



CITY OF BOSTON
MAYOR MICHELLE WU

June 13, 2022

TO THE BOSTON CITY COUNCIL

Dear Councilors:

I respectfully return to your Honorable Body the City's Fiscal Year 2023 (FY23) Budget for the City of Boston. Thank you for your continued collaboration, starting with our joint budget listening sessions this past winter and through the robust public process this spring including over 30 hearings and working sessions. In this moment of urgency and opportunity for our city, our amended \$4 billion FY23 Operating Budget and \$3.6 billion FY23-FY27 Capital Plan sets a foundation for our future, connects our communities, and delivers on the details of city services across our neighborhoods. Through sound fiscal management, this budget is a roadmap for investing critical resources to build a more connected city for everyone.

This returned budget is responsive to the advocacy and legislative intent of the City Council, while recognizing the importance of fiscal stability. Many proposed amendments were accepted, though most at reduced amounts in recognition of existing resources or anticipated start-up timing. In partnership with the City Council, the returned budget includes enhanced funding for youth jobs, housing vouchers, neighborhood clean up, and valuable programming for historically underserved communities including immigrants, LGBTQ+ residents, and returning citizens. As required, the City Council's proposed additions to the budget were offset by reductions in other areas. While the City is pleased to be able to slightly increase the FY23 Operating Budget at this time due to net state aid revenue adjustments in the House budget passed this spring, that funding alone is not enough to accommodate the entirety of the Council's suggested additions, and it is still subject to the legislature's budget reconciliation process and final approval. After careful review, this returned budget partially accepts some suggested Council reductions that can be taken without harming city services or transparent budget practices.

I'm proud that the first budget of our administration comes in the first year of a new balance of budgetary power with the City Council, and we have reshaped this process to reflect direct community engagement and City Council collaboration from the very beginning. For the first time, public feedback guided budget drafting from the start as residents highlighted community needs and priorities through listening sessions co-hosted by City Councilors, a citywide survey in 12 languages, and direct engagement over the last three months. Our recommended budget reflects the clear call for transformative action to support our people, our neighborhoods, and our City services.

Even as Boston continues to absorb the impacts of a lingering pandemic, our City's fiscal health has paved the way for a strong public health response and citywide recovery. This spring, the City of Boston received AAA credit ratings for the eighth year in a row. These top credit ratings not only highlight solid financial management and policies embedding fiscal responsibility, but also secure the most favorable rates for our infrastructure investments to support equity, affordability, and resiliency in every neighborhood.

To maintain the City's strong fiscal health and to support honest, transparent dialogue with community members about how taxpayer dollars are put to use, we must be clear about planned expenditures. The City Council unanimously voted to present a proposed budget to the administration that would secure a collective \$10 million increase for various initiatives through a reduction to the Boston Police Department's overtime line item by that amount. As we are all aware, due to state laws that require payment of all public safety overtime hours worked—regardless of the size of a budgeted line item—this would set up the City to repeat the pattern over several years of overspending on this line item and dipping into needed reserves from other areas to cover that. Therefore, I cannot include a false reduction to the budget that would create unpredictability elsewhere. We will continue to work through leadership, organizational improvements, and collective bargaining to rein in overtime. However, in recognition of the unanimous advocacy and intent of the City Council, a total of \$1.2 million in reductions to the Police Department have been identified: \$1 million in the reduction to the Police Department's personnel line is retained as a reduction to the permanent employee line, which will delay the next recruit class by two months; and a \$200,000 reduction to the department's equipment line is included. Should net state revenues come in higher than currently budgeted over the next few months as the state budget is finalized, this will be a top priority to restore and accelerate our recruit class.

This returned budget also includes most of the City Council's proposed investments and our team has tremendous respect for the Council's advocacy and representation of communities across our neighborhoods. While the Mayor's Administration is charged with the executive and administrative duties of city government, the valued partnership with the Council is critical to ensure that City government meets the needs of our residents. Directives about how to staff or execute public work within a departmental budget category constitute executive action, which is reserved to the Mayor under the City Charter, and are not within the City Council's legislative authority to amend appropriations. Therefore, the intra-departmental transfers set forth in the appendix to the City Council's amended budget is a non-binding narrative of priorities that I cannot formally accept as appropriations. However, the intra-department portion of the appendix highlighted some key community priorities that our returned budget dedicates funding toward, such as arts grants and pest control.

Specific accepted and partially accepted amendments include the following.

- Accepted amendments at reduced amounts in recognition of existing resources or expected start-up timing: \$3.5 million for youth jobs (offset by grant funding), \$1.85 million for housing vouchers, \$500,000 for Main Streets technical assistance, \$544,000 for tree and urban wilds maintenance, \$482,000 for neighborhood clean-up (hokeys) and waste reduction positions, \$300,000 for Office of Returning Citizens, and \$200,000 for the Office of Black Male Advancement.

