

CITY OF MARLBOROUGH MEETING POSTING

Meeting Name: City Council Finance Committee

Date: April 22, 2019

Time: 7:00 PM

Location: City Council Chamber, 2nd Floor, City Hall, 140 Main Street

Agenda Items to be addressed:

RECEIVED
CITY CLERK'S OFFICE
CITY OF MARLBOROUGH

2019 APR -9 P 12:42

1. 04-08-2019 – **Order No. 19-1007624:** Communication from the Mayor, regarding Transfer Request in the amount of \$699,088.00 which moves funds from Economic Development to MEDC Funding to fund the FY20 operations.
-Refer to Finance Committee

THE LISTING OF TOPICS THAT THE CHAIR REASONABLY ANTICIPATES WILL BE DISCUSSED AT THE MEETING IS NOT INTENDED AS A GUARANTEE OF THE TOPICS THAT WILL HAVE BEEN DISCUSSED. NOT ALL TOPICS LISTED MAY IN FACT BE DISCUSSED, AND OTHER TOPICS NOT LISTED MAY ALSO BE BROUGHT UP FOR DISCUSSION TO THE EXTENT PERMITTED BY LAW.

The public should take due notice that the Marlborough City Council may have a quorum in attendance due to Standing Committees of the City Council consisting of both voting and non-voting members. However, members attending this duly posted meeting are participating and deliberating only in conjunction with the business of the Standing Committee.

Electronic devices, including laptops, cell phones, pagers, and PDAs must be turned off or put in silent mode upon entering the City Council Chamber, and any person violating this rule shall be asked to leave the chamber. Express authorization to utilize such devices may be granted by the President for recordkeeping purposes.



IN CITY COUNCIL

Marlborough, Mass., APRIL 8, 2019

ORDERED:

That the Transfer Request in the amount of \$699,088.00 which moves funds from Economic Development to MEDC Funding to fund the FY20 operations, be and is herewith refer to **FINANCE COMMITTEE**.

CITY OF MARLBOROUGH BUDGET TRANSFERS --

DEPT:		Mayor				FISCAL YEAR:		2019	
FROM ACCOUNT:						TO ACCOUNT:			
Available Balance	Amount	Org Code	Object	Account Description:	Amount	Org Code	Object	Account Description:	Available Balance
<u>\$1,661,109.48</u>	<u>\$699,088.00</u>	<u>27000099</u>	<u>42440</u>	<u>Economic Development</u>	<u>\$699,088.00</u>	<u>11740006</u>	<u>53950</u>	<u>MEDC Funding</u>	<u>\$0.00</u>
Reason:		<u>To allow the MEDC to continue it's work in promoting the economic development of the City for FY20</u>							
	\$699,088.00	Total			\$699,088.00	Total			

ADOPTED

ORDER NO. 19-1007624



City of Marlborough
Office of the Mayor

RECEIVED
CITY CLERK'S OFFICE
CITY OF MARLBOROUGH

2019 APR -4 A 11:46

Arthur J. Vigeant
MAYOR

Kate Flanagan
EXECUTIVE AIDE

Patricia Bernard
EXECUTIVE SECRETARY

140 Main Street
Marlborough, Massachusetts 01752
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www.marlborough-ma.gov

April 4, 2019

City Council President Edward J. Clancy
Marlborough City Council
140 Main Street
Marlborough, MA 01752

f/c

Re: Transfer Request – Marlborough Economic Development Corporation

Honorable President Clancy and Councilors:

Enclosed for your review please find a transfer request in the amount of \$699,088.00 an increase of 2.8 percent from last year, to fully fund the Marlborough Economic Development Corporation (the "MEDC") for their Fiscal Year 2020 operations.

Over the past year, MEDC has continued to make progress on its primary goal to attract economic development to help reduce the tax burden for our residents. Our residential tax bills have seen small adjustments in recent years and a big reason for that is our status as the economic engine for our region.

With more than twenty companies moving or expanding in Marlborough we have worked together to create 350 new jobs. The City's commercial vacancy is now the lowest in over a decade and our unemployment rate is at an eighteen year low, sitting at 40% below the national average and 35% below the state average. The MEDC has seen great success in attracting employers and employees to our city and ensuring they stay. The annual job fair has been successful and beneficial to prospective employers and employees. The job fair will take place on Thursday, May 23, 2019 and we anticipate another successful turn out.

