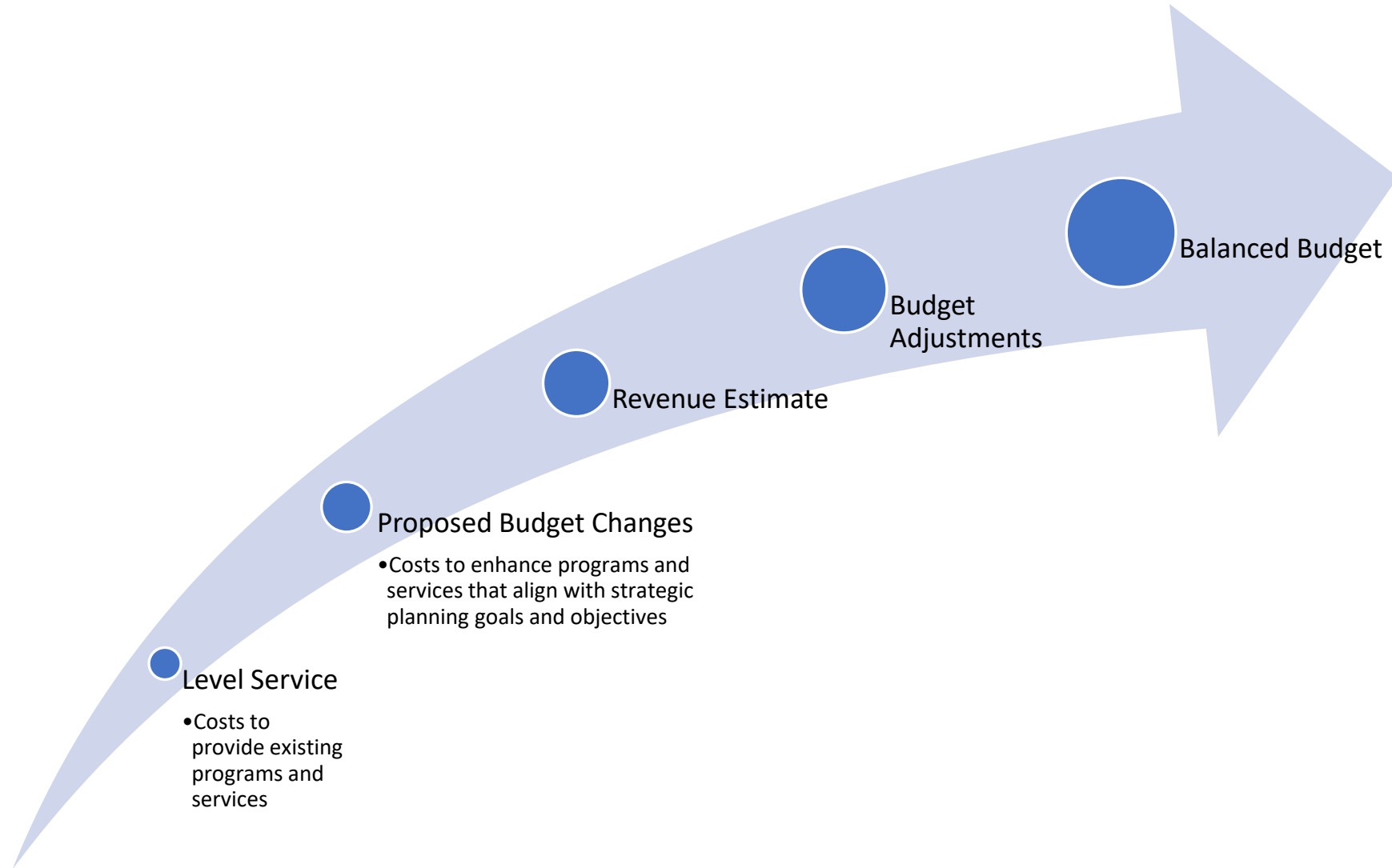


City of Newburyport FY2024 Budget Proposal

MAY 11, 2023



How We Prepare the Budget



	<u>FY2022 ACTUAL</u>	<u>FY2023 BUDGET</u>	<u>FY2023 REVISED</u>	<u>FY2024 ESTIMATE</u>	<u>FY23 Budget/FY24 Est.</u>	
					<u>\$ Chg.</u>	<u>% Chg.</u>
PROPERTY TAXES						
Prior Year Levy Limit	58,726,600	61,029,959	61,029,959	63,454,590	2,424,631	4.0%
2 1/2 % Increase	1,468,165	1,525,749	1,525,749	1,586,365	60,616	4.0%
New Growth	835,194	700,000	898,882	750,000	50,000	7.1%
TOTAL LEVY LIMIT	61,029,959	63,255,708	63,454,590	65,790,955	2,535,247	4.0%
Debt Exclusion	3,171,735	3,167,680	3,167,680	3,182,660	14,980	0.5%
TOTAL MAXIMUM LEVY LIMIT	64,201,694	66,423,388	66,622,270	68,973,615	2,550,227	3.8%
Excess Levy Capacity	(639,637)	0	(915,449)	(137,545)	(137,545)	NA
TOTAL TAX LEVY	63,562,057	66,423,388	65,706,821	68,836,070	2,412,682	3.6%
LOCAL RECEIPTS						
Motor Vehicle Excise	2,979,353	2,850,000	2,900,000	2,950,000	100,000	3.5%
Other Excise					0	NA
a. Meals	764,549	640,000	780,000	785,000	145,000	22.7%
b. Room	426,193	340,000	410,000	410,000	70,000	20.6%
c. Other	0	0	0	0	0	NA
Pen & Int on Tax & Exc	330,142	300,000	300,000	325,000	25,000	8.3%
Payments in Lieu of Taxes	27,924	20,000	27,000	27,000	7,000	35.0%
Fees	247,606	300,000	250,000	260,000	(40,000)	-13.3%
Other Dept. Revenue	75,865	70,000	70,000	72,500	2,500	3.6%
Licenses and Permits	1,349,322	950,000	950,000	960,000	10,000	1.1%
