



Somerville FY19 Budget Overview

Mayor Joseph A. Curtatone
June 6, 2018



Without **equity**, there can be
neither **progress** nor **prosperity**.

-Angela Glover Blackwell
CEO of Policy Link

Opportunity doesn't trickle
down; it **cascades out and up.**

-Angela Glover Blackwell
CEO of Policy Link



THE CURB CUT EFFECT

Equity is the
superior growth
model

An investment in our most vulnerable groups **cascades out and up** into a greater investment in our entire community's well-being.

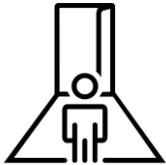
The Equity Lens

How does Somerville create...



Created by Bruno Castro
from Noun Project

An equitable economy?



Created by polyanna
from Noun Project

A healthy community of opportunity?



Created by Stock Image Foto
from Noun Project

A just society?

\$800,000+
new equity investments
in FY19

(through our Municipal Operating Budget, Capital Stabilization fund, and special revenue)

Out-of-School Time & Early Childhood Supports

Why

- Expand out-of-school time (OST) coordination to create new opportunities and break down barriers for our students to access high-quality enrichment programs after school and during the summer
- Expand SomerBaby initiative to connect even more young families to wrap-around health and other support services, with ultimate goal of closing the kindergarten readiness gap



Out-of-School Time & Early Childhood Supports



What we're proposing

- SomerPromise Director PT to FT - \$27,779
- New Out-of-School Time Coordinator - \$60,000
- OST single point of entry development - \$25,000
- SomerBaby Initiative Expansion - \$30,000

+\$142,779

new for FY19

Office of Housing Stability

Why

- Increase housing stability by offering a combination of preventive, protective, and proactive services
- Preserve and expand affordable housing
- Ensure that tenants know their rights and are able to access the myriad housing and homelessness prevention resources in Somerville

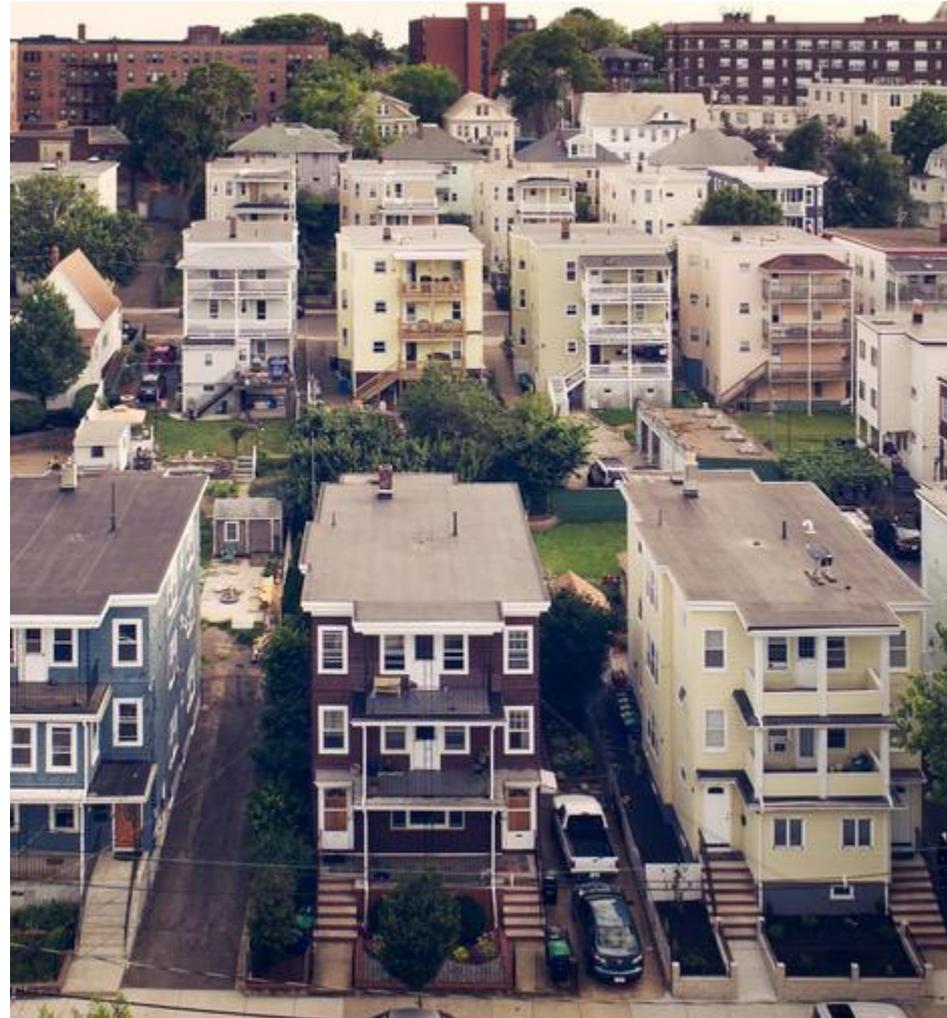
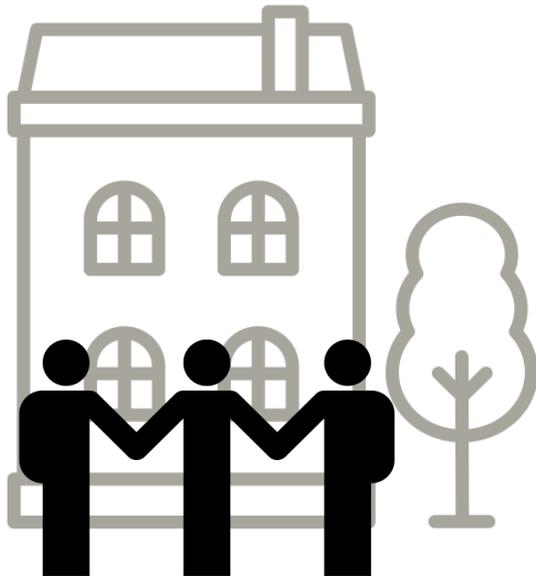


