

Budget and Finance Committee

11/17/22 6:00 pm Council Chambers

Meeting Post: <https://www.cityofnewburyport.com/budget-finance/events/307151>

Roll:

B/F: Zeid, Khan, Wright

Other Members: Shand, Preston, McCauley, Lane, Donahue, Vogel

Staff: Andrew Levine, Ethan Manning, Andy Port, Jon-Eric White, Julie Langiurand, Jill Brennan

Agenda:

High Priority/Plan to Address

ORDR00391_11_14_2022 Residential Factor FY23 (COTW)

- Ethan made a presentation (available on meeting post page)
- Current tax rate is \$12.01
- Average single family home up 702k to 830k, 18.3% inc
- Cllr Khan asked about
- Ethan explained new growth, and levy limit last year vs current year. That's really what drives increases of more than 2.5%. Last year we didn't tax to levy limit.
- Zeid asked about condos vs single family changes.
- Lane – Market is shifting, assessments are through the roof. What's the plan going forward. Interest rates, change
- Vogel – One thing I notice change in assessed value. What happened to the CIP
- Vogel – Why did CIP go down so much
- This is not the change in value, this is the change in the rate of change (delta)
- Ginny Eramo – 18 Temple Blvd Newburyport – Commercial property owner in NBPT. 10 year owner. Bought the property to have rental control. Pandemic was catastrophic. Everyone got laid off. Coming out of that was a real struggle. Handcuffed by state for 9 months, 50%. Bringing people back to work. Had to sell house. No paycheck for a year. City has never had a split tax rate. Many leases are NNN. Increases on prop tax will go to NNN.
- Pam Older – Business owner in town. Property taxes have doubled. Mixed use building what will happen to it. Small business very difficult to build up momentum after past two years. 42 Merrimac St.
- Nate Allard – President Chamber. Ditto on the other comments. My chamber represents about 800, most are in Newburyport. Being made aware of tax proposal. Businesses are very much opposed. EDAC would like to speak, Exec Committee, Government Affairs
- Vogel – Mixed use? Jill?
- Brennan – The assessment is apportioned to its classification. Usually by square footage
- McCauley – We're already going up by 3.7% in 2023.
- Vogel – Hasn't free cash been higher because of infusions
- Manning – yes this year for sure. Need to find balance between free cash/flexibility
- Vogel – we haven't gone to 2.5% usually. Lowest might be 1.5%
- Vogel – 1986 we had a split factor

- Donahue – Very concerned about seniors/working families
- Donahue – I represent them
- Donahue – This is significant for those on fixed incomes
- Donahue – Abatements, work-offs
- Wright – Excluding vacant land by why condos?
- Brennan – Would be more important to show how it would affect building
- Wright – Again, not understanding
- Brennan – Including those
- McCauley – Point of clarification
- Khan – Should we use free cash? Should we shift? Trying to look at what we're trying to do. I think we should use some free cash – yes
- Khan – DOR best practice?
- Khan – Ok with free cash but not CIP shift
- Donahue – Yes free cash
- Wright – Can we do more free cash?
- Manning – we did but becomes challenging
- Wright – you could use stabilization fund if you don't make it
- Wright – Either give back too much.
- McCauley – proposal could be to stick with tax rate.
- Vogel – What is the philosophy of the fund
- Manning – try it keep it around 5%. Keep it as a cushion. Keep it around 5%
- Vogel – Was a little bit concerned about commercial side of it. Some of the comments about passing that on. That's very real.
- Preston – Why go to 5.7% stab fund?
- Manning – it's a rainy day
- Preston – so things are good now so save money
- Preston – How many leases have taxes?
- Wright – I think 90%+
- McCauley – want to have more efficiency, introduce better ways of doing business. All we say is we have a contract and we just have to keep it going
- Vogel – see different perspectives. Not a small business. Not even an enterprise. We are a bureaucratic entity.
- **Amended to factor of .9880, 3-0**
- **See below in 392 for vote out of Committee**

TRAN00144_11_14_2022 Mayor: General Fund Free Cash \$401,028 to General Fund Budget Reserve \$401,028 (B&F)

- See above for notes
- **Amended to \$553,602 free cash, 3-0**
- **See below in 392 for vote out of Committee**

ORDR00392_11_14_2022 Tax Rate FY23 (COTW)

- See above for notes
- 10.64 residential and 11.85

- **Motion to recommend approval for ORDR291, TRAN144, ORDR392 collectively as amended – SZ/AK together – 3-0**

TRAN00139_11_01_2022 Mayor: General Fund Free Cash \$655,525 to Waterfront Culvert Replacement \$655,525 (COTW)

- HShand – Discussion of using Arpa funds? Should we use that? Was that discussed
- Mayor – didn't want to set the clock back and would need to get committee together
- McCauley – beat up the technical aspect. It's really \$175 and the other risk factors drive the cost up. Want 50/50 ARPA vs Free cash
- Preston – what is up with the timing? Can we wait agree.
- Vogel – What are the guidelines. Can we backfill?
- Manning – if don't want to go through ad hoc process we don't have to do
- Donahue – Quick clarification – is this fix to help with flood in market square
- White – Yes it will help but not a huge storm
- SZ – is this the priority
- Levine – it is in on the CIP
- White – the flooding is a problem
- White – water supply is number 1 but it's just not ready
- White – see a lot of benefit
- SZ – Risk of contamination?
- White – VHB feels there is enough documentation. They feel decent about it.
- White – normal heavy metals that have been dealt with for 100s of years
- Port – there borings and data
- Vogel – concur it's a project needing to be done
- **Motion to return to excess cash SZ/MW – 3-0**
- **Motion to approve as amended AK/MW – 2-1**

