

# CITY OF PEABODY

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## OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

June 6, 2024

Stephanie Peach, President  
City Council  
24 Lowell Street  
Peabody, Massachusetts 01960

Dear President Peach & Honorable Members:

In accordance with Section 32 of Chapter 44 of the Massachusetts General Laws, I hereby submit to your Honorable Body my recommendations for the City of Peabody's Fiscal 2025 Operating Budget.

Over the past few months, I have worked with our department heads and school officials to produce a balanced budget which provides the outstanding municipal services our residents and business owners expect while maintaining Peabody's affordability and quality of life.

This FY2025 budget of \$197,352,196 represents an increase of \$10,135,620 from FY2024. This budget continues to fund education above net school spending and provides for staffing needs for public safety, public services, and other departments to meet the service demands of our growing city. However, unlike FY2024 when approximately 40% or \$5.1 million of the budget increase was funded by additional net state aid, this year only 14% or \$1.4 million of the budget increase will be funded by net state aid. On a positive note, revenue has improved in several categories, including motor vehicle excise, permit fees and hotel and meals taxes. In addition, the final amount of Federal relief provided by The American Rescue Plan Act (ARPA) \$1 million will be utilized for revenue replacement in FY2025.

The FY 2025 Budget increase is attributed to a \$4.5 million increase in education spending, which funds critical programs to address the growing needs of our students.

**The City side of the budget increase of \$5.5 million is primarily driven by increased investment in Public Safety (\$2.1 million); Health Insurance (\$1.5 million); Retirement Funding (\$520,630,); Facilities (\$433,783); Solid Waste (\$271,172); Information Technology (\$170,693); Council on Aging (\$133,000); Streets and Highways (\$119,634) and School Health (\$104,398). This budget also includes salary increases based on our collective bargaining through FY2025.**

**I have proposed some reorganization and restructuring of positions to enhance Elections, Finance and Facilities operations. This budget includes the position of Assistant Clerk of Elections, Assistant Auditor and Assistant Director of Facilities. The Assistant Clerk of Elections will assist with all of the new voting and early voting requirements. The position of Assistant Auditor will assist with grant accounting, reconciliations and provides support for City and School Budget, payroll, ledger and accounts payable accounting and the assistant Director of Facilities will be responsible for managing maintenance and custodial staff along with logistics and coordination of activities withing the Facilities Department. Also, as part of the Facilities reorganization, I have partially funded two maintenance trade positions to perform more timely repairs in-house and to reduce reliance on more costly outside services. In order to help offset the budget impact of this reorganization I continue to not fund a clerical position in the police department and have only partially funded clerical and custodial positions as outlined in the table below. In addition, there may be other opportunities to reduce funding as staff movement occurs between open positions. Overall, I believe these reorganizations and restructuring initiatives will provide improved operations within each of these departments.**

**As of the printing of this budget document, there are approximately 35 positions that are either in the process of being filled or will be filled as we progress through the next fiscal year. In the Police Department, there are 14 open police positions and 2 dispatcher positions. We continue to interview and evaluate candidates to fill open positions and for enrollment in upcoming academies. Because of anticipated retirements and the length of the hiring process, I am only funding or partially funding 8 police positions in this budget. However, we will continue to work to hire and train officers until all of the open positions have been filled. In the Fire Department we have been able to bring staffing close to full complement. In this budget, there are three open firefighter positions that will be filled in FY 2025 and funded by budgeted salary that remains after anticipated retirements.**

**I have outlined non-public safety position changes in the table below. The additional salary costs of the Clerk of Elections, Assistant Auditor, Assistant Director of Facilities, two Facilities licensed craftsmen and a contribution towards funding a clerical position in retirement totals \$193,459. In order to help offset these additional costs I have eliminated funding for the Diversity Equity Inclusion position, only partially funded a clerical position,**

did not add back the Police clerical position, partially funded 2 custodial positions and shifted additional clerical to the Water Sewer Enterprise for a total reduction of \$-194,983.

The proposed personal services changes are outlined below:

<b>Positions Added</b>	<b>Budget Impact</b>
Assistant Clerk of Elections <b>71,500 upgraded from 52,745</b>	<b>18,755</b>
Assistant Auditor <b>74,588 50% Offset by School Revolving Fund</b>	<b>37,294</b>
Parking Clerk <b>63,008 100% Funded by Parking Meter Fund</b>	<b>0</b>
Assistant Facilities Director <b>90,410 upgraded from 61,000 in FY2024</b>	<b>29,410</b>
2 Facilities Licensed Maintenance Positions	<b>80,000</b>
Contribution for Retirement Staff Position	<b>28,000</b>
<b>Total</b>	<b>193,459</b>
<b>Positions Reduced</b>	<b>Budget Impact</b>
Diversity Equity Inclusion not Funded	<b>-34,500</b>
Collector Clerk 50% Funded	<b>-28,130</b>
Police Clerk not Added Back	<b>-52,745</b>
Partial Funding 2 TBA Custodians	<b>-51,791</b>
DPS-Clerical to Water Enterprise	<b>-27,817</b>
<b>Total</b>	<b>-194,983</b>

In addition, the requested ordinance change for FY2025 includes adjustments to salary levels for the following budgeted positions:

Director of Finance and Administration, City Auditor, Assessor, City Collector, City Treasurer, Purchasing Agent, City Solicitor, Director of Public Services, Assistant Director of Facilities, Assistant Clerk of Elections and Assistant Auditor.

The proposed FY 2025 budget will be funded through a combination of increased local receipts, state aid, ARPA revenue replacement, reserves, and an increase in the tax levy.

Thank you for your thoughtful consideration of this budget proposal and for your ongoing commitment to the City of Peabody. I look forward to discussing the budget with you and answering all of your questions at the upcoming budget hearings.

Respectfully submitted,

  
Edward A. Bettencourt, Jr.  
Mayor, City of Peabody