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AMESBURY CITY CLERK

**CITY OF AMESBURY
IN THE YEAR TWO THOUSAND SEVENTEEN**

BILL No. 2017- 039

SPONSORED BY: Councilors Scorzoni, Sherwood, and Lavoie

A Resolution of the City Council recommending that in addition to customary annual uses of Free Cash, the Mayor this year consider bringing forward a number of new, strategic one-time investments that will help boost economic activity in the Downtown area, provide direct benefits to improve Amesbury's quality of life, and serve to maintain Amesbury's fiscal stability.

Summary: The Purpose of this Resolution is to recommend the Mayor work in collaboration with the City Council to develop a number of new, strategic one-time investments in order to help boost economic activity in the Downtown area, provide direct benefits to improve Amesbury's quality of life, and serve to maintain Amesbury's fiscal stability.

Be it resolved by the City Council assembled, and by the authority of the same as follows:

Whereas, to the Mayor's credit and that of his administration, Amesbury has achieved a free cash balance of \$2,108,736, nearly double that of last year's free cash balance; and

Whereas, the City Council would like to communicate its recommendations to the Mayor relative to additional potential uses of this year's Free Cash.

Now therefore, the Amesbury City Council hereby recommends the following:

1. Economic Development: That the Mayor consider bringing forward one or more proposals for strategic investments that would leverage the great work already done by the Amesbury Chamber of Commerce and local shops to spur local activity, including:

- A Downtown Market Assessment: which would help inform local businesses on market gaps/opportunities, population and spending trends, and to better understand how best to market our strengths to visitors outside of the community. Examples include:
 - <http://www.mass.gov/hed/docs/dhcd/cd/mdi/2014maynard.pdf>
 - <http://www.mass.gov/hed/docs/dhcd/cd/mdi/2015palmer.pdf>
- A Public Relations/Branding Initiative: a strategic marketing campaign, (informed through a Market Assessment) which would highlight the assets Amesbury can provide

to visitors, including brochures, PR campaign, etc, would help drive local business by sending a clear message that Amesbury is open for business.

- Downtown Challenge Fund: a matching grant program geared to applicants – from local nonprofits and businesses which would develop innovative, yet sustainable, events that will attract tourism activity to revitalize the downtown including art installations, programming, concerts, festivals, events, etc.
- Comprehensive market analysis: A study that builds on the housing construction momentum Amesbury is experiencing, in order to develop a better strategic direction to inform our local decision making, whether it be the Golden Triangle, the Lower Millyard or elsewhere.

2. **Stabilization**: That the Mayor consider allocating a portion of the Free Cash balance to stabilization accounts. Amesbury has already established General and Special Education Stabilization Funds, for the purposes of sustaining operations during economic downturns and to absorb unexpected spikes in Special Education costs. Additionally, a buildup of such stabilization funds will enhance the community's credit rating.

In particular, we recommend these contributions to stabilization funds:

- Special Education Stabilization Fund: \$150,000
- General Stabilization Fund: \$200,000

3. **Quality of Life**: That in order to provide further clarity into this process and to support any capital-related appropriation requests that may eventually come before the City Council, the Mayor consider the following:

- A specific overall budget for FY18 be provided to the Quality of Life Committee at the outset of their work, to support the designation and prioritization of proposed expenditures;
- That the Quality of Life Committee also be provided a framework that establishes a strategic approach for assessing, prioritizing and recommending projects for funding that coordinates the Committee's activities with broader City capital planning priorities, plans, and needs; and
- That such guidance provided to the Quality of Life Committee include the preference for projects that match any City funds with other public, private, and in-kind resources.

It being the Council's belief that such a framework will help ensure that any proposals that come before the Council are grounded in a sound, financial approach.

Amesbury

City Council

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AMESBURY CITY CLERK



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April 3, 2017

Ken Gray, Mayor
City of Amesbury
62 Friend Street
Amesbury, MA 01913

Mayor Gray,

We would like to thank your Administration for the comprehensive analysis provided by Amesbury Chief Financial Officer James Lynch to the Finance Committee on March 28th regarding the City's Free Cash status. At the meeting, Mr. Lynch provided the Finance Committee with a detailed review of this account, as well as the specific inputs that have helped drive this allocation to an all-time high this year. Our understanding is that as of July 1, 2016, our Free Cash has been certified by DOR to be \$2,108,736, *which is nearly double that of last year*. Congratulations to you and your team in helping to establish this strong financial footing we are enjoying as a community.

