



## THE CITY OF SPRINGFIELD, MASSACHUSETTS

MAYOR DOMENIC J. SARNO

### *HOME OF THE BASKETBALL HALL OF FAME*

May 1, 2018

Dear City of Springfield and Springfield City Council,

It is our great pleasure to submit to you the FY19 Recommended Budget which totals \$656.2M and represents a 4.4% increase over the FY18 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 is an important step along our progressive path, targeting our core mission with a continued focus on public education, and providing funding for improved economic development, public safety, healthy neighborhoods, and community services for the residents of Springfield.

For the fourth consecutive year, the City has successfully balanced the FY19 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 nearly \$17M was achieved through difficult decisions and tough compromises. We will, however, 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 also continues to maintain a strong financial position, as demonstrated by our improved bond ratings. In FY19 we will sustain the City's \$44.2M stabilization reserve account. Furthermore, we expect to meet our previous goal of reaching \$45.0M in reserve funds by the conclusion of FY18. 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 six years ago. This 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 validate how well the City has made it through the economic downturn and made appropriate decisions to keep the budget balanced. The City hopes to continuously increase its ratings going forward.

The recession of 2008 was challenging for municipalities across the nation and especially difficult for Springfield. Despite the challenges we've faced over the last decade, my administration has worked tirelessly to ensure the dedicated residents, business, and visitors of our great city continue to receive the core services they so rightly deserve. The result of our efforts will shine brightly during the upcoming fiscal year and there are many exciting things we are bringing to the table. With a focus on fiscal responsibility and sustainability, we are pleased to introduce the essential investments we are making in FY19.

## **Public Safety**

A top priority of my administration has, and will continue to be, a strong investment in public safety. Over the last five (5) years, Springfield has seen an astounding 45% decrease in crime and we are working hard to continue this trend. FY19 is no different, and we will continue to strategically invest in areas that enhance departmental operations and keep all who come to Springfield safe.

### Police Department

- ◆ **New Recruits:** Over the course of the next fiscal year, the Springfield Police Department (SPD) will welcome 32 new Police Officers to the force. With these recruits anticipated to graduate from the academy in the fall of 2018, the Police Department will have a total of 428 officers; bringing the total complement to 510 sworn personnel, and an overall staff of 595.0 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.
- ◆ **Real-Time Crime Analysis:** The SPD will be adding several new positions to its Crime Analysis Division, an integral step in moving the department towards a 24-7 “Real Time Intelligence and Communications Center.” This initiative will help fight crime by giving officers access to real-time data for which they can strategically use. Three (3) new Crime Analysts will be hired in FY19 along with one (1) Crime Analysis Reporting Supervisor.
- ◆ **Gaming Enforcement Unit:** In advance of MGM Springfield’s opening this August, the SPD will soon introduce its newly created Gaming Enforcement Unit. Consisting of five (5) Officers and one (1) Supervisor, this unit will be located on site at MGM to ensure a safe and welcoming experience for all guests who visit the new casino.
- ◆ **Support of Ongoing Initiatives:** Continued support of 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 kiosks 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 \$11.9M renovation of 50 East Street is scheduled to be completed in early FY19. This multi-purpose public safety facility will include space for a training academy, evidence storage, juvenile assessment center, and the Department's Tactical Response Unit.

### Fire Department

- ◆ **New Recruits:** The FY19 Fire Department budget funds the hiring of nineteen (19) Firefighters which will fill current vacancies and add five (5) new Firefighter positions to the complement. Based on the current State Academy schedule, fourteen (14) firefighters are anticipated to graduate in October (the first academy will start in June of 2018) and the following five in May of 2019. In order to stay ahead of attrition and fulfill their complement of 273 FTEs, the department will continually send new recruits to the State-run mini-academies. This is a proactive measure to address the large number of retirements anticipated over the next five years.
- ◆ **New Apparatus:** Funding is included for the lease of another new fire engine. 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 in a proactive manner, the City reduces both maintenance and supply costs.

- ◆ O<sub>2</sub>X Program: The Fire Department will continue to deploy its health and wellness program, O<sub>2</sub>X. Aimed at promoting physical and mental health in first responders, the Department has seen strong interest in the program thus far and anticipates a decrease in the number of work related injuries. This will help sustain the overall health of the Department both now and in the future.

