



CITY OF PEABODY FISCAL 2022 BUDGET

**Mayor Edward A. Bettencourt, Jr.
June 15, 2021**



FISCAL YEAR 2022 BUDGET AGENDA

- Opening Remarks - Mayor Bettencourt
- Fiscal Year 2022 Budget Highlights
- Water & Sewer Budget Fiscal 2022
- Recreation Enterprise Budget Fiscal 2022
 - Skating Rink Budget Fiscal 2022
 - Golf Course Budget Fiscal 2022



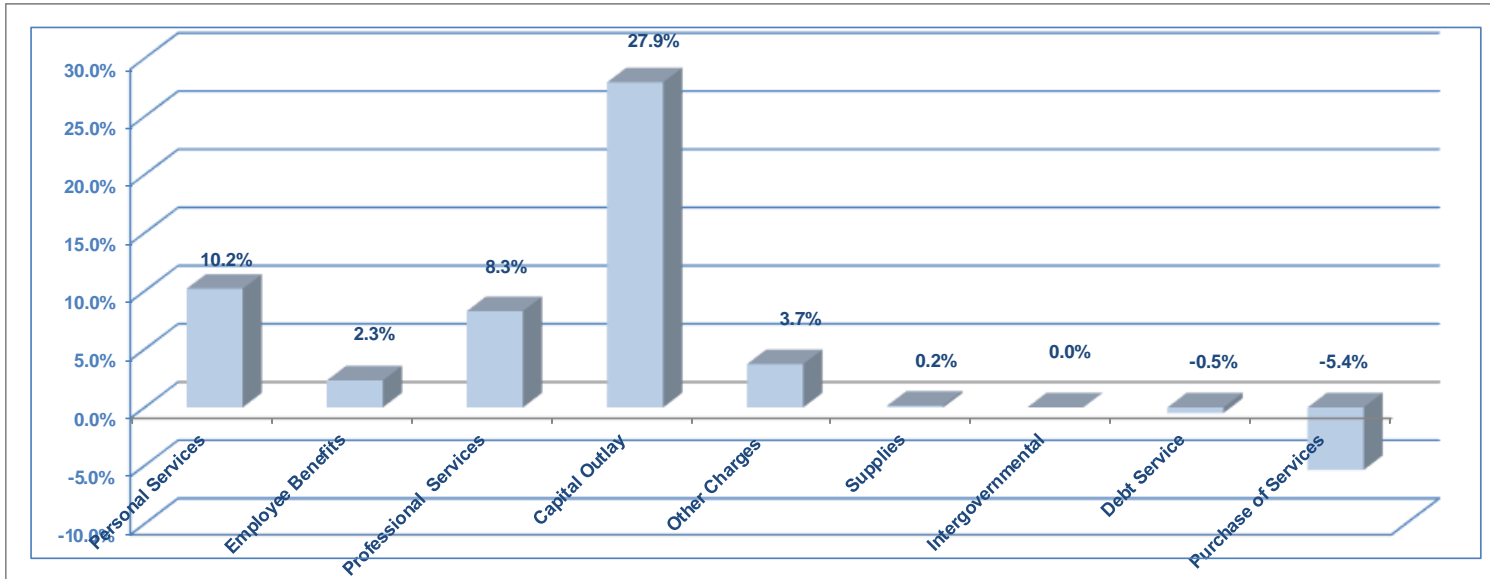
Budget Comparison FY2021-2020

	<u>FY 2020 Budget</u>	<u>FY 2021 Budget</u>	<u>Change FY2020</u>	<u>FY 2022 Budget</u>	<u>From FY 2021</u>	<u>From FY2020</u>
City	77,193,715					
Add: Facilities	2,931,035					
	<hr/>	<hr/>	<u>-2.98%</u>	<hr/>	<u>5.80%</u>	<u>2.65%</u>
Adjusted City	80,124,750	77,736,556	(2,388,194)	82,244,756	4,508,200	2,120,006
School	77,295,393					
Less: Facilities	(2,931,035)					
	<hr/>	<hr/>	<u>0.66%</u>	<hr/>	<u>2.34%</u>	<u>3.01%</u>
Adjusted School	74,364,358	74,854,358	490,000	76,604,358	1,750,000	2,240,000
	<hr/>	<hr/>	<u>1.27%</u>	<hr/>	<u>-0.21%</u>	<u>1.06%</u>
North Shore Essex Tech	4,347,832	4,403,187	55,355	4,394,132	(9,055)	46,300
	<hr/>	<hr/>	<u>-1.16%</u>	<hr/>	<u>3.98%</u>	<u>2.77%</u>
Total	158,836,940	156,994,101	(1,842,839)	163,243,246	6,249,145	4,406,306