Fines & Forfeits	6,708	7,500	7,500	6,500	(1,000)	-13.3%
Investment Income	45,382	47,500	45,000	45,000	(2,500)	-5.3%
Medicaid Reimbursement	285,482	110,000	110,000	200,000	90,000	81.8%
Miscellaneous Recurring	241,413	200,000	200,000	228,000	28,000	14.0%
Miscellaneous Non-Recurring	432,208	0	0	0	0	NA
TOTAL LOCAL RECEIPTS	7,212,147	5,835,000	6,049,500	6,269,000	434,000	7.4%
TOTAL NET STATE AID	4,909,318	5,464,195	5,588,785	6,621,533	1,157,338	21.2%
TOTAL OTHER FINANCING SOURCES	1,027,623	1,522,086	2,488,839	1,374,613	(147,472)	-9.7%
RESERVE FOR ABATEMENT	(353,461)	(363,659)	(364,603)	(300,000)	63,659	-17.5%
TOTAL GENERAL FUND	76,357,684	78,881,010	79,469,342	82,801,216	3,920,207	5.0%
ENTERPRISE FUNDS	13,989,976	14,406,734	14,535,814	15,130,575	723,841	5.0%
TOTAL REVENUE	90,347,660	93,287,744	94,005,156	97,931,791	4,644,047	5.0%

FY24 Revenue (p. 20)

- Assumes taxation increase of 2.28% plus new growth → excess levy capacity of \$137,545 by not raising full 2.50%
- New Growth = \$750,000 in add'l levy (see p. 30 for historical new growth)
- Conservative estimates for local receipts
- State Aid based on HWM Budget
- Other Financing Sources:
 - Paid Parking: \$971,455 (debt service, parking operations, downtown improv. in parks budget)
 - Enterprise Funds (IT): \$166,936
 - Recreation Revolving: \$136,222
 - Solid Waste Revolving: \$100,000
- Enterprise funds supported by user rates and charges

