



CITY OF PEABODY FISCAL 2021 BUDGET

**Mayor Edward A. Bettencourt, Jr.
June 23, 2020**



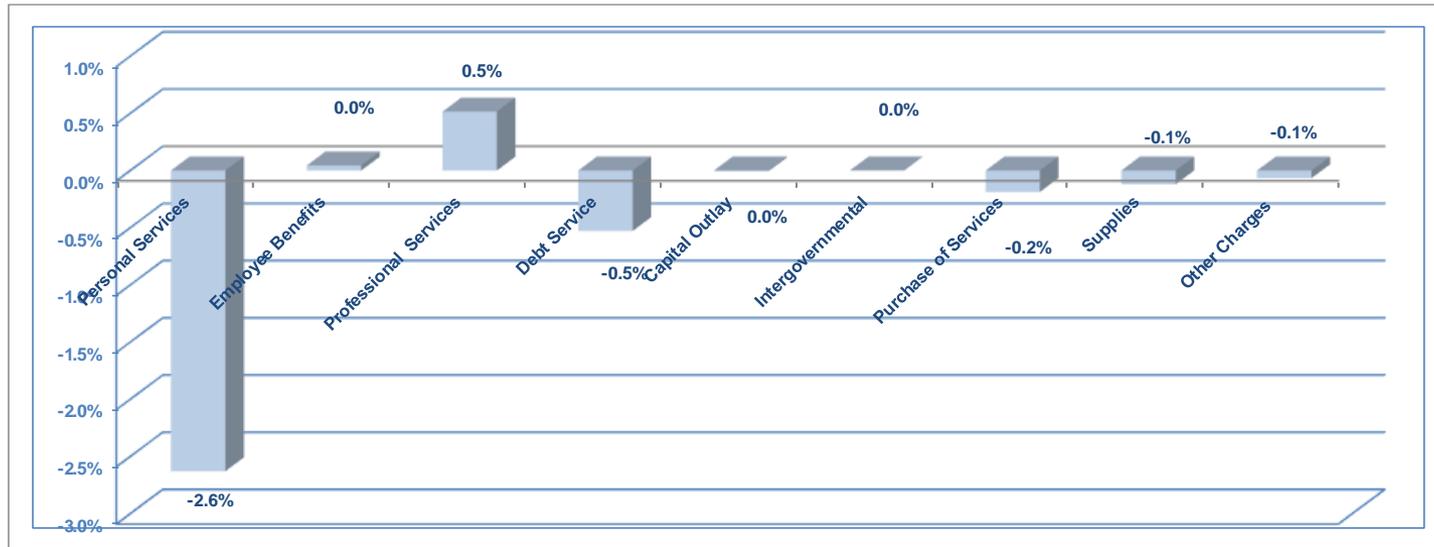
FISCAL YEAR 2021 BUDGET AGENDA

- Opening Remarks - Mayor Bettencourt
- Fiscal Year 2021 Budget Highlights
- Water & Sewer Budget Fiscal 2021
- Skating Rink Budget Fiscal 2021
- Golf Course Budget Fiscal 2021



FISCAL 2021 CITY BUDGET CHANGES BY EXPENSE TYPE

FY2021 School Custodial & Maint added to Facilities. Salary budget has been reduced 2.1million%, Professional Service increase 412K with reductions in Debt Service (423)K, and another (300)K supplies and other charges.



