



IN CITY COUNCIL

Marlborough, Mass., APRIL 11, 2022

ORDERED:

That the Transfer Request in the amount of \$589,691.00 which moves funds from Economic Development to MEDC to fund the FY23 operations of the Marlborough Economic Development Corporation (MEDC), be and is herewith referred to the **FINANCE COMMITTEE.**

CITY OF MARLBOROUGH
BUDGET TRANSFERS --

DEPT: Mayor FISCAL YEAR: 2022

FROM ACCOUNT: TO ACCOUNT:

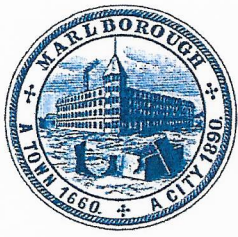
Available Balance	Amount	Org Code	Object	Account Description:	Amount	Org Code	Object	Account Description:	Available Balance
\$984,934.02	\$589,691.00	27000099	42440	Economic Development	\$589,691.00	11740006	53950	MEDC Funding	\$0.00

Reason: To allow the MEDC to continue it's work in promoting the economic development of the City for FY23

\$589,691.00 Total \$589,691.00 Total

ADOPTED

ORDER NO. 22-1008567



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City of Marlborough
Office of the Mayor

140 Main Street
Marlborough, Massachusetts 01752
508.460.3770 Fax 508.460.3698 TDD 508.460.3610
www.marlborough-ma.gov

RECEIVED
CITY CLERK'S OFFICE
Arthur G. Vigeant
MAYOR
2022 APR -7 A 11:08
Patricia M. Bernard
EXECUTIVE AIDE

Ryan P. Egan
EXECUTIVE SECRETARY

April 7, 2022

Council President Ossing
Marlborough City Council
140 Main Street
Marlborough, MA 01752

RE: Transfer request to Marlborough Economic Development Corp. operations for FY23

Honorable President Ossing and Councilors,

Enclosed for your review and approval is a transfer request in the amount of \$589,691.00 from the Economic Development Funds to the Marlborough Economic Development Corporation (MEDC) to fund the operations for fiscal year 2023 as approved by the Executive Committee.

The total operating budget is for \$691,391.00 as outlined in the attached budget summary. In addition to the full operating budget, the MEDC is requesting an additional \$75,000.00 to replenish the Economic Development Toolbox. The toolbox is vital in helping secure new business and grow and retain companies. This assistance also made a big impact during COVID when businesses were struggling to stay afloat.

In Meredith Harris's absence, Linda Martins, Council President Michael Ossing and I will be available to discuss the MEDC budget in more detail at a future meeting.

Thank you in advance for your cooperation.

Sincerely,


Arthur G. Vigeant
Mayor

Enclosures

F/C

CITY OF MARLBOROUGH
BUDGET TRANSFERS --

DEPT:	Mayor	FISCAL YEAR:	2022
Available Balance		TO ACCOUNT:	
\$984,934.02		Org Code	Object
		27000099	42440
		Amount	Account Description:
		\$589,691.00	Economic Development
		Reason:	To allow the MEDC to continue it's work in promoting the economic development of the City for FY23
		Reason:	
		Reason:	
		Reason:	
		Reason:	
		Reason:	
		Reason:	
		Amount	Account Description:
		\$589,691.00	MEDC Funding
		Org Code	Object
		11740006	53950
		Available Balance	\$0.00

\$589,691.00 Total

\$589,691.00 Total

Department Head signature: 

Auditor signature: 

Finance Director signature: 

ECONOMIC DEVELOPMENT FUNDING

FY2012	State Aid	\$634,334.05
FY2013	State Aid	\$644,404.83
FY2014	State Aid	\$699,949.65
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
6/28/2019	State Aid	\$186,235.82
9/30/2019	State Aid	\$279,841.59
12/31/2019	State Aid	\$276,743.06
3/31/2020	State Aid	\$176,712.01
6/30/2020	State Aid	\$67,841.56
9/30/2020	State Aid	\$90,942.83
12/31/2020	State Aid	\$44,716.83
3/31/2021	State Aid	\$70,231.92
6/30/2021	State Aid	\$98,171.48
9/30/2021	State Aid	\$175,161.58
12/31/2021	State Aid	\$228,184.86

