

# CITY OF PEABODY

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## OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

June 15, 2021

Honorable Members of the City Council  
Peabody City Hall  
24 Lowell Street  
Peabody, Massachusetts 01960

Honorable Members:

In accordance with Section 32 of Chapter 44 of the Massachusetts General Laws, I hereby submit to your Honorable Body my recommendations for the City of Peabody's Fiscal 2022 Operating Budget.

Over the past few months, I have worked with our department heads and school officials to produce a balanced budget which helps our city recover from the COVID-19 pandemic, deliver the municipal services our residents and business owners expect, and maintain the affordability and quality of life for which Peabody is renowned.

This FY2022 budget of \$163,243,246 represents an increase of \$6,249,145 from FY2021 and \$4,406,306 from FY2020. This budget restores staffing and services to pre-pandemic (FY2020) levels to help meet the needs of a growing and vibrant City. Although we are still experiencing revenue shortfalls in several categories, including hotel and meals taxes, federal relief provided by American Rescue Plan Act (ARPA) allows for revenue replacement which we utilized to fill the revenue gaps created by the effects of COVID-19. There is ongoing guidance being released on allowed expenditure of ARPA funds and the City will continue to monitor and adapt to the provisions of ARPA.

The majority of the FY 2022 Budget increase is attributed to personal services \$3.2 million. This increase brings back positions that had been funded in previous budgets prior to FY2021 and adds two junior custodians to provide added flexibility in maintaining our schools, a new IT position to assist with the increasing demands of information technology and cyber security along with an additional nurse position to help provide needed support. In addition, a part time housing rehabilitation specialist was added. Due

to COVID restrictions, it was anticipated the council on aging would not be able to fund as much of their operations as they normally do, but that will likely change as CDC guidelines expand. The FY 2022 budget includes an additional pay period. There will be 27 pay dates in FY2022 which represents an added cost of approximately \$1.2 million dollars. The personal services changes proposed are outlined below:

<b>Positions Added</b>	<b>Amount</b>
Assistant Clerk to City Council	<b>46,683</b>
1/2 Mayor Executive Secretary	<b>30,103</b>
1/2 HR Administrative Assistant	<b>30,103</b>
<b>New * IT Network Administrator</b>	<b>80,888</b>
Business Liaison	<b>60,021</b>
1/2 Secretary Board of Appeals	<b>20,700</b>
4 Police Officers/rank grade increase	<b>330,912</b>
7 Fire Fighters	<b>268,110</b>
<b>New * 2 Jr. Custodians</b>	<b>47,131</b>
1 Building Maintenance Craftsman	<b>52,624</b>
1 Cemetery Maintenance Craftsman	<b>53,028</b>
<b>New *1 Nurse</b>	<b>55,633</b>
<i>COA percent of Payroll funding from 49% to 86%</i>	<b>708,271</b>
George Peabody House	<b>25,000</b>
New1 Senior Librarian	<b>57,626</b>
Library Part Time	<b>171,813</b>
Part Time Housing Specialist	<b>25,000</b>
Positions Added	<b>2,063,646</b>
Additional Pay Period	<b>1,200,000</b>
<b>Total</b>	<b>3,263,646</b>

**In addition to the above changes the City Engineer position was moved to the sewer department and 50% of the Director of Public Services salary was moved to the water department. Also, personal service budgets in Community Development, Tillies, Brooksby Farm, Veterans and the Golf Course were increased to reflect step changes or anticipated ordinance increases. The budget also provides funds to establish a more formalized Emergency Services team.**

**Other items affecting the FY 2022 budget are increases of \$850,000 in Pension liability, a \$77,000 Cyber Security Contract, \$150,000 for sidewalks, \$250,000 for solid waste contract increases and a decrease in health insurance due to a one-time premium holiday provided by MIIA (Massachusetts Interlocal Insurance Association).**

**These are unprecedented times with great uncertainty and no historical context as a guide. Tax collections and Local Receipts will continue to be in constant flux. Therefore, I expect the FY2022 budget process to continue through Tax Classification and Tax Rate setting in early December. I propose we schedule one or two more budget meetings starting in late September or October to review our revenue and expenditure status and to take appropriate action as new information is received.**

**Thank you for your thoughtful consideration of this budget proposal and for your ongoing commitment to the City of Peabody.**

**Respectfully submitted,**



**Edward A. Bettencourt, Jr.  
Mayor, City of Peabody**