

# Budget and Finance Committee

**3/2/23 6:00 PM**

**Meeting Post:** <https://www.cityofnewburyport.com/budget-finance/events/331396>

## **Roll:**

**B/F:** Zeid, Wright, Khan

**Other Members:** Preston McCauley, School Committee Brian Callahan, President Shand, Donahue, Vogel

**Staff:** Manning, Levine

**Agenda:** (green = coming out of cmte, pink = coming out of cmte amended, yellow = staying in cmte)

## **Priority 1 Business (plan to discuss):**

- **COMM00463\_02\_27\_2023 NYS Facility Funding Discussion (COTW)**
  - Chair introduced
  - Public Comment - Jim McCarthy, Russia St. Ask the right questions, the question isn't can we bond, it's what the opportunity cost is. Benchmarking the YS project.
  - A Khan – Start with Youth Services. Priorities are a key part of the conversation. We talked on streets/sidewalks, we talked about bonding for this. Let's prioritize this.
  - A Khan – NYS is something that we've talked about. 2019 it was slated for 2023 that it would get a certain amount. Can't remember amount. This was going to be a commitment.
  - A Khan – West End fire station was critical
  - J Donahue – It's OK, question for Director. On the tail of what he said.
  - J Donahue – What if we had more money, say \$909k
  - Manning – Yes question of debt. Brookline has 7.5% and then they split it up
  - M Wright – The 2.5% does not include the included debt. If we include the excluded debt we are right around the 7.5% with the 2 numbers added together
  - B Vogel – Challenge with audio. Position, we can handle it. Other communities are not the concern. We have been talking about NYS.
  - B Vogel – In terms of debt. I don't think that we're in an overspending mode. Talked to Director. The CIP is a wishlist
  - B Vogel – How can we get the priorities from the Council. How much do we want to spend. The goal posts are moving. All of a sudden art world want to be in the Brown Gym.

- B Vogel – Looking for additional revenue is very important. Retail marijuana would be good. Taxing STR would be good for more revenue.
- J Donahue – My priorities – NYS is important. Reasonable number in the \$5m range. Schools are also important. Adult retail cannabis and STR – more revenue
- M Wright – Also want to and Whittier, what does that mean. Once they get down the road with MSBA, it's build or lose.
- E Manning – 11.9% would be the total which works out to \$32m. Each participating would have to vote favorably.
- M Wright – what does city mean? The School Committee, legislative body?
- E Manning – Yes, we need clarification on this
- Brian Callahan – We have new things. Elevator controls, \$70k now has moved to the top of the list. I understand that it is the legislative body. Not sure that it will pass all 11. 28 kids go to Whittier.
- B Vogel – Completely not understand. Projected number Whittier – can you explain
- Chair clarified
- B Vogel – this slide was built over the NYS. Considerations for funding sources. Etc. NYS is very important to me. How many people are served? I have to answer. NYS serves more than the children that show up there and by extension it's the parents and grandparents.
- A Khan – Pros and Cons of having a dedicated building. If that's the debate. People's thoughts on it. Want to have glimpse of people whose kids are on the fringe – not playing sports, etc. Not how kids are playing. They are not fitting in. Seen NYS as they formed a group for kids of color. It comes down to mental health. Went to MMA to ask about construction costs and other places are looking at too. It is a need. Middle school is a mess. It's a priority. It's been in CIP forever. Do we want it or not.
- C Preston – Don't have kids. Do think that it is important but we can develop next generation. NYS is a piece of that. Salisbury has a Y. It's a high priority and a need. Bartlett Mal is no longer a priority. Take that money and spend it on NYS.
- M Wright – CPA money vs tax dollars
- H Shand – I don't have kids. I have a belief that we have to build our community.
- S Zeid – Can we make this sensible?

- A Khan - Here's the 2m, make it viable. We paid \$30 EGA. Another scope. If we're going to create a space, why give a cap get the number. Savings longer term. Let that process happens
- B Vogel – Taxes that we receive for retail marijuana. Those are general fund. Community impact are being challenged. Taxes in terms of using the average single family tax bill. It's not representative.

*Public Comment:*

- Owen Smith – 175 Storey Ave – Snooze you lose here with public projects. The longer we sit. The more expensive its going to get. Piecemeal fashion. Social infrastructure life and property.
- Stephanie Niketic 93 High St. – Question – how much money are we now getting in STRU taxes from the state. Comment – Very much opposed to selling the Brown School to fund anything. STRU issue has not gone away. Public was told is that the STRU funds would be used for enforcement. It's not up for grabs.
- Mike Leonard – 13 Tyng St. – Nothing some things not there. Let's include all projects. One change from slides is the exclusion of parking garage. The debt is a component of the general fund.
- E Manning – we haven't seen a normal year. It's around \$300k
- Jane Snow – 9 Coffin St. – No kids but teaching career. Teacher and guidance councilor. Middle school is very hard for all kids. Support NYS. NYS is moving from rec to social service. Need clear picture.

