



CITY OF WORCESTER, MASSACHUSETTS

Michael V. O'Brien
City Manager

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Attachment for Item #

May 12, 2009

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

Per the request of City Council, the attached responses to requests for information regarding my Fiscal Year 2010 Budget Recommendation, as received from Thomas Zidelis, Chief Financial Officer, are forwarded for the information of your Honorable Body.

Respectfully submitted,

Michael V. O'Brien
City Manager





CITY OF WORCESTER, MASSACHUSETTS

Department of Administration and Finance
Budget Office Division

Thomas F. Zidelis
Chief Financial Officer

To: Michael V. O'Brien, City Manager
From: Thomas F. Zidelis, Chief Financial Officer
Date: May 8, 2009
Re: Budget Responses

The following are responses to City Council requests information related to the Fiscal Year 2010 Budget Recommendation:

Grants Administrative Fee

Attached please find excerpts from the City's *Administrative Cost Allocation Plan*. As you will see, this plan includes a breakdown of administrative costs associated with grant funding. The percentage the City has utilized to support the services required to administer grants has remained stagnant since 1991. My Fiscal Year 2010 Budget Recommendation includes a 2% increase in this percentage to reflect actual costs. The attached documentation demonstrates that these costs amount to 3% of the City's annual budget.

DCU Center

The City's naming rights agreement with Digital Federal Credit Union for the Civic Center generated \$4.8M in revenue for the 10 year period beginning in 2004. Those funds have been allocated during for the following purposes:

\$1.9 million was expended per the terms and conditions of the Naming Rights Agreement to include new building signage and capital reinvestment in the concourse (painting and equipment); re-branding on equipment, signs, uniforms, stationary, web-site, etc.; contractual commission for SMG and a fund for promotion and marketing of DCU events through DCU Credit Union.

The remaining \$2.9 million has been appropriated to reduce the tax levy exposure for Civic Center deficits, year end close out transfers to address deficits in City's tax levy accounts, and support of City marketing efforts.



Neighborhood Watch Stabilization Plan

Formulation of this plan to stabilize the Neighborhood Watch Program in light of deep reductions in staff levels is underway. A final document will be submitted to City Council once and upon knowledge of actual State Aid the City can expect in FY 2010 and what, if any, additional cuts will be required.

Department of Inspectional Services

1. Request City Manager report the number of fuel pumps that are found to be incorrectly calibrated during the annual inspections conducted by the Department of Inspectional Services.

The Weights and Measures unit of the Department of Inspectional Services provides consumer protection for residents.

There are 72 gas stations within the City of Worcester, most with multiple fuel pumps available. Massachusetts General Law requires that each gas station have its equipment inspected annually by the Sealer of Weights and Measures and these inspections find approximately 10% that are incorrectly calibrated.

Additionally, the Weights and Measures Unit has investigated 47 complaints of fuel pump errors this fiscal year. Of these, 12 were confirmed with 7 mechanical issues (incorrect dispersal amounts) and 5 for improper pricing displays. All of the complaints were abated.

Worcester Public Library

1. Request City Manager report to the City Council the amount of money that would be needed to keep the Main Public Library open seven days per week.

Restoration of Public Library hours to FY 2009 budgeted levels would require \$679,546.35. This would restore hours reduced on Wednesdays, and allow the Library to open on Sunday and Monday.

2. Request City Manager request Head Librarian provide usage figures for each of the branches of the Public Library.

These are the attendance numbers from each branch in FY08:

Main Library – 824,449
Frances Perkins – 106,171
Great Brook Valley – 9,035

3. Request City Manager provide the City Council with the number of public libraries seeking waivers from the state, the number being decertified and the number that are closing.

Following is a list of municipalities that did not apply or were ineligible to apply for FY2009 State Aid to Public Libraries or were denied a FY2009 Municipal Appropriation Requirement (MAR) Waiver. Municipalities that did not apply or were ineligible were not

certified as of January 1, 2009. Municipalities that were denied a MAR Waiver were not certified as of February 12, 2009.

