

Responses to Questions from Councillor McCaulley

Re: Administrative Order to create Recreation & Youth Services Department

10/20/2023

How will the formation of 2 divisions effect the set up of the revolving account? Specifically the funneling of funds into and out of the fund... as of now we move funds from “user fees” into the fund... with corresponding payments for recreation programs out of the fund. What would be your recommendation (if any) on any language adjustments?

At a minimum, the name of the officer authorized to spend from the recreational services revolving fund would need to be updated to reflect the new department name. The fund could stay intact otherwise. The city could split into two if it made sense at any point to separate youth from adult recreational programming.

What about the levels of authorization without oversight? They seem high in comparison to other Departments?

The FY2024 annual spending limit for the recreational services revolving fund is \$550,000, the highest of our department revolving funds authorized under MGL Ch 44, Sec 53E1/2, followed by the wiring inspector revolving fund at \$110,000. On the school side, we have the athletic revolving (\$350,000-\$400,000), school transportation (\$150,000-\$200,000), and adult education (\$125,000-\$175,000) revolving funds, all authorized under different statutes.

I pulled data from the DOR (see Appendix A). Based on FY2022 reporting, which is the most recent year available, Newburyport’s recreation fund revenue was 0.84% of the City’s general fund revenue compared to an average of 0.57% for similar sized communities.

Despite the relatively larger size of the recreational services revolving fund, the oversight is no different than any other funds that come in or out of the City and all of our financial policies apply equally. However, in terms of City Council authorization; it is true that unlike a general fund budget where you approve departmental budgets with line item detail, the spending limits for the revolving funds are established for the overall fund.

In order to reduce the size of the recreational revolving fund spending limit, we have worked to move expenses to the department’s general fund budget where possible and are continuing to look at other predictable expenses that could be moved to reduce the spending limit even further. Other accounting options are limited as recreational programming is not an allowed use of enterprise funds like water, sewer and harbormaster.

What about procurement rules?

There is no change in procurement rules. The department has and will continue to adhere to city and state procurement guidelines.

How do we account for Grant money coming in now? I believe the 2 largest are Tower, Mass Call....anything else? Do these share an account? Are they deposited into the above revolving fund? Would best practices be to create a 2nd fund to account for those Activities? (both in/out). It would make accounting easier for the State oversight team.

All grants, whether federal, state or private, are accounted for as their own funds on the general ledger. Yes, the two largest grants for this department are currently the Tower Grant (private grant) and the MassCALL3 Grant (state grant). The Tower Grant is accounted for in org # 20030007 and has a current fund balance of \$206,679. The MassCALL3 Grant is accounted for in org # 2022; as this is a reimbursable grant, the current fund balance is -\$44,108.

How are funds transferred to the City now (ie payments for salary, benefits etc).

Any respective salaries and benefits that are eligible to be paid from a grant are charged directly to the grant.

As this becomes a Dept within the City, what role would a part time bookkeeper Play vs a clerk in the Finance Dept? Should we align those functions?

NYS has been operating as a City department all along. There will be no change from the Administrative Order. The need for a part-time bookkeeper has certainly lessened over the years and we will be looking at further consolidation of their duties within existing personnel.

Where would we anticipate placing the continuing stream of “gifts” from Outside friends groups? They tend to be “directed”, but we should ensure we have clear direction.

Like grants, all gifts are accounted for separately as well. There is currently one departmental gift account, completely separate from the revolving fund, where any unrestricted gifts go into. Any gifts that are made for a specific purpose or event go into their own account for tracking and reporting.

Appendix A

Comparison of Similar Sized Municipalities (by population and budget)					
Source: FY2022 DOR Databank					
Municipality	Population	Recreation Fund Revenue	General Fund Revenue	Recreation Fund as % of GF Revenue	Recreation Fund \$ Per Capita
Longmeadow	15,725	\$1,018,614	\$76,706,995	1.33%	\$64.78
Scituate	19,185	\$963,507	\$90,844,554	1.06%	\$50.22
Marblehead	20,296	\$964,681	\$97,599,033	0.99%	\$47.53
Northborough	15,667	\$651,994	\$67,671,657	0.96%	\$41.62
East Longmeadow	16,370	\$624,789	\$65,938,501	0.95%	\$38.17
Mashpee	15,357	\$690,679	\$73,372,582	0.94%	\$44.97
Westwood	16,213	\$899,304	\$103,447,437	0.87%	\$55.47
Newburyport	18,295	\$694,371	\$82,930,970	0.84%	\$37.95
Reading	25,223	\$899,583	\$111,089,662	0.81%	\$35.67
Grafton	19,756	\$506,486	\$74,957,137	0.68%	\$25.64
Amesbury	17,269	\$449,704	\$69,648,208	0.65%	\$26.04
Acton	23,846	\$688,888	\$108,949,726	0.63%	\$28.89
Foxborough	18,519	\$440,410	\$82,498,642	0.53%	\$23.78
Wakefield	27,104	\$560,194	\$108,533,134	0.52%	\$20.67
Hopkinton	18,943	\$516,961	\$100,630,065	0.51%	\$27.29
Ashland	18,560	\$362,970	\$71,119,796	0.51%	\$19.56
Greenfield	17,652	\$312,129	\$66,790,908	0.47%	\$17.68
Sudbury	19,059	\$443,880	\$112,753,988	0.39%	\$23.29
Abington	17,094	\$234,741	\$63,816,989	0.37%	\$13.73
Hudson	19,790	\$251,499	\$95,041,061	0.26%	\$12.71
Pembroke	18,410	\$149,536	\$69,207,789	0.22%	\$8.12
Somerset	18,250	\$131,187	\$61,600,568	0.21%	\$7.19
Duxbury	16,116	\$164,944	\$86,866,220	0.19%	\$10.23
Seekonk	15,568	\$93,816	\$68,622,001	0.14%	\$6.03
Walpole	26,652	\$138,893	\$112,765,659	0.12%	\$5.21
Bourne	20,709	\$71,356	\$78,827,786	0.09%	\$3.45
Auburn	16,830	\$59,918	\$70,028,961	0.09%	\$3.56