MEDC has been working on a citywide branding strategy by partnering with the Marlborough Public Schools and various other stakeholders to create our new positioning statement "Marlborough: Exceeding Expectations". It is up to us to ensure that our city continues to have controlled growth to succeed.

This past year the City of Marlborough began a unique and exclusive partnership with Phantom Gourmet. This new partnership has given us the opportunity to showcase all Marlborough has to offer, including diverse restaurants, entrepreneurs, visitors and developers. We are thankful for this partnership which has been a great success.

While we have in the past discussed incentives for employers interested in expanding operations in Marlborough, or interested in moving to Marlborough, we have benefited from increased economic activity without any tax increment financing agreements. The strong national and state economy along with our reputation as a destination for advanced manufacturing and life sciences means we are able to attract growth without the added incentives.

In attempt to draw new businesses and jobs the MEDC will be hosting an educational session on Opportunity Zones on Thursday, April 25, 2019. The purpose of this event is to showcase properties which are available for purchase and to attract potential buyers with federal tax incentives. This is a great opportunity for us to improve blighted properties throughout the city.

MEDC's budget includes \$273,500 which is to special projects for:

- \$152,500 for Business Retention and Expansion
- \$50,000 for City Planning Services
- \$46,000 for Hospitality and Sports Tourism
- \$25,000 for Urban Village and Community Development

At a cost of \$315,838 for the coming fiscal year, MEDC employs 4 full-time employees and one temporary/summer part-time intern. If these same employees were on the City's payroll, the real cost to the taxpayer would be many times over that amount due to retirement expenses and other post-employment benefits.

This annual transfer request provides us with an opportunity each year to evaluate MEDC's performance and analyze the role it plays in Marlborough. We set aggressive goals for MEDC's employees and each year, I am proud of how much they contribute to Marlborough.

Director of Operations Linda Martins and I are available to discuss with you in detail. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur G. Vigeant", with a long horizontal flourish extending to the right.

Arthur G. Vigeant
Mayor

Enclosures

ECONOMIC DEVELOPMENT FUNDING

9/30/2011 State Aid	\$165,166.12
12/31/2011 State Aid	\$190,224.55
3/31/2012 State Aid	\$132,447.82
6/29/2012 State Aid	\$146,495.56
9/30/2012 State Aid	\$185,400.20
12/31/2012 State Aid	\$182,736.99
3/31/2013 State Aid	\$123,837.95
6/28/2013 State Aid	\$152,429.69
9/20/2013 State Aid	\$196,053.08
12/30/2013 State Aid	\$204,331.94
3/31/2014 State Aid	\$134,171.82
6/30/2014 State Aid	\$165,392.81
9/30/2014 State Aid	\$225,891.57
12/31/2014 State Aid	\$215,368.61
3/31/2015 State Aid	\$139,754.81
6/30/2015 State Aid	\$181,957.00
9/30/2015 State Aid	\$246,477.46
12/31/2015 State Aid	\$243,518.11
3/31/2016 State Aid	\$147,152.99
6/30/2016 State Aid	\$188,289.73
9/30/2016 State Aid	\$250,636.64
12/31/2016 State Aid	\$261,571.54
3/31/2017 State Aid	\$144,194.44
6/30/2017 State Aid	\$199,405.00
9/30/2017 State Aid	\$260,640.83
12/31/2017 State Aid	\$280,764.79
3/31/2018 State Aid	\$158,551.10
6/30/2018 State Aid	\$213,203.36
9/28/2018 State Aid	\$263,084.77
12/31/2018 State Aid	\$290,454.60
3/29/2019 State Aid	\$205,890.60

Total Funding	\$6,095,496.48
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12/5/2011 CO# 11-1003048	-\$146,837.00
12/19/2011 CO# 11-1004004	-\$3,163.00
5/21/2012 CO# 12-1005008	-\$200,000.00
12/17/2012 CO# 12-1005205	-\$277,099.00
6/3/2013 CO# 13-1005418A	-\$499,000.00
6/30/2014 CO# 14-1005840	-\$513,915.00
6/1/2015 CO# 15-1006198A	-\$731,875.00
6/20/2016 CO# 16-1006569A	-\$647,580.00
6/20/2016 CO# 16-1006569B	-\$75,000.00
6/5/2017 CO# 17-1006923A	-\$660,077.00
6/18/2018 CO# 18-1007280A	-\$679,841.00