In light of these historic numbers, it is our goal to work jointly with your Administration to ensure that these funds are used strategically to help maintain the progress we've enjoyed by investing in our community, especially inasmuch as at least \$1M of this year's free cash comes from sources that are unlikely to repeat at the same level. As was noted at the Finance Committee presentation, Free Cash has been historically used to fund Snow & Ice Removal, Sidewalks & Street Repairs, as well as a number of one-time capital expenditures. These appropriations have typically enjoyed broad support among the City Council.

However, it is our hope that the administration will also consider a number of new, strategic one-time investments that will help boost economic activity in the Downtown area, provide direct benefits to improve Amesbury's quality of life, and to maintain our fiscal stability, guided by a Free Cash policy that provides greater transparency, collaboration and input relative to the allocation of these Free Cash flow funds.

To this end, we offer the following recommendations:

- **Stabilization Funds:** The Department of Revenue recommends that communities set out policies and guidelines regarding the allocation and use of Free Cash.
<http://www.mass.gov/dor/docs/dls/training/noffhandbook.pdf>. Formal, written policies that establish guidelines for funding capital improvements and maintaining reserves by use of Free Cash and other budgetary mechanisms can help communities sustain operations during an economic downturn and to absorb unexpected spikes in costs. Most importantly, a buildup of such reserves will enhance the community's credit rating. Such policies schedule target balances for stabilization, free cash, or other reserves, such as our newly established Special Education Stabilization Fund. To this end, we will be speaking with you further about developing a Free Cash policy for use by the City.

In the meantime, we recommend these contributions to stabilization funds:

- Special Education Stabilization Fund: \$150,000
- General Stabilization Fund: \$200,000
- **Downtown Revitalization Initiative:** This week's Free Cash analysis shows that local building permits as well as hotel and motel tax receipts have been a principal driver in our current Free Cash balance, yet the need to generate more foot traffic and businesses into the Downtown continues to be a real concern. Given this reality, we urge your consideration of strategic investments that would leverage the great work already done by our Amesbury Chamber of Commerce and local shops to spur local activity, including:
 - Downtown Market Assessment: To help inform local businesses on market gaps/opportunities, population and spending trends, and to better understand how best to market our strengths to visitors outside of the community.
Examples include:
 - <http://www.mass.gov/hed/docs/dhcd/cd/mdi/2014maynard.pdf>
 - <http://www.mass.gov/hed/docs/dhcd/cd/mdi/2015palmer.pdf>
 - Amesbury Public Relations/Branding Initiative: Informed through a Market Assessment, funding of a strategic marketing campaign to highlight the assets Amesbury can provide to visitors, including brochures, PR campaign, etc, would help drive local business by sending a clear message that Amesbury is open for business.
 - Downtown Challenge Fund: This could include a matching grant program geared to applicants – from local-non-profits and businesses - to develop innovative, yet sustainable, events that will attract tourism activity to revitalize the downtown including art installations, programming, concerts, festivals, events, etc.

- **Housing Analysis/Master Plan Update:** For some time, the City has grappled with determining how best to market our community to outsiders. For years, we've debated whether we are an ideal location for target populations including, millennials, retirees, young-urban professionals, or some combination of all. We've also had a lively debate about the ratio of housing stock in the community between apartments and condominiums to single family residences. We recommend funding be allocated for a comprehensive market analysis that helps build on the housing construction momentum that we are experiencing in Amesbury, while providing a better strategic direction to help inform our local decision making, whether it be the Golden Triangle, the Lower Millyard or elsewhere.

- **Quality of Life Investments:** With the establishment of the Quality of Life Committee, our understanding is that members would recommend a number of projects to be paid through municipal funds, including but not limited to Free Cash and potential 40R revenues. We applaud this initiative and look forward to the work this committee. To help provide further clarity into this process and to support any appropriation requests that eventually come before the City Council, we suggest the following:
 - A specific overall budget for FY18 be provided to the Quality of Life Committee at the outset of their work, to support the designation and prioritization of proposed expenditures;
 - That they also be provided a framework that establishes a strategic approach for assessing, prioritizing and recommending projects for funding that coordinates Quality of Life Committee activities with broader City capital planning priorities, plans, and needs; and
 - That such guidance provided to the Quality of Life Committee include the preference for projects that match any City funds with other public, private, and in-kind resources.

Such a framework will help ensure that any proposals that come before the Council are grounded in a sound, financial approach.

We thank you for your consideration of these items and look forward to meeting with you to speak in further detail.

Best,

Council President Christian Scorzoni
Councilor Jonathan Sherwood
Councilor Robert Lavoie