

## **Section 2:**

# **Budget Overview**

# BALANCED BUDGET OVERVIEW

## REVENUES

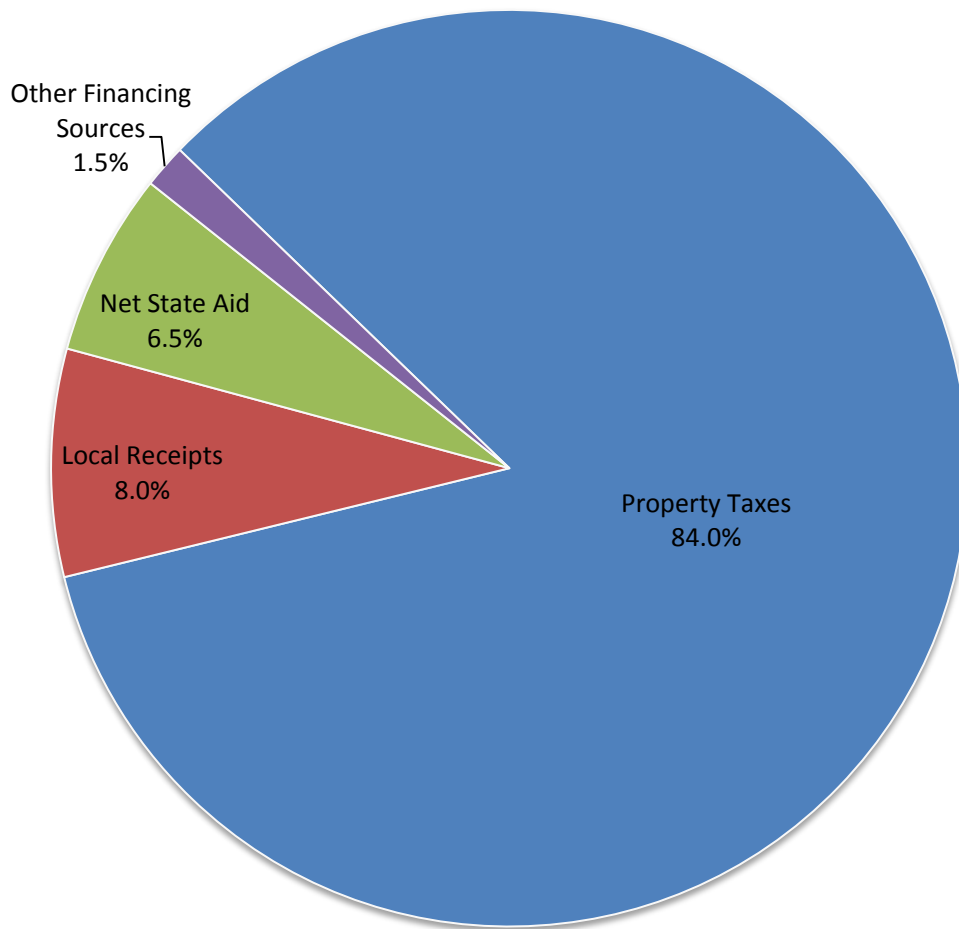
	<u>FY 2019</u> <u>ESTIMATE</u>	<u>FY 2020</u> <u>PROJECTED</u>
<b>PROPERTY TAXES</b>		
Prior Year Levy Limit	\$ 52,014,405	\$ 54,300,695
2 1/2 % Increase	\$ 1,300,360	\$ 1,357,517
New Growth (1)	\$ 985,930	\$ 750,000
TOTAL LEVY LIMIT	\$ 54,300,695	\$ 56,408,212
Debt Exclusion	\$ 3,178,736	\$ 3,165,464
<b>TOTAL MAXIMUM LEVY LIMIT</b>	<b>\$ 57,479,431</b>	<b>\$ 59,573,676</b>
<b>LOCAL RECEIPTS</b>		
Motor Vehicle Excise (2)	\$ 2,600,000	\$ 2,650,000
Other Excise		
a. Meals	\$ 607,500	\$ 620,000
b. Room	\$ 217,500	\$ 220,000
c. Other (3)	\$ 110,000	\$ 110,000
Pen & Int on Tax & Exc	\$ 300,000	\$ 315,000
Payments in Lieu of Taxes	\$ 60,000	\$ 60,000
Fees (4)	\$ 350,000	\$ 360,000
Other Dept. Revenue (5)	\$ 60,000	\$ 60,500
Licenses and Permits (6)	\$ 900,000	\$ 900,000
Fines & Forfeits (7)	\$ 10,000	\$ 12,000
Investment Income	\$ 50,000	\$ 50,000
Medicaid Reimbursement	\$ 125,000	\$ 110,000
Miscellaneous Recurring (8)	\$ 175,000	\$ 187,500
Miscellaneous Non-Recurring	\$ -	\$ -
<b>TOTAL LOCAL RECEIPTS</b>	<b>\$ 5,565,000</b>	<b>\$ 5,655,000</b>
<b>STATE AID (9)</b>		
Cherry Sheet Receipts	\$ 7,644,168	\$ 7,644,168
Less Offsets	\$ (3,135,034)	\$ (3,135,034)
Less Charges and Assessments	\$ (568,941)	\$ (568,941)
<b>TOTAL NET STATE AID</b>	<b>\$ 4,341,771</b>	<b>\$ 4,560,560</b>
<b>OTHER FINANCING SOURCES</b>		
PAID PARKING FUND	\$ 849,496	\$ 1,086,539
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 849,496</b>	<b>\$ 1,086,539</b>
<b>RESERVE FOR ABATEMENT (10)</b>	<b>\$ (348,465)</b>	<b>\$ (425,000)</b>
<b>TOTAL REVENUE</b>	<b>\$ 67,560,702</b>	<b>\$ 70,450,776</b>

(1) estimated FY2020 New Growth; (2) motor vehicle excise tax bills; (3) urban redevelopment excise tax (MGL Ch. 121A); (4) municipal liens, off duty fees, registry fees, tax title, fire alarm box fees, inspection fees; (5) copies/recordings, zoning/ordinances, business certificates; (6) building, dogs, utility, fire, etc.; (7) court, police; (8) police incident/accident, cell tower lease payments, animal control, veterans' services, FWS refuge revenue sharing; (9) based on FY2020 House Budget; (10) based on Assessor's estimate.