Photo Cred: Eric Kilby

Office of Housing Stability



What we're proposing

To support our new Director of Office of Housing Stability, who will start in August:

- 4 new FTEs funded for half the year - \$125,000
- OM support* - \$10,000

+\$135,000

new for FY19

Workforce Development through the Nibble Culinary Entrepreneurship Program

Why

- Celebrate cultural interchange, spur cultural economic development, and support immigrant communities
- Realize vision of Nibble Kitchen at Bow Market



Workforce Development through the Nibble Culinary Entrepreneurship Program



What we're proposing

- Nibble Kitchen Manager - \$45,000
- Culinary Arts Coordinator - \$26,000
- Nibble Kitchen equipment - \$35,000 (Cap Stab)

+\$34,000

net new FY19 spending after reallocating existing Arts Council funding

Public Art Initiative

Why

- Public art is free and accessible to all
- It builds a sense of place, community identity, and social cohesion
- It contributes to economic activity, health, and tourism
- It brings beauty to our city and residents



Public Art Initiative

What we're proposing

- OM support to launch a new public mural program & enhance Illuminations Tour - \$25,000

+\$25,000

new for FY19



Personal Protective Equipment (PPE) for Firefighters

Why

- Public safety employees are inherently vulnerable because of the nature of their work.
- Investing in a second set of Personal Protective Equipment (PPE) for each of our firefighters will keep them safer and thus enhance public safety for all of our residents.

What we're proposing

- Second set of PPE for firefighters - \$200,000
- First of two Capital Stabilization requests

+\$200,000

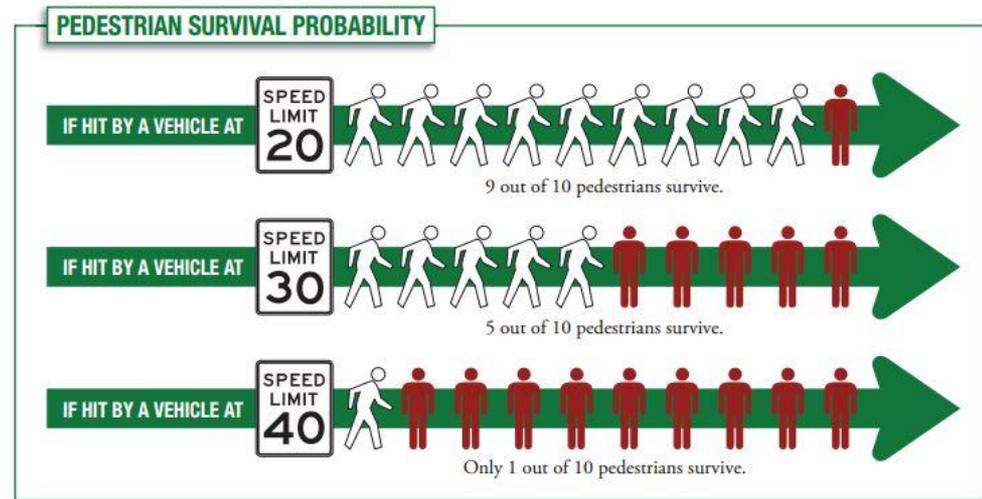
FY19 Cap Stab request

Vision Zero



Why

- Make our community safer and more accessible for all
- Guide multimodal safety policies, programs, and projects
- Eliminate traffic fatalities and serious injuries



Vision Zero



What we're proposing

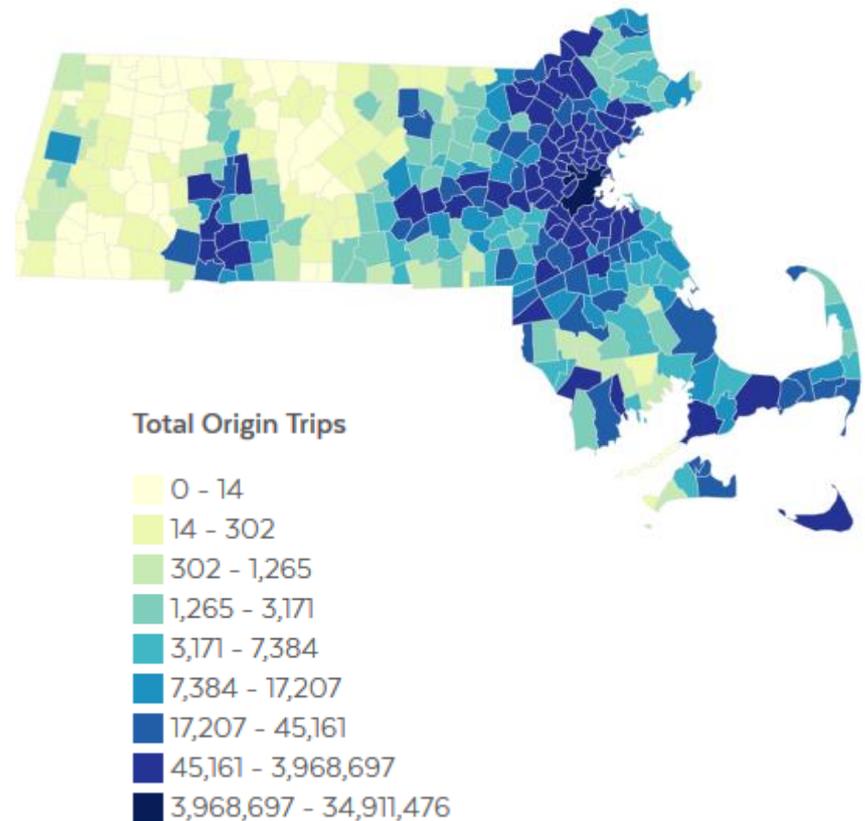
- OM support for Vision Zero initiative - \$200,000
- Transportation Planner (traffic calming) - \$75,000

