



THE CITY OF SPRINGFIELD, MASSACHUSETTS

MAYOR DOMENIC J. SARNO

HOME OF THE BASKETBALL HALL OF FAME

May 8, 2017

Dear City of Springfield and Springfield City Council,

It is our great pleasure to submit to you the FY18 Recommended Budget which totals \$628.8 million. The City was able to hold the line on spending and allow a less than 2.0% increase over the FY17 Adopted Budget. We continue to make progress, both as a community and as a government, toward a future that focuses on fiscal sustainability. This budget targets our core mission with a continued focus on public education, and providing funding for improved economic development, public safety, and community services for the residents of Springfield.

For the third consecutive year, the City has successfully balanced the FY18 budget without the need for stabilization reserve funds. This accomplishment is a testament to the administration's management of City finances and the hard work and determination of our City. Closing the budget gap of over \$29.0 million was achieved through difficult decisions and tough compromises. We will continue to preserve core services and provide targeted investments that tie with our mission, all while utilizing a restricted amount of potential tax revenue.

Springfield continues to maintain strong financial positions through improved bond ratings, and in FY18 we will maintain the City's \$42.2 million stabilization account, with a goal of getting to approximately \$45.0 million; again avoiding layoffs and service reductions. In January 2017, Standard & Poor's (S&P) affirmed the City's AA- credit rating with a stable outlook which continues to be the highest rating in the City's recorded history; steadily improving from its A- rating five years ago. This recent credit rating review focuses on the City's strong institutional core by highlighting Springfield's "management, with "strong" financial policies and practices, adequate budgetary performance, and strong budgetary flexibility." Additionally, the City received a reaffirmed credit rating of A2 with a stable outlook by Moody's in January 2017. These rating improvements are a testament to how well the City has made it through the economic downturn and made appropriate decisions to keep the budget balanced.

In addition to our finances, new construction is underway to upgrade and modernize the City's aging infrastructure and facilities, expand the City's economic base, and help to improve the City's diverse and

vibrant neighborhoods. The City is focused on its capital needs by investing in the Capital Improvement Plan (CIP). By leveraging Federal and State revenues, the City will continue to work on, or begin, projects that help promote economic development, revitalization, infrastructure improvements, and housing throughout Springfield. We are extremely proud of the capital investments made over the past few years and will continue to strategically implement the CIP to provide Springfield residents with an improved quality of life, along with a more efficient and effective government.

Economic Development

Springfield is in the midst of \$3.3 billion in economic development projects and continues to invest in neighborhoods and small/mid-sized businesses. The City's Planning and Economic Development Department continues to support a number of projects including Union Station, MGM, and CRRC Railways.

The grand opening date for the renovated, historic Union Station is set for June 24, 2017. This will be the first time in nearly four decades that the station will be operational and open for public use. The station will be home to Amtrak rail as well as a new commuter rail service to Hartford and New Haven in 2018. Additionally, the station will serve as a regional hub for both intercity and intracity bus services. The improved services will promote more job opportunities for residents and will also encourage tourism by acting as a gateway to the City's downtown area.

Union Station's \$93.0 million revival was accomplished through many public and private partnerships. These partnerships are evidence of the strength of the community and its willingness to strive toward economic growth. The City will continue their strong partnership with the Springfield Redevelopment Authority (SRA) by offering both operational and financial support to the facility.

In FY18, the construction of MGM Springfield will come to life. The current steel bones of the casino will change into the artistic renderings the City has been anticipating. Scheduled to be completed in the Fall of 2018, the new casino will connect with its surroundings along Main Street and act as a catalyst to our downtown economy. The new hotels, restaurants, and entertainment that will be attracted to the area could contribute to the City's assessed value and provide substantial financial benefits in the near future.

CRRC Railways, the world's largest rail car maker, has completed construction of their 220,000-square foot factory building. The factory currently employs approximately 150 production workers with starting salaries of at least \$66,000 a year. The \$95.0 million railroad car manufacturing operation is scheduled to produce their first rail cars in 2018.

The City has made great strides in utilizing the Department of Capital Asset Construction (DCAC) for its many capital projects. In FY17, the City completed the John J. Shea Bright Nights Technical Training Facility (Skill & Technical Training Center), the renovation of the Clifford A. Phaneuf Environmental Center (ECOS) in Forest Park, made improvements to the City Hall boiler plant, concluded a feasibility study for the East Forest Park Library, and completed numerous emergency repairs Citywide.

Additionally, the City will continue work on the Springfield Public School Culinary and Nutrition Center, the renovation of 50 East Street, the building of the Raymond A. Jordan Senior Center in Blunt Park, a new South End Community Center (SECC), and multiple window, door, and roof projects in our

schools. Projects scheduled to begin in FY18 include renovations to the MSBA Statement of Interest schools: Zanetti, Balliet Middle, Thomas Balliet, Kensington, Kiley, and Lynch, improvements to Riverfront Park, the renovation of Stearns Square and in preparation for the MGM Casino opening, a revitalization of the City's downtown streets and sidewalks.

Springfield is excited to continue work on innovative projects that will increase resiliency in the City. Thanks to the \$17 million National Disaster Resilience grant received from HUD, the City will be able to leverage additional funds from outside sources to carry out a variety of projects including the restoration of hydropower at the Watershops Pond Dam. This will provide electricity to the newly built Elias Brookings Elementary School which will be used as an emergency shelter in the event of a future disaster.

Education

The Springfield Public Schools (SPS) is currently making a concerted effort to establish a more attractive and competitive salary structure for teachers, with the overall objective of recruiting and retaining high quality educators. Increasing teacher retention rates will benefit our students and community positively in the long-term.

