

# Somerville Budget Overview



**Mayor Joseph A. Curtatone**  
**June 12, 2017**

# Serving Somerville Together

*A near level-service budget focused on...*

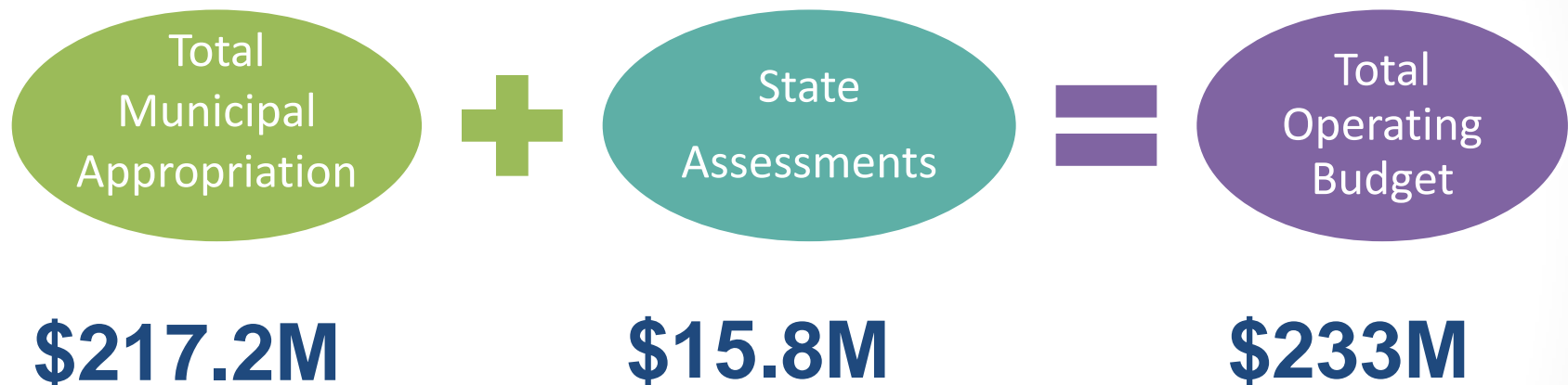
Budgeting strategically with an eye to the future

Keeping our schools on a path of success

Strengthening core services to enhance our quality of life

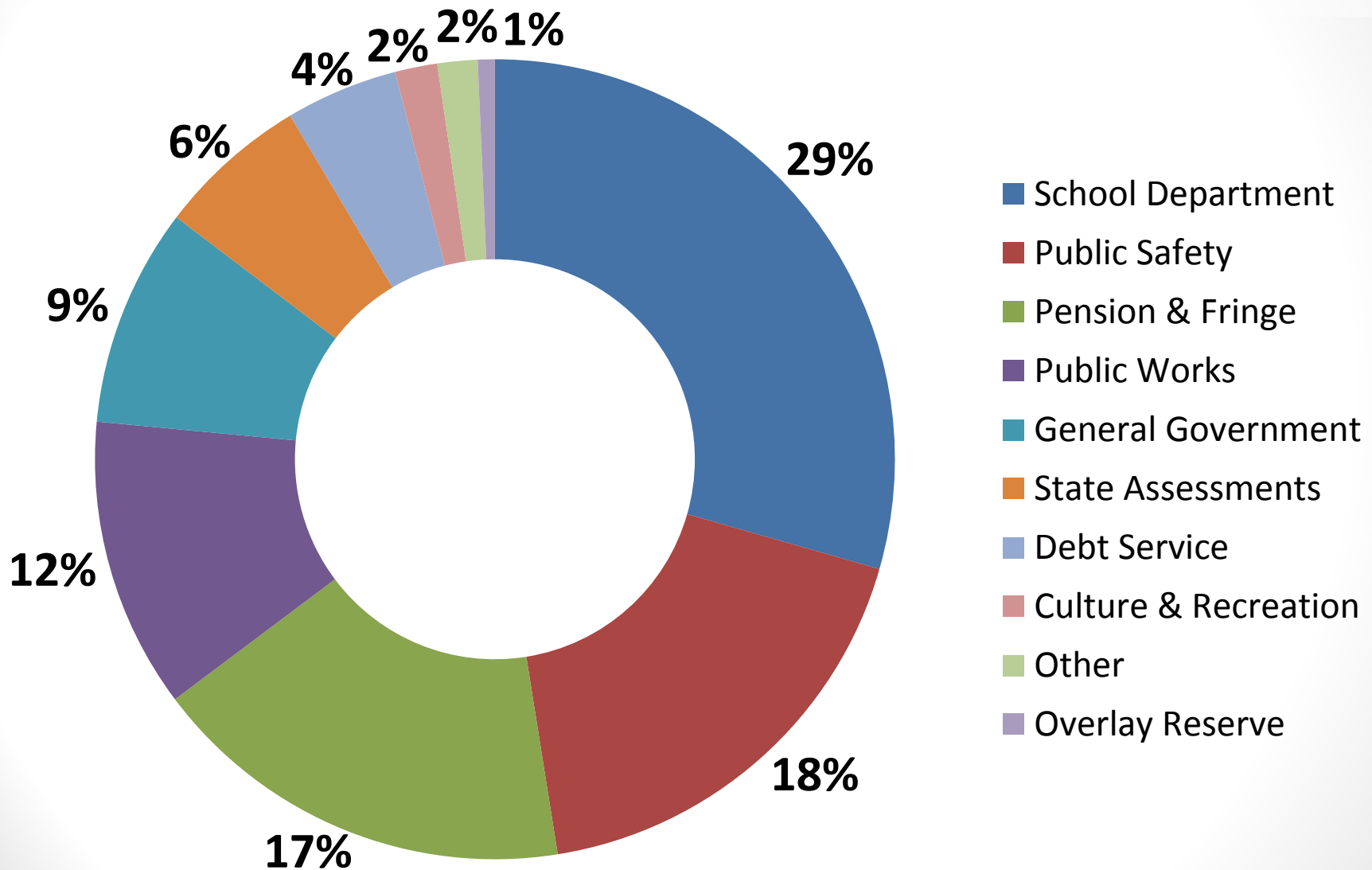
Meeting community needs and responding to community priorities