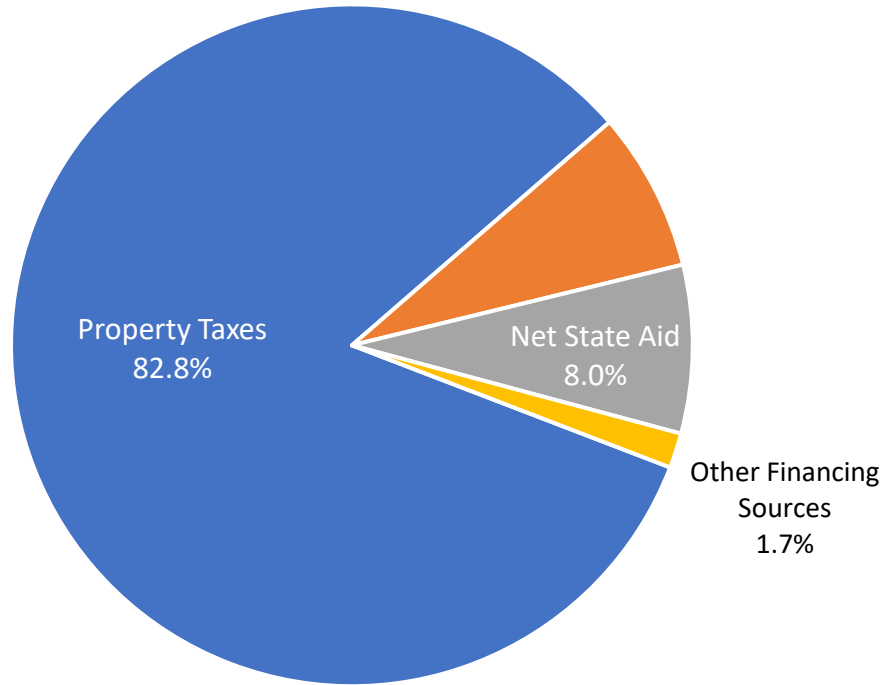
FY24 Proposed Expenditures (p. 21)

	FY2023 ORIGINAL	FY2023 REVISED	FY2024 PROPOSED	\$ CHANGE	% CHANGE
GENERAL FUND					
CITY SERVICES	22,663,385	23,229,916	24,638,980	1,409,064	6.1%
EDUCATION	35,894,131	35,904,872	37,486,637	1,581,765	4.4%
SHARED EXPENSES	20,125,294	20,125,294	20,675,599	550,305	2.7%
GENERAL FUND Total	78,682,810	79,260,082	82,801,216	3,541,134	4.5%
ENTERPRISE FUNDS					
HARBORMASTER ENTERPRISE FUND Total	6,196,614	6,196,614	6,520,029	323,415	5.2%
SEWER ENTERPRISE FUND Total	7,818,840	7,818,840	8,071,921	253,081	3.2%
WATER ENTERPRISE FUND Total	520,360	520,360	538,625	18,265	3.5%
ENTERPRISE FUNDS Total	14,535,814	14,535,814	15,130,575	594,761	4.1%
Grand Total	93,218,624	93,795,896	97,931,791	4,135,895	4.4%


