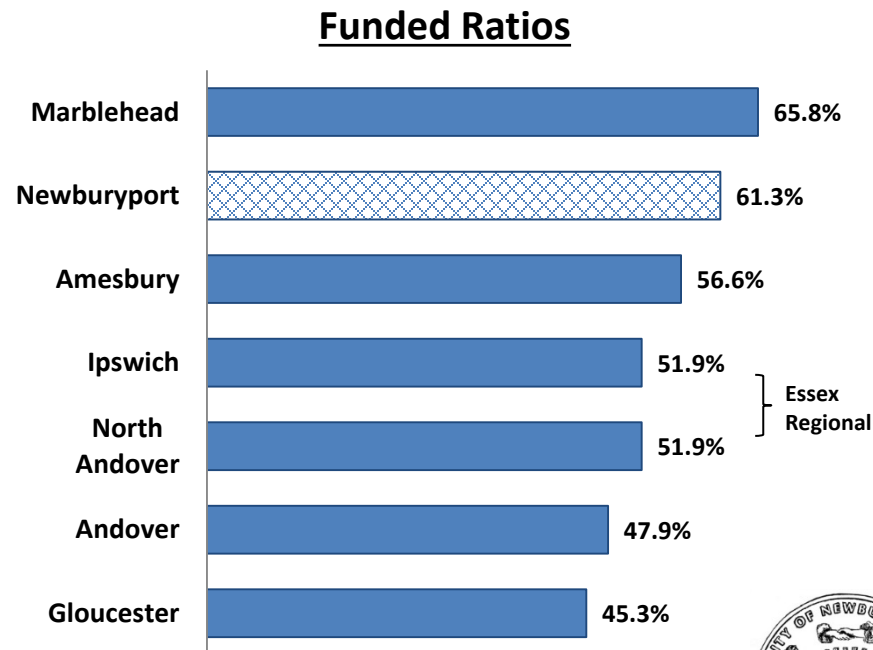


Par Outstanding as of June 30, 2017

| Purpose | Amount | Maturity |
|---------------------------|-------------------|----------|
| Library Renovations | 450,000 | FY2020 |
| High School | 831,400 | FY2023 |
| High School | 2,162,300 | FY2025 |
| Nock/Molin Fields | 1,575,000 | FY2030 |
| Senior & Community Center | 5,805,000 | FY2035 |
| Bresnahan School | 1,785,000 | FY2035 |
| Nock/Molin Elem School | 1,045,000 | FY2035 |
| Bresnahan School | 1,910,000 | FY2036 |
| Nock/Molin Elem School | 955,000 | FY2036 |
| Nock/Molin Elem School | 375,398 | FY2037 |
| Bresnahan School | 14,401,000 | FY2038 |
| Nock/Molin Elem School | 10,289,000 | FY2038 |
| Total | 41,584,098 | |

Unfunded Liabilities - Pensions

- The Newburyport Retirement System manages the pensions for the City, Schools (non-teachers) and the Newburyport Housing Authority
- The plan was 61.3% funded as of 1/1/16 based on a Total Actuarial Liability of \$112 million and Assets of \$69 million.
- The current funding schedule increases by 5% each year and is projected to be fully funded in FY35. In FY17, the cost to the taxpayers and ratepayers of the City was \$4 million



Unfunded Liabilities - Pensions

Current Funding Schedule

Newburyport Retirement System
January 1, 2016 Actuarial Valuation

Total cost increasing 5.0% through FY34, with a final amortization payment in FY35

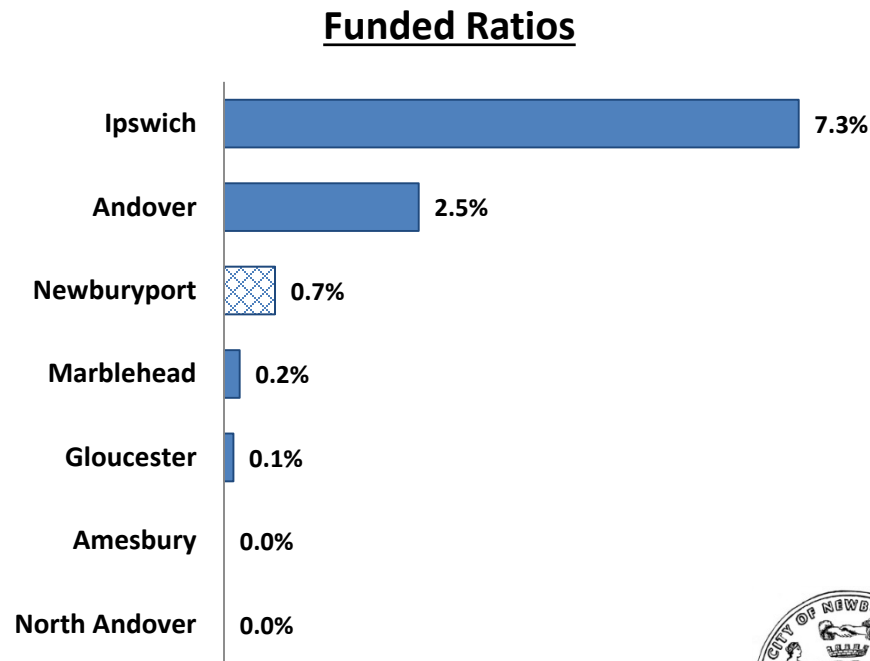
| <u>Fiscal Year</u> | <u>Normal Cost</u> | <u>Amort. of UAL</u> | <u>Amort. of 2002 ERI</u> | <u>Amort. of 2003 ERI</u> | <u>Total Cost</u> | <u>Unfunded Act. Liab.</u> | <u>Total Cost % Increase</u> |
|--------------------|--------------------|----------------------|---------------------------|---------------------------|-------------------|----------------------------|------------------------------|
| 2017 | 1,530,976 | 2,652,859 | 173,007 | 75,516 | 4,432,358 | 44,910,359 | |
| 2018 | 1,599,870 | 2,805,583 | 173,007 | 75,516 | 4,653,976 | 45,159,650 | 5.0% |
| 2019 | 1,671,864 | 2,966,288 | 173,007 | 75,516 | 4,886,675 | 45,263,460 | 5.0% |
| 2020 | 1,747,098 | 3,308,394 | | 75,516 | 5,131,008 | 45,202,298 | 5.0% |
| 2021 | 1,825,717 | 3,561,842 | | | 5,387,559 | 44,954,767 | 5.0% |
| 2022 | 1,907,875 | 3,749,062 | | | 5,656,937 | 44,497,395 | 5.0% |
| 2023 | 1,993,729 | 3,946,055 | | | 5,939,784 | 43,804,457 | 5.0% |
| 2024 | 2,083,447 | 4,153,326 | | | 6,236,773 | 42,847,783 | 5.0% |
| 2025 | 2,177,202 | 4,371,410 | | | 6,548,611 | 41,596,541 | 5.0% |
| 2026 | 2,275,176 | 4,600,866 | | | 6,876,042 | 40,017,016 | 5.0% |
| 2027 | 2,377,559 | 4,842,285 | | | 7,219,844 | 38,072,361 | 5.0% |
| 2028 | 2,484,549 | 5,096,287 | | | 7,580,836 | 35,722,332 | 5.0% |
| 2029 | 2,596,354 | 5,363,524 | | | 7,959,878 | 32,922,998 | 5.0% |
| 2030 | 2,713,190 | 5,644,682 | | | 8,357,872 | 29,626,434 | 5.0% |
| 2031 | 2,835,283 | 5,940,482 | | | 8,775,766 | 25,780,383 | 5.0% |
| 2032 | 2,962,871 | 6,251,683 | | | 9,214,554 | 21,327,893 | 5.0% |
| 2033 | 3,096,200 | 6,579,082 | | | 9,675,282 | 16,206,926 | 5.0% |
| 2034 | 3,235,529 | 6,923,517 | | | 10,159,046 | 10,349,933 | 5.0% |
| 2035 | 3,381,128 | 3,683,397 | | | 7,064,525 | 3,683,397 | -30.5% |
| 2036 | 3,533,279 | | | | 3,533,279 | 0 | -50.0% |