# FY18 General Fund Budget

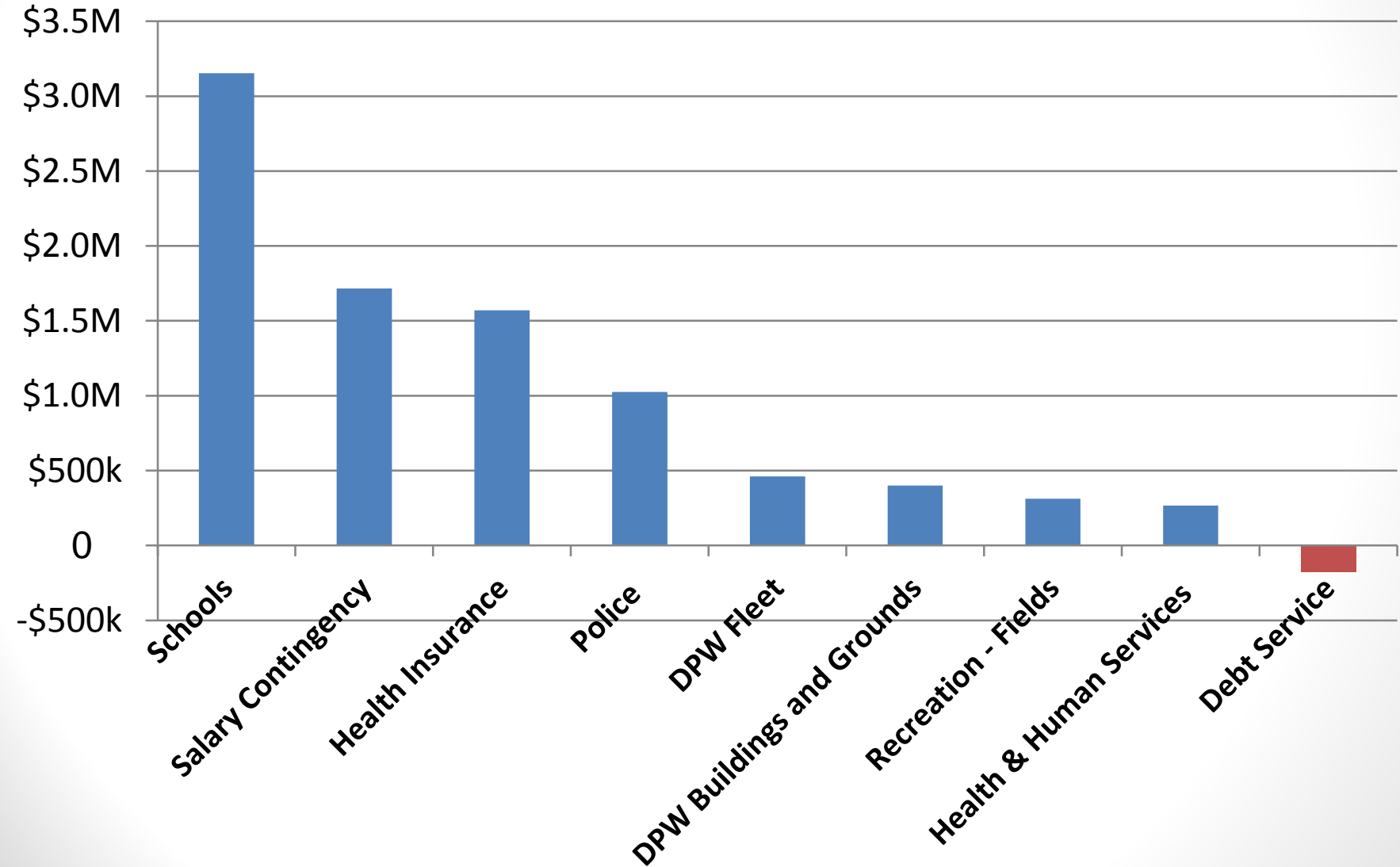


4.79% increase over FY2017

# Operating Budget



# Year-over-Year Growth FY17-FY18



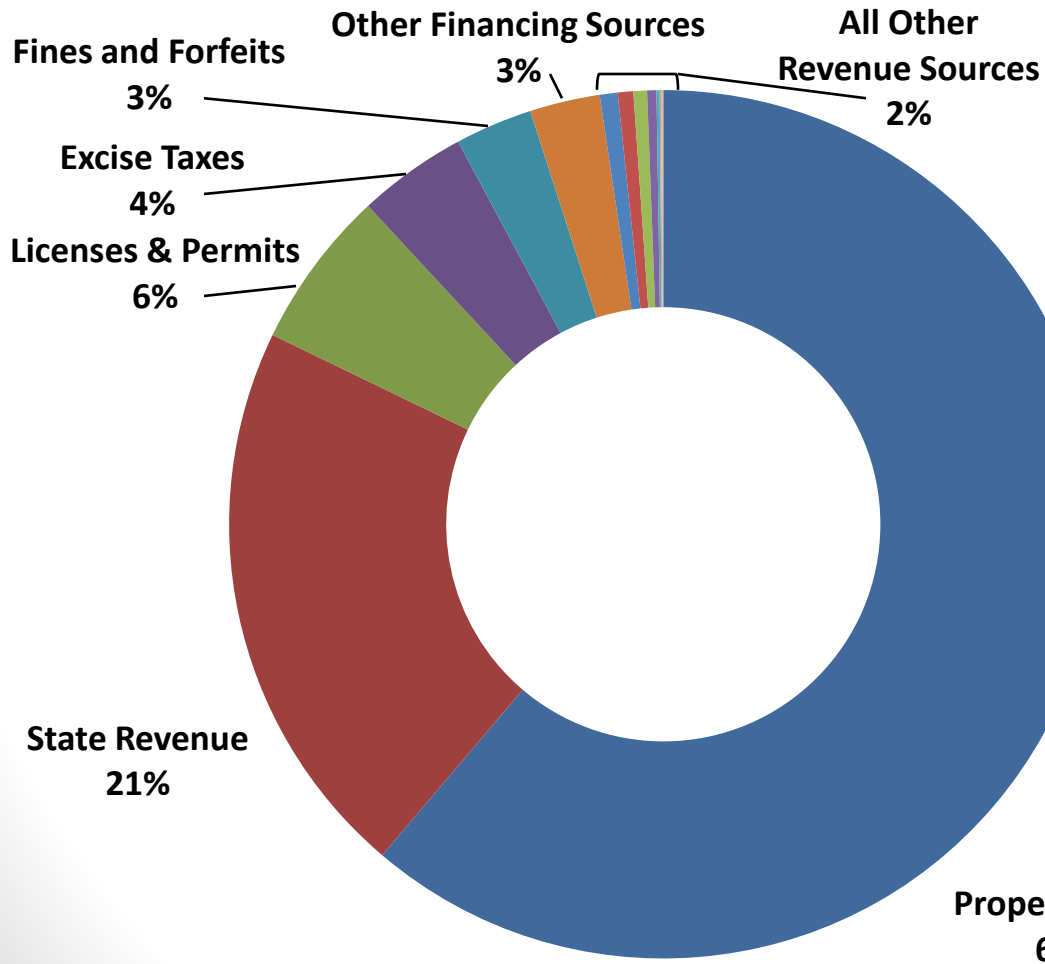
# We will NOT be going to the tax levy limit



**FY18 Levy Limit = \$143M**

**\$664k  
under  
limit**

# FY2018 Revenue by Source



## Changes in FY18:

- Hotel/motel tax revenue up 7%
- Meals tax revenue up 3.7%
- PILOT payments up 5.6%
- Permit revenue remains at historic highs
- No fee increases
- Net State Aid is flat



