

FY18 Budget Approval

Grace Connolly

Director, Administration & Finance

Alex Davidson

Budget Director

May 17, 2017

Background

Through thoughtful reform that achieves cost savings, and improved utilization of existing funds, Mayor Walsh's FY18 budget is able to make targeted investments towards achieving a thriving, healthy and innovative City.

Background (cont.)

- **Data-driven managerial approach**
- All-time high revenues from property tax and local receipt categories
- AAA credit rating
- Low state aid
- Growth in fixed costs, anticipated at 9% for FY17
- Expiration of collective bargaining agreements

Two Step Process

- Maintenance request
- New budget proposals
 - Operational reforms
 - Budget savings
 - New initiatives/investments
 - Revenue proposals

Maintenance Request

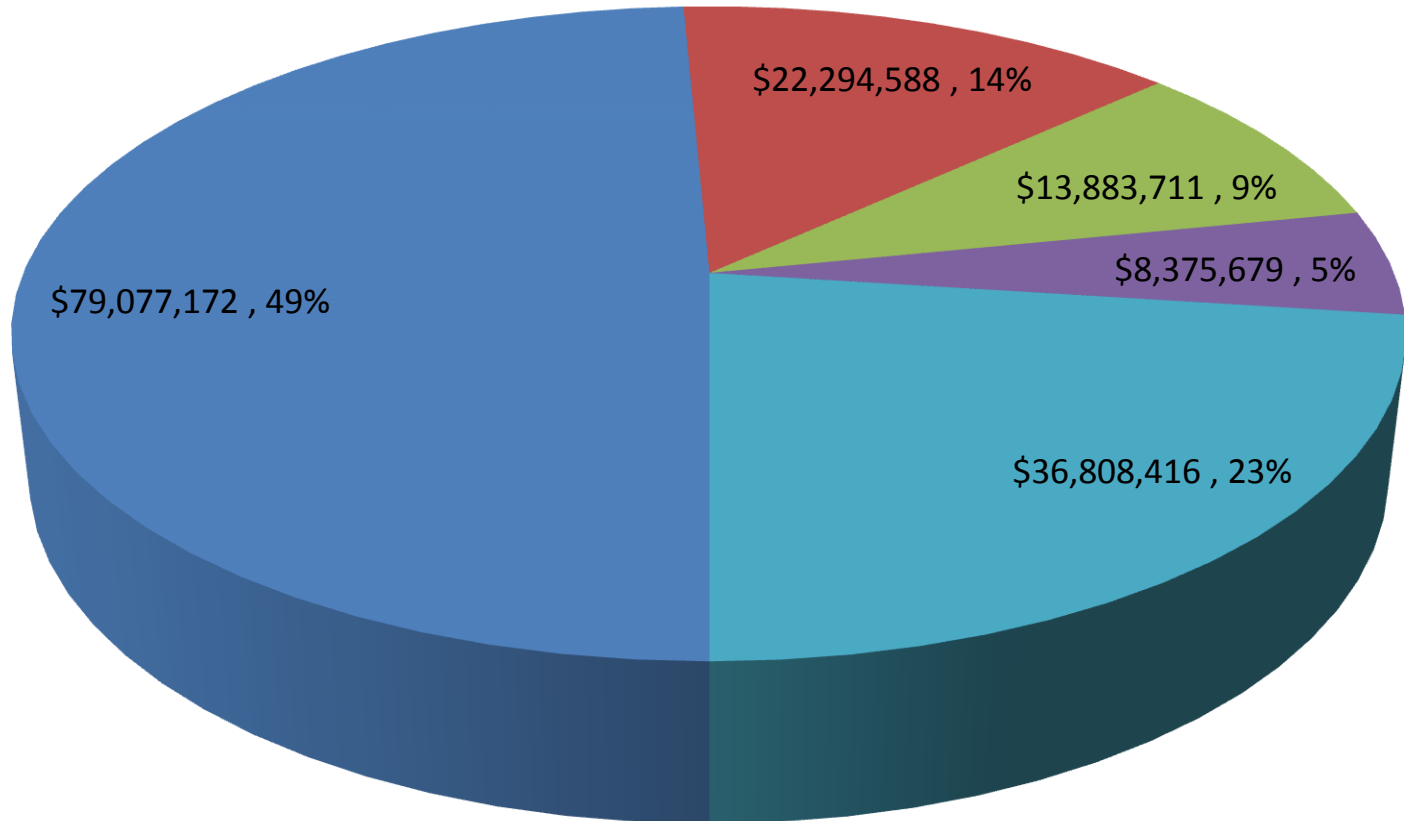
- Reflect FY17 operations in terms of FY18 costs
- Review possible realignments during this period
 - Staff transfers and consolidations
 - Streamlining business processes
 - Shared service models
 - Reduce fragmentation and duplication of effort
 - Enhancing managerial controls

Recommended Budget

Funding	FY17	FY18	Variance	%
COB Appropriation	\$ 77,267,200	\$ 79,077,172	\$ 1,809,972	2.34%
External	\$ 49,051,487	\$ 41,717,478	\$ (7,334,009)	-14.95%
EMS Billing	\$ 34,296,117	\$ 36,808,416	\$ 2,512,299	7.33%
Other Program Revenue	\$ 1,437,163	\$ 506,500	\$ (930,663)	-64.76%
Property Revenue	\$ 2,324,000	\$ 2,330,000	\$ 6,000	0.26%
TOTAL	\$ 164,375,967	\$ 160,439,566	\$ (3,936,401)	-2.39%

FTEs	FY17	FY18	Variance	%
Internal	868.73	886.58	17.85	2.05%
External	266.23	236.54	(29.69)	-11.15%
TOTAL	1,134.96	1,123.12	(11.84)	-1.04%

Recommended Budget (cont.)



■ City ■ Federal ■ State ■ Other ■ EMS Billing

Recommended Budget (cont.)

- COB funding increase, \$1.8M or 2.3% over FY17
- Non-EMS budget increase, \$2.9M or 4.96%
 - Ensures WMS will be able to operate 24/7 by funding positions that were going to be lost due to ending grants (3.5 FTEs)
 - Additional funding to retain 1.59 FTEs in Recovery Services and Violence Prevention that were at risk due to grants ending
- EMS budget increase, \$1.4M or 2.67% (Medicaid CPE increase)
- OT across BPHC decreasing 1.4%
- Includes vacancy savings of \$700K for FY18 (FY17 was \$447K)

New Budget Proposals

- Expansion
 - EMS Community Assistance Teams, 4 FTEs
 - PAATHS expansion to nights and weekends, 4.1 FTEs
- Operational reforms
 - Operational audit recommendations (BPHC's operational is in process)
 - Use experience guiding reforms to make operations more efficient, effective and responsive
 - One-time investments must show ROI and implementation steps
 - Re-deploy Moon Island Public Safety officers to Melnea Cass, equates to 4.2 additional FTEs in the Recovery Road area

New Budget Proposals (cont.)

- Savings proposals
 - 2% reductions totaling \$990,808 were proposed
 - **\$142,974 in non-personnel savings were accepted**

Framework for Savings Proposals

- Be cognizant of vulnerable populations
 - Preserve core public health services provided by BPHC programs and partners
 - Mitigate impact on FTEs [particularly revenue generating positions]
 - Streamline operational functions to support services
- **Revenue Proposals**
 - **Review medical marijuana dispensary fees, \$6,500**

Capital Budget

Addresses urgent needs while planning strategically for the city's future

Category	Project	Location	Status	FY18	Total
Gov't Effectiveness	BPHC Budget Software	Citywide	New Project	\$ 200,000	\$ 500,000
Health	South End Fitness Center Pool	South End	In Design	\$ 379,117	\$ 1,129,000
Health	EMS Station Study	South Boston	Study Underway	\$ 40,000	\$ 100,000
Housing	Woods Mullen Shelter	South End	New Project	\$ 346,998	\$ 1,346,998
Public Safety	EMS Training Academy Study	N/A	Study Underway	\$ 50,000	\$ 50,000

Timeline

11/02/16	Capital instructions released
11/23/16	Capital facility requests submitted
12/14/16	COB maintenance budget instructions released
12/19/16	BPHC budget instructions released
12/21/16	Board meeting, review FY18 budget
12/22/16	Program Directors, review FY18 process
12/31/16	IT and equipment capital requests due to COB
01/04/17	Program files due to BPHC Budget Office
01/08/17	Budget office completes files review
01/13/17	Executive office completes budget review
01/17/17	Files finalized and submitted to COB
01/18/17	Board meeting to review FY18 as submitted
03/07/17	COB OBM budget meetings; Board presentation and vote; submit to mayor
04/12/17	Brief Board update on mayoral review
May	Final Board approval (05/19), City Council hearings (05/23)
June	City Council vote; all staff meetings to review FY18 budget

Questions?