

Revenue Task Force Executive Summary

Presented: February 2008

The Revenue Task Force formed in September 2007 consists of 8 members, 5 Newburyport residents, two school committee members and one city council member.

Barry Connell – City Council
Lee Holland – Resident; Vice Chair
Jay Iannini - Resident
Bruce Menin – School Committee
Ralph Orlando - Resident
Brenda Reffett – Resident; Chair
Ellen Supple - Resident
Mark Wright – School Committee

Also present at all of the meetings were Superintendent Kevin Lyons, Assistant Superintendent Deirdre Farrell, and Mayor Moak's assistant Ari Herzog. These three individuals served as resources throughout the process and were instrumental in providing the Task Force with financial and historical data as well as serving as conduits of evolving city/school information.

The main task of the committee was to identify additional potential revenue sources for the city. There was consensus among the task force members that Newburyport is faced with a municipal problem and therefore needs to generate a municipal solution, one that addresses budgetary challenges found in both the city government and school budgets. Accordingly, all ideas generated for possible new revenue sources or suggestions for efficiencies are not limited to school or city budgets, but strongly recommended for both.

The task force members unanimously agree that:

- 1) Newburyport currently does not have funds to sustain the level of municipal services currently being provided.
- 2) Costs continue to rise at approximately 5% annually with revenues limited to a 2 ½ % local property tax increase plus the dollars generated from new growth and local aid from the state and federal government.
- 3) The city does not anticipate a significant increase in state or federal assistance this year.

It will be the ultimate responsibility of the Mayor, the City Council and the School Committee to work together to bridge the city's financial gap. Outlined below are several areas this task force recommends for consideration in that challenge. The potential solutions have been broken into Long Term or Short Term goals. While all should be

weighted with equal importance, the highlighted items are identified as top priorities for consideration.

Short Term (FY09) Suggestions for Consideration

Ballot Initiative*	Evaluate an override or debt exclusion ballot question for funding capital improvements outside of operating budgets.
City/School Budgeting	Initiate a process to review every department function comprehensively and determine if services are in line with city values and priorities.
City Property*	Several city properties have valuable real estate value and could be considered for sale.
Contracts	Evaluate annual contract vs. multi-year contracts
CPA	Annually reevaluate CPA property tax surcharge and project priorities relative to other city projects.
Endowment	Publicize and promote the existing Citizens for Education Fund
Fees and Charges for Services	Evaluate instituting a trash collection fee, review and consider increases in current city fees.
Gasoline/Electricity	Look for efficiencies in purchasing practices.
General Purchasing	Evaluate current practices and look for efficiencies in bulk purchasing and/or regional purchasing.
GIC and Medicare Conversion*	Prepare now for entry into this group plan in 2010 with Medicare Conversion prerequisite
Grants	Create a permanent voluntary Grants Committee
Stabilization Account*	Consider utilizing some of these funds until a more permanent solution to the structural deficit is in place.
Telecommunications & Dispatch	Evaluate benefits of consolidation.

*Highlighted boxes are the top priorities for consideration.

Long Term Suggestions for Consideration

Ambulance & Towing Service	Evaluate if potential revenues for city.
Chapter 70	Continue to advocate for formula revision.
Charter School Assessment	Work toward a more equitable formula for sending tuition and state reimbursement.
Little River Transit Village	Determine future revenue increase to the city.
Meals Tax	Continue to pursue.
Park & Ride Lot	Research potential of receiving some level of state compensation for the city hosting this facility and providing water & sewer services.
Parking	Review 2005 parking study and consider paid parking/metering.
School Choice Tuition	Advocate for raising the tuition cap set in 1994.
Waterfront economic expansion	Determine future revenue increase to city.
Whittier Assessment	Continue to challenge the formula and work to reform it.

Please read full report for explanations of Short Term and Long Term suggestions.

In summary, there is no magic bullet to offer. Newburyport, like many other Massachusetts communities, will continue to face financial challenges in the foreseeable future if costs continue rising at the current rate and revenues stay at their current level. As a community, we will need to determine what we value and then in accordance, our city leaders will need to develop a financial strategy to reflect those values and priorities.