1. Alford - did not apply - last applied FY1988
2. Bridgewater - did not apply -last applied FY2008
3. Fitchburg - did not apply - last applied FY2008
4. Freetown - denied FY2009 MAR Waiver
5. Hancock - did not apply - last applied FY1975
6. Hawley - ineligible - no library
7. Hubbardston - denied FY2009 MAR Waiver (decision appealed and upheld 4/9/09)
8. Medway- ineligible - last applied FY2007
9. Monroe - did not apply - has never applied
10. New Ashford - ineligible - no library
11. Northbridge - did not apply - last applied FY2007
12. Norton - denied FY2009 MAR Waiver (decision appealed and upheld 4/9/09)
13. Saugus - did not apply - last applied FY2007
14. Savoy - did not apply - has never applied
15. Tyringham - did not apply - last applied 1961
16. Wareham - denied FY2009 MAR Waiver
17. Washington - ineligible - no library

4. Request City Manager report to the City Council how the Foundation shall proceed to raise funds for the Public Library system.

The Worcester Public Library Foundation actively seeks funding from a number of sources, including philanthropy from individuals, corporations and foundations, in support of library programs. In FY08 the Foundation granted \$56,000 in restricted project support to the library to fund such vital initiatives as maintaining open access to the library on Sundays, a literacy program that uses computer software to teach English to adult immigrants, and youth programming.

5. Request City Manager report to the City Council what has been done to encourage personal donations for the Public Library.

FY 2009 donations to date total \$26,172.98. The Library actively encourages personal donations through a number of established programs promoted within the Library sites and on the Library's website under the heading "Support the Library." Below is the text from that page:

Make a Donation

The Worcester Public Library has been an outstanding resource for the residents of Worcester and Worcester County since 1859. We are proud to offer the newest materials, as well as valued older books, computerized services and free programs at our three locations. Private and corporate donations supplement city and state funding and help increase the number and variety of services available at the Main Library, the Frances Perkins Branch Library at Greendale and the

Great Brook Valley Branch Library. There are many ways to contribute to the Worcester Public Library.

Commemorative Books

Establish a lasting tribute to a special person or occasion by having a book added to the Library's collection. Make a donation in memory or honor of a friend or loved one or to celebrate a special occasion like a birthday or anniversary. We will select a book on a topic of your choice and place a permanent bookplate in the book. Commemorative Book donation form (print & mail) 

Worcester Public Library Foundation

The Worcester Public Library Foundation's mission is to enhance the public visibility and to raise public and private funds to ensure the continuing vitality of the Worcester Public Library. Your donation to the Worcester Public Library Foundation will support the long-term growth of the library. Worcester Public Library Foundation donation form (print & mail) 

Friends of the Worcester Public Library

If you wish to support programming for children and adults, we suggest you join the Friends of the Worcester Public Library where your annual dues will support activities at the library. Friends of the Worcester Public Library Annual Membership Application (print & mail) 

Book Donations

The library welcomes gift materials. Library staff first sort through the donations to see if they might be appropriate to add to the library collection, then pass the remainder on to the Friends to sell at book sales, at online auctions, or in The Library Bookstore. All proceeds from the sale of materials go to support programs at the Main Library and its branches. Please click here for more information on how to donate books and other materials to the library.

Bequests

Bequests are most useful when made in a particular legal form. Potential donors should talk with the Head Librarian, Lucy B. Gangone. Please call her at 508-799-1690 with your questions.

City Manager's Office

An amended table of organization is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas F. Zidelis". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Thomas F. Zidelis
Chief Financial Officer

SECTION II

ADMINISTRATIVE FUNCTIONS

Implemented on August 1, 1992, the City of Worcester has been withholding one percent (1%) of federal and state grants as a reimbursement for administrative service by various City departments, once this cost allocation plan is approved that percentage will change to 3% and more accurately reflect the updated costs. Specific functions that the departments perform are:

AUDITING DEPARTMENT:

This department reviews and processes all financial transactions and provides the necessary reports and statements in support for the grant programs in accordance with Federal, State and City requirements.

BUDGET OFFICE:

This department is houses the Grants Director and the Grants Coordinator and the Grants financial staff. This department writes grants and the associated reporting once the grant is awarded. Further, this office handles the purchasing and payment process from encumbering purchase orders to paying invoices and submitting financial documentation to the awarding authority.

TREASURY DIVISION:

This department is responsible for the cash management of all revenue/receipts and disbursements for all federal financial assistance as well as state grants.

PURCHASING DIVISION:

This department handles bid solicitation either by competitive bidding or negotiation for the procurement of materials of supplies in accordance with federal and state rules and regulations and encumbers (via purchase orders) all goods and supplies.