+\$275,000

in TNC revenue

Transportation Network Companies (TNC) Revenue

- Transportation Network Companies (TNCs) are rideshare companies such as Uber and Lyft.
- For every rideshare trip, state law now requires rideshare companies to contribute 10 cents to the municipality where the ride originates.
- There were more than 2.7 million rideshare trips that originated in Somerville in 2017, which resulted in approximately \$275,000 in revenue.



We can't forget about construction

Somerville will see an unprecedented level of construction for the next several years as we and others undertake the work required to make our SomerVision goals a reality.



GLX underway



Actively addressing legacy infrastructure needs



Housing & commercial development

BOA approved 7 of 14 requested mid-year construction positions

Position	Department	Priority	Status
Construction Liaison and Compliance Manager	Engineering	Critical	Started 5/1/18
Construction Project Manager	Engineering	Critical	Re-advertised
Construction Public Information Officer	Communications	Critical	Started 5/14/18
Construction translation services (P&T)	Communications	Critical	In use
GLX Project Liaison	OSPCD T&I	Critical	Offer pending
Director of Finance & Administration	Water & Sewer	Critical	Re-advertised
Streetscape and Public Space Planner	OSPCD T&I	Highly recommended	Starting 6/25/18
Project Manager	Engineering	Recommended	Re-advertised

Status of remaining mid-year requests

Position	Department	Priority	Status
Project Manager	Capital Projects	Highly recommended	Additional project management capacity to be included in project-specific bond authorization requests
Assistant Director	Capital Projects	Highly recommended	
Senior Urban Forestry & Landscape Planner (Arborist)	OSPCD T&I	Highly recommended	T&I's new streetscape planner has strong background in this area; reevaluate for FY20 budget
Junior Project Manager	Engineering	Recommended	Engineering focused on hiring and onboarding new staff; reevaluate for FY20 budget
Transportation Planner (traffic calming)	OSPCD T&I	Recommended	Included in FY19 budget, to be funded from TNC
Zoning Review Planner	OSPCD P&Z	Recommended	Included in FY19 budget
Environmental Health Liaison	HHS	Recommended	Will reevaluate after receiving final report from urban rodentology consultant

Additional priorities for FY19

Proposed for Operating Budget

- OM to support OSE's efforts to improve recycling in our schools - \$20,000
- Additional funding for per-diem school nurses - \$40,000
- Expand Personnel Recruiter (Talent Acquisition Manager) from part time to full time – \$24,000
- New Librarian I (per contractual agreement) - \$48,439

Proposed for Cap Stab

- IT equipment - \$250,000
- Central Hill Campus Plan - \$180,000

New FY19 investments by funding source

General Fund Operating Budget	Cap Stab	TNC Revenue
<ul style="list-style-type: none"> • OST coordination & early childhood supports • Office of Housing Stability • Nibble initiatives • Public art initiative • Zoning Review Planner • School recycling support • Per-diem school nurse funding • Expand Recruiter from PT to FT • New Librarian I 	<ul style="list-style-type: none"> • Nibble Kitchen • Fire personal protective equipment • IT equipment • Central Hill planning 	<ul style="list-style-type: none"> • Vision Zero initiative • Transportation Planner (traffic calming)
<p>\$490,468</p>	<p>\$665,000</p>	<p>\$275,000</p>

