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City of Amesbury
Office of the City Clerk
1 Market St.
Amesbury, MA 01913

City Council Meeting Minutes

Tuesday, May 12, 2026
7:00 PM

The meeting was called to order at 7:01 PM by President Jessica Redfern.

Councilor Michael Hogg led the Pledge of Allegiance.

Roll call was taken, and present were Councilor Michael Hogg, Councilor Scott Mandeville, Councilor Steven Stanganelli, Councilor Kelly Sullivan, Councilor Mayann Welch, Councilor Claudel Frederique, Councilor Pamela Gilday, Councilor Amanda Haggstrom, and President Jessica Redfern.

Councilor Stanganelli stepped out during the Pledge of Allegiance.

Mayoral Appointments

2026-091 Appointment of Brian Higgins to the position of member of the Conservation Commission for a term to expire February 28, 2029

- Mr. Higgins spoke about his desire to fill the position.

Councilor Haggstrom offered a motion to approve 2026-091 as presented. Councilor Sullivan seconded, and the motion passed unanimously, 9-0.

Correspondence
-President/Vice President Communications

- President Redfern thanked everyone for making the promenade for the prom a success.

-Communication from Mayor, City Staff, other Elected Officials, and Official Representatives of Boards and Commissions

- Mayor Gove gave a presentation on the FY27 Budget and the financial condition of the city (see attached).

Licenses and Permits –May

Councilor Haggstrom offered a motion to continue the two Cumberland Farms Storage Permits to the meeting on June 9, 2026. Councilor Mandeville seconded, and the motion passed unanimously, 9-0.

Councilor Mandeville offered a motion to approve the remaining list of May licenses. Councilor Hogg seconded, and the motion passed unanimously, 9-0.

Public Comment

- Greg Noyes, 8 Clarks Road, shared questions about the proposed FY27 budget and comments about charter school reimbursements.

Council Response to Public Comment

- None

Second Readings/Public Hearings

2026-082 An Order to accept donation of shed at Amesbury Town Park ice rink- **Mayor Sponsor**

- President Redfern shared the positive recommendation from the Standing Committee of the Whole with a request that the administration provide information regarding the city's potential liability and a written maintenance agreement between the city and the volunteers.
- Chief of Staff Pam Tobey shared that the city will be self-insuring the shed and that while it is difficult to get a written agreement from the volunteers, there is a clear commitment.
- Councilor Sullivan asked who is responsible for the shed. Ms. Tobey replied that DPW will be responsible for maintenance and the Inspectional Services is working with the DPW to install the water heater.
- Councilors engaged in a discussion with Ms. Tobey and asked questions regarding the shed.

Councilor Haggstrom offered a motion to approve 2026-082 as presented. Councilor Gilday seconded. After a roll call vote, the motion passed unanimously, 9-0.

Public Hearings

- None

First Readings

2026-001 An Order to vote to adopt an Operating Budget for 2027 – **Mayor Sponsor**

- Councilor Haggstrom read the summary.

Councilor Frederique offered a motion to refer 2026-001 to the Ad Hoc Budget Committee of the Whole with a second reading and public hearing on June 9, 2026. Councilor Gilday seconded, and the motion passed unanimously, 9-0.

2026-092 An Order to appropriate $513,316.36 from Free Cash for the purpose of funding fiscal year 2027 capital expenditures listed below- **Mayor Sponsor**

- Councilor Haggstrom read the summary.

2026-093 An Order to establish spending limits for departmental revolving funds pursuant to the provisions of M.G.L. c. 44, Section 53E ½.- **Mayor Sponsor**

- Councilor Haggstrom read the summary.

2026-094 An Order that pursuant to G.L. c. 44B, the Community Preservation Act, the following amounts be reserved from the FY2027 estimated annual revenues of the Community Preservation Fund, as recommended by the Community Preservation Committee: $59,427 (or amount equal to 10% estimated revenue) to the Open Space and Recreation Reserve, and $59,427 (or amount equal to 10% estimated revenue) to the Historic Resources Reserve, and $59,427 (or amount equal to 10% estimated revenue) to the Community Housing Reserve- **Mayor Sponsor**

- Councilor Haggstrom read the summary.

2026-095 An Order to authorize the Mayor to accept and expend two grants from the Executive Office of Public Safety and Security (EOPSS) Department of Fire Services (DFS) for the Fiscal Year 2026 Student Awareness of Fire Education (SAFE) program in the amount of $6,727.92 and the Senior SAFE program in the amount of $2,859.19.-**Mayor Sponsor**

- Councilor Haggstrom read the summary.

2026-096 An Order to authorize the Mayor to accept and expend the Association for Rural and Small Libraries (ARSL) Sustainable & Resilient New England Libraries grant in the amount of $15,000.-**Mayor Sponsor**

- Councilor Haggstrom read the summary.

2026-097 An Order to transfer $22,881.86 from the Greenleaf Supportive Day Revolving Fund to the Council on Aging Revolving Fund.-**Mayor Sponsor**

- Councilor Haggstrom read the summary.

Councilor Welch offered a motion to refer 2026-092, 2026-093, 2026-094, 2026-095, 2026-096, and 2026-097 to the Standing Committee of the Whole with a second reading on May 26, 2026. Councilor Frederique seconded, and the motion passed unanimously, 9-0.

Correspondence

a. Communications from Mayor, City Staff, other Elected Officials, and Representatives of City Boards and Committees

- None

b. Council Communications

- Councilor Stanganelli shared his desire for the public to receive the same material packets that the council receives.
- Councilor Stanganelli shared his concern over text communication within the council.
- Councilor Haggstrom echoed Councilor Stanganelli's desire for the public to receive the same material packets that the council receives.
- President Redfern shared the dates of the upcoming Budget Hearings.

c. Council Committee Reports

- Councilor Hogg shared that the Disposition Committee has not met recently.
- Councilor Gilday shared that she attended the composting public forum.
- Councilor Hogg shared that the Energy Committee met on May 5th and that there were members of the public that attended.
- Councilor Welch shared that she met with the lead School Committee member and the incoming Superintendent of Schools and that the next meeting of the Joint Education Committee will be June 17, 2026.
- President Redfern shared that Open Space, Natural Resources, and Trails Committee reviewed a draft of an invasive plant management plan. President Redfern also shared that the plan for the next meeting is to discuss Second Generation Anticoagulant Rodenticides.

- Councilor Frederique shared that in the Whittier Technical Regional School Agreement Committee each community has different priorities and concerns, but every community agrees that the state legislature representatives need to be involved in the conversation.

Act on Minutes – April 14, 2026, April 28, 2026 and May 5, 2026

Councilor Haggstrom offered a motion to approve the April 14, 2026 minutes as presented. Councilor Mandeville seconded, and the motion passed unanimously, 9-0.

Councilor Gilday offered a motion to approve the April 28, 2026 minutes as presented. Councilor Mandeville seconded, and the motion passed unanimously, 9-0.

Councilor Haggstrom offered a motion to continue the May 5, 2026 minutes to the next City Council meeting on May 26, 2026. Councilor Hogg seconded, and the motion passed 8-0-1, Councilor Stanganelli abstained.

Late Files

2026-098 An Order to appropriate $55,000 from Sewer Retained Earnings to the Sludge Disposal, Repair & Maintenance Other Equipment and Consulting accounts to fund an emergency wastewater treatment plant repair. - **Mayor Sponsor**

Councilor Gilday offered a motion to accept the late file. Councilor Hogg seconded, and the motion passed unanimously, 9-0.

- Councilor Haggstrom read the summary.

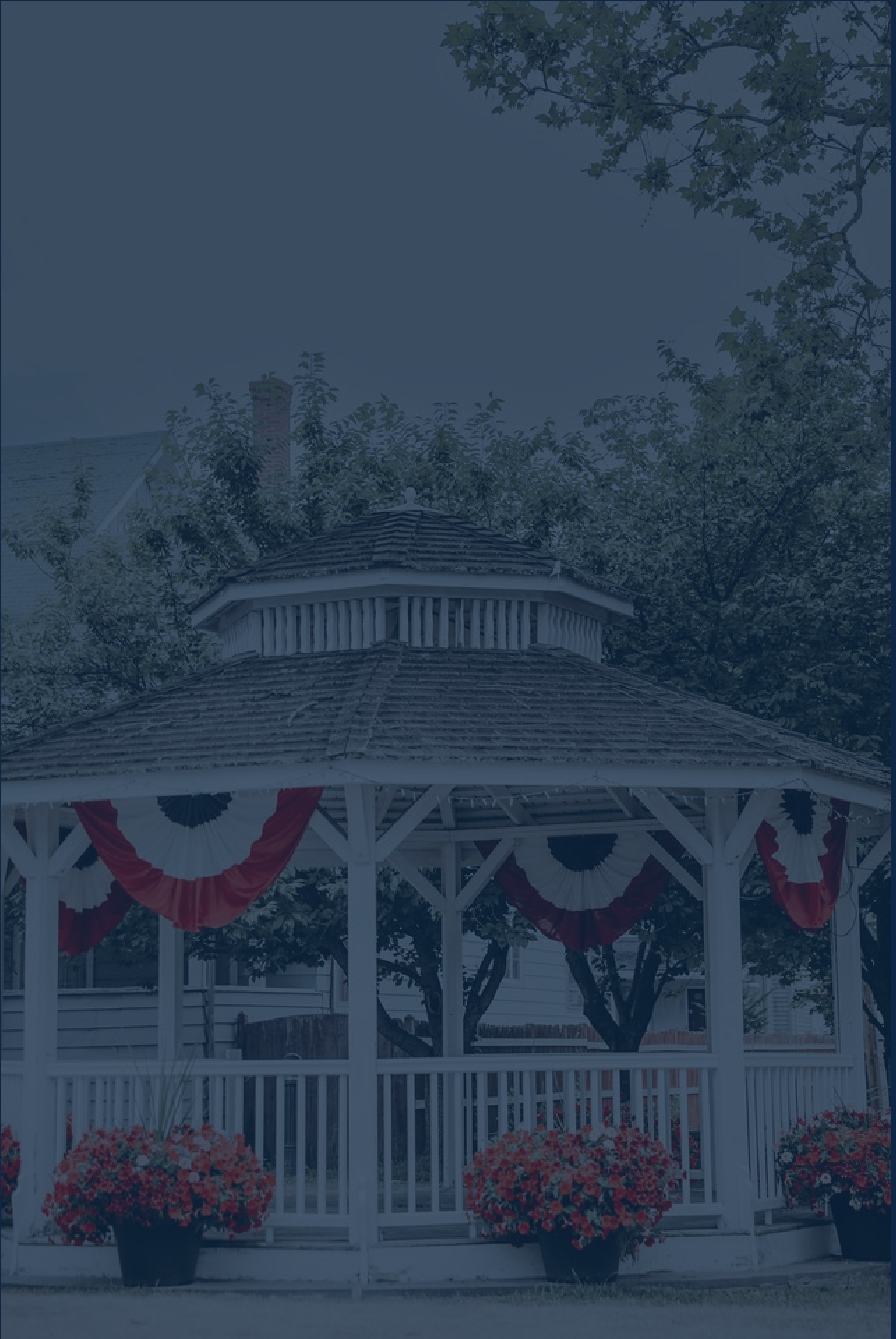
Councilor Mandeville offered a motion to refer 2026-098 to the Standing Committee of the Whole with second reading on May 26, 2026. Councilor Haggstrom seconded, and the motion passed unanimously, 9-0.

Adjourn

Councilor Frederique offered a motion to adjourn at 8:56 PM. Councilor Mandeville seconded, and the motion passed unanimously, 9-0.

Respectfully submitted,

Jasmine Looney



City of Amesbury

FY27 Budget & Fiscal Condition

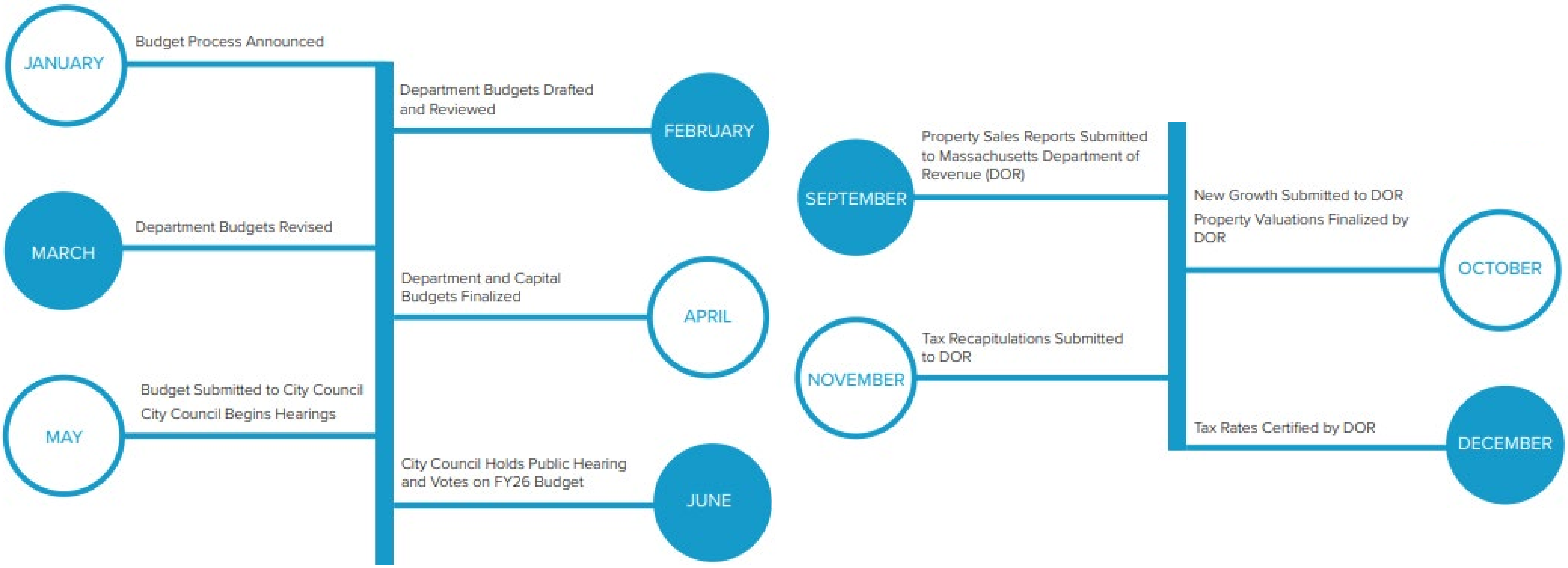
Mayor Kassandra Gove
May 12, 2026

Agenda

- FY26 Budget Recap
- FY27 Budget
- Where does the $ go?
- How do we pay the bills?
- Capital Improvement Plan
- Financial Forecast
- Reserves & Liabilities