LAW DEPARTMENT:

This office prepares contracts associated with all federal and state grants between the city and both intergovernmental departments and outside agencies. Further, they ensure the legality of all grant documents and make any and all changes that may be necessary.

OFFICE OF THE CITY MANAGER:

This office is where all grants are sent before they are submitted and after they are awarded for review and approval and for the official signatory for the city of Worcester. This office also provides the necessary public outreach and media associated with both federal and state grants.

TECHNICAL SERVICES:

This department accesses the financial information and prints the financial reports and checks issued with funds received through other state and federal government agencies.

HUMAN RESOURCES:

This department is responsible for processing personnel transactions and record keeping in addition to planning, administering and directing all phases of the personnel programs.

SECTION III

ADMINISTRATIVE COSTS

The City of Worcester is currently withholding one percent (1%) of federal and state grants as a reimbursement for costs related to administrative services. Since the program inception in 1992, costs have increased considerably in all areas of government which has prompted the city to update the costs associated with this Administrative Cost Allocation Plan and resubmit with an increased percentage of two percent (3%). These costs are necessary and reasonable. In addition they are legal, proper and consistent with the policies that govern the grantee's expenditure. The expenses that are charged to the grants are:

- SALARIES: Compensation paid for personal services rendered during the period of performances under the grant agreement.
- ACCOUNTING CONSULTANT: The cost applicable to the Administrative portion of the City's annual audit.
- ADVERTISING: Cost incurred through newspaper for the recruitment of personnel and solicitation of bids for procurement of goods and services.
- COMMUNICATIONS: Costs incurred for telephone services, local & long distance phone calls as necessary for the administration of federal grant programs.
- DUES & MEMBERSHIP: Cost to join business, professional and technical organizations for membership that is reasonably related to the value of the service or benefit received.
- MATERIAL & SUPPLIES: The cost of materials and supplies necessary to equip and operate departments providing administrative services to grant programs.

<u>MAINTENANCE & REPAIR:</u>	Cost incurred for necessary maintenance, repair or upkeep of property which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition.
<u>PRINTING & DUPLICATION:</u>	Cost for printing and reproduction services necessary for grant administration including, but not limited to forms, reports, manual and informational literature.
<u>ELECTRICITY:</u>	Actual usage for space occupied by departments providing administrative services.
<u>FILING FEES:</u>	The cost of legal recording expenses required in the administration of grant programs.
<u>POSTAGE:</u>	Actual usage as derived by the Treasurers office mailing section.
<u>MILEAGE ALLOWANCE:</u>	Reimbursement to staff for use of personal vehicle.
<u>AUTO/TRUCK RENTAL:</u>	The cost of leasing staff vehicle for business use only.