FISCAL 2022 CITY BUDGET CHANGES BY EXPENSE TYPE

FY2022 Professional Service increase 3.2m, Benefits 618K, Professional Services 488K and Capital Outlay 179K

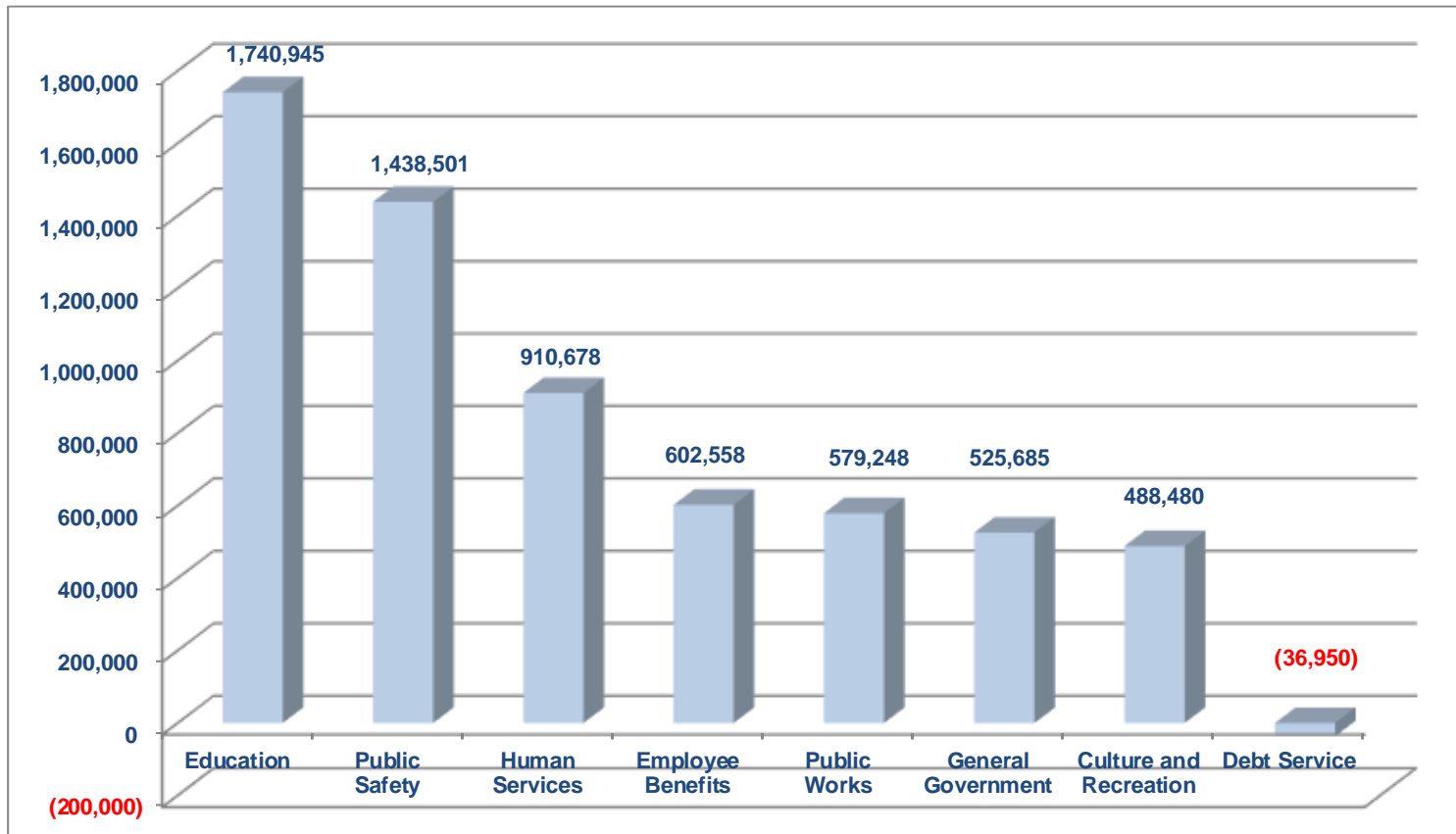


	FY2022 City	FY2021 City	City Change	FY2022 % Change
Personal Services	35,084,416	31,835,820	3,248,596	10.2%
Employee Benefits	27,299,892	26,681,134	618,758	2.3%
Professional Services	6,392,922	5,904,086	488,836	8.3%
Capital Outlay	823,993	644,073	179,920	27.9%
Other Charges	2,165,000	2,087,255	77,745	3.7%
Supplies	1,549,300	1,546,855	2,445	0.2%