#### Emergency Communications (Dispatch)

- ◆ Floor Supervisors: The FY19 budget provides funding for the hiring of three (3) new Floor Supervisors, in addition to one who was hired in FY18. Each supervisor will play a critical role by overseeing daily operations and providing on site management for dispatchers including quality assurance to strengthen employee development.
- ◆ Smart911: Continued funding for the Smart911 software. The Smart911 initiative enables residents to create a free, customizable safety profile for their household containing vital information for first responders.
- ◆ Other Investments: An increase in funding for training is included in an effort to strengthen professional department for both leadership and support staff. Additionally, funding is included for all critical radio maintenance agreements in FY19.

#### **Economic Development**

Springfield is in the midst of \$3.3 billion in economic development projects which has created thousands of jobs and career opportunities, all while continuing 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, Court Square, and the proposed biomass plant in East Springfield, among others.

- ◆ The grand opening for the renovated, historic Union Station occurred on June 24, 2017. This is the first time in nearly four decades that the station is operational and open for public use. The station is home to Amtrak rail as well as a new commuter rail service to Hartford and New Haven, scheduled to begin this summer. Additionally, Union Station will serve as a regional hub for both intercity and intracity bus services, with Peter Pan, the PVRTA and Greyhound all operating out of the facility. The improved services promote more job opportunities for residents and also encourage tourism by acting as a gateway to the City's downtown area.
- ◆ In FY19, MGM Springfield will come to life. The steel bones of the casino will change into the artistic renderings the City has been anticipating. Scheduled to open its doors in August 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 will further grow our City's economy.
- ◆ CRRC Railways, the world's largest rail car maker, continues to thrive since its opening in 2017. The factory has brought 150 production jobs with starting salaries of at least \$66,000 a year. The \$95.0M railroad car manufacturing operation has now begun to build cars for the MBTA and is looking to further expand due to new orders from cities such as Los Angeles and Philadelphia.

## **Infrastructure Improvement**

The FY19 budget places a strategic focus on infrastructure investment to ensure healthy neighborhoods for all who live, work, and visit our city. Some key initiatives we are investing in are shown below.

### Department of Public Works

- ◆ Sidewalk Crew: For the first time ever, a dedicated staff of full time employees will address the ever-growing need to repair and replace sidewalks throughout our city. These individuals will work to ensure that repairs are addressed in a strategic manner, and that no neighborhood is left behind.
- ◆ Mercy Hospital: We are redesigning the Carew St. entrance to Mercy Medical Center, which will include new traffic signalization that has been sorely missed for many years. This will give peace of mind to both the patrons of Mercy Hospital as well as our Carew Street neighborhood area.
- ◆ Core Services: We will continue to provide free single-stream recycling and yard waste pick up, and free hazardous waste drop-off dates. We have also increased our fleet of street sweepers to keep city streets and neighborhoods clean and clear.

### Facilities

- ◆ Downtown Park Crew: funding will be added for a maintenance crew that will be responsible for the upkeep of all downtown area parks, including DaVinci Park, Emerson Wright, Riverfront, Court Square, Stearns Square, Pynchon Plaza, and others. As “gateways” into the North and South End, it is essential these parks are well maintained and align with the current “Downtown Refresh” initiative.
- ◆ Three (3) additional Custodians will also be added to account for the new buildings that have opened or will soon be open. These include the Raymond A. Jordan Senior Center, South End Community Center, and the Paul J. Fenton Public Safety Annex at 50 East St.

### Department of Capital Asset Construction

The City has made great strides in utilizing the Department of Capital Asset Construction (DCAC) for its many capital projects.

