

As part of the city's tax rate setting process, the City Manager has recommended and the City Council has adopted the final FY20 Budget for the Worcester Public Schools to reflect actions taken in the final state budget after the FY20 Budget was approved by the City Council and School Committee. These budget actions have already been incorporated into the district budget as reported to the School Committee in August and as contained within the district's First Quarter Budget Status Report. However, it is necessary for the School Committee to adopt these final budget amounts.

In summary, the final FY20 State Budget provides \$4,607,306 more than the budget approved by the School Committee in June. The following is a summary of the final budget amounts:

<u>Revenue:</u>	FY20 Budget Approved June 2019	FY20 Final Budget	Change from Adopted
Chapter 70 State Aid & Reimbursement:			
Chapter 70 State Aid (Total)	271,330,278	275,454,036	\$4,123,758
Charter School Reimbursement	<u>\$1,879,990</u>	<u>\$2,734,934</u>	\$854,944
Total Chapter 70 State Aid & Reimbursement	\$273,210,268	\$278,188,970	\$4,978,702
City Contribution			\$0
Total City Contribution	\$122,193,540	\$122,193,541	\$1
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total General Fund Revenues	\$395,403,808	\$400,382,511	\$4,978,703
Less Tuition Assessments:			\$0
Charter School Tuition Assessment	\$27,017,786	\$27,613,016	\$595,230
School Choice Tuition Assessment	\$3,201,234	\$2,977,401	-\$223,833
Special Education Revenue Offset	<u>\$256,765</u>	<u>\$256,765</u>	<u>\$0</u>
Total Tuition Assessments	<u>\$30,475,785</u>	<u>\$30,847,182</u>	<u>\$371,397</u>
Total General Fund Revenue:	\$364,928,023	\$369,535,329	\$4,607,306

These additional funds were allocated in the following accounts in August to address many of the outstanding needs within the district.

<u>Account</u>	<u>Amount</u>
500-91111 Teacher Account	
Focused Instructional Coaches (6) To provide instructional support and turnaround efforts at Burncoat High, Burncoat Middle, Forest Grove Middle, Sullivan Middle, Worcester East Middle, and Challenge & Reach Academy.	
Elementary Classroom Teachers (4) Elementary Assistant Principal (1)	
ESL Teachers (5) (includes 1 Kindergarten Dual Language at Woodland Academy)	
Special Education Teachers (2) and convert existing position to Early Childhood Department Head (stipend increase only) Teacher of Deaf and Hard of Hearing and Evaluation Team Chairperson	
Health / Drug Educator (1)	
Guidance Counselor (2) (0.5 Burncoat Middle / 0.5 Burncoat High, 1 North High)	
Secondary Teacher (1) (Worcester East Middle) and convert GCC Evening Program Administrator from hourly paid position to full-time position (increase of \$2,800)	
Total Teacher Account	\$1,978,298
500-91115 Instructional Assistants – Line A. Special Education	
10 Special Education Instructional Assistants	\$271,055
500-91116 Athletic Salaries and 500122-9200 Athletics OM	\$48,780
An increase in middle school and freshman sport opportunities. This amount will provide for coaching salaries for added teams.	
500-91121 Administrative Clerical	\$65,500
An additional administrative clerical position for the Department of Special Education is needed to support compliance and administrative support for the department.	
500-91122 School-Year Clerical	\$30,172
To provide school clerical (1) support for Special Education Transitions and NCC Young Adult Program at Fanning Building. These programs currently do not have school clerical support.	

500-91133 School Nurses	
To provide an additional School Nurse (1) position to support student medical needs in schools.	\$59,175
500-91134 Educational Support Salaries Line B. English Proficiency Testers	\$20,000
Increase one of the three positions from part-time to full time and provide additional hours of office coverage at Parent Information Center.	
500-91134 Educational Support Salaries Line E. Literacy Tutors	\$480,000
To increase ten literacy tutor positions from 36 to 46 positions to support instruction at elementary classrooms and 14 MCAS Tutors.	
500122-92000 Athletic Ordinary Maintenance	\$81,220
An increase in middle school and freshman sport opportunities. This amount will provide uniforms, supplies, and transportation costs for added teams.	
500123-96000 Health Insurance (for added employees)	\$346,382
500130-92000 Personal Services Line A. Staff Development	
Staff Development for Focused Instructional Coaches, Social Emotional Staff, Technology Training, CPI and Restraint Training, and CPR Training	\$37,650
500-92204 Educational Supplies – Line B. Educational Materials	
Dual Language Curriculum	\$77,000
500136-92000 Miscellaneous OM – Line A. Fees and Licenses	\$37,812
To provide funds reflecting an increase in costs for the district’s STAR Assessment tool.	
500136-92000 Miscellaneous OM – Line G. Instructional Technology	\$396,000
To provide additional Chromebooks at the Elementary and Middle School Level as well as computers for additional staff added through this budget.	
500136-92000 Miscellaneous OM – Line G. Instructional Technology	\$225,000
To begin the process of developing an RFP for a new student information system and implementation process.	
50136-92000 Miscellaneous OM – Line N. School Nurse Supplies	\$19,862
To provide funds for an increase in School Nurse software to web-based program to allow for greater access for school nurses in district.	
500136-92000 Miscellaneous OM – Line O. School Safety	\$160,000
Sullivan Middle School Security System Upgrade	

500152-92000 Building Maintenance

Sullivan Middle Carpet Replacement (28 rooms)

\$273,400

North High School Phone System Upgrade

Claremont Academy – Additional Student Lockers for enrollment increase

Special Education Office Painting and Carpet Replacement

TOTAL RECOMMENDATION

\$4,607,306



Edward M. Augustus, Jr.
City Manager

CITY OF WORCESTER

cm2019nov22105438

Attachment for Item # 8.33 B

November 26, 2019

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

I respectfully recommend City Council's approval of the attached adjustments required to finalize the FY20 budget, as received from Thomas F. Zidelis, Chief Financial Officer, and forwarded for the consideration of your Honorable Body.

Each year, the City's budget is developed and predicated on assumptions of revenue estimates by both the Commonwealth and the City based upon the best information at the time. Once this budget is formulated and adopted by City Council, revenues are refined and adjustments are required to finalize the annual City budget. To complete the budget for submission of the City's annual tax recapitulation (Tax Recap) to the Department of Revenue, the adjustments are required to be recommended and voted by the City Council.

The required adjustments include the recognition of changes in the Cherry Sheet revenues and expenses, which have occurred between the adoption of the City's FY20 Budget and the adoption of the Commonwealth's FY20 Budget. The final State budget increased the City's Chapter 70, Charter School, and state-owned land revenues by \$4,987,282. Additionally, school assessments had a net change of (\$371,397) which resulted in an increase to the Worcester Public Schools Personal Services in the amount of \$4,607,306. The financial recommendation also appropriates the FY20 certified free cash in accordance with the City's revised financial plan adopted by the City Council.



OFFICE OF THE CITY MANAGER, CITY HALL, WORCESTER, MA 01608
TELEPHONE (508) 799-1175 | FAX (508) 799-1208
EMAIL: citymanager@worcesterma.gov



I respectfully recommend the approval of the following recommended adjustments:

Source:		
Account#	Description	Amount
466303	Chapter 70	4,123,759
466305	Charter Tuition Reimbursement	854,944
461100	State Owned Land	8,579
	Total	4,987,282
Use:		
Account#	Description	Amount
500-91000	Worcester Public Schools Personal Services	4,607,306
410-93000	DPW Capital Outlay (Carroll Plaza Project)	8,579
39817	School Choice Sending Tuition	(223,833)
39815	Charter School Sending Tuition	595,230
	Total	4,987,282
Source:		
Account#	Description	Amount
35920	Free Cash	\$5,905,674
Use:		
Account#	Description	Amount
35921	Bond Stabilization Fund	\$2,952,837
04T803	OPEB Trust Reserve	\$1,771,702
040-92000	CM Ordinary Maintenance (African American Trail)	\$ 50,000
550-92000	Library Ordinary Maintenance (Green Collection Preservation)	\$ 15,000
410-93000	DPW Capital Outlay (Alum Dosing Station)	\$ 135,000
410-93000	DPW Capital Outlay (Street Trees)	\$ 75,000
410-93000	DPW Capital Outlay (Carroll Plaza Project)	\$ 906,135
	Total	\$5,905,674

Free Cash generated at the conclusion of FY19 has been certified by the Department of Revenue at \$5,905,674. Per the City's updated long-term financial plan, the distribution of Free Cash is as follows: 50% to the Bond Stabilization Fund, 30% to the OPEB Trust Reserve, and 20% for operational and capital needs as detailed below:

\$2,952,837 to the Bond Stabilization Fund:

Per the City's long-term financial plan, 50% of Free Cash is allocated to the Bond Rating Stabilization Fund. In the updated financial plan voted by City Council, the bond stabilization threshold was increased from 5% to 10% to meet new norms and bond rating agency expectations. The City's bond rating has improved based on our

continued discipline in adhering to our commitment to build reserves, saving millions of tax dollars as we continue to borrow for large capital projects.

\$1,771,702 to the OPEB Trust Reserve Fund:

Per the City's long-term financial plan, 30% of Free Cash is allocated to the OPEB Trust Reserve. The City's OPEB liability of more than \$900M is a significant long-term financial risk to the City, as reported on the City's annual CAFR. This allocation will bring the Trust Fund Reserve Fund total to approximately \$20M, and help to mitigate the City's long-term risk. This is another component of the City's fiscal discipline that is rightly recognized by the bond rating agencies.

\$50,000 for City Manager's Department Ordinary Maintenance:

The Worcester Black History Trail is a collaborative undertaking of the College of the Holy Cross, the Worcester Branch NAACP, the Laurel Clayton Project and the City of Worcester. The goals of the project are to document and highlight five (5) historical sites important to understanding the experience of people of color in Worcester from the colonial period through the present. This will be done through the placement of history markers and the digital dissemination of Worcester's black history. This free cash allocation will fund the project in FY20. After site review and the community input process is complete, kiosks will be created and installed. The project is planned to be completed by July 2020.

\$15,000 for Worcester Public Library Ordinary Maintenance:

The Worcester Public Library was founded in 1859 when Dr. John Green, a prominent Worcester resident, donated his personal library to the city. The Green Collection consists of nearly 8,000 volumes dating from the 16th-19th centuries bound in cloth, leather, parchment, alum-tawed skin, and paper. The diverse collection includes many rare books on theology and religion, philosophy, art, architecture, science and nature, and it forms the nucleus around which the Worcester Public Library grew. The Library successfully obtained a Library Services and Technology grant from the Massachusetts Board of Library Commissioners to fund a collections-level assessment to identify the particular needs for the protection and preservation of the Green Collection and a comprehensive five-year preservation plan was developed. This \$15,000 allocation supports the preservation priorities for the collection in this fiscal year.

\$914,714 for DPW&P Capital – Carroll Plaza:

The City has begun reconstruction of Carroll Plaza in front of the Hanover Theatre which is slated for completion in early fall 2020. The redesigned plaza relocates the north end of Southbridge Street to wrap around the Federal Courthouse and intersect with Main Street. Final design includes trees and raised planting beds, an outdoor stage, seating areas, outdoor lighting, public art, a water feature, and infrastructure to support outdoor programming in connection with events occurring at the Theatre. A \$2.3M MassWorks grant was originally earmarked for both the plaza and an extension to the boundaries of the Main St. reconstruction project. However, additional costs for the Main St. project requires an allocation of free cash to fund portions of the Carroll Plaza project.

\$135,000 for DPW&P Capital – Alum Dosing Station:

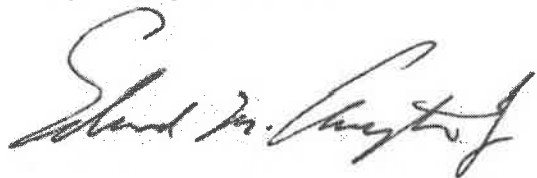
This allocation for \$135,000 will enable DPW&P to design, permit and construct an alum dosing station for Indian Lake. An alum dosing station is a small pumping station that injects alum (aluminum sulfate) into a water body for purposes of algae control. Alum binds with and removes phosphorus from the water. Phosphorus is a nutrient that supports the growth of plants and algae. If phosphorus is removed from the waters of a lake or pond then algae will be less likely to thrive and grow into population densities that can cause water quality problems. Indian Lake has been repeatedly impacted by heavy growth of a type of algae called cyanobacteria. These algae may produce toxins which, if ingested by swimmers or pets, can cause illness. Indian Lake has been subject to a rigorous treatment program in recent years to control algae growth. Despite these efforts, blooms of cyanobacteria have occurred and resulted in lake closures for many weeks. The alum dosing station will inject alum during periods when rainfall is producing stormwater runoff that may contain elevated phosphorous levels. Alum dosing would also be more efficient than the current practice of in-lake alum application and algaecide treatments a few days per year. A dosing station has been used in another Massachusetts' lake similar to Indian Lake and has been able to keep algae growth in check while vastly improving water clarity. A feasibility study for the Indian Lake alum dosing station is being completed and, with this funding, construction could begin in 2020.

\$75,000 for DPW&P Capital - Trees:

This \$75,000 allocation will enable DPW&P to continue to plant trees throughout the City as part of the reforestation of the urban landscape. Along with \$50,000 from a Commonwealth of Massachusetts grant, these funds will allow for the purchase and installation of 250 trees within the public right of way or within Public Parks. Each of these trees assists the City and its residents in reducing overall costs including heating and cooling of homes, reduction of storm water runoff, improvements to the aesthetic look of each neighborhood and reduction of CO2 from the atmosphere. These trees will be diverse in species and conform to our standard policy of "Right Tree – Right Place" as promoted by the National Arbor Foundation.

These recommendations are consistent with our balanced approach to budgeting and proper planning, maintain fiscal stability, and include City Council's priorities. In order to finalize the budget and the annual tax recapitulation process, I respectfully request your approval of the above recommended appropriations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Edward M. Augustus, Jr.", written in a cursive style.

Edward M. Augustus, Jr.
City Manager

CITY OF WORCESTER, MASSACHUSETTS

Edward M. Augustus, Jr.
City Manager



Thomas F. Zidelis
Chief Financial Officer

Administration & Finance

To: Edward M. Augustus, Jr., City Manager
From: Thomas R. Zidelis, Chief Financial Officer
Date: November 26, 2019
RE: Fiscal Year 2020 Recap

The City's annual budget is developed and predicated on assumptions of revenue estimates by both, the Commonwealth and the City, based upon the best information at the time. From when the budget is formulated, recommended to, and adopted by the City Council, revenues, inclusive of state aid, are finalized or refined and adjustments are required to finalize the annual City budget. The FY20 Budget follows the above described process and to finalize the budget submission of the City's annual tax recapitulation (Tax Recap) to the Department of Revenue, the adjustments described hereunder are required to be recommended and voted on by the City Council.

These adjustments include recognition of changes in the Cherry Sheet revenues and expenses, which have occurred between the adoption of the City's FY20 Budget and the adoption of the Commonwealth's FY20 Budget. The financial recommendation also appropriates the FY19 certified free cash in accordance with the City's revised financial plan adopted by the City Council.

I respectfully recommend that this item be placed before and voted by the City Council prior to setting of the FY20 tax rate.

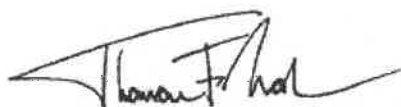
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	Total	\$5,905,674

Sincerely,



Thomas F. Zidelis
 Chief Financial Officer

CITY OF WORCESTER

BE IT ORDERED: That

The City Auditor be and is hereby authorized, empowered and requested, under the direction of the City Manager, to cause the sum of Four Million Nine Hundred Eighty Seven Thousand Two Hundred Eighty Two Dollars and No Cents (\$4,987,282.00) be appropriated to finalize the City's Fiscal Year 2020 annual budget based on changes in the State Cherry Sheet and to cause the sum of Five Million Nine Hundred Five Thousand Six Hundred Seventy Four Dollars and No Cents (\$5,905,674.00) be appropriated to finalize the City's Fiscal Year 2020 annual budget by appropriating the City's Fiscal Year 2019 certified free cash.

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cm2019nov22 105438

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	Total	\$5,905,674

In City Council

November 12, 2019

Order adopted by a yeas and nays vote of Eleven Yeas and No Nays

A Copy. Attest:

Susan M. Ledoux
 Susan M. Ledoux
 City Clerk