Intergovernmental	1,000	1,000	-	0.0%
Debt Service	7,675,083	7,712,033	(36,950)	-0.5%
Purchase of Services	1,253,150	1,324,300	(71,150)	-5.4%



FISCAL 2022 CITY & SCHOOL BUDGET CHANGES BY FUNCTION

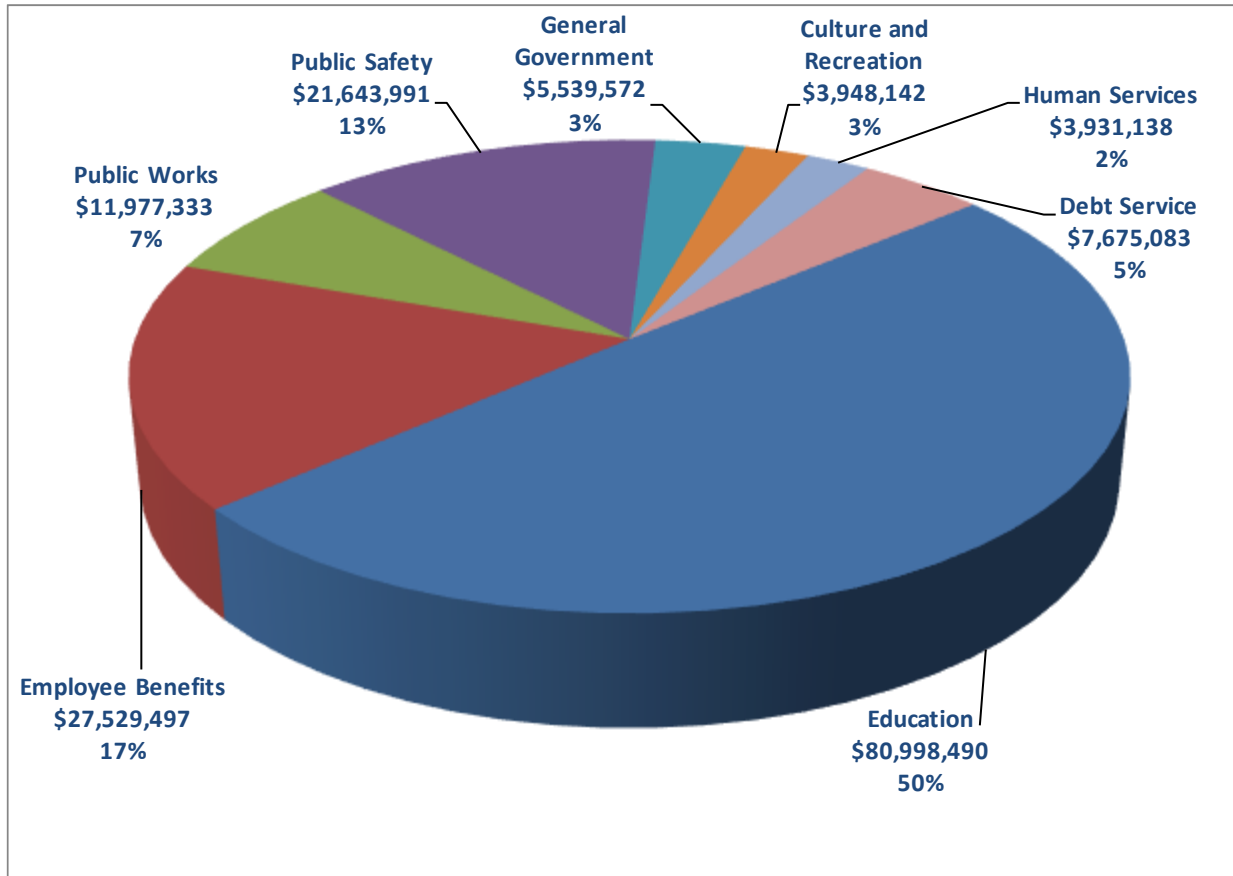
The Fiscal 2022 City & School Budgets increased by 6.2 million. Education increased \$1.75 million, Public Safety \$1.4 million, Human Services \$910K, Benefits \$602K, Public Works \$579K, General Government \$525K, Culture and Recreation \$488K and a decrease in Debt Service (37K)