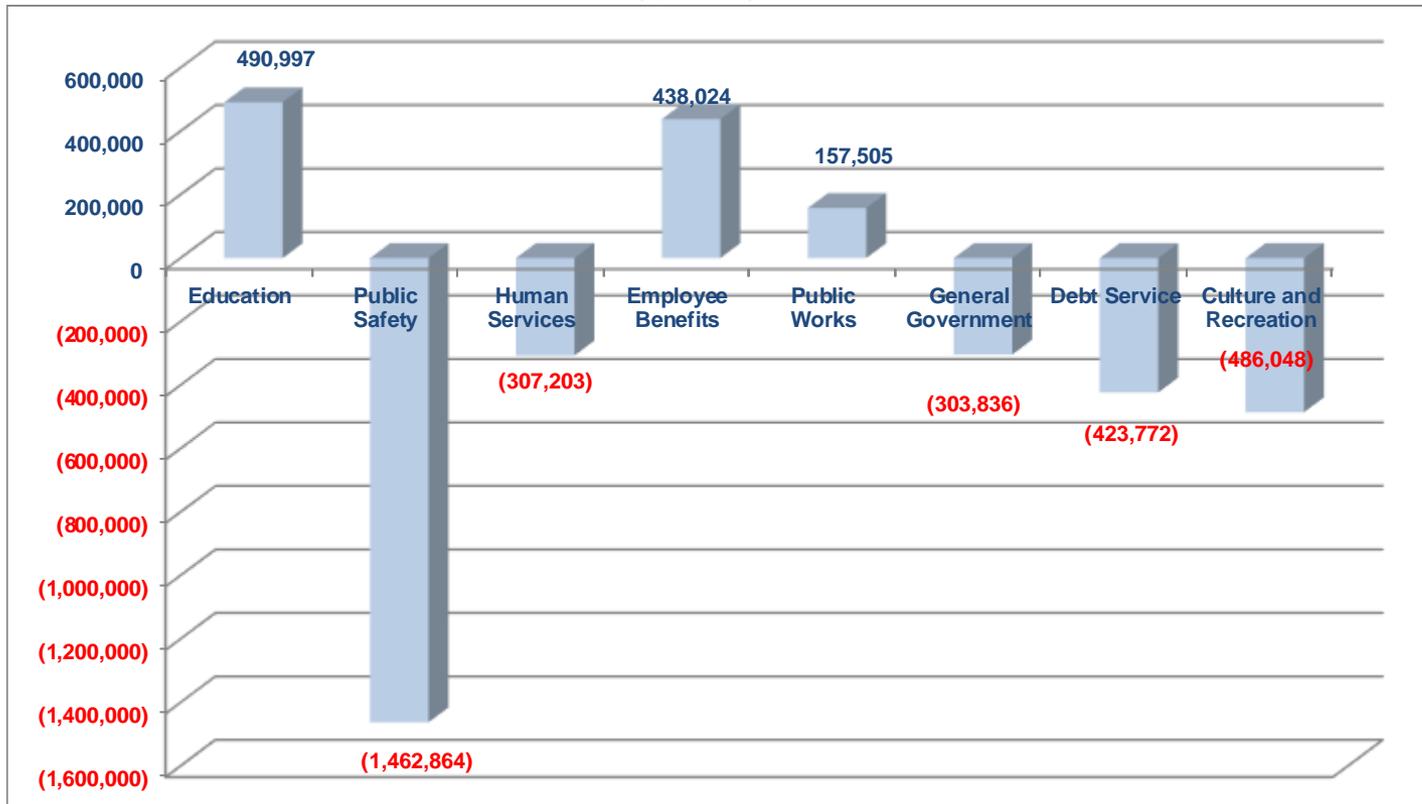
	FY2021 City	FY2020 City	FY2020 Facilities	FY2020 Adjusted	City Change	FY2021 % Change
Personal Services	31,835,820	31,467,724	2,475,029	33,942,753	(2,106,933)	-2.6%
Employee Benefits	26,681,134	26,646,038	-	26,646,038	35,096	0.0%
Professional Services	5,904,086	5,491,307		5,491,307	412,779	0.5%
Debt Service	7,712,033	8,135,805		8,135,805	(423,772)	-0.5%
Capital Outlay	644,073	649,561		649,561	(5,488)	0.0%
Intergovernmental	1,000	1,000		1,000	-	0.0%
Purchase of Services	1,324,300	1,248,575	226,006	1,474,581	(150,281)	-0.2%
Supplies	1,546,855	1,413,010	230,000	1,643,010	(96,155)	-0.1%
Other Charges	2,087,255	2,140,695		2,140,695	(53,440)	-0.1%

Total Budget Changes \$ 77,736,556 \$ 77,193,715 \$ 2,931,035 \$ 80,124,750 \$ (2,388,194) -2.98%