## EXPENDITURES

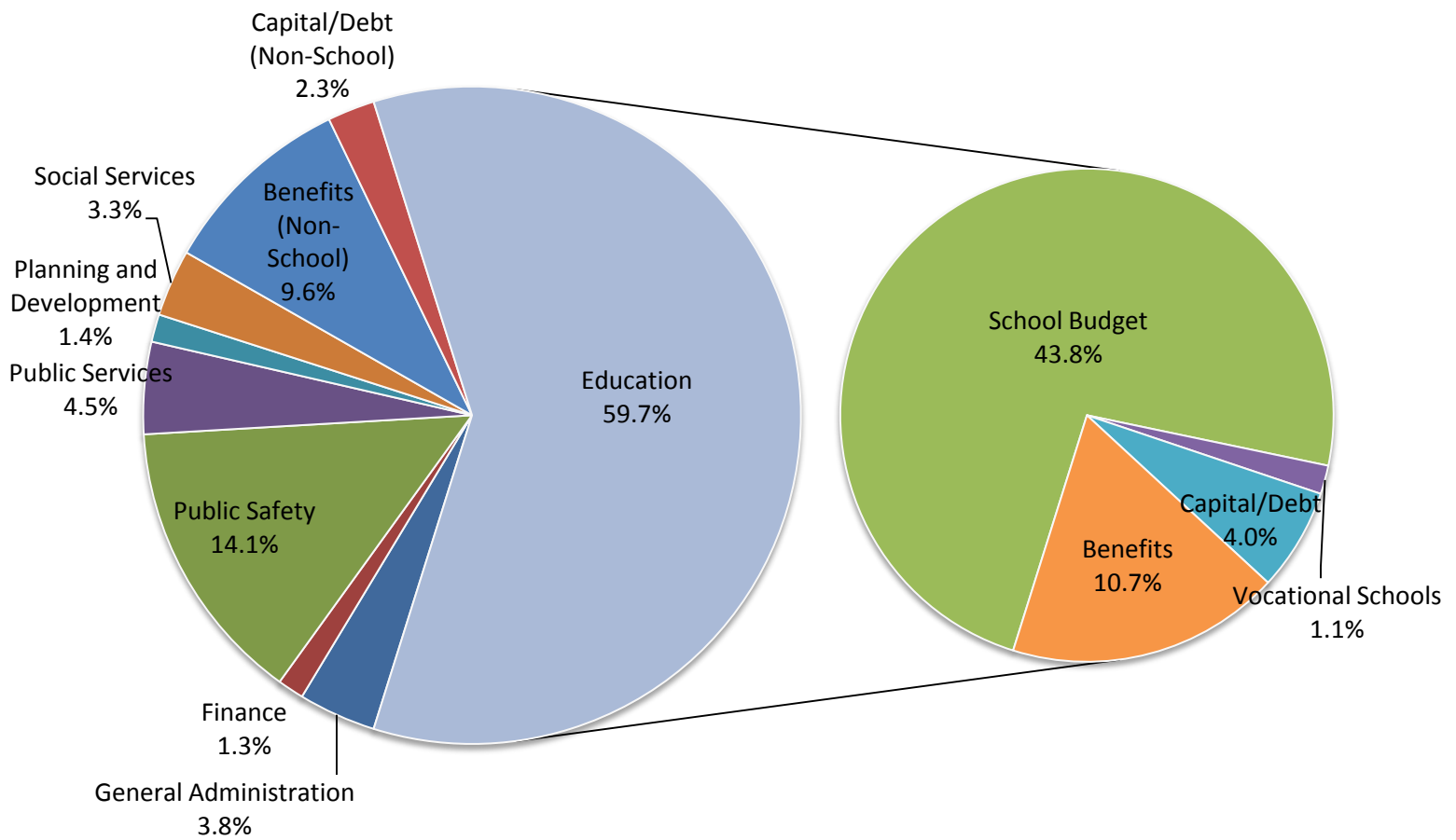
	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 BUDGET	FY2020 PROPOSED	\$ CHANGE	% CHANGE
<b>GENERAL FUND</b>						
<b>CITY SERVICES</b>						
001 - PERSONNEL SERVICES	24,883,514	25,781,859	27,457,001	28,888,826	1,431,825	5.2%
002 - PURCHASE OF SERVICES	3,498,492	3,545,654	3,927,542	4,203,255	275,713	7.0%
004 - SUPPLIES	465,068	492,820	538,615	584,665	46,050	8.5%
007 - OTHER CHARGES & EXPENSES	502,863	493,315	517,437	643,009	125,572	24.3%
008 - CAPITAL OUTLAY	325,720	382,765	366,646	416,264	49,618	13.5%
009 - DEBT SERVICE	4,107,675	3,971,948	4,132,835	4,045,464	(87,371)	-2.1%
<b>CITY SERVICES Total</b>	<b>33,783,333</b>	<b>34,668,360</b>	<b>36,940,076</b>	<b>38,781,483</b>	<b>1,841,408</b>	<b>5.0%</b>
<b>EDUCATION</b>						
002 - PURCHASE OF SERVICES	27,824,100	29,255,668	30,545,626	31,665,574	1,119,948	3.7%
<b>EDUCATION Total</b>	<b>27,824,100</b>	<b>29,255,668</b>	<b>30,545,626</b>	<b>31,665,574</b>	<b>1,119,948</b>	<b>3.7%</b>
<b>GENERAL FUND Total</b>	<b>61,607,433</b>	<b>63,924,028</b>	<b>67,485,702</b>	<b>70,447,057</b>	<b>2,961,356</b>	<b>4.4%</b>
<b>HARBORMASTER ENTERPRISE FUND</b>						
001 - PERSONNEL SERVICES	241,820	257,607	279,044	303,845	24,801	8.9%
002 - PURCHASE OF SERVICES	37,039	48,640	47,250	50,250	3,000	6.3%
004 - SUPPLIES	17,995	16,865	18,700	18,700	0	0.0%
007 - OTHER CHARGES & EXPENSES	6,075	7,773	11,000	11,500	500	4.5%
008 - CAPITAL OUTLAY	49,508	47,909	50,000	50,000	0	0.0%
009 - DEBT SERVICE	64,375	74,535	76,835	80,573	3,738	4.9%
<b>HARBORMASTER ENTERPRISE FUND Total</b>	<b>416,812</b>	<b>453,329</b>	<b>482,829</b>	<b>514,868</b>	<b>32,039</b>	<b>6.6%</b>
<b>HARBORMASTER ENTERPRISE FUND Total</b>	<b>416,812</b>	<b>453,329</b>	<b>482,829</b>	<b>514,868</b>	<b>32,039</b>	<b>6.6%</b>
<b>SEWER ENTERPRISE FUND</b>						
001 - PERSONNEL SERVICES	2,081,494	2,135,352	2,317,272	2,436,193	118,921	5.1%
002 - PURCHASE OF SERVICES	1,276,381	1,112,562	1,277,607	1,305,648	28,040	2.2%
004 - SUPPLIES	269,059	371,746	402,128	473,198	71,070	17.7%
007 - OTHER CHARGES & EXPENSES	196,287	72,437	91,321	94,929	3,609	4.0%
008 - CAPITAL OUTLAY	173,973	188,057	271,000	271,000	0	0.0%
009 - DEBT SERVICE	2,230,275	2,836,325	3,034,564	3,030,638	(3,926)	-0.1%
<b>SEWER ENTERPRISE FUND Total</b>	<b>6,227,469</b>	<b>6,716,478</b>	<b>7,393,893</b>	<b>7,611,606</b>	<b>217,713</b>	<b>2.9%</b>
<b>SEWER ENTERPRISE FUND Total</b>	<b>6,227,469</b>	<b>6,716,478</b>	<b>7,393,893</b>	<b>7,611,606</b>	<b>217,713</b>	<b>2.9%</b>
<b>WATER ENTERPRISE FUND</b>						
001 - PERSONNEL SERVICES	1,929,559	1,989,100	2,175,572	2,228,325	52,753	2.4%
002 - PURCHASE OF SERVICES	748,111	841,833	898,351	938,090	39,739	4.4%
004 - SUPPLIES	205,027	159,312	185,845	187,220	1,375	0.7%
007 - OTHER CHARGES & EXPENSES	191,859	81,627	106,107	109,344	3,237	3.1%
008 - CAPITAL OUTLAY	135,547	110,595	240,000	115,000	(125,000)	-52.1%
009 - DEBT SERVICE	1,842,622	1,685,738	1,854,139	1,818,110	(36,029)	-1.9%
<b>WATER ENTERPRISE FUND Total</b>	<b>5,052,725</b>	<b>4,868,205</b>	<b>5,460,014</b>	<b>5,396,089</b>	<b>(63,925)</b>	<b>-1.2%</b>
<b>WATER ENTERPRISE FUND Total</b>	<b>5,052,725</b>	<b>4,868,205</b>	<b>5,460,014</b>	<b>5,396,089</b>	<b>(63,925)</b>	<b>-1.2%</b>
<b>Grand Total</b>	<b>73,304,439</b>	<b>75,962,040</b>	<b>80,822,437</b>	<b>83,969,620</b>	<b>3,147,183</b>	<b>3.9%</b>

## FISCAL YEAR 2020 REVENUE SOURCES



Property Taxes	\$59,573,676
Local Receipts	\$5,655,000
Net State Aid	\$4,560,560
Other Financing Sources	\$1,086,539
Reserve for Abatements	(\$425,000)
<b>Total General Fund Revenue</b>	<b>\$70,450,776</b>

## FISCAL YEAR 2020 EXPENDITURES



Projected General Fund Revenue	\$70,450,776
Proposed General Fund Expenditures	(\$70,447,057)
<b>Net Remaining</b>	<b>\$3,718</b>

# REVENUE SUMMARY

The City's General Fund revenue (excluding Water & Sewer Enterprise and Harbormaster Enterprise Funds) is divided into four main categories: property taxes, state aid, local receipts and available funds.