FISCAL 2022 \$163.2 MILLION CITY & SCHOOL BUDGETS BY FUNCTION

In Fiscal 2022, 50 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 2022 PROPOSED BUDGET

The Estimated Amount to be raised in Fiscal 2022 including State Charges, Allowance for Abatements and 1/3 of the FY2020 Deficit is \$168,082,505 An increase of \$6,447,516.

	Actual	Proposed	
	2021 Budget	2022 Budget	Change
School Budget	74,854,358	76,604,358	1,750,000
Vocational School Assessment	4,403,187	4,394,132	(9,055)
City Budget	77,736,556	82,244,756	4,508,200
Total Budget	156,994,101	163,243,246	6,249,145
		6,249,145	
Increase From Prior Year		4.0%	
Other Amounts to be Raised:			
State & County Assessments	3,378,585	3,576,956	198,371
Abatements	500,000	500,000	-
FY 2020 Deficit	762,303	762,303	-
Other Amounts	4,640,888	4,839,259	198,371
Gross Amount to be Raised	161,634,989	168,082,505	6,447,516
		6,447,516	
		3.99%	



FISCAL 2022 BUDGET PROPOSED REVENUES

The City anticipates using approximately 3.3 million in ARPA Funding for Revenue Loss, 1,000,000 from Free Cash and \$175,000 from Various Available Funds to Reduce the Tax Impact.

Sources of Revenue:	Actual	Proposed	Change
	2021 Budget	2022 Budget	
Available Revenues	1,500,000	1,175,000	(325,000)
ARPA		3,300,000	3,300,000
State Aid	31,062,163	32,206,419	1,144,256
Local Revenues	17,750,000	17,750,000	-
Tax Levy	111,322,826	113,651,086	2,328,260
Total Sources of Revenue	161,634,989	168,082,505	6,447,516



FISCAL 2022 BUDGET PROJECTIONS - LOCAL REVENUES

Fiscal 2022 Local Revenues are Difficult to Project. An Optimistic Assumption is Most of the Local Revenue Sources will Rebound. FY2022 is Based on FY2021 and YTD Collections Have not yet Reached Projections.

Account Description	Fiscal 2019 Actual	Fiscal 2020 Actual	Fiscal 2021 YTD 05/21	Fiscal 2021 Budget	Fiscal 2022 Budget
Motor Vehicle Excise Taxes	8,471,047	8,062,262	7,156,789	8,065,000	8,065,000
Hotel Taxes	1,589,700	1,341,171	477,131	1,000,000	1,000,000
Meals Tax	1,645,065	1,432,325	542,635	1,010,000	1,010,000
Interest & Fees on Taxes	550,050	282,741	773,140	470,000	600,000
Payments in Lieu of Taxes	844,720	849,831	671,554	850,000	850,000
Water User Charges	6,591,746	-	-	-	-
Sewer User Charges	10,622,943	-	-	-	-
Landfill Revenues	120,429	202,114	225,785	500,000	500,000
Fees	481,033	562,640	306,933	560,000	560,000
Rental Fees	65,714	79,813	63,378	80,000	80,000
Recreation Revenue	725,000	825,000	850,000	850,000	900,000
Departmental Revenue	361,460	355,670	273,639	355,000	355,000
Licenses & Permit Fees	2,761,652	2,238,840	1,637,724	2,236,000	2,236,000
Parking Fines & Forfeits	156,814	161,597	91,893	161,000	161,000
Interest Income	371,575	257,696	80,858	258,000	258,000
Water Filtration Grant					
Medicaid Reimbursements	411,602	386,716	282,891	390,000	390,000
SESD Refunds	500,000	450,000	500,000	500,000	285,000
Urban Redevelopment Taxes	66,635	27,738	-		
Debt Service Transfer/CPC	0	0			
Misc Receipt	0	0			
Billboard Revenue	525,000	465,000	311,708	465,000	500,000
Subtotal Local Revenues	36,862,185	17,981,154	14,246,058	17,750,000	17,750,000



FISCAL 2022 BUDGET PROJECTIONS -Values

Residential Values are Estimated to Increase 4.5%
 Commercial has Been Reduced 10 million and May Need Further
 Reduction as Values are Finalized.