***Motion to Receive and File, AK/MW 3-0***

**• ORDR00425\_02\_27\_2023 Exchange Club Gift Acceptance**

- \$600 gift
- 2 kids for camperships
- There is a scholarship program in NYS in registration process
- E. Manning - Defer to NYS for more info

***Motion to recommend approval, AK/MW, 3-0***

**• ORDR00426\_02\_27\_2023 Police Cruiser Equipment Lease**

- DOR now makes us recognize this as debt
- The \$85k is after a down-payment
- This is for 2 cruisers, was \$105k now \$115k
- 3 Lease Payments will be made from line and it is sufficient

- Downpayment that line
- Downpayment is \$30k
- MW - At end of lease term, what do we do
- We are rolling over 2 cruisers for 2
- After 3 years, it will get used for another 2-3 years. There are some older cruisers.
- At end of the lease we do own them we hold onto them. We can trade them in the next time.
- A Khan – The 2 that this is replacing. What happens to them
- A Khan – Do they swap them?
- M Wright – where does residual value go
- Can they pay some of the downpayment?
- This one didn't have a trade in

***Motion to recommend approval, AK/MW, 3-0***

**• ORDR00427\_02\_27\_2023 NYSA Gift Acceptance**

- They are installed
- Went through parks commission
- Number included the fixtures and the installation
- City electrician time was included
- A Khan – Green communities?
- What else should we have to pay
- A Khan – were the parks included in the LED upgrade?
- E Manning – we can find out

***Motion to recommend approval, AK/MW, 3-0***

**General – A. Khan.**

Attended School Cmte  
 School CIP project discussion  
 Presentation on Choice, also good  
 CPA 2% surcharge now, could be 3%

**Priority 2 Business (may get to based on timing):**

- 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

**Priority 3 Business (unlikely to get to but may discuss if time allows):**

- ORDR00336\_03\_28\_2022 ARPA Amesbury 250K (COTW)

**Public Comment:**

See above within each matter.

**Motion to adjourn:**

*Motion to adjourn, AK/MW, 3-0*

**Recording:**

[https://us02web.zoom.us/rec/share/xUUvwpVp-OuXmGMF3Esyqi1FCh4NEW3LEUJ84F\\_eeN2SisCCw8PESggbmo0PQDqf.z9fVl8SeZhk5sp40](https://us02web.zoom.us/rec/share/xUUvwpVp-OuXmGMF3Esyqi1FCh4NEW3LEUJ84F_eeN2SisCCw8PESggbmo0PQDqf.z9fVl8SeZhk5sp40)

## **Follow up from Finance Director:**

### **Police Cruisers**

From the Marshal: The cruisers at the 3 year mark have between 90,000-120,000 miles on them depending on use. We typically take those of the front line and make them secondary vehicles. We have a 3 year payment plan and after 3 years we own the vehicles outright. We have the following marked cruisers:

- 2 2014 which are used as spare cars and are basically at the end of their life both have around 125,000 miles
- 1 2014 which is used by School Resource Officer has 65,000 miles
- 2 2018 frontline one has 80,000 the other has 81,000 miles
- 1 2019 front line has 42,456 miles this is our traffic safety vehicle driven by select officers
- 2 2021 frontline 1 has 7,000 miles the other has 14,000 miles

That being said we keep vehicles as long as they are in good running condition or the maintenance costs start becoming too much. This year we lost 3 vehicles, which will be sent to the salvage yard by DPS. We typically run 6 vehicles on days 5 on evenings and 3 on midnights. A lot of these vehicles run around the clock.

### **Community Preservation Act Surcharge**

Process to Amend Surcharge: Newburyport adopted a 2.0% surcharge in 2004 of the maximum 3.0% allowed by state law. Currently 186 municipalities have accepted the CPA with a breakdown of accepted surcharges below. Any amendment or revocation requires majority approval of City Council followed by a referendum vote placed on a ballot.

Surcharge	Count
0.0%	165
0.5%	1
1.0%	50
1.1%	1
1.3%	1
1.5%	39
2.0%	19
3.0%	75
<b>Total</b>	<b>351</b>

Calculation of State Match: All municipalities that impose a surcharge are eligible to receive a first round distribution from the state trust fund, which is funded by recording fees charged at the Registry of Deeds and Land Court. The first round distribution is calculated at 80% of the projected trust fund balance, which is divided proportionally among all eligible cities and towns based on their prior year surcharge collections. The remaining 20% and any other monies available go out as 2<sup>nd</sup> and 3<sup>rd</sup> round distributions; only communities that have adopted the maximum 3.0% are eligible to receive a 2<sup>nd</sup> or 3<sup>rd</sup> round distribution.

### Energy Efficient Lighting Replacements

All streetlights were converted to LED in 2017. Total project cost was \$529K funded by Green Communities Grant (\$250K), MAPC Streetlight Conversion Grant (\$121K), National Grid Incentive (\$60K) and City funds (\$98K). This project addressed all lights on poles that are not underground fed, so there are still other outdoor lights that need to be addressed, such as some lighting in the parks and the downtown lanterns ([see CPC Application #5](#)). According to Molly Ettenborough, as lights need to be replaced, the City Electrician always replaces with an LED fixture/bulb where possible. An audit would need to be done to review how many other lights are out there that still need to be converted. Once that was done, the City could look for grant funding to complete.