FISCAL 2021 CITY & SCHOOL BUDGET CHANGES BY FUNCTION

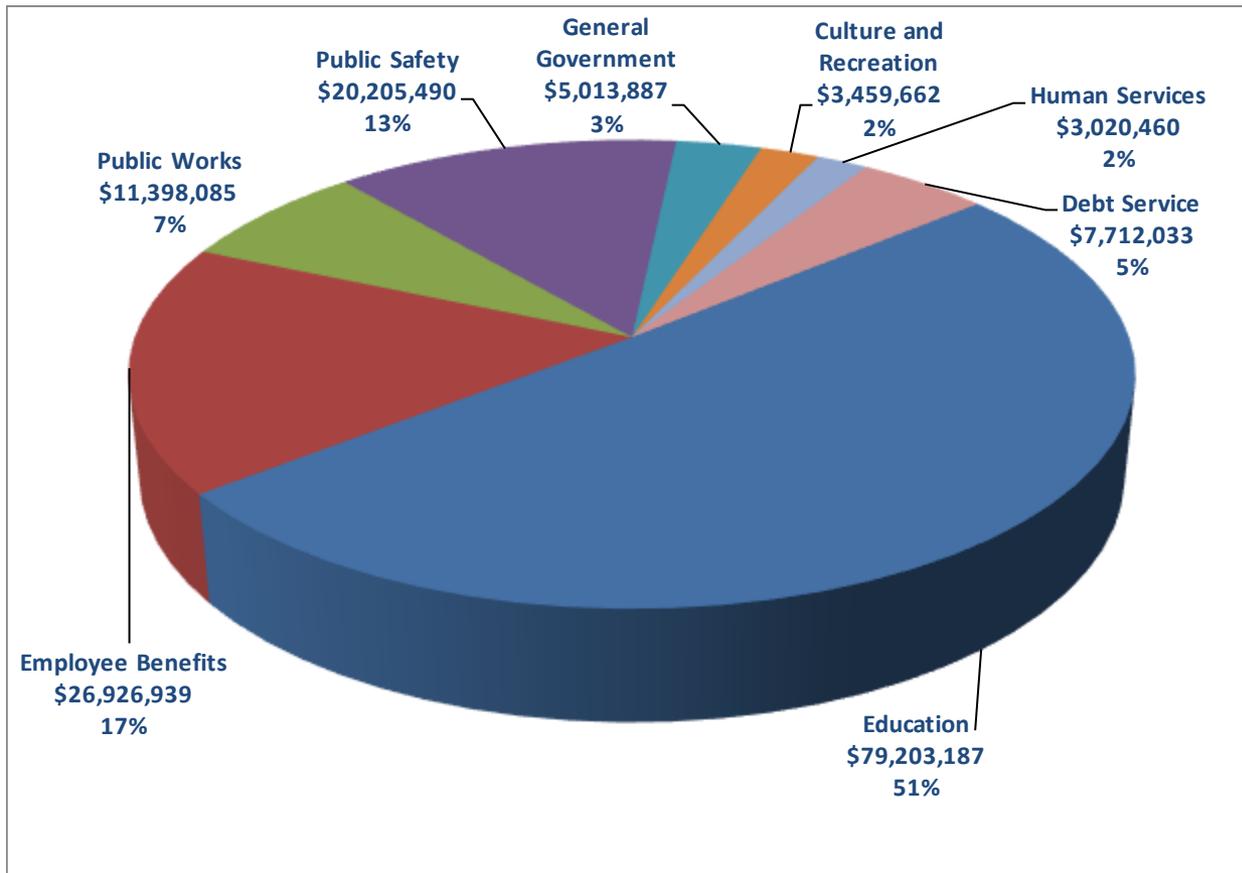
The Fiscal 2021 City & School Budgets decreased by **\$(1.90)** Million. Education increased \$491K, Benefits \$438K, and Public Works \$157K. Decreases were Public Safety **\$(1.4)** million, Human Services **\$(307)K**, General Government **\$(303)K**, Debt Service **\$(424)K** and Culture and Recreation of **\$(486)K**. Total Decreases **(\$2.9)** million





FISCAL 2021 \$156.9 MILLION CITY & SCHOOL BUDGETS BY FUNCTION

In Fiscal 2021, 51 cents of every budget dollar will be spent on Education, followed by 17 cents for Employee Benefits, 13 cents for Public Safety and 7 cents for Public Works.





FISCAL 2021 BUDGET SCENARIOS

The Estimated Amount to be raised in Fiscal 2021 including State Charges, Allowance for Abatements and 1/3 of the Potential FY2020 Deficit is \$162,216,964 A decrease of **\$(278,188)** from Fiscal 2020.