Values for FY2022 Taxes are Based on January 1, 2021 Property Values

	Actual 2021 Budget	Proposed 2022 Budget	Change
Residential Values	7,130,582,076	7,451,458,269	320,876,193
CIP Values	1,644,003,962	1,634,003,962	(10,000,000)
Total Values	8,774,586,038	9,085,462,231	310,876,193
New Growth - Residential	36,032,800	20,000,000	(16,032,800)
New Growth - CIP	44,019,850	20,000,000	(24,019,850)
Total New Growth	80,052,650	40,000,000	(40,052,650)
New Growth - Residential Taxes	386,992	209,863	(177,129)
New Growth - CIP Taxes	1,007,613	444,043	(563,571)
Total New Growth - Taxes	1,394,606	653,906	(740,700)
Levy Limit	127,332,468	131,169,686	3,837,218
Levy	111,322,826	113,651,086	2,328,260
Excess Levy Capacity	16,009,642	17,518,600	1,508,958



FISCAL 2022 PROPOSED BUDGET Tax Impact

A Tax Levy of \$113,651,086 is a 2.3 million increase over FY2021 or 2.1% increase.

	Actual 2021 Budget	Proposed 2022 Budget	Change
Commercial Levy	36,500,473	35,769,899	(730,574)
Residential Levy	74,822,353	77,881,187	3,058,834
Total Levy	111,322,826	113,651,086	2,328,260
Equalized Tax Rate	\$12.69	\$12.51	-\$0.18
C.I.P Rate 175%	\$22.20	\$21.89	-\$0.31
Residential Rate	\$10.49	\$10.45	-\$0.04
Average Residential Value	\$439,000	\$458,755	\$19,755
Average Residential Tax Bill	\$4,606.50	\$4,794.82	\$188.32
Change in Annual Tax Bill	\$76.37	\$188.32	\$111.95
	1.76%	4.09%	



FISCAL FY2022 Projected Free Cash/Reserves

FY2021 Free Cash was certified at \$9,198,852 after accounting for \$1,578,000 used to Reduce the FY2021 Tax Rate. I anticipate using approximately \$1.4 million of free cash to close FY2021. This leaves \$7.8 million in Free Cash and \$3.2 million in Stabilization or \$10.9 million in total.

Description	FY 2021 Activity		Total Reserves
	Unreserved Fund Balance	Stabilization	
Balance July 1, 2020	9,198,852	3,073,867	12,272,719
Salary Supplemental	(400,000)		(400,000)
Snow & Ice	(645,000)		(645,000)
Expense Supplemental	(200,000)		(200,000)
Rink Supplemental	(165,000)		(165,000)
Total Reductions	(1,410,000)		(1,410,000)
FY2021 Stabilization Payback		125,000	125,000
Interest			
Subtotal	7,788,852	3,198,867	10,987,719
Reduce FY 2022 Tax Rate	(1,000,000)	0	(1,000,000)
Projected: FY2022 Beginning Balance	6,788,852	3,198,867	9,987,719



SUMMARY FISCAL 2022 BUDGET

- Operating Budget - \$163,243,246
- An increase of \$6,249,145 3.99%
- Sources of Funding
 - Property Taxes - TBD
 - Local Revenues - Approx. 17.8m
 - Available Revenues - Approx. 1.175m
 - State Aid - Approx. 32.2m
 - COVID ARPA Revenue Relief Approx. 3.3m



FISCAL 2022 ENTERPRISE BUDGETS

- WATER & SEWER
- Recreation Enterprise
 - 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 2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Water	6,709,629	7,493,975	8,418,896	8,400,000
Sewer	7,719,668	8,429,000	8,007,589	8,000,000
Rousselot	3,140,080	3,140,080	3,000,000	3,000,000
Interest	70,054	0	75,000	75,000
Transfer GF	58,613	0	0	0
Total	17,698,044	19,063,055	19,501,485	19,475,000



WATER & SEWER ENTERPRISE SEWER EXPENSE

	FY2020 Actual	FY2021 Budget	FY2020 Projected	FY2022 Budget
Salaries & Wages	342,380	367,747	355,548	486,865
Employee Benefits	168,794	181,457	186,681	193,421
Utilities	56,962	55,000	53,718	55,000
Outside Services	422,150	390,000	350,000	390,000
Materials & Supplies	2,567	5,000	150	4,683
Intergovernmental	8,435,633	8,529,400	8,527,128	8,712,029
Debt Service	167,765	169,752	169,752	170,002
Total	\$9,596,252	\$9,698,356	\$9,642,977	\$10,012,000