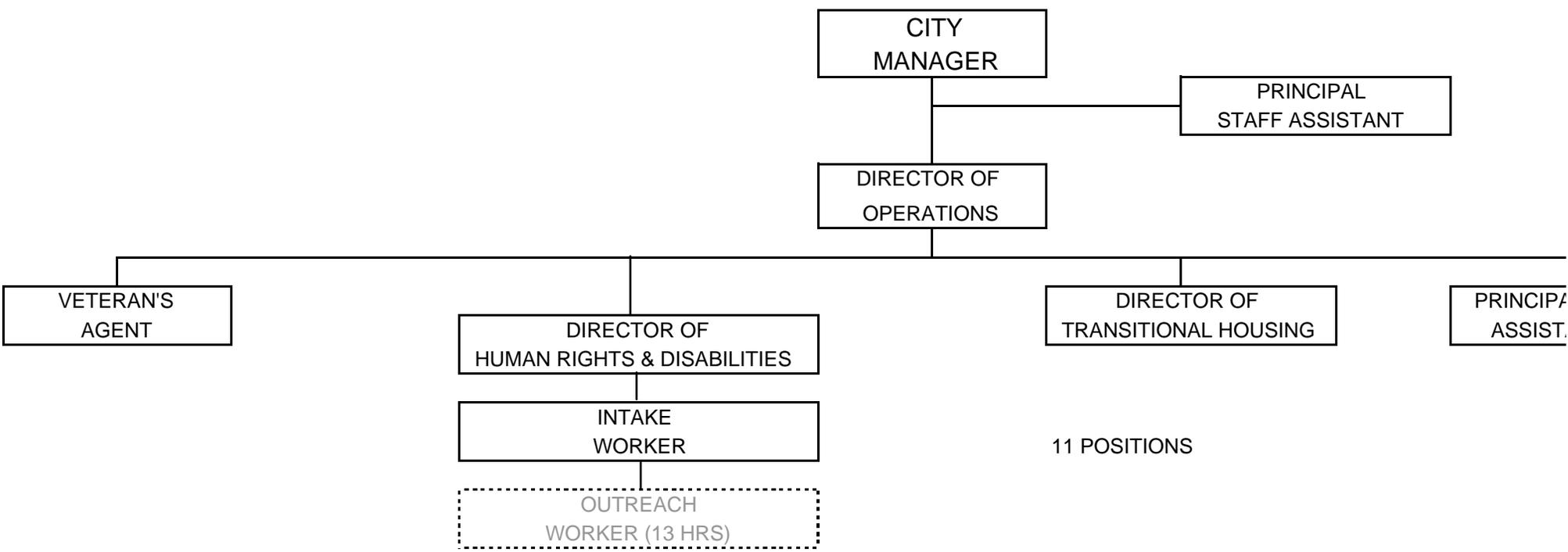
ADMINISTRATIVE SERVICES	SALARIES	ORDINARY MAINTENANCE	TOTAL
Auditor	\$ 608,674.00	\$ 82,099.00	\$ 690,773.00
Budget Office	\$ 464,515.00	\$ 83,356.00	\$ 547,871.00
Treasurer	\$ 1,254,644.00	\$ 976,286.00	\$ 2,230,930.00
Purchasing	\$ 267,180.00	\$ 12,221.00	\$ 279,401.00
Law	\$ 758,747.00	\$ 548,001.00	\$ 1,306,748.00
Office of the City Manager	\$ 696,797.00	\$ 160,340.00	\$ 857,137.00
Technical Services	\$ 1,827,939.00	\$ 1,020,317.00	\$ 2,848,256.00
Human Resources	\$ 774,396.00	\$ 201,101.00	\$ 975,497.00
Total	\$ 6,652,892.00	\$ 3,083,721.00	\$ 9,736,613.00

DIRECT SERVICES	SALARIES	ORDINARY MAINTENANCE	TOTAL
Elder Affairs	\$ 341,961.00	\$ 372,796.00	\$ 714,757.00
City Council/Mayor	\$ 301,842.00	\$ 31,738.00	\$ 333,580.00
Communications	\$ 2,289,707.00	\$ 349,855.00	\$ 2,639,562.00
Inspectional Services	\$ 1,586,549.00	\$ 68,990.00	\$ 1,655,539.00
Auditorium	\$ -	\$ 117,716.00	\$ 117,716.00
Public Library	\$ 3,120,101.00	\$ 1,293,464.00	\$ 4,413,565.00
Regional Library	\$ 65,705.00	\$ 53,950.00	\$ 119,655.00
Public Schools	\$ 158,177,074.00	\$ 38,798,598.00	\$ 196,975,672.00
Parks & Recreation	\$ 3,034,309.00	\$ 714,958.00	\$ 3,749,267.00
Public Works	\$ 5,737,297.00	\$ 13,503,093.00	\$ 19,240,390.00
Health & Human Services	\$ 2,009,406.00	\$ 1,052,151.00	\$ 3,061,557.00
Union Station		\$ 880,460.00	\$ 880,460.00
Police	\$ 37,917,518.00	\$ 2,193,193.00	\$ 40,110,711.00
Fire	\$ 32,777,663.00	\$ 1,362,235.00	\$ 34,139,898.00
Election Commission	\$ 401,227.00	\$ 113,294.00	\$ 514,521.00
City Messenger	\$ 133,140.00	\$ 375,833.00	\$ 508,973.00
City Clerk	\$ 618,143.00	\$ 26,663.00	\$ 644,806.00
Assessing	\$ 571,725.00	\$ 25,915.00	\$ 597,640.00
License Commission		\$ 992.00	\$ 992.00
Planning/ED/NS/Tourism	\$ 843,029.00	\$ 604,612.00	\$ 1,447,641.00
	\$ 249,926,396.00	\$ 61,940,506.00	\$ 311,866,902.00

3.12%

DEPARTMENT OF THE EXECUTIVE OFFICE OF THE CITY MANAGER

PERSONNEL TABLE OF ORGANIZATION



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