	Actual 2020 Budget	Projected #1 2021 Budget	Projected #2 2021 Budget	Projected #3 2021 Budget	Change #1
School Budget	77,295,393	74,800,000	74,800,000	74,800,000	(2,495,393)
Vocational School Assessment	4,347,832	4,403,187	4,403,187	4,403,187	55,355
City Budget	77,193,715	77,736,556	77,736,556	77,736,556	542,841
Total Budget	158,836,940	156,939,743	156,939,743	156,939,743	(1,897,197)
Increase From Prior Year	(12,449,486) -7.3%	(1,897,197) -1.2%			
Other Amounts to be Raised:					
State & County Assessments	3,258,212	3,277,221	3,277,221	3,277,221	19,009
Abatements	400,000	500,000	500,000	500,000	100,000
FY 2020 Deficit		1,500,000	1,500,000	1,500,000	1,500,000
Other Amounts	3,658,212	5,277,221	5,277,221	5,277,221	1,619,009
Gross Amount to be Raised	162,495,152	162,216,964	162,216,964	162,216,964	(278,188)
	(11,947,918) -6.85%	(278,188) -0.17%			



FISCAL 2021 BUDGET PROJECTIONS - REVENUES

The Exact Funding for FY2021 is Still Pending State Aid Authorization and Possible COVID Revenue Relief Funds. The Following Scenarios Represent Possible Ranges and Mixing of Revenue Sources.

Million

Projected #1 \$3.7 Reserves and Available Funds
 \$4.4 Reduction in State Aid 15% Education 15% Local
 \$2.6 Reduction in Local Receipts
 \$4.4 Increasing in Real Estate Tax

Projected #2 \$2.7 Reserves and Available Funds
 \$1.4 Reduction in State Aid 1% Education 15% Local
 \$2.6 Reduction in Local Receipts
 \$2.4 Increasing in Real Estate Tax

Projected #3 \$2.3 Reserves and Available Funds
 \$1.0 Reduction in State Aid 1% Education 10% Local
 \$2.6 Reduction in Local Receipts
 \$600K Reduction in in Real Estate Tax
 \$3.0 COVID Revenue Relief

Sources of Revenue:	Actual 2020 Budget	Projected #1 2021 Budget	Projected #2 2021 Budget	Projected #3 2021 Budget	Change #1	% Change
Available Revenues	1,371,200	3,700,000	2,700,000	2,300,000	2,328,800	53.9%
State Aid	29,953,539	25,525,481	28,585,202	28,968,454	(4,428,058)	-15.8%
Local Revenues	20,418,000	17,828,000	17,828,000	17,828,000	(2,590,000)	-7.6%
Tax Levy	110,752,413	115,163,483	113,103,762	110,120,510	4,411,070	4.1%
COVID FUNDS			-	3,000,000		
Add Back State AID			-			
Total Sources of Revenue	162,495,152	162,216,964	162,216,964	162,216,964	(278,188)	-0.2%



FISCAL 2021 BUDGET PROJECTIONS - LOCAL REVENUES

**Fiscal 2021 Local Revenues are an Unknown and Most Will Be in Decline,
Assumptions are MVE will approximate this year's collection, 75% Collection
of Hotel & Meals**

Account Description	Fiscal 2018 Actual	Fiscal 2019 Actual	Fiscal 2020 Budget	Fiscal 2021 YTD 06/15	Fiscal 2021 Projections
Motor Vehicle Excise Taxes	8,438,341	8,471,047	8,450,000	7,902,978	7,972,500
Hotel Taxes	1,511,043	1,589,700	1,589,000	1,234,031	1,191,750
Meals Tax	1,529,791	1,645,065	1,645,000	1,273,805	1,233,750
Interest & Fees on Taxes	464,341	550,050	550,000	266,136	350,000
Payments in Lieu of Taxes	844,768	844,720	845,000	809,831	845,000
Water User Charges	5,559,363	6,591,746	-	-	-
Sewer User Charges	9,552,967	10,622,943	-	-	-
Landfill Revenues	1,198,994	120,429	1,500,000	210,051	1,200,000
Fees	475,705	481,033	481,000	182,225	300,000
Rental Fees	69,600	65,714	65,500	77,480	75,000
Recreation Revenue	700,000	725,000	825,000	825,000	825,000
Departmental Revenue	264,985	361,460	359,792	320,505	320,000
Licenses & Permit Fees	1,940,821	2,761,652	2,200,000	2,191,211	2,000,000
Parking Fines & Forfeits	138,641	156,814	156,500	153,000	140,000
Interest Income	145,993	371,575	360,000	239,147	125,000
Water Filtration Grant					
Medicaid Reimbursements	472,213	411,602	440,000	255,166	400,000
SESD Refunds	500,000	500,000	450,000	450,000	400,000
Urban Redevelopment Taxes	66,732	66,635	-	-	
Debt Service Transfer/CPC	240,000	0	0		
Misc Receipt	0	0	0		
Billboard Revenue	437,500	525,000	500,000	207,500	450,000
Subtotal Local Revenues	34,551,799	36,862,185	20,416,792	16,598,066	17,828,000