## Property Taxes

Property taxes are the single largest revenue source for the City will provide approximately 84% of Fiscal Year 2020 revenue. Property taxes are levied on real property (land & buildings) and personal property (equipment) used by Newburyport's non-manufacturing business firms. In accordance with State law, the City Assessor determines the value of all real and personal property, which is revalued at fair market value on an annual basis. Newburyport went through a full revaluation in FY2017.

Proposition 2 ½, enacted in 1980, sets a limit on the entire tax levy for a municipality; specifically that the total tax levy cannot exceed 2 ½ percent of the total assessed value for the municipality. This limit is known as the "levy ceiling." Additionally, annual levy increases may not exceed 2 ½ percent more than the previous year's levy plus the taxes from any new growth value that arise from properties that are added to the tax rolls. Any Proposition 2 ½ override or debt exclusion amounts approved by referendum are also added to the levy limit.

Property taxes are expected to increase in FY2020 by approximately \$2.4 million, to \$59,573,676. This increase includes the allowable 2.5% increase of \$1,357,517 plus an estimated \$750,000 from projected new growth and excluded debt service totaling \$3.2 million. The City continues to maintain a very conservative approach to new growth projections. Specifically, new growth revenue is derived from new development and substantial alterations to existing properties, both of which are influenced by economic factors of the private sector predominantly outside of the control of City officials.

## Local Receipts

The second largest source of revenue for the General Fund budget is Local Receipts, which includes a variety of fees, local options, permits, fines and license-related monies that the City receives, as well as interest that is earned on investments or overdue tax bills. The FY2020 projected local receipts are \$5,655,000, a year-over-year increase of 1.6%, or \$90,000, compared to FY2019 revenue estimate. The largest local receipt is the motor vehicle excise tax, which is taxed at a rate of \$25 per thousand dollars of a vehicle's value, as determined by the state's Registry of Motor Vehicles. These taxes comprise 47%, or \$2.7 million, of the City's total local receipts. The second largest source of local revenue as fees charged for licenses and permits, totaling 16% of local receipts, or \$900,000.

Local option taxes continue to provide additional revenue for the City in the form of a 0.75% local tax on meals and 6.0% local tax on hotel stays (room occupancy tax). Combined, these generate approximately \$840,000 in revenue for the City, or about 15% of total local receipts. The City has also

signed a community host agreement with two cultivators in the Newburyport business park with impact fees totaling 3% of gross sales for a minimum of five years. Additionally, the City has adopted a new local option tax on marijuana; at 3% of retail sales, should any establishments open in Newburyport.

## **State Aid**

State Aid is Newburyport's third largest revenue source. The FY2020 proposed budget is built upon the FY2020 House Budget proposal. Based on the House budget proposal, we are currently projecting a net state aid appropriation of \$4,560,560, a 5.0%, or \$218,789 increase over FY2019. Newburyport's projected net state aid represents 6.5% of the projected general fund revenue sources for FY2020.

Included in the net state aid package, the City is projected to receive \$4,182,944 in Chapter 70 funding, which is local aid earmarked to support the operations of public school districts. Newburyport is also the home of a charter school, which continues to have a substantial impact on the City's net state aid appropriations. Consequently, the City is charged an assessment, "Charter School Sending Tuition," on the Cherry Sheet to offset the cost of students who attend the charter school. This assessment will equal approximately \$2,401,587 in FY2020, which is partially offset by \$143,460 in Charter Tuition Reimbursements. This amount will continue to change as final tuition rates are determined.

Historically, one of the most important state aid receipts is Unrestricted General Government Aid (UGGA). UGGA is local aid that Cities and Towns can appropriate at their discretion to offset the costs of municipal operations. Based on the House budget, Newburyport is projected to see an increase in UGGA, in line with state revenue growth. Specifically, the House budget funds Newburyport's FY2020 UGGA allocation at \$2,708,244, representing an increase of 2.7%, or \$71,200, from FY2019.

The FY2020 state aid package for Newburyport, as presented in the House budget, makes significant headway over the modest to flat increases that existed over the past decade. Additionally, there is current state legislation to revise the Chapter 70 and charter school funding formula in Massachusetts, which, if approved, would be a great benefit to the City and its school district.

## **Reserves**

Another category of revenue for the City includes funds that are in Special Revenue funds, certified Free Cash available for appropriation and the City's stabilization fund. The City, as policy, maintains a stabilization fund balance equal to or greater than 5% of operating revenues. Consistent with the fiscal policy and budget goals, the City will not use any reserves to balance the FY2020 general fund budget. Doing so will allow the City to continue to make greater investments in capital, while supporting the growth of its reserve balances. For more information regarding the City's Free Cash policy, please refer to the Financial Policies and Objectives, found in Section 13.

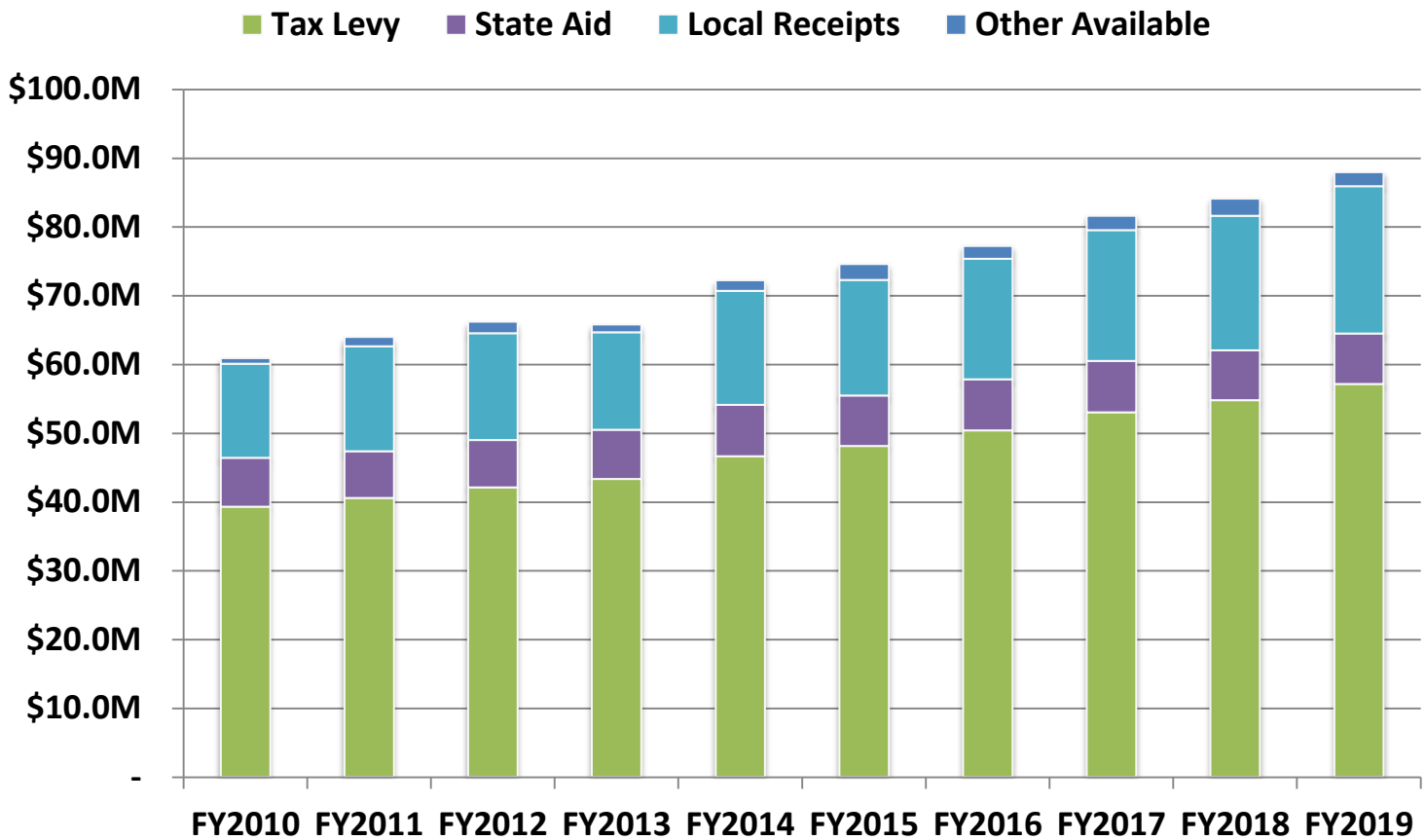
## **Other Financing Sources**

The City of Newburyport operates a downtown paid parking system, which provides revenue to run the system, pay debt service for the new Intermodal Parking Facility and make capital investments in the City's downtown. The FY2020 budgeted inflow from the Parking Fund is \$1,086,539, which will be used to fund parking operations (\$670,635), Intermodal Parking Facility debt service (\$385,904) and downtown enhancements to be undertaken by the Parks Department (\$30,000).