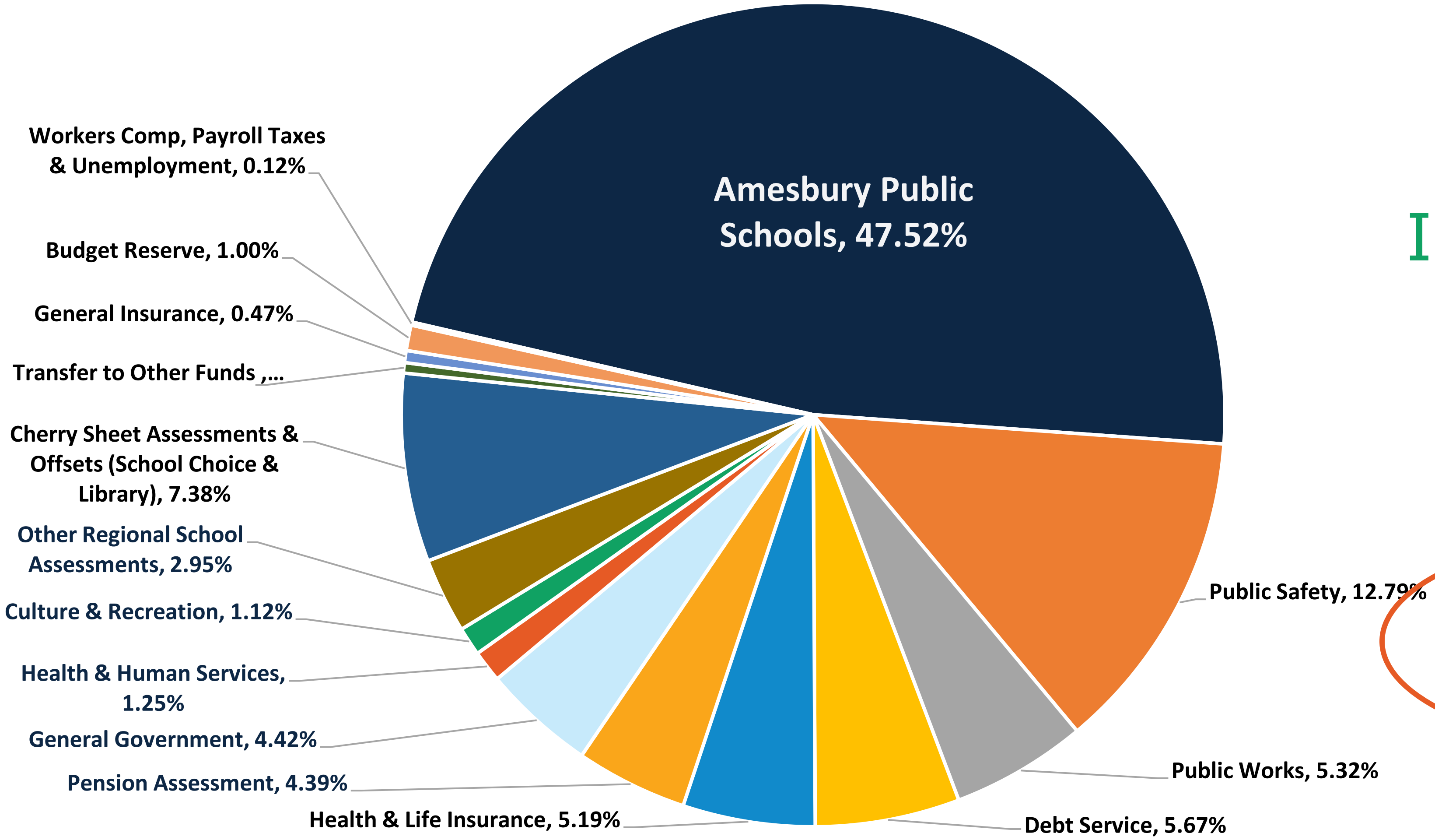
Process & Timeline

Budget Process & Timeline



FY26 Budget Recap

FY26 Budget Recap



$83,841,959

Increase of 5.2%

Using $1.1M of Free Cash

$35,900 left in the Levy

FY26 Budget Recap

In the Fall we learned that we had a budget deficit of about $400,000. We could not adjust the tax recap because we had so little left in the Levy. We could engage in more reductions or use other funding sources. The Override Vote was scheduled for November 4, 2025.

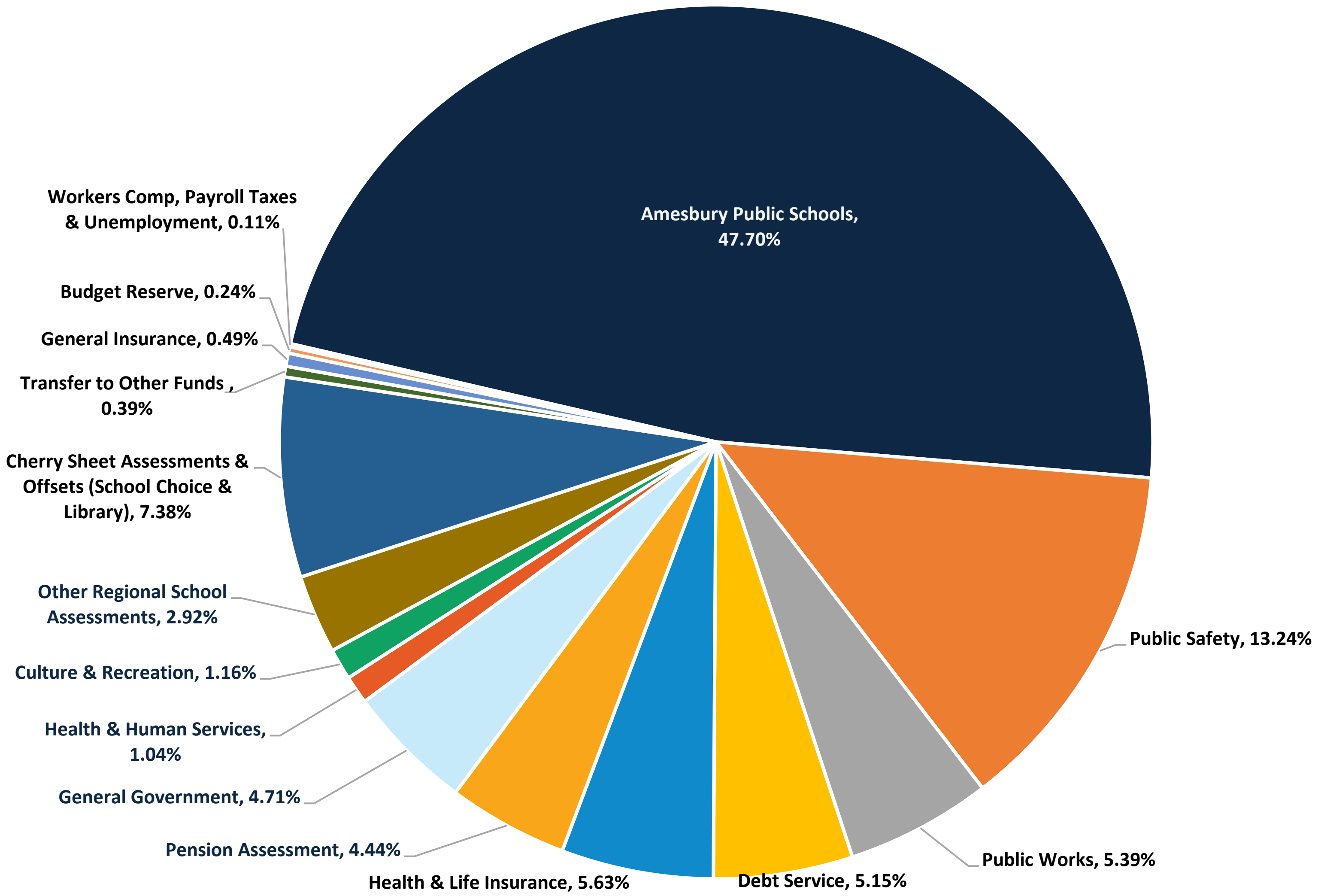
- **Note that at Budget Acceptance:**
  - Council Bill 2025-001 use $1,100,000 from Free Cash (more than the anticipated $1,000,000).

- **At Tax Recap:**
  - Council Bill 2025-104
    - $200,000 from General Stabilization
    - $200,000 from Ambulance Receipts Reserved Fund

- **Local Receipts:**
  - Seeing annual decreases in areas = new estimates for FY27 at 4.91% or $269,426

FY27 Budget

FY27 Budget Highlights



$84,704,738

Increase of .56%

Using $1M of Free Cash to Balance and $513,316.36 for Capital

$159,879 left in the Levy

Budget Highlights

- **INNOVATION –** This budget changes the way we do business. Our Assessor's Office, Council on Aging, and Recreation Department have all made significant changes to their organizational and staffing structure prioritizing a high level of service with the need for cost efficient operations.

- **AMESBURY PUBLIC SCHOOLS –** Public schools are the foundation of our community, and this budget prioritizes our classrooms. Together we are investing in our future and while resources are limited, we are doing our best to balance the services we provide with the values we hold.

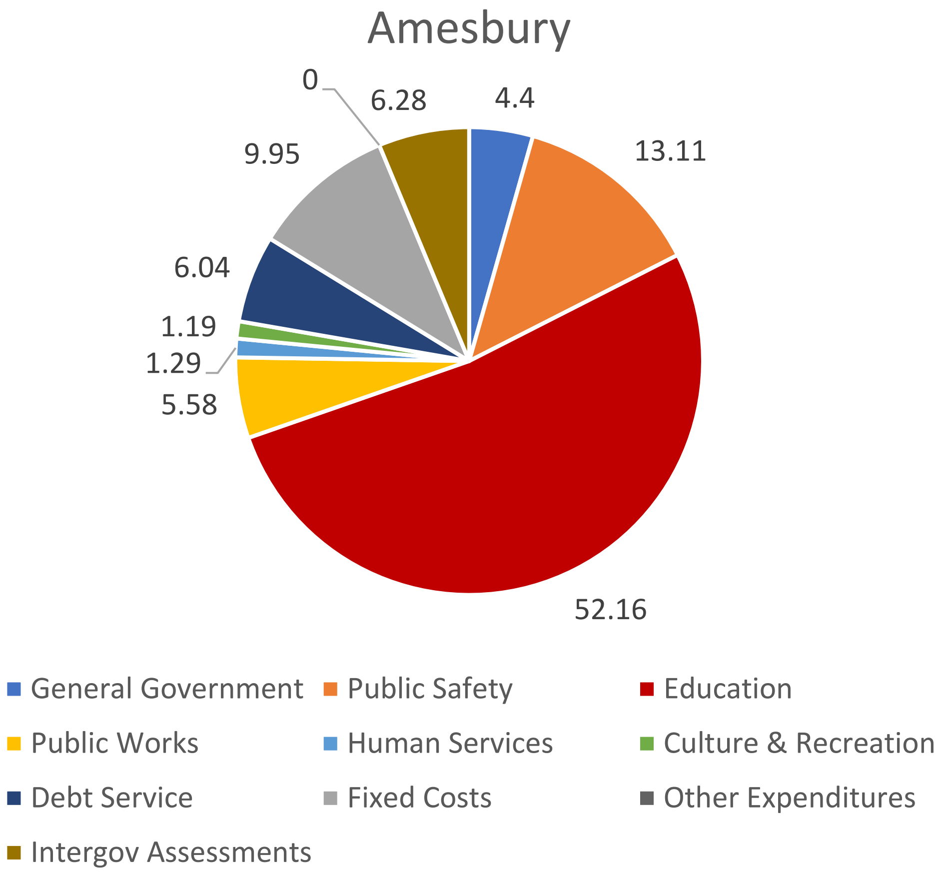
- **COLLECTIVE BARGAINING –** Three of five collective bargaining agreements were renegotiated in FY26. This results in more predictable budgeting for the next two fiscal years.

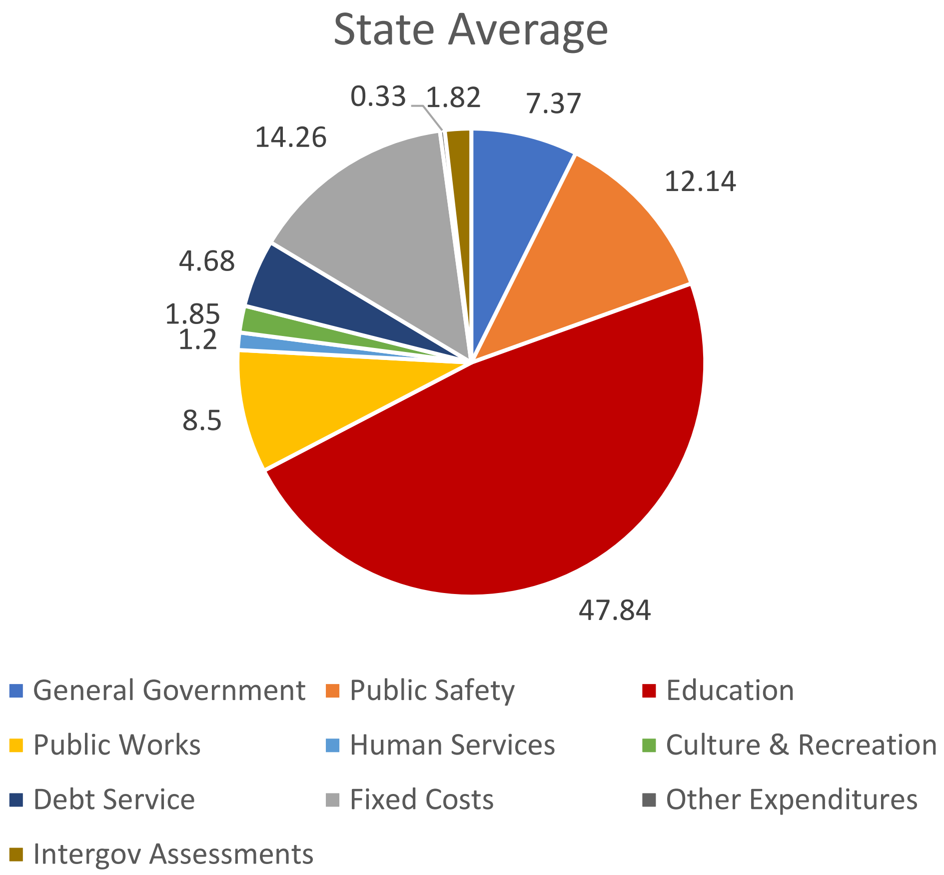
- **GRANT RELIANCE –** As of May 2026 we have been awarded $5,600,000 in grant funding. This is on top of any existing ongoing grant funded programs/projects. It should be noted we have no grant manager and these require detailed tracking and timely reimbursements.

- **CAPITAL – FREE CASH**
- **SAFETY NETS**
- **FREE CASH - $1M**
- **STRONG FINANCIAL PRACTICES**

Where does the $ go?

Expenditures as a % of Total





FY25 Total $77,402,369

FY25 Total $99,849,535

Source: Division of Local Services – General Fund Expenditures

Departmental Notes

- Massachusetts **Libraries** State Aid & the Municipal Appropriation Requirement
  - Massachusetts General Law (M.G.L., c.78, s.19A) states that a municipality must appropriate a figure of at least the average of the last 3 years' municipal appropriations to the library for operations, increased by 2.5%, in order to be certified for State Aid to Public Libraries.
  - This calculated figure is known as the Municipal Appropriation Requirement (MAR).