FY19 Operating Budget

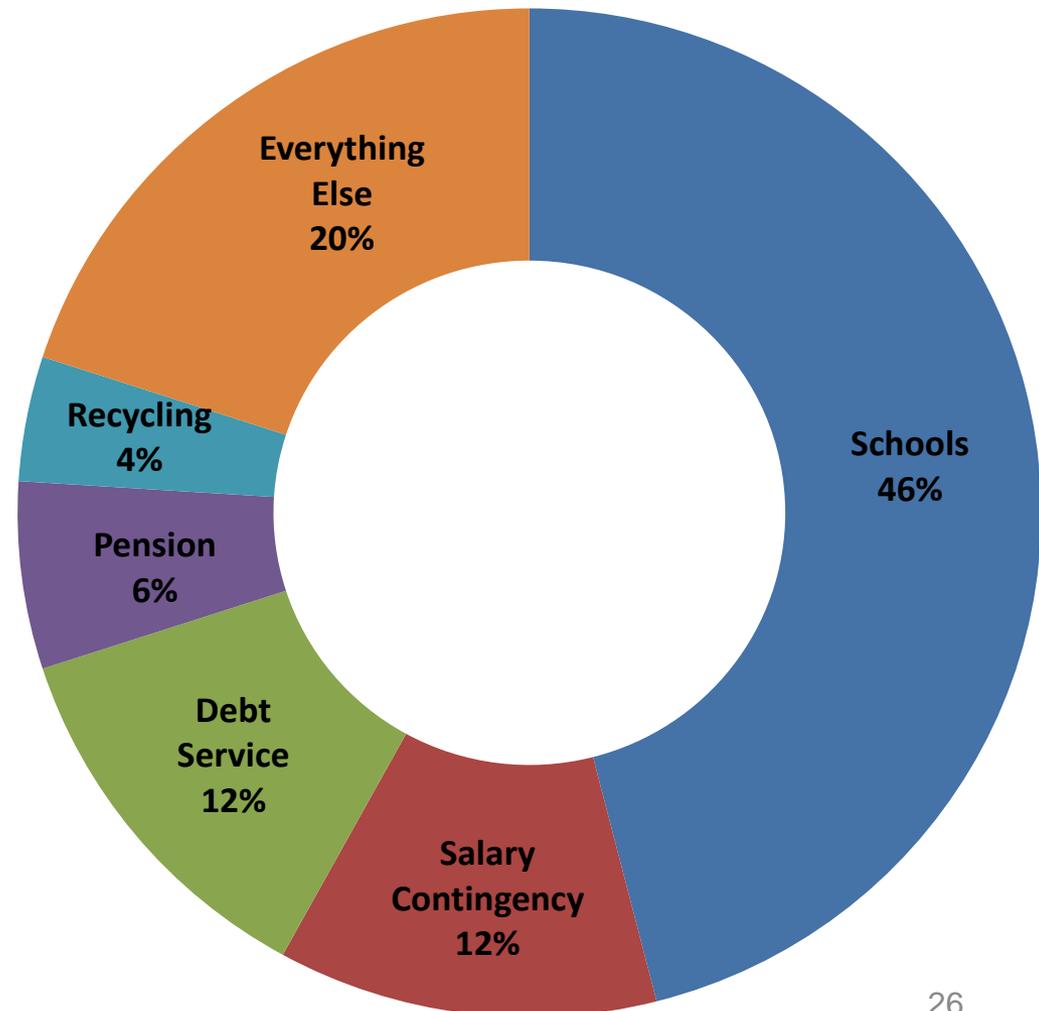


3.9% increase over FY2018

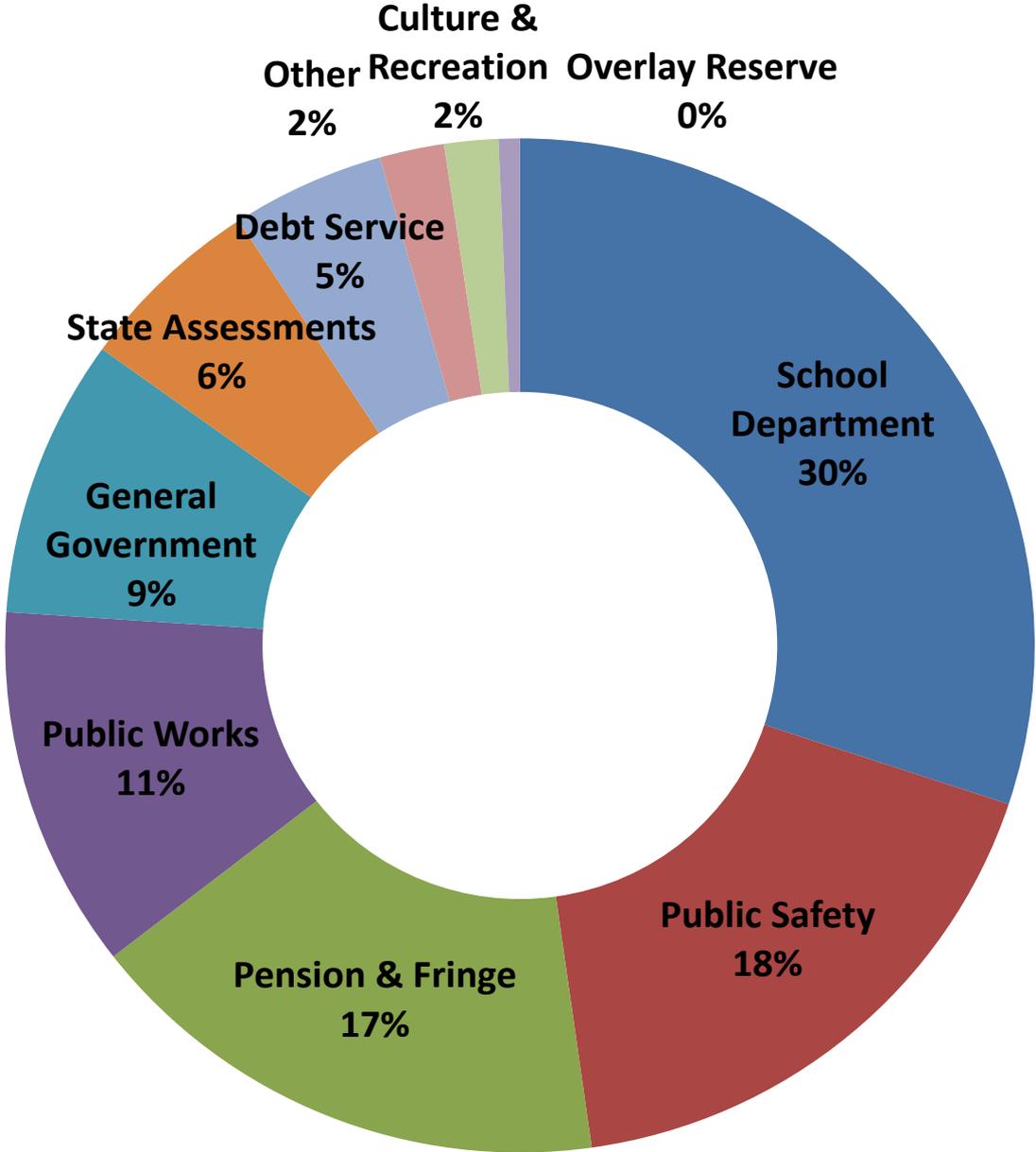
FY19 budget increases

- 46% of new spending in the FY19 budget is due to increasing costs for the School Department, a total of \$4.1M.
- More than 80% of the FY19 budget increase is due to increasing fixed costs.
- While some of the fixed cost increases were expected, others were not (like special education).