## **Grants**

Identifying and securing grant funding has allowed the City to make important investments in recent years, without passing the financial burden onto the Newburyport tax and fee payers. The table found in Exhibit F "Grant Funding Opportunities" illustrates that continued commitment. In FY2019 alone, the City applied for 43 grants totaling approximately \$6.6 million, thanks in large part to work of Grant Writer, Nancy London, in collaboration with department heads in applying for these alternative funding sources. Of the \$6.6 million, the City was awarded \$574,511, is waiting to hear back on \$4.6 million and was passed on \$1,417,995 in potential funding opportunities. The funding includes a combination of monetary contributions, as well as, in-kind technical assistance and consulting services.

## Exhibit A: Revenue by Source



Revenues by Source (\$ thousands)										
Fiscal Year	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Tax Levy	39,291	40,575	42,107	43,354	46,618	48,132	50,415	53,025	54,795	57,153
State Aid	7,126	6,797	6,873	7,157	7,492	7,362	7,395	7,471	7,244	7,354
Local Receipts	13,670	15,268	15,570	14,146	16,575	16,768	17,533	19,032	19,581	21,408
Other Available	808	1,328	1,673	1,142	1,554	2,304	1,875	2,088	2,496	2,012
<b>Total</b>	<b>60,895</b>	<b>63,968</b>	<b>66,223</b>	<b>65,800</b>	<b>72,238</b>	<b>74,565</b>	<b>77,219</b>	<b>81,616</b>	<b>84,116</b>	<b>87,927</b>
<i>Percent of Total</i>										
Tax Levy	64.5%	63.4%	63.6%	65.9%	64.5%	64.6%	65.3%	65.0%	65.1%	65.0%
State Aid	11.7%	10.6%	10.4%	10.9%	10.4%	9.9%	9.6%	9.2%	8.6%	8.4%
Local Receipts	22.5%	23.9%	23.5%	21.5%	22.9%	22.5%	22.7%	23.3%	23.3%	24.4%
Other Available	1.3%	2.1%	2.5%	1.7%	2.2%	3.1%	2.4%	2.6%	3.0%	2.3%

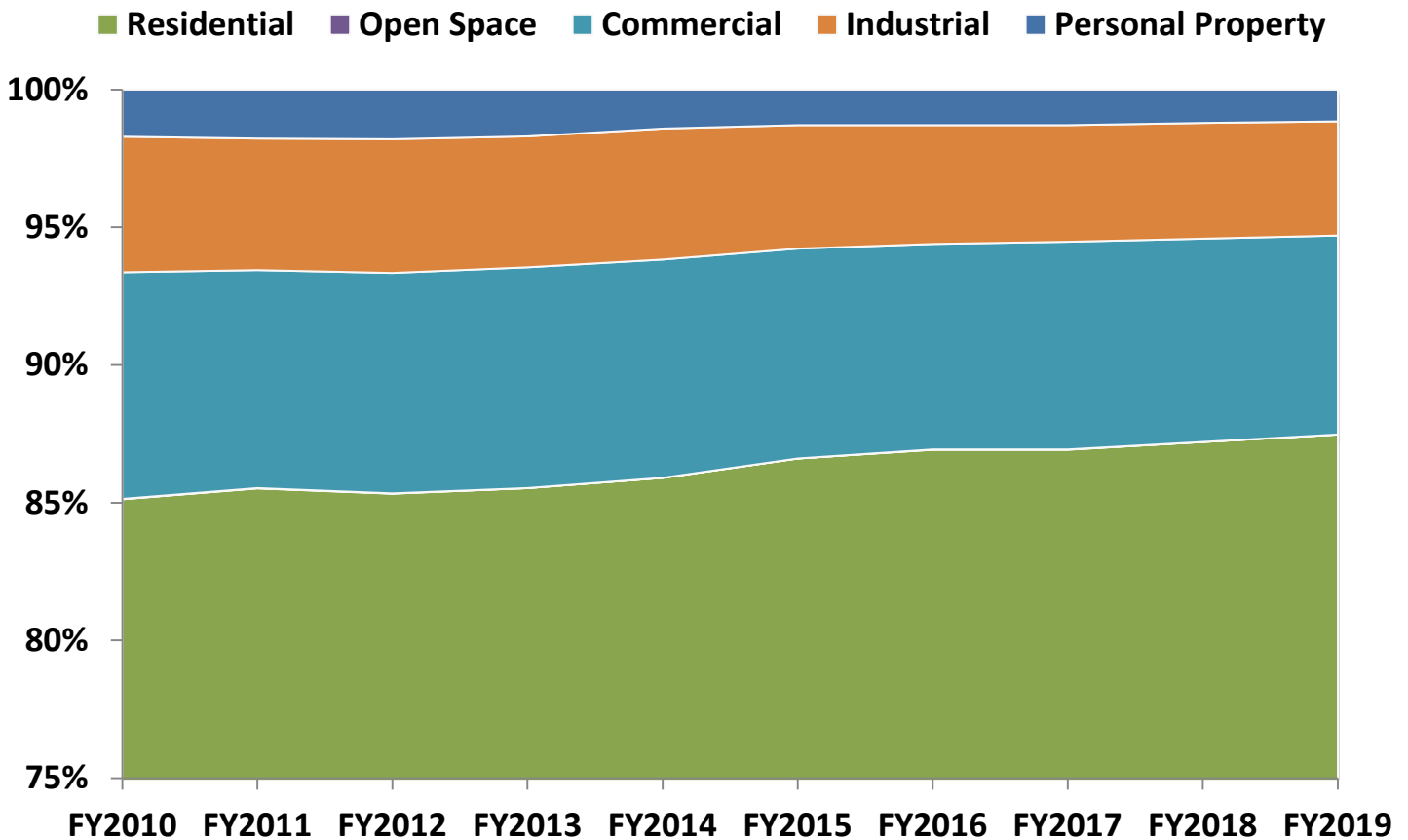
Tax Levy: Real and personal property tax levy

State Aid: State Aid Receipts (Gross)

Local Receipts: Local fees/charges, Enterprise Fund receipts and Community Preservation funds

Other Available: Free Cash appropriated during the year and transfers from other available funds

