



Newburyport Revenue Task Force Report

City of Newburyport
February 2008

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Executive Summary

This document represents the results of the work of an ad hoc group of community members, city councilors, and school committee members called Newburyport Revenue Task Force. The group worked during the fall/winter of FY08 to develop a strategy for dealing with the fiscal structural deficit facing the city.

Findings

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.

Recommendations

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

Those top priorities to consider for FY09 are:

- 1) Ballot Initiative – Evaluate an override or debt exclusion ballot question for funding capital improvements outside of operating budgets.
- 2) City Property – Several city properties have valuable real estate value and could be considered for sale.
- 3) Group Insurance Commission (GIC) - Prepare now for entry into this group plan in 2010 with Medicare Conversion prerequisite.
- 4) Stabilization Account – Consider utilizing some of these funds until a more permanent solution to the structural deficit is in place.

Proposed Next Steps

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.

Background

Genesis

The task force was formed at the request of the School Committee and Mayor to address the ongoing financial challenges Newburyport has faced over several years. City government and school budgets have been affected, and both entities feel this has negatively impacted their ability to deliver quality services.

Membership

The following members of the Task Force were appointed by Mayor John Moak:

Newburyport Residents: Brenda Reffett, **Chair**
Lee Holland, **Vice Chair**
Jay Iannini
Ralph Orlando
Ellen Supple

School Committee Members: Bruce Menin
Mark Wright

City Council: Barry Connell

Mission and Goals

The following mission, goals and tasks were specified by Mayor John Moak in his initial charge to the task force:

The task force's mission is to provide an objective, comprehensive and transparent examination of the existing and future revenue streams for the City of Newburyport and its Public School System.

Goals

- Identify possible methods for increasing city revenue (primarily for the schools).
- Identify and clarify forces impacting the financial status of the City of Newburyport.
- Provide information in a clear and comprehensive manner suitable for the layperson and with the specificity necessary and appropriate for school and public officials.
- Establish a strong working relationship among the City's financial and governing bodies, its School Committee, and its citizens.

Tasks

1. Identify all existing revenue sources. Identify all *entities that impact* the dollars allocated to the schools, including but not limited to government agencies, private or non-profit organizations, and individuals from both the private and public sectors.
2. Identify existing channels of private fund raising and the impact of each on school expenditures
3. Local Property Taxes - Present the economic outlook for Newburyport as told by
 - Reasonably accessible regional economic reports
 - A broad base of City Officials, Local Business Establishments, and the Chamber of Commerce
 - Identify a range from pessimistic to more optimistic possibilities for tax revenues, assuming no increase in our tax levy limit.
 - Identify plans, either under development or in effect, to enhance business and commercial tax revenue. If possible, conservatively estimate the level of potential supplementary revenues.
 - Qualitatively and, to the extent possible, quantitatively analyze the community's ability to pay additional taxes.
4. Review other city and town methods of funding district public schools and provide a summary of innovative methods in other cities or towns within MA.
5. Review other private funding mechanisms. How is it done? Are there examples out there of sustainable programs funded with private money?

Spending Analysis

The Task Force analyzed Newburyport’s spending patterns compared to comparable communities and the statewide average.

Comparable Communities

Comparable communities were selected based on criteria provided by the Massachusetts Department of Revenue (DOR). Comparable communities were selected from this report using the following criteria:

- County = Essex or Middlesex
- 1999 Income Per Capita = \$30,000 to \$40,000
- FY07 Foundation Enrollment = 1880 to 3600 students
- FY07 % Low Income Students < 10%

These selection criteria yield the following communities:

Table 1 – Comparable Communities

Municipality	County	City or Town	2006 Estimated US Census	1999 Income per Capita	2006 EQV/2006 US Census	FY07 Operating Budget
ASHLAND	Middlesex	Town	15,678	31,641	160,138	57,086,449
BEDFORD	Middlesex	Town	12,884	39,212	228,730	66,891,045
IPSWICH	Essex	Town	13,293	32,516	207,693	40,937,580
LYNNFIELD	Essex	Town	11,443	39,560	221,975	36,862,442
HOLLISTON	Middlesex	Town	13,896	32,116	156,124	51,684,169
MELROSE	Middlesex	City	26,666	30,347	146,321	69,617,253
NEWBURYPORT	Essex	City	17,303	34,187	205,112	59,700,592
NORTH READING	Middlesex	Town	13,950	30,902	192,633	49,011,760
SWAMPSCOTT	Essex	Town	14,134	35,487	194,562	50,667,842
WAKEFIELD	Middlesex	Town	24,588	30,369	169,268	71,691,766
AVERAGE			16,384	33,634	188,256	55,415,090

Source: *Common Comparison Criteria Report*, Massachusetts Department of Revenue, <http://www.mass.gov/Ador/docs/dls/mdmstuf/Socioeconomic/ComparisonReport.xls>

According to the 2000 Census, Newburyport had about the average number of families (4,390) and about the average number of households with children under 18 (2035). However, Newburyport had a higher than average number of total households (7,482). Newburyport households tended to be small (2.3 people). Due to the large number of small households, Newburyport had a lower than average % of households with children under 18 (27.2%).

Table 2 – Households with Children – 2000 Census

Community	1999 Population	Number of Families	Number of Households	Average Household Size	% Households with Children Under 18	Households with Children under 18
Ashland	14,674	4,072	5,729	2.6	37.3	2137
Bedford	12,595	3,456	4,625	2.7	35.4	1637
Holliston	13,801	3,835	4,803	2.9	45.7	2195
Ipswich	12,987	3,484	5,288	2.5	31.3	1655
Lynnfield	11,542	3,352	4,180	2.8	36.4	1522
Melrose	27,134	7,101	10,971	2.5	30.4	3335
Newburyport	17,189	4,390	7,482	2.3	27.2	2035
North Reading	13,837	3,744	4,784	2.9	42.1	2014
Swampscott	14,412	3,996	5,717	2.5	34.6	1978
Wakefield	24,804	6,643	9,776	2.5	31.8	3109
Average	16,298	4,407	6,336	2.6	35.2	2162

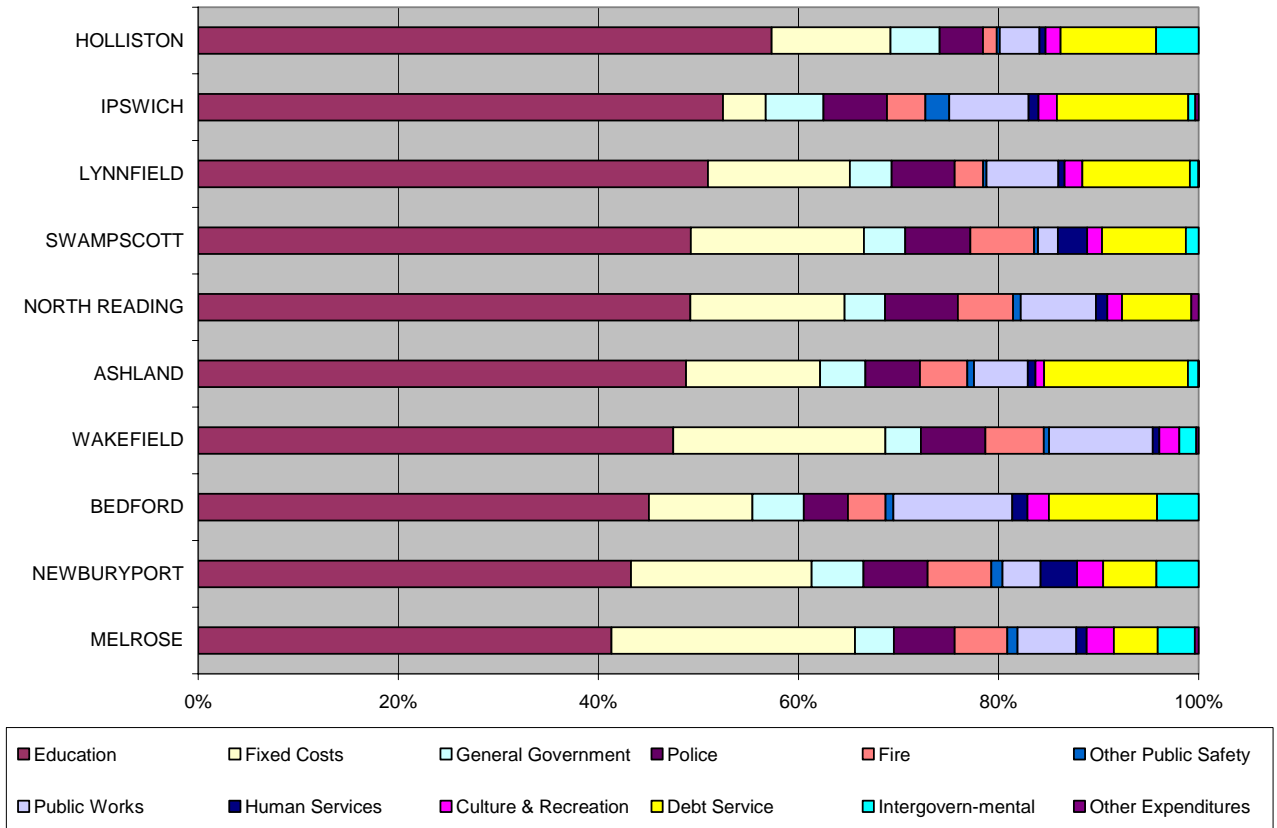
Source: Fact Finder, US Census Bureau, <http://factfinder.census.gov/>

None of these communities is a perfect match for Newburyport, indeed a perfect match does not exist. These communities constitute a reasonable group of comparables based on a documented set of criteria listed above.

Municipal Spending By Category

The Department of Revenue (DOR) maintains a spreadsheet comparing the actual revenues and expenditures of Massachusetts cities and towns. The latest complete set of data available is for FY06. The following chart shows actual spending by function for FY06.

Figure 1 – FY06 Expenditures by Category as % of Total General Fund Spending



Source: <http://www.mass.gov/Ador/docs/dls/mdmstuf//MunicipalActualExpenditures/expfn06.xls>

DOR Note: Expenditures are from the general fund and do not reflect spending from special revenue, enterprise, capital projects or trust funds. This may result in wide variations among communities in the "Public Works" category, because many communities account for spending on sewer, water, utilities and other public works functions in enterprise or special revenue funds.

Note: Six communities have **Water and/or Sewer Enterprise Funds**: Ashland, Melrose, Newburyport, North Reading, Swampscott, and Wakefield. In addition, six communities participate in the Massachusetts Water Resources Authority (MWRA): Ashland, Bedford, Lynnfield, Melrose, Swampscott and Wakefield. Further analysis is required to determine if water and sewer spending is included in General Fund spending for any community.

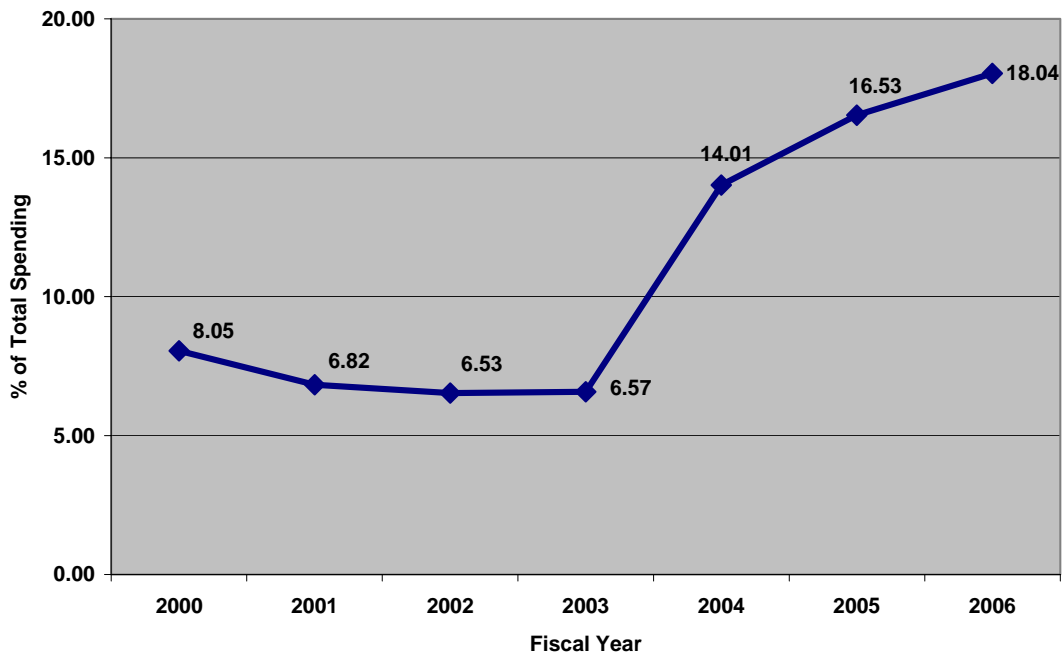
The two cities, Newburyport and Melrose spend the smallest portions of their budgets on Education at 41% and 43% respectively. Newburyport and Melrose also have the lowest

percentages of households with children under 18. Statewide the average spending on Education was 46.64% of total spending.

The DOR reports all employee health insurance and retirement under Fixed Costs (white). The communities that spent the most on Fixed Costs in FY06 included Melrose (24%), Wakefield (21%) and Newburyport (18%). Statewide the average spending on Fixed Costs was 14.68% of total spending.

In Newburyport, Fixed Costs grew from 6-8% of spending in the early 2000s up to 18% of total spending in FY06. According to the Mayor's office, fixed costs (health insurance and retirement) account for **20% of spending in FY08**.

Figure 2 – Newburyport's Fixed Costs Growth FY00 – FY06



Spending on health insurance and retirement is eroding school and city services. This is a statewide phenomenon, but the problem is especially acute in small cities such as Newburyport and Melrose.

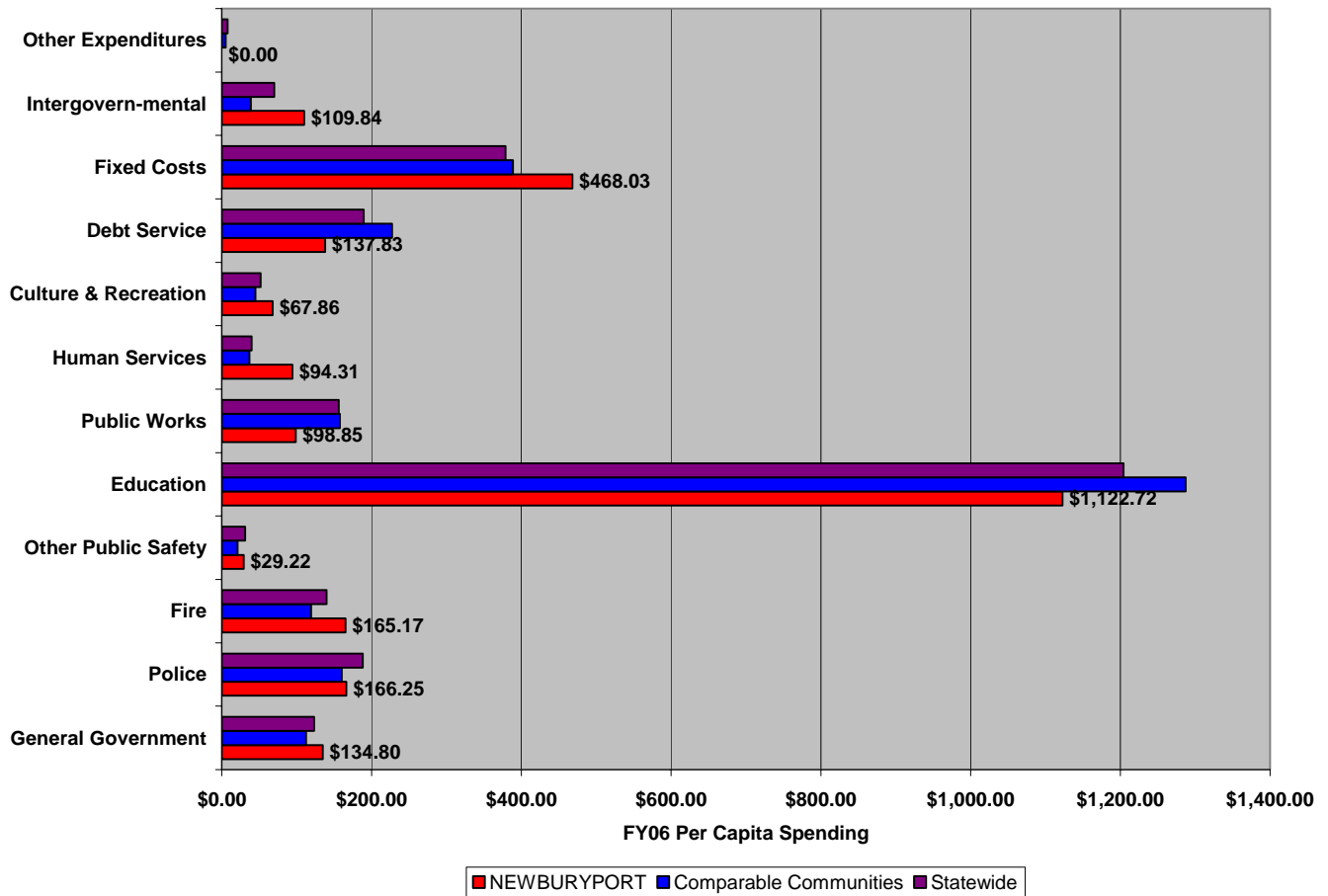
Also interesting to note is that Newburyport spends a relatively small share of its budget on Debt Service (yellow).