Total Funding		<u>\$7,790,280.02</u>
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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
5/6/2019	CO# 19-1007624A	-\$699,088.00
8/26/2019	CO# 19-1007732A	-\$200,000.00
6/8/2020	CO# 20-1008019	-\$485,133.00
10/5/2020	CO# 20-1008091A	-\$440,000.00
6/21/2021	CO# 21-1008313A	-\$546,738.00

Total Transfers		<u>-\$6,805,346.00</u>
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Available for future transfers		\$984,934.02
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April 7, 2022

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

RE: FY'23 Operating Budget Transfer Request & Economic Development Toolbox Fund Replenishment

Dear Mayor Vigeant:

I write to you today seeking a transfer request for MEDC's operations and special projects for FY'23, as well as, a request for a separate appropriation from the City to replenish the Economic Development Toolbox fund.

On behalf of the Marlborough Economic Development Corporation (MEDC), I am herewith submitting this letter proposing MEDC's fiscal year 2023 total budget in the amount of \$691,391 and requesting a transfer of funds to MEDC in the amount of \$589,691. The reason for this reduced transfer request is due to the continued effects of the COVID-19 pandemic and MEDC's staffing levels in FY'22. MEDC will not be utilizing all funds as anticipated for the remainder of FY'22 in special projects and in salaries and benefits. MEDC plans to apply the unused funds to fulfill the total budget amount of \$691,391 to fund the organization's operations and special projects for FY'23.

Additionally, MEDC is requesting a separate appropriation from the City in the amount of \$75,000 to replenish the Economic Development Toolbox fund to continue to support MEDC's small business financial incentive grant programs.

I would appreciate your approving the above transfer request in the amount of \$589,691 and a separate appropriation of \$75,000 to replenish the Economic Development Toolbox fund. Please forward on to the City Council allowing MEDC an opportunity to update the City Council on our progress to date and to discuss the organization's FY'23 goals and objectives.

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'23 Operational Budget

Cc: Diane Smith, City Auditor
Patrick Jones, Finance Director

Attachment A

FY'23 Operational Budget

The Marlborough Economic Development Corporation (MEDC) requests a total budget of \$691,391 to fund its' operations and special projects for FY'23 with a budget **transfer request of \$589,691**. The reason for this reduced transfer request is due to the continued effects of the COVID-19 pandemic and MEDC's staffing levels in FY'22. MEDC will not be utilizing funds as anticipated for the remainder of FY'22 in special projects and in salaries and benefits. MEDC plans to apply the unused funds to fulfill the total budget amount of \$691,391 to fund the organization's operations and special projects for FY'23.

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

Salaries and Benefits

\$352,091 in personnel, employer taxes, insurance and fringe benefits are allocated to salaries and benefits.

Payroll / Total Salaries	\$288,991
Employee Benefits	\$ 37,500
Employer Payroll Taxes & Liability	\$ 25,600

Operating and Administrative Expenses

\$131,600 is allocated to operating and administrative expenses in order to conduct business.

Materials & Supplies	\$40,700
Contracted Services	\$45,900
Occupancy	\$45,000

Special Projects

\$207,700 is allocated to special projects in order for MEDC to carry out the goals and objectives of the organization.

Business Retention & Expansion	\$78,200
Hospitality & Sports Tourism	\$69,500
Urban Village & Community Development	\$10,000
City Planning Services	\$50,000

Additionally, MEDC is requesting a separate appropriation from the City in the amount of **\$75,000 to replenish the Economic Development Toolbox fund** to continue to support MEDC's small business financial incentive grant programs.