 Change from FY2023 Revised to
 FY2024 Proposed

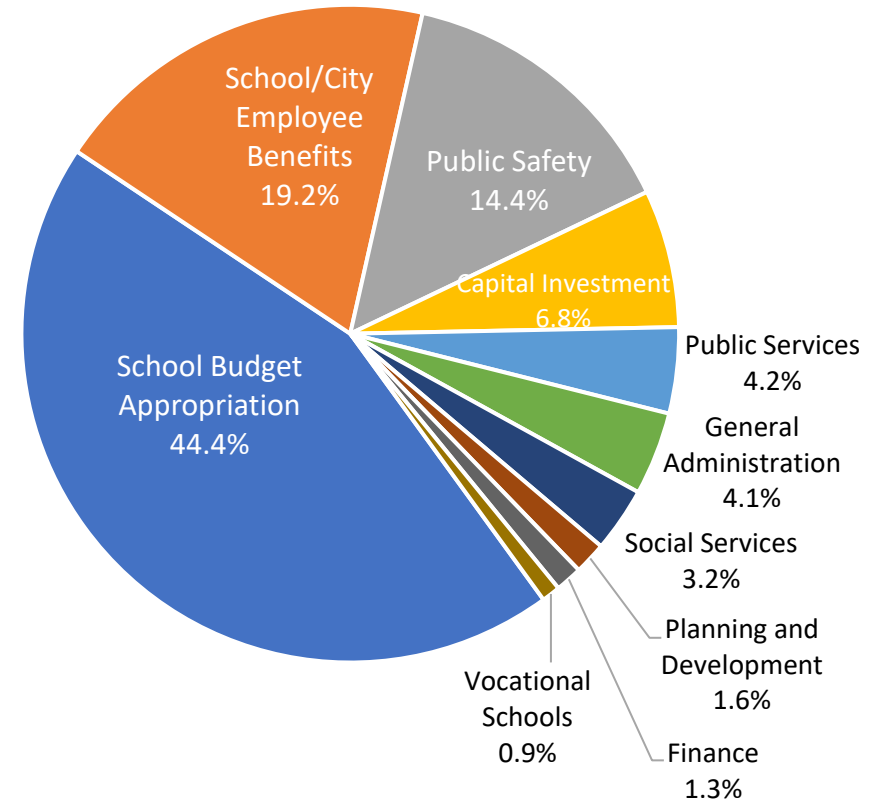
Balanced Budget

REVENUE



<u>Source</u>	<u>FY2024 Estimate</u>
Property Taxes	\$68,536,070
Local Receipts	\$6,269,000
Net State Aid	\$6,621,533
Other Financing Sources	\$1,374,613
General Fund Revenue	\$82,801,216
Enterprise Funds	\$15,130,575
Total Revenue	\$97,931,791

EXPENDITURES



<u>Use</u>	<u>FY2024 Proposed</u>
General Fund	\$82,801,216
Enterprise Funds	\$15,130,575
Total Expenditures	\$97,931,791

FY24 Budget Notes

Salaries & Wages:

- Contractual increases based on collective bargaining agreements; increases for non-union staff comparable to union pay scales
- Contingency for expiring collective bargaining agreements
- One less workday to budget for in FY24 (260 days) vs FY23 (261 days)

All Other Expenses:

- Known-costs for debt service, health insurance, retirement appropriation, assessments (Whittier, MVPC, MBLC), P&C/workers comp insurance
- Inflationary pressures for supplies/services (e.g. utilities, solid waste)
- Centralization of IT expenses for better management and tracking (e.g. permitting software, printer contracts/supplies)

Budget Book:

- Reallocated/reclassified certain costs to better reflect the use
 - Reduction in general/vague line items (e.g. Misc Expense, Administration)
- Removed \$ and % changes from the individual line items in the departmental budgets

FY24 Budget Notes

RETHINKING BUDGETING

“Local governments have long relied on last year’s budget to make incremental, line item changes around the margins to make next year’s budget.

Though this form of budgeting has advantages and can be useful in times of stability, it can also make local governments slow to adapt in times of rapid change, like the volatile and uncertain times we live in today...”



ICMA



FY24 New Investments

Purpose	Amount
School District Priorities	+554,000
Information Technology Upgrades	+396,000
Pedestrian/Safety Improvements	+150,000
Economic/Community Development Manager	+95,000
Lab Chemist/Environmental Analyst	+71,000
Assistant Engineer	+65,000
Truck Driver/Laborer*	+53,500
Total	+\$1,384,500

*Restored position that was removed from budget during COVID



Major Budget Components

School Appropriation (\$36.7M)

- Increase of \$1.58M offset by +\$979K in Chapter 70 funding

Health Insurance Premiums (\$10.7M)

- No rate increase for FY'24
- \$60K increase in General Fund due to being underbudgeted in FY'23

Debt Service (\$9.5M)

- Funds existing plus additional debt for West End Fire Station
- \$25,000 contingency for short-term notes

Solid Waste (\$2.25M)