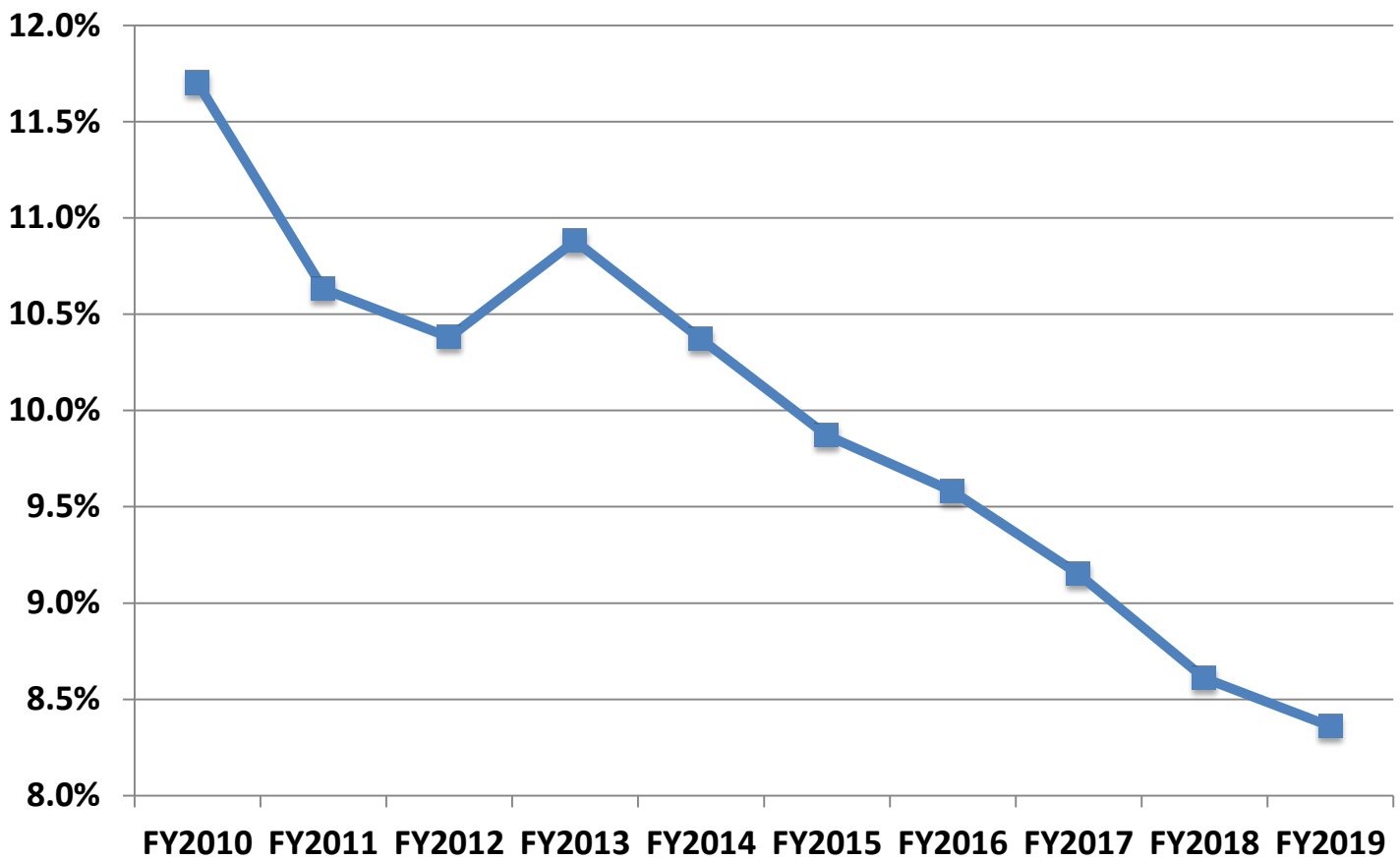
## Exhibit B: Tax Levy % by Class



Assessed Values (\$ millions)										
Fiscal Year	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Residential	2,868	2,875	2,807	2,784	2,828	3,125	3,273	3,427	3,603	3,822
Open Space	0	0	0	0	0	0	0	0	0	0
Commercial	277	266	263	261	261	275	281	297	305	315
Industrial	166	160	160	155	157	162	163	167	174	181
Personal Property	58	60	59	55	47	47	49	51	50	50
<b>Total</b>	<b>3,370</b>	<b>3,362</b>	<b>3,290</b>	<b>3,255</b>	<b>3,292</b>	<b>3,608</b>	<b>3,765</b>	<b>3,942</b>	<b>4,132</b>	<b>4,369</b>

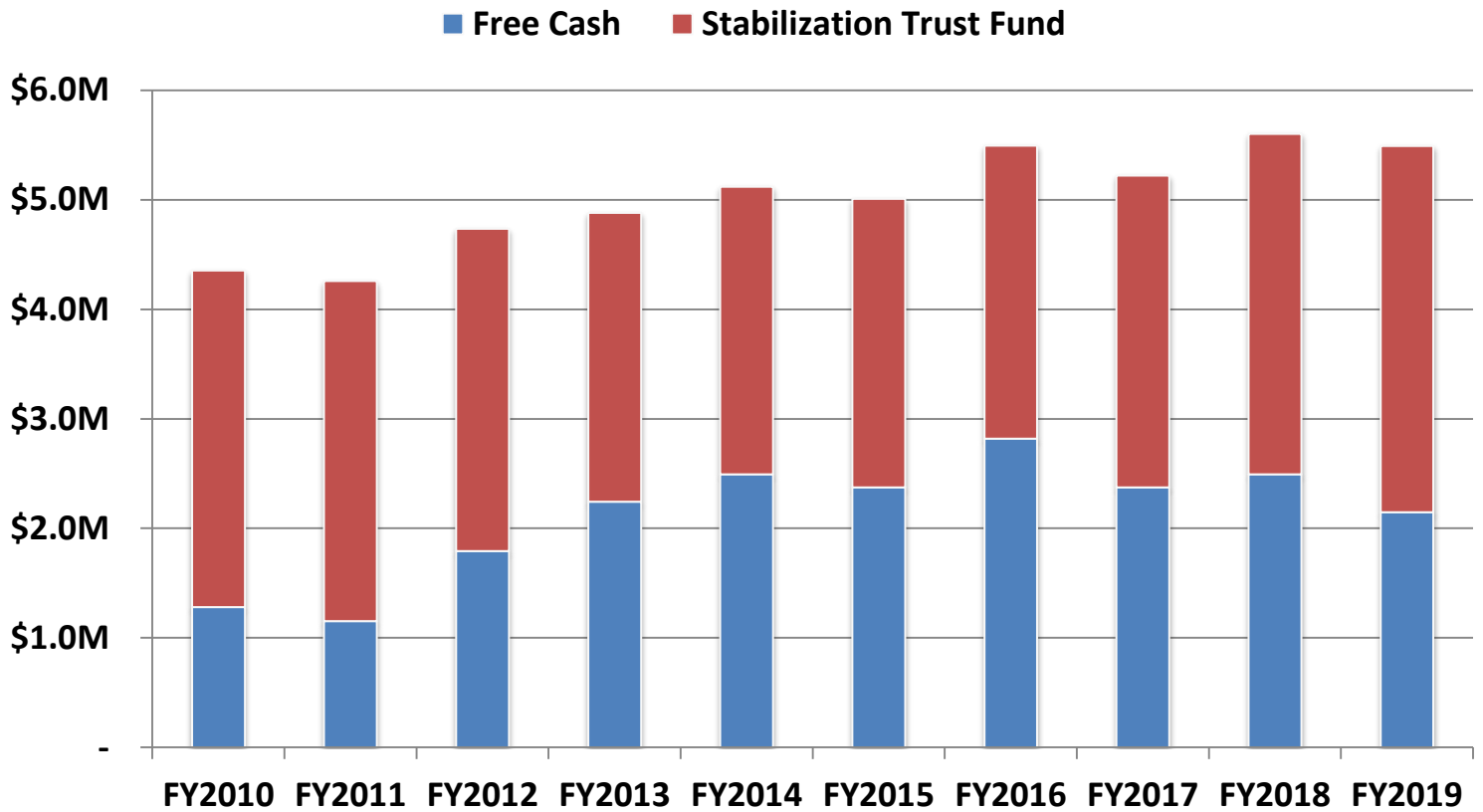
Tax Levy (\$ thousands)										
Fiscal Year	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Residential	33,447	34,701	35,928	37,079	40,045	41,682	43,822	46,092	47,781	49,994
Open Space	4	3	3	3	3	3	3	3	3	3
Commercial	3,232	3,212	3,372	3,472	3,692	3,668	3,765	3,998	4,042	4,125
Industrial	1,935	1,937	2,045	2,063	2,218	2,156	2,176	2,249	2,304	2,373
Personal Property	674	723	760	737	660	622	650	682	664	658
<b>Total</b>	<b>39,291</b>	<b>40,575</b>	<b>42,107</b>	<b>43,354</b>	<b>46,618</b>	<b>48,132</b>	<b>50,415</b>	<b>53,025</b>	<b>54,795</b>	<b>57,153</b>