Over the past several years, SPS has collaborated with many public and private partners to invest in early childhood education with the goal of leveraging existing resources, avoiding duplication of services, and streamlining systems for children and families. It is by way of these partnerships that SPS has implemented a program that will follow children from their earliest years in the private programs, through Springfield Public Schools, and on to adulthood. For the second year in a row, the City will devote \$250,000 of support for the expansion of pre-k services to better meet the needs of the community.

The School Budget also makes significant investments in the development of the whole child by ensuring that students have breakfast in the classroom and universal free lunch without impacting teaching hours. The Breakfast in the Classroom (BIC) program and universal free lunch are essential so that students have nutritious meals throughout the day. Additionally, SPS is invested in providing wrap around services to all students and families (e.g., City Connects, Wrap Around Zones, and other community agencies). Through City Connects, the strengths and needs of every student are identified and each child is linked to a tailored set of intervention, prevention, and enrichment services in the school or community.

Public Safety

Over the course of the next fiscal year, the Springfield Police Department (SPD) will welcome new Police Officers to the force. With 50 recruits anticipated to graduate from the academy in the fall of 2017, the Police Department will have a total of 423 officers; bringing the total complement to 504 sworn personnel, and an overall staff of 581.5 FTEs. This level of staffing will help address department attrition brought on by upcoming mandatory retirements, and help the department focus on quality of life issues by supporting and enhancing neighborhood initiatives, such as the C3 policing units and the Ordinance Flex Squad units.

The added SPD staff will continue to support the E-3 Metro Policing Unit which will increase police presence along Main Street and in neighborhoods throughout the City. The installation of highly visible

and strategically placed police booths to be staffed 24/7, with walking and roving patrols, will increase public safety in the Springfield's metro-area without any reduction in police officer presence in any neighborhoods or other areas of the city. Furthermore, the \$11.9 million renovation of the Paul J. Fenton Public Safety Annex at 50 East Street is scheduled to be completed in FY18. This multi-purpose public safety facility will include space for a training academy, evidence storage, juvenile assessment center, and the Police Department's Tactical Response Unit.

The FY18 Fire Department budget funds the hiring of seventeen firefighters which will fill current vacancies and add five new firefighter positions to the complement. Based on the current State Academy schedule, twelve firefighters are anticipated to graduate in September and November (the 10 - week academies start in July and September) and the following ten in June of 2018. In order to stay ahead of attrition and fulfill their complement of 267.0, the Fire Department will continually send new recruits to the State mini-academies. This is a proactive measure to address the large number of retirements anticipated over the next five years.

Additionally, the FY18 budget funds the lease of a new fire ladder. In an effort to maintain newer, more efficient apparatus, the Fire Department regularly schedules the replacement of older models in the fleet. By leasing new fire apparatus to replace aging models, the City reduces both maintenance and supply costs.

Lastly, the Fire Department will deploy a new health and wellness program, O₂X, which is aimed to promote physical and mental health in first responders. The City anticipates this new program will decrease the number of work related injuries and help sustain the overall health of the department.

Dispatch

The City's Dispatch Department funds a total of 45.0 FTEs, which includes 32 Police Dispatchers, 9 Fire Dispatchers, and 4 Administrative personnel. In response to the increasing complements for Police Fire, the City will be layering in an additional 6 FTEs over the course of FY18. These new FTEs will be shift supervisors, overseeing daily operations and providing on site management for dispatchers.

In 2016, this department answered 89,795 emergency 9-1-1 calls and between 400,000 and 450,000 non-emergency calls. Funding for this department will also provide for training new hires and Smart911 software. The Smart911 initiative enables residents to create a free, customizable safety profile for their household.

Community Services

We are happy to announce that core community services will remain intact in this year's budget. Across the City, our Departments are doing some amazing work:

Park's and Recreation – The After School Program & Evening Gym Program will continue services to help keep our children safe and active. Along with the Camp STAR Angelina and Therapeutic Recreation Program, the Terrace Maintenance will continue through FY18.

Department of Public Works – Continuation of free single-stream recycling and yard waste pickup, low-cost bulk pickup, and free hazardous waste drop-off dates. The City will also purchase new solid waste vehicles to replace aging vehicles and decrease the cost of maintenance and repair in the fleet.

Planning & Economic Development – Begin participation in the ValleyBike Share Program with other communities in the Pioneer Valley such as Northampton, Amherst, Holyoke, and South Hadley, as well as the Pioneer Valley Planning Commission.

City Clerk – Addition of a new Public Records Coordinator. This position will be tasked with coordinating responses to requests for information across City departments, which will enhance government transparency and accountability.

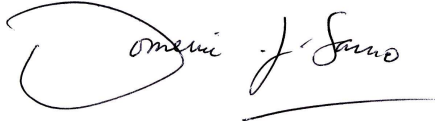
Law – Addition of a new entry level attorney, which will help the Department manage the City's heavy case load.

Elder Affairs – The new Raymond A. Jordan Senior Center constructed in Blunt Park is scheduled to open in September 2017. This new center will provide seniors with a space for fitness, education, health screenings, recreational activities, and trips.

As Mayor, I will continue to work tirelessly to ensure that our City receives its fair share of resources and that these resources are utilized in the most efficient and effective manner possible. I am proud of the efforts of my entire team: Superintendent Warwick, Cabinet Heads, Department Heads, and City Staff that work hard for Springfield every day.

Thank you for reviewing the FY18 Recommended Budget. I look forward to your continued support as we commence our new fiscal year.

Respectfully,

Handwritten signature of Domenic J. Sarno in black ink.

Domenic J. Sarno
Mayor

Handwritten signature of Timothy J. Plante in blue ink.

Timothy J. Plante
Chief Administrative & Financial Officer