- City of Amesbury has adopted Section 2 of Chapter 329 of the Acts of 1987 (Council Bill 2023-051) relative to **school** budgets.

Departmental Notes

- The MAR is calculated using the prior 3 years' municipal appropriations for operating expenses or the MAR figure, whichever is higher. The average of the 3 years' figures is increased by 2.5% to determine the MAR figure for the current fiscal year.

[(FYaa + FYbb + FYcc) / 3] x 1.025 = MAR for Fydd

(891,846 + 919,224 + 952,169)/3 x 1.025 = $944,107

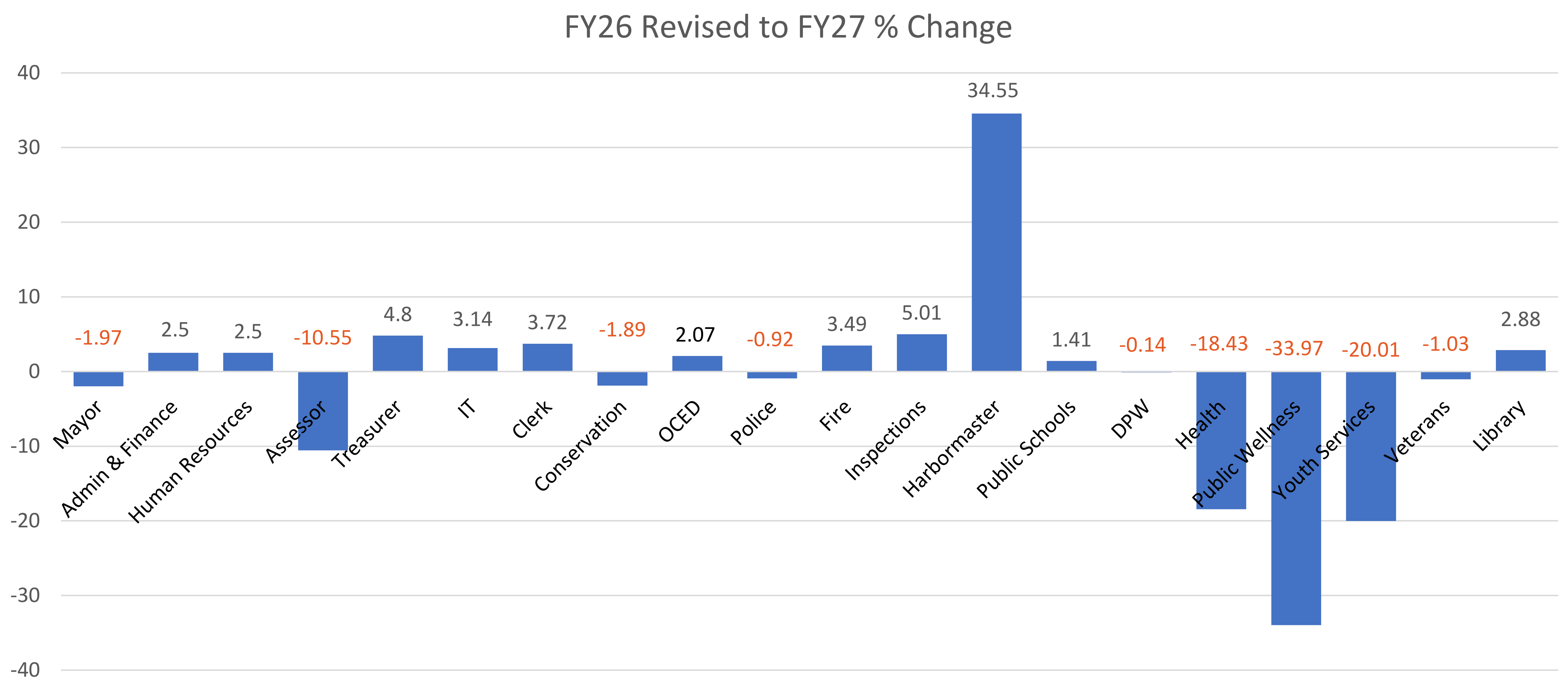
- Other requirements for compliance
  - Open to all residents of the Commonwealth
  - No charge for normal library services
  - Minimum number of hours open per week
  - Director personnel requirements
  - Material expenditures
  - Consortium/Lend materials to other libraries in the Commonwealth
  - State Aid application & Annual Reporting Requirements

- **Increase of $8,062**
- **Budget Proposal is a $27,451 increase**

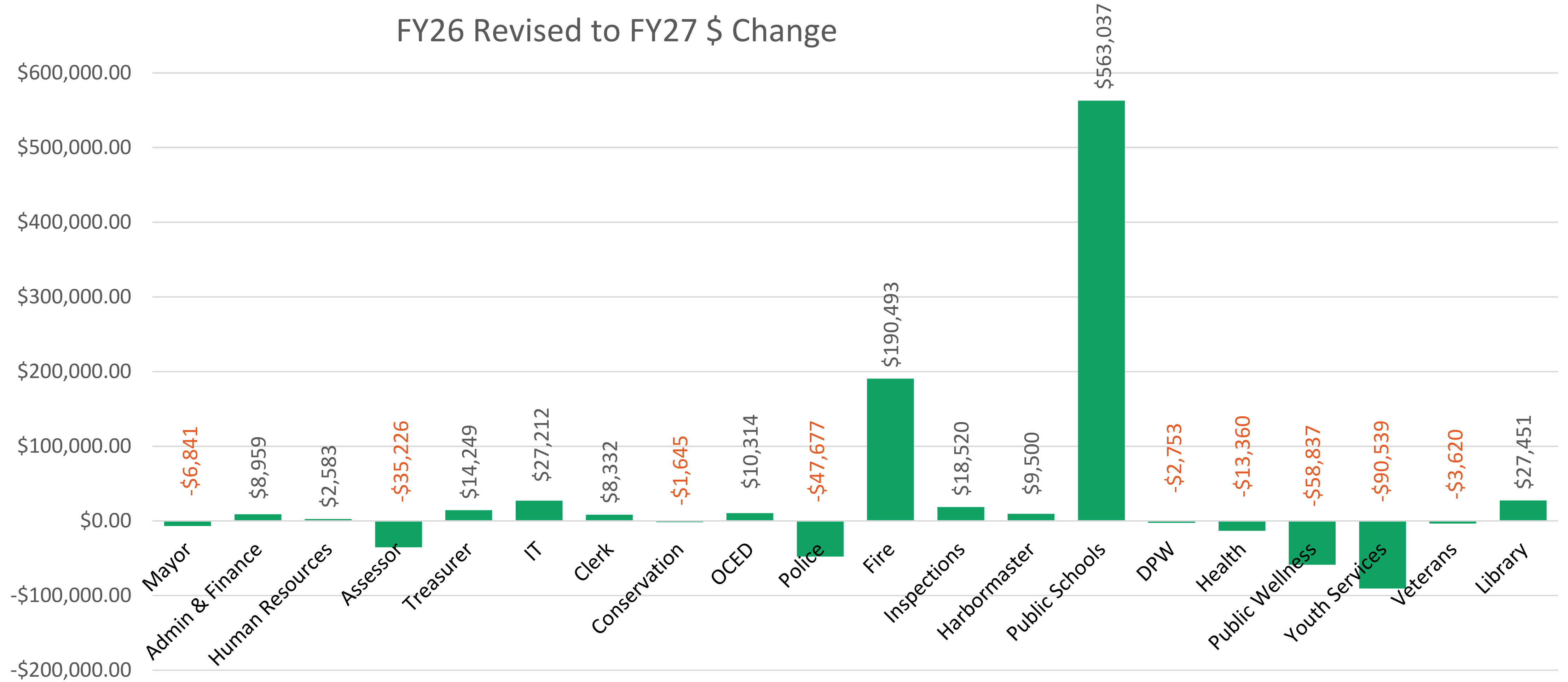
Departmental Notes

- The **Recreation Department** is entirely funded by the revenue they generate. They have an annual budget of $361,893 and you will find a revenue line from their Revolving Account in the same amount. This is a significant decrease based on the transition of the before and after school program.
- The **Fire Department** has an FY27 annual budget of $5,641,211. There are certain expenses itemized as ambulance expenses because we offset those costs with the Ambulance Receipts. You will find a revenue line in the amount of $1,000,000.
- **Inspectional Services** charges fees for their work and is largely if not entirely funded by the revenue they generate in a given year. The fees collected go to the general fund and appear in the Licenses and Permits line.

