



CITY OF BOSTON • MASSACHUSETTS

MARTIN J. WALSH
MAYOR

June 15, 2020

TO THE CITY COUNCIL

Dear Councilors:

I retransmit herewith my Fiscal Year 2021 (FY21) Recommended Budget for the City of Boston. I resubmit the \$3.61 billion FY21 Operating Budget and \$3.00 billion FY21-FY25 Capital Plan at a time of continued local, national and international economic turbulence, brought on by the coronavirus pandemic, a global public health crisis. While we remain focused on responding to the immediate needs of our residents and businesses affected by the coronavirus, as a result of the collective efforts of all Bostonians, we are thankful to see signs that the coronavirus is receding in our community. As we remain vigilant against the risk of another surge, we are rising to join the ongoing national and local movement to achieve racial equity, battling racism and the impact it has on the health and well-being of residents in the City of Boston. The budget is one part of our overall plan to end systemic racism and make Boston a more equitable city. To that end, in the resubmitted budget we are reallocating 20% or \$12 million of police overtime resources to further invest in equity and inclusion in our communities.

We know that the novel coronavirus public health crisis will have ongoing economic, social and most importantly human effects on our City, but I believe we will emerge stronger and more resilient than before. Smart fiscal planning and stewardship is vital to our ability to continue to function effectively through this crisis and strive towards an equitable recovery. This fiscally responsible budget will ensure we are prepared for economic uncertainties, while maintaining a well-resourced city government that is prepared to respond to the needs of Boston. The FY21 resubmitted budget further accounts for the economic fallout from this pandemic through an additional \$35 million reduction to the Operating Budget and we will continue to monitor the impacts as they unfold into next fiscal year.

The Recommended FY21 Operating Budget accounts for economic uncertainty and proposes a modest year-over-year increase of \$119 million or 3.4% over FY20. We are confident in this year's estimates based on our stable property tax base that has proven resilient, even in times of a faltering economy. In this year of especially limited new resources, we are prioritizing addressing our long-term liabilities and making targeted new investments in programs and services we know make the biggest impact on our residents, including public education, housing and public health.

Full funding of our long-term liabilities, like pensions and debt service, demonstrates the City's seriousness in ensuring the fiscal health of Boston. We have made tremendous progress on paying down the City's pension liabilities over the past seven years and now, more than ever, we need to fulfill our commitment. In addition, fully funding debt service is the key to ensuring a robust and impactful Capital Plan. This will allow the City to

continue to invest heavily in capital projects in every neighborhood in the City, including new schools, libraries, parks, roads and bridges.

In my State of the City address this year I laid out bold funding proposals for education and housing, the two areas most critical to ensuring Boston provides for all. This was true before coronavirus, and this will be true after this public health crisis has passed. And so, this budget keeps those promises. While the global economic climate was much different four months ago, these issues are too important for half measures.

A great deal has changed in public education over the past year. We hired our new superintendent, Dr. Brenda Cassellius, who visited every school in the district and developed a comprehensive strategic plan to make the Boston Public Schools (BPS) truly one great district for every student. We also advocated for, and the state passed, comprehensive state education finance reform through the Student Opportunity Act. This law will reverse decades of declining state aid and was appropriately signed right here in Boston at the English High School. These important events created the opportunity for me to announce a historic three-year \$100 million funding commitment to BPS, in new additive funding that is over and above standard cost increases.

The proposed FY21 budget fulfills the first year of that commitment, through an overall \$80 million increase for BPS, including an initial down payment of \$36 million in new additive funding. The first year of this additive funding will be directed for new services and support for students and teachers, especially in our highest needs schools. Combined with a \$17 million increase for our charter school students, our total public education increase for next year tops \$97 million.

The second funding announcement I made at the State of the City address was a 5-year, \$500 million transformational investment in accessible and affordable housing for all Bostonians. This investment starts with \$100 million in City funding over 5 years, and would be supplemented with new dedicated funding from the sale of the Lafayette Garage in downtown Boston and state passage of the real estate transfer tax. This budget makes a \$18 million investment in new City operating and capital resources for housing, consistent with my commitment of City resources, while we continue to pursue the two other revenue proposals.

In the first year of this new housing investment we are dedicating \$8 million in new operating funds to create affordable homeownership opportunities, preserve and generate affordable rental opportunities including Boston's first City-funded rental voucher program. The FY21-25 Capital Plan also includes \$5 million to seed a new housing infrastructure fund and \$5 million to support senior housing in the Boston Housing Authority. These investments will allow us to preserve and create hundreds of new units next year. With the sale of the Lafayette Garage and the passage of the real estate transfer tax, we will be able to significantly increase this initial investment to help create and preserve thousands of additional units over the next five years.