Per Capita Spending by Category

Spending by category as % of total reveals our relative budget priorities, but does not reveal the magnitude of our spending. Per capita spending is a better indicator of the magnitude of spending.

Overall, Newburyport spent \$2,594.90 per capita in FY06, compared to \$2,599 for comparable communities (excluding Bedford) and \$2,580 statewide.

Figure 3 – FY06 General Fund Per Capita Spending



Source: *Fiscal Year 2006 General Fund Expenditures*, Massachusetts Department of Revenue, <http://www.mass.gov/Ador/docs/dls/mdmstuf//MunicipalActualExpenditures/expfn06.xls>

Note: The town of Bedford was excluded from this comparison because Bedford spent nearly double (177%) the average per capita spending for the other nine comparable communities.

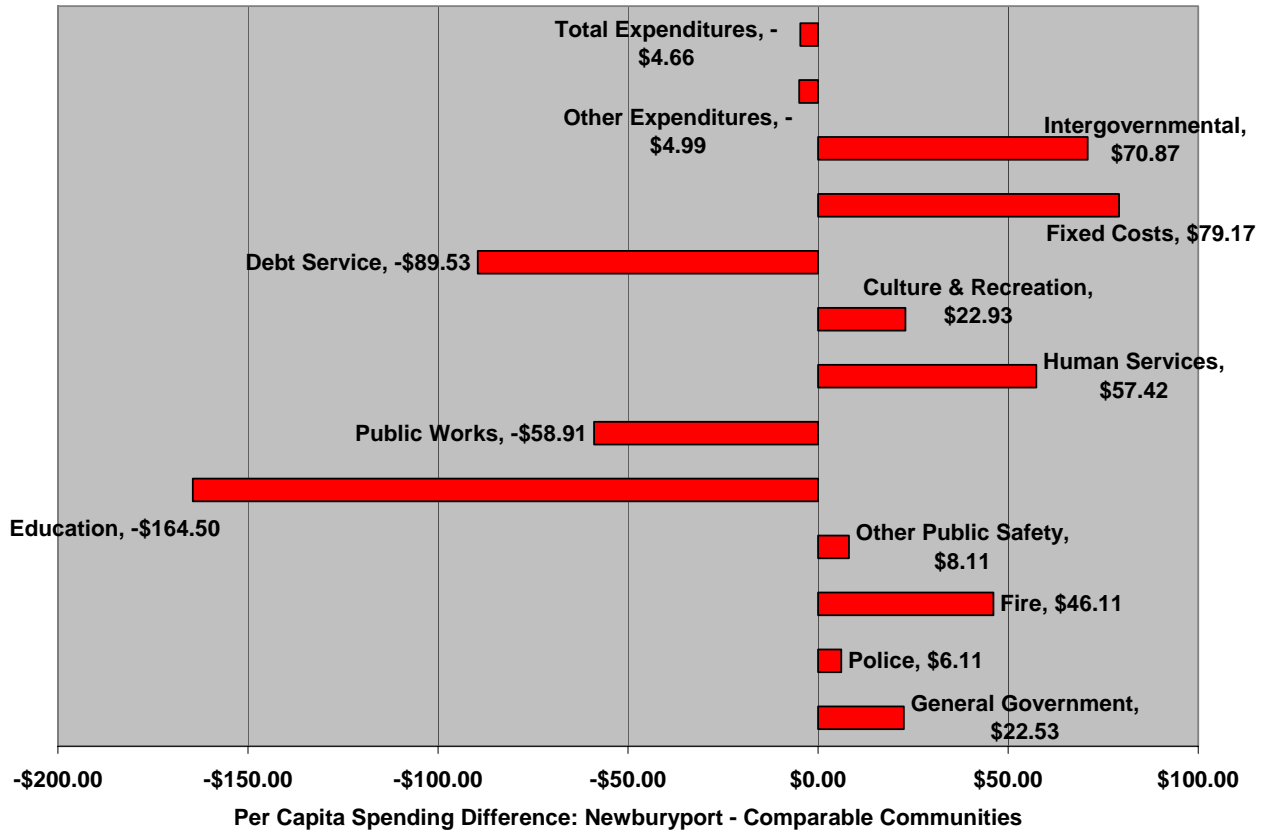
In three categories, Newburyport spent significantly less per capita from the General Fund than comparable communities:

- Public Works (-\$58.91)
- Education (-\$164.50)
- Debt Service (-\$89.53)

In the case of Public Works, there is additional spending from the Water/Sewer Enterprise Fund that is not accounted for in this data. Most of the comparable communities have a Water/Sewer Enterprise Fund, and/or participate in the Massachusetts Water Resource Authority (MWRA). Further analysis is required to determine if water and sewer spending is included in General Fund spending for any community.

In the case of Education, Newburyport has a lower % of households with children than the comparable communities. On a Per Pupil basis, Newburyport actually spent more than average for the comparable communities in FY06 when school employee health and retirement benefits are included (see [Per Pupil Education Spending](#) below).

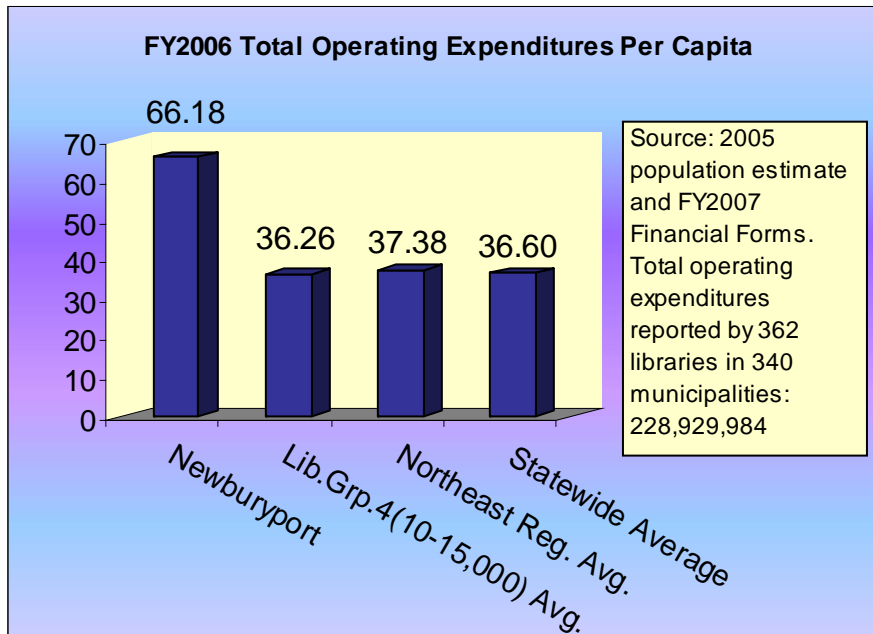
Figure 4 – Per Capita Spending Difference by Category



Source: Fiscal Year 2006 General Fund Expenditures, Massachusetts Department of Revenue, <http://www.mass.gov/Ador/docs/dls/mdmstuf//MunicipalActualExpenditures/expfn06.xls>

All categories of spending warrant further investigation to identify possible cost savings. For example, Newburyport spent well above the statewide average on Public Library operations (Culture and Recreation) in FY06:

Figure 5 – FY06 Library Operating Expenditures



Source: 2006 Data Charts, Massachusetts Board of Library Commissioners, http://mbic.state.ma.us/advisory/statistics/public/charts/2006/fy06_toe.xls

Multiplied by 17,414 residents, spending on library operations exceeded the statewide spending rate by \$525,902 in FY06.

The category where Newburyport outspent comparable communities by the widest margin (\$79) in FY06 was **Fixed Costs (Health Insurance and Retirement)**. Multiplied by 17,414 residents, fixed costs amounted to \$1.38 Million in overspending in FY06. A significant portion of the Fixed Costs category is attributable to current and retired school employees.

Per Pupil Education Spending

Although Newburyport’s per capita spending on education in FY06 was lower than comparable communities, Newburyport’s **per pupil** spending was higher than comparable communities. Note, however, that the Department of Education includes **Fixed Costs** (Health Insurance and Retirement) and **Charter School Assessments** when calculating Per Pupil spending. These categories are not included in the DOR Education spending category described above.

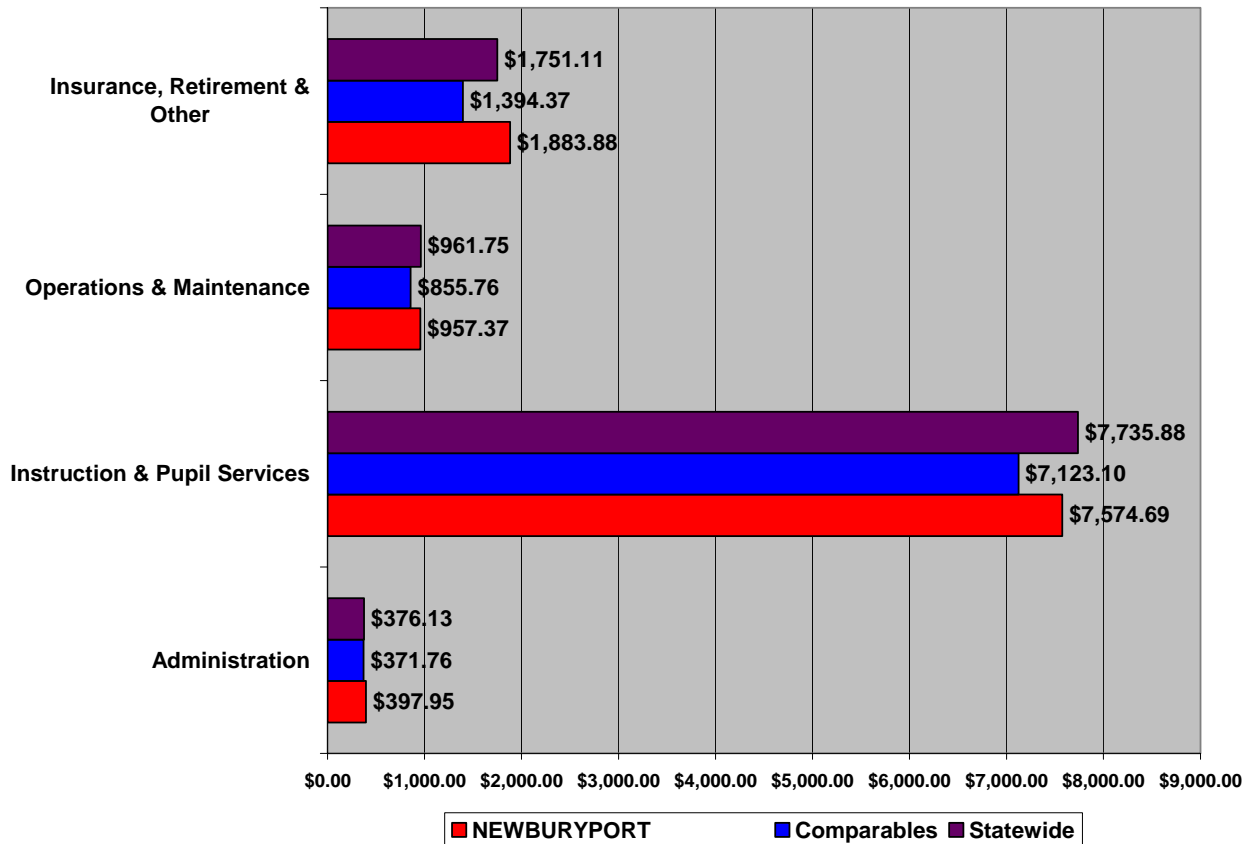
Table 3 – FY06 Per Pupil Spending

District	FY06 Per Pupil Spending
Bedford	13,494.70
Newburyport	11,070.90
Swampscott	10,546.35
Wakefield	10,220.69
Holliston	10,192.56
Ashland	9,905.66
Lynnfield	9,737.44
Ipswich	9,680.74
Melrose	9,571.25
North Reading	8,428.99
Comparable Communities	10,284.93
Statewide	11,210.77

Source: *FY06 Expenditures Per Pupil – All Funds*, Massachusetts Department of Education, http://finance1.doe.mass.edu/schfin/statistics/function06_detail.aspx

The Department of Education (DOE) provides a detailed breakdown on Per Pupil spending. The chart below shows the budget categories where the Newburyport outspent the average for comparable communities in FY06.

Figure 6 – FY06 In-District Per Pupil Spending

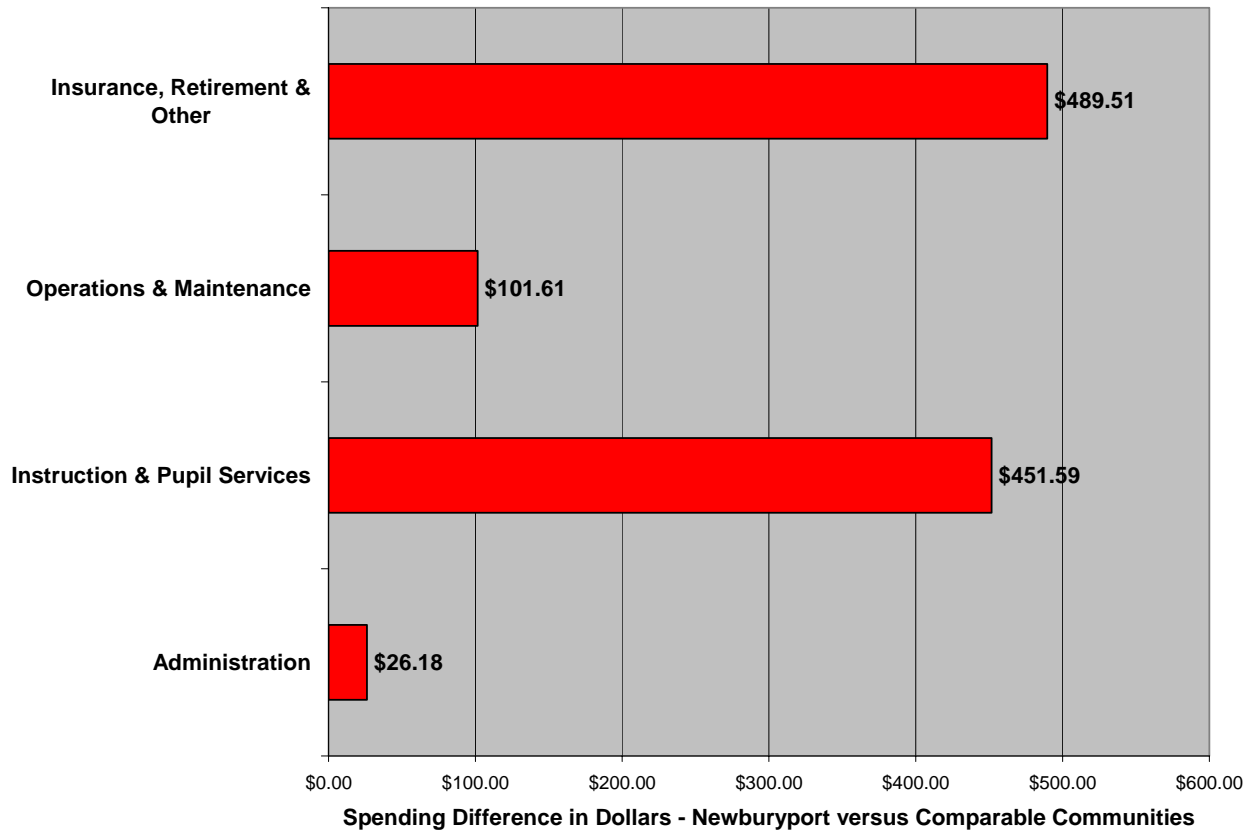


Source: *FY06 Expenditures Per Pupil – All Funds*, Massachusetts Department of Education, http://finance1.doe.mass.edu/schfin/statistics/function06_detail.aspx

The highest category of overspending was **Insurance, Retirement & Other**. With an excess of \$489 per pupil, this amounted to \$1.16 Million in excess spending. The next highest category of overspending was **Instruction & Pupil Services**. With an excess of \$451.59 per pupil, this amounted to \$1.07 Million (about 17 teachers).