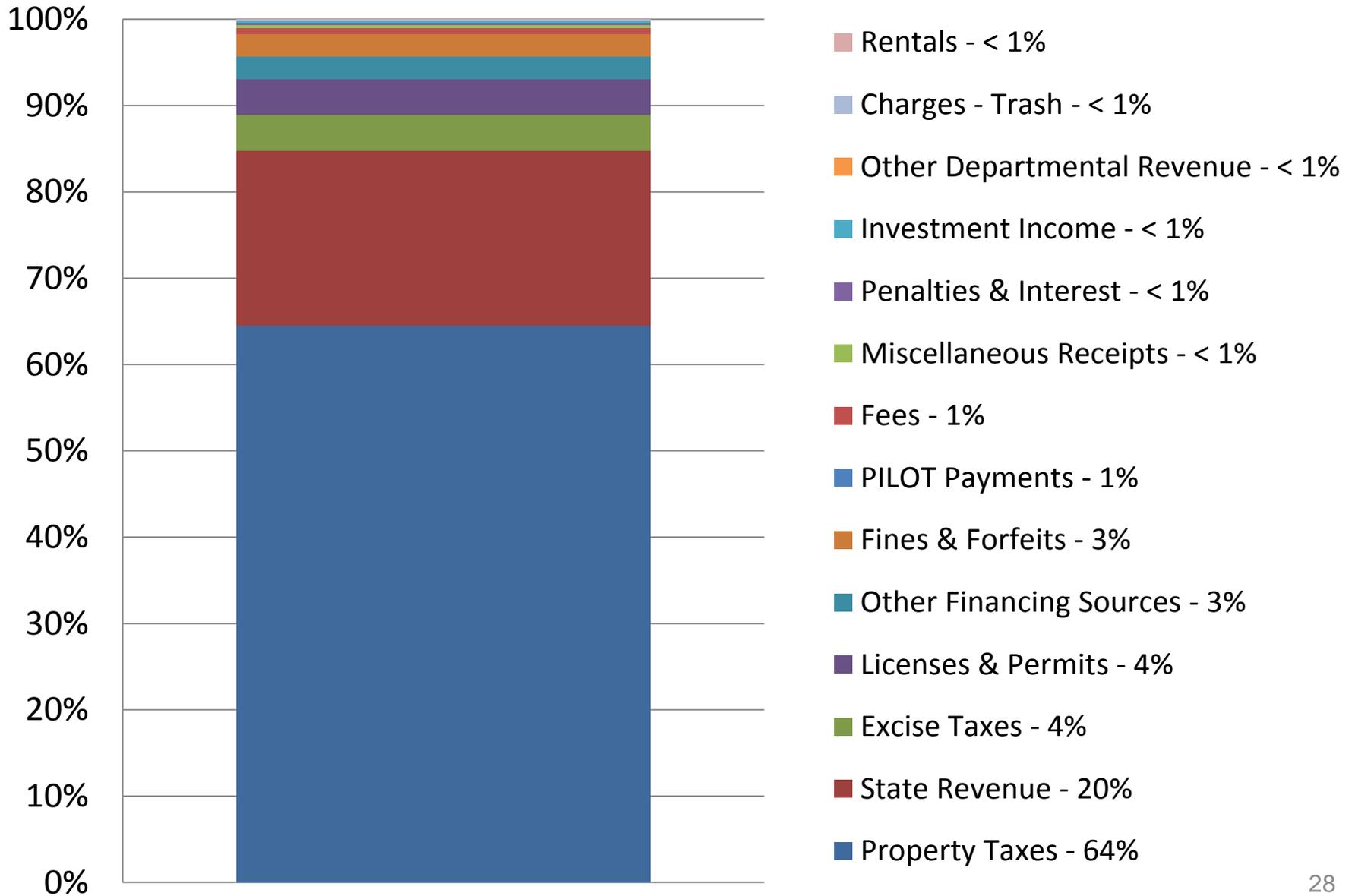
Share of FY19 Budget Increase



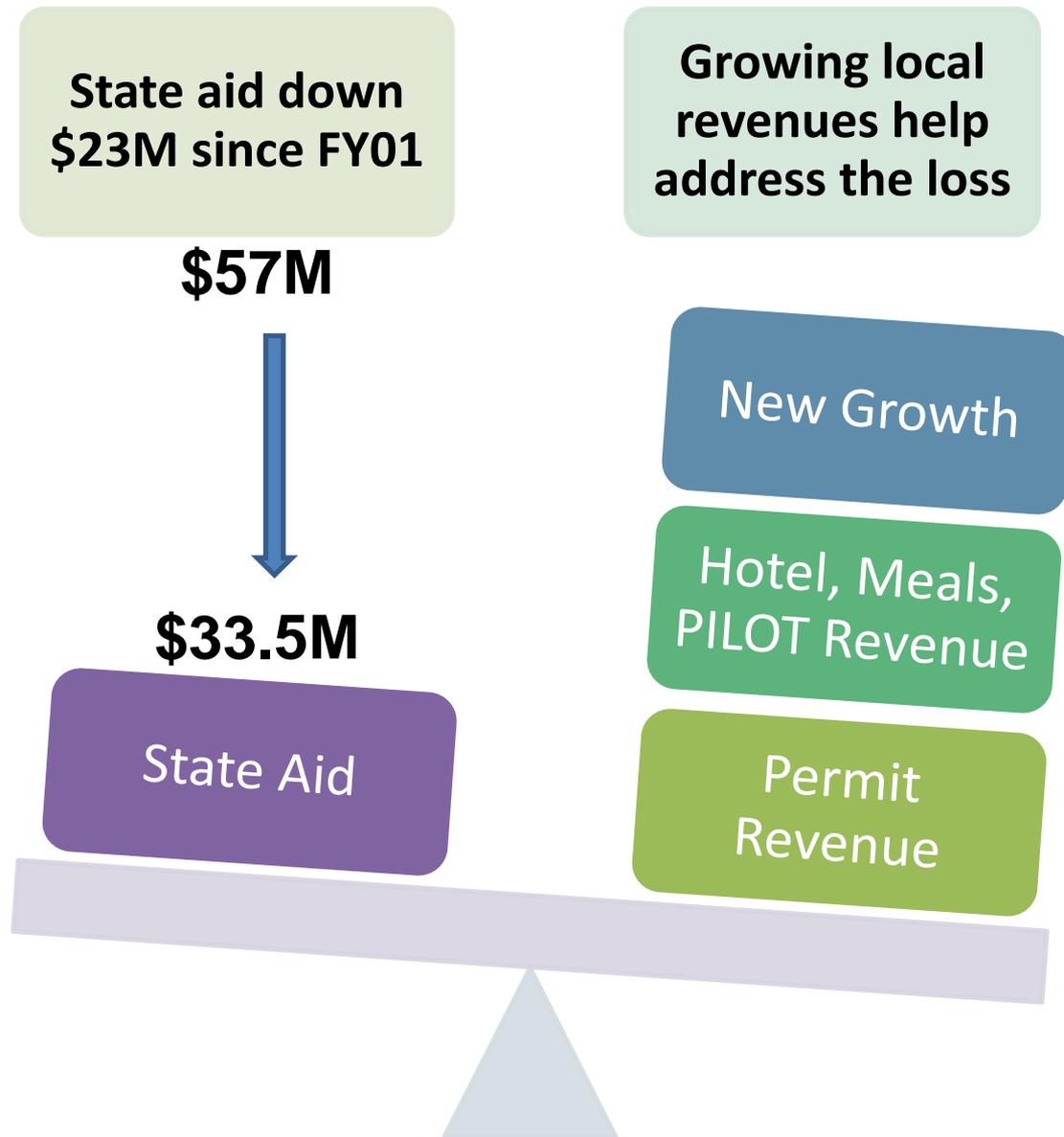
FY19 Operating Budget Expenses



FY19 Revenue by Source



Planning for Greater Self-Reliance