All across City government, we are working to keep our residents healthy and safe. In FY21, resources are embedded in all City departments to continue our continued and robust response to the coronavirus. Ensuring a well-funded Boston Public Health Commission (BPHC) is especially vital to maintain this response and the FY21 budget includes a \$13 million increase, and over \$106 million total for BPHC. This level of investment will ensure a fully funded BPHC, Emergency Medical Service and Office of Recovery Services for next year, as we continue to fight the effects of coronavirus and address the public health needs of Boston.

Outside of these targeted increases, an uncertain fiscal landscape has required the City to identify savings and reductions within existing departments to fund new investments and balance the City budget. These savings include a hiring pause until the end of the calendar year 2020, delaying our annual Bond Sale for several months and other reductions to non-personal expenses. All told, the City has identified and closed a \$65 million budget gap across all departments since our original FY21 projections. We have been able to reinvest some of those savings to offer targeted new or expanded programs. Instead of spending resources on unnecessary energy costs and vacant positions, we are making targeted investments in:

- Ending chronic, family and youth homelessness;
- Implementing and funding a targeted youth violence plan;
- Rolling out new zero waste and composting pilots and education;
- Investing in Boston's tree canopy and urban forest; and
- New supports for our most vulnerable residents.

This budget reflects a commitment to growing opportunity, increasing equity, and moving Boston forward despite the new realities we will face in a post pandemic world. We will continue to monitor the economic impact for Boston and will be ready to make adjustments as more information becomes available in the coming months.

I look forward to working with you during the budget process, and I respectfully request your favorable action on the FY21 Operating Budget and the FY21-FY25 Capital Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Martin J. Walsh', followed by a horizontal line.

Martin J. Walsh
Mayor of Boston

**CITY OF BOSTON
IN CITY COUNCIL**

**Appropriation and Tax Order for the fiscal year
Commencing July 1, 2020 and ending June 30, 2021**

ORDERED:

I. That to meet the current expenses of the City of Boston, in the fiscal year commencing July 1, 2020 and ending June 30, 2021, 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, 2018 up to and including March 31, 2019, 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 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
Mayor's Office										
111 Mayor's Office	4,747,785	513,867	50,899	43,068	25,000	-	-	-	-	5,380,619
121,128 Election Department	3,617,006	525,150	604,500	153,700	361,745	-	-	-	-	5,262,101
150 Intergovernmental Relations	1,001,315	187,673	6,200	193,160	-	-	-	-	-	1,388,348
151 Law Department	5,765,156	2,245,205	36,153	139,585	-	-	-	-	-	8,186,099
401 Human Rights Commission	453,346	35,400	1,000	11,000	-	-	-	-	-	500,746
417 Women's Advancement	302,673	159,125	800	219	-	-	-	-	-	462,817
Operations										
180 Property Management	7,676,250	8,862,369	413,072	122,070	86,644	-	-	-	-	17,160,405
181 Public Facilities Department	6,763,779	235,020	41,175	14,700	5,800	-	-	-	-	7,060,474
280 Inspectional Services Dept	18,038,175	1,640,775	279,355	895,360	64,859	-	-	-	-	20,908,524
Civic Engagement										
412 Neighborhood Services	3,464,835	650,075	13,573	9,107	-	-	-	-	-	4,137,590
Arts & Culture										
414 Office of Arts & Culture	1,161,637	1,024,505	10,408	42,202	-	-	-	-	-	2,238,752
110 Library Department	27,678,940	9,399,444	3,325,008	507,249	440,868	-	-	85,000	-	41,386,509
Economic Development										
182 Office of Economic Development	3,518,160	1,824,845	28,240	28,155	4,200	-	-	-	-	5,403,600
114 Consumer Affairs & Licensing	1,441,308	11,530	20,300	13,315	-	-	-	-	-	1,486,453
416 Office of Tourism	842,233	492,360	16,080	60,550	2,000	238,750	-	-	-	1,651,973
Environment, Energy & Open Space										
303 Environment Department	2,488,647	673,516	31,000	4,400	-	-	-	-	-	3,197,563
300,400 Parks & Recreation Department	15,916,519	5,191,885	1,055,225	707,932	1,227,382	78,000	-	2,008,167	-	26,185,110
Administration & Finance										
144 Administration & Finance	899,942	367,700	2,000	2,508	-	-	-	-	-	1,272,150
136 Assessing Department	6,926,345	502,600	122,720	166,700	-	-	-	-	-	7,718,365
131 Auditing Department	2,738,215	35,352	11,502	40,275	2,949	-	-	-	-	2,828,293
141 Budget Management	2,460,681	666,520	6,100	135,270	2,400	-	-	-	-	3,270,971
333 Execution of Courts	-	-	-	-	-	5,000,000	-	-	-	5,000,000
148 Health Insurance	4,132,852	-	-	216,096,323	-	-	-	-	-	216,096,323
142 Human Resources	11,200,000	672,168	59,680	1,105,900	-	-	-	-	-	12,937,748
139 Medicare Payments	864,127	556,750	3,000	36,019	-	-	-	-	-	1,459,896
374 Pensions & Annuities - City	3,900,000	-	-	-	-	-	-	-	-	3,900,000
749 Pensions & Annuities - County	1,767,742	44,419	11,525	5,500	24,806	6,000	-	-	-	1,859,992
143 Procurement	985,714	72,845	26,990	1,090	-	-	-	-	-	1,086,639
163 Registry Division	3,311,940	400,000	809,198	35,500	20,000	-	-	-	-	4,576,638
137,138 Treasury Department	350,000	-	-	-	-	2,000,000	-	-	-	2,350,000
199 Unemployment Compensation	-	-	-	-	-	-	-	-	-	350,000
341 Workers' Compensation Fund	-	-	-	-	-	-	-	-	-	3,900,000
Health & Human Services										
388 Office of Health & Human Services	945,648	1,448,000	12,000	150	-	-	-	-	-	2,405,798
385 Boston Centers for Youth & Families	23,165,144	4,827,957	435,748	305,599	317,228	-	-	-	-	28,051,676
403 Fair Housing & Equity	296,014	11,350	8,000	2,150	-	-	-	-	-	317,514
387 Age Strong	3,327,606	857,100	208,551	52,840	-	-	-	-	-	4,446,097
404 Commission for Persons with Disabilities	490,496	12,620	7,500	-	-	-	-	-	-	510,616
113 Office of Immigrant Advancement	737,339	375,610	11,200	1,400	-	-	-	-	-	1,125,549