# Planning for Greater Self- Reliance

State aid down  
39% since 2002

**\$57M**



**\$34.6M**

State Aid

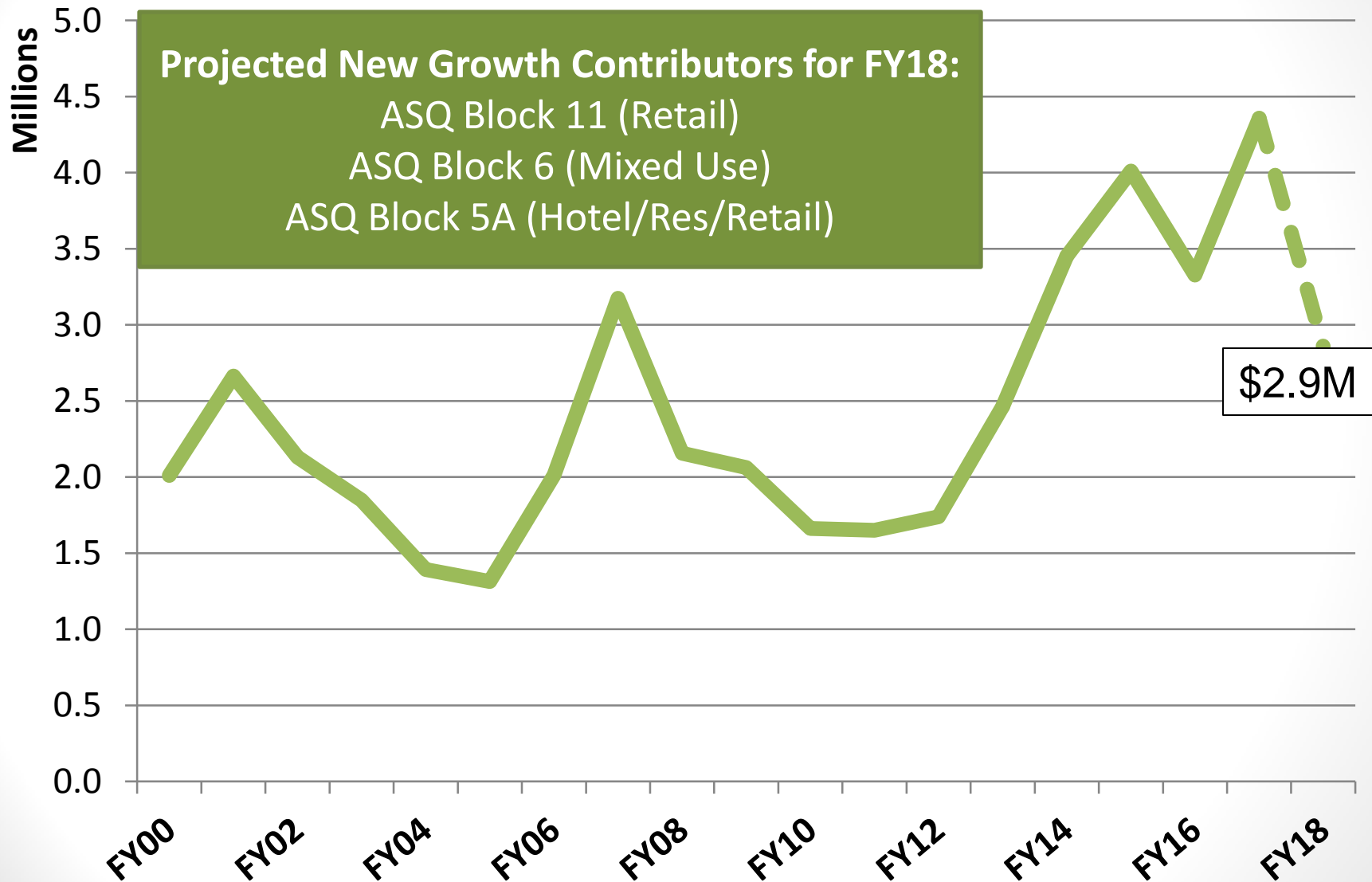
Growing local  
revenues help  
address the loss