In 2015, MEDC and its' leadership team implemented these financial assistance programs as a way to attract and retain new and growing businesses to the city. Since then, the Toolbox has been helping to expand the local economy and create a business-friendly climate for entrepreneurs and companies searching for their perfect location. There are four reimbursement grant programs available that cover business expenses – amenities funding, beautification grants, rental assistance and a property tax-based reimbursement.

To date, the Toolbox has awarded over \$300k in reimbursement grants, filled approximately 110k SF of vacant space, retained over 70 jobs and added over 200 new jobs to the market. In addition, MEDC granted about \$130k to 33 establishments in the city, which offered short term financial relief to these small businesses impacted by the COVID-19 pandemic.

Marlborough Economic Development Corporation
Budget Overview
 July 2022 through June 2023

	<u>Jul '22 - Jun '23</u>
Ordinary Income/Expense	
Expense	
Payroll Expenses	
Employee Benefits	\$ 37,500.00
Employer Payroll Taxes	\$ 25,000.00
Salaries	\$ 288,991.00
Workers' Comp	\$ 600.00
Total Payroll Expenses	\$ 352,091.00
Advertising/Marketing	\$ 2,500.00
Computer Services & Licenses	\$ 9,200.00
Conferences/Meetings	\$ 4,000.00
Dues and Subscriptions	\$ 19,500.00
Insurance	\$ 3,500.00
Internet service	\$ 2,800.00
Maintenance & Repair	\$ 500.00
Media Contractor	\$ 30,000.00
Office Supplies	\$ 3,000.00
Payroll Fees	\$ 3,900.00
Phone	\$ 2,100.00
Printing and Reproduction	\$ 2,000.00
Professional Fees	\$ 7,000.00
Reimbursable Expenses	\$ 2,200.00
Rent	\$ 36,000.00
Utilities	\$ 3,400.00
Subtotal Expense	\$ 483,691.00
Special Project Expenses	
Special Projects	\$ 207,700.00
Total Special Project Expenses	\$ 207,700.00
Total Expense	691,391.00

Payroll Expenses

Salaries Full-time		PERMANENT FULL TIME					
Salaries with standard annual salary increase of up to 3%							
(A) NAME	(B) TITLE	(C) WEEKLY SALARY FY'22	(D) HOURLY FLAT RATE	(E) TOTAL SALARY	(F) WEEKLY SALARY FY'23	(G) HOURLY FLAT RATE	(H) TOTAL SALARY FOR YEAR <i>Rounded up</i>
Meredith Harris	Executive Director	1878.44	46.96	97,679	1,934.79	48.37	\$ 100,609
Linda Martins	Director of Operations	1326.13	33.15	68,959	1,365.91	34.15	\$ 71,028
Lindsey Jaworek	Business Outreach Manager	1188.46	29.71	61,800	1,224.11	30.60	\$ 63,654
To be filled April 2022	Administrative Assistant				50,000.00		\$ 50,000
Salaries Full-time Total							\$ 285,291
Salaries Part-time		PART TIME					
NAME	TITLE	Hours/ week	Hourly rate	Weeks	Total Salary for Budget Year <i>Rounded up</i>		
MEDC Intern	Internship / Summer 2022	32	14.25	8	\$ 3,700		
Salaries Part-time Total							\$ 3,700
Grand Total Salaries							\$ 288,991
Employee Benefits / Payroll Taxes							
ITEMIZE AND JUSTIFY:		AMOUNT					
Health, Dental, Retirement, etc.		\$ 37,500					
Employer Payroll Taxes		\$ 25,000					
Workers' Compensation Ins. Plan		\$ 600					
Total Salaries		Total					
Grand Total Payroll Expenses		\$ 63,100					
		\$ 288,991					
		\$ 352,091					