Overspending on **Administration** was modest. With an excess of \$26 per pupil, this amounted to \$62 K (about 1 administrator).

Figure 7 – FY06 In-District Per Pupil Spending Difference



Source: *FY06 Expenditures Per Pupil – All Funds*, Massachusetts Department of Education, http://finance1.doe.mass.edu/schfin/statistics/function06_detail.aspx

In FY08 there were significant cuts to spending including:

- Kelley School closure
- Elimination of 25 teacher FTEs
- Elimination of Middle School Assistant Principal

The cuts in FY08 alone amounted to \$1.5 Million, or about \$650 per pupil. These cuts more than compensated for the overspending on **Operations & Maintenance**, **Instruction & Pupil Services** and **Administration** (which together accounted for \$582 per pupil in overspending).

The only category that has not been cut is **Insurance, Retirement & Other**. This category continues to grow faster than inflation, eroding education services. On insurance for active and retired employees, Newburyport outspent the average for comparable communities by \$495 per pupil, amounting to a total of **\$1.18 Million excess in FY06**.

Table 4 – FY06 Student Teacher Ratios

District	Students at the District Including Choice-In	Choice-In Students	Total # of Teachers	Student / Teacher Ratio
Bedford	2282	0	193	11.9
Holliston	2971	97.4	234	12.7
Swampscott	2395	0	188	12.7
Newburyport	2374	215.4	183	12.9
Ipswich	2085	98.5	155	13.5
Wakefield	3473	0	255	13.6
Ashland	2654	11.2	187	14.2
Lynnfield	2202	0	152	14.5
North Reading	2780	0	186	15.0
Melrose	3537	0	229	15.4
Comparable Communities	2675		196	13.6
Statewide				13.2

Sources: *School/District Profiles*, <http://profiles.doe.mass.edu/>,
Trends in School Choice Pupils and Tuition,
http://finance1.doe.mass.edu/schfin/choice/choice_hist.aspx?ID=305

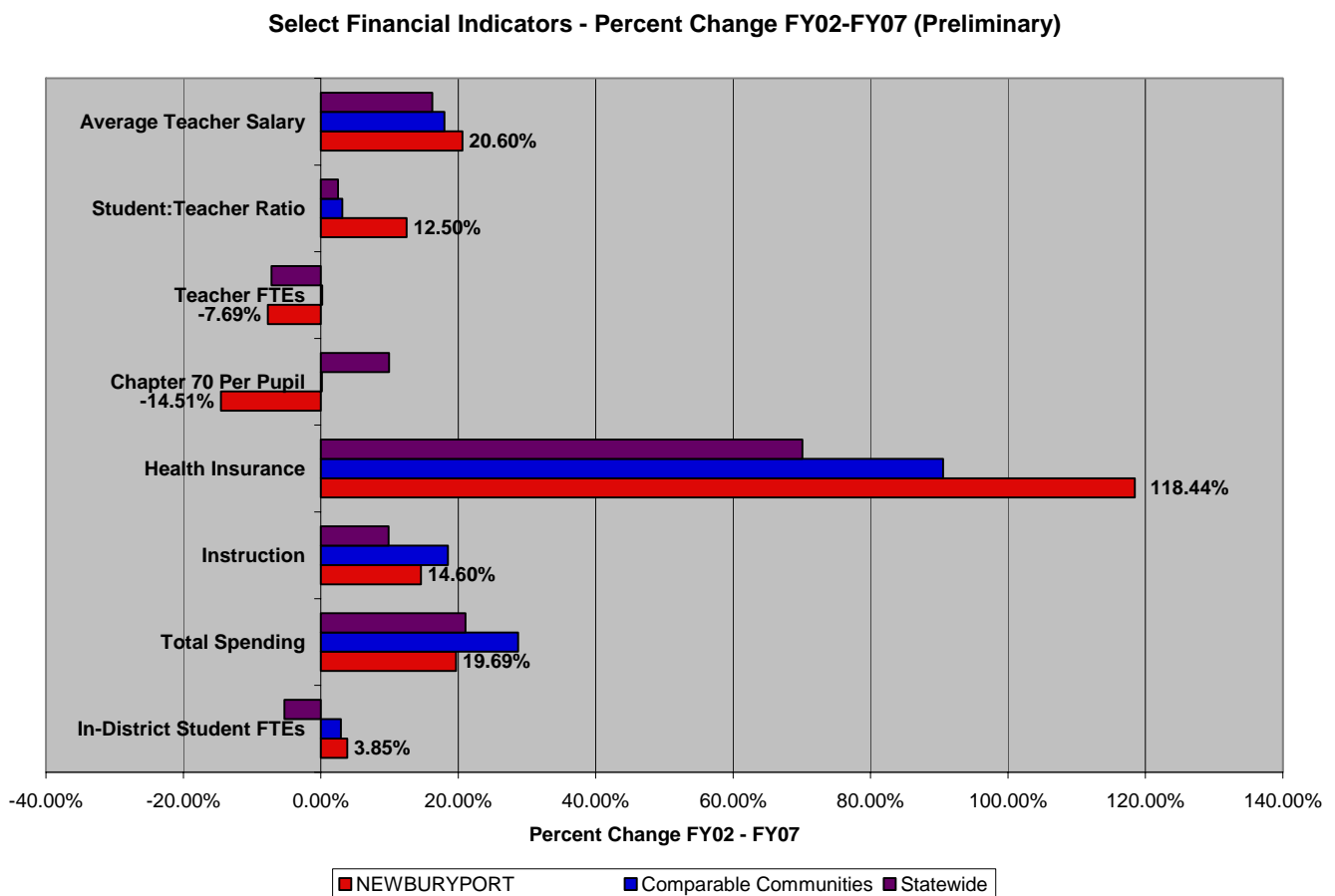
With the elimination of 25 teacher FTEs in FY08, Newburyport’s current student/teacher ratio is estimated to be around **14.1** (2306 students / 163 teachers).

In FY06, Newburyport was just about breaking even on Choice-In students (215 students/12.9 teachers = 17 teachers * \$63,211 = \$1.07 Million). With the current higher student/teacher ratio, Newburyport is starting to benefit from Choice-In students. However, there may be additional indirect costs and benefits that should also be considered when evaluating School Choice participation.

Education Spending Trends

According to a January 2008 report from the DOE, Newburyport’s total spending on education increased **3.9% annually** from FY02 to FY07, compared to 4.2% for comparable communities and 5.7% statewide. During that same period, Newburyport’s spending on Health Insurance increased by a staggering **23.7% annually**, compared to 18% for comparable communities and 14% statewide.

Figure 8 – Select Financial Indicators – Total Percent Change FY02-FY07 (Preliminary)



Source: *Preliminary Report on Current Fiscal Conditions in Massachusetts School Districts*, January 2008, Massachusetts Department of Education, <http://www.doe.mass.edu/research/reports/research.html>

The 23.7% annual increase in health insurance cost was the largest increase among comparable communities. At the same time, Newburyport experienced a **2.9% annual decrease in Chapter 70 aid**. This was the largest decrease in Chapter 70 among comparable communities. However, Newburyport’s Per Pupil Chapter 70 aid was above

average among comparable communities up until FY07 (see Figure 15 – Per Pupil Chapter 70 Aid FY02 to FY07).

During the same period, **spending on instruction** increased by only **2.9% annually**, indicating that education services are eroding to cover the increased cost of staffing. This erosion of services is reflected in the number of teacher FTEs which decreased by 1.5% annually in Newburyport, and student/teacher ratio which increased by 2.5% annually.

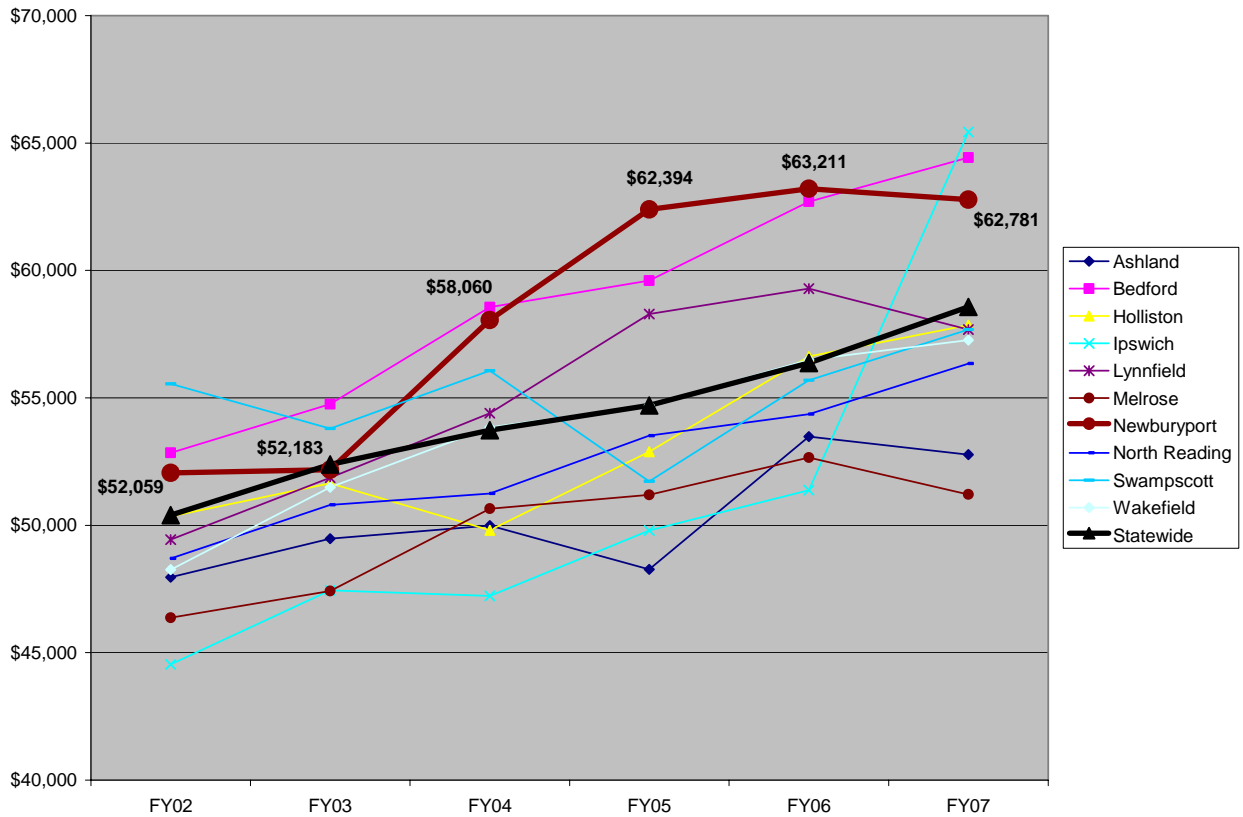
Table 5 – Select Financial Indicators – Total Percent Change FY02-FY07 (Preliminary)

District	In-District Student FTEs	Total Spending	Instruction	Health Insurance	Chapter 70 Per Pupil	Teacher FTEs	Student Teacher Ratio	Average Teacher Salary
Ashland	5.58%	37.61%	16.67%	116.64%	18.25%	1.25%	4.28%	10.03%
Bedford	-0.59%	43.03%	24.19%	91.39%	-9.53%	1.63%	-2.18%	21.92%
Holliston	-6.14%	20.54%	18.28%	64.62%	-9.34%	-2.15%	-4.08%	14.92%
Ipswich	-2.41%	20.56%	18.17%	42.50%	-4.87%	-16.06%	16.26%	46.91%
Lynnfield	15.13%	36.16%	24.89%	114.27%	-4.87%	12.10%	2.70%	16.68%
Melrose	-0.46%	19.30%	5.49%	101.19%	-7.72%	-7.10%	7.15%	10.43%
Newburyport	3.85%	19.69%	14.60%	118.44%	-14.51%	-7.69%	12.50%	20.60%
North Reading	10.66%	36.56%	32.64%	95.48%	45.58%	10.00%	0.60%	15.70%
Swampscott	5.59%	31.96%	23.24%	99.20%	0.41%	9.56%	-3.62%	3.83%
Wakefield	-1.75%	21.92%	6.90%	61.89%	-11.73%	0.48%	-2.22%	18.68%
Comparable Communities	2.95%	28.73%	18.51%	90.56%	0.17%	0.20%	3.14%	17.97%
Statewide	-5.29%	21.05%	9.87%	70.09%	9.94%	-7.19%	2.50%	16.23%

Source: *Preliminary Report on Current Fiscal Conditions in Massachusetts School Districts*, January 2008, Massachusetts Department of Education, <http://www.doe.mass.edu/research/reports/research.html>

Newburyport’s **average teacher salary** increased on average by **4.1% annually**, compared to 3.6% for comparable communities and 3.2% statewide. A portion of the increase in teacher salary is attributable to the layoff of lower paid entry level teachers. This phenomenon is especially evident in Ipswich, where 16% of teachers were laid off and salaries rose 46% over five years (note, however, that the FY07 data is *preliminary* and may not be completely accurate).

Figure 9 – Average Teacher Salary FY02 – FY07 (Preliminary)



Source: *Preliminary Report on Current Fiscal Conditions in Massachusetts School Districts*, January 2008, Massachusetts Department of Education, <http://www.doe.mass.edu/research/reports/research.html>

Note: Newburyport's Teacher FTEs, and the resulting salary averages, were reported incorrectly for FY04 and FY06. The FY04 and FY06 averages were recalculated using the actual FTEs available at <http://profiles.doe.mass.edu/teacherdata.aspx>.

In 2003, data published by the DOE indicated that the average salary for Newburyport teachers placed them in the bottom 10% statewide. Based on this data, the School Committee negotiated a contract to align teacher salaries with competing districts. In January 2008, the DOE published adjusted salary figures (shown above) which pushed the average FY02 Newburyport teacher salary above the statewide average. While this information was not available to the School Committee before the most recent contract was negotiated, it should be considered in the current round of negotiations.

Spending Analysis Conclusion

None of the comparable communities is an exact match with Newburyport and due to demographic and data reporting differences, it's very difficult to make an 'apples to apples' comparison between communities. However, the following conclusions can be drawn from comparing Newburyport's current spending patterns to comparable communities:

Education spending:

- In FY06, Newburyport outspent comparable communities by \$1069 per pupil (\$2.5 Million total). Health Insurance accounted for nearly half (\$1.18 Million) of the overspending.
- In FY08, Newburyport reduced school spending by approximately \$650 per pupil (\$1.5 Million), reducing the costs of Administration, Instruction and Operations/Maintenance, but not the cost of Health Insurance.
- Increases in teacher salary (4.1% annually) and health insurance (23.6% annually) and cuts to Chapter 70 aid (-2.9% annually) have resulted in cuts to instruction and other pupil services, as well as the institution of bus and athletic fees.
- Newburyport's spending on Health Insurance for current and retired employees is excessive and has yet to be addressed.