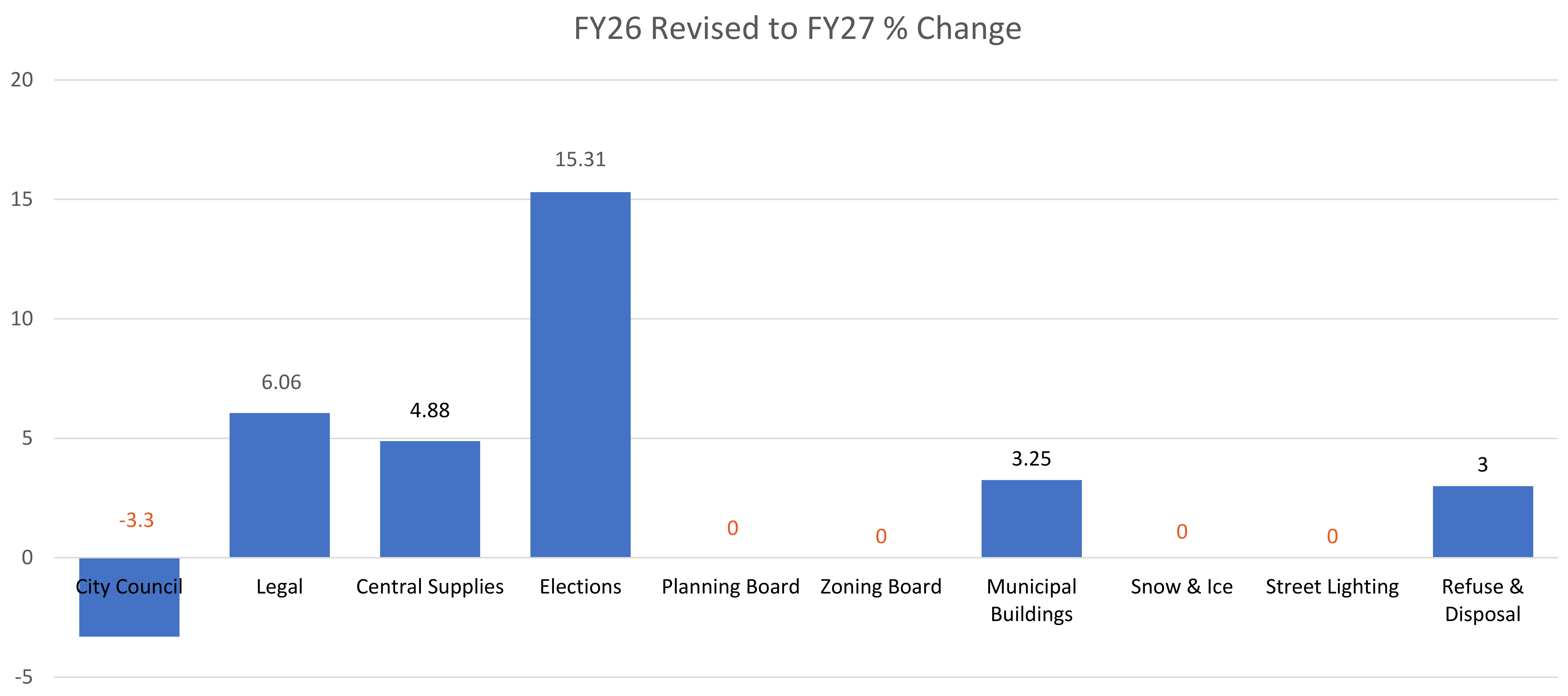
FY27 Departmental Budgets



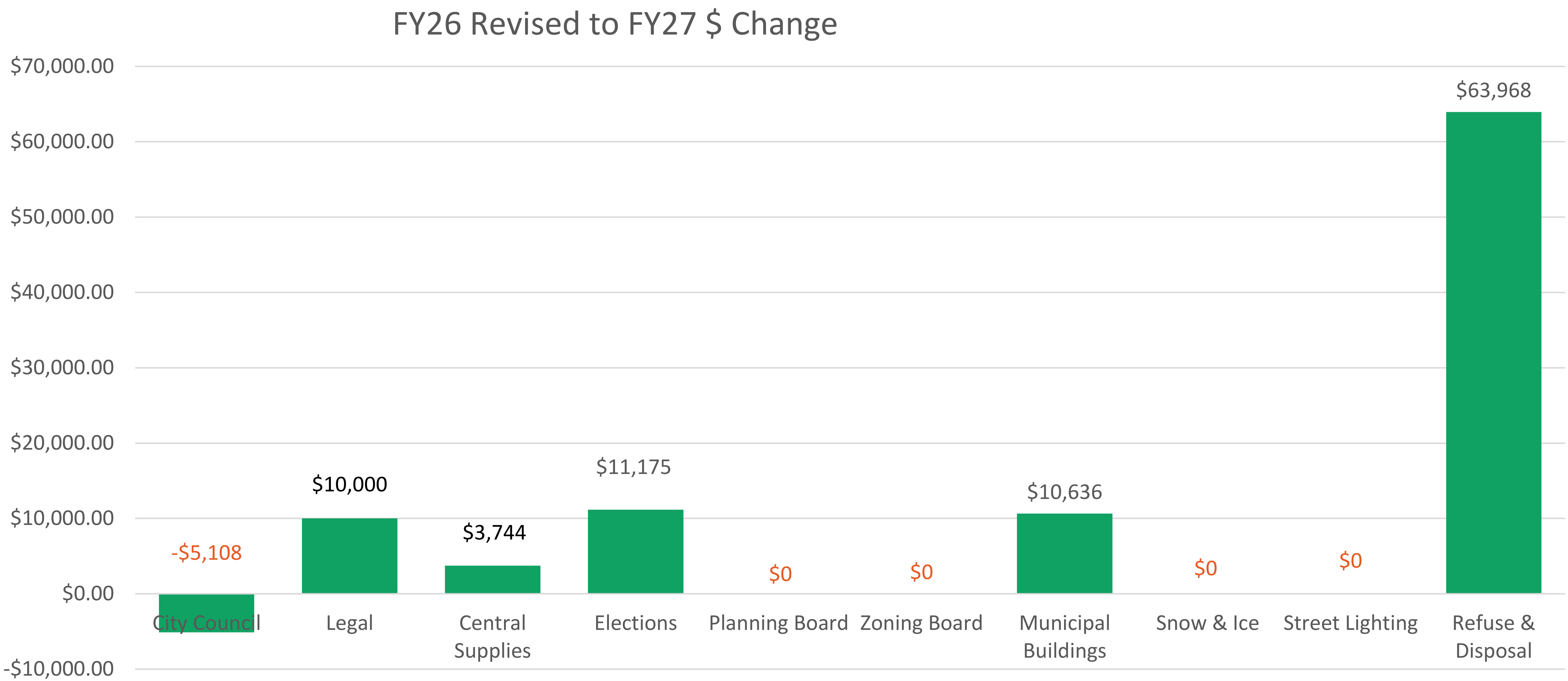
FY27 Departmental Budgets



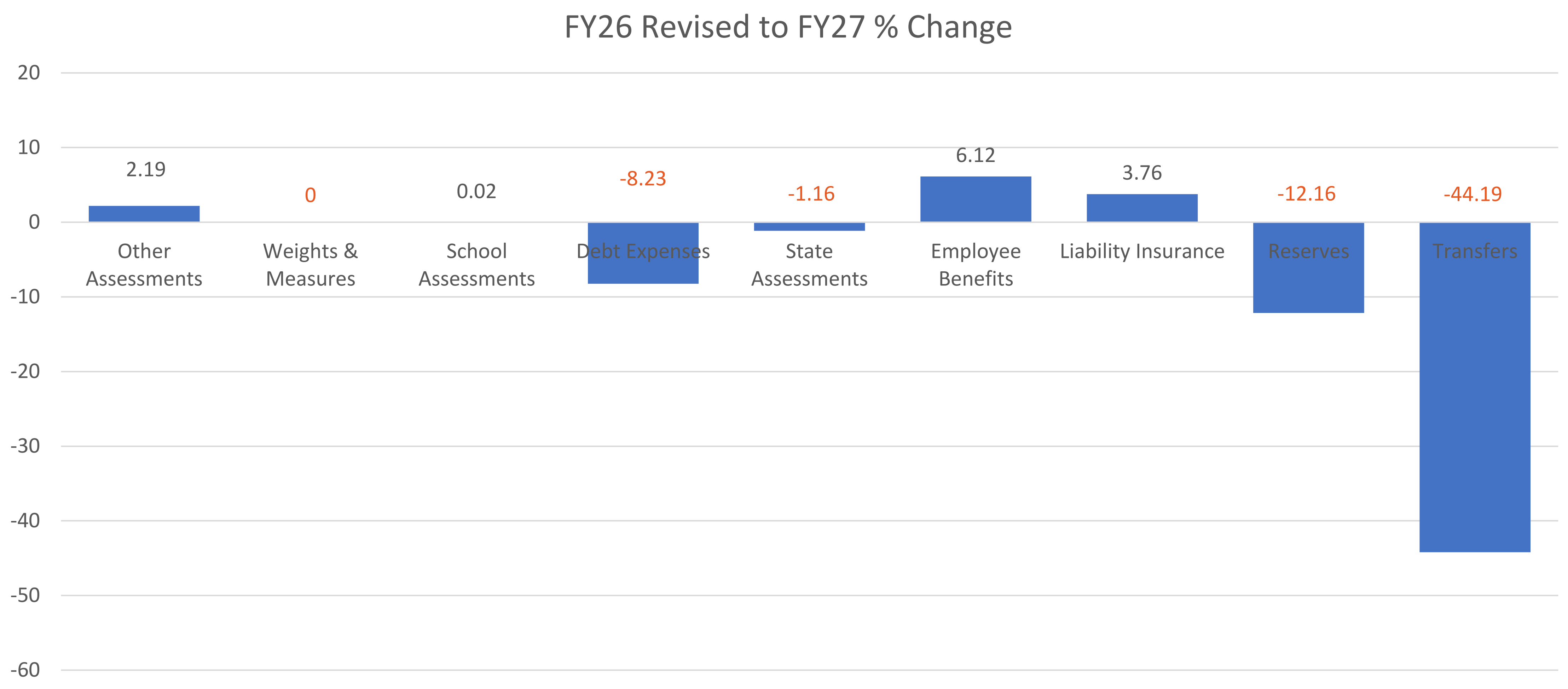
FY27 Other Budgets



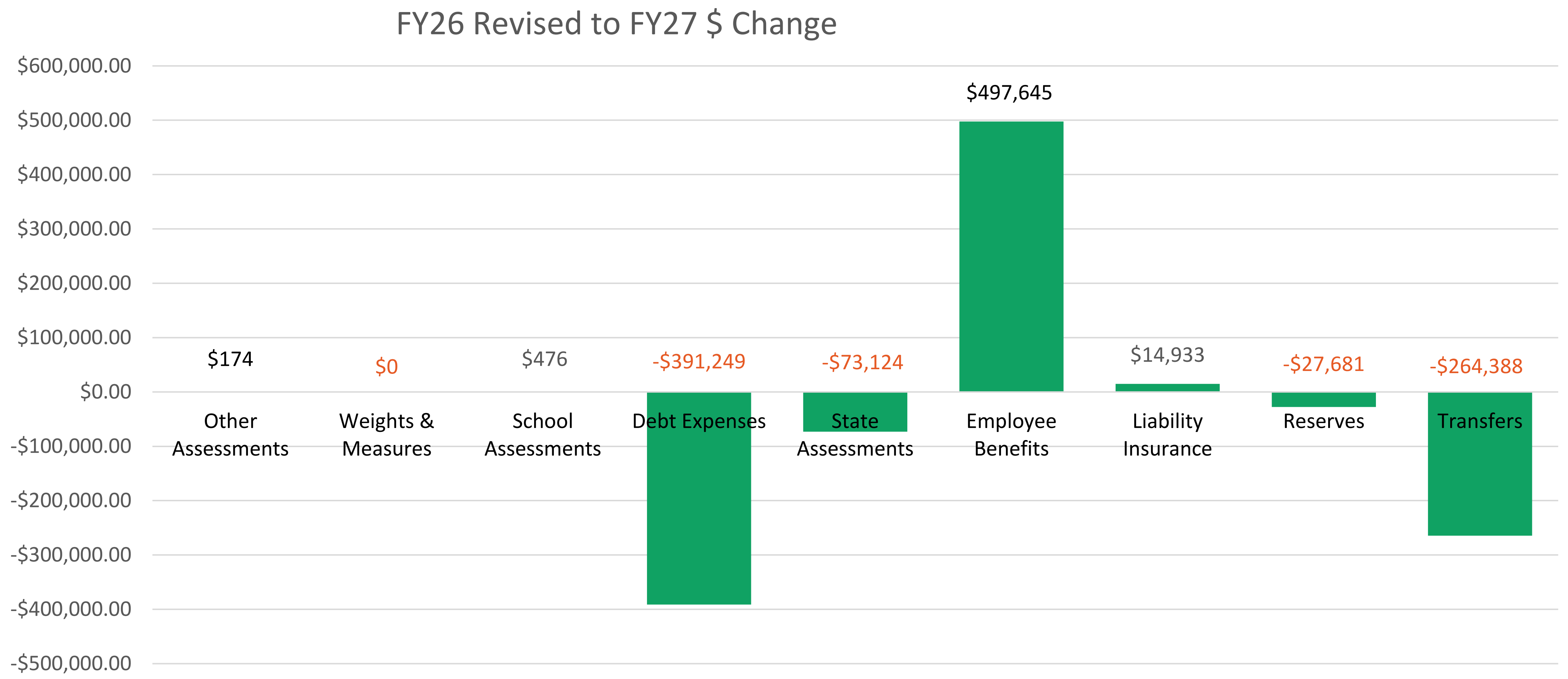
FY27 Other Budgets



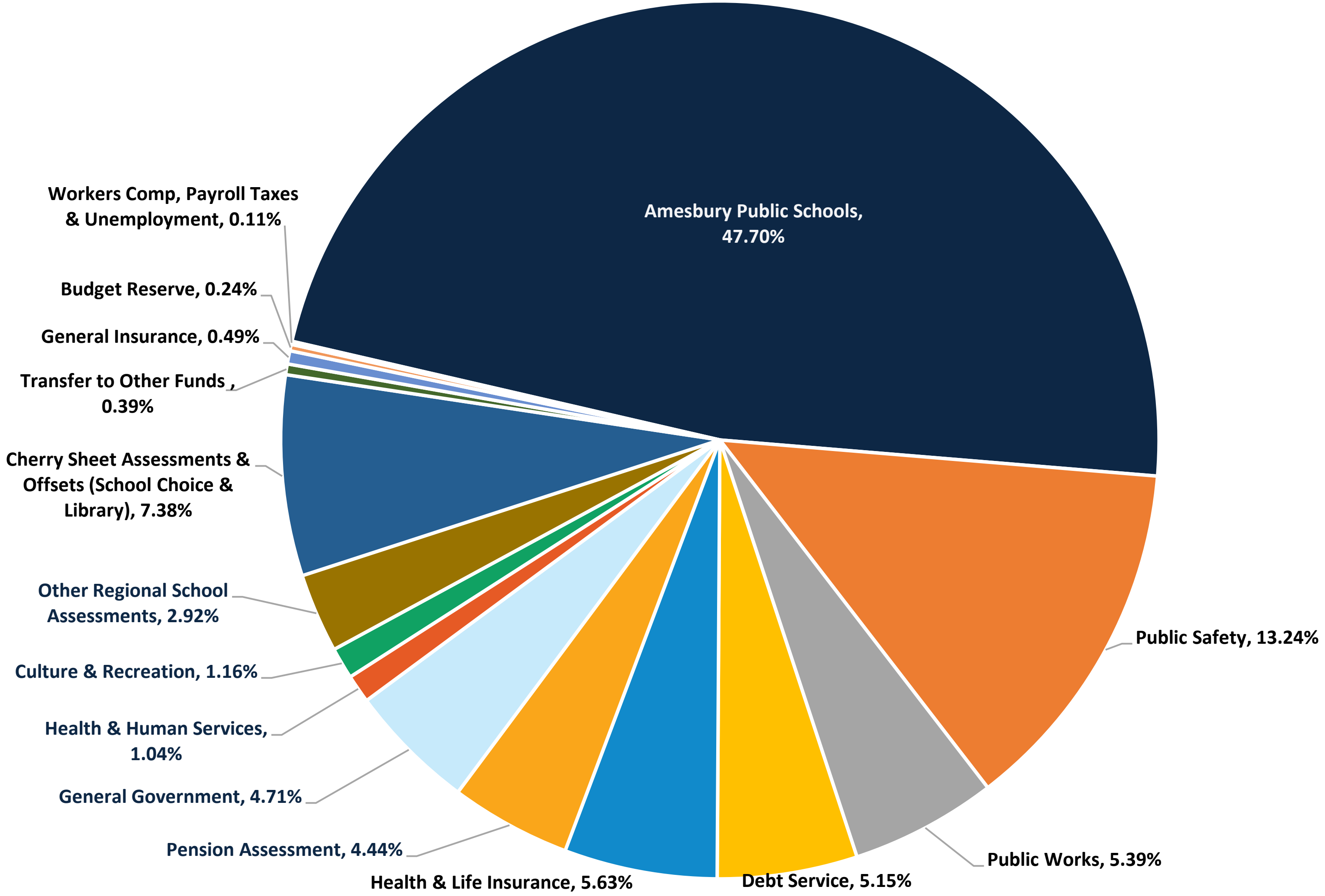
FY27 Assessments & Other



FY27 Assessments & Other



FY27 Budget Highlights



$84,704,738

Increase of .56%

Using $1M of Free Cash to Balance and $513,316.36 for Capital

$159,879 left in the Levy

Budget Process

Details

	Total	$4,772.00

Description	Amount
Chemical Cleaners (Wax, Stripper, Lysol, Bleach, Trifecta, hand sanitizer)	$1,000.00
Hand Soap, once case per month	$255.00
Kleenex, one case every two months	$255.66
Mop heads	$50.00
Roll of paper towel, one case per month	$705.48
Rounding	$0.34
Toilet Paper one case per month	$839.76
Trash bags, 1 case of small one case of large per month	$1,115.76
Vacum bags one case every 4 months	$550.00

Done

Police
Custodial
Supplies

Budget Process

Details

Total	$50,308.00

Description	Amount
EMS Supplies **	$37,000.00
Zoll 10 year LP	$34,000.00
Anna Jacques Pharmacy (Medications for ambulance service) **	$12,000.00
Service Contracts for Equipment	$10,999.00
Radio Tower Rental **	$8,400.00
Pediatric ALS Certification **	$5,000.00
AAIR Vests for Ambulances **	$5,000.00
Ambulance Equipment Replacement **	$4,000.00
EMS Online Training Platform	$3,500.00
EZ Pass	$1,400.00
MA OEMS Ambulance Certification	$1,250.00
Air Gas (Medical use oxygen) **	$1,000.00
Bio Med (Shredding service for confidential documents) **	$650.00
Annual Ambulance Service License	$650.00
MA Contolled Substance License	$350.00

Done

Fire Ambulance Equipment /Supplies

Budget Process

Details

	Total	$28,082.00

Description	Amount
Cleaning yearly contract	$23,870.00
Cleaning supplies average cost	$2,300.00
Pest control quarterly visits	$592.00
LW Bills Alarm system maintenance contract	$520.00
Precision Sports LLC - cost to cover fountain for winter	$400.00
Front door conservation yearly maintenance	$400.00

Done

Library
Building
Maintenance

Budget Process

Details

Total	$319,801.00

Description	Amount
SoftRight	$45,998.79
OpenGov	$45,150.00
Govern	$31,252.80
Office 365 G3	$28,980.00
TrendMicro Vision One XDR	$18,742.50
Office 365 G5	$18,240.00
Vision ESRI GIS Engine(App)	$16,388.00
Cybersecurity	$13,408.00
Duo MFA	$9,588.00
SeeClickFix	$9,572.00
CivicsPlus	$8,884.20
ArchiveSocial	$8,482.32
Office 365 G1	$6,960.00
Vision Web Hosting	$6,091.00
AutoDesk (formerly AutoCAD)	$5,880.00

Done

IT
Computer
Systems
Support

How do we pay the bills?

Revenue

- **LOCAL RECEIPTS –** Locally generated revenues, other than real and personal property taxes (i.e. motor vehicle excise, fees, permits, investment income, etc.).

- **OTHER AVAILABLE REVENUE SOURCES –** Other funding sources (i.e. free cash, transfers from other funds, ARPA funds). Examples:
  - Free Cash represents the amount of a community's funds that are unrestricted and available for appropriation. Recommended use for one-time expenditures.
  - Transfer from Ambulance Receipts Reserved for Appropriation Fund – subsidizes the cost of the ambulance services which are charged directly to the General Fund within the Fire Dept appropriation.

- **PROPERTY TAXES –** Property taxes are the major source of revenue for the City.

- **STATE AID –** Commonwealth provides financial assistance to Cities and Towns. The formulas are complex and subject to state legislative appropriation each year. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

Property Taxes – Concepts/Terms

- **NEW GROWTH -** Additions to the tax base from new construction and property improvements.