### Exhibit C: State Aid as % of Total Revenue



Cherry Sheet Aid (\$ thousands)										
Fiscal Year	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Education Aid	4,580	4,279	4,505	4,557	3,772	4,717	4,663	4,656	4,359	4,400
General Government	2,661	2,518	2,368	2,600	2,655	2,645	2,732	2,815	2,884	2,954
<i>Total Receipts</i>	7,242	6,797	6,873	7,157	7,492	7,362	7,395	7,471	7,244	7,354
<i>Total Assessments</i>	(2,338)	(2,497)	(2,497)	(2,585)	(2,634)	(2,615)	(2,651)	(2,549)	(2,756)	(2,914)
<b>Net State Aid</b>	<b>9,580</b>	<b>9,294</b>	<b>9,370</b>	<b>4,572</b>	<b>4,858</b>	<b>4,747</b>	<b>4,744</b>	<b>4,921</b>	<b>4,488</b>	<b>4,440</b>

## Exhibit D: Reserve Balances



Reserves (\$ thousands)										
Fiscal Year	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Free Cash	1,282	1,153	1,791	2,242	2,492	2,373	2,818	2,374	2,494	2,146
Stabilization Fund	3,104	2,943	2,638	2,625	2,634	2,674	2,845	3,100	3,771	3,683

Enterprise Fund Retained Earnings (\$ thousands)										
Fiscal Year	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Water	1,099	964	1,510	1,357	1,609	1,117	1,710	1,970	1,770	1,188
Sewer	1,008	924	2,076	1,871	1,768	1,938	1,927	1,419	1,131	916
Harbormaster	384	321	248	383	384	334	320	454	536	554

## **Exhibit E: FY2020 Local Aid Estimates ("Cherry Sheet")**

### **FY2020 ESTIMATED RECEIPTS**

	<b>FY2019 Cherry Sheet Estimate</b>	<b>FY2020 Governor's Budget Proposal</b>	<b>FY2020 House Budget Proposal</b>
<b><u>Receipts</u></b>			
<b>Education Receipts:</b>			
Chapter 70	4,093,961	4,176,831	4,182,944
Charter Tuition Reimbursement	233,318	155,646	143,460
<b>Offset Receipts:</b>			
School Choice Receiving Tuition	72,747	127,747	127,747
<b>Sub-Total, All Education Items:</b>	<b>4,400,026</b>	<b>4,460,224</b>	<b>4,454,151</b>
<b>General Government:</b>			
Unrestricted Gen Gov't Aid	2,637,044	2,708,244	2,708,244
Veterans Benefits	81,706	110,701	110,701
Exemp: VBS and Elderly	84,106	140,531	140,531
State Owned Land	125,534	131,882	131,882
<b>Offset Receipts:</b>			
Public Libraries	25,540	25,035	25,669
<b>Sub-Total, All General Government:</b>	<b>2,953,930</b>	<b>3,116,393</b>	<b>3,117,027</b>
<b>Total Estimated Receipts:</b>	<b>7,353,956</b>	<b>7,576,617</b>	<b>7,571,178</b>

## FY2020 ESTIMATED ASSESSMENTS

	FY2019 Cherry Sheet Estimate	FY2020 Governor's Budget Proposal	FY2020 House Budget Proposal
<b><u>Charges</u></b>			
<b>State Assessments and Charges:</b>			
Mosquito Control Projects	43,068	43,677	43,677
Air Pollution Districts	7,215	7,330	7,330
RMV Non-Renewal Surcharge	41,260	41,260	39,760
<b>Sub-Total, State Assessments:</b>	<b>91,543</b>	<b>92,267</b>	<b>90,767</b>
<b>Transportation Authorities:</b>			
Regional Transit	149,523	161,775	161,775
<b>Sub-Total, Transp Authorities:</b>	<b>149,523</b>	<b>161,775</b>	<b>161,775</b>
<b>Tuition Assessments:</b>			
School Choice Sending Tuition	173,176	203,073	203,073
Charter School Sending Tuition	2,499,656	2,596,842	2,401,587
<b>Sub-Total, Tuition Assessments:</b>	<b>2,672,832</b>	<b>2,799,915</b>	<b>2,604,660</b>
<b>Total All Estimated Charges:</b>	<b>2,913,898</b>	<b>3,053,957</b>	<b>2,857,202</b>
Receipts	7,353,956	7,576,617	7,571,178
Offsets	(98,287)	(152,782)	(153,416)
Charges	(2,913,898)	(3,053,957)	(2,857,202)
<b>Net State Aid</b>	<b>4,341,771</b>	<b>4,369,878</b>	<b>4,560,560</b>

## **Exhibit F: Grant Funding Opportunities**

City Department	Funding Entity	Project Name	Principal Writer	Response	Amount
Conservation Commission	Nat'l Fish and Wildlife Foundation	PI Point - Mobi Mats and Fences	Nancy London	Awarded	\$110,080
Conservation Commission	MA Dept. of Conservation and Recreation Partnership Grant	Plum Island Dune Nourishment	Nancy London	Pending	\$50,000
Cultural Council	Essex County Community Foundation	Artist Shanties	Nancy London	Awarded	\$30,000
Cultural Council	Nat'l Endowment for the Arts - Our	Artist Shanties	Nancy London	Not Awarded	\$30,000
Cultural Council	MA Cultural Council	Artist Shanties	Nancy London	Awarded	\$5,000
Dept. of Public Services	MA Dept of Industrial Accidents	OSHA 10 Training	Nancy London	Awarded	\$9,630
Fire	FEMA Firefighters' Assistance Grant	Ladder Truck	Nancy London	Not Awarded	\$1,000,000
Fire	FEMA Safer Grant	Firefighters	Nancy London	Pending	\$1,161,430
Harbormaster	Division of MA Fisheries	Fish Pier Improvements	Nancy London	Pending	\$10,000
Library	Institute for Savings	Digitizing records	Giselle Stevens	Awarded	\$10,395
Library	MA Brd of Library Commisioners - Library Services Technology Act	Preservation Grant	Sharon Spieldenner/Nancy London	Awarded	\$30,000
Library	Newburyport Area Industrial Development (NAID)	Newspaper Microfilm Digitization	G Stevens/Friends of the Library	Not Awarded	\$10,395
Library	Institution for Savings Foundation	Newspaper Microfilm Digitization	G Stevens/Friends of the Library	Awarded	\$10,395
Mayor's Office	MA Downtown Initiative	Wayfinding Tech Assist	Nancy London	Awarded	\$15,000
Parks	Nat'l Park Service	Save America's Treasures	Nancy London	Pending	\$75,000
Parks	Community Preservation Committee	Bartlet Mall Walkways	Nancy London/ Lisè Reid	Pending	\$118,925