Growing our local revenue

Hotel/Motel Excise

- 30%
projected
increase over
FY18
(+\$264,000)

PILOTs

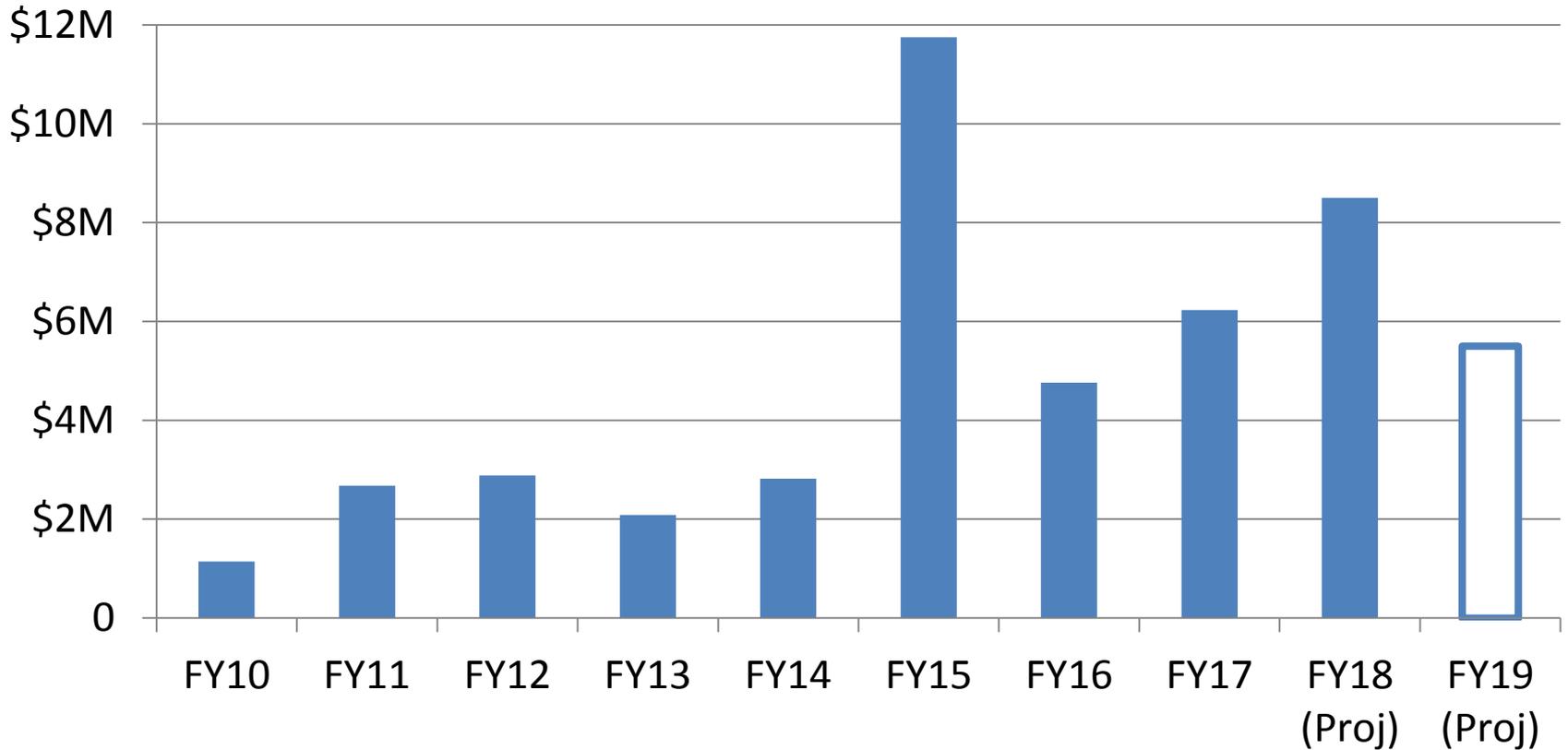
- 20%
projected
increase over
FY18
(+\$263,000)

