

Good Evening.

Thank you, President Caraviello and City Councilors for the opportunity to present the City's proposed Fiscal Year 2022 budget for your consideration this evening.

I also want to thank all our department heads, and particularly our budget team - Finance Director Aleesha Nunley Benjamin, Assistant Finance Director and Budget Manager Tyler Lavallo and my team in the Mayor's Office - for the countless hours of hard work compiling this budget.

While the outlook for the upcoming fiscal year is much brighter than when I came before you at this time last year, this year's process has not been without its own challenges.

Just within the last month, we received our allocation of the federal American Rescue Plan Act funds, totaling approximately 50 million dollars to help us over the next several Fiscal years. These funds will help us offset costs we assumed as a result of the COVID-19 pandemic as well as replace lost revenue that was a result of the subsequent economic downturn.

In FY21, as a result of these financial challenges, we ultimately were not able to increase the school department budget as much as we had planned. At the same time we had to cut the city budget by almost 1 million dollars while still having to use over 4.5 million dollars from Free Cash Reserves.

In contrast, ARPA funding is designed to sustain and stabilize the City's finances through 2025 as we continue to respond to and recover from the COVID-19 pandemic.

While these funds are a welcome supplement, it is important to note that this is *not* a blank check for the City to spend for any purpose. We are still awaiting final guidance and clarification from the US Treasury, which Ms. Nunley-Benjamin is staying on top of and will discuss in further detail shortly, about how exactly these funds can be spent. What we do know and have planned for from the interim guidance is:

- Funds can be used to replace revenue based on a formula set by US Treasury and the Massachusetts Department of Revenue, and can be used to stabilize the FY22 budget;
- Funds can be used for infrastructure projects, including water/sewer work;
- Funds can be used for **response** and **recovery** efforts underway and that will be needed for years to come;
- Funds that are eligible for use will have to last until the end of calendar year 2025;
- Funds **cannot be used** to offset pensions or local taxes.

Overall, while stimulus dollars are being immediately used to support and stabilize budgetary needs - including the needs of the Medford Public Schools - ARPA funds will also be used as

direct grant funding to continue our recovery from the pandemic across city operations and in the community.

Within the next several months we will continue to directly build on the work undertaken to address food insecurity, housing stability, and business resilience.

You will hear more detailed information in departments' budget hearings about where and how portions of our ARPA allocation are proposed to be spent, but I also want to point out that what you will not see is a proposed expenditure of the full 50 million dollars in year one; for this funding, we are taking a thoughtful approach, and have focused our early efforts on leveraging these funds to stabilize this budget, identifying approximately 10 million of our overall allocation that our finance director identified as eligible to be utilized as part of the budget process.

With funds available over three fiscal years we need to be prepared for any uncertainties and that put ourselves in the position to maximize this funding in the long term.

Thanks in part to this federal funding, I am proud to report that our overall proposed budget represents a 3.8 percent increase to the city's operating budget. Aside from grant funding, projections for FY22 are conservative but encouraging. We are currently projecting \$180.53 million of revenue in the upcoming fiscal year.

As we prepared last year's budget, significant uncertainties remained in terms of Medford's allocation of State Aid and Chapter 70 funds, and with the closure of almost every industry across the state and the nation, our typical revenue sources such as local receipts, meals and hotel taxes, and other sources were negatively impacted.

Seeing a projected increase, though modest, is extremely encouraging and we will continue to closely monitor these projections as our economy continues to recover in the coming months.

The FY22 budget also includes a significant increase of the local allocation to the Medford Public Schools of 9.1 percent. I am so relieved and thankful to stand before you this evening with this promising news for our schools.

In FY21 we assumed a 10% reduction in State Aid. We had to make difficult choices and ultimately submitted a level-funded budget for the Medford Public Schools. Fortunately, when we received State Aid numbers in late 2020 after the budget was adopted, we received encouraging information and were able to direct more Chapter 70 money to the schools.

Despite this reality, our district was a leader among school districts across the state for our response to the pandemic, for infrastructure upgrades and health and safety protocols that allowed for an early return to in-person learning earlier than most other districts. Through a partnership with Tufts University, we implemented a novel COVID-19 testing program - the first program in the state to test teachers and students - that allowed us to ensure that in-person learning was safe and effective for both students and teachers.

Now, with a more stable financial outlook, I am proud to say that thanks to the hard work of Superintendent of Schools Dr. Marice Edouard-Vincent, the entire school administrative team, and with the hard work and unanimous support of the Medford School Committee, we are proposing a significant increase to support our schools in the upcoming fiscal year.

This budget also proposes investments in many other areas to improve the delivery of services to the residents of Medford. Throughout FY21, while our top priority remained protecting and enhancing the health, safety, and quality of life of our residents