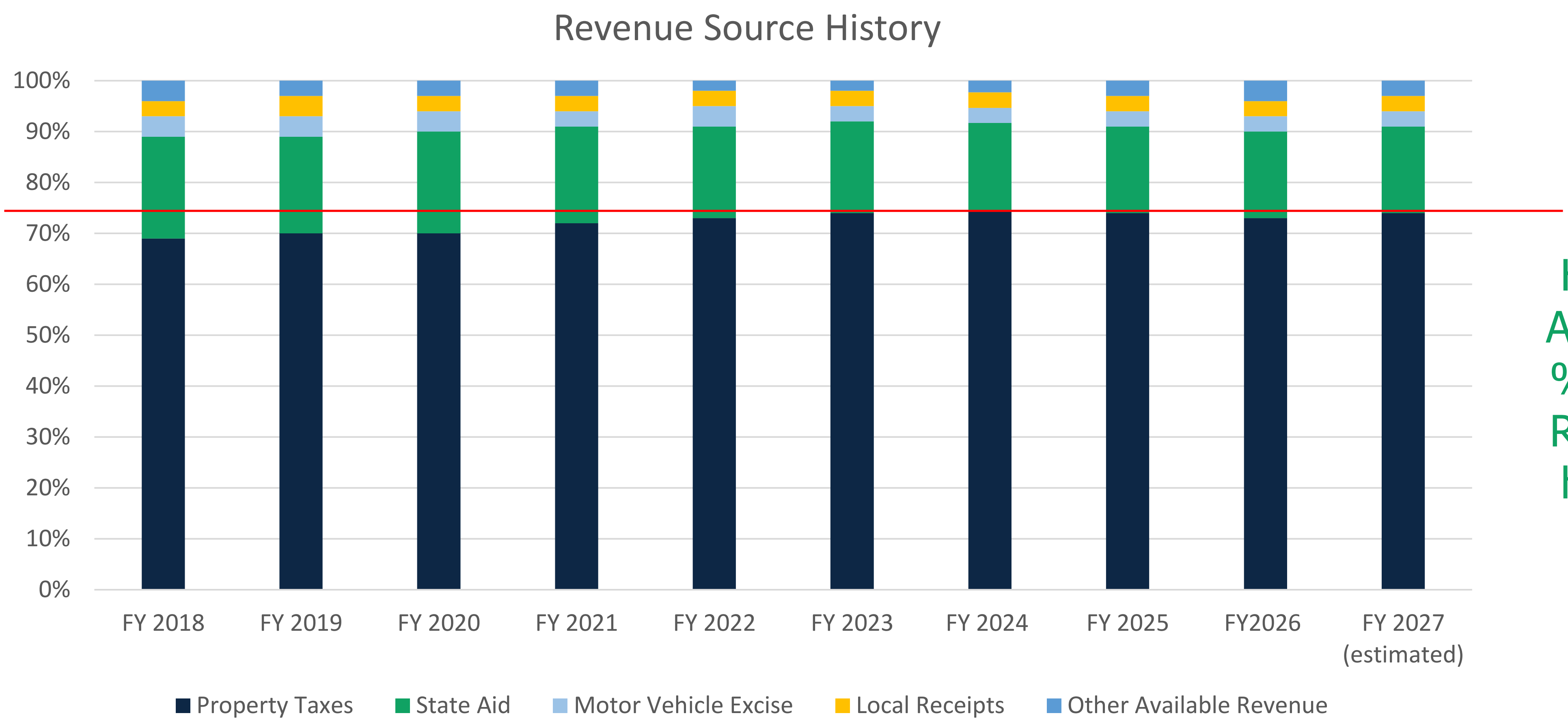
- **LEVY -** Revenue raised through real and personal property taxes.

- **LEVY LIMIT -** Maximum dollar amount a community can raise in a fiscal year:
  (Prior Year Levy + 2 ½% + New Growth + Debt Exclusion)

- **EXCESS LEVY CAPACITY -** Difference between the levy and the levy limit.

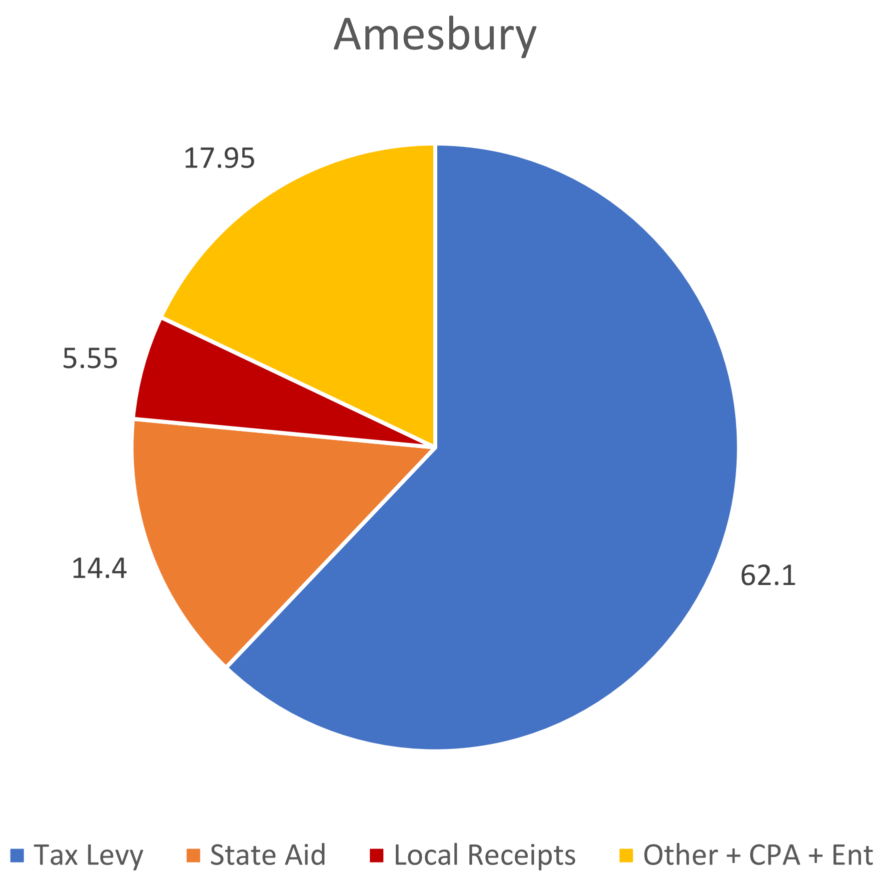
- **DEBT EXCLUSION -** A temporary increase to the levy to pay for a capital project.

Revenue



Historically, State Aid is a decreasing % of our revenue. Recent years have had very minimal changes.

Revenue Source by %



Source: Division of Local Services – Revenue By Source (FY26)

Local Receipts - Trash

Currently solid waste for most residential properties and downtown businesses are paid for from the Tax Levy. We transitioned to an automated cart in the summer of 2023. This started to control our volume of waste disposal. One brown cart was distributed to properties. Additional carts were $100 per cart.

In FY2027 we will propose our first trash fee, a form of Pay-As-You-Throw. MA Department of Revenue certifies budgeted revenues as part of the Tax Rate Recapitulation. They require documentation of revenue collections. No revenue is included in the FY2027 budget. This protects municipalities from relying on funds that may not materialize.

46% of MA municipalities have adopted some form of Pay-As-You-Throw program.

More than ½ of solid waste disposed could be recycled or composted.

June

Council Bills Filed

Fees & Ordinance & Enterprise Fund

July

Council Bills Certified

July – August

Build Form and Payment Process

September

CY2027 Stickers Available

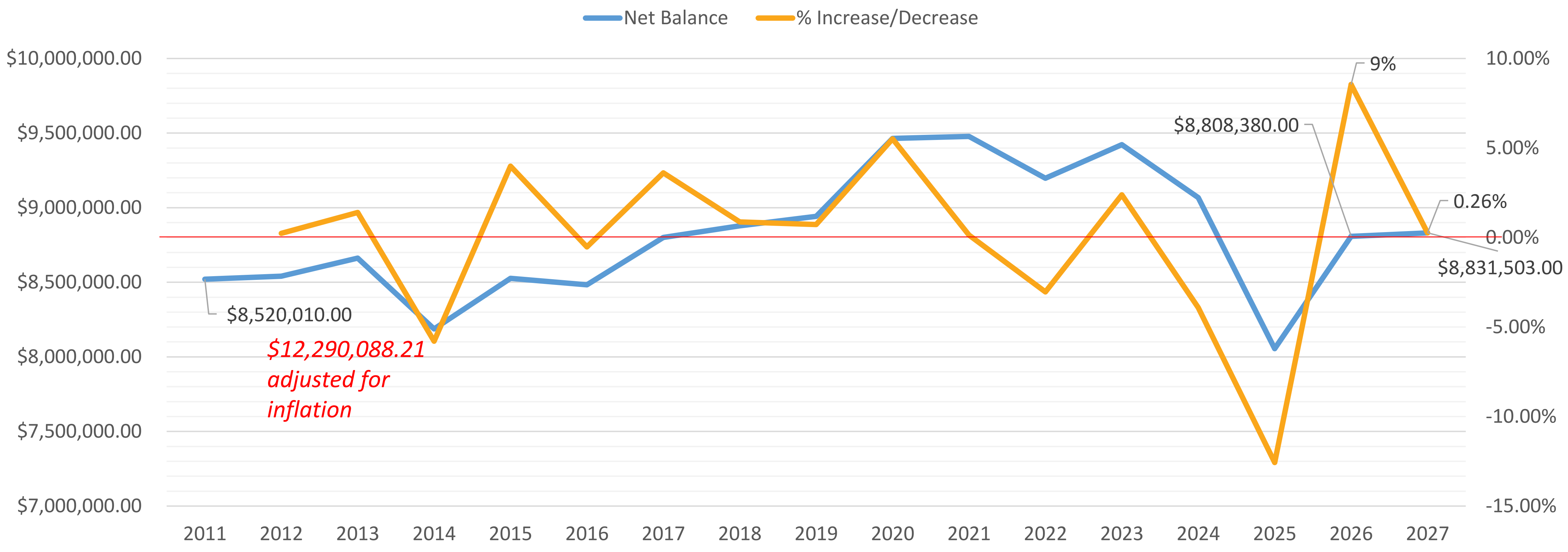
October

Stickers Required

November 2027

CY2028 Stickers Available

Cherry Sheet Changes



% change shows how unpredictable this revenue is

$ shows we receive nearly the same amount of money today as we did 15 years ago

FY26 Projected Levy

REVENUE PROJECTION	FY 2023 Actual Budget	FY 2024 Actual Budget	FY 2025 Actual Budget	FY 2026 Budget	FY 2027 Recommended
Prior Year Levy Limit □ Property Taxes	50,731,043	52,744,046	54,627,342	56,663,779	58,711,465
2 1/2% Increase	1,268,276	1,318,601	1,365,684	1,416,594	1,467,787
New Growth	744,727	564,695	670,753	631,092	500,000
TOTAL LEVY LIMIT	52,744,046	54,627,342	56,663,779	58,711,465	60,679,252
Debt Exclusion	2,313,306	2,295,756	2,937,722	2,845,120	2,341,456
TOTAL AVAILABLE LEVY	**55,057,352**	**56,923,098**	**59,601,501**	**61,556,585**	**63,020,708**
N/A	0	0	0	0	0
LEVY AMOUNT USED	52,569,237	56,646,575	59,435,534	61,396,707	62,860,830
N/A	0	0	0	0	0
EXCESS LEVY CAPACITY	2,488,115	276,523	165,967	159,878	159,879
N/A	0	0	0	0	0
EXCESS LEVY AS % OF OPERATING BUDGET	3.51%	0.36%	0.21%	0.19%	0.19%

FY27 projected Levy increase is $1,464,123
while FY27 Budget increased $471,355

Tax Bill Impact

Tax Bill Impact

- Budget Increase of .56% = $471,355 = estimated $162.99 increase to the average single family home tax bill

Estimated value of the average single-family home is $681.921. An increase of 67% since FY20.

In FY25 the increase was an estimated 57% and at Tax Recap certified at 55%.

CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

- This year we have included the traditional format for a 5-year projection for capital needs. A comprehensive plan and model addressing multi-year capital needs is scheduled to be developed during the upcoming fiscal year. Previously anticipated state grant funding was unfunded in FY26 for this project resulting in a delay.

- Department Heads are the most knowledgeable in their specific areas and are best suited to decide infrastructure and equipment needs associated with their department. Department heads were directed to submit capital requests and prioritize them based on urgency, impact, and available resources.

- The City will work with the Collins Center to develop a comprehensive Capital Improvement Plan and Model for future planning and decision making. The model will include a review of historic trends and debt schedules to provide a strong foundation in asset and infrastructure investment.

Capital Improvement Plan

- The CIP is both a financial and infrastructure planning tool that sets forth a multi-year schedule and financing strategies for accomplishing public capital projects. Identifies and prioritizes capital needs, funding capacity and sources, and the impact of these investments on the operating budget.

- A capital improvement plan is a best practice in long-term capital planning, budgeting, and asset maintenance planning.

- Capital assets – buildings, streets and sidewalks, water & sewer infrastructure, technology and major equipment, are essential for providing services to our residents and businesses.

- Capital assets are expensive: from planning to construction, to operations and maintenance.

Capital Improvement Plan

- Developing a CIP that will ensure sound fiscal and capital planning requires effective leadership and the cooperation of municipal departments.

- As with any planning document, a CIP is a living document that needs constant updating and adjustments. Project costs provided are estimates based on information available at the time of the CIP creation. Often, through course of time, cost estimates, prioritization of projects will change from the time when the CIP is created and when it is time to appropriate funding to support capital investments.

- A Capital Plan includes all funding sources, not just the general fund. It is the administrations intent to give it as much attention as the general fund budget development.

Capital Improvement Plan

- Funding of major capital projects is typically financed through issuance of bonds (long-term debt). These bonds are issued for time periods ranging from 5 to 30 years, and debt service principal and interest payments are budgeted annually in the general fund and/or enterprise funds.

- Other financing sources are also part of the overall financing plan for the capital plan (i.e. state and federal grants, free cash) to help mitigate the impact to the taxpayers.

- For FY2027, The City had to defer several capital needs due to fiscal constraints.