CITY DEPARTMENTS

	Personnel Services	Contractual Services	Supplies & Materials	Current Charges & Obligations	Equipment	Special Appropriation	Structures & Improvements	Land Non-Structural Improvement	Total
620 Public Health Commission	-	-	-	-	-	106,473,529	-	-	106,473,529
741 Boston VETS	1,049,873	96,702	71,550	3,394,750	-	-	-	-	4,612,875
448 Youth Engagement & Employment	7,031,817	140,811	68,500	9,900	4,500	562,500	-	-	7,818,028
Housing & Neighborhood Development									
188 Neighborhood Development	4,159,825	1,880,654	44,697	131,076	8,755	22,863,343	-	-	29,088,350
Information & Technology									
149 Department of Innovation & Technology	13,933,744	5,417,592	41,800	14,907,180	721,943	-	-	-	35,022,259
Public Safety									
231 Emergency Management	409,877	204,913	6,000	364,650	-	-	-	-	985,440
221 Fire Department	246,738,339	9,940,023	5,850,035	4,368,616	4,631,653	-	-	-	271,548,666
211 Police Department	363,470,594	21,926,407	8,291,405	5,143,658	5,349,962	-	-	20,000	404,182,026
Streets									
321 Central Fleet Management	2,179,550	347,781	146,816	6,350	332,089	-	-	-	3,012,586
310 Office of Streets	1,999,078	39,050	6,400	6,610	2,388	-	-	-	2,053,526
311 Public Works Department	23,700,073	69,770,347	2,045,600	620,150	2,373,491	-	400,000	-	98,909,661
331 Snow Removal	-	20,750,701	57,500	-	259,382	-	-	-	21,067,583
251,253 Transportation Department	26,453,812	8,851,227	1,798,083	338,755	1,306,234	-	-	-	38,748,111
Non-Mayoral Departments									
112 City Council	5,420,000	207,100	39,500	39,300	30,500	-	-	-	5,736,400
161 City Clerk	1,268,626	95,530	19,747	8,364	-	-	-	-	1,392,267
193 Finance Commission	292,534	4,350	525	250	2,125	-	-	-	299,784
Other									
158 Risk Retention Reserve	-	-	-	-	-	2,500,000	-	-	2,500,000
159 Housing Trust Fund	-	-	-	-	-	618,000	-	-	618,000
999 Reserves for Collective Bargaining	3,000,000	-	-	-	-	-	-	-	3,000,000
TOTAL	874,485,311	184,196,923	26,156,660	250,262,605	17,608,903	140,340,122	400,000	2,063,167	1,495,513,891

**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, 2020 and ending June 30, 2021, 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, 2019, 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 THAT
THE FOREGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW.

BY


EUGENE L. O'FLAHERTY
CORPORATION COUNSEL