Appropriation payments assumed to be made July 1.
Normal cost assumed to increase 4.5% per year.
Assumed expenses of \$460,000.
FY17 appropriation was maintained at the same level as the prior schedule.



Unfunded Liabilities - OPEB

- Other Post-Employment Benefits (OPEB) represent the City's liability for the cost of health care benefits provided to present and future retirees
- New accounting rules (GASB 75) for FY18 will require the full liability to be recognized on the balance sheet.
- The plan is 0.65% funded with an Actuarial Accrued Liability of \$74.3 million and an Unfunded Actuarial Accrued Liability of \$73.8 million.
- The City established a trust in FY14 with a net asset value of \$571,053 as of June 30, 2017.



Credit Profile

- Long-Term Rating: AAA; Short-Term Rating: SP-1+
- Very strong economy;
- Very strong management, with strong financial policies and practices;
- Strong budgetary performance and flexibility;
- Very strong liquidity;
- Strong debt and contingent liability position; and
- Strong institutional framework score.

Source: S&P 4/7/2017

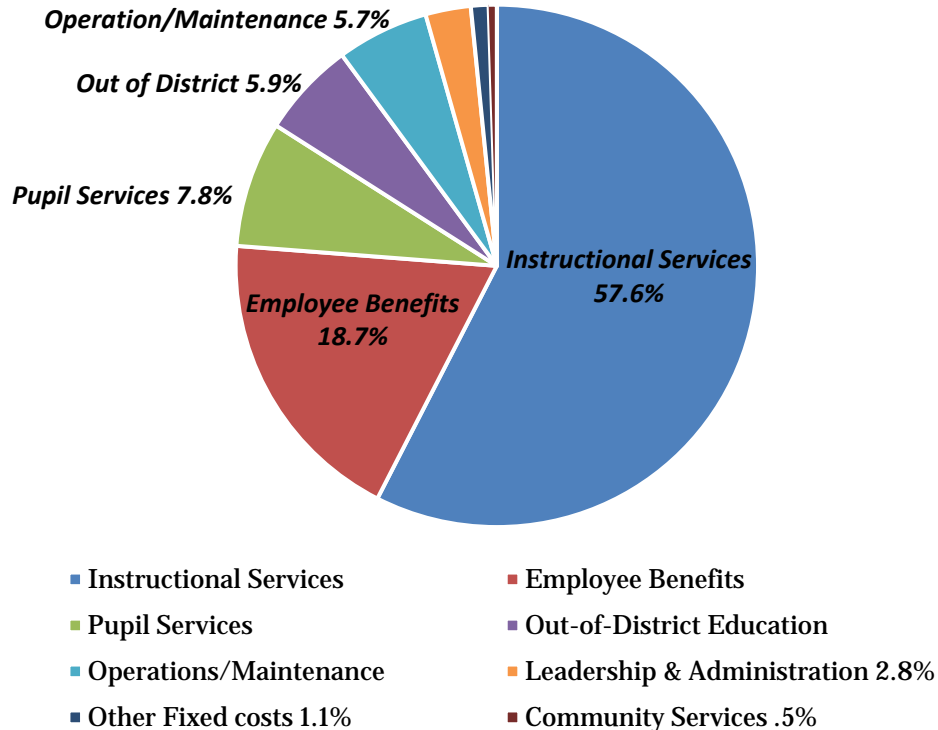


SCHOOL BUDGET UPDATE



Expenditures FY17

FY17 Expenditures



- Instructional Services; Instructional leadership, classroom and specialist teachers, professional development, guidance, counseling & testing, instructional materials, equipment and technology.
- Employee Benefits; Retirement contributions, insurance for current and retired employees, employment separation costs.
- Pupil Services; Attendance and parent liaison services, transportation (in-district), food services, athletics and other student activities, school security, medical and health services.
- Out-of-District Education; Payment for out-of-district students (includes students in charter schools, school choice and out-of-district placements), assessment for regional schools and transportation for out-of-district students.
- Operations & Maintenance; Maintenance of building & grounds, heating, utilities, custodial services, technology maintenance and building security systems.
- District Leadership & Administration; School committees, superintendent, assistant, business & finance, human resources, legal services and settlements, district-wide information management & technology, other district-wide administration.
- Other Fixed Costs; Crossing guards, inspections, bank charges, rental lease of buildings, non-employee insurance & other fixed charges
- Community Services; Civic activities and community services, recreation, health services for non-public schools & transportation to non-public schools