Capital Improvement Plan

- A complete, properly developed CIP has the following benefits:
  - Facilitates coordination between capital needs and operating budgets
  - Enhances the community's credit rating and control of its tax rate
  - Deters sudden changes in debt service requirements
  - Identifies the most economical means to finance capital projects
  - Increases opportunities for obtaining federal and state funding
  - Focuses attention on community objectives and fiscal capacity
  - Keeps the public informed about future needs and projects
  - Encourages careful project planning and design to avoid costly mistakes and to help a community reach desired goals

Capital Improvement Plan

- <u>The criteria to determine which projects are funded in a particular fiscal year includes but is not limited to</u>:
  - Impact on public health & safety
  - Impact on economic development
  - Infrastructure needs
  - Mandates of local, state or federal regulations or laws
  - Whether the project is a prerequisite to another project
  - Improvement of productivity/efficiency
  - Impact on operating budget
  - Financial return or cost
  - External funding sources available for the project

FY27 Capital Funded

Fiscal Year	Request Number	Department	Project	Project Description	Funding Source	Amount
2027	APS-2027-2	Schools	Fire Doors	Replace two (2) fire doors.	Free Cash	$20,000.00
2027	APS-2027-5	Schools	Sidewalk Repairs	Repair and resurface sidewalk areas.	Free Cash	$100,000.00
2027	DPW-2027-16	Public Works	Zero Turn Mower	Landscaping equipment for city buildings & grounds	General Fund	$15,000.00
2027	DPW-2027-14	Public Works	Bridge Work	Bridge replacement, design and construction	Grant	$750,000.00
2027	FR-2027-2	Fire	Ambulance 1 Replacement	This project proposes the replacement of the department's frontline ALS ambulance (A1), a 2014 Chevy G4500/Demers unit that was purchased as a demonstration vehicle in 2016. The project will include specification development and procurement through the Massachusetts state bid procurement process, followed by delivery and placement into frontline EMS service. Funding for this purchase will come from the department's Ambulance Revenue Account, which is designated for EMS-related capital equipment and vehicle replacement.	Special Revenue Fund	$468,951.00

2027	FR-2027-3	Fire	EMS Ventilators	This project proposes the purchase of two pre-hospital ventilators for the department's frontline ALS ambulances, including all associated equipment necessary for safe and effective patient care. Each unit is estimated at $22,000, and procurement will follow the Massachusetts state bid process or approved vendor channels. While other funding options are being explored, this project responds to a mandate from the Massachusetts Office of Emergency Medical Services (OEMS) requiring all ALS ambulances to be equipped with advanced ventilatory support.	Grant	$44,000.00
2027	FR-2027-4	Fire	Portable Radio Replacement	This project proposes the phased replacement of ten frontline portable radios used by the department's career personnel, with five units replaced per fiscal year at an estimated cost of $9,000 each, totaling $45,000 per year. The radios provide critical communications for fire suppression, EMS, technical rescue, and emergency management operations. Procurement will follow the Massachusetts state bid process or approved vendor channels, ensuring compatibility with regional dispatch systems and departmental infrastructure.	Free Cash	$45,000.00
2027	FR-2027-5	Fire	Hose Replacement	This project proposes the replacement of a full engine's complement of fire hose, totaling $50,000, with $13,000 already funded through the operating budget and a capital request of $37,000 to complete the replacement. The project will include procurement of new attack, supply, and specialty hoses to meet NFPA standards, testing, and installation on frontline apparatus. Completing this replacement will establish the foundation for a regular hose replacement schedule that can be incorporated into the department's future operating budgets.	Free Cash	$37,000.00

2027	IT-2027-1	IT	City Laptop Refresh	Laptops have a 5 year lifespan, IT has scheduled replacement of about 20% per year to defray costs and project complexity. 20% is approximately 20 laptops at approximately $850 per machine. While we budget money in our New office equipment line item every year for laptops, there's not enough to cover this amount of new laptops along with all other hardware needed for it.	Free Cash	$6,000.00
2027	LIB-2027-1	Library	Repair, Re-point and Clean Mortar	Mortar is degraded. Moss and mold are visible in many areas. Re-point areas of damaged mortar and fill open mortar joints. Clean exterior masonry walls to remove dark staining and biological growth, and to restore the original contrast between the light and dark Roman brick.	Free Cash	$25,000.00
2027	LIB-2027-2	Library	Replace Temporary Ramp	Remove existing ramp and install a new temporary ramp that meets code compliant temporary ramp.	Free Cash	$21,000.00
2027	LIB-2027-2	Library	Replace Temporary Ramp	Remove existing ramp and install a new temporary ramp that meets code compliant temporary ramp.	Special Revenue Fund	$15,000.00
2027	LIB-2027-3	Library	Carpet Replacement	Remove existing carpet on the spiral stairs going from main level to kids room and install new carpet on the stairs. Carpet acts to both protect original wood stairs and makes it safer for children to traverse.	Free Cash	$8,483.00
2027	LIB-2027-4	Library	Carpet Installation	Install carpet over tiled floor in second floor of stack wing.	Free Cash	$6,519.00
2027	LIB-2027-5	Library	Resurface Front Stairs	Mason doing repairs in FY26 to fix most pressing issues on broken steps and to protect repairs need to be resurfaced to stabilize the steps until a building project can be realized.	Free Cash	$10,000.00

2027	LIB-2027-6	Library	Window Restoration and Storm Windows	Restoration and conservation of historic windows throughout building. Includes repairing broken glass, sashes, ropes/chains to ensure operable. Install UV storm windows throughout. Replace putty and restore exterior. Repair or replace wood soffits and missing trim around dormer and other areas. Perform conditions assessment on ladder or lift to determine which brackets needs repair and if any of the soffit should remain.	Special Revenue Fund	$225,000.00
2027	LIB-2027-7	Library	Exterior painting	Scrape and paint all exterior trim.	Special Revenue Fund	$50,000.00
2027	LIB-2027-8	Library	Gutter/Roof Repair	Gutters would be replaced with as close to original as is possible to maintain historic integrity and all roof work identified as needed in the Facilities Master Plan completed.	Special Revenue Fund	$350,000.00
2027	MAY-2027-1	Mayor	Digital Community Sign	Provide matching funds to Rotary Club of Amesbury donation for upgrade of an informational sign in the parking lot area of the City Hall Annex at 62 Friend Street. Current sign is a "letterboard", new sign would be digital and cohesive with new wayfinding designs.	Free Cash	$20,000.00

2027	MAY-2027-2	Mayor	5 Year Capital Improvement Plan/Model	The Collins Center would work with the City to generate a new five-year capital improvement plan/model encompassing all municipal operations, including enterprise fund operations, and strive to collect and compile long-term project needs to better equip the City in its decision making.	Free Cash	$35,400.00
2027	POL-2027-1	Police	FY27 Cruiser Replacement Plan	Year two of a three year cruiser replacement plan. Plan to replace 4 front line cars.	Free Cash	$94,312.00
2027	POL-2027-2	Police	Body/Cruiser Camera Lease	Year three of a 5 year lease	Free Cash	$33,453.00
2027	POL-2027-3	Police	Command Vehicle	Replace the current Lieutenant vehicle being used by the two Lieutenants	Free Cash	$30,000.00
2027	POL-2027-4	Police	Replace Tasers	Replace all of our Tasers.	Free Cash	$21,149.36
					TOTALS:	$2,431,267.36

FINANCIAL FORECAST

Financial Forecast

- The goal of the City's financial forecast is to conservatively project revenues and expenditures 5 years into the future. The forecast is intended to provide policymakers with the information they need to make informed decisions around the City's financial strategies and policies, long-term financial and capital planning, and long-term contracts and/or obligations.

- As new information becomes available here forward, the assumptions and estimates used in the current projections will need to be regularly reevaluated by City officials to determine if they are still appropriate and reasonable.

Financial Forecast

- Assumptions:
  - New Growth has been updated to reflect new economic development which has a direct correlation to the real estate market
  - Debt exclusions are based on the debt service outpayment schedule for the debt exclusion borrowings (2020/2024 Elementary School)
  - State revenue is estimated to increase annually at a rate of 2%
  - Local receipts are estimated to increase annually at a rate 2%
  - Operating budget is estimated to increase at a conservative rate between 3.9% and 5.7%
    - Salaries & Wages are estimated to increase annually at a rate of 3% (actual increases include steps, longevity, COLAs, etc. in accordance with Collective Bargaining Agreements and COLA proposal for non-union employees)

Financial Forecast

- Assumptions (continued):
  - Operating expenses are estimated to increase annually at a rate of 5%
  - Debt service payments are listed based on current outstanding bonds
  - State assessments are estimated to increase annually at a rate of 7%
  - Employee benefits (i.e. employee insurance, retirement, unemployment, etc.) are estimated to increase annually at a rate of 7%
  - Transfers represent OPEB transfer based on current actuarial valuation and DIF transfer based on existing debt payment schedules

Financial Forecast

- Maintain Conservative Approach
  - Reasonably account for new growth based on perspective building projects
  - Focus on increasing other revenue sources through new economic development
  - Strive to build a conservative budget

- Fiscal Challenges
  - Meeting the needs of the City with limited revenue sources; City's budget relies heavily on property tax revenue (73.92%)
  - Preparing a budget within the Levy Limit
    - Based on the conservative assumptions listed above, the City would exhaust its levy limit in fiscal year 2028

REVENUE & EXPENDITURES FORECAST	FY 2028 PROJECTED	FY 2029 PROJECTED	FY 2030 PROJECTED	FY 2031 PROJECTED	FY 2032 PROJECTED
Prior Year Levy Limit - Property Taxes	60,679,252	62,996,233	65,271,139	67,502,917	69,690,490
2 1/2% Increase	1,516,981	1,574,906	1,631,778	1,687,573	1,742,262
New Growth	800,000	700,000	600,000	500,000	500,000
TOTAL LEVY LIMIT	62,996,233	65,271,139	67,502,917	69,690,490	71,932,752
Debt Exclusion	2,324,206	2,309,206	2,296,206	2,284,956	2,270,206
TOTAL AVAILABLE LEVY	**65,320,439**	**67,580,345**	**69,799,123**	**71,975,446**	**74,202,958**
EXCESS LEVY CAPACITY	**-1,759,880**	**-4,117,126**	**-5,080,188**	**-7,190,896**	**-9,519,878**
TOTAL LOCAL RECEIPTS	**5,320,448**	**5,426,856**	**5,535,394**	**5,646,101**	**5,759,023**
% Increase (Decrease) over prior Fiscal Year	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Total Cherry Sheet Receipts	**14,968,626**	**15,267,999**	**15,573,359**	**15,884,826**	**16,202,523**
% Increase (Decrease) over prior Fiscal Year	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
RESERVE FOR ABATEMENT	**-250,000**	**-250,000**	**-250,000**	**-250,000**	**-250,000**
TOTAL OTHER AVAILABLE SOURCES	**1,620,281**	**1,652,687**	**1,685,740**	**1,719,455**	**1,753,844**
% Increase (Decrease) over prior Fiscal Year	*-36.9%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
REVENUE & EXPENDITURES FORECAST	88,739,674	93,795,013	97,423,804	102,166,725	107,188,227
% Increase (Decrease) over prior Fiscal Year	*4.8%*	*5.7%*	*3.9%*	*4.9%*	*4.9%*
EXPENDITURES BY GOVERNMENTAL FUNCTION					
General Government	4,136,663	4,292,912	4,455,456	4,624,564	4,800,518
Public Safety	11,573,633	11,942,928	12,324,408	12,718,491	13,125,614
Amesbury Public Schools	42,426,035	44,547,337	46,774,704	49,113,439	51,569,111
Other Regional School Assessments	2,717,552	2,989,307	3,288,238	3,617,062	3,978,768
Public Works	*4,748,225*	*4,937,526*	*5,134,621*	*5,339,840*	*5,553,527*
Health & Human Services	918,206	954,194	991,684	1,030,742	1,071,438
Culture & Recreation	1,013,723	1,049,084	1,085,754	1,123,783	1,163,226
Debt Service	4,287,242	4,227,599	4,099,636	4,029,341	3,965,501
Cherry Sheet Offsets (School Choice & Library)	831,288	889,479	951,742	1,018,364	1,089,649
Cherry Sheet Assessments	5,860,794	6,271,050	6,710,024	7,179,725	7,682,306
Health, Dental & Life Insurance	4,827,249	5,165,157	5,526,718	5,913,588	6,327,539
Pension Assessment	4,027,632	4,309,566	4,611,236	4,934,022	5,279,404
Workers Comp, Unemployment & Other Insurance	381,240	407,927	436,482	467,035	499,728
General Insurance	432,487	454,111	476,816	500,657	525,690
Budget Reserve	200,000	1,000,000	200,000	200,000	200,000
Transfer to Other Funds	357,704	356,835	356,286	356,071	356,208
TOTAL GENERAL FUND	88,739,674	93,795,013	97,423,804	102,166,725	107,188,227
	4.8%	***5.7%***	***3.9%***	***4.9%***	***4.9%***

Informational

- Tax Levy is the amount of property tax revenue a community can raise through real and personal property taxes.

- Prop 2 ½ limits how much the levy can be increased each year.

- The maximum amount a community can levy in any given year is called the Levy Limit.

- A community can exceed its levy limit with voter approval.

- Communities can levy above its levy limit permanently or temporarily by passing by majority vote in an election an override or a debt exclusion.

- By passing an override a community can assess taxes in excess of the automatic annual 2.5% increase (Prop 2 ½).

Informational

- An <u>override</u> results in a permanent increase in the levy limit of a community.

- Funds can be used for both operating and capital expenses.
  - "An override (Chapter 59, Section 21C(g)) may be sought for any municipal spending purpose and is most often used when additional revenue is sought to fund an annual operating budget."

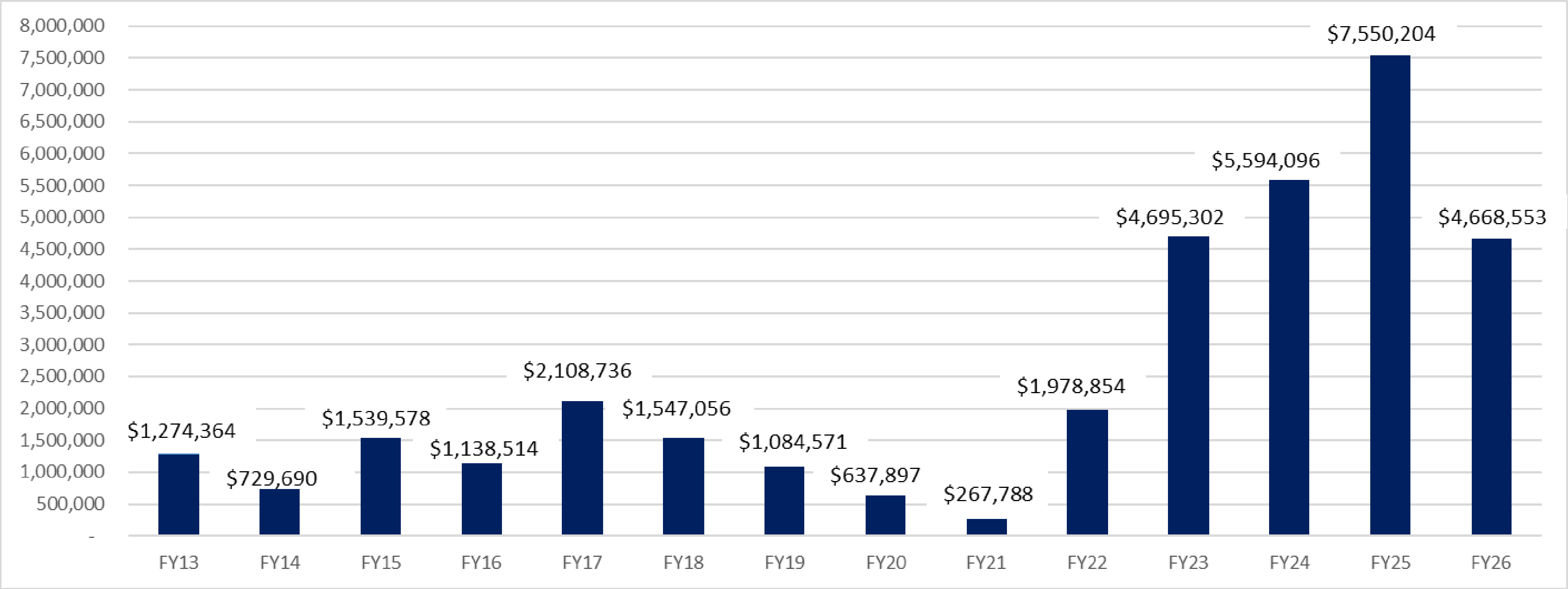
- A <u>debt exclusion</u> results in a temporary increase in the levy limit of a community. Additional taxes are assessed to pay debt service from borrowing for a specific capital project. The additional amount is added to the Levy Limit for the life of the debt.