New Growth

Hotel, Meals,  
PILOT Revenue

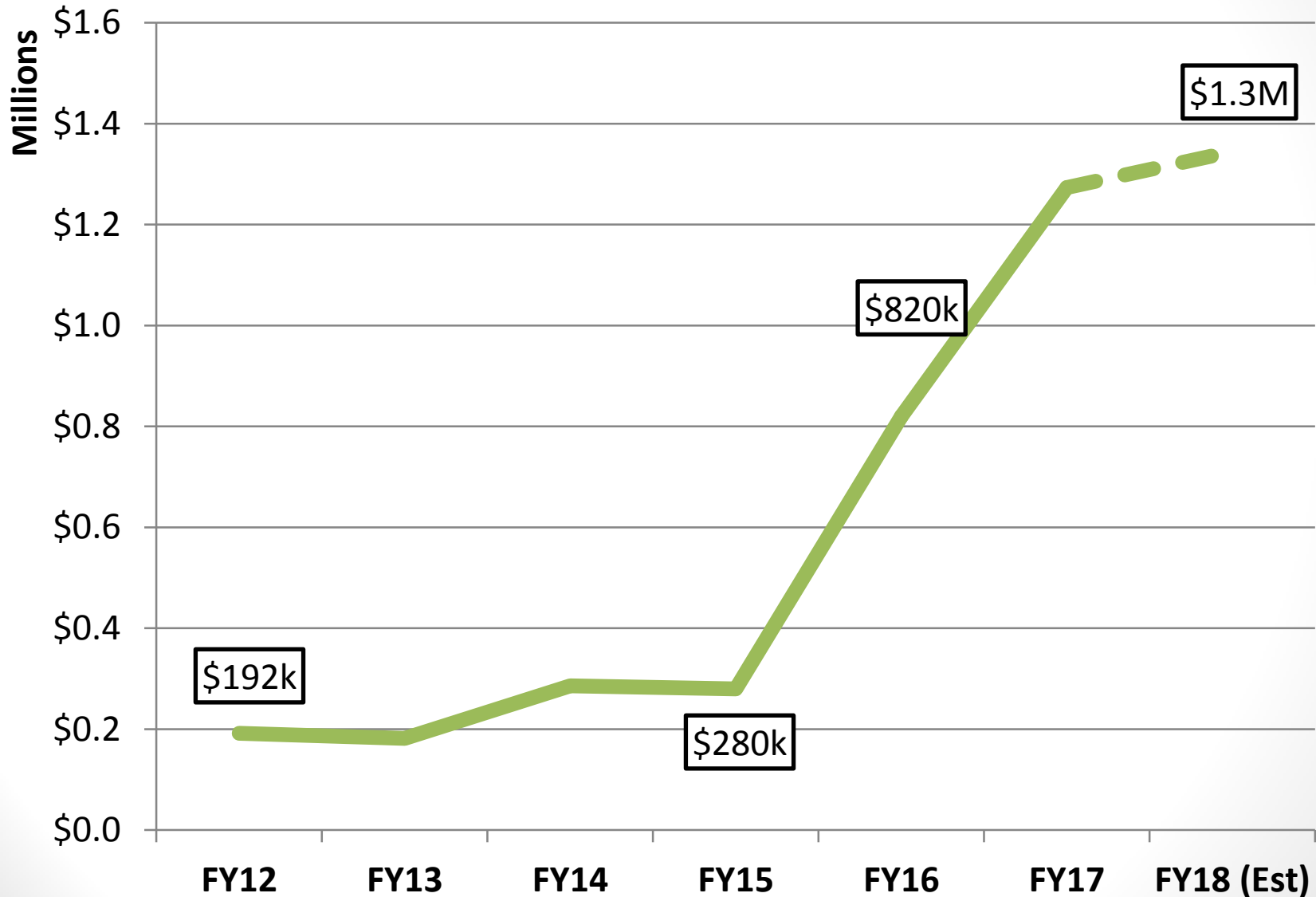
Permit  
Revenue

# Historical New Growth Review



\*FY18 Projected

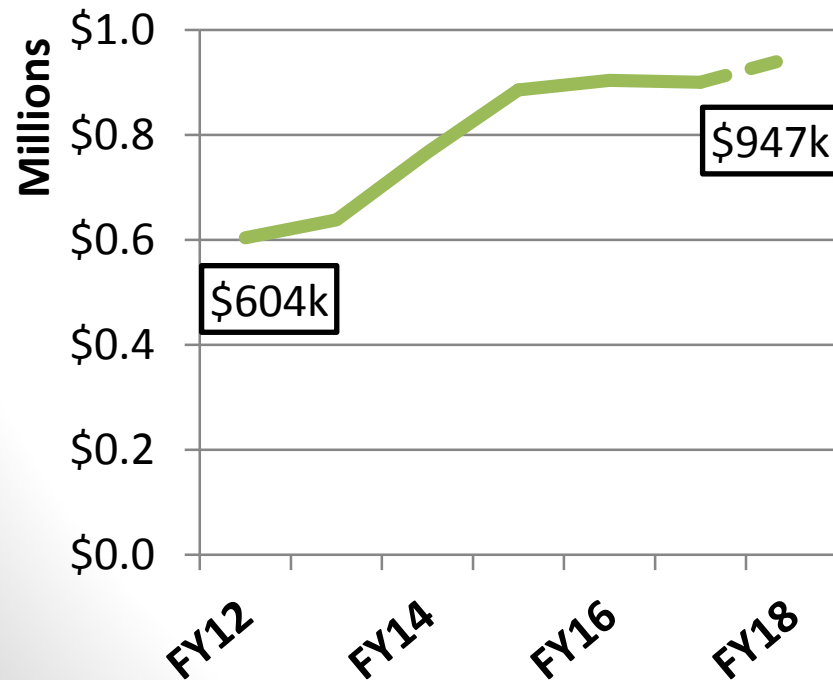