WATER & SEWER ENTERPRISE WATER EXPENSE

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Salaries & Wages	1,834,140	1,896,045	2,032,990	2,187,609
Employee Benefits	787,173	786,422	760,623	778,081
Utilities	466,450	422,000	403,841	422,000
MWRA Water Purchase	4,359,651	1,313,918	1,319,509	2,307,823
Outside Services	960,684	676,000	908,778	775,000
Office Supplies/Administrative	39,529	13,100	11,503	41,166
Materials & Supplies	606,249	572,500	504,589	795,000
Intergovernmental	17,310	147,000	143,585	22,000
 Debt Service	 383,969	 468,638	 468,638	 1,152,555
Total	\$9,455,155	\$6,295,623	\$6,554,056	\$8,481,234



WATER & SEWER ENTERPRISE ESTIMATED RETAINED EARNINGS

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Revenues	17,698,044	19,063,055	19,501,485	19,475,000
Operating Expenses	(19,051,407)	(15,993,979)	(16,197,033)	(17,170,677)
Gross Profit/Loss Operations	(\$1,353,363)	\$3,069,076	\$3,304,452	\$2,304,323
Less: Financing Costs				
Debt Service	0	(638,390)	(638,390)	(1,322,557)
Net Revenue/(Deficit)	(\$1,353,363)	\$2,430,686	\$2,666,062	\$981,766
Retained Earnings:				
Beginning	\$0	(\$1,353,363)	(\$1,353,363)	\$1,312,699
Ending	(\$1,353,363)	\$1,077,323	\$1,312,699	\$2,294,465



McVANN O'KEEFE SKATING RINK REVENUES

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Revenues:				
Ice Rental Fee	388,175	525,000	494,774	525,000
Public Skating	81,637	75,000	92,656	75,000
Special Events	12,192	15,000	0	15,000
Special Programs	15,772	22,000	0	22,000
Concession/Vending	22,676	22,000	1,987	22,000
Rentals Interest, Other	23,372	31,000	2,242	31,000
Total Revenues	\$543,824	\$690,000	\$591,659	\$690,000



McVANN O'KEEFE SKATING RINK

OPERATING EXPENSES

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
EXPENSE:				
Salaries & Wages	399,039	399,629	385,360	400,492
Utilities	127,806	153,900	120,544	149,900
CIP	24,997	20,000	10,000	20,000
Supplies	16,824	18,037	4,200	17,914
Professional Services	33,321	27,700	16,452	27,700
Commonwealth	14,647	17,600	15,373	17,600
Repairs	37,549	37,440	34,901	40,000
Operating Expense	654,183	674,306	586,830	673,606
Debt Service	95,294	93,694	93,694	91,894
Total Expenses	\$749,477	\$768,000	\$680,524	\$765,500



McVANN O'KEEFE SKATING RINK

REVENUE/EXPENSES & RETAINED EARNINGS

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Revenues	543,824	690,000	591,659	690,000
Operating Expenses	(654,183)	(674,306)	(586,830)	(673,606)
Gross Profit/Loss Operations	(\$110,359)	\$15,694	\$4,829	\$16,394
Less: Financing Costs				
Debt Service	(95,294)	(93,694)	(93,694)	(91,894)
Net Revenue/(Deficit)	(\$205,653)	(\$78,000)	(\$88,865)	(\$75,500)
Retained Earnings:				
Beginning	93,559	(\$112,094)	(\$112,094)	(\$163,594)
1/3 Raised in Tax Rate		37,365	37,365	37,365
Ending	(\$112,094)	(\$152,729)	(\$163,594)	(\$201,729)



GOLF COURSE REVENUES

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Revenues:				
Green Fees	767,875	900,000	1,122,438	1,100,000
Carts	358,974	410,000	501,906	500,000
Concession	22,477	15,000	9,641	10,000
Pro Shop	33,364	20,000	19,799	20,000
Golf Outings	49,240	50,000	20,504	50,000
Interest, Other	14,553	5,000	10,712	10,000
Total Revenues	\$1,246,483	\$1,400,000	\$1,685,000	\$1,690,000