Total Transfers	-\$4,434,387.00
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Available for future transfers	\$1,661,109.48
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April 1, 2019

Honorable Arthur G. Vigeant, Mayor
City Hall, 4th Floor
140 Main Street
Marlborough, MA 01752

RE: FY'20 Operating Budget Transfer Request

Dear Mayor Vigeant:

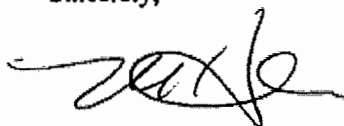
I write to you today seeking a transfer request for MEDC's operations for FY'20.

On behalf of the Marlborough Economic Development Corporation (MEDC), I am herewith submitting this letter requesting a transfer of funds to the Marlborough Economic Development Corporation in the amount of \$699,088.00 to fund operations and special projects for FY'20 as approved by the MEDC Executive Committee on March 13, 2019. This request reflects a 2.8% increase year over year.

I would appreciate your approving the above transfer requests as soon as possible and forwarding on to the City Council allowing MEDC an opportunity to update the City Council on the progress made thus far in implementing the City's Economic Development Master Plan and to discuss the goals and objectives for FY'20.

Thank you for your kind attention to this matter and should you have any questions please do not hesitate to contact me at your earliest convenience.

Sincerely,



Meredith Harris
Executive Director

Attachments

A: FY'20 Operational Budget

Cc: Diane Smith, Marlborough City Auditor
Brian Doheny, Marlborough City Comptroller/Treasurer

Attachment A

FY'20 Operational Budget

The Marlborough Economic Development Corporation (MEDC) requests a total budget of \$699,088 to fund its' operations and special projects which equates to a 2.8% increase year over year.

The budget is divided into 3 categories which represent salaries, expenses and special projects. The following budget summary consists of line item allocations for the above listed categories.

Salaries and Benefits

\$315,838 in personnel, employer taxes, insurance and fringe benefits are allocated to salaries and benefits.

Personnel & Benefits	\$291,838
Employer Payroll Taxes	\$ 24,000

Operating and Administrative Expenses

\$109,750 is allocated to operating and administrative expenses in order to conduct business.

Materials & Supplies	\$39,400
Contracted Services	\$40,400
Occupancy	\$29,950

Special Projects

\$273,500 is allocated to special projects in order for MEDC to carry out the goals and objectives of the organization.

Business Retention & Expansion	\$152,500
Hospitality & Sports Tourism	\$ 46,000
Urban Village & Community Development	\$ 25,000
City Planning Services	\$ 50,000

Marlborough Economic Development Corporation

Budget Overview

July 2019 through June 2020

Jul '19 - Jun 20

Ordinary Income/Expense

Expense

Payroll Expenses

Employee Benefits	\$ 35,300.00
Employer Payroll Taxes	\$ 24,000.00
Salaries	\$ 255,888.00
Workers' Comp	\$ 650.00

Total Payroll Expenses \$ 315,838.00

Advertising/Marketing	\$ 3,100.00
Computer Services & Licenses	\$ 7,500.00
Conferences/Meetings	\$ 4,000.00
Dues and Subscriptions	\$ 17,800.00
Insurance	\$ 1,950.00
Internet service	\$ 1,400.00
Maintenance & Repair	\$ 500.00
Media Contractor	\$ 30,000.00
Office Supplies	\$ 3,000.00
Payroll Fees	\$ 2,900.00
Phone	\$ 2,100.00
Printing and Reproduction	\$ 2,200.00
Professional Fees	\$ 5,500.00
Reimbursable Expenses	\$ 1,900.00
Rent	\$ 23,500.00
Utilities	\$ 2,400.00