(data based on unaudited 2016/2017 End of Year Financial Report)

Revenue Sources

| | FY14 Budgeted | FY14 Actual | FY15 Budgeted | FY15 Actual | FY16 Budgeted | FY16 Actual | FY17 Budgeted | FY17 Actual | FY18 Budgeted |
|--------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| City Allocations | \$23,231,943 | \$23,643,013 | \$25,148,813 | \$25,148,813 | \$26,376,481 | \$26,412,981 | \$27,402,232 | \$27,402,232 | \$28,651,701 |
| Choice Tuition | \$925,928 | \$900,327 | \$727,427 | \$727,472 | \$641,858 | \$641,809 | \$546,341 | \$201,781 | \$94,453 |
| Choice FB | \$298,139 | \$298,139 | \$142,000 | \$142,000 | \$150,000 | 0 | \$494,379 | 0 | \$618,802 |
| Choice Educatius | 0 | 0 | \$13,600 | \$53,740 | \$81,600 | 0 | 0 | 0 | 0 |
| Circuit Breaker | \$223,000 | \$308,968 | \$310,000 | \$433,025 | \$278,674 | \$471,904 | \$427,000 | \$674,529 | \$641,505 |
| Circuit Breaker FB | 0 | \$117,942 | \$100,000 | \$100,000 | \$117,311 | \$120,478 | \$100,000 | <i>above</i> | 0 |
| Athletics | \$278,200 | \$285,541 | \$278,200 | \$267,878 | \$275,000 | \$273,542 | \$275,000 | \$305,884 | \$275,000 |
| Transportation | \$130,515 | \$183,683 | \$167,000 | \$220,265 | \$200,000 | \$219,066 | \$200,000 | \$197,126 | \$200,000 |
| Student Act | \$18,000 | \$18,000 | \$4,550 | \$4,550 | 0 | 0 | 0 | 0 | 0 |
| Kindergarten | \$370,000 | \$302,228 | \$325,000 | \$333,070 | \$275,000 | \$338,094 | \$375,000 | \$386,203 | \$375,000 |
| Pre-School | \$230,000 | \$228,678 | \$227,000 | \$226,830 | \$187,000 | \$229,761 | \$211,000 | \$236,771 | \$250,000 |
| Totals | \$25,705,725 | \$26,286,519 | \$27,443,590 | \$27,657,643 | \$28,582,924 | \$28,707,635 | \$30,030,952 | \$29,404,526 | \$31,106,461 |

Federal & State Grants

| | FY14 | FY15 | FY16 | FY17 | FY18 Projected |
|--|--------------------|------------------|------------------|------------------|------------------|
| 240 Sped | \$530,958 | \$539,090 | \$535,414 | \$548,332 | \$532,162 |
| Youth Opioid Prev. Grant | 0 | 0 | 0 | 0 | \$10,875 |
| Academic Support Summer | \$4,500 | 0 | 0 | 0 | 0 |
| Early Childhood SPED | \$12,002 | \$12,617 | \$12,604 | \$11,669 | \$11,083 |
| Title 1 | \$198,089 | \$164,907 | \$202,197 | \$207,296 | \$217,302 |
| Quality FD Kindergarten | \$65,634 | \$49,960 | \$49,961 | 0 | 0 |
| SPED Program Improvement | \$10,101 | \$18,586 | \$19,462 | \$19,462 | 0 |
| Improving Educator Quality (Title IIA) | \$47,462 | \$39,665 | \$40,348 | \$39,388 | \$53,117 |
| Enhanced School Health Services | \$55,760 | \$61,830 | \$55,760 | \$77,760 | \$77,760 |
| EEC Program Improvement | \$3,350 | \$6,700 | \$2,000 | \$1,400 | 0 |
| Academic Support | \$7,900 | \$5,600 | \$5,000 | 0 | 0 |
| Literacy Partnerships | \$20,553 | \$14,760 | 0 | 0 | 0 |
| Safe & Supportive Schools | \$10,000 | | \$20,000 | 0 | 0 |
| Race to the Top | \$59,884 | 0 | 0 | 0 | 0 |
| Title III Grant | 0 | 0 | 0 | 0 | \$16,771 |
| Title IV Grant | 0 | 0 | 0 | 0 | \$5,327 |
| Totals | \$1,026,193 | \$913,715 | \$942,746 | \$905,307 | \$924,397 |

Private Grants & Total Revenue

| | FY14 | FY15 | FY16 | FY17 | FY18 Projected |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Swasey | \$90,000 | \$90,500 | \$95,653 | \$92,758 | \$242,170 |
| PTO Contributions | | \$37,734 | | | |
| NEF (funded by calendar year) | \$418,789 | \$356,079 | \$272,200 | \$330,753 | |
| Totals | \$508,789 | \$483,313 | \$367,853 | \$423,511 | \$242,170 |
| | | | | | |
| Total all Grants | \$1,534,982 | \$1,397,028 | \$1,310,599 | \$1,328,818 | \$1,166,567 |
| Total all Revenue | \$27,821,501 | \$29,054,671 | \$30,018,234 | \$30,733,344 | \$32,273,028 |



Total Expenditures

| Source | FY13 Actual | FY14 Actual | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Budgeted |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | \$22,644,436 | \$23,662,721 | \$25,053,469 | \$26,388,496 | \$27,402,232 | \$28,651,701 |
| Revolving Funds | \$2,641,847 | \$2,264,832 | \$1,713,740 | \$2,040,259 | \$1,611,912 | \$2,229,760 |
| Grants | \$992,701 | \$1,026,193 | \$913,715 | \$942,746 | \$905,307 | \$924,397 |
| Private Grants | \$338,860 | \$508,788 | \$483,313 | \$367,853 | \$382,744 | \$242,170 |
| | | | | | | |
| | | | | | | |
| Total Expenditures | \$26,617,844 | \$27,462,534 | \$28,164,237 | \$29,739,354 | \$30,302,195 | \$32,048,028 |