City spending:

- Just as in the School Department, Newburyport's city spending on Health Insurance for current and retired employees is excessive and has yet to be addressed.
- When education services and associated fixed costs are excluded, Newburyport outspent comparable communities by approximately \$200 per capita (\$3.5 Million total). Categories of outspending included:
 - Fixed Costs (Health Insurance and Retirement)
 - Fire
 - Human Services (Youth and Veteran Services)
 - Culture & Recreation (Library and Parks)
 - General Government
 - Intergovernmental

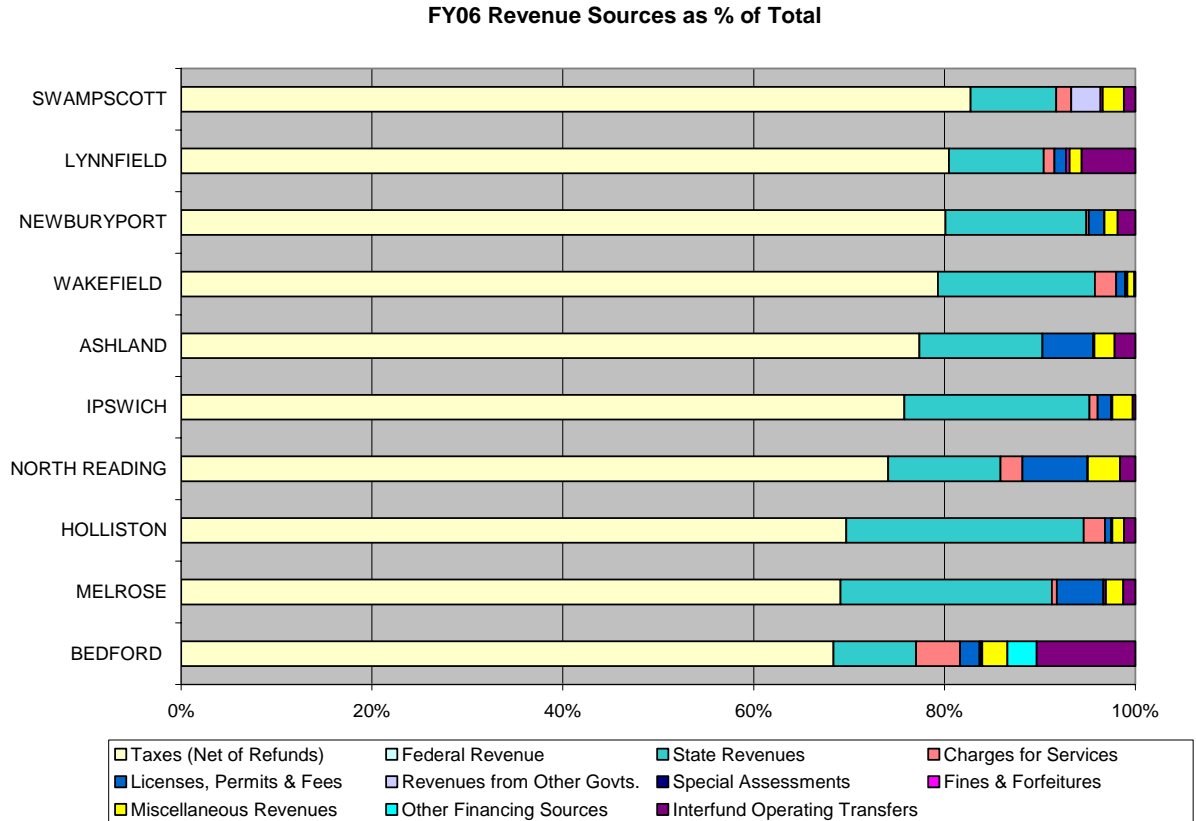
These spending categories should be closely examined for potential costs savings.

- Newburyport under-spent comparable communities by \$89 per capita for a total of \$1.55 Million on Debt Service. The school and city operating budgets should be examined for capital improvements that can be funded through bonding.

Revenue Analysis

The DOR maintains a spreadsheet comparing the actual revenues and expenditures of Massachusetts cities and towns. The latest complete set of data available is for FY06. The following chart shows revenue by source for FY06.

Figure 10 – General Fund Revenues as % of Total



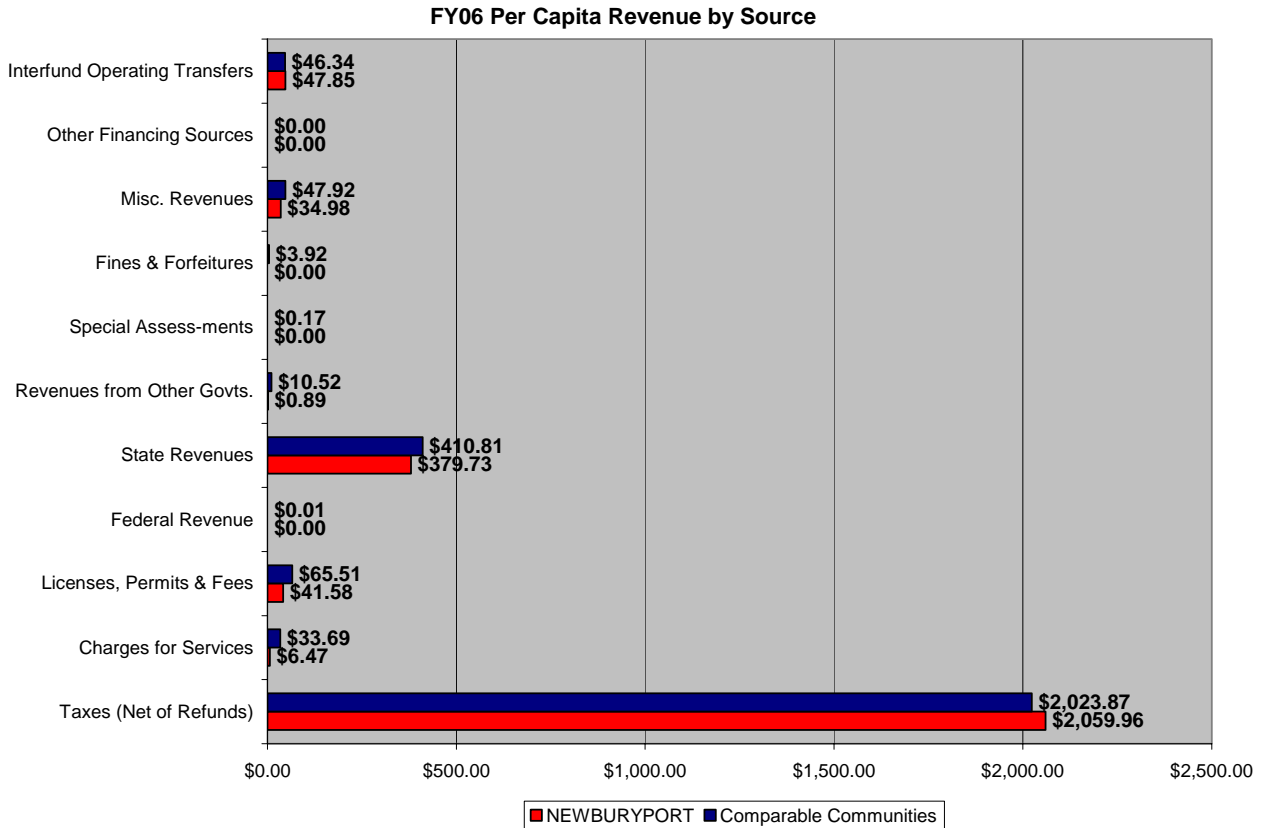
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On average, property taxes account for 75% of General Fund revenues for comparable communities. Newburyport is above average, with property taxes accounting for 80% of General Fund revenues. On a per capita basis, Newburyport property taxes are also higher than average, as shown below.

Per Capita Revenue by Category

Revenue by category as % of total reveals the relative sources of revenue, but does not reveal the magnitude of revenue. Per capita revenue is a better indicator of the magnitude of revenues collected.

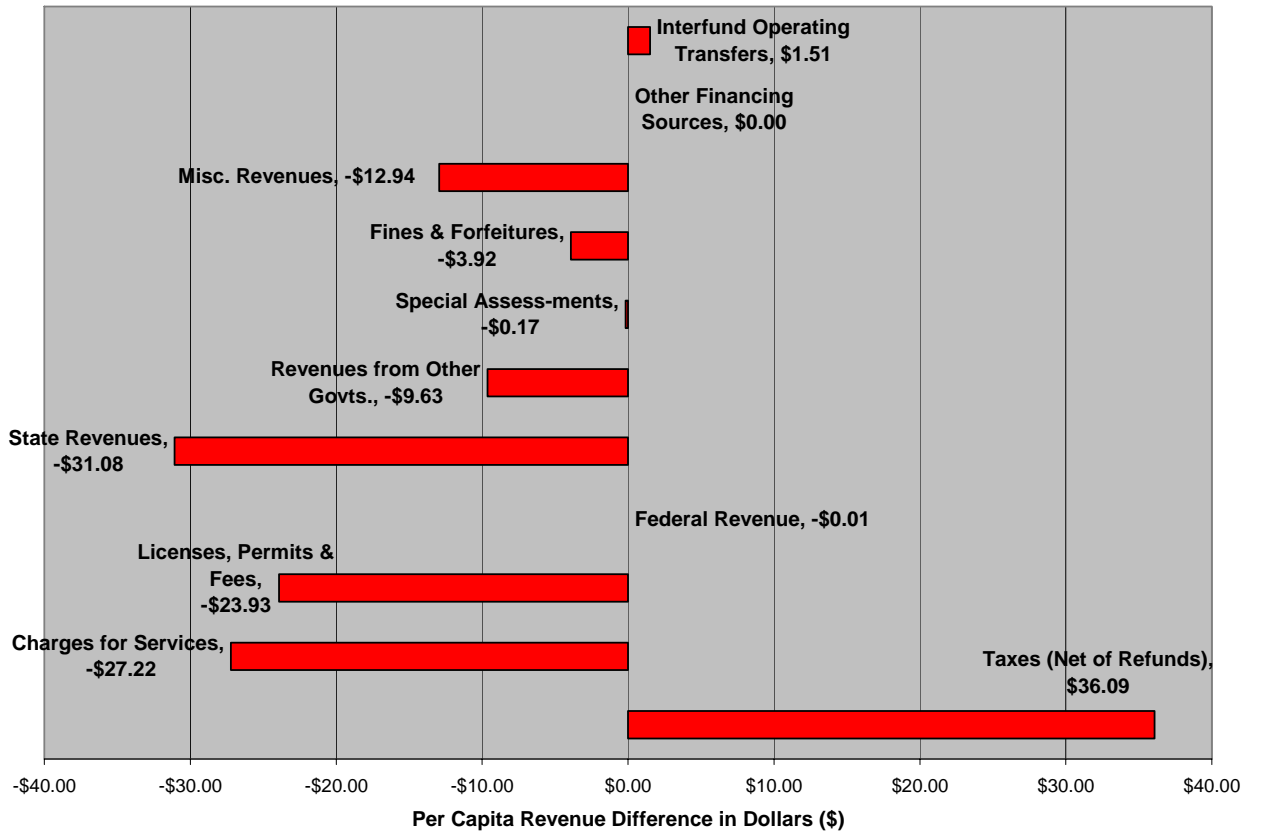
Figure 11 – FY06 Per Capita Revenue by Source



Note: The town of Bedford was excluded from this comparison because Bedford collected nearly double (185%) the average *per capita revenue* for the other nine comparable communities.

On a per capita basis, Newburyport collected \$36 more taxes in FY06 amounting to a total of approximately \$627,000 more than average. Newburyport collected \$24 less per capita in Licenses, Permits & Fees and \$27 less per capita on Charges for Services, amounting to a total of approximately \$960,000 less than average.

Figure 12 – FY06 Per Capita Revenue Difference: Newburyport – Comparable Communities



Average Property Tax Bill

In FY07, Newburyport’s average single family home value, total assessment and tax rate was just about average for comparable communities. However, Newburyport’s average single family tax bill was lower than comparable communities, at only \$4,925 compared to \$5276. Only, Wakefield, Melrose and Ipswich had lower single family tax bills.

Table 6 – FY07 Average Single Family Tax Bill

Municipality	Assessed Value	Parcels	Average Value	Tax Rate	Single Family Tax Bill	Rank (out of 339)
Wakefield	2,594,022,300	6,165	420,766	9.52	4,006	111
Melrose	2,724,281,400	6,288	433,251	9.83	4,259	94
Ipswich	2,007,473,170	3,743	536,327	8.32	4,462	86
Newburyport	2,066,174,400	4,233	488,111	10.09	4,925	62
Ashland	1,497,603,200	3,643	411,091	12.60	5,180	55
North Reading	2,128,977,100	4,155	512,389	10.82	5,544	49
Lynnfield	2,262,123,400	3,783	597,971	9.51	5,687	45
Holliston	1,839,911,500	4,228	435,173	13.35	5,810	43
Bedford	1,731,946,700	3,276	528,677	11.29	5,969	38
Swampscott	1,828,323,300	3,399	537,900	12.86	6,917	27
Average	2,068,083,647	4,291	490,166	10.82	5,276	

Table 7 – FY07 Property Tax as % of Median Family Income

Municipality	1999 Median Family Income	Average Home Value	Single Family Tax Bill	% of Median Income
Wakefield	\$77,834	420,766	4,006	5.2
Melrose	\$78,144	433,251	4,259	5.4
Ipswich	\$74,931	536,327	4,462	5.9
Newburyport	\$73,306	488,111	4,925	6.7
Ashland	\$77,611	411,091	5,180	6.7
North Reading	\$86,341	512,389	5,544	6.4
Lynnfield	\$91,869	597,971	5,687	6.2
Holliston	\$84,878	435,173	5,810	6.8
Bedford	\$101,081	528,677	5,969	5.9
Swampscott	\$82,795	537,900	6,917	8.3
Average	\$82,879	490,166	5,276	6.4

Newburyport’s FY07 single family tax bill was 6.7% of the 1999 Median Family Income, which was just slightly more than average for comparable communities. Note, however, that the latest income data available is from the 2000 Census. With the sharp increase in

home values since 2000, it's likely that Newburyport's median family income has also risen.

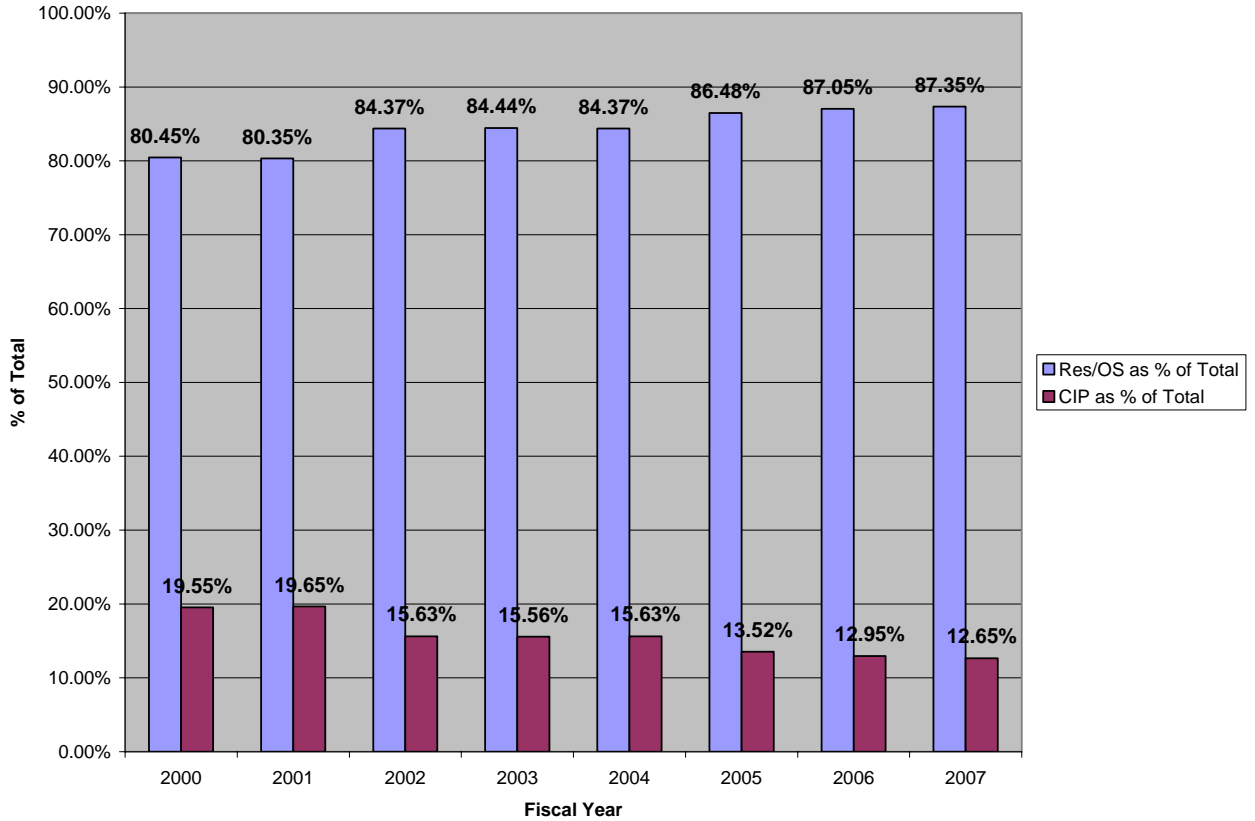
Newburyport had the third highest percentage of total tax levy from Commercial and Industrial property at 12.65% of the total levy in FY07.