# PILOT Payments Increasing



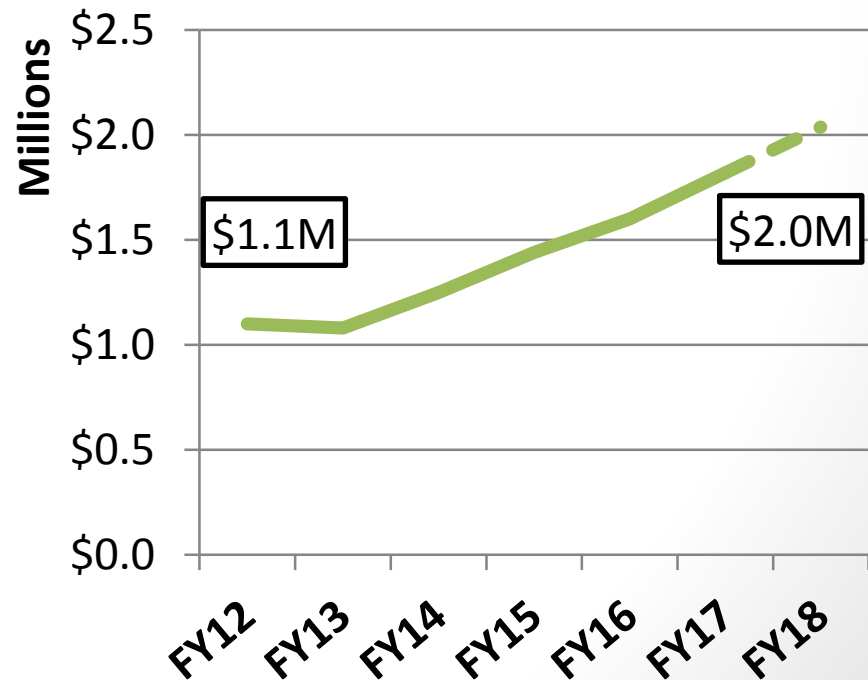
# Other Revenues & Excise Trends

- Excise Trends
  - Motor Vehicle: Slight reduction projected for FY18
  - Hotel/Motel: Moderate growth
  - Meals Tax: Strong growth