School Choice Revenue

| | Revenue |
|-------------|-----------------|
| FY03 | \$1,504,950 |
| FY04 | \$1,471,452 |
| FY05 | \$1,484,034 |
| FY06 | \$1,445,073 |
| FY07 | \$1,336,129 |
| FY08 | \$1,036,983 |
| FY09 | \$958,647 |
| FY10 | \$809,729 |
| FY11 | \$1,001,859 |
| FY12 | \$1,067,833 |
| FY13 | \$1,080,851 |
| FY14 | \$900,327 |
| FY15 | \$727,472 |
| FY16 | \$641,809 |
| FY17 | \$201,781 |
| FY18 | \$94,453 |

*This report shows the revenue received from Choice over the past 15 years. We are continuing to show a decrease in revenue since FY13 due to enrollment. **FY19 may be the last year that we will have a fund balance to add to our budgeted revenue.***

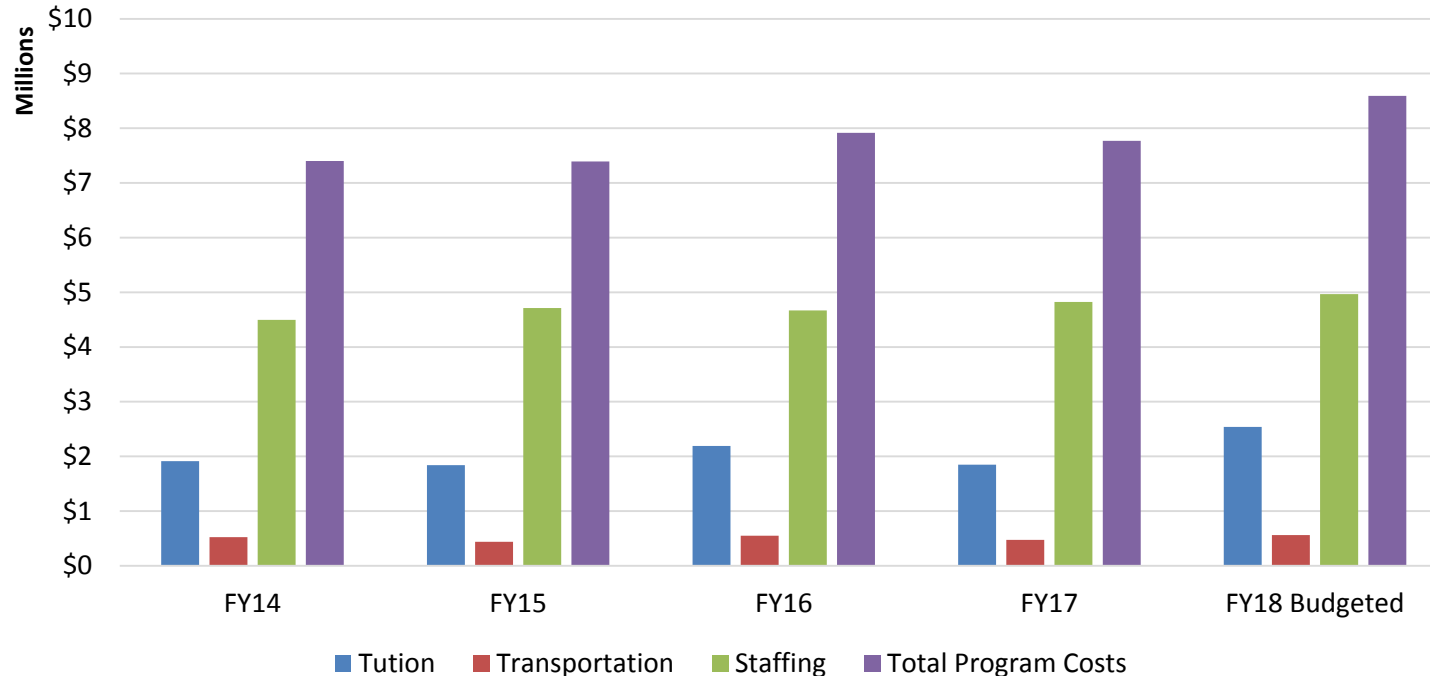
Our current Choice numbers are as follows; (8)