Subtotal Expense \$ 425,588.00

Special Project Expenses

City Planning Services	\$ 50,000.00
Special Projects	\$ 223,500.00

Total Special Project Expenses \$ 273,500.00

Total Expense 699,088.00

Payroll Expenses

Salaries Full-time		PERMANENT FULL TIME					
Salaries with standard annual salary increase of up to 3% & salary adjustments for 2 FTEs							
(A) NAME	(B) TITLE	(C) WEEKLY SALARY FY'19	(D) HOURLY FLAT RATE	(E) TOTAL SALARY	(F) WEEKLY SALARY FY'20	(G) HOURLY FLAT RATE	(H) TOTAL SALARY FOR YEAR <i>Rounded up</i>
Meredith Harris	Executive Director	1713.76	42.84	89,116	1,765.17	44.13	\$ 91,788
Linda Martins	Director of Operations	1047.25	26.18	54,457	1,250.00	31.25	\$ 65,000
Chris McDade	Program Manager	730.77	18.27	38,000	1,038.46	25.96	\$ 54,000
Administrative Assistant	Administrative Assistant				800.00	20.00	\$ 41,600
Salaries Full-time Total							\$ 252,388
Salaries Part-time		PART TIME					
NAME	TITLE	Hours/ week	Hourly rate	Weeks	Total Salary for Budget Year <i>Rounded up</i>		
MEDC Intern	Internships / Summer 2019	32	12.50	8	\$ 3,500		
Salaries Part-time Total							\$ 3,500
Grand Total Salaries							\$ 255,888
Employee Benefits / Payroll Taxes							
ITEMIZE AND JUSTIFY:							AMOUNT
Health, Dental, Retirement, etc.							\$ 35,300
Employer Payroll Taxes							\$ 24,000
Workers' Compensation Ins. Plan							\$ 650
Total							\$ 59,950
Total Salaries							\$ 255,888
Grand Total Payroll Expenses							315,838.00

Expenses

Expenses	MATERIALS AND SUPPLIES	Amount Requested
<p>This category covers collectively all operating supplies and services, which are defined as consumable commodities, necessary to conduct business: for example, office and custodial supplies, printing and reproducing marketing collateral, subscriptions, postage, repairs and office maintenance, etc.</p>		
ITEMIZE AND JUSTIFY		
Advertising/Marketing Supplies & Services (Ex. E-Newsletter & E-Survey Services, Creation of Marketing Flyers such as Retail/Case Studies/Incentives Toolbox, etc.)		\$ 3,100
Conferences/Meetings (Ex. Registration Fees for business events, luncheons, receptions & misc. attendance & hosting expenditures)		\$ 4,000
Maintenance & Repair (Ex. Office Cleaning, Office Fixtures & Dry Cleaning/Carpet Cleaning)		\$ 500
Membership Fees/Subscriptions (Ex. CoStar Realty Services, Yearly Newspaper Subscriptions & Membership Dues)		\$ 17,800
Office Supplies (Ex. Paper, pens, notepads, binders, paper clips, staples, labels, coffee, water, etc. - Including small/light office equip <\$100)		\$ 3,000
Printing & Reproduction (Ex. Xerox Services, Re-print Marketing Collateral & Special Article Poster Prints)		\$ 2,200
Reimbursable Expenses (Ex. Employee mileage for business use, office supplies, etc.)		\$ 1,900
Website Services (Ex. Hosting Services, Domains, Internet)		\$ 1,400
Office Equipment >\$1000 (Ex. Server, Laptop replacement for staff)		\$ 5,500
TOTAL MATERIALS & SUPPLIES		\$ 39,400

Expenses

Expenses	CONTRACTED SERVICES			
Covers operating services obtained by contract with outsourced vendor. For example: accounting services, marketing & communications vendor, payroll services, etc.				
ITEMIZE AND JUSTIFY:				AMOUNT
Accounting/Book Keeping				\$5,500
- CPA on Retainer/Yearly Filings				
- Annual Financial Audit				
- Fiscal End Process				
Professional/Consultant Fees				\$30,000
Media Contractor				
IT Services				\$2,000
- Tech on Retainer/Maintenance				
- Computer Services & Licenses				
ADP Payroll Services				\$2,900
- Processing Charges/Fees				
- Tax Services				
- Year End Processing				
TOTAL				\$40,400

Expenses

Expenses	OCCUPANCY	Requested Amount
Marlborough Economic Development Corporation (MEDC)		
91 Main Street, Suite 203B / 204		
Lease Agreement		\$ 23,500
Directors & Office Liability Insurance		\$ 1,950
Utilities		\$ 4,500
- Phone Services		
- Electricity Supply		
TOTAL		\$ 29,950