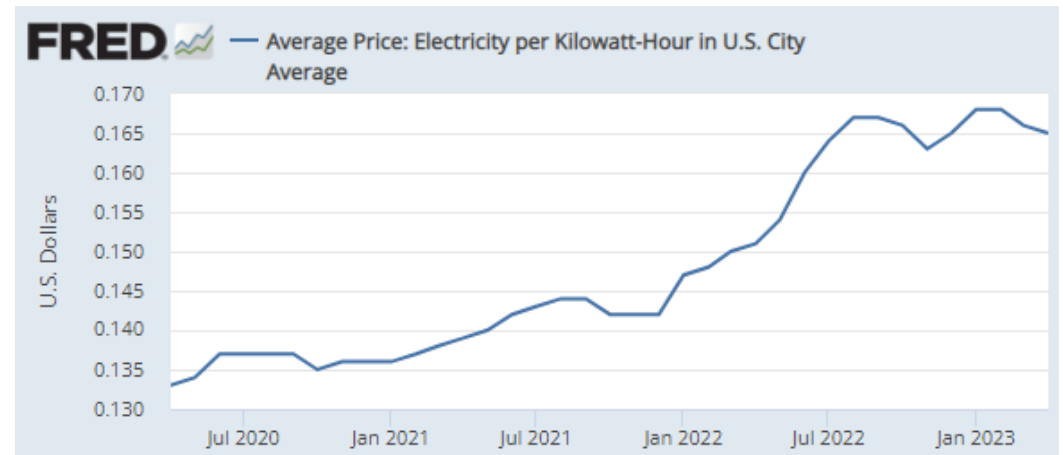
- Increase of \$550K over FY23 budget due to increases in hauling and disposal costs
- Offsetting with \$100K budgeted transfer from Solid Waste Revolving Fund (current balance = \$249K)

Capital Outlay (\$1.6M)

- Funds sidewalk line item at 50% of meals tax
- Increase in funding for Pedestrian/Safety Improvements from \$100K to \$250K
- Funds payments on existing lease to purchase agreements (DPS Vehicles, Police Cruisers)

Energy/Utilities (\$1.2M)

- Electrical rates for municipal and school buildings locked in through Nov. 2023
- Anticipated increase of .03 kWh for remaining 7 months of FY24

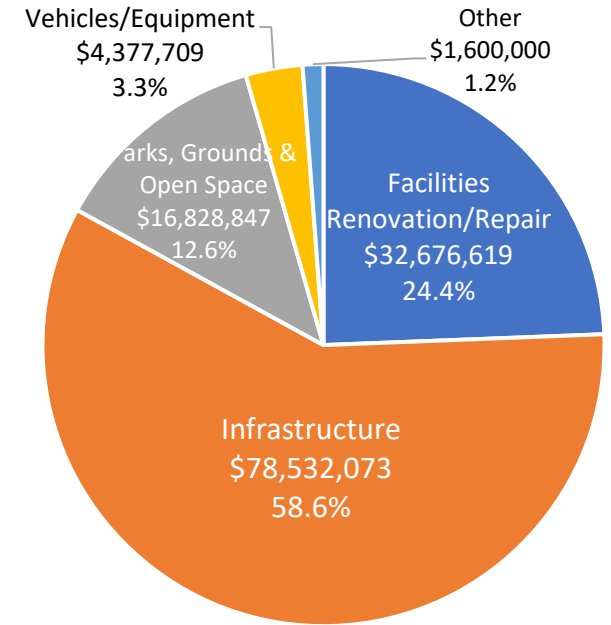


FY24-28 Capital Improvement Program

Estimated Costs by Fiscal Year

Department	FY2024	FY2025	FY2026	FY2027	FY2028	Five-Year Total
Information Technology	\$960,500	\$26,250	\$27,563	\$28,941	\$30,388	\$1,073,641
Planning & Development	\$13,250,000	\$505,000	\$75,000	\$2,050,000	\$50,000	\$15,930,000
Parking Clerk	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Fire	\$545,000	\$235,000	\$800,000	\$800,000	\$14,200,000	\$16,580,000
Police	\$75,000	\$1,012,969	\$128,797	\$80,767	\$82,786	\$1,380,319
DPS - Highway	\$3,499,377	\$4,270,000	\$3,355,000	\$2,320,000	\$2,500,000	\$15,944,377
DPS - Parks	\$5,088,791	\$947,000	\$411,000	\$1,218,000	\$925,000	\$8,589,791
Council on Aging	\$0	\$200,000	\$175,000	\$0	\$0	\$375,000
Library	\$117,705	\$125,000	\$25,000	\$50,000	\$0	\$317,705
Youth Services	\$5,900,000	\$0	\$0	\$0	\$0	\$5,900,000
Schools	\$867,464	\$3,161,740	\$578,143	\$1,692,450	\$250,000	\$6,549,797
Total General Fund	\$30,353,837	\$10,482,959	\$5,575,502	\$8,240,157	\$18,038,174	\$72,690,629
DPS - Water	\$9,774,618	\$19,290,000	\$9,540,000	\$540,000	\$8,300,000	\$47,444,618
DPS - Sewer	\$1,590,000	\$6,380,000	\$2,780,000	\$780,000	\$0	\$11,530,000
Harbormaster	\$0	\$600,000	\$550,000	\$1,200,000	\$0	\$2,350,000
Total Enterprise Funds	\$11,364,618	\$26,270,000	\$12,870,000	\$2,520,000	\$8,300,000	\$61,324,618
Total Capital Improvements	\$41,718,455	\$36,752,959	\$18,445,502	\$10,760,157	\$26,338,174	\$134,015,247