| | |
|----------|---|
| Grade 2 | 3 |
| Grade 11 | 1 |
| Grade 12 | 4 |



Special Education Costs

Special Education Program Costs



Tuition

FY14: \$1,912,996

FY15: \$1,839,419

FY16: \$2,189,468

FY17: \$1,847,968

FY18: \$2,538,190 budgeted

Transportation

FY14: \$523,907

FY15: \$439,252

FY16: \$548,730

FY17: \$474,319

FY18: \$561,350 budgeted

Staffing

FY14: \$4,494,691

FY15: \$4,712,312

FY16: \$4,669,047

FY17: \$4,823,503

FY18: \$4,968,317 budgeted

Total Program Costs

FY14: \$7,399,525

FY15: \$7,392,559

FY16: \$7,914,445

FY17: \$7,769,048

FY18: \$8,592,707 budgeted

A Look @ Circuit Breaker

FY17 Circuit Breaker Student Detail

| District Name | Eligible Students Claimed | Total Eligible Expenses | Foundation (\$10,774 x 4 =\$43,094 x 27) | Net Claim | Special Indicator | 65% Reimbursement | Total Reimbursement | Total Adjusted Reimbursement |
|---------------|---------------------------|-------------------------|--|-----------|-------------------|----------------------|------------------------|---------------------------------|
| Amesbury | 30 | 2,688,743 | 1,292,820 | 1,395,923 | 48,612 | 875,751 | 924,363 | 924,363 |
| Andover | 75 | 5,680,191 | 3,232,050 | 2,448,141 | - | 1,591,284 | 1,591,284 | 1,591,284 |
| Beverly | 77 | 5,538,499 | 3,318,238 | 2,220,261 | 40,333 | 1,416,950 | 1,457,283 | 1,457,283 |
| Boxford | 4 | 252,575 | 172,376 | 80,199 | - | 52,129 | 52,129 | 52,129 |
| Danvers | 43 | 3,690,723 | 1,831,495 | 1,859,228 | - | 1,208,496 | 1,208,496 | 1,208,496 |
| Dracut | 41 | 3,871,302 | 1,723,760 | 2,147,542 | - | 1,395,904 | 1,395,904 | 1,395,904 |
| Foxborough | 26 | 1,889,135 | 1,098,897 | 790,238 | - | 513,655 | 513,655 | 513,655 |
| Georgetown | 16 | 1,301,304 | 689,504 | 611,800 | - | 397,669 | 397,669 | 397,669 |
| Haverhill | 53 | 5,683,344 | 2,240,888 | 3,442,456 | 5,976 | 2,233,706 | 2,239,682 | 2,239,682 |
| Ipswich | 29 | 2,214,394 | 1,228,179 | 986,215 | 111,377 | 568,648 | 680,025 | 680,025 |
| Lawrence | 109 | 9,770,111 | 4,675,699 | 5,094,412 | 349,088 | 3,084,456 | 3,433,544 | 3,433,544 |
| Lowell | 132 | 10,239,167 | 5,645,314 | 4,593,853 | 819,023 | 2,453,636 | 3,272,659 | 3,272,659 |
| Lynnfield | 23 | 1,829,274 | 991,162 | 838,112 | - | 544,773 | 544,773 | 544,773 |
| Marlborough | 64 | 5,770,090 | 2,671,828 | 3,098,262 | - | 2,013,867 | 2,013,867 | 2,013,867 |
| Methuen | 82 | 7,640,951 | 3,533,708 | 4,107,243 | - | 2,669,703 | 2,669,703 | 2,669,703 |
| Newburyport | 27 | 2,009,717 | 1,163,538 | 846,179 | - | 550,012 | 550,012 | 550,012 |
| Peabody | 68 | 5,262,081 | 2,887,298 | 2,374,783 | 44,462 | 1,514,710 | 1,559,172 | 1,559,172 |
| Reading | 43 | 3,125,270 | 1,853,042 | 1,272,228 | 95,437 | 764,915 | 860,352 | 860,352 |
| Revere | 124 | 9,040,509 | 5,322,109 | 3,718,400 | 239,196 | 2,261,483 | 2,500,679 | 2,500,679 |
| Salem | 87 | 6,325,733 | 3,706,084 | 2,619,649 | 70,091 | 1,657,211 | 1,727,302 | 1,727,302 |
| Saugus | 35 | 2,840,994 | 1,486,743 | 1,354,251 | 100,357 | 815,028 | 915,385 | 915,385 |
| Tewksbury | 52 | 4,702,434 | 2,240,888 | 2,461,546 | - | 1,600,003 | 1,600,003 | 1,600,003 |

Nock Parking Lot Repairs & Paving

Nock-Parking Lot Repairs and Repaving

Department: Schools
 Category: Parks, Grounds & Open Space
 Request Type (New/Prior Year): Prior Year
 Department Priority: 1 - Urgent/Very High
 FY2017-FY2021 Project Cost: \$400,000
 Estimated Useful Life: 25 Years

Description and Justification:

Parking lot is in extremely poor condition and needs a total replacement. Lighting is also poor in most areas of the parking lot and needs to be improved for safety reasons.

Estimated cost comes from estimates provided during the recent renovation project. This project was considered to be included as part of the renovation project, but there was not sufficient budget to do so.



Estimated Project Costs by Fiscal Year

| | |
|--------------------------|-----------|
| FY2017 | \$0 |
| FY2018 | \$400,000 |
| FY2019 | \$0 |
| FY2020 | \$0 |
| FY2021 | \$0 |
| Total Five-Year Cost | \$400,000 |
| Operating Budget Impact: | \$0 |

Anticipated Funding Source(s)

| | |
|---|---------------------|
| X | Tax Levy |
| X | Debt |
| | Enterprise Receipts |
| | Stabilization |
| X | Free Cash |
| | Revolving Fund |
| | CPA |
| | Grant(s) |



Nock Parking Lot Light Upgrades

Nock Parking Lot Light Upgrades

Department: Schools
Category: Facilities Renovation/Repair
Request Type (New/Prior Year): New
Department Priority: 2 - High
FY2017-FY2021 Project Cost: \$75,000
Estimated Useful Life: 25 Years

Description and Justification:

The parking lot lights in the main lot at Nock inadequately illuminate the parking lot. Additional lights need to be added as this is a safety issue. This project should be coordinated with repaving of the parking lot with installation of conduits to service new lights. Estimated cost based on conversation with engineer and includes funding for engineering.



Estimated Project Costs by Fiscal Year

| | |
|--------------------------|----------|
| FY2017 | \$0 |
| FY2018 | \$75,000 |
| FY2019 | \$0 |
| FY2020 | \$0 |
| FY2021 | \$0 |
| Total Five-Year Cost | \$75,000 |
| Operating Budget Impact: | \$0 |

Anticipated Funding Source(s)

| | |
|---|---------------------|
| X | Tax Levy |
| X | Debt |
| | Enterprise Receipts |
| | Stabilization |
| X | Free Cash |
| | Revolving Fund |
| | CPA |
| | Grant(s) |



Nock Elevator Controls Modernization

Nock-Elevator Controls Modernization

Department: Schools
Category: Infrastructure
Request Type (New/Prior Year): Prior Year
Department Priority: 1 - Urgent/Very High
FY2017-FY2021 Project Cost: \$303,710
Estimated Useful Life: 50 Years

Description and Justification:

The controls for the elevator are original to the 1972 construction of the elevator. They do not meet current codes and cannot be tied into the fire alarm system in the way that a modern elevator would. After a recent inspection, the state elevator inspector commented that the controller and hydraulic oil tank would need to be replaced in the near future due to age. Further discussions with an elevator professional brought up the point that replacement of the piston should be considered as well. This budget cost below is to replace the controller and hydraulic tank, call buttons and other hardware and the piston. It also includes an allowance for engineering.



Estimated Project Costs by Fiscal Year

| | | |
|--------------------------|--------------------------------------|-----------|
| FY2017 | <i>Funded in March 2017</i> → | \$140,000 |
| FY2018 | | \$163,710 |
| FY2019 | | \$0 |
| FY2020 | | \$0 |
| FY2021 | | \$0 |
| Total Five-Year Cost | | \$303,710 |
| Operating Budget Impact: | | \$0 |

Anticipated Funding Source(s)

| | |
|---|---------------------|
| X | Tax Levy |
| X | Debt |
| | Enterprise Receipts |
| | Stabilization |
| X | Free Cash |
| | Revolving Fund |
| | CPA |
| | Grant(s) |



High School Roof Replacement

High School Roof Replacement

| | |
|--------------------------------|------------------------------|
| Department: | Schools |
| Category: | Facilities Renovation/Repair |
| Request Type (New/Prior Year): | Prior Year |
| Department Priority: | 1 - Urgent/Very High |
| FY2017-FY2021 Project Cost: | \$890,000 |
| Estimated Useful Life: | 25 Years |

Description and Justification:

This project aims to replace five section of flat roofing on the "Building-A" portion of Newburyport High School. These roofs cover the library, auditorium, east and west classroom areas, and the hip-roof section over the main portion of the building. The current roof is 20 years old and leaks in several areas causing damage to ceilings and other interior areas. Last replaced circa 1995, they were not replaced during the high school renovation and addition project in 1999 to 2002 because they were still new at that point, but several pieces of mechanical equipment were removed, and the roof received a lot of abuse from the ongoing construction work. A portion (45-50%) of this project may be reimbursable through the MSBA. A Statement of Interest was submitted in February 2017.