Table 8 – FY07 Tax Levy by Class – Comparable Communities

Municipality	Residential / Open Space as % of Total	Commercial / Industrial as % of Total
Bedford	60.52	39.48
Wakefield	75.11	24.89
Newburyport	87.35	12.65
Swampscott	88.67	11.33
North Reading	88.98	11.02
Ipswich	90.24	9.76
Holliston	90.54	9.46
Ashland	91.79	8.21
Melrose	92.20	7.80
Average	85.04	14.96

However, Newburyport's Commercial and Industrial tax levy has been shrinking relative to our Residential/Open Space tax levy. In FY00, Commercial and Industrial property accounted for **19.55%** of the total levy. In FY07, Commercial and Industrial property accounted for only **12.65%** of the total levy. This shrinking is a result of the surge in home values since 2000. The difference, 6.9% of \$35.4 Million, is equivalent to a **\$2.44 Million tax break** to commercial and industrial properties.

Figure 13 – Newburyport’s Tax Levy by Class – FY00 to FY07



Five of the comparable communities have split tax rates, including Melrose, Bedford, Lynnfield, Swampscott and Wakefield. Only two cities in Massachusetts, Gardner and Newburyport, do not have a split tax rate. About one third (110/339) of all municipalities in Massachusetts have a split rate.

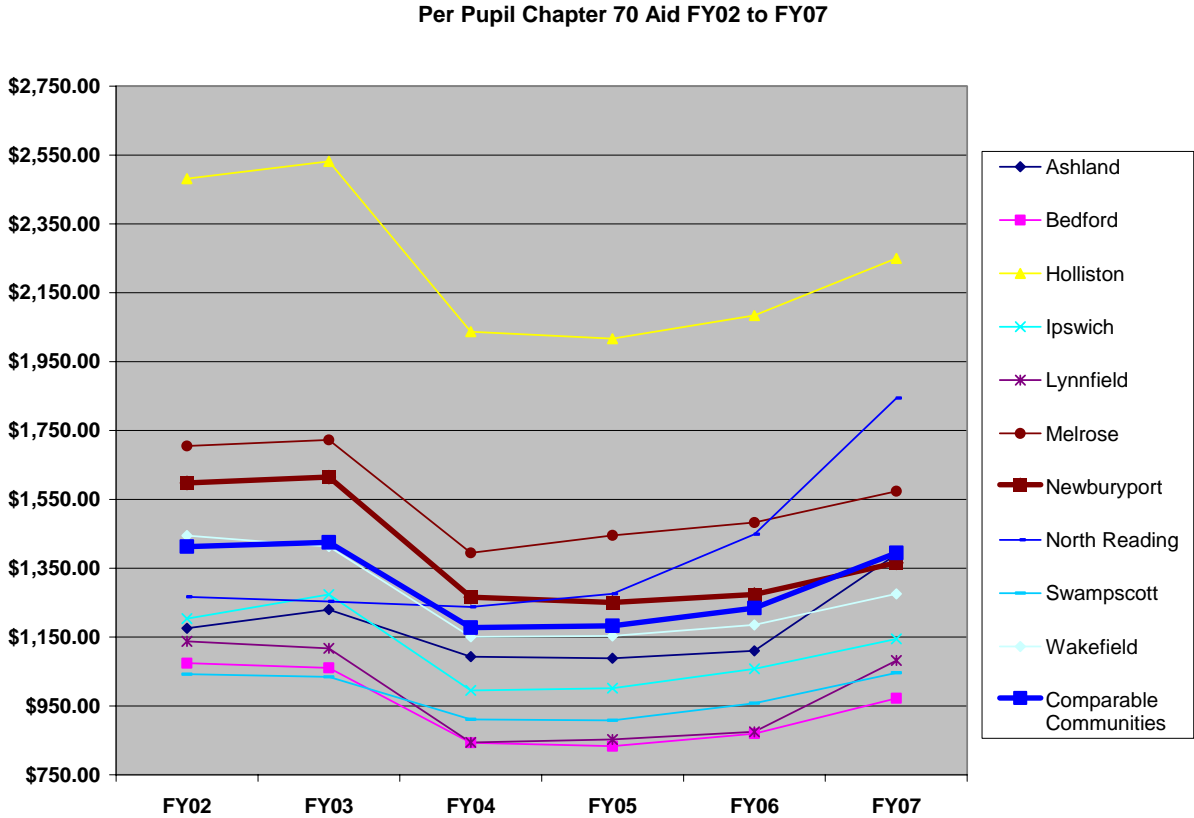
Figure 14 – FY07 Tax Rates of Comparable Communities

Municipality	Residential	Open Space	Commercial	Industrial	Personal Property	Split Rate
Ashland	12.60	12.60	12.60	12.60	12.60	
Bedford	11.29	8.47	25.27	25.27	25.27	Yes
Holliston	13.35		13.35	13.35	13.35	
Ipswich	8.32		8.32	8.32	8.32	
Lynnfield	9.51		11.47	11.47	11.47	Yes
Melrose	9.83		16.76	16.76	16.76	Yes
Newburyport	10.09	10.09	10.09	10.09	10.09	
North Reading	10.82		10.82	10.82	10.82	
Swampscott	12.86		23.74	23.74	23.74	Yes
Wakefield	9.52		20.04	20.04	20.04	Yes
Average	10.82	10.39	15.25	15.25	15.25	

State Revenue and Assessments

As shown above in Table 5 – Select Financial Indicators – Total Percent Change FY02-FY07, Newburyport’s Chapter 70 Per Pupil Aid *decreased by 14.5%* over five years, while comparable communities were relatively flat with a 0.17% increase. However, Newburyport’s per pupil aid was above average for comparable communities up until FY07.

Figure 15 – Per Pupil Chapter 70 Aid FY02 to FY07

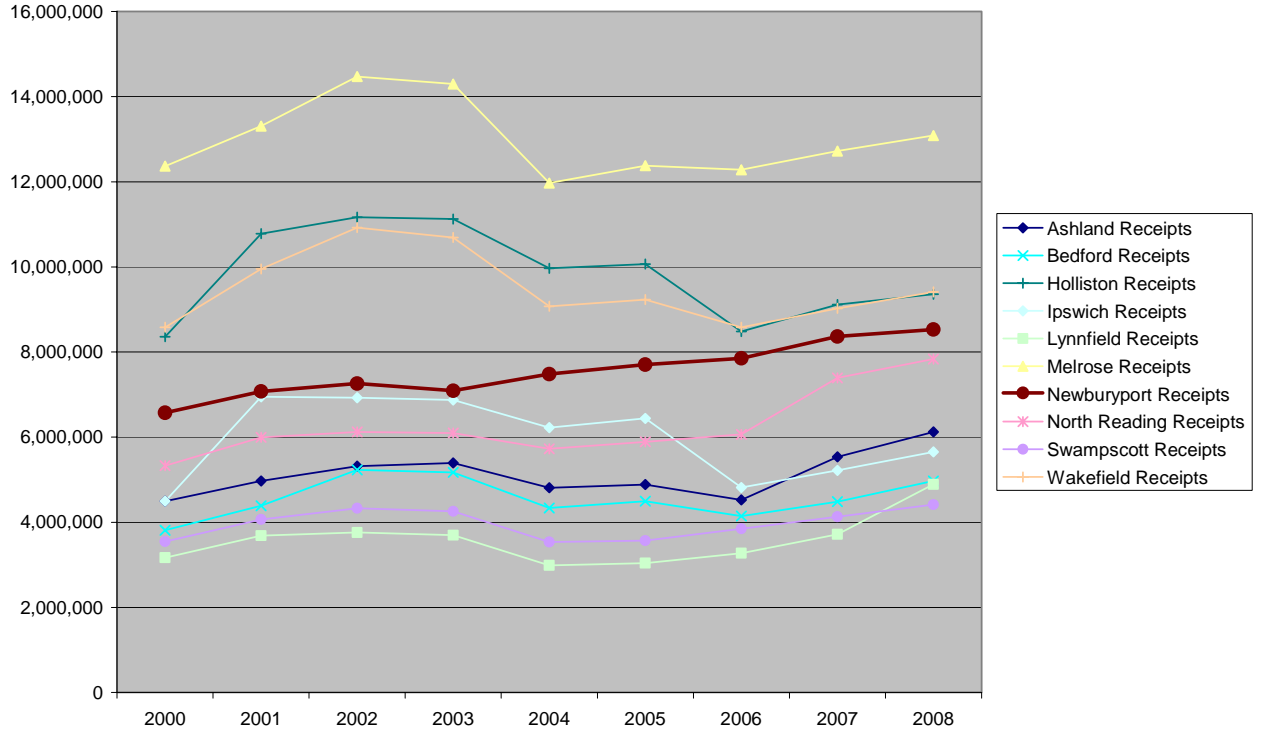


This decrease in Chapter 70 results from an aid formula which relies on heavily on *total property value* as an indicator of ability to pay. Newburyport, along with Bedford, Lynnfield and Ipswich, has a high per capita property value as shown above in Table 1 – Comparable Communities.

From FY00 through FY08, Newburyport’s total state receipts increased on average 3.7% annually as shown below.

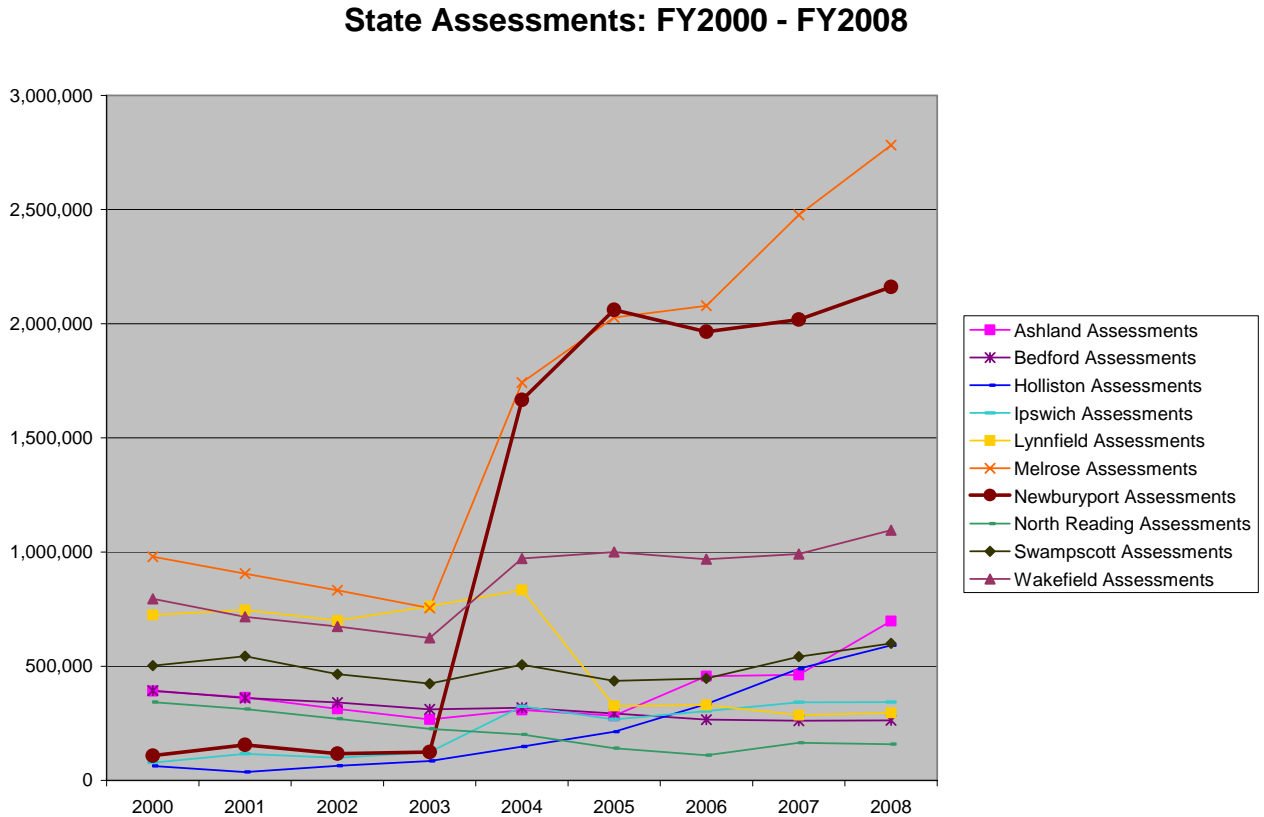
Figure 16 – Total State Aid Receipts FY00- FY08

State Aid Receipts: FY2000 - FY2008



During the same period, Newburyport’s state assessments increased on average a staggering **236.7%** annually. From 2004 through 2008, Newburyport and Melrose had unusually large state assessments when compared to comparable communities. This difference is due to the presence of **Charter Schools** in those communities, and the resulting charter school tuition charges

Figure 17 – Total State Assessments FY00 - FY08



On average, Newburyport’s net state receipts have declined by -0.2 annually when Charter School tuition assessments are included. The **Massachusetts Association of School Superintendents** is advocating that Charter School tuition be reduced to \$5000 to match School Choice tuition. Newburyport’s FY08 charter school tuition assessment is \$1.59 M. Reducing the tuition to \$5000 would save Newburyport approximately \$800,000 per year, bringing our state assessments down from \$2.16 M to \$1.36 M (still higher than average for comparable communities). Currently neither DOE nor the legislature has proposed such a change to Charter School tuition.

School Choice tuition was set in 1994 at 75% of the sending districts per pupil spending, with a cap of \$5000 per pupil. No such cap exists on Charter School tuition. Removing or adjusting the School Choice tuition cap could bring in another \$3300 per pupil in revenue, or approximately \$660,000 per year for 200 Choice-In students. Currently neither DOE nor the legislature has proposed such a change to School Choice tuition. School Choice and Charter School were intended to give parents a choice and to reward districts that attract students. However, the current tuition inequity between School Choice and Charter Schools is harming Newburyport schools.

Revenue Analysis Conclusion

None of the comparable communities is an exact match with Newburyport and due to demographic and data reporting differences, it's very difficult to make an 'apples to apples' comparison between communities. However, the following conclusions can be drawn from comparing Newburyport's current revenue sources to comparable communities:

- Newburyport's **Chapter 70 Per Pupil Aid decreased by 14.5%** over five years, while comparable communities were relatively flat with a 0.17% increase. This decrease results from an aid formula which relies on heavily on ***total property value*** as an indicator of ability to pay. Newburyport should continue to lobby the Governor and state legislature for Chapter 70 reforms.
- At the same time Chapter 70 aid was dwindling, Newburyport and Melrose experienced large state assessments for **Charter School tuition**. In Newburyport's case, the assessment could be more than offset by the School Choice tuition we receive for approximately 200 students. However, Charter School tuition is around \$11,000 whereas School Choice tuition is only \$5000. Newburyport needs to lobby the Governor and state legislature to rectify this inequity.
- Relative to comparable communities, Newburyport relies more heavily on the property tax than on other charges and fees. In addition, due to the surge in home values, the **property tax burden** has shifted from commercial and industrial property onto home owners. Newburyport should investigate revenue sources that do not place additional burden on moderate to low income residents and families already paying bus and athletic fees.