Investment income

- 100%
projected
increase over
FY18
(+\$325,000)

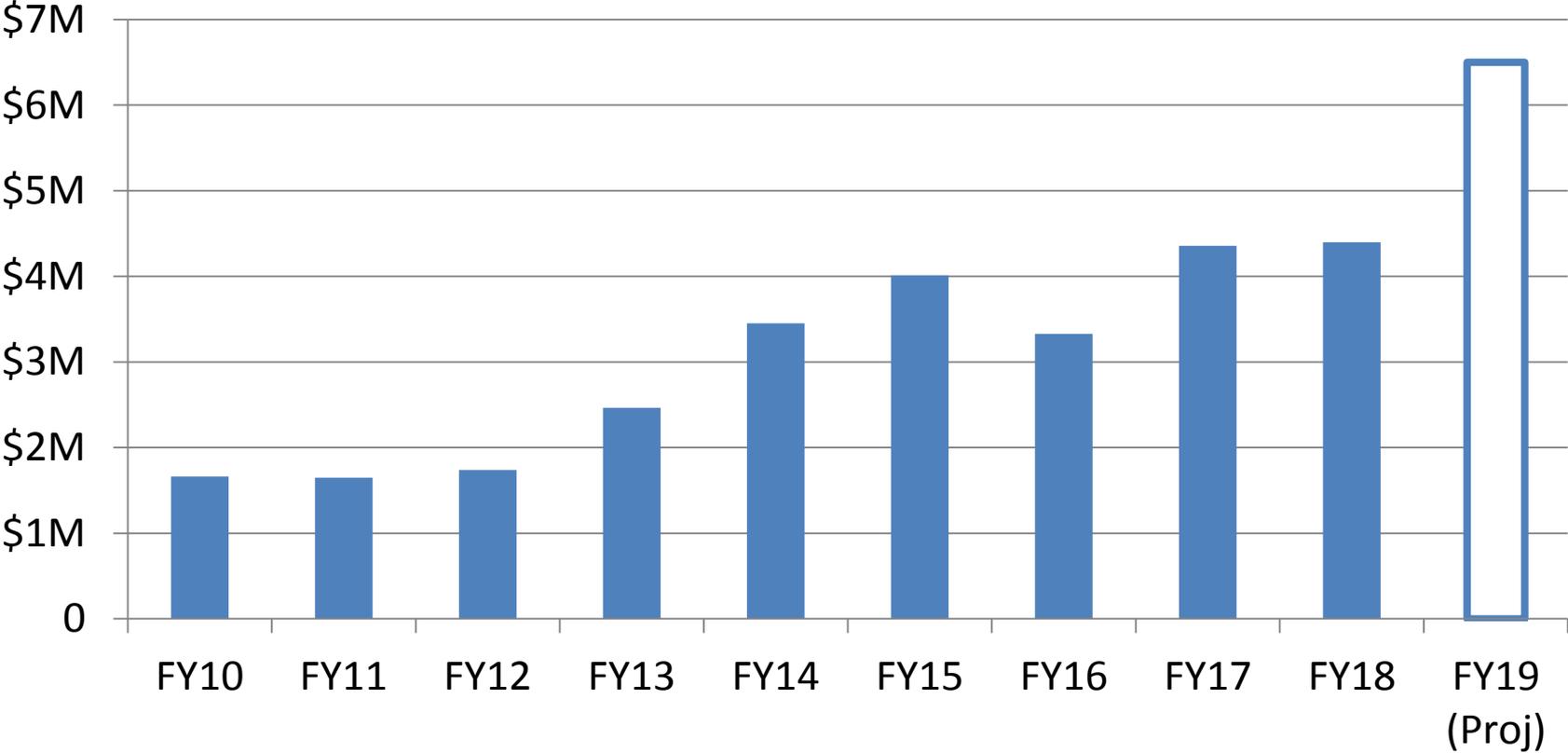
FY19 building permit revenue projected at \$5.5M

Building Permit Revenue by Fiscal Year



Projected FY19 new growth nearly 50% higher than FY18

New Growth Revenue by Fiscal Year

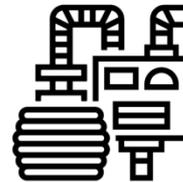


Understanding New Growth

To understand new growth, first you need to know what makes up the existing property tax base:

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(*Known as Personal Property)

Understanding New Growth

New growth is the value added to homes, buildings, and businesses by improvements, new construction, or investments in equipment.