Estimated Project Costs by Fiscal Year

| | |
|--------------------------|-----------|
| FY2017 | |
| FY2018 | \$890,000 |
| FY2019 | \$0 |
| FY2020 | \$0 |
| FY2021 | \$0 |
| Total Five-Year Cost | \$890,000 |
| Operating Budget Impact: | \$0 |

Anticipated Funding Source(s)

| | |
|---|---------------------|
| X | Tax Levy |
| X | Debt |
| | Enterprise Receipts |
| | Stabilization |
| | Free Cash |
| | Revolving Fund |
| | CPA |
| X | Grant(s) |



Capital Needs Summary

The slides in this presentation are those that are Priority 1/Very High, a separate packet contains all Capital Needs for the schools with detail

| | <u>Amount</u> | <u>Priority</u> |
|--|---------------|-----------------|
| ➤ Nock parking lot repairs & paving | \$400,000 | 1 – Very high |
| ➤ Nock walkway/sidewalk repairs & repaving | \$60,000 | 2 – High |
| ➤ Nock elevator control modernization | \$163,710 | 1 – Very High |
| ➤ Nock tennis court renovation | \$50,000 | 3 – Medium |
| ➤ Nock gym & auditorium roof replacement | \$662,295 | 4 – Low |
| ➤ Nock furniture replacement | \$100,000 | 3 – Medium |
| ➤ Nock parking lot light upgrades | \$75,000 | 2 - High |
| ➤ High auditorium plaster repairs | \$100,000 | 3 – Medium |
| ➤ High roof replacement | \$890,000 | 1 – Very High |
| ➤ High exterior woodwork project | \$437,876 | 2 – High |
| ➤ High boiler #2 interior brickwork | \$12,000 | 2 – High |
| ➤ High masonry repairs | \$291,000 | 3 - Medium |



Capital Needs continued

| | <u>Amount</u> | <u>Priority</u> |
|---|---------------|-----------------|
| ➤ High concrete/sidewalk repairs | \$45,000 | 2 – High |
| ➤ High front walkway extension | \$15,000 | 2 – High |
| ➤ High ventilation improvements to mechanical space | \$15,000 | 3 – Medium |
| ➤ High perimeter stone wall repairs | \$65,000 | 3 – Medium |
| ➤ High additional parking spaces/curbing | \$150,000 | 3 – Medium |
| ➤ High repairs to east wheelchair ramp @main entry | \$15,000 | 3 – Medium |
| ➤ High furniture replacement | \$40,000 | 4 – Low |
| ➤ High carpet replacement | \$25,000 | 4 – Low |
| ➤ High ground floor vestibules | \$25,000 | 2 - High |



A Look Into The Future - Priorities

- Expansion of World Languages
- Safe & Supportive Schools
- Continuing Strategic Plan
- STEM Expansion
- Interdisciplinary Courses @High School
- Technology Education



FY19 BUDGET OUTLOOK



Budget Factors for FY19 & Beyond

Most Positive

- Value of city tax base
- Health of local economy
- Oil prices
- Prices/inflation

Most Negative

- Cost of employee/retiree benefits
- Unfunded/underfunded mandates
- Infrastructure needs



Cost Saving Measures

- Health Insurance
 - Going out to bid
 - Looking at alternative plan designs
- Continued Energy Efficiency Efforts
- Municipal Fiber Network
- Reduction of Sick Time Payouts
- Regionalization/Collaboration



Growth Opportunities



UFP
TECHNOLOGIES



LONG RANGE FINANCIAL PROJECTION



Revenue and Expenditure Projection

- Five year projection
- #s provided are preliminary
- Major assumptions:
 - Labor and service costs in line with index (ECI, CPI)
 - Health insurance costs +5.0% per year
 - Pension assessment +5.0% per year
 - Local revenue +2.9% per year
 - State revenue +0.5% per year
 - Based on maximum levy limit under Proposition 2½