Closing the Revenue/Spending Gap

Short Term (FY09) Suggestions for Consideration

The following are suggestions for potential revenue enhancements and cost reductions that can be initiated in FY09. The highlighted boxes are top priorities 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

The following are suggestions for potential revenue enhancements and cost reductions should be evaluated and pursued in the longer term.

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.

Supporting Documentation for Suggestions

Short Term

Ballot Initiative

Local municipal financial crises, initially only a problem for a few urban communities, has now increasingly becoming a significant problem for many communities many of which had previously been known for their fiscal conservatism. Newburyport now has become one of these growing numbers of municipalities that finds itself in a fiscal crisis. The state provides little to local city and town officials to assist themselves in their fiscal crises. Proposition 2 ½ provides minimal increased revenues to a municipality. For Newburyport, this amounts to @ \$880,000 with costs ever increasing with inflation of @5-6% associated with a general increase in the costs of necessary commodities and services. It is clear that increased state aid to local municipalities will not be forthcoming so local communities are left to their own to support initiatives important to them.

Current proposals put forth by the state to address the pervasive budget crunch experienced by communities across the state have engendered some controversy, and in any case will not be available before the next fiscal year. Adjusting for inflation, communities now receive \$600 million less in local aid than in 2002. The percentage of state tax revenues that comes to local communities has fallen from 32% to 26% during this period. Municipal costs grow now at rates faster than inflation.

Under the rules of Proposition 2 ½, local communities have no other potential means of increasing revenues on their own. Several initiatives to address this have failed to gain traction in the state legislature; such as the meals tax initiative; and the inability to provide municipal leaders the flexibility to negotiate the GIC health insurance initiative if it appeared beneficial, outside of union approvals.

Many communities in the past have resorted to Proposition 2 ½ Ballot Initiatives to compensate for the financial gaps. New growth, which has been declining in Newburyport, and Proposition 2 ½ are the primary mechanisms for communities today to create additional revenue.

Proposition 2 ½ establishes 2 types of voter approved increases in taxing authority; one is an override and the other a debt exclusion. An override is a permanent increase in the amount of property tax revenue a community may raise. The purpose of an override usually is to provide funding for municipal expenses that are likely recur or continue in the future such as annual operating costs and fixed municipal costs although it can be used for any municipal spending purpose; while it is a permanent increase in the tax rate, the community also has the potential to cut it's overall rate at any time.

A debt exclusion increases the amount of property tax revenue for a limited or temporary period of time in order to fund a capital project or to exclude municipal debt. Public buildings, public works projects as well as equipment purchases are such examples of

capital projects. Both ballot questions are subject to a simple majority of voter approval for passage.

In Newburyport during the recent mayoral election, there was a strong consensus by all that Newburyport has significant capital needs. Our streets and sidewalks have been drastically neglected and are in need of drastic improvements. Such costs will recur on a regular basis in the years to come. For our public safety, our community is in desperate need of a new fire truck. There is a need for a senior center as well as a need to develop our waterfront and to finalize the issues of the much needed parking situation. Also, the plight of our schools is well known to all with the significant cuts in programs that have adversely affected our children's education, has significant building needs. We will continue to expect our streets to be plowed, our 911 calls to be appropriately answered and our children to have more than a mere adequate education. All of these community improvements will be needed now and continued maintenance and improvements required for future years to come. They will all demand increasing revenues on an ongoing basis with anticipated inflationary rises. Additional state aid is not forthcoming to our community. New fees and trimming budgets will lead to a few hundred thousand dollars. The costs for the above community concerns will be well over a million dollars.

To accomplish the above goals of erasing years of neglect as well as maintaining Newburyport as a wonderful vibrant community will require the community to make the commitment to providing needed funding, at least until other sources can be engaged. A Proposition 2 ½ Ballot Initiative would be one way to begin. It is the only way some communities in Massachusetts can survive today. Over the last 15 years many communities including some surrounding communities have supported such initiatives.

It is the consensus of the Revenue Task Force that Newburyport is facing a municipal crisis. Our city does not appear to have the revenues to sustain even level funding of services as costs continue to rise in excess of inflationary forces annually and this is further complicated by revenues being limited to Proposition 2 ½ tax increases. Such a community effort, the Task Force quickly realized, must include the school needs as well as all the broader municipal issues briefly mentioned above. This more comprehensive approach will benefit all the citizens of Newburyport for many years to come.

We recognize that this will cost money, revenue the city doesn't currently have. With no apparent state aid on the horizon, we believe that the choice to fund these needs rests for the present with the community; only Newburyport can provide these resources for its citizens. The time is now; further neglect will lead to potentially irreparable capital and operating damages and more significant monetary requirements in the years to come. If our community is not willing to accept the responsibility for increasing revenues to accomplish all that is necessary for the continued progress and improvement of our city and community, then we as a community will need to understand and accept all of the consequences of further economic decline. Bear in mind that if revenues do become increased and sufficient in future years of development, city officials can certainly lower taxes of their own accord; as well, the Proposition 2 ½ law also contains a mechanism that allows voters to mandate a reduction in taxes.

City/School Budgeting

In both good and bad fiscal times, it is prudent to review budgeting processes to insure that all dollars are being spent effectively and in line with the organization's goals and priorities. When enterprises are faced with difficult financial times, as currently being experienced by Newburyport's schools and city government, it becomes even more important to evaluate current budgeting practices and consider investigating alternative budgeting methods.

Oscar Borth, a Newburyport citizen, attended a task force meeting and provided basic information on Zero-Base Budgeting. His information will be forwarded separately for review and consideration.

While no one budgeting process will be the magic bullet to alleviate Newburyport's fiscal problems, all viable and proven methods should be on the table for consideration.

Whatever budgeting process Newburyport schools and city choose to use, the Task Force strongly suggests a thorough review of both budgets to ensure that services are being delivered in line with city values and priorities. Additionally, annual reviews should continue to be on the lookout for potential savings and efficiencies.

City Property

A list of city owned properties was provided by City Planner Nancy Colbert. Many of these properties are encumbered in a number of ways, either hosting a city facility such as a school or sewer plant or city hall, part of a future parking plan, recreational fields or may be part of our watershed protected properties.

In reviewing the document, there are a few properties identified that could be considered for sale or lease. Time did not allow a thorough investigation through the planning office or the office of the Mayor to determine if there are already plans for these properties or factors that might affect consideration of them for sale or lease.

However, there are surplus properties in the city with values ranging from \$184,000 to \$1.1 million. Given our current financial situation, it would be an appropriate time to review our inventory and determine if the sale of any of these properties would be more beneficial to the city than continuing to hold them in inventory. The sale of a property would provide immediate dollars to our general budget. It could also potentially add ongoing tax revenues, depending on what property was sold.

In discussion with City Planner Nancy Colbert, it was suggested that another possibility might be leasing. That would also allow an ongoing revenue stream to assist in the maintenance of city buildings we might want to keep but do not have available dollars to maintain. One building in particular that was discussed was the Kelley School.

Contracts

Newburyport is faced with continued financial uncertainty for the foreseeable future. Past contractual practices have produced multi-year contracts for various city unions. This has allowed the city to perhaps spend less on legal fees but has also committed the city to salary increases and benefits based on unknown future revenues. The Mayor and the School Department might consider the benefit of one year contracts based on the upcoming year's known revenues until the city is in a more financial stable position.

CPA

The Community Preservation Act (Chapter 44B MGL, Sec.3-7) was voted on and adopted by Newburyport in November 2002 by a vote of:

- Yes – 3827
- No – 3705
- Blank – 810

The CPA is an annual surcharge on the homeowner's property tax. This is a dedicated revenue source for funding the preservation of open space, historic preservation, recreation and assisting with affordable housing. Newburyport voted in a 2% surcharge and at that time and until recently received 100% matching funds from a state trust fund.

The provisions of the CPA stipulate that once adopted a community must remain in the program for five years; however, the amount of the surcharge and any exemptions associated with the fund can be changed at any time. After a 5 year commitment, a community can reconsider their participation; however, the surcharge will remain in effect until all contractual obligations are met.

In 2008 the 100% funding will change due to the incredible popularity of the program and a different distribution of funds. Further details about new percentage matches will be mailed to individual communities in March stated by Robert Bliss of the DOR in a Boston Globe news story, January 27th, 2008. Communities not at the full 3% allowable surcharge will most likely be affected by the change.

Newburyport has benefited greatly from the CPA. The CPA committee has done an incredible job managing the various components of this program while insuring we have met the criteria to satisfy it as well. We have obtained open space, increased affordable housing and benefited recreation areas and historic preservation projects.

Given the current fiscal situation Newburyport is facing and in light of a possible override or debt exclusion ballot initiative, our elected officials should consider what projects are still being considered, how the change in the state matching funds will affect the city and provide clear information to voters who will need to determine how many dollars above their current assessment they can afford and where their priorities lie in spending them.

Endowment

Publicize and promote the existing Citizens for Education Fund.

Fees and Charges for Services

Newburyport has witnessed a significant transfer of income burden from fees and charges for services onto the property tax when compared to other communities. An analysis of FY06 budgets of nine comparable communities shows that in FY06 Newburyport collected close to [\\$1 Million](#) less in fees and charges for services than our peers.

Apart from its peers, a review of the City's FY04-FY08 budgets shows that local receipts as a general category have remained relatively stagnant while the overall budget has risen by \$6.61m (+17%). As a percentage of the total budget, local receipts declined from 10.55% to 8.51% overall. The failure of fees and services income to rise at the pace of the city's overall budget represents a potential loss. The City has not, for example, investigated fee systems for services such as municipal trash pickup (Pay As You Throw) through which other communities have generated favorable income or savings.

A thorough review of fees and charges for services should be undertaken by the Mayor and City Council to see that the maximum possible income is being derived, and such a review should be part of the annual budget process. In the short term two items within the Local Receipts category appear to stand out. From FY04-08, real income (not adjusted for inflation) from fees declined by \$51,355 and investment income declined by \$50,484.

Gasoline/Electricity and General Purchasing

The City, particularly the School Department, has made a significant effort to revise purchasing practices to save money or increase the quality of service. Putting electrical services to bid in the 2004-06, for example, stabilized costs during a time of rate increases. For facilities such as the Rupert Nock Middle School (RAN), which is all electric, savings have been considerable. The bulk purchase of oil through the state bid list has saved money, as has bulk purchase of paper through the schools for the entire city.

One area in which the City may be cautious in its use of the state bid list is in the purchase of new electronic technology. Because of the rapid pace of their development and subsequent obsolescence, computers and other electronic devices may be found at lower prices on the internet than on the state bid list, which locks in prices on a multi-year basis. Each City department should be encouraged to "shop" before turning to the state list for such items.

The City must nonetheless continue to use, and widen its use of the state bid lists for many purchased items throughout all departments, including the water and sewer departments. It should also take advantage of the revised Chapter 30B process that facilitates municipal purchase of both goods and services. Using 30B to bid by all

departments for transportation and food services may offer some savings not yet achieved.

Centralized inventory control is an area in which savings can be achieved if storage capacity is available and personnel costs are low. The hiring of a city purchasing agent has been discussed in past years and may be a cost effective alternative for the city at this time. A nearby city implemented centralized purchase of printing services under the supervision of its purchasing agent within the past two years, who estimates savings in the tens of thousands of dollars. Having a central purchasing agent may also allow the city to evaluate the possibility of avoiding contracted services which would instead be provided “in house” by cross training existing personnel.

GIC and Medicare Conversion

The state Group Insurance Commission is currently out to bid and will not release its fiscal 2009 health plans and rates until late March. Once this data is known, it is important for the Mayor and the previously-formed Public Employee Committee to meet and coalition bargain for conversion from current Blue Cross Blue Shield plans into GIC plans.

This task force is cognizant that many employees and retirees fear the unknown and are skeptical to accept change. We encourage a full and transparent sharing of all information regarding the GIC options available to the employees, to mitigate those concerns. There is a strong potential that a shift to GIC can save money and improve health benefits. GIC health insurance is not a panacea for every community, but as Newburyport, with a history of high insurance premiums, the GIC is a strong option.

Saugus began receiving GIC benefits in January; and Groveland, Holbrook, Millis, and Winthrop will begin receiving GIC benefits on July 1. Over the coming months, Newburyport officials should reach out to officials in these other communities to hear tips on what worked.

Grants

Traditionally, the Newburyport School system has been aggressive and creative in pursuing grants that help the schools meet a wide range of students needs, from literacy to wellness, and everything in between. The primary source for these grants has been the federal government, and the state. During the past five years, a number of long established grants offered by each of these branches of government have “dried up,” making them more competitive, and introducing a more narrow range of eligibility; both have hurt Newburyport. For the purposes of this report, we arbitrarily divide reports into two categories; capital (buildings and infra-structure) and services (related to the delivery of education or human services to residents). The former are often highly technical, and require a great deal of sophistication and skill, and are usually the domain of the Planning Department or specific Municipal Departments that have capital needs- Public Works, Sewer and Water, etc.

The Task Force believes strongly that Newburyport can be more aggressive in pursuing a wider range of grants, and suggests a strategy for doing so would include the following elements:

- * A coordinated approach. There is no centralized coordination of the grant application process, no point of triage to consider opportunities, and direct them to the appropriate City departments or local service providers. Until such time as there is a designated municipal body to serve this function, **the Task Force recommends convening a voluntary group to look at the availability of service grants to address municipal needs, and to ensure that those grants are applied for.** There is a long tradition in Newburyport of community partnerships performing this function on a pro bono basis; we encourage the City to support these efforts. This could be a first step to open wider access to grants for the City, or a standing Committee.
- * The City should sponsor a dialog that brings together all of the municipal stakeholders to flesh out as much as possible a vision for how grants could be used to meet municipal needs.
- * To the extent possible, pool current or identify needed City resources to ensure that all potential grants are identified and considered. This could involve subscribing to services, ensuring Internet access, etc.
- * Actively create partnerships in the application for and delivery of grant-funded services. Increasingly, community partnerships (schools/police, seniors/wellness services) are becoming the norm for accessing these funds. As part of the triage process, the volunteer committee should encourage partnerships that make sense and make for collaborations.
- * There should be centralized filing or storage of every grant that goes out under the auspices of the City, and all subsequent compliance reports. This would allow for a long term view of the flow of grant money through the city, allow for collaborative modification of grants in “out-years,” provide a clear set of accountability standards, and bring an element of transparency to our grant-seeking activities that they currently lack. Note that this is not a recommendation that each grant be approved outside of the Department it emanates from.
- * An ongoing, creative dialog that brings new ideas and community partners to the table, and encourages taking a fresh look at how we might better use current grants, or apply for new grants.
- * Explore funding that might be available from foundations, businesses and other “private” sources of grant money.
- * Look at the possibility of grant funding projects requiring regional collaboration.

The City of Newburyport is lucky, in that over the past ten years, several hundred of thousands of dollars of community-based service grants, addressing issues like school drinking and wellness, planning for youth services have been successfully applied for by volunteers. Additionally, a number of our city departments have been successful in their application for grants, as seen in our Planning Office and Police Department. There is a clear understanding of the skills needed to write and get grants, and a functional, instinctive understanding of how to identify community needs and craft creative ways to

address those needs. We encourage the formation of a Grant Committee as soon as possible to continue and expand our success with our grant applications.

Stabilization Account

The City of Newburyport maintains a Stabilization Account in the amount of 5% of the General Fund for the entire city. This account functions as both an emergency account, as well as a retained earnings repository that helps maintain the current bond rating. As of the printing of this report, the General Fund has \$44,544,000. The Stabilization Account contains \$2,395,718, which is \$168,518 above the required 5% figure of \$2,227,000. This surplus could be released from the fund and used for other purposes.

Additionally, the 5% figure was arrived at by internal consensus among city officials. This figure should be reviewed at next bond issuance in order to determine if there is any value to lowering the reserve (thus freeing up cash) or increasing the reserve (increasing our bond rating to reduce debt servicing costs).

Telecommunications and Dispatch

For the past three budget cycles the City Council and Mayor have considered changes to the City's telecommunications systems. There is general agreement that the current system is not serving the City's needs, but promises to evaluate the system have not been followed up.

The administrative departments of the City are served by twenty-nine land lines, twelve fax lines and twenty-two cellular lines at cumulative cost of \$42,451 for FY08 through the master service agreement with Verizon. These lines and costs do not include those of the water and sewer departments, which are paid through enterprise funds of those departments on the rate base. Nor does this total include the phones of the school department, the costs of which are folded into the overall school administrative budget.