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New Growth Expands the Tax Base To:

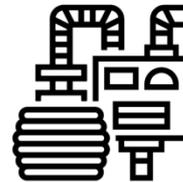
**Building
Improvements**



Homes



Equipment*



(*Known as Personal
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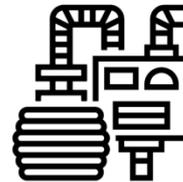
Building
Improvements



Home
Improvements



Equipment*



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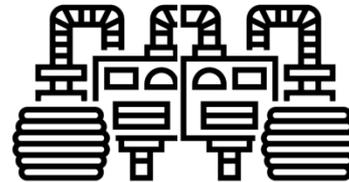
Building
Improvements



Home
Improvements



New
Equipment*



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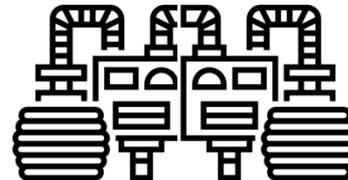
Building
Improvements



Home
Improvements



New
Equipment*



New
Construction



(*Known as Personal
Property)

Understanding New Growth

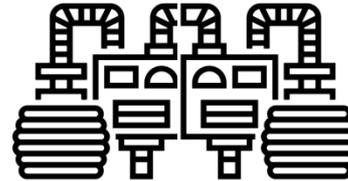
Building
Improvements



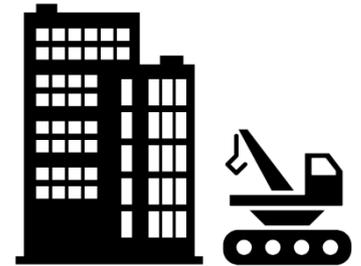
Home
Improvements



New
Equipment*



New
Construction



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So new growth produces new tax revenues that come from new and improved property, not from unchanged property.

Fiscal Responsibility

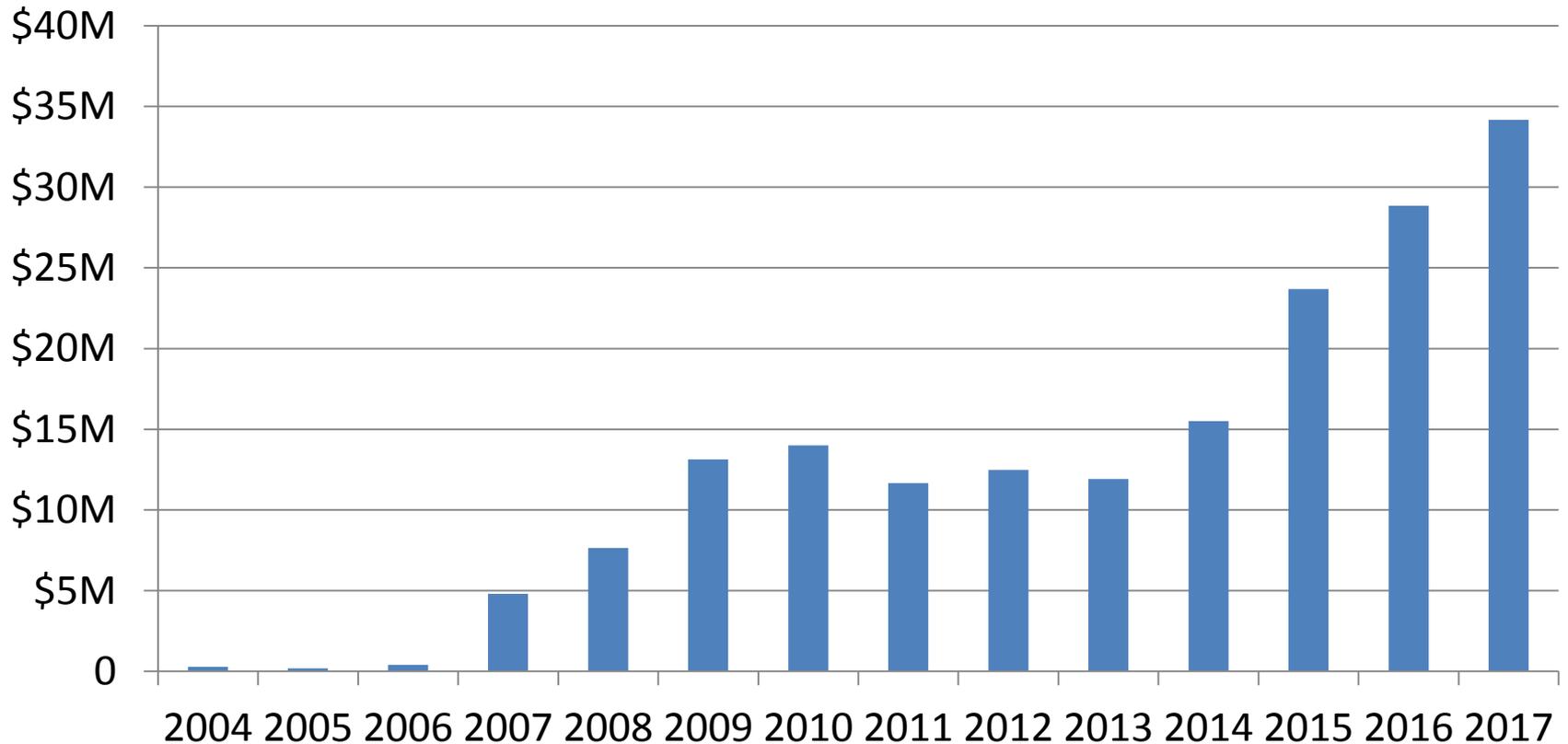
\$100,000 below
the levy limit

Second year not
excluding SHS
debt service

\$250,000
reduction in free
cash subsidy

Building our Stabilization Funds

Stabilization Fund Balance



All while spending less per capita than our neighbors



Somerville: \$3,022



Boston: \$4,802



Cambridge: \$6,190

We've proposed a budget that is:

- Committed to equity
- Based on shared community goals and values
- Guided by our commitment to fiscal responsibility
- Strategically designed to meet both our current needs and long-range obligations

Thank you