FISCAL 2021 BUDGET PROJECTIONS -Values

Residential Values are Estimated to Increase 4%
Commercial and Industrial are Down Slightly

Values for FY2021 Taxes are Based on
January 1, 2019 Property Values Prior to the Pandemic

	Actual	Projected #1	Projected #2	Projected #3
	Actual 2020 Budget	Projected 2021 Budget	Projected 2021 Budget	Projected 2021 Budget
Residential Values	6,838,057,895	7,111,580,211	7,111,580,211	7,111,580,211
CIP Values	1,630,095,219	1,609,936,719	1,609,936,719	1,609,936,719
Total Values	8,468,153,114	8,721,516,930	8,721,516,930	8,721,516,930
New Growth - Residential	18,110,000	20,000,000	20,000,000	20,000,000
New Growth - CIP	49,368,190	30,000,000	30,000,000	30,000,000
Total New Growth	67,478,190	50,000,000	50,000,000	50,000,000
New Growth - Residential Taxes	199,391	214,783	214,783	214,783
New Growth - CIP Taxes	1,169,531	686,632	686,632	686,632
Total New Growth - Taxes	1,368,923	901,415	901,415	901,415
Levy Limit	122,866,207	126,839,276	126,839,276	126,839,276
Actual Levy	110,752,413	115,163,483	113,103,762	110,120,510
Excess Levy Capacity	12,113,794	11,675,793	13,735,514	16,718,766



FISCAL 2021 BUDGET SCENARIOS Tax Impact

The Following is a Range of Tax Impacts Based on the Assumptions for Projected #1, #2, #3. This Range Will be Narrowed When State and Federal Funding is Determined Along With the Final FY2020 Deficit.

	Actual	Projected #1	Projected #2	Projected #3
	Actual 2020 Budget	Projected 2021 Budget	Projected 2021 Budget	Projected 2021 Budget
Commercial Levy	37,309,164	37,202,285	36,536,915	35,573,209
Residential Levy	73,443,249	77,961,198	76,566,847	74,547,301
Total Levy	110,752,413	115,163,483	113,103,762	110,120,510
Equalized Tax Rate	\$13.08	\$13.20	\$12.97	\$12.63
C.I.P Rate 175%	\$22.89	\$23.11	\$22.69	\$22.10
Residential Rate	\$10.74	\$10.96	\$10.77	\$10.48
Average Residential Value	421,800	438,672	438,672	438,672
Average Residential Tax Bill	\$4,530.29	\$4,809.49	\$4,723.48	\$4,598.91
Change in Annual Tax Bill	\$194.55	\$279.20	\$193.19	\$68.62
	4.5%	6.2%	4.3%	1.5%



FISCAL FY2021 Projected Free Cash/Reserves

FY2020 Free Cash was certified at \$11,263,746. \$1,000,000 was used to Reduce the FY2020 Tax Rate and we used an additional \$692,613 for Projects, Equipment and Retro Wages. This leaves \$9.5 million in Free Cash and \$2.9 million in Stabilization \$12.4 million in total. The Unknowns are the FY2020 deficit and what could be needed for the FY2021 Tax Rate.

Description	FY 2021 Activity		Total Reserves
	Unreserved Fund Balance Free Cash	Stabilization	
Balance July 1, 2019	11,263,746	2,791,477	14,055,223
Vote to Reduce FY 2020 Tax Levy	(1,000,000)		(1,000,000)
Sidewalk Plows	(104,000)		(104,000)
Retro Salaries	(58,613)		(58,613)
Landfill Operations	(530,000)		(530,000)
Total Reductions	(1,692,613)		(1,692,613)
FY2020 Stabilization Payback		125,000	125,000
Interest			
Subtotal	9,571,133	2,916,477	12,487,610
Close FY 2020 Budget Gap	(2,000,000)		
Reduce FY 2021 Tax Rate	(2,000,000)	(1,000,000)	(3,000,000)
Projected:			
FY2021 Beginning Balance	7,571,133	1,916,477	9,487,610



SUMMARY FISCAL 2021 BUDGET

- Operating Budget - \$156,939,743
- A Decrease of \$1,897,197 or 1.2%
- Sources of Funding
 - Property Taxes - TBD
 - Local Revenues - Approx 17.8m
 - Available Revenues - Up to \$3.7m
 - State Aid - TBD
 - COVID Revenue Relief ?