Expenses

Expenses	MATERIALS AND SUPPLIES	Amount Requested
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.		
ITEMIZE AND JUSTIFY		
Advertising/Marketing Supplies & Services (Ex. E-Newsletter & E-Survey Services, Creative Services, etc.)		\$ 2,500
Conferences/Meetings (Ex. Registration Fees for business events, luncheons, receptions & misc. attendance & hosting expenditures)		\$ 4,000
Maintenance & Repair (Ex. Office Water Dispenser Cleaning, Office Fixtures & Dry Cleaning/Carpet Cleaning)		\$ 500
Membership Fees/Subscriptions (Ex. CoStar Realty Services, Yearly Newspaper Subscriptions & Membership Dues)		\$ 19,500
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. Kyoocera Copier Services, Re-print Marketing Collateral & Special Article Poster Prints)		\$ 2,000
Reimbursable Expenses (Ex. Employee mileage for business use, office supplies, etc.)		\$ 2,200
Website Services (Ex. Hosting Services, Domains, Internet)		\$ 4,000
Office Equipment >\$1000 (Ex. Server, Laptop replacement for staff)		\$ 3,000
	TOTAL MATERIALS & SUPPLIES	\$ 40,700

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:									
Accounting/Book Keeping									
- CPA on Retainer/Yearly Filings									\$7,000
- Annual Financial Audit									
- Fiscal End Process									
Professional/Consultant Fees									
Media Contractor									\$30,000
IT Services									
- Tech on Retainer/Maintenance									\$5,000
- Computer Services & Licenses									
ADP Payroll Services									
- Processing Charges/Fees									\$3,900
- Tax Services									
- Year End Processing									
TOTAL									\$45,900

Expenses

Expenses	OCCUPANCY	Requested Amount
Marlborough Economic Development Corporation (MEDC) 91 Main Street, Suite 203A / 203B / 204		
Lease Agreement		\$ 36,000
Directors & Office Liability Insurance		\$ 3,500
Utilities		
- Phone Services		\$ 5,500
- Electricity Supply		
TOTAL		\$ 45,000

Expenses

Expenses	SPECIAL PROJECTS	AMOUNT FY23
SPECIAL PROJECTS:		
Business Retention & Expansion		
Founders Reception	Annual Thank You event	\$ 3,600
Marketing Collateral	General MEDC Ads/Marketing Collateral (i.e. RLF Program, Toolbox, Flyers, etc.)	\$ 3,500
Co-hosted Business Event(s)	Marlborough Community events	\$ 5,000
Hosted Outreach Events (Attraction)	4 Outreach events (i.e. w/ MassEcon - Site Selectors, BIO International)	\$ 10,000
Job Fair / Workshops	Annual Workforce events	\$ 7,600
Conferences, Meetings, Events & Tradeshow	Conferences, Business Meetings, Events, Tradeshow (i.e. AUUSI, MD&M, CoreNet)	\$ 12,500
Focus Group/Event (Retention)	Targeted event (i.e. Commercial Brokers)	\$ 4,000
Media Buy Branding Campaign	Targeted print/digital campaigns/video series - Branding & Promoting Marlborough	\$ 32,000
	Total	\$ 78,200
Hospitality & Sports Tourism		
Visit-Marlborough Website	Maintenance & Development	\$ 7,000
Marlborough Restaurant Association - Training	Training Initiative (ServSafe & CPR classes)	\$ 12,500
Hospitality Business Development	Hotel / Restaurant & Sports Tourism (i.e. Dine Local)	\$ 10,000
Phantom Gourmet	Marketing Partnership	\$ 40,000
	Total	\$ 69,500
Urban Village Development / Community		
Downtown & French Hill Beautification	Lighting, Landscaping, Flags, Signs, etc.	\$ 10,000
	Total	\$ 10,000
City Services		
City Planning Services - City of Marlborough	Analysis & Technical Assistance	\$ 50,000
	Total	\$ 50,000
	TOTAL SPECIAL PROJECTS	\$ 207,700