- ◆ Completed Projects: In FY18, the City completed the Raymond A. Jordan Senior Center, which opened in early February. The South End Community Center (SECC) was also completed, opening its doors on October 26, 2017.
- ◆ Ongoing Projects: The City will continue work on the Springfield Public School Culinary and Nutrition Center, the East Forest Park Library, Riverfront Park improvements, the renovation of Stearns Square and, in preparation for the MGM Casino opening, a revitalization of the City’s downtown streets and sidewalks. Projects scheduled to begin in FY19 include renovations to the MSBA Statement of Interest schools. A feasibility study and schematic design will be underway for the combination of various schools in need of immediate replacement. This includes the joining of Brightwood and Lincoln Elementary into a single campus, as well as DeBerry and Homer Street Elementary Schools.
- ◆ Resiliency Efforts: Springfield is excited to continue work on innovative projects that will increase resiliency in the City. Thanks to the \$17M National Disaster Resilience Grant received from HUD, the City can 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 new 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) have made a concerted effort to establish a more competitive salary structure for teachers, with the 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 third year in a row, the City will devote \$250,000 in support of the expansion of pre-k services to better meet the needs of the community.

The SPS has worked diligently to decrease the overall dropout rates and increase the number of students graduating. The district's efforts are nothing short of exceptional.

- ◆ The dropout rate has been cut nearly in half, decreasing from 10.0% in 2012 to 5.1% in 2017.

Furthermore, the District has seen a significant rise in its four-year cohort graduation rate. This represents the percentage of students who graduate within four years of entering the 9th grade.

- ◆ The cohort graduation rate has spiked more than 20% from 56.6% in 2012 to 76.9% in 2017. This is a testament to the dedicated educators throughout Springfield's 56 schools who show true passion and concern for the success of every student they teach.

## **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.

### Parks and Recreation

- ◆ Essential Programs: The After School & Evening Gym Programs will continue services to help keep our children safe and active. Along with the Camp STAR Angelina and Therapeutic Recreation Program, the Terrace Maintenance Program will continue through FY19. Furthermore, all pools and splash pads will remain open for our families to enjoy.
- ◆ The Summer Concert Series and "Movies in the Park" will also continue in the upcoming fiscal year. This free, family fun entertainment was immensely popular in 2017.

### Code Enforcement

- ◆ Operational Sustainability: Funding for a full complement of administrative and inspectional personnel to ensure healthy neighborhoods and safe buildings all throughout the city.

Planning & Economic Development

- ◆ Business Partnerships: Participation in the ValleyBike Share Program with other communities in the Pioneer Valley, as well as the Pioneer Valley Planning Commission.
- ◆ Increased funding for MOUs with the Springfield BID and the Springfield Cultural Council.

Health & Human Services

- ◆ New Positions: Funding added for one (1) Nurse Supervisor, One (1) Veterinarian at TJO, and a Gambling Outreach Coordinator to provide gambling addiction assistance for those in need.

Elder Affairs

- ◆ Expanded Lunch Program: Additional funding to provide approximately 45 lunch meals per day for seniors at the new Raymond A. Jordan Senior Center at Blunt Park.

Libraries

- ◆ Core Services: Maintains current hours and services at all 9 City library branches. Additional funding is included to replace aging book drops and to upgrade computers at various branches.

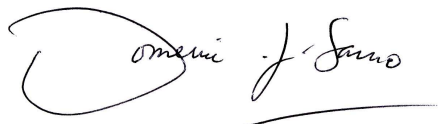
**Fiscal Responsibility**

- ◆ Received the “Distinguished Budget Award” from the Government Finance Officers Association for the 10th year in a row; received the “Certificate of Excellence in Financial Reporting” for issuance of the City’s Comprehensive Annual Financial Report for the sixth consecutive year.
- ◆ Pension: \$39.5M contribution towards pension liability; a 14.6% increase over FY18 Adopted.
- ◆ Honors all contractual obligations including collective bargaining agreements, and agreements such as the SPS food service contract and Police Department Assessment Center.
- ◆ REO: New Compliance Unit to oversee the City’s Responsible Employer Ordinance. Two (2) Project Managers will ensure diversity in hiring practices for City construction projects. These individuals will also ensure compliance with all Federal and State rules and regulations.

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 who work hard for Springfield every day.

Thank you for reviewing the FY19 Recommended Budget. I look forward to your continued support as we commence our new fiscal year.

Respectfully,



Domenic J. Sarno  
Mayor



Timothy J. Plante  
Chief Administrative & Financial Officer