City Department	Funding Entity	Project Name	Principal Writer	Response	Amount
Parks	Community Preservation Committee	Bartlet Mall Playground	Nancy London/ Lisë Reid	Pending	\$656,600
Parks	Community Preservation Committee	Fuller Field	Nancy London/ Lisë Reid	Pending	\$694,820
Parks	Major League Baseball/Scotts	Lower Artichoke Baseball Field	Nancy London	Not Awarded	\$20,000
Parks	The Mayor Gayden W. Morrill Charitable Foundation	Bartlet Mall Historic Restoration	Lisë Reid	Pending	\$15,000
Parks	The Mayor Gayden W. Morrill Charitable Foundation	Cushing Park Improvement Project, Planters & Interpretive panels	Lisë Reid	Awarded	\$15,000
Parks	The Mayor Gayden W. Morrill Charitable Foundation	NHS Outdoor Learning Center	Lisë Reid	Awarded	\$75,000
Parks	Charles W. Moseley Trust	Emergency Tree Work at Moseley Woods	Lisë Reid	Not Awarded	\$7,600
Parks	Charles W. Moseley Trust	Caretaking at Moseley Woods	Lisë Reid	Awarded	\$3,000
Parks	Massachusetts Cultural Council	Summer Music Festival	Lisë Reid	Awarded	\$500
Parks	Eastern Bank Charitable Foundation	Summer Music Festival	Lisë Reid	Awarded	\$1,000
Planning & Development	MA Dept of Transportation	Safe Routes to School	Nancy London/ Geordie Vining	Not Awarded	\$350,000
Planning & Development	MA Dept. of Conservation and Recreation Partnership Grant	MA Trails Program	Geordie Vining/ Nancy London	Pending	\$300,000
Planning & Development	Community Preservation Committee	Rail Trail	Geordie Vining/ Nancy London	Pending	\$250,000
Planning & Development	Nat'l Grid	EV Charger	Nancy London	Pending	\$17,000
Planning & Development	Exec. Office of Energy and Environmental Affairs	MVP Action Grant	Geordie Vining/ Nancy London	Pending	\$568,650

City Department	Funding Entity	Project Name	Principal Writer	Response	Amount
Planning & Development	MA Dept of Transportation	Complete Streets	Geordie Vining/ Consultant TEC	Pending	\$400,000
Police	Executive Office of Public Safety and Security (EOPSS) - Traffic	Traffic Enforcement and Patrol	Nancy London	Awarded	\$15,000
Police	Executive Office of Public Safety and Security (EOPSS) - EMD	Ambulance and Training	Nancy London	Awarded	\$28,000
Police	Executive Office of Public Safety and Security (EOPSS) - 911	Dispatch	Nancy London	Awarded	\$48,345
Police	Executive Office of Public Safety and Security (EOPSS) - 911	Police Support & Incentive Grant	Nancy London	Awarded	\$37,866
Schools	Awesome Foundation	Art Dept. TV Screen for Foyer	Nancy London	Pending	\$1,000
Schools	MA Dept of Public Health	Comprehensive School Health Services	Nancy London	Awarded	\$75,000
Schools	MA Dept of Public Health	Comprehensive School Health Services - Affiliates	Nancy London	Pending	\$5,000
Sustainability	Nat'l Grid	Community Initiative	Molly Ettenborough	Pending	\$16,000
Sustainability	MA Dept of Energy Resources	EV Charger for Senior Center	Nancy London	Pending	\$8,500
Sustainability	MA Dept of Environmental Protection	Recycling Dividend Points	Molly Ettenborough	Awarded	\$14,300
Sustainability	MA Dept of Environmental Protection	Share Bank	Molly Ettenborough	Awarded	\$41,000
Sustainability	MA Dept of Environmental Protection	SMRP Grant for Pay As You Throw	Molly Ettenborough	Pending	\$244,410
Youth Services	Ma Attorney General's Office	Summer Youth Jobs	Nancy London	Pending	\$7,500

**Total Funding Opportunities** **\$6,592,341**

**Awarded** **\$574,511**

**Pending** **\$4,599,835**

**Not Awarded** **\$1,417,995**

# EXPENDITURE SUMMARY

The Fiscal Year 2020 general fund budget consists of \$70,447,057 in expenditures, including a school budget appropriation of \$30,875,762. In order to continue to deliver quality services at reasonable rates, department heads were asked to be conservative when developing their budgets for FY2020. For FY2020, most City departments and/or cost centers have been level funded or increased by less than 5.0%. Below is a summary of some of the significant budget changes:

## ***Auditor +\$36,841 (+11.2%)***

The increase is due to personnel changes. The finance clerk position was restructured into a new purchasing agent position, in an effort to centralize bidding and procurement for the City. The finance clerk position had been split funded with four days coming from the General Fund and one day from Housing Rehabilitation Program. The new purchasing agent position is funded entirely from the General Fund. The Finance Director is also receiving a merit-based pay increase to bring the salary of the position closer to other comparable communities.

## ***Board of Registrars +\$5,073 (+11.5%)***

This increase is due to the increasing cost for administering elections.

## ***City Clerk +\$27,066 (+10.5%)***

This increase is due to the contractual salary increases for staff through Collective Bargaining Agreements, as well as additional hours for the administrative assistant. The City Clerk will also receive a merit-based salary increase.

## ***City Council +\$11,308 (+15.6%)***

The FY20 budget allocated a 20% salary increase for all elected City officials.

## ***Debt-Ordinary -\$74,098 (-7.8%)***

This decrease is due to maturing debt. The FY2020 budget includes \$200,000 contingency for new debt.

## ***DPS – Highway Division +\$228,338 (+7.5%)***

Sidewalk funding has been increased to reflect 50% of the meal tax receipts. The FY20 budget adds two full time laborer positions that will focus on downtown, including the Parking Garage, public restrooms, and overall maintenance of downtown. The FY20 budget also reflects contractual increases for staff and a merit-based increase for the DPS Director to bring the salary of the position closer to comparable communities.

***DPS – Snow & Ice +\$15,000 (+7.1%)***

Snow and ice expenditures have been increased to reflect actual costs.

***Emergency Management -\$2,000 (-6.4%)***

The FY20 budget reduced utility expenses to reflect the facility is used intermittently.

***Essex Tech +\$19,500 (+26.7%)***

The FY20 budget anticipates five Newburyport students will attend Essex Tech in the coming school year, an increase from two students this past school year. Tuition and transport is approximately \$24,000 per pupil.

***General Administration +\$108,762.14 (+26.2%)***

This increase is to allow contingency to the budget for the Collective Bargaining Agreements expiring at the end of FY19.

***Licensing Commission +\$2,160 (+34.1%)***

Administrative expenses for the Licensing Commission will increase for FY20.

***Mayor +\$36,116 (+12.2%)***

The FY20 budget allocated a 20% salary increase for all elected City officials.

***Parking +\$261,049 (+63.7 %)***

This is the second year the paid parking program has been operating out of the General Fund. There was formerly a departmental revolving fund and adjustments have been made. Additional operating costs are also associated with the operation of the recently opened parking garage.

***Parks +\$146,615 (+61.6 %)***

The FY20 budget adds a much-needed additional full-time laborer. Additional funding will also cover parks supplies and equipment. This increase includes \$30,000 for downtown improvements that are funded by paid parking.

***Planning & Development +\$75,363 (+24.0%)***

Increase in budget results from contractual increases for staff and new personnel. The budget also allocates an additional \$30,000 for a new online permitting system.

***Police +\$270,909 (+6.8%)***

The FY20 budget increase is due to contractual increases for staff and an increase to the overtime budget for the Department.

***Retirement Appropriation +\$208,143 (+5.0%)***

The Newburyport Contributory Retirement System manages the pensions for the City, Schools (non-teachers) and the Newburyport Housing Authority. The plan was 61.3% funded as of January 1, 2016 based on a Total Actuarial Liability of \$112 million and Assets of \$69 million. The liability is largely driven by employees that started pre-1996 at lower contribution rates. The current funding schedule increases by 5% each year and is projected to be fully funded in FY35.

***Sustainability +\$102,918 (+6.7%)***

Trash hauling and waste disposal have become a major budgetary pressure as the City works to respond increased disposal costs, largely driven by China's "National Sword" policy that bans the import of 24 types of solid waste and puts in place strict contamination levels for recyclable materials that are still accepted. The FY20 budget includes estimated costs for trash hauling and waste disposal.

***Whittier Regional Vocational School Assessment +\$75,060 (+12.1%)***

Newburyport's enrollment at the Whittier will increase by 4 students from FY19 to FY20 for a total enrollment of 37 students.

**Basis of Budgeting for Personnel**

The City budgets for personnel based on the number of workdays in a fiscal year with a standard year being 260 workdays, as there were in FY2019. In FY2020, however, there are 262 days and, therefore, the budget reflects an additional two days of pay for all regular salaried positions. For that reason, increases for regular salaried positions will include any contractual increase plus an additional two days' pay. For example, if a position contractually increases by 2.0%, the additional two days causes the increase to appear as 2.8%.