↑
Broken out on next two slides



Priority	Amount	% of Total
Urgent/Legally Required	\$30,122,820	22.5%
Maintain Service	\$73,329,631	54.7%
Enhancement	\$30,562,796	22.8%
Total	\$134,015,247	100.0%

Request Type	Amount	% of Total
Prior Year	\$131,223,981	97.9%
New	\$2,791,266	2.1%
Total	\$134,015,247	100.0%

FY24 Funding Sources - CIP pp. 15-16

\$3,483,774 Appropriation Request
(TRAN00153_05_08_2023)

					Unrestricted / Less Restricted Funds									
CIP #	Project Description	Oper. Budget	Prior Year Funds	Borrowing	CPA	ARPA	Free Cash	Water R/E	Sewer R/E	Harbor R/E	40R	Grants/Other	Notes	Total Sources
					Current Balance:	1,966,707	1,907,195	851,918	1,396,385	753,356	92,300			
	OPEB	<-- Annual OPEB funding					94,240	3,330	2,250	180				
	Compensated Absences	<-- Covers approx. 6 of 10 potential retirements					350,000							100,000
					Net Available:	1,966,707	1,462,955	848,588	1,394,135	753,176	92,300			350,000
FY2024 Capital Projects														
IT01	Data Center Rebuild					935,500								935,500
IT02	IT Workstation/Equipment Replacements						18,742	2,668	3,366	224				25,000
PL01	Central Waterfront Bulkhead Rehabilitation			643,000								5,357,000	FEMA,	6,000,000
PL02	Market Landing Park Expansion & Rail Trail Extension		1,768,258	2,961,742	250,000							420,000	PARC,	5,400,000
PL03	Complete Streets Transportation Projects	22,991	27,009											50,000
PL05	Brown School/Gym Renovations		233,342									1,566,658	Developer	1,800,000
PG01	Parking Hybrid Vehicle		50,000											50,000
FD01	Apparatus Floor Drains		45,000											45,000
FD04	SCBA Replacement		500,000											500,000
PD03	Cruiser/Vehicle Replacements	75,000												75,000
HW01	Streets and Sidewalks Improvement Plan	392,500	1,087,500									520,000	Ch 90	2,000,000
HW02	Traffic/Safety Improvement Projects	250,000												250,000
HW03	Water, Sewer & Highway Downtown Utility Upgrades (Design)		200,000											200,000
HW04	Plummer Spring Bridge Replacement											700,000		700,000
HW06	Downtown Lighting	406	199,594		69,377									269,377
HW08	Stump Grinder										80,000			80,000
PK01	Bartlet Mall Historic Restoration		106,182	2,574,000	207,000							716,818	LWCF +	3,604,000
PK02	Lower Atkinson Common Improvements		30,488		582,000	569,512								1,182,000
PK03	Atkinson Common Tennis Court Resurfacing				49,557							4,443	Bellville	54,000
PK04	Atkinson Common Stone Tower Restoration				59,950									59,950
PK07	Cashman Park Site Improvements		15,000		61,271									76,271
PK08	Woodman Park Improvements				57,570									57,570
PK09	Inn Street & Downtown Parks Improvements		10,000									10,000	NED	20,000
PK15	Infield Groomer		15,000								12,300	7,700	Schools	35,000

FY24 Funding Sources - CIP pp. 15-16 (continued)

\$3,483,774 Appropriation Request
(TRAN00153_05_08_2023)