Revenue Projection

FOR ILLUSTRATIVE PURPOSES ONLY 42

| | | GROWTH RATE | FY 2015 ACTUAL | FY 2016 ACTUAL | FY 2017 ACTUAL | FY 2018 ESTIMATE | FY 2019 PROJECTED | FY 2020 PROJECTED | FY 2021 PROJECTED | FY 2022 PROJECTED | FY 2023 PROJECTED |
|---------------------------------|------|----------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| PROPERTY TAXES | | | | | | | | | | | |
| Prior Year Levy Limit | | | 44,298,205 | 46,062,191 | 47,847,641 | 49,835,111 | 52,014,583 | 54,064,947 | 56,116,571 | 58,219,485 | 60,374,972 |
| 2 1/2 % Increase | | | 1,107,455 | 1,151,555 | 1,196,191 | 1,245,878 | 1,300,365 | 1,351,624 | 1,402,914 | 1,455,487 | 1,509,374 |
| New Growth | | | 656,531 | 633,895 | 791,279 | 933,594 | 750,000 | 700,000 | 700,000 | 700,000 | 700,000 |
| TOTAL LEVY LIMIT | | | 46,062,191 | 47,847,641 | 49,835,111 | 52,014,583 | 54,064,947 | 56,116,571 | 58,219,485 | 60,374,972 | 62,584,347 |
| Debt Exclusion | | | 2,427,790 | 2,918,868 | 3,192,620 | 3,166,609 | 3,178,737 | 3,165,464 | 3,171,545 | 3,171,735 | 3,167,680 |
| TOTAL MAXIMUM LEVY LIMIT | | | 48,489,982 | 50,766,508 | 53,027,731 | 55,181,192 | 57,243,684 | 59,282,035 | 61,391,030 | 63,546,707 | 65,752,027 |
| LOCAL RECEIPTS | | | | | | | | | | | |
| Motor Vehicle Excise | 3.0% | | 2,528,836 | 2,620,498 | 2,707,801 | 2,525,000 | 2,600,000 | 2,678,000 | 2,758,340 | 2,841,090 | 2,926,323 |
| Other Excise | | | 0 | 0 | | | | | | | |
| a. Meals | 3.5% | | 561,480 | 586,573 | 591,292 | 560,000 | 580,000 | 600,300 | 621,311 | 643,056 | 665,563 |
| b. Room | 3.5% | | 112,842 | 130,608 | 220,859 | 230,000 | 230,000 | 238,050 | 246,382 | 255,005 | 263,930 |
| c. Other | 2.2% | | 106,611 | 108,938 | 108,744 | 105,000 | 105,000 | 107,273 | 109,596 | 111,968 | 114,392 |
| Pen & Int on Tax & Exc | 0.0% | | 383,169 | 331,595 | 296,694 | 335,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Payments in Lieu of Taxes | 0.0% | | 58,107 | 100,377 | 61,351 | 61,351 | 61,351 | 61,351 | 61,351 | 61,351 | 61,351 |
| Fees | 3.5% | | 581,343 | 462,106 | 344,592 | 425,000 | 350,000 | 362,250 | 374,929 | 388,051 | 401,633 |
| Other Dept. Revenue | 0.4% | | 58,150 | 58,454 | 64,393 | 55,000 | 60,000 | 60,259 | 60,519 | 60,781 | 61,043 |
| Licenses and Permits | 3.5% | | 785,676 | 1,071,855 | 1,010,665 | 860,000 | 900,000 | 931,500 | 964,103 | 997,846 | 1,032,771 |
| Fines & Forfeits | 3.0% | | 8,027 | 14,586 | 13,994 | 10,000 | 20,000 | 20,605 | 21,229 | 21,871 | 22,533 |
| Investment Income | 2.0% | | 54,862 | 53,274 | 60,015 | 50,000 | 55,000 | 56,100 | 57,222 | 58,366 | 59,534 |
| Medicaid Reimbursement | 3.5% | | 99,485 | 124,612 | 139,110 | 100,000 | 125,000 | 129,375 | 133,903 | 138,590 | 143,440 |
| Miscellaneous Recurring | 2.0% | | 100,206 | 141,446 | 161,955 | 138,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| Miscellaneous Non-Recurring | 0.0% | | 51,625 | 260,325 | 172,699 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL LOCAL RECEIPTS | 2.9% | | 5,490,419 | 6,065,246 | 5,954,165 | 5,454,351 | 5,546,351 | 5,705,064 | 5,868,884 | 6,037,977 | 6,212,514 |
| TOTAL NET STATE AID | 0.5% | | 3,810,821 | 3,989,560 | 4,253,403 | 3,940,193 | 3,999,296 | 4,059,285 | 4,120,175 | 4,181,977 | 4,244,707 |
| OTHER FINANCING SOURCES | | | 0 | 0 | 0 | 0 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| RESERVE FOR ABATEMENT | | | -441,002 | -414,877 | -373,763 | -446,750 | -600,000 | -650,000 | -736,692 | -762,560 | -789,024 |
| TOTAL REVENUE | | | \$57,350,220 | \$60,406,438 | \$62,861,536 | \$64,128,987 | \$66,589,331 | \$68,796,384 | \$71,043,396 | \$73,404,101 | \$75,820,223 |