Individuals outside of City government who specialize in evaluating and designing telecommunications systems for large organizations have offered to evaluate the City's system and recommend changes that may save money or provide superior service within the current telecommunication services account.

While the Task Force is not able to calculate specific savings, the advantages of "voice over internet protocol" technology (VoIP) offer opportunities that should be pursued. VoIP optimizes transmission of voice through the internet or other packet switched networks, commonly referred to as "broadband. This system permits communications services to be bundled with internet access, interdepartmental connectivity, dispatch, and emergency 911 service.

A specific financial and programmatic advantage of up to date telecommunications systems may be realized through consolidating dispatch functions of the police and fire departments. Each department operates its own dispatch staff that operates its own dedicated system. Fire dispatch salaries, including overtime, night differential, clothing and holidays, cost \$162,123 in FY08, while police dispatch cost \$87,308. If modern

telecommunication systems permit consolidation of dispatch function through a single point of entry, roughly half of the \$249,431 dispatch personnel cost may be saved. Some of this saving may be offset by installation of new equipment, but potential annual savings of this magnitude should not be ignored.

Long Term

Ambulance and Towing Services

In an effort to evaluate the possibility of generating additional city revenues, we recommend that Newburyport explore the efficacy of providing towing and ambulance services.

Towing

Although this idea has been considered at various times over the past 20 years, there is no record of a thorough review of the potential costs/benefits of considering this. We recommend that this be done.

With regard to towing, a general rationale for considering it is that there are a number of cars per year that are towed and stored as a result of accidents and police citations/arrests. The unfortunate drivers are charged for that towing, and for the storage of their vehicles. A more formal study of this option would include the following considerations:

- * The capital costs of equipment for towing.
- * A clear understanding of the number of tows that occur in the City annually.
- * The cost of operating and staffing such a service, with some thinking about which City department it could operate out of.
- * What, if any effects it would have on current city insurance policies- medical, liability, vehicle.
- * Whether or not there is a fee structure possible that would allow the program to operate at a profit.
- * Whether or not a municipal towing program would achieve greater viability/profitability if it were to be operated as a regional partnership.

Answers to these basic questions will provide enough information to assess the potential of a towing service as a revenue source for the City. Information, once compiled, should be updated every several years, to see whether any of the costs have changed enough to make it viable.

Ambulance

Like towing, having the City provide ambulance services is an idea that has been considered off and on for years. Unlike towing, there are a number of communities that currently provide ambulance services, and generate revenue from it. Also like towing, there are no recent figures with which to consider this option.

Given the extension of health care insurance to hundreds of thousands of people in Massachusetts, there is now a greater likelihood for insurance reimbursement for transport. We would encourage the City to study this carefully. A more formal study of this option would include the following considerations:

- * Identifying the capital costs of equipment to provide ambulance services, on both an emergency and non-emergency basis.
- * Identification of potential operating protocols that the City would need to have to operate the service, (e.g. hospital agreements, agreements with insurance companies). Linkages with existing city services, including the police and the fire department.
- * A clear understanding of the number of emergency and non-emergency ambulance rides provided within the city.
- * The cost of operating and staffing such a service, with some thinking about which City department it could operate out of. A clear understanding of employee skills standards needed for providing such a service.
- * What, if any effects it would have on current city insurance policies- medical, liability, vehicle.
- * Whether or not there is a fee structure possible that would allow the program to operate at a profit; whether or not standard insurance reimbursement rates for ambulance services provide enough of a margin for profitability.

Chapter 70

In the early 1990's the "foundation budget" was established as an adequate spending level for a school district. This was further developed as a statistical measure to quantify a "model school budget for the average school district what constitutes an adequate but not excessive-level of funding." The goal of the Chapter 70 formula is to ensure that every district has sufficient resources to meet the needs of the foundation budget spending level through an equitable combination of state aid and local property taxes. Each year a district's foundation budget is updated to reflect changes in enrollment from the previous year. Enrollment plays an important role not just in total numbers of pupils but there are also cost differences based on grade levels, various educational programs and special needs. Within the 14 enrollment categories, there are several dealing with limited English and low income on the basis of eligibility for free and reduced lunch programs. These add significant state resources to a foundation budget but are categories of pupils of which Newburyport has few. In addition the allocation of special education funds (SPED) is based on a straight percentage of total enrollment for all districts with 3.75% of foundation enrollment for in district SPED and 1% of total foundation enrollment for out of district SPED. Funding of SPED is therefore not based on true costs and does not include transportation costs.

More importantly, the plight of Newburyport schools as for all schools in the Commonwealth is based upon the marked reduction in state aid to foundation budgets

that occurred in FY 04 where there was a 20% reduction in state aid (see Figure 1 below). Despite small increases in subsequent years, Newburyport's state aid to foundation budget has not returned to the pre FY 04 levels and the district has had to assume the burden of yearly inflation as well as the overall general increases in costs. In FY 07, for example, Newburyport's foundation budget was calculated to be \$17.3 million; Newburyport, based on the Chapter 70 formula receives the minimum 17.5% of the foundation budget in Chapter 70 state aid so the state's contribution was \$ 3.1 million as noted in Figure 1 below. Although the minimum in Chapter 70 aid is 17.5%, other communities receive higher percentages of foundation budgets, some to 100%, based on the Chapter 70 formula. In FY 07, Newburyport's actual school spending was \$ 24.4 million so that Newburyport funded \$ 21.4 million of its education costs.

Currently, Newburyport, along with approximately 1/3 of Massachusetts communities, receives the minimum amount in state aid which is @ 17.5% of their calculated foundation budgets. The individual municipality's contribution to education based on Chapter 70 is calculated by a formula using a combination of equalized property values (0.29%) and aggregate personal income (1.58%). For FY 08 state average foundation per pupil costs were \$8425/pupil with Newburyport's per pupil foundation cost being \$7990/pupil recognizing that the state would fund 17.5% of this amount. Foundation budgets do not reflect actual costs as they only represent the states "model school budget." For FY 06, Newburyport's total per pupil expenditure was \$11,020 with the state average per pupil expenditure being \$11,200. Preliminary FY 07 reports just reported indicate \$11,789 for the state average and \$11,161 for Newburyport per pupil expenditures. With the extensive cuts last year in Newburyport schools, FY 08 expenditures are clearly expected to drop below the state averages.

Coupled with this, SPED costs, in general, have skyrocketed over the last several years in addition to increases in transportation costs for these special need students with minimal additional revenues from the state in terms of circuit breaker funds (see Figures 2-4)

Solutions for these Chapter 70 shortcomings will take years to develop. The reality is we will be dealing with the current formula or a close variant for at least the next several years. The current formula for a municipality based on both aggregate personal income and equalized property values may not be a fair approach especially in communities such as Newburyport that may be more property rich than income rich. Within some of those communities with the minimum 17.5% state aid, a tiered approach might be a solution especially since within this group, there may be many different communities. The current state government is in the process of reviewing the Chapter 70 formula. However, there may be areas where our state legislators can initiate some much needed assistance without waiting for the complete overhaul of the Chapter 70 formula. These areas might include increased circuit breaker funding to more adequately reflect the true costs of educating SPED costs as well as the possibility of additional funds to compensate communities for the rising SPED transportation costs. Another issue which will be addressed further in a separate section would deal with those communities in which charter schools are located as these schools eventually become fully appropriated directly

from a district's foundation budget. It is in these areas where intense local lobbying efforts of any legislative proposals should be implemented

Figure 18 – Newburyport Foundation Budgets

204 - NEWBURYPORT													
Updated as of 07/10/2007													
FY	Foundation Enrollment	Pct Chg	Foundation Budget	Pct Chg	Required Local Contribution	Chapter 70 Aid	Pct Chg	Required Net School Spending(NSS)	Pct Chg	Actual Net School Spending	Pct Chg	Dollars Over/Under Requirement	Pct Over/Under
FY98	2,207		12,387,624		12,695,436	2,380,390		15,075,826		15,646,510		570,684	3.8
FY99	2,220	0.6	13,187,405	6.5	13,327,080	2,602,390	9.3	15,929,470	5.7	16,111,497	3.0	182,027	1.1
FY00	2,159	-2.7	12,887,819	-2.3	14,108,954	2,926,240	12.4	17,035,194	6.9	17,255,346	7.1	220,152	1.3
FY01	2,180	1.0	13,476,312	4.6	14,626,514	3,307,740	13.0	17,934,254	5.3	18,437,339	6.9	503,085	2.8
FY02	2,186	0.3	14,097,905	4.6	15,215,127	3,492,275	5.6	18,707,402	4.3	19,401,197	5.2	693,795	3.7
FY03	2,163	-1.1	14,138,308	0.3	16,361,244	3,492,275	0.0	19,853,519	6.1	20,995,399	8.2	1,141,880	5.8
FY04	2,207	2.0	14,817,025	4.8	16,953,486	2,793,820	-20.0	19,747,306	-0.5	21,925,398	4.4	2,178,092	11.0
FY05	2,234	1.2	15,310,556	3.3	17,788,982	2,793,820	0.0	20,582,802	4.2	22,439,608	2.3	1,856,806	9.0
FY06	2,284	2.2	16,302,852	6.5	18,514,828	2,908,020	4.1	21,422,848	4.1	23,299,376	3.8	1,876,528	8.8
FY07	2,266	-0.8	17,369,388	6.5	18,382,676	3,094,664	6.4	21,477,340	0.3	24,486,675 †	5.1	3,009,335	14.0

Figure 19 – Special Education Expenditures

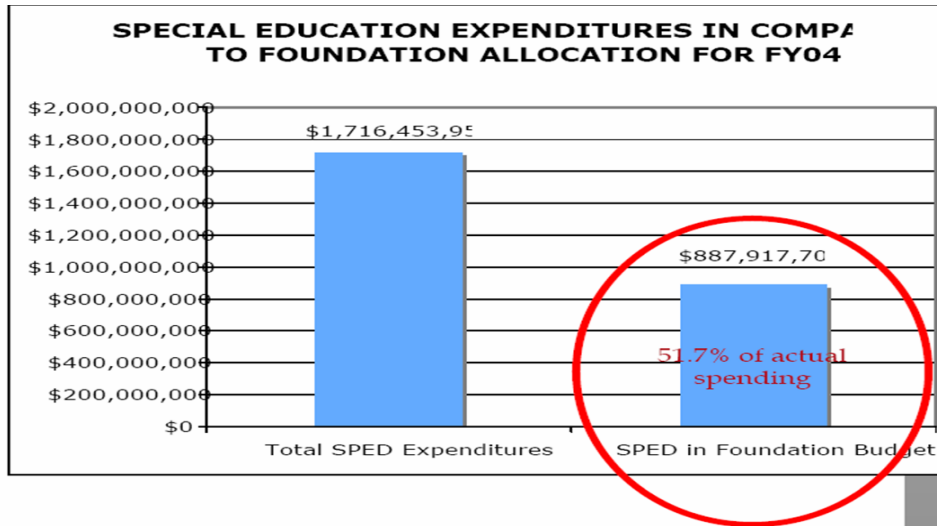


Figure 20 – Circuit Breaker Funding

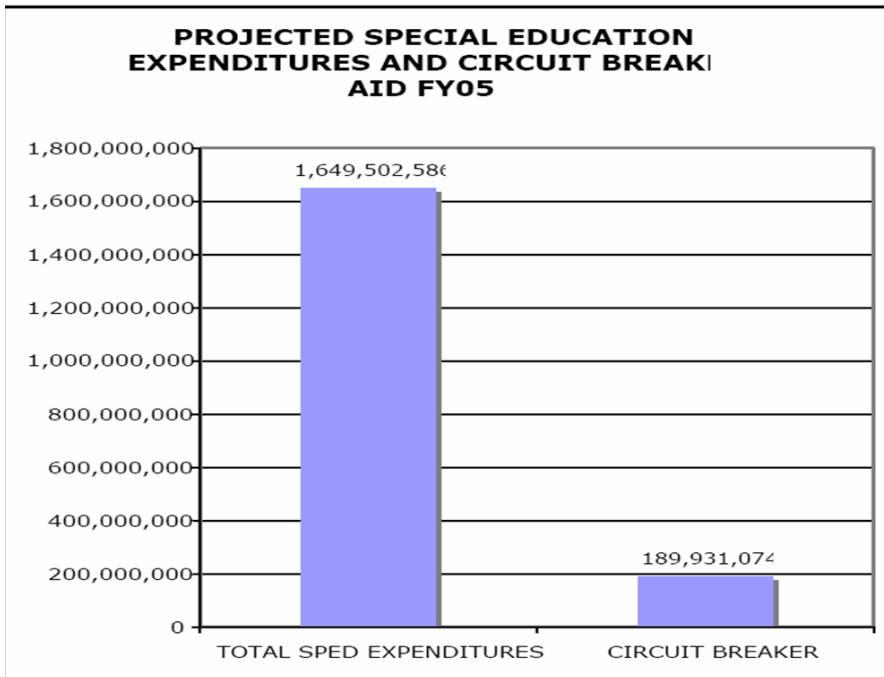
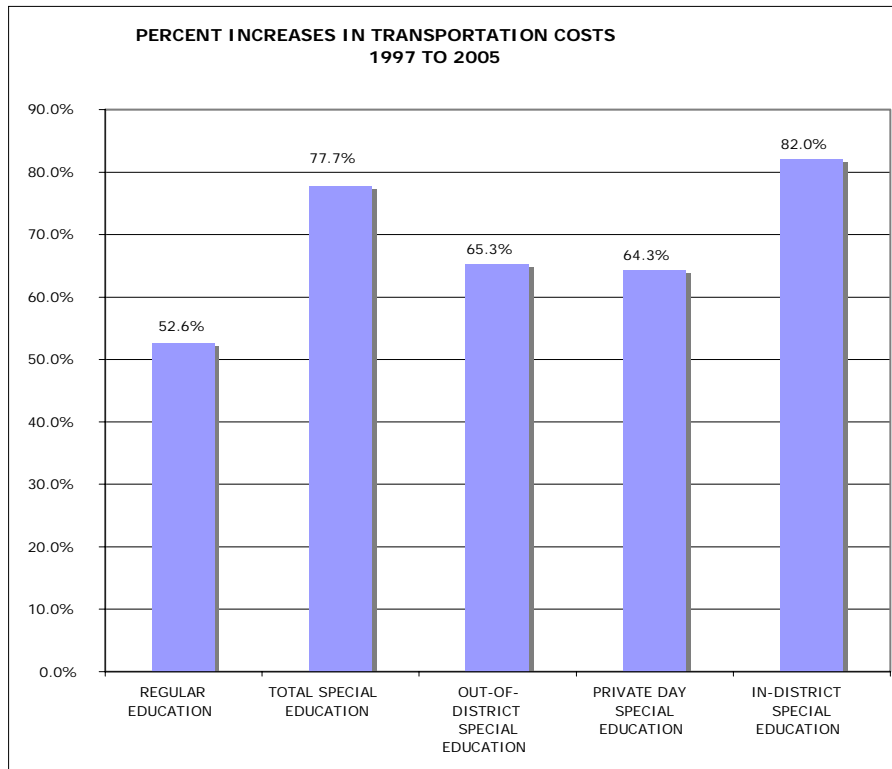


Figure 21 – Special Education Transportation Costs



Charter School and School Choice Tuition

Charter schools represent a critical area to some communities where they are located since after several years of existence, school districts receive no additional funding for them and the district's overall per pupil true cost is distributed from the foundation budget to the charter schools to educate a limited number of pupils with few special needs students. When a charter school first opens in an area, the local community receives 100% reimbursement for the first year then 60%, 40% etc for a few years after that. Upon receipt of the final reimbursement, a district will receive only the normal Chapter 70 aid per pupil and not the true per pupil expenditure. For Newburyport with @ 186 students at the charter school at @ \$11,000/pupil, a total of \$2.04 million of the district's foundation budget is distributed directly to the charter school. Total enrollment at the charter school for FY 07 was 286 students. In addition, Newburyport, because of its previous outstanding academic recommendation, receives a significant amount of revenue from students from other communities electing, when available, to school choice into the district. In FY 08 @ 172 students did so. This number is expected to decline both on the basis of lack of space as well as the impression of a declining educational environment in Newburyport. Be that as it may when an outside student school choices into a district, that district receives only \$5000 from the choice student's home district.