RESERVES

Free Cash

- What is Free Cash?
  - The Division of Local Services (DLS) defines Free cash as
    - "a revenue source that results from the calculation, as of July 1, of a community's remaining, unrestricted funds from its operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line items for the year just ending, plus unexpended free cash from the previous year. Free cash is offset by property tax receivables and certain deficits, and as a result, can be a negative number".
  - DLS must certify free cash before the City can appropriate it.

Certified Free Cash by Fiscal Year



Reserves

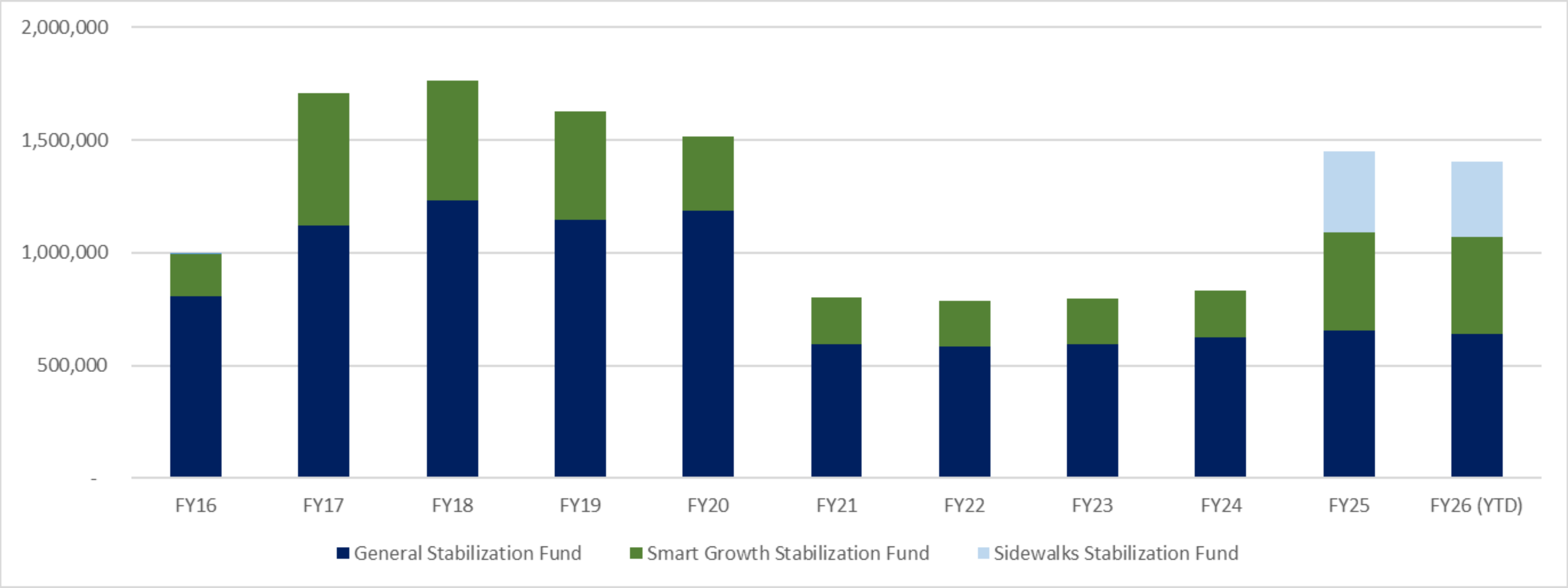
- General Stabilization Fund
  - MGL Chapter 40, Section 5B, allows communities to set aside funds to be held in a Stabilization Fund in order to provide for unforeseen needs and/or capital projects. Although, these funds can be used for any lawful municipal purpose. Appropriations into the fund can be done by majority vote but a 2/3 vote is required to make an appropriation from the fund. This fund is often referred to as the "Rainy Day" fund.

- Smart Growth Stabilization Fund
  - Special purpose stabilization fund established on 9/26/2007 (CO #2007-075). To be known as the Smart Growth Housing and Expedited Permitting Fund. The purpose of the fund is to offset the impacts, additional costs and expenses of Low and Moderate Income Housing Projects applied under Chapter 40B, 40R, or 40S, and projects applied for under Chapter 43D "Expedited Permitting".

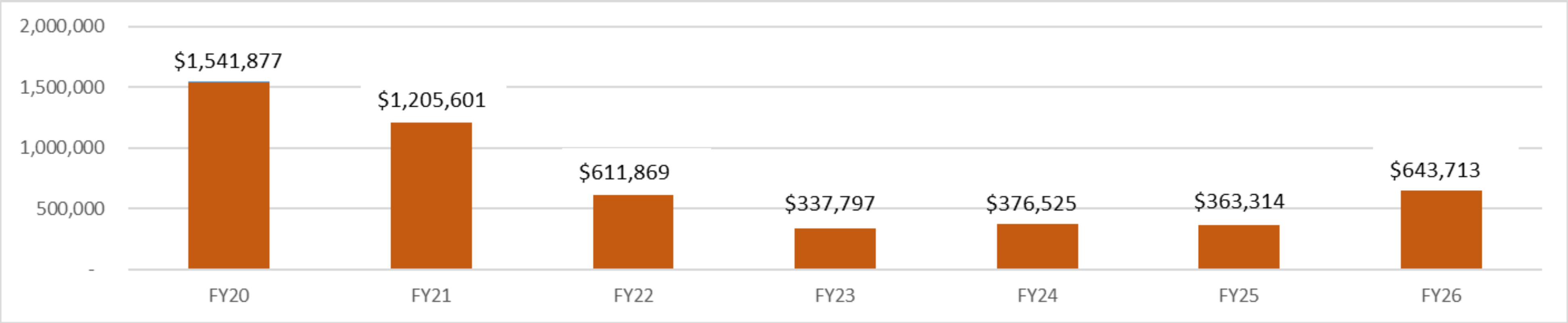
- Sidewalk and Road Repairs Stabilization Fund
  - Special purpose stabilization fund approved on 5/14/2013 (CO #2013-025). Local Option Meals Tax receipts will be dedicated to this fund (starting 7/1/2024) as voted by Council (CO #2023-098) for the purpose of sidewalk and road repair projects.

Reserves

	General Stabilization Fund	Smart Growth Stabilization Fund	Sidewalks Stabilization Fund	Total
FY16	808,807	186,327	-	$995,134
FY17	1,117,853	588,005	-	$1,705,857
FY18	1,232,662	530,355	-	$1,763,016
FY19	1,147,742	479,705	-	$1,627,447
FY20	1,188,232	327,296	-	$1,515,529
FY21	592,812	207,695	-	$800,507
FY22	582,646	204,134	-	$786,780
FY23	593,656	204,134	-	$797,790
FY24	622,300	207,612	-	$829,912
FY25	656,493	433,887	358,689	$1,449,070
FY26 (YTD)	641,519	425,913	334,675	$1,402,107

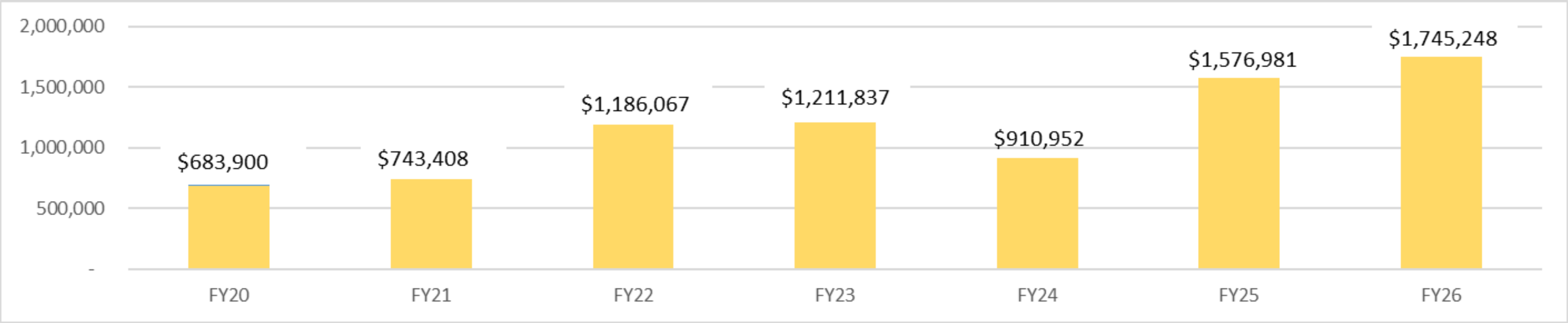


Certified Water Retained Earnings by Fiscal Year



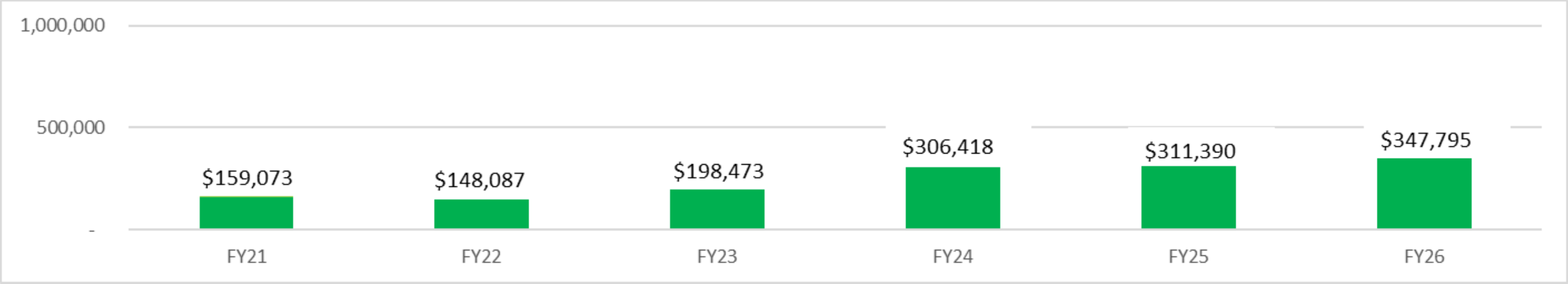
Water retained earnings had been used to balance the Water Department Operating Budget for many years. In FY26 that stopped after a rate study produced a new water rate structure based on water used. Those rates increased 6% on January 1st and are expected to increase annually on July 1st. Having healthy retained earning provides funding for capital projects and equipment replacement/repairs.

Certified Sewer Retained Earnings by Fiscal Year



Water retained earnings have been healthy. The DPW Director has included a goal this year to strong capital plan for both Water & Sewer to align this funding with infrastructure needs.

Certified Cable Retained Earnings by Fiscal Year



Cable Retained Earnings are generated from Cable License Fees. We work with Amesbury Community Television on expending these funds for the benefit of the public.

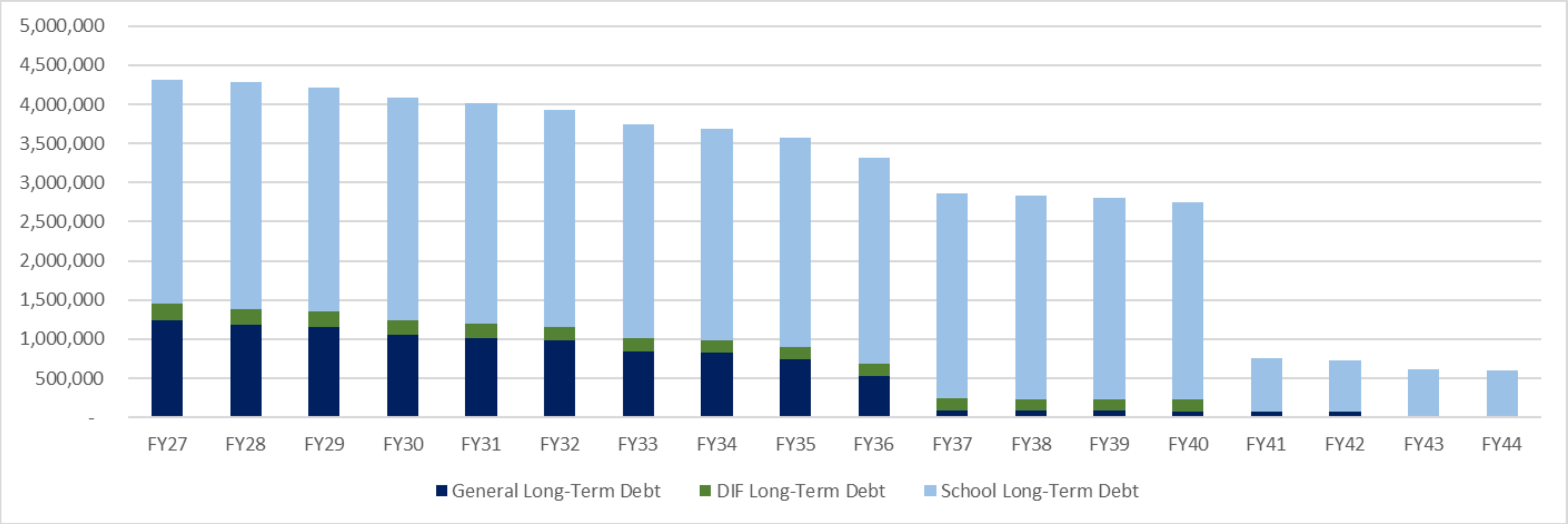
Other Funds

- Community Preservation Act
  - MGL Chapter 44B, Section 3 to 7, otherwise known as the Massachusetts Community Preservation Act, was established on 6/27/2003 (CO #2023-053). Approving a surcharge of 1% on real property for the purposes permitted by said Act, including the acquisition, creation and preservation of open space, historical preservation and community housing. As of 4/24/26, this fund has a balance of $967,068.

	Community Preservation Act	
Reserved for Community Housing	$	103,712
Reserved for Open Space	$	103,712
Reserved for Historic Preservation	$	103,713
Unreserved Fund Balance	$	655,931
	$	**967,068**

LIABILITIES

Debt Service Payments by Fiscal Year



Total Outstanding Debt = $53,104,897

As a % of Operating Budget = 5.80% (DLS – FY2025)

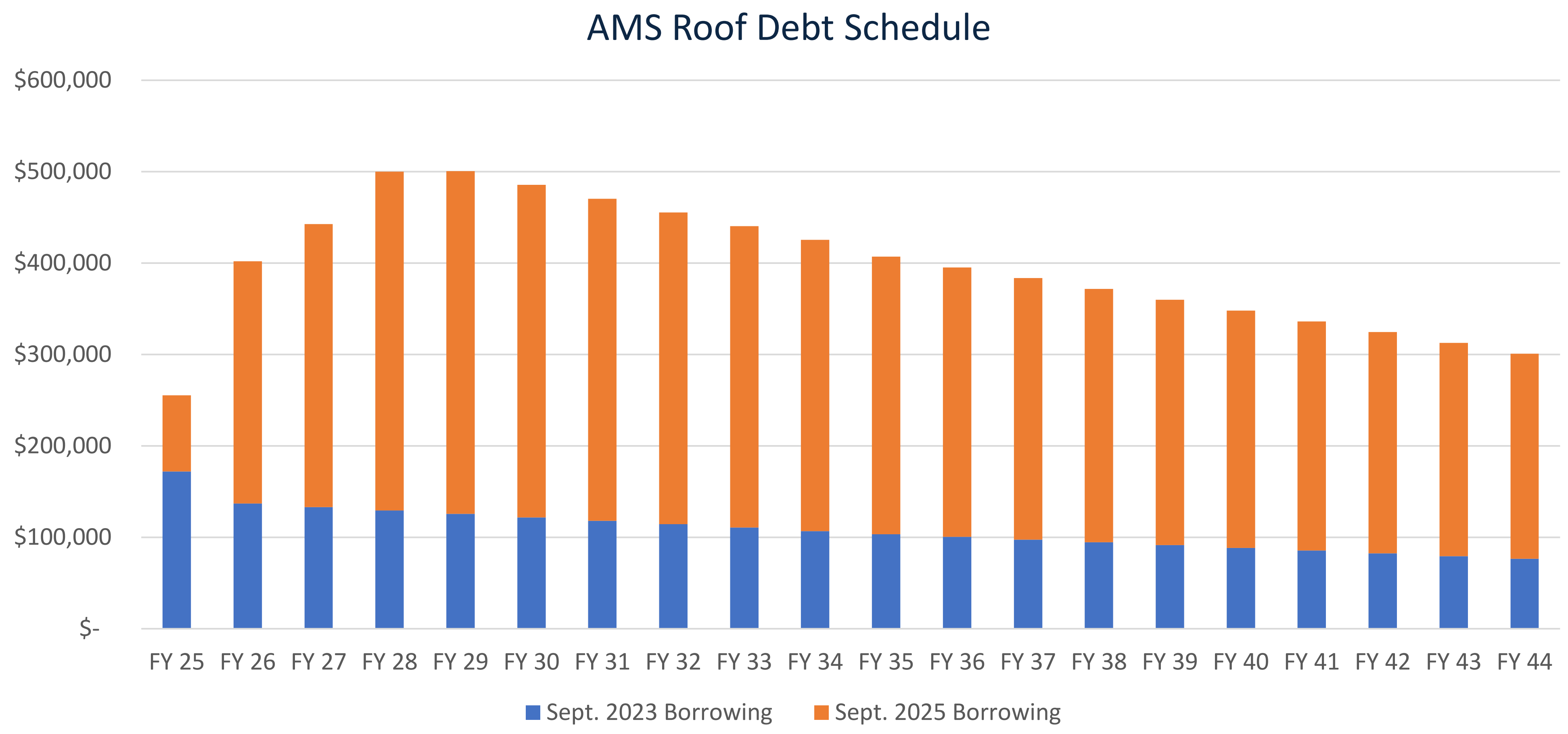
Recent Capital Projects

AMS Roof

Funding in place:

Council Bill 2023-044	$1,500,000
Council Bill 2024-081	$5,923,800
ARPA Funds	$2,450,000
	$9,873,800
Construction Estimates	$7,909,300
FINAL TOTAL	$7,369,400
SAVED FROM ESTIMATE	*$2,504,400*

Recent Capital Projects



Total Paid FY44 = $7,918,139

Recent Capital Projects

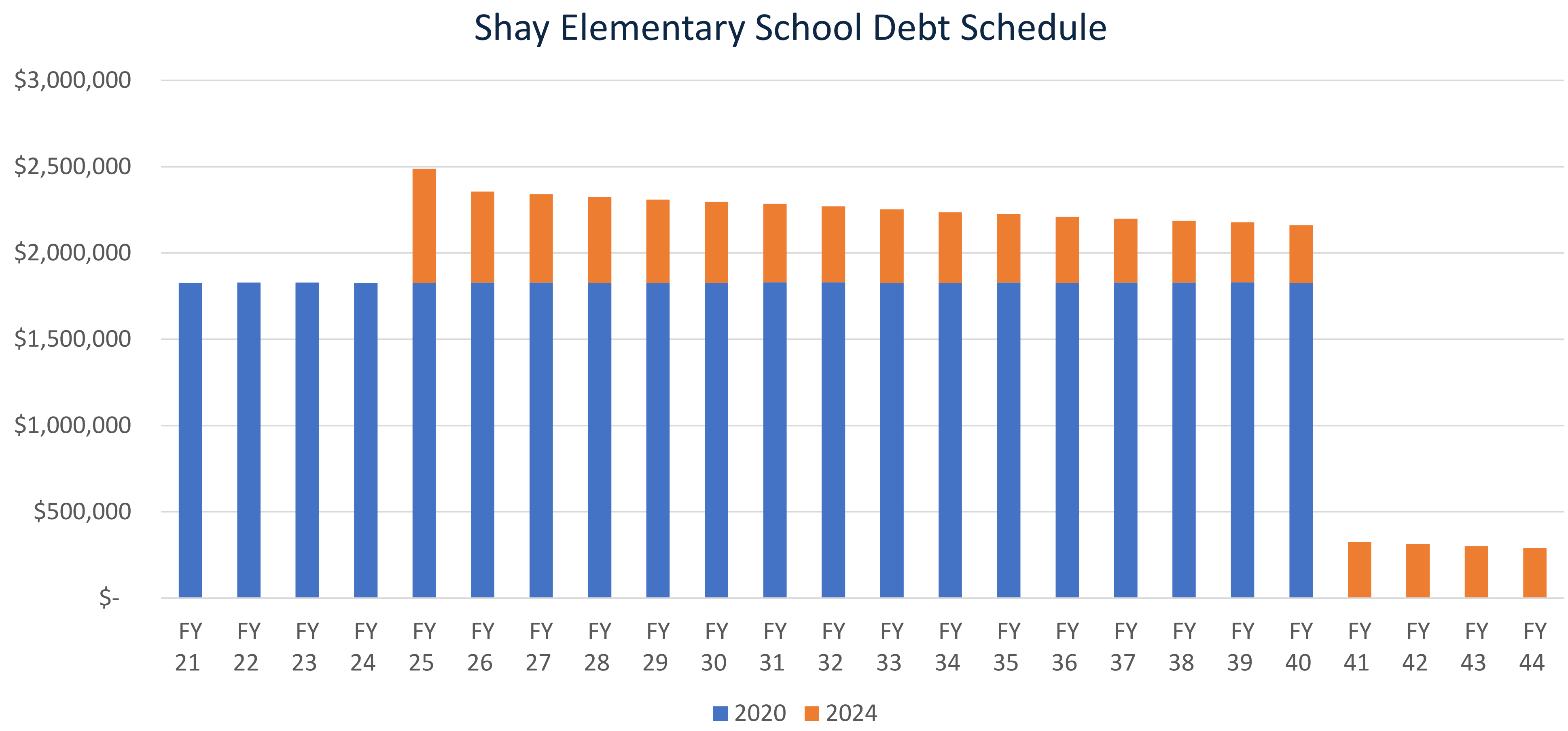
Shay Elementary School

Funding in place:

Council Bill 2019-051	$60,513,570
Council Bill 2022-034	($24,466,254)
	$36,067,316
TOTAL PROJECT BUDGET	$60,513,570
MSBA $ RECEIVED	$22,906,881
MASB $ STILL ANTICIPATED	$ 15,538502
FINAL PROJECT TOTAL	$60,149,169
SAVED FROM BUDGET	*$364,000*

We have a short-term BAN for $1,523,313 expiring in September. BANS are one year debt issuances with one interest payment. The payment on this BAN is $17,670.43. This has been carried as short term while we wait for the final MSBA Reimbursement. Final MSBA facilities grant total should be $38,445,383.

Recent Capital Projects



Total Paid FY44 =
$44,858,559

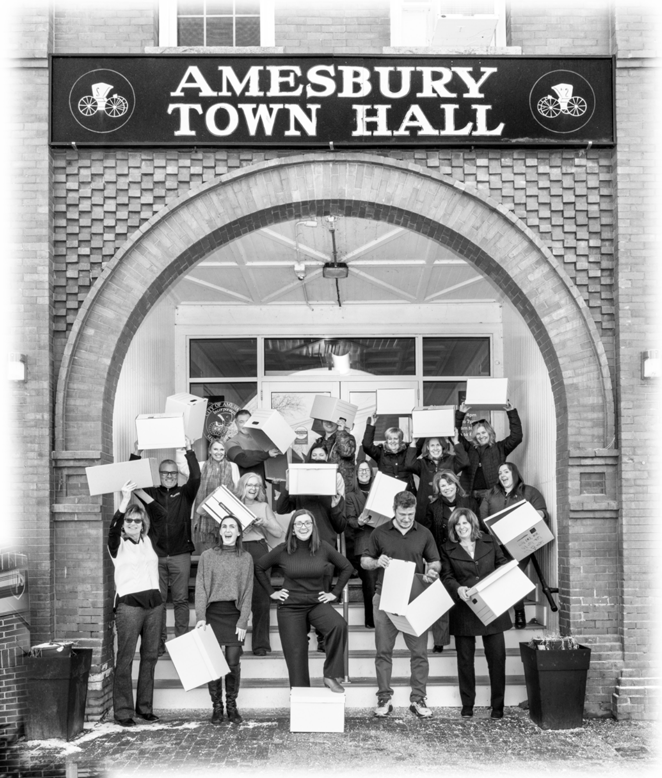
Recent Capital Projects

City Hall
Funding in place:

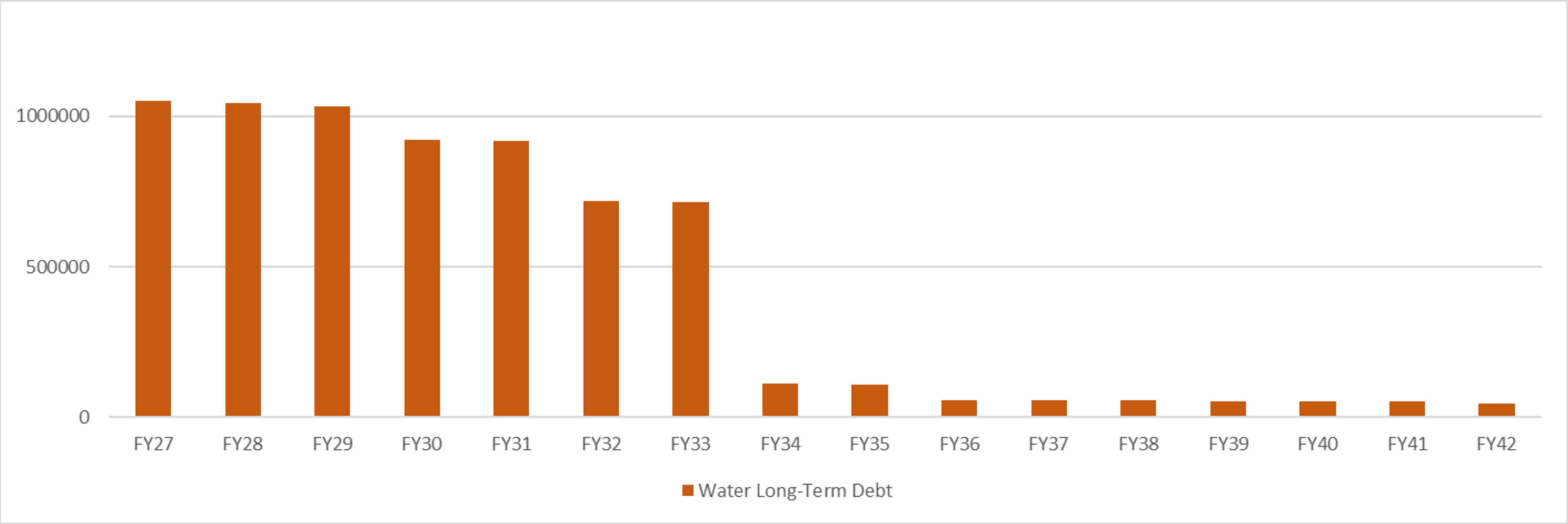
Council Bill 2024-149	$3,150,000
Free Cash	($1,900,000)
Council Bill 2026-029	$55,000

We have a short-term BAN for $1,250,000 expiring in September. BANS are one year debt issuances with one interest payment. The payment on this BAN is $14,500. This has been carried as short term until we have more items to put with it for a larger long-term borrowing.

We have received $134,887.48 in rent.



Debt Service Payments by Fiscal Year



Total Outstanding Debt = $6,994,985

Debt Service Payments by Fiscal Year

Total Outstanding Debt = $1,013,527

Credit Ratings

- What are Credit Ratings?
  - Are opinions about credit risk.
  - They can express a forward-looking opinion about the capacity and willingness of an entity to meet its financial commitments.
  - Opinion on the credit quality of an individual debt issue.
  - Important factor affecting the interest cost on bonds.
  - Typically reviewed once every two years unless the City issues debt beforehand.

- What is the City Credit Rating?
  - AA credit rating reaffirmed in September 2024 by Standard and Poor's

- What is the Rating Criteria?
  - Economy
  - Debt Structure
  - Financial Condition
  - Demographic Factors
  - Management practices of the governing body and administration

Credit Ratings

For reference purposes, the following table shows the comparable investment grade ratings of two major rating agencies:

	Moody's	**S&P Global**
Best Quality	Aaa	AAA
High Quality	Aa1	AA+
	Aa2	AA
	Aa3	AA-
Upper Medium Grade	A1	A+
	A2	A
	A3	A-
Medium Grade	Baa1	BBB+
	Baa2	BBB
	Baa3	BBB-

Pension

- Contributory retirement systems for public employees of the Commonwealth of Massachusetts are guided by the applicable provisions of Chapter 32.

- Participation is mandatory for all full-time employees whose employment commences prior to age 65. Eligibility with respect to part-time, professional, temporary employment is governed by the local board.

- FY27 Public Employee Retirement Administration Commission (PERAC) Appropriation = $6,136,521

- Below is the Pension liability as reflected on the 1/1/24 Actuarial Valuation

	PENSION (1/1/24)*
Total Liability	$ 122,275,451
Plan Assets	$ 78,815,264
Net (Unfunded) Liability	$ 43,460,187
Funding Ratio	64.5%
Funding Date	FY36
* Pension Plan for Eligible Employees (excludes Teachers - part of Massachusetts Teacher's Retirement System)	

OPEB

- Other Post-Employment Benefits (OPEB) refers to benefits, other than pension, offered to employees after they leave employment. The most common benefits are medical, dental, and life insurance.

- We have started to fund our OPEB Trust Fund
  - FY23 Transfer to OPEB Trust Fund = $100,000
  - FY24 Transfer to OPEB Trust Fund = $105,000
  - FY25 Transfer to OPEB Trust Fund = $110,250
  - FY26 Transfer to OPEB Trust Fund = $115,763
  - Projected FY27 Transfer to OPEB Trust Fund = $121,551

- Below is the OPEB liability as reflected on the 6/30/25 Actuarial Valuation:

	OPEB (6/30/25)
Total Liability	$108,063,811
Plan Assets	$ 378,884
Net (Unfunded) Liability	$107,684,927
Funding Ratio	0.35%
Funding Date	FY52


AMESBURY
PUBLIC
LIBRARY
I'M
THAT
DUDE