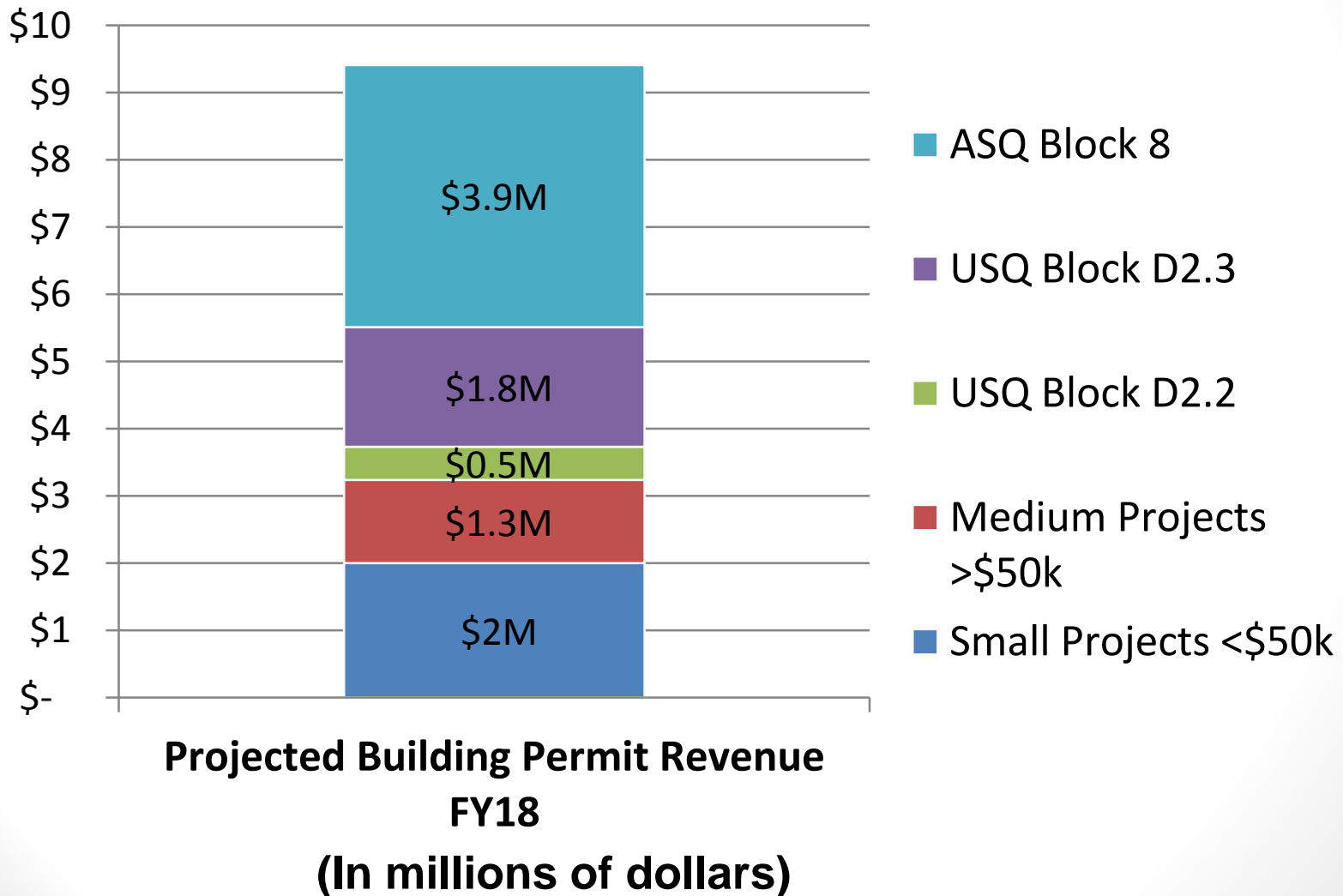
## Hotel/Motel Excise Revenue



## Meals Tax Revenue



# FY18 Building Permit Projection



# Board Action Needed on Parking Meter Receipts

- The City has long used parking meter receipts to reduce the tax levy, which reduces tax growth.
- The Municipal Modernization Act now designates meter receipts as general fund revenue.
- The Board of Aldermen will be asked to vote to accept three statutes, which will collectively allow the existing practice.



Photo Flickr Joey Zanotti <http://bit.ly/2rhSW3h>

# FY18 Targeted Investments



# Maintaining Historic Level of Investment in Our Schools

## Priorities in FY18:

- Out-of-school programs
- Technology learning
- STEAM offerings
- Middle school sports
- Universal Kindergarten Readiness and Pre-K, including Head Start
- FabVille innovative learning
- Special education services



# Investing in our Human Capital

Recruiting and retaining high-quality, diverse staff

- Contingency planning for anticipated union contract agreements
- Phase II of Municipal Compensation Advisory Board (MCAB) approved salary adjustments

- Increase retention to avoid:
  - Loss of productivity
  - Loss of continuity & institutional knowledge
  - Replacement costs
- Recruit quality talent
- Support diversity goals

# Funding Preventive Maintenance Now to Save on Costs Later

- Fleet Maintenance increase to invest in and maintain City vehicles
- Buildings and Ground increase to maintain our parks, schools, very old buildings and community spaces

**Preventive maintenance pays for itself *and more* in improved asset longevity and decreased repair costs.**

# Funding Community Priorities

## Field Maintenance

- To meet intensifying use and demand, double the funding for field maintenance.



## Workforce Development

- Establish long-range workforce development plan
- Fund FabVille fabrication lab manager
- Expand programs for culinary entrepreneurship

# Expanding Access to Knowledge and Learning



- Two new librarians will allow the Libraries to offer services and programming that residents value.
- Increased library materials funding will go to traditional, digital and innovative resources.

# Minimal New City Positions

## 3.125 New Positions

- 2 full-time Librarians
- 1 full-time Payroll Coordinator
- 0.125 HR Recruiter (added 5 hours per week to position)

## Budget Neutral Staff Changes

We've also combined positions and transitioned existing positions to meet our needs with no budget impact.

Our new tax ombudsperson is an example.

# We are also preparing for major projects

GLX

High School

Citywide &  
Union Sq.  
Infrastructure

Other Capital  
Projects

We invest in major  
projects to meet  
SomerVision goals

# And we are on our way, despite challenges



*SomerVision: Baseline set in 2010, adopted in 2012*

## **SomerVision Score Card 2017**

Target Area	Total since 2010	SomerVision Goal	Percent towards 2010-2030 SomerVision Goal
Jobs Created	6,086	30,000	20%
New Housing Units	1,135	6,000	19%
New Affordable & Inclusionary Units	225	1,200	19%
New Usable Acres of Open Space	16.78	125	13%
New Development in Transformative Areas	75%	85%	-
Percent New Trips via Walk, Bike, or Transit	-	50%	-

Somerville can  
meet today's needs  
while investing in  
tomorrow  
because...

# Together, we've kept our finances strong and sound

Our highest bond rating ever

A growing commercial tax base

Growing stabilization funds

Addressing long-term liabilities

# We save strategically

## **GLX Fund:**

- Will receive receipts of Powder House school sale.
- \$1M free cash appropriation proposed.
- Receptacle for developer contributions.