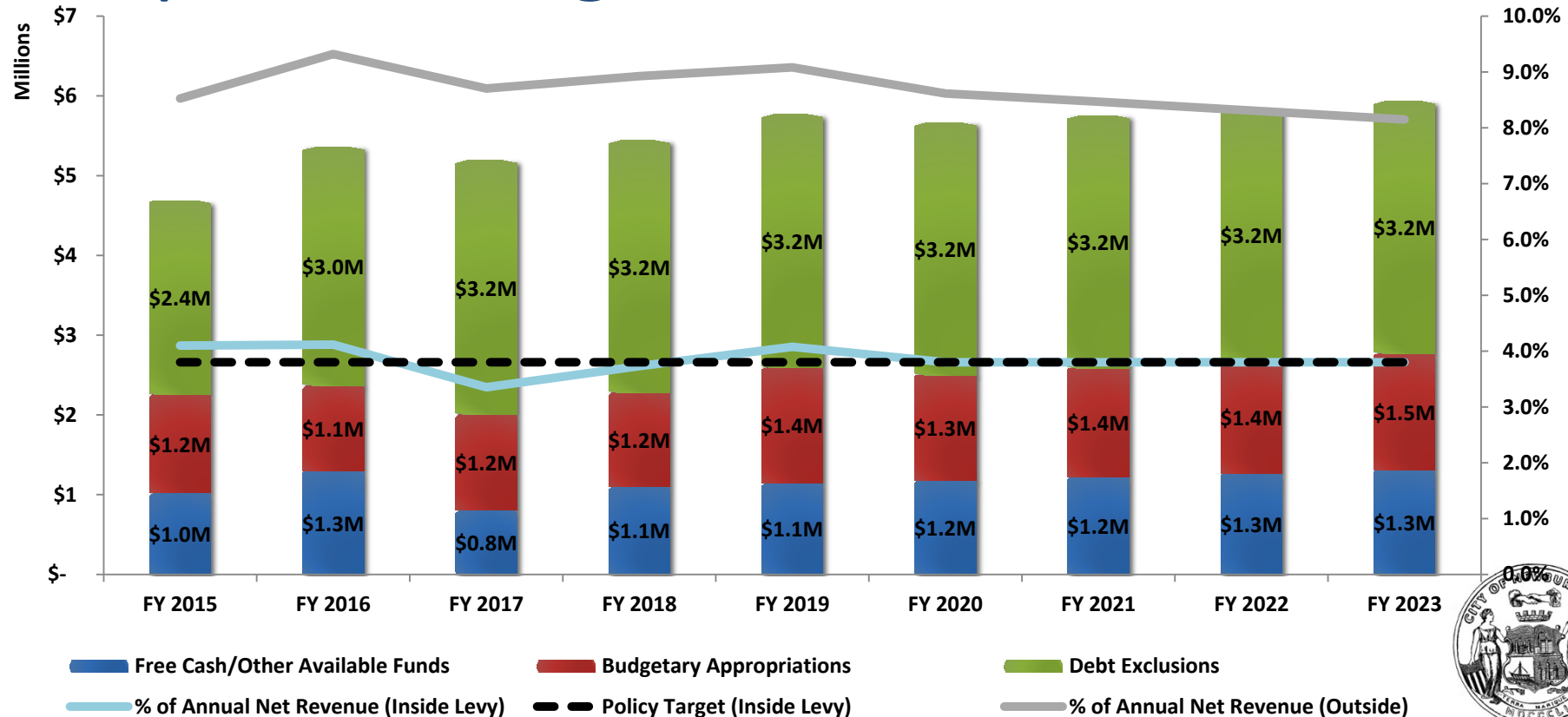
Expenditure Projection

FOR ILLUSTRATIVE PURPOSES ONLY

43

| | GROWTH RATE | FY 2015 ACTUAL | FY 2016 ACTUAL | FY 2017 ACTUAL | FY 2018 REVISED | FY 2019 PROJECTED | FY 2020 PROJECTED | FY 2021 PROJECTED | FY 2022 PROJECTED | FY 2023 PROJECTED |
|--------------------------------------|----------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Administration | 2.3% | 1,545,683 | 1,653,010 | 1,662,253 | 1,724,330 | 1,763,865 | 1,804,307 | 1,845,676 | 1,887,993 | 1,931,281 |
| Finance | 2.4% | 1,010,969 | 1,039,353 | 888,410 | 839,990 | 859,913 | 880,309 | 901,188 | 922,563 | 944,445 |
| Public Safety | 2.4% | 8,084,521 | 8,459,410 | 8,518,912 | 8,782,875 | 8,990,975 | 9,204,005 | 9,422,083 | 9,645,328 | 9,873,862 |
| Public Services | 2.4% | 3,118,599 | 2,495,199 | 3,035,718 | 3,032,358 | 3,103,621 | 3,176,558 | 3,251,209 | 3,327,615 | 3,405,816 |
| Planning and Development | 2.4% | 566,368 | 503,499 | 498,936 | 514,016 | 526,356 | 538,993 | 551,933 | 565,183 | 578,752 |
| Social Services | 2.4% | 2,051,999 | 2,082,227 | 2,172,535 | 2,241,884 | 2,294,658 | 2,348,674 | 2,403,961 | 2,460,551 | 2,518,472 |
| Public Schools | 3.1% | 25,148,813 | 26,388,496 | 27,360,232 | 28,651,701 | 29,761,804 | 30,884,920 | 31,842,870 | 32,830,534 | 33,848,835 |
| Vocational Schools | 2.5% | 358,738 | 350,232 | 463,868 | 641,149 | 637,491 | 774,249 | 691,434 | 709,058 | 727,130 |
| Employee Benefits: | | | | | 3.1% + \$400,000 | 3.1% + \$200,000 | 3.1% + \$200,000 | | | |
| Health Insurance | | | | | | | | | | |
| City | 5.0% | 2,450,228 | 2,743,815 | 3,213,272 | 3,434,370 | 3,606,089 | 3,786,393 | 3,975,713 | 4,174,499 | 4,383,224 |
| Schools | 5.0% | 4,838,716 | 5,123,755 | 5,580,111 | 5,970,334 | 6,268,851 | 6,582,293 | 6,911,408 | 7,256,978 | 7,619,827 |
| Total | 5.0% | 7,288,944 | 7,867,570 | 8,793,383 | 9,404,704 | 9,874,940 | 10,368,687 | 10,887,121 | 11,431,477 | 12,003,051 |
| Pension Assessment | | | | | | | | | | |
| City | 5.0% | 2,500,977 | 2,578,699 | 2,787,832 | 2,895,975 | 3,040,774 | 3,192,813 | 3,352,454 | 3,520,076 | 3,696,080 |
| Schools | 5.0% | 927,032 | 982,112 | 991,958 | 1,028,766 | 1,080,205 | 1,134,215 | 1,190,926 | 1,250,472 | 1,312,996 |
| Total | 5.0% | 3,428,009 | 3,560,812 | 3,779,790 | 3,924,742 | 4,120,979 | 4,327,028 | 4,543,379 | 4,770,548 | 5,009,076 |
| OPEB Trust Fund | | 450,000 | 0 | 25,000 | 0 | 0 | 103,687 | 108,871 | 114,315 | 120,031 |
| Total Employee Benefits | 5.0% | 11,166,954 | 11,428,382 | 12,598,173 | 13,329,446 | 13,995,919 | 14,799,401 | 15,539,371 | 16,316,340 | 17,132,157 |
| Budgeted Capital Investments: | | | | | + \$100,000 Roads | | + \$100,000 Roads | | | |
| Capital Outlay | 1.9% | 373,792 | 351,037 | 325,720 | 354,287 | 461,018 | 574,915 | 631,928 | 681,160 | 731,633 |
| Debt Service | | 3,286,866 | 3,715,056 | 4,107,675 | 3,986,891 | 4,162,924 | 3,904,464 | 3,900,145 | 3,900,310 | 3,896,305 |
| Total Capital Investments | | 3,660,658 | 4,066,092 | 4,433,396 | 4,341,178 | 4,623,942 | 4,479,379 | 4,532,073 | 4,581,470 | 4,627,938 |
| TOTAL EXPENDITURES | | \$56,713,301 | \$58,465,899 | \$61,632,433 | \$64,098,927 | \$66,578,543 | \$68,790,794 | \$70,981,799 | \$73,246,634 | \$75,588,688 |
| TOTAL REVENUE | | \$57,350,220 | \$60,406,438 | \$62,861,536 | \$64,128,987 | \$66,589,331 | \$68,796,384 | \$71,043,396 | \$73,404,101 | \$75,820,223 |
| AVAILABLE BALANCE | | \$ 636,918 | \$ 1,940,538 | \$ 1,229,103 | \$ 30,060 | \$ 10,788 | \$ 5,590 | \$ 61,598 | \$ 157,467 | \$ 231,536 |

Capital Funding Plan



School Appropriation – Past 10 Years