## EXPENDITURE SUMMARY BY DEPARTMENT

	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 BUDGET	FY2020 PROPOSED	\$ CHANGE	% CHANGE
<b>GENERAL FUND</b>						
<b>CITY SERVICES</b>						
ANIMAL CONTROL	58,313	63,291	66,052	68,234	2,183	3.3%
ASSESSORS DEPARTMENT	279,018	221,495	234,121	239,318	5,197	2.2%
AUDITOR'S DEPARTMENT	317,525	321,382	327,856	364,697	36,841	11.2%
BOARD OF REGISTRARS	46,873	49,008	44,260	49,333	5,073	11.5%
BUILDING DEPARTMENT	168,417	171,513	180,313	188,558	8,245	4.6%
CITY CLERK'S DEPARTMENT	238,167	252,419	258,732	285,798	27,066	10.5%
CITY COUNCIL	67,130	71,431	72,543	83,851	11,308	15.6%
COMMISSION ON DISABILITY	2,647	2,640	2,640	2,640	0	0.0%
CONSERVATION COMMISSION	1,800	1,800	1,800	1,800	0	0.0%
COUNCIL ON AGING	282,439	300,689	298,226	308,742	10,516	3.5%
DEBT EXCLUSION	3,237,248	3,166,609	3,178,737	3,165,464	(13,273)	-0.4%
EMERGENCY MANAGEMENT	24,967	26,381	31,100	29,100	(2,000)	-6.4%
FIRE DEPARTMENT	3,645,989	3,726,973	3,731,744	3,795,001	63,257	1.7%
GENERAL ADMINISTRATION	325,212	356,475	409,412	518,174	108,762	26.6%
HEALTH DEPARTMENT	208,401	211,349	247,909	254,154	6,245	2.5%
HISTORICAL COMMISSION	1,800	1,800	1,800	1,800	0	0.0%
HUMAN RESOURCES	255,039	268,657	320,267	326,125	5,857	1.8%
INFO TECHNOLOGY DEPT	305,756	308,699	320,817	321,096	278	0.1%
INSURANCE GROUP	8,793,383	9,127,806	9,719,304	9,964,940	245,636	2.5%
LEGAL DEPARTMENT	95,000	100,000	100,000	100,000	0	0.0%
LIBRARY DEPARTMENT	1,306,880	1,341,994	1,384,162	1,416,032	31,870	2.3%
LICENSE COMMISSION	6,366	7,750	6,340	8,500	2,160	34.1%
MAYOR'S DEPARTMENT	282,031	287,094	296,023	332,139	36,116	12.2%
ORDINARY DEBT SERVICE	870,427	805,338	954,098	880,000	(74,098)	-7.8%
PARKING CLERK DEPARTMENT	47,044	43,502	409,586	670,635	261,049	63.7%
PARKS DEPARTMENT	195,708	206,367	238,050	384,664	146,615	61.6%
PLANNING & DEVELOPMENT	314,457	309,965	314,511	389,874	75,363	24.0%
PLANNING BOARD	1,800	1,800	1,800	1,800	0	0.0%
POLICE DEPARTMENT	3,447,506	3,656,049	3,959,748	4,230,657	270,909	6.8%
PUBLIC SERVICES DEPARTMENT	2,686,952	2,828,753	3,054,696	3,283,035	228,338	7.5%
RETIREMENT BOARD	3,779,790	3,924,742	4,132,415	4,340,558	208,143	5.0%
SNOW & ICE	433,604	391,819	210,000	225,000	15,000	7.1%
SUSTAINABILITY	1,178,910	1,280,411	1,541,906	1,644,824	102,918	6.7%
TREASURER'S DEPARTMENT	291,868	286,649	306,181	310,014	3,833	1.3%
VETERANS' DEPARTMENT	299,372	262,433	286,761	288,279	1,518	0.5%
YOUTH SERVICES	283,843	281,476	294,368	304,850	10,482	3.6%
ZONING BOARD	1,650	1,800	1,800	1,800	0	0.0%
<b>CITY SERVICES Total</b>	<b>33,783,333</b>	<b>34,668,360</b>	<b>36,940,076</b>	<b>38,781,483</b>	<b>1,841,408</b>	<b>5.0%</b>
<b>EDUCATION</b>						
ESSEX NORTH SHORE TECH SCHOOL	36,500	55,818	73,000	92,500	19,500	26.7%
SCHOOL DEPARTMENT	27,360,232	28,631,701	29,850,374	30,875,762	1,025,388	3.4%
WHITTIER VO TECH SCHOOL	427,368	568,149	622,252	697,312	75,060	12.1%
<b>EDUCATION Total</b>	<b>27,824,100</b>	<b>29,255,668</b>	<b>30,545,626</b>	<b>31,665,574</b>	<b>1,119,948</b>	<b>3.7%</b>
<b>GENERAL FUND Total</b>	<b>61,607,433</b>	<b>63,924,028</b>	<b>67,485,702</b>	<b>70,447,057</b>	<b>2,961,356</b>	<b>4.4%</b>
<b>HARBORMASTER ENTERPRISE FUND Total</b>	<b>416,812</b>	<b>453,329</b>	<b>482,829</b>	<b>514,868</b>	<b>32,039</b>	<b>6.6%</b>
<b>SEWER ENTERPRISE FUND Total</b>	<b>6,227,469</b>	<b>6,716,478</b>	<b>7,393,893</b>	<b>7,611,606</b>	<b>217,713</b>	<b>2.9%</b>
<b>WATER ENTERPRISE FUND Total</b>	<b>5,052,725</b>	<b>4,868,205</b>	<b>5,460,014</b>	<b>5,396,089</b>	<b>(63,925)</b>	<b>-1.2%</b>
<b>Grand Total</b>	<b>73,304,439</b>	<b>75,962,040</b>	<b>80,822,437</b>	<b>83,969,620</b>	<b>3,147,183</b>	<b>3.9%</b>

## **POSITION COUNT BY DEPARTMENT**

<b>Department</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>+/-</b>
Assessor	3.0	3.0	3.0	3.0	3.0	0.0
Auditor	4.0	4.0	4.0	4.0	4.0	0.0
Building	4.5	4.5	4.5	4.5	4.5	0.0
City Clerk	7.2	7.2	7.6	7.6	7.6	0.0
Council on Aging	5.0	5.0	5.0	5.0	5.0	0.0
DPS: Highway	29.7	31.2	32.7	33.7	35.7	2.0
DPS: Sewer	18.7	19.5	19.5	19.5	19.5	0.0
DPS: Water	19.7	19.9	18.9	18.9	18.9	0.0
Fire	35.0	35.0	35.0	35.0	35.0	0.0
Harbormaster	1.0	1.0	1.0	1.0	1.0	0.0
Health	3.7	3.9	3.9	4.7	4.7	0.0
Human Resources	2.0	2.0	2.0	2.5	2.5	0.0
Information Technology	1.0	1.0	1.0	1.0	1.0	0.0
Library	24.0	20.8	20.3	20.6	20.6	0.0
Mayor's Office	3.6	3.6	3.6	3.6	3.6	0.0
Parks	1.0	2.8	4.4	6.1	7.7	1.6
Planning & Development	4.5	4.5	5.0	5.5	5.5	0.0
Police	38.0	39.0	39.0	37.0	40.0	3.0
Sustainability	2.6	2.6	2.6	2.6	2.6	0.0
Treasurer/Collector	4.0	4.0	4.0	4.0	4.0	0.0
Veterans' Services	1.8	1.8	1.8	1.8	1.8	0.0
Youth Services	4.0	4.0	4.8	5.5	6.3	0.8
<b>Total FTE*</b>	<b>218.1</b>	<b>220.4</b>	<b>223.6</b>	<b>227.1</b>	<b>234.5</b>	<b>7.4</b>

\*See School Budget for School Department position counts.