GOLF COURSE EXPENSES CLUB HOUSE

	FY2020	FY2021	FY2021	FY2022
	Actual	Budget	Projected	Budget
CLUB HOUSE EXPENSE:				
Salaries & Wages	235,403	293,256	306,464	319,554
Building	9,594	6,000	7,785	10,000
Utilities	26,145	29,000	24,582	29,000
Supplies-Pro Shop	27,446	15,000	23,412	15,000
Supplies-Grill	18,939	12,000	10,580	21,717
Professional Services	19,082	35,000	39,629	40,000
Office Supplies	3,219	2,312	2,690	2,325
Lease	42,920	141,500	121,115	141,500
Club House Expense	\$382,749	\$534,068	\$536,258	\$579,096



GOLF COURSE EXPENSES

Grounds

	FY2020	FY2021	FY2020	FY2021
	Actual	Budget	Projected	Budget
GROUNDS EXPENSE:				
Salaries & Wages	278,875	302,536	279,623	336,000
Building	7,492	6,000	5,772	6,000
Utilities	26,061	34,500	34,145	39,500
Maintenance/Grounds	199,714	210,459	211,666	222,000
Professional Services	1,492	1,000	1,043	3,500
Office Supplies	100	437	91	500
Capital Improvements	3,973	0	0	200,000
Grounds Expense	\$517,706	\$554,932	\$532,341	\$807,500



GOLF COURSE Grounds Capital Plan FY 2022

Item	Estimated Cost
Roof Replacement <i>Shingles are constantly blowing off and roof has multiple leaks.</i>	40,000
VC-60 fairway dethatching machine <i>To help reduce our 4-6 inch thatch layer on tees and fairways in the spring, consider leasing.</i>	13,000
Annual dethatching of fairways (contracted) in fall <i>To help reduce thatch and increase turfgrass health.</i>	7,000
11 irrigation satellite controls and a central control <i>Labor and materials to remove and install new irrigation controllers.</i>	75,000
Paving of certain cart path areas to ensure longevity of carts <i>All bridge ends and a 200 foot section of the 11th cart path.</i>	5,000
Annual sprinkler head replacement <i>Replacement of old sprinklers with new on greens.</i>	35,000
Contingency	15,000
	<hr/> 200,000



GOLF COURSE

Revenue/Expense/Debt & Retained Earnings

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget
Revenues	1,246,483	1,400,000	1,685,000	1,690,000
Operating Expenses	900,455	1,089,000	1,068,599	1,386,596
Gross Profit Operations	\$346,028	\$311,000	\$616,401	\$303,404
Less: Financing Costs				
CDA Loan Repayment			(\$100,000)	(\$100,000)
Debt Service	(489,600)	0	0	0
Net Revenue/(Deficit)	(\$143,572)	\$311,000	\$516,401	\$203,404
Retained Earnings:				
Beginning	120,519	(\$23,053)	(\$23,053)	\$493,348
Ending	(\$23,053)	\$287,947	\$493,348	\$696,752



Recreation Enterprise Proforma Retained Earnings

	FY2020 Pro forma	FY2021 Budget	FY2021 Projected	FY2022 Budget
Revenues:				
Rink	543,824	690,000	591,659	690,000
Golf	1,246,483	1,400,000	1,685,000	1,690,000
Total Revenue	1,790,307	2,090,000	2,276,659	2,380,000
Expense:				
Rink	(\$654,183)	(\$674,306)	(\$586,830)	(\$673,606)
Golf	(900,455)	(1,089,000)	(1,068,599)	(1,386,596)
Total Expense	(\$1,554,638)	(\$1,763,306)	(\$1,655,429)	(\$2,060,202)
Gross Profit/Loss Operations	\$235,669	\$326,694	\$621,230	\$319,798
Less: Financing Costs				
Debt Service	(\$584,894)	(\$93,694)	(\$93,694)	(\$91,894)
CDA LOAN			(100,000)	(100,000)
Net Revenue/(Deficit)	(\$349,225)	\$233,000	\$427,536	\$127,904
Retained Earnings:				
Beginning Rink	93,559	(\$112,094)	(\$135,147)	\$329,754
Beginning Golf	120,519	(\$23,053)		
1/3 Raised in Tax Rate		37,365	37,365	37,365
Ending	(\$135,147)	\$135,218	\$329,754	\$495,023



CITY OF PEABODY FISCAL 2022 BUDGET

**Mayor Edward A. Bettencourt, Jr.
June 15, 2021**