

# FY19 Budget Updates

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# Background

- Data-driven managerial approach
- Modest revenue growth for FY19
- AAA credit rating – 4<sup>th</sup> year in a row
- Challenging state aid
- Growth in fixed costs, anticipated at 7.5% (slower than past years)
- Ongoing collective bargaining negotiations

# Two Step Process

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

# Maintenance Request

- Reflect FY18 operations in terms of FY19 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

# New Budget Proposals

- Operational reforms
  - Planning efforts
  - Operational audits
  - Departmental experience
  - Service and program demand changes
  - One-time investments must show ROI and implementation steps
- Savings proposals
  - 2% reduction were proposed
  - Did not mean that budgets would be cut by 2%

# Framework for Savings Proposals

- Be cognizant of vulnerable populations and equity implications
- 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

# New Initiatives

- New initiatives/investments
  - Analysis to show measurable progress toward specific goals
  - Priority for projects that:
    - Data show investment will have a significant positive impact relative to the investment;
    - Targeted at the vision of a thriving, healthy and innovative city;
    - Support the implementation of Imagine Boston 2030
    - Leverage other spending and resources

# Revenue Proposals

- Revenue options
  - Estimates consistent with service levels in maintenance budget
  - Alternatives
    - Fees and fines that haven't risen to keep pace with inflation
    - Maximizing existing revenue streams



# FY19 Recommended Budget

	<b>FY18</b>	<b>FY19</b>	<b>Variance</b>	<b>% Change</b>
City of Boston Appropriation	\$ 79,513,383	\$ 84,881,542	\$ 5,368,159	6.75%
Federal, State, Billed, Other	\$ 45,554,094	\$ 46,515,679	\$ 961,585	2.11%
EMS Billed	\$ 36,808,416	\$ 37,043,970	\$ 235,554	0.64%
Non-EMS Revenue	\$ 506,500	\$ 480,000	\$ (26,500)	-5.23%
Property Revenue	\$ 2,330,000	\$ 2,324,000	\$ (6,000)	-0.26%
	<b>\$ 164,712,393</b>	<b>\$ 171,245,191</b>	<b>\$ 6,532,798</b>	<b>3.97%</b>

<b>FTEs</b>	<b>FY18</b>	<b>FY19</b>	<b>Variance</b>	<b>%</b>
Internal	886.58	923.74	37.16	4.19%
External	236.54	244.24	7.70	3.26%
<b>TOTAL</b>	<b>1,123.12</b>	<b>1,167.98</b>	<b>44.86</b>	<b>3.99%</b>

Note: FY17 COB appropriation increase from initial \$79,341,731 is a result of settled CBAs

# FY19 Changes

	Amount	FTEs
<b>Investments in Current Recommended</b>		
Continuing the Engagement Center	\$ 1,870,738	19.42
Addressing EMS demands with additional FTEs	\$ 1,321,440	20.00
Neighborhood Trauma Team Expansion	\$ 284,000	0.00
Recovery Services Youth Prevention Program Managers	\$ 175,000	2.00
Marijuana Communications Campaign	\$ 75,000	
	<b>\$ 3,726,178</b>	<b>41.42</b>
<b>Expiring grants (recommended)</b>		
Start Strong - Child, Adolescent and Family Health Bureau	\$ 60,280	1.00
Violence Prevention Staff	\$ 44,458	0.46
	<b>\$ 104,738</b>	<b>1.46</b>
<b>Reductions in Current Recommended</b>		
Miscellaneous Savings	\$ (472,553)	-
Associate Director of Chronic Disease	\$ (111,461)	(1)
CDC Outreach	\$ (60,280)	(1)
	<b>\$ (644,294)</b>	<b>(2)</b>

# Capital Budget

- Addresses urgent needs while planning strategically for the city's future
- Facilities projects
  - Public Facilities Department feasibility site visits and data collection ongoing
- IT and Equipment projects
- Departmental meetings held in January and February; walkthroughs with COB capital team

# Capital Project Summary

<b>Project</b>	<b>Amount</b>	<b>Type</b>	<b>Managing Department</b>
112 Southampton Generator	\$ 1,646,000	New	PFD
201 River Street Roof Replacement	\$ 1,300,000	New	PFD
EMS Training Academy	\$ 800,000	New	PFD
Engagement Center Planning	\$ 50,000	New	ORS/BPHC
Long Island Planning	\$ 1,000,000	New	ORS
Upgrade Network Infrastructure	\$ 1,500,000	New	BPHC
WMS Elevator	\$ 852,300	New	PFD
Budget Software Upgrade	\$ 500,000	Continuing	BPHC
EMS Innovation District Site Study	\$ 100,000	Continuing	PFD
EMS Training Academy Programming Study	\$ 50,000	Continuing	PFD
SEFC Work	\$ 1,390,000	Continuing	PFD
WMS 2nd Floor Renovations	\$ 1,500,000	Continuing	PFD

# Timeline

Summer 2017	Pre-meetings re: capital projects
11/06/17	Capital instructions released
11/21/17	Capital facility requests submitted
12/13/17	COB maintenance budget instructions released
12/20/17	BPHC budget instructions released
12/20/17	Board meeting brief summary of FY19 budget process
01/11/18	IT and equipment capital requests due to COB
01/03/18	Program files due to BPHC Budget Office
01/05/18	Budget office completes files review
01/12/18	Executive office completes budget review
01/16/18	Files finalized and submitted to COB
01/17/18	Board meeting to review FY19 initial submitted
March	COB OBM budget meetings; Board presentation and vote; submit to mayor
April	Changes resulting from mayoral review
May	Final Board approval (05/16), City Council hearings (05/17 and 05/22)
June	All staff meetings to review FY19 budget

# Questions?