CIP #	Project Description	Oper. Budget	Prior Year Funds	Borrowing	CPA	Unrestricted / Less Restricted Funds					Grants/ Other	Notes	Total Sources	
						ARPA	Free Cash	Water R/E	Sewer R/E	Harbor R/E				40R
WA01	Amesbury Emergency Interconnection Points					250,000							250,000	
WA02	Indian Hill Raw Water Line			850,000									850,000	
WA03	Lower Artichoke Reservoir Dam Improvements		269,062										269,062	
WA04	Watershed/Public Water Supply Protection		285,556										285,556	
WA05	Water Treatment Plant Evaluation & Upgrades (Design)			1,850,000									1,850,000	
WA07	Plum Island Chlorine Booster Station		100,000										100,000	
WA08	Water Main Replacement						250,000						250,000	
WA09	Water Meter Replacement (Water/Sewer)		329,432	5,370,568									5,700,000	
WA10	Lead Service Line Inventory										220,000	DEP	220,000	
SW01	Clarifier Upgrades							590,000					590,000	
SW04	Water Street Lift Station (Construction)			1,000,000									1,000,000	
LB02	HVAC Boiler Replacement						100,000						100,000	
LB03	Carpet Replacement		17,705										17,705	
YS01	Youth Services Center		200,000	5,700,000									5,900,000	
SC01	NHS-Elevator Controls Replacement						69,370						69,370	
SC02	NHS-Roof Replacement			220,710									220,710	
SC03	Nock/Molin-Gym & Auditorium Roof Replacement			165,613									165,613	
SC05	School Security Upgrades										66,396	ESSER	66,396	
SC07	Nock/Molin & NHS-Control System Upgrades										160,000	Green	160,000	
SC09	NHS-Library Carpet Replacement	31,875											31,875	
SC11	Nock/Molin-Kitchen Equipment Replacement										15,000	Food	15,000	
SC12	NHS-Energy Reduction Projects										100,000	Green	100,000	
SC13	NHS-Art/Music Area Feasibility Study										38,500	NEF	38,500	
Total		772,771	5,489,129	21,335,632	1,336,725	1,755,012	188,112	252,668	593,366	224	92,300	9,902,515	n/a	41,718,455
						Remaining Balance:	211,695	1,274,843	595,920	800,769	752,952	0		

Total Year 1 Project Costs

FY24 Special/Capital Appropriations Request (TRAN00153_05_08_2023)

CIP #	Page #	Project Description	P/Y Funds	ARPA	Free Cash	Water R/E	Sewer R/E	Harbor R/E	40R	Total
Current Balance:				1,966,707	1,907,195	851,918	1,396,385	753,356	92,300	
n/a		OPEB			94,240	3,330	2,250	180		100,000
n/a		Compensated Absences			350,000					350,000
IT01	17	Data Center Rebuild		935,500						935,500
IT02	18	IT Workstation/Equipment Replacements			18,742	2,668	3,366	224		25,000
PL03	21	Complete Streets Transportation Projects	27,009							27,009
PG01	26	Parking Hybrid Vehicle	50,000							50,000
FD01	27	Apparatus Floor Drains	45,000							45,000
HW06	47	Downtown Lighting	199,594							199,594
HW08	49	Stump Grinder							80,000	80,000
PK02	51	Lower Atkinson Common Improvements	30,488	569,512						600,000
PK15	64	Infield Groomer							12,300	12,300
WA07	74	Plum Island Chlorine Booster Station	50,000							50,000
WA08	75	Water Main Replacement				250,000				250,000
SW01	79	Clarifier Upgrades					590,000			590,000
LB02	87	HVAC Boiler Replacement			100,000					100,000
SC01	92	NHS-Elevator Controls Replacement			69,370					69,370
Total Appropriation:			402,092	1,505,012	632,352	255,998	595,616	404	92,300	3,483,774
WA01	68	Amesbury Emergency Interconnection Points		250,000						250,000

Total Request

3,483,774

Pending Order

ARPA Ad Hoc Committee to Review

Remaining Balance:

211,695

1,274,843

595,920

800,769

752,952

0

City Council Actions Needed

- Vote on FY24 Budget (ORDR00452_05_08_2023)
- Vote to “Adopt” 5-Year CIP (ORDR00453_05_08_2023)
- Vote on FY24 Special/Capital Appropriations (TRAN00153_05_08_2023)

All information provided during the workshops
will be posted on the website:

<https://www.cityofnewburyport.com/budget>