TRAN00142_11_01_2022 Finance: General Fund Free Cash \$18,647 to Parklet Maintenance Fund \$18,647

- This is to catch up funds collected before establishment of the fund
- Consistent with discussion at that time
- **Motion to recommend approval AK/MW – 3-0**

TRAN00141_11_01_2022 Mayor: General Fund Free Cash \$500,000 to Stabilization Trust Fund \$500,000 (COTW)

- Did not discuss

ORDR00390_11_14_2022 Pay Prior Year Bills

- AK - Elevator – what's up
- Manning – they do all the routine inspections on elevators

- Contract with them
- **Motion to recommend approval MW/AK – 3-0**

TRAN00143_11_14_2022 DPS: Sewer Vehicle/Equip Replacement \$1,456 to Heavy Duty Truck Purchase \$1,456 (B&F)

- Truck came in over expected
- Sewer internal transfer
- **Motion to recommend approval MW/AK – 3-0**

APPT00356_11_14_2022 Victoria Finnigan 10 Boxford Rd. Rowley Assistant Treasurer/Collector

- Julie appeared, Victoria been very thorough
- Teamster Admin
- No individual contract
- 4 years in the department
- **Motion to recommend approval MW/AK – 3-0**

Not Planning to Discuss

- COMM00443_11_01_2022 59 Low St. FAQs (COTW)
- ORDR00388_11_01_2022 NYS Facility Bond Order (COTW)
- ORDR00336_03_28_2022 ARPA Amesbury 250K (COTW)
- TRAN00140_11_01_2022 P&D: Waterfront Park Paid Parking Fund \$40,000 & Harbormaster Retained Earnings \$20,000 to Market Landing Park Expansion Project \$60,000
- ODNC00129_11_01_2022 Defining Conflict Rule for Dept. Heads (COTW)
- ODNC00130_11_01_2022 Grants, Gifts, and Fees (COTW)
- ODNC00132_11_14_2022 Mandated Reporting (COTW)

Public Comment:

See above in issues

Motion to adjourn:

Adjourn, MW/SZ – 3-0

Recording:

https://us02web.zoom.us/rec/share/tpCxzAGtq7yTNXaf6GWElDuo1ZHHupytG5vvo7_SYMsnB4XjztSE3xYU8SqF1FqA.7KMHShlg8aWb_kwM

Passcode: e56@#M==

ORDR00391_11_14_2022
Amended in Committee 11_17_2022

November 14, 2022

THAT, the City of Newburyport adopts a **residential factor** of **0.9880** for **fiscal year 2023**.

Councillor Sharif I. Zeid



CITY OF NEWBURYPORT FY 2023 TRANSFER/APPROPRIATION REQUEST

Department: Mayor
Submitted by: Mayor Sean R. Reardon **Date Submitted:** 11/14/2022

Transfer From:

Account Name:	<u>General Fund - Free Cash</u>	Balance:	<u>\$ 4,316,637.00</u>
Account Number:	<u>01-35910</u>	Category:	<u>n/a</u>
Amount:	<u>\$401,028 \$553,602</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Available:


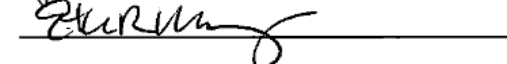
The Massachusetts Department of Revenue certified Free Cash for FY2023 at \$4,316,637. These funds are available for any legal expenditure with the approval of the Mayor and a vote of the City Council.

Transfer To:

Account Name:	<u>General Fund Budget Reserve</u>	Balance:	<u>\$ -</u>
Account Number:	<u>01-32801</u>	Category:	<u>\$ -</u>
Amount:	<u>\$401,028 \$553,602</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Needed:

An appropriation of \$401,028 from Free Cash is recommended to defray a portion of the property tax increase for fiscal year 2023.

Sean R. Reardon, Mayor:  Date: 11/14/2022
 Ethan R. Manning, Auditor:  Date: 11/17/2022
 City Council Action:

ORDR00392_11_14_2022
Amended in Committee 11_17_2022

November 14, 2022

THAT, the City of Newburyport adopts a **tax rate** of **\$10.64** per thousand for the residential and open space (R&O) classes and **\$11.85** per thousand for the commercial, industrial and personal property (CIP) classes for **fiscal year 2023**.

Councillor Sharif I. Zeid

Transfer 139 - Amended

TRAN00139_11_01_2022



**CITY OF NEWBURYPORT
FY 2023
TRANSFER/APPROPRIATION REQUEST**

RECEIVED
CITY CLERK'S OFFICE
NEWBURYPORT, MA
2022 OCT 25 PM 3:10

Department: Mayor
Submitted by: Mayor Sean R. Reardon **Date Submitted:** 11/1/2022

Transfer From:

Account Name:	<u>General Fund - Free Cash</u>	Balance:	<u>\$ 4,316,637.00</u>
Account Number:	<u>01-35910</u>	Category:	<u>n/a</u>
Amount:	<u>\$655,525.00</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Available:

The Massachusetts Department of Revenue certified Free Cash for FY2023 at \$4,316,637. These funds are available for any legal expenditure with the approval of the Mayor and a vote of the City Council.

Transfer To:

Account Name:	<u>Waterfront Culvert Replacement</u>	Balance:	<u>\$ -</u>
Account Number:	<u>New Account</u>	Category:	<u>\$ -</u>
Amount:	<u>\$655,525.00</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Needed:

Funds are needed to replace the drainage culvert that runs beneath the proposed Market Landing Park Expansion Project. See attached explanatory memorandum and cost estimate.

Sean R. Reardon, Mayor:

Date: 10/25/2022

Ethan R. Manning, Auditor:

Date: 10/25/2022

City Council Action:

Amended: Any unutilized funds at the conclusion of the project shall be returned to the General Fund – Free cash.