- Accepted amendments at full amounts proposed by City Council: \$250,000 for the Mayor's Office of Immigrant Advancement programming and events, \$150,000 for the Office of LGBTQ+ Advancement, additional positions to support the 311 system, increased burial assistance, a new position to expand capacity at the office of the City Clerk, Graffiti Busters grants to help small businesses restore their storefronts, programming for older adults, increased support for the Boston Groundwater Trust, and additional funding for City Council staffing.
- A total of \$1.5 million in partially accepted reductions that can be taken without harming city services or transparent budget practices: \$1 million in Police personnel line by delaying recruit class two months, \$200,000 from Police equipment line, and \$300,000 from the Fire Department equipment line.

The returned FY23 Operating Budget proposes a year-over-year increase of \$219 million or 5.8% over FY22, coordinated to target impact in key areas, including:

- Focusing on housing affordability, including creating and acquiring new affordable units, housing stability services, and an expanded voucher program. Over the next three years, new commitments in the Operating and Capital Budgets paired with federal recovery funds will infuse an unprecedented \$365 million into affordable housing, supportive services, and public housing preservation and creation.
- Moving fast on a Boston Green New Deal, with a greener City vehicle fleet, improvements for mobility and active transportation, the first citywide composting program, new leadership for food justice and urban agriculture, and investments in our tree canopy and open space.
- Investing in public safety grounded in public health, with a new Center for Behavioral Health to elevate mental health as a citywide priority, a coordinated crisis response program, specialized supports for older adults, and pathways for greater representation of Boston residents and people of color in public safety jobs.
- Accelerating an equitable economic recovery by more than doubling investments in our Main Streets districts to support our small businesses; creating an innovative Legacy Business Fund; funding the new Office of Contract Services that will help tie city contracting to wealth-building opportunities for BIPOC- and women-owned local businesses; expanding workforce development for immigrant professionals, young people, and city residents; and investing in neighborhood placemaking, arts, and culture.
- Amplifying all voices, with a major expansion of our language access capacity, investments in immigration legal services, wraparound supports for returning citizens, and resources to grow our new Office of Black Male Advancement and Office of LGBTQ+ Advancement.
- Empowering youth and families, with a significant commitment to the Boston Public Schools through \$40 million in Operating Budget growth paired with over \$100 million in federal ESSER funding to support students and school communities, strengthen academics, and improve facilities and operations; a new Office of Early Childhood; and funding for 6,000 youth summer jobs and 1,000 full-year jobs.

The operating budget works in concert with the City's proposed budget for allocation of \$349.5 million in unallocated federal resources from the American Rescue Plan Act (ARPA), intended to accelerate a Green New Deal for Boston. These funds represent a once-in-a-generation set of

transformational investments that will create lasting impact. I ask the City Council to act with urgency and put these resources to work for Boston residents.

Informed by community-driven visioning and guided by the urgency for bold change, our proposed investments include \$206 million for affordable housing and homeownership, \$34 million for economic opportunity and inclusion, \$31.5 million to advance climate resilience and improve mobility for all Bostonians, \$20 million to strengthen arts and culture in both downtown and our neighborhood communities, \$20 million to ensure an equitable response to the ongoing pandemic, \$18 million to support behavioral and mental health, \$15 million to focus on our early education and childcare system, and \$5 million for administration, evaluation and data transparency.

It will take time for the city's economy to fully regain its footing, and we are planning carefully around the uncertainty from viral variants, geopolitical events, and macroeconomic pressures. This fiscally responsible, balanced budget fully funds our long-term liabilities, such as pensions and debt service, enabling investment in the largest Capital Plan in our City's history. The Capital Plan supports capital projects across all our neighborhoods, from healthier schools and beautiful libraries, to safer streets, street trees, and dog parks.

As we continue to emerge from the pandemic, this budget points the way toward an equitable recovery and charts the course for our brightest future. Thank you for your many hours of analysis, community outreach, and thoughtful discussion. I look forward to the continued partnership of the City Council in this budget process and beyond. I respectfully request your favorable action on the FY23 Operating Budget, the FY23-FY27 Capital Plan and the ARPA orders.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Wu', with a stylized flourish at the end.

Michelle Wu
Mayor of Boston

**CITY OF BOSTON
IN CITY COUNCIL**

**Appropriation and Tax Order for the fiscal year
Commencing July 1, 2022 and ending June 30, 2023**

ORDERED:

I. That to meet the current expenses of the City of Boston, in the fiscal year commencing July 1, 2022 and ending June 30, 2023, the respective sums of money specified in the schedules hereinafter set out, be, and the same hereby are, appropriated for expenditure under the direction of the respective boards and officers severally specified, for the several specific purposes hereinafter designated and, except for transfers lawfully made, for such purposes only said appropriations, to the extent they are for the maintenance and operation of parking meters, and the regulation of parking and other activities incident thereto (which is hereby determined to be \$30,000,000), being made out of the income from parking meters and, to the extent they are for other purposes, being made out of the proceeds from the sale of tax title possessions and receipts from tax title redemptions in addition to the total real and personal property taxes of prior years collected from July 1, 2020 up to and including March 31, 2021, as certified by the City Auditor under Section 23 of Chapter 59 of the General Laws, and out of available funds on hand, (which is hereby determined to be \$40,000,000) as certified by the Director of Accounts under said Section 23, and from the available funds provided by the American Rescue Plan Act of 2021 and received and deposited into the general fund, and the balance of said appropriations to be raised by taxation pursuant to Section 23 of Chapter 59 of the General Laws:

CITY DEPARTMENTS	Personnel Services	Contractual Services	Supplies & Materials	Current Charges & Obligations	Equipment	Special Appropriation	Structures & Improvements	Non-Structural Improvement	Land	Total
147 Labor Relations	1,363,403	556,814	2,700	36,250	-	-	-	-	-	1,961,167
163 Registry Division	1,090,563	44,013	45,576	1,030	-	-	-	-	-	1,181,182
199 Unemployment Compensation	350,000	-	-	-	-	2,000,000	-	-	-	350,000
341 Workers' Compensation Fund	-	-	-	-	-	-	-	-	-	2,000,000
Human Services										
386 Office of Human Services	1,582,472	3,682,898	10,750	-	-	-	-	-	-	5,286,120
385 Boston Center for Youth & Families	23,517,323	5,100,077	375,798	335,392	346,303	-	-	-	-	29,674,893
387 Age Strong	3,757,083	1,804,525	317,566	88,110	34,832	-	-	-	-	6,002,116
110 Library Department	29,009,952	9,288,482	3,914,986	635,872	390,254	-	-	35,000	-	43,274,246
741 Boston VETS	1,108,416	185,202	71,550	3,331,601	-	-	-	-	-	4,696,769
448 Youth Engagement & Employment	10,623,481	6,399,453	68,500	56,496	4,500	562,500	-	-	-	17,714,930
Housing										
188 Mayor's Office of Housing	5,547,816	3,342,561	32,500	124,588	22,986	34,813,343	-	-	-	43,883,794
Public Health										
620 Public Health Commission	-	-	-	-	-	117,724,077	-	-	-	117,724,077
Information & Technology										
149 Department of Innovation & Technology	14,685,866	5,644,865	42,950	20,717,562	1,013,404	-	-	-	-	42,104,647
Public Safety										
231 Emergency Management	551,201	343,508	6,000	386,857	-	-	-	-	-	1,287,566
221 Fire Department	252,350,086	9,963,865	6,251,133	5,120,411	4,747,094	-	-	-	-	278,452,589
211 Police Department	349,814,366	24,853,867	8,792,829	5,529,868	6,103,876	-	-	20,000	-	395,094,796
Streets										
321 Central Fleet Management	2,395,145	452,796	104,585	6,350	364,203	-	-	-	-	3,323,079
310 Office of Streets	2,563,619	24,050	6,650	6,600	172	-	-	-	-	2,601,091
311 Public Works Department	25,765,693	73,896,764	2,158,537	628,650	2,905,904	-	600,000	-	-	105,955,548
331 Snow & Winter Management	-	22,640,141	57,500	-	833,173	-	-	-	-	23,530,814
251,253 Transportation Department	28,334,568	10,286,321	1,770,558	374,956	1,328,126	-	-	-	-	42,094,529
Non-Mayoral Departments										
112 City Council	7,115,000	407,100	39,500	39,300	88,000	-	-	-	-	7,688,900
161 City Clerk	1,458,984	96,409	20,608	3,331	-	-	-	-	-	1,579,332
193 Finance Commission	313,391	4,350	525	250	2,125	-	-	-	-	320,641
Other										
158 Risk Retention Reserve	-	-	-	-	-	2,500,000	-	-	-	2,500,000
159 Housing Trust Fund	-	-	-	-	-	618,000	-	-	-	618,000
999 Reserves for Collective Bargaining	75,393,154	-	-	-	-	-	-	-	-	75,393,154
TOTAL	978,550,966	221,521,452	28,726,659	256,841,710	20,469,482	165,827,670	600,000	2,626,268	1,677,164,207	

**CITY OF BOSTON
IN CITY COUNCIL**

FURTHER ORDERED:

II. That to meet so much of the expenses of maintaining, improving and embellishing in the fiscal period commencing July 1, 2022 and ending June 30, 2023, cemeteries owned by the City of Boston, or in its charge, as is not met by the income of deposits for perpetual care on hand December 31, 2021, the respective sum of money specified in the subjoined schedule be, and the same hereby is, appropriated out of the fund set up under Chapter 13 of the Acts of 1961 the same to be expended under the direction of the Commissioner of Parks and Recreation:

400100

Cemetery Division
Parks and Recreation Department
\$950,000

**I HEREBY CERTIFY
THE FORGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW.**

BY


**ADAM CEDERBAUM
CORPORATION COUNSEL**