## **Facility Construction & Renovation Fund (intended for SHS):**

- Currently has \$2M in Partners building permit revenue.
- \$1M free cash appropriation proposed.

## **Water and Sewer Stabilization Fund:**

- \$1.4M free cash appropriation proposed.

**Our stabilization funds are growing, which ultimately helps keep our borrowing costs down. In this budget, we propose several significant contributions to our reserves.**



And Somerville  
continues to  
deliver more  
with less.

# One of the Lowest Spending per Capita in State

(General Fund FY17)



Somerville: \$2,737



Boston: \$3,415



Cambridge: \$5,066

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# Highest Residential Exemption in Commonwealth

Through the support  
of the Board of  
Aldermen, our  
resident property  
owners can save  
\$2,747 in FY17.

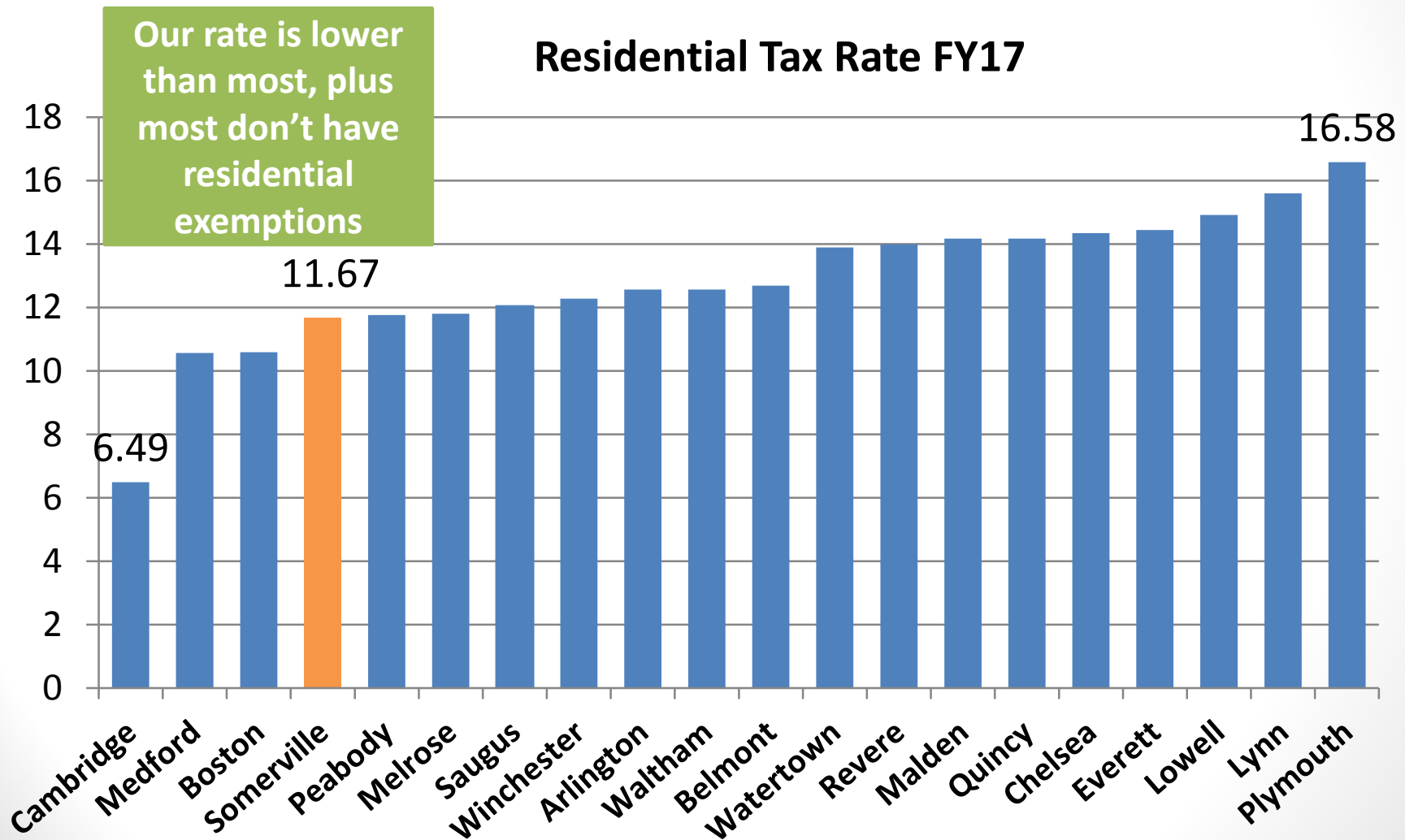
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That's \$229 per  
month.



35%

# We're Keeping Our Residential Tax Rate Lower



# A Determined Community



# The Community

# City Government



Thank you