This represents an inequity in the charter allocation of funds because the actual district per pupil expenditure is distributed to the charter school for each pupil who elects to attend the charter school (i.e. @ \$11,000 vs. \$5000 for school choice). Again in an effort to more expeditiously correct some of the Chapter 70 deficiencies, lobbying for any efforts that would change the charter school reimbursement inequities would benefit Newburyport and other communities affected by charter schools. Even after final initial reimbursements for the establishment of charter schools, the state could elect to continue to fund charter schools annually thus providing additional assistance to communities such as Newburyport. Alternatively, the amount of reimbursement from the local district could be lowered to approach the foundation budget per pupil cost rather than the true per pupil expenditure therefore more equitable reflecting school reimbursement again improving the school financial picture for communities where charters are located and thus not changing overall Chapter 70 funding for all school districts which is a more formidable and costly endeavor.

Little River Transit Village

New development near the Route 1 traffic circle has been enabled by passage of zoning provisions by the City Council in the past two years. Mixed use development in that area would incorporate both residential and commercial/retail space. The residential portion of the proposed development would include 382 residential units at an estimated value of \$300,000 per unit and 323,000 square feet of commercial/retail space at \$15 per square foot, for an estimated assessed value of \$142m.

If such development is phased in, with 50% in the first three years and the remaining 50% over the succeeding three years, it will provide the City with approximately \$1.4m in new tax revenues at the current single tax rate.

Meals Tax

Given the high number of restaurants in Newburyport, a meals tax would provide much needed additional revenue to our local tax base. However, the state legislative body is not currently doing anything to move this initiative forward. Newburyport elected officials are encouraged to continue to lobby for the meals tax at every given opportunity.

Park & Ride Lot

Based on information available online from the Boston Metropolitan Planning Organization, at <http://www.bostonmpo.org/bostonmpo/info/pnr/pr.htm>, the Massachusetts Highway Department, Massachusetts Turnpike Authority, and the Massachusetts Bay Transportation Authority operate park-and-ride lots throughout the Commonwealth. Many of these lots are conveniently located along major highways and all-day parking is often free. Information on the Newburyport Park-and-Ride is available at http://www.mbta.com/schedules_and_maps/private_bus/?loc=Newburyport.

The Newburyport Park-and-Ride Lot is located on Route 113 at I-95, exit 57. Based on available data and an informal survey, the number of parking spaces has increased from

approximately 510 to approximately 600, via an expansion of the parking lot beyond the bus turn-around area. Statistics dating to 2003 on the Newburyport Park-and-Ride Lot are available at <http://www.bostonmpo.org/bostonmpo/info/pnr/newbury.htm>. Several commercial bus companies offer Boston commuter, Logan airport and Foxwoods Casino transportation services, including C&J Trailways and The Coach Company. Public bathrooms and vending service amenities are available in the ticketing office. Daily parking at the Newburyport Park-and-Ride is free. Based on an informal survey, the parking lot and ticketing office facilities are heavily used by residents of New Hampshire as well as residents of cities and town in Massachusetts other than Newburyport.

We would encourage the City to explore the potential for generating revenue through charging fees, taxes, or taking on some of the services provided on this site.

Parking

Based on the April 2005 Task Force on Parking report, Newburyport could recognize between \$1.8 and \$4.6 million in net income over 10 years through implementation of a paid off-street parking plan. This plan takes into account a reduced annual fee for senior citizens, as well as an all day parking program for employees of local merchants. This plan would encompass the construction of a parking garage at a location to be determined, and includes the debt service payments for these costs.

Given the potential \$1.67 million in federal money that is available to Newburyport if used before June 30, 2008, coupled with the interest recently shown by a private investor in expanding and refining Newburyport's parking capacity, it appears that it is time for the city to move forward with a responsible parking plan. There are obvious capital investments and operational changes that would take time to implement, so this could not be considered a short term solution.

Telecommunications and Dispatch

For the past three budget cycles the City Council and Mayor have considered changes to the City's telecommunications systems. There is general agreement that the current system is not serving the City's needs, but promises to evaluate the system have not been followed up.

The administrative departments of the City are served by twenty-nine land lines, twelve fax lines and twenty-two cellular lines at cumulative cost of \$42,451 for FY08 through the master service agreement with Verizon. These lines and costs do not include those of the water and sewer departments, which are paid through enterprise funds of those departments on the rate base. Nor does this total include the phones of the school department, the costs of which are folded into the overall school administrative budget.

Individuals outside of City government who specialize in evaluating and designing telecommunications systems for large organizations have offered to evaluate the City's system and recommend changes that may save money or provide superior service within the current telecommunication services account.

While the Task Force is not able to calculate specific savings, the advantages of “voice over internet protocol” technology (VoIP) offer opportunities that should be pursued. VoIP optimizes transmission of voice through the internet or other packet switched networks, commonly referred to as “broadband. This system permits communications services to be bundled with internet access, interdepartmental connectivity, dispatch, and emergency 911 service.

A specific advantage of up to date telecommunications systems may be realized through consolidating dispatch functions of the police and fire departments. Each department operates its own dispatch staff that operates its own dedicated system. Fire dispatch salaries, including overtime, night differential, clothing and holidays, cost \$162,123 in FY08, while police dispatch cost \$87,308. If modern telecommunication systems permit consolidation of dispatch function through a single point of entry, roughly half of the \$249,431 dispatch personnel cost may be saved. Some of this saving may be offset by installation of new equipment, but potential annual savings of this magnitude should not be ignored.

Waterfront Economic Expansion

The underdeveloped portion of the central waterfront, often referred to as the “Waterfront West” is one of the most attractive coastal development opportunities from Boston to Portsmouth, New Hampshire. Contemplated for decades, consolidated ownership under a single development group, New England Development, has moved the City to adopt a zoning overlay specific to this area.

Though there are many scenarios under which development of this waterfront area may take place. The zoning overlay, however, will permit construction of 171 residential units (assumed to be condominiums) at an estimated value of \$450,000 per unit and 378,000 square feet of commercial/retail space at \$15 per square foot. The total assessed value of such a development would be approximately \$200m.

This development is estimated to provide approximately \$2m per year in new tax revenues at the current single tax rate, and may be in place over the next 3-5 years.

Whittier Regional Vocational Assessment

The Whittier vocational regional school district, of which Newburyport is a member, presents a significant strain on the city’s finances, and is a further example of the inequities suffered by the city under Chapter 70. To the extent Newburyport can withdraw from or void the Whittier agreement, it would be in Newburyport’s interest to do so.

In 1967 the city of Newburyport entered into an agreement with the surrounding city of Haverhill and the towns of Amesbury, Boxford, Georgetown, Groveland, Ipswich, Merrimac, Newbury, Rowley, Salisbury and West Newbury to establish the Whittier Vocational Regional District School, a vocational technical high school consisting of grades nine through twelve, inclusive (“Whittier”). Whittier is governed by a committee (the “Committee”) comprised of two individuals from each of the two cities that are

members, i.e., Haverhill and Newburyport, and one individual each from the towns that are members, i.e., the remaining member municipalities.

Whittier's capital costs are apportioned annually in December for the ensuing year on the basis of pupil enrollment defined as the number of pupils residing in a member municipality and enrolled in grades one through twelve, inclusive, of any public, private, or parochial school, wherever located. A member municipality's share of costs for the calendar year is determined based on the ratio of its enrollment in the coming year to the total pupil enrollment of all member municipalities. Based on the foregoing, a member municipality must pay Whittier even if it sends no pupils to the school. School transportation is provided by the school and costs are similarly apportioned to member municipalities as an operating expense.

Newburyport's FY2007 annual Whittier assessment is approximately \$450,000. The City enrolled a total of 22 students in FY2007. Thus, the City's per-pupil cost is approximately \$20,450.

Newburyport has been significantly affected by changes in Chapter 70 and the regional assessment formula. Another significant source of inequity is that DOE calculates a community's minimum per-pupil contribution based on aggregate wealth, and a community is required to contribute at least that minimum amount to the regional school. For Newburyport, the minimum amount is approximately \$13,000. The amount is a floor, and not a ceiling. If a regional vocational school district chooses to spend more, then the original charter determines the formula for sharing the residual amount. Whittier, for instance, exceeds the minimum annually. Newburyport approximately \$20,000 in annual per-pupil cost is the net result of the minimum amount plus the Whittier assessment. Still other inequities are apparent, as some of the other communities within the Whittier district receive significantly more in Chapter 70 per-pupil aid from the commonwealth than does Newburyport.

Unfortunately, the protocol for withdrawal from Whittier is extremely onerous. The procedures by which a member municipality may withdraw from Whittier are set forth in Section IX of the charter. A municipality initiates the withdrawal process by a majority vote of the members of its municipal council to request that the Whittier Committee draw up an amendment, which then must be unanimously passed by all Whittier member municipalities. Even assuming withdrawal was authorized under this process, a withdrawing municipality "shall remain liable to the District for its share of the indebtedness of the District outstanding at the time of such withdrawal, and for interest thereon, to the same extent as though the municipality had not withdrawn" Moreover, the charter provides that "[a] withdrawing municipality's annual share of any future installments of principal and interest on obligations outstanding on the effective date of its withdrawal shall be fixed at the percentage prevailing for such municipality at the last annual apportionment made prior to the effective date of the withdrawal." Thus, even if Newburyport were able to withdraw, it would remain obligated to contribute toward the satisfaction of any outstanding indebtedness in the same ratio that had it had been obligated to pay under while it was a member.

The community's concern regarding Whittier has understandably increased in recent years, in lock step with concern regarding Newburyport's overall financial condition. Newburyport, however, is not alone in its frustrations regarding the inequities of regional school district agreements.

On February 7, 2008, the local press in Lancaster reported that Lancaster's FY2009 payment to Minuteman Regional High School (its regional vocational school), would be \$615,726, an amount constituting an \$81,849 (or 15.3%) increase from the prior year. Lancaster has fewer than 30 students enrolled in the regional vocational school, at a cost of \$21,232 per pupil per year. In comparison, Lancaster's own school budget will increase only 1.53% in FY2009.

In response to mounting frustrations and an inability to meet escalating costs, several municipalities participating in other regional vocational school districts have taken legal action to challenge the propriety and continued enforceability of their agreements.

Dartmouth filed suit in Superior Court against the Greater New Bedford Regional Vocational Technical High School District, the Commissioner of the Massachusetts Department of Education, the city of New Bedford, and the town of Fairhaven. Bristol County Superior Court, Civil Action No. 2008-00191-A. Dartmouth's suit alleges that the school district breached its agreement to assess costs based on a formula in the charter by using instead a formula provided by the commonwealth in connection with the Education Reform Act, G.L. c. 71 et seq., which created Chapter 70. Under Dartmouth's contract with the other communities, its share should have been \$681,609. Under the new formula, Dartmouth must pay \$1.98 million. In addition to alleging breach of contract by the school district, Dartmouth also seeks a declaration from the court that the town is not obligated to pay under the Chapter 70 formula, but may instead rely upon the formula set forth in the charter, thereby essentially asking the court to enforce the agreement and exempt the town from the legislative formula. Dartmouth claims that it has been overcharged since in 2003, when the state stepped in and substituted its own payment formula based on aggregate wealth determined by income tax returns. The town also contends, variously, that the overcharge constitutes a taking and that the Commonwealth has impermissibly infringed upon the town's contractual arrangements.

Similarly to what Dartmouth alleges in its suit, Newburyport suffers certain inequities that were created by legislation enacted after the execution of the Whittier charter. Although Newburyport's arguments may not be identical to Dartmouth's, the city's legal counsel should vigorously explore all available options. For instance, to the extent legislation has materially changed the rights and obligations of the municipalities who are signatories of the Whittier charter, Newburyport might be able to find a basis to break the agreement.

Newburyport should endeavor to determine all available legal options. The involvement of legal counsel is essential to this effort, and is strongly recommended. In light of the difficult withdrawal process, diplomacy may not be a profitable exercise. Rather, the city

could, as some other municipalities have done, commence an action against Whittier and all or certain of the Whittier member municipalities. It also might consider asserting claims against the Commonwealth. Several cities and towns have commenced similar actions that may offer guidance.

Closing

In closing, this document is a compilation of the work of a number of volunteer community members and elected officials. While the facts are accurate as presented, the supporting documentation was written individually by different task force members in the areas they researched with the intent to be as objective as possible.

The Task Force appreciates the opportunity to present this document to Mayor John Moak, the School Committee and the City Council for further consideration and deliberation.

Respectfully submitted,

Brenda Reffett, Chair

Lee Holland, Vice Chair

Jay Iannini

Ralph Orlando

Ellen Supple

Bruce Menin

Mark Wright

Barry Connell

Biographies

Barry Connell is an educator currently employed by the North Andover Public Schools. He has worked as a teacher/administrator since returning to public education in 2003. Prior to his return to schools, he was Executive Director of the non-profit Center for Environmental Communications, which provided waste policy analysis, research, training, and technical assistance in the solid, hazardous and HHW fields. He also served nine years as policy analyst, negotiator and legislative staff director in the Massachusetts House of Representatives.

Mr. Connell is serving his third term as Newburyport City Councilor at Large. He has also served locally as a member of the Zoning Board of Appeals, as President of the Maudslay Park Association, as Director of the Custom House Maritime Museum, and Chairman of the Newburyport Democratic City Committee. He has been a Director of the North American Hazardous Materials Management Association, Director of MassRecycles, Chairman of the Massachusetts Integrated Pest Management Board, and member of the Low Level Radioactive Waste Management Board.

Mr. Connell holds a BS in Biology from Allegheny College, an MEd in Educational Administration from the University of Massachusetts, and completed graduate studies in Public Administration at University of New Hampshire.

Lee M. Holland is the Vice-Chair of the Task Force. He and his wife Barbara have two young children, ages 4 and 2. The Hollands have been residents of Newburyport since January 2004 and are very proud to call the city their home. Lee practices business litigation with a law firm in Boston and commutes using one of the bus lines that operates out of the Park and Ride.

Jay Iannini has lived in Newburyport since 2005. He and his wife Rebecca have two children, Olivian (6) and Alex (4). Jay works as Co-In-Town Director for Newburyport Youth Soccer, and was a member of the Steering Committee for YES for Newburyport. He has worked in the banking industry for 13 years, and is currently employed by Barclays Bank. Jay received a BA from Tufts University and an MBA from Boston University.

Bruce Menin has been a resident of Newburyport for more than 18 years. He is in his 7th year and third term as a member of the Newburyport School Committee; he served as the chair of the Newburyport Youth Committee and the first Chair of the Newburyport Youth Commission; he has had a long career in human services. He is a licensed teacher in both Massachusetts and New York, in elementary education and special education; he is also a trained Montessori teacher, and has taught for the past seven years. Bruce has also helped to write grants that provided start-up funding for the Newburyport Learning

Enrichment Center, for substance abuse services at the High School, and to assist in the funding of school needs like playgrounds and textbooks.

Ralph P. Orlando, M.D.

Captain/Medical Corps/ US Navy-Retired

Associate Chief of Urology/ VA Boston HealthCare System

Assistant Professor of Urology/ Boston University School of Medicine

Member Governor's Council on Veteran Services

Brenda Reffett is a 20 year resident of Newburyport. She resides with her husband and two sons at 3 Doe Run Drive. She works as a full time employee for the University of Phoenix Online as an educational liaison. She was a member of the Newburyport City Council for 8 years, serving as the President for 3 years. She was a staunch supporter of both the Newburyport High School and Newburyport Library debt exclusion ballot questions and worked on behalf of those initiatives. She was a founder of the KNOW Newburyport group in 2007 which opposed the 2 ½ override.

Ellen Supple, a Lafayette Street resident, has lived in Newburyport with her husband and two children for fourteen years. Her children both attend Newburyport High School. Ellen is a full time software professional with over 25 years experience in the private sector; she is currently a consultant at the Massachusetts Department of Education. Ellen holds a B.S. from Trinity College, CT, and a Masters from the John F. Kennedy School of Government, Harvard University.

Mark Wright

Work: The Provident Bank, AVP, Market Manager

Home: 325 High Street, Newburyport since 1998

Community Involvement: Newburyport Education Foundation, Newburyport

Business Education Coalition, Newburyport School Committee, 2003-2007, past

Vice Chair, 2003-2004

Married, 3 children in the Newburyport Schools