FISCAL 2021 ENTERPRISE BUDGETS

- WATER & SEWER
- SKATING RINK
- GOLF COURSE

Enterprise Funds Established Under Ch44 Sec53 F1/2

Mission is to be Self Sustaining by User Fees

City Council Vote Required to Authorize Budget



WATER & SEWER ENTERPRISE REVENUE

	FY 2019 Gen. Fund Budget	FY2020 Budget	FY2020 Projected	FY2021 Budget
Water	6,591,746	7,240,211	7,493,975	7,493,975
Sewer	7,480,892	9,040,216	8,429,000	8,429,000
Rousselot	3,142,051	3,212,963	3,140,080	3,140,080
Total	17,214,689	19,493,390	19,063,055	19,063,055



WATER & SEWER ENTERPRISE SEWER EXPENSE

Sewer Expense:	FY 2019			
	General Fund Budget Estimated Benefits & Debt Service	FY2020 Budget	FY2020 Projected	FY2021 Budget
Salaries & Wages	212,958	360,223	342,380	367,747
Employee Benefits	173,700	178,815	177,435	181,457
Utilities	63,635	63,000	52,471	55,000
Outside Services	235,546	390,000	275,000	390,000
Contracted Services	342,613	0	0	0
Materials & Supplies	4,381	7,000	2,567	5,000
Intergovernmental	8,303,210	8,437,980	8,435,633	8,529,400
Debt Service	171,870	167,765	167,765	169,752
Total	\$9,507,913	\$9,604,783	\$9,453,251	\$9,698,356



WATER & SEWER ENTERPRISE WATER EXPENSE

Water Expense:	FY 2019			
	General Fund Budget Estimated Benefits & Debt Service	FY2020 Budget	FY2020 Projected	FY2021 Budget
Salaries & Wages	1,686,792	1,903,916	1,834,140	1,896,045
Employee Benefits	763,790	758,655	758,174	786,422
Utilities	451,900	452,900	434,392	422,000
MWRA Water Purchase	4,192,983	4,361,641	4,359,651	1,313,918
Outside Services	712,500	717,500	913,138	676,000
Office Supplies/Administrative	18,200	18,700	31,552	13,100
Materials & Supplies	575,000	610,000	556,304	572,500
Intergovernmental	16,600	22,000	17,310	147,000
Debt Service	667,813	693,469	383,919	468,638
Total	\$9,085,578	\$9,538,781	\$9,288,580	\$6,295,623



WATER & SEWER ENTERPRISE ESTIMATED RETAINED EARNINGS

	FY2019 Budget	FY2020 Budget	FY2019 Projected	FY2021 Budget
Revenues	17,214,689	19,493,390	19,063,055	19,493,390
Operating Expenses	(16,668,239)	(18,282,330)	(18,190,147)	(15,355,589)
Gross Profit/Loss Operations	\$546,450	\$1,211,060	\$872,908	\$4,137,801
Less: Financing Costs				
Debt Service	0	(861,234)	(551,734)	(638,390)
Net Revenue/(Deficit)	\$546,450	\$349,826	\$321,174	\$3,499,411



McVANN O'KEEFE SKATING RINK REVENUES

	FY2019 Actual	FY2020 Budget	FY2020 Projected	FY2021 Budget
Revenues:				
Ice Rental Fee	536,945	507,000	362,320	525,000
Public Skating	83,880	81,000	74,330	75,000
Special Events	10,540	17,000	12,192	15,000
Special Programs	24,945	25,000	15,772	22,000
Concession/Vending	22,635	22,000	21,596	22,000
Rentals Interest, Other	6,249	28,000	31,588	31,000
Total Revenues	\$685,194	\$680,000	\$517,798	\$690,000



McVANN O'KEEFE SKATING RINK

OPERATING EXPENSES

	FY2019	FY2020	FY2020	FY2021
	Actual	Budget	Projected	Budget
EXPENSE:				
Salaries & Wages	358,326	396,069	397,930	399,629
Utilities	146,286	153,900	123,389	153,900
CIP	43,338	25,000	24,997	20,000
Supplies	23,028	18,437	17,384	18,037
Professional Services	38,031	28,700	26,962	27,700
Commonwealth	20,031	18,600	13,284	17,600
Repairs	49,936	38,000	36,065	37,440
Operating Expense	678,976	678,706	640,011	674,306
Debt Service	96,894	95,294	95,294	93,694
Total Expenses	\$775,870	\$774,000	\$735,305	\$768,000



McVANN O'KEEFE SKATING RINK

REVENUE/EXPENSES & RETAINED EARNINGS

	FY2019 Actual	FY2020 Budget	FY2020 Projected	FY2021 Budget
Revenues	685,194	680,000	517,798	690,000
Operating Expenses	(678,976)	(678,706)	(640,011)	(678,706)
Gross Profit/Loss Operations	\$6,218	\$1,294	(\$122,213)	\$11,294
Less: Financing Costs				
Debt Service	(96,894)	(95,294)	(95,294)	(93,694)
Net Revenue/(Deficit)	(\$90,676)	(\$94,000)	(\$217,507)	(\$82,400)
Retained Earnings:				
Beginning	184,235	93,559	93,559	-123,948
Ending	\$93,559	(\$441)	(\$123,948)	(\$206,348)



GOLF COURSE REVENUES

	FY2019 Actual	FY2020 Budget	FY2020 Projected	FY2021 Budget
Revenues:				
Green Fees	792,404	933,900	821,799	900,000
Carts	419,071	437,000	352,930	410,000
Concession	35,057	40,000	22,025	15,000
Pro Shop	38,077	40,000	27,224	20,000
Golf Outings	68,337	70,000	49,240	50,000
Interest, Other	6,544	12,000	2,000	5,000
Total Revenues	\$1,359,490	\$1,532,900	\$1,275,218	\$1,400,000



GOLF COURSE EXPENSES CLUB HOUSE

	FY2018	FY2019	FY2019	FY2020
	Actual	Budget	Projected	Budget
CLUB HOUSE EXPENSE:				
Salaries & Wages	243,205	263,500	235,151	293,256
Building	4,640	6,000	9,497	6,000
Utilities	27,465	29,800	23,839	29,000
Supplies-Pro Shop	24,657	33,000	26,423	15,000
Supplies-Grill	25,436	32,600	19,554	12,000
Professional Servic	42,632	25,000	26,082	35,000
Office Supplies	1,676	3,344	3,484	2,312
Lease	67,203	105,000	42,920	141,500
Club House Expense	\$436,914	\$498,244	\$386,950	\$534,068



GOLF COURSE EXPENSES

Grounds

	FY2019	FY2020	FY2020	FY2021
	Actual	Budget	Projected	Budget
GROUNDS EXPENSE:				
Salaries & Wages	309,568	327,273	278,610	302,536
Building	10,946	6,000	7,044	6,000
Utilities	25,518	42,000	22,292	34,500
Maintenance/Grounds	165,441	194,030	204,007	210,459
Professional Services	611	1,700	1,492	1,000
Office Supplies	286	397	198	437
Capital Improvement:	0	3,570	3,570	0
Grounds Expense	\$512,370	\$574,970	\$517,213	\$554,932



GOLF COURSE

Revenue/Expense/Debt & Retained Earnings

	FY2019 Actual	FY2020 Budget	FY2020 Projected	FY2021 Budget
Revenues	1,359,490	1,532,900	1,275,218	1,400,000
Operating Expenses	934,284	1,043,300	904,163	1,089,000
Gross Profit Operations	\$425,206	\$489,600	\$371,055	\$311,000
Less: Financing Costs				
Debt Service	(468,000)	(489,600)	(489,600)	0
Net Revenue/(Deficit)	(\$42,794)	\$0	(\$118,545)	\$311,000
Retained Earnings:				
Beginning	13,313	120,519	120,519	1,974
Grant CDA	150,000			
Ending	\$120,519	\$120,519	\$1,974	\$312,974



CITY OF PEABODY FISCAL 2021 BUDGET

**Mayor Edward A. Bettencourt, Jr.
June 23, 2020**