

FY19 Budget Updates

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Background

- COB finances stable for FY19
- AAA credit rating – 4th year in a row
- State aid continues to shrink
- 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

Maintenance Request

	FY18	FY19	Variance	% Change
City of Boston Appropriation	\$ 79,341,731	\$ 81,525,634	\$ 2,183,903	2.75%
Federal, State, Billed, Other	\$ 41,319,915	\$ 42,667,652	\$ 1,347,737	3.26%
EMS Billed	\$ 36,808,416	\$ 36,663,970	\$ (144,446)	-0.39%
Non-EMS Revenue	\$ 506,500	\$ 480,000	\$ (26,500)	-5.23%
Property Revenue	\$ 2,330,000	\$ 2,324,000	\$ (6,000)	-0.26%
	\$ 160,306,562	\$ 163,661,256	\$ 3,354,694	2.09%

FTEs	FY18	FY19	Variance	%
Internal	886.58	886.58	0.00	0.00%
External	236.54	230.47	(6.07)	-2.57%
TOTAL	1,123.12	1,117.05	(6.07)	-0.54%

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 must be proposed
 - Does not mean that our budget will 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

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

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, City Council hearings
June	All staff meetings to review FY19 budget

Questions?