

Fiscal Year 2015 City Budget Highlights

- This year's Budget is the third budget developed by Mayor Jon Mitchell. The spending proposal totals \$287 million.

PRIORITIZING EDUCATION

- The Mayor purposefully designed the Budget to prioritize education.
- The \$116.4 million for New Bedford Public Schools will fully fund the budget passed unanimously by the School Committee earlier this month, and has the full support of Schools Superintendent Dr. Pia Durkin.
- Under the Mayor's Budget the schools will receive an increase of 6.4% over last year.
- The local share of the school budget will be roughly \$2 million above the amount the state legally requires. It is \$3.3 million above last year's local share amount.
- The need for the increase is largely driven by the \$2.7 million cost of the state-mandated turnaround plans being implemented at New Bedford High School and the Parker Elementary School.

HOLDING THE LINE ON SPENDING

- The Budget holds the line on non-education spending.
- For general operating costs of city government, the Budget's proposed increase is effectively zero (at \$84.8 million).
- In fact, if proposed budget transfers pending before the City Council are approved, the Budget would actually result in a net decrease to departmental operating expenditures between FY 2014 and FY 2015.
- For "fixed costs," i.e. mandatory contributions to employee health insurance, pensions, and debt service, the increase is just 2.8% (at \$73.4 million).
- The Budget also keeps a tight lid on spending because the City will soon see the end of the federal "SAFER" grant funding that pays for one-third of the City's firefighters.

SAVINGS FROM REORGANIZING GOVERNMENT

- The reforms the Mitchell Administration put in place over the past two years assisted this year's budget planning, helped restrain spending, and lessened the need for tax revenue.
- Last year a significant restructuring affected four major city departments (DPI, DPF, Community Development, and Planning) whose employees combined total 270 out of 1,100 municipal workers (excluding school employees).

- The Mitchell Administration's successful negotiation of eleven new Renewable Energy Power Purchase Agreements is also allowing the City to purchase "green" energy at deeply discounted prices, with roughly \$30 million in electricity savings expected over the next 20 years.
- The reforms are helping ease the burden on taxpayers, putting the City in a more stable financial position, and improving conditions for future economic growth--as evidenced by the recent upgrade to the City's bond rating to its highest in forty years."

BUDGETARY PRESSURES AND REVENUES

- The budgetary pressures of fixed costs (health, pension, etc.) as well as schools, do suggest a necessity for some increase in the City's real estate levy later this year.
- The City has engaged in a sustained, successful effort to avoid tax increases for the past four years.
- New Bedford now has the third highest capacity of "unused levy" in percentage terms among all 22 Gateway Cities.
- Holding the line on any tax increase for a four-year period is a remarkable accomplishment for a Gateway City.
- At this point in the fiscal year it is not possible to pinpoint precisely what this Budget will mean for the tax levy, but the Mitchell Administration is committed to finding additional ways to mitigate the impact of levy requirements of the Budget on residents and businesses.
- The Mitchell Administration intends to take further action as more information becomes available in the months ahead regarding changes in projected growth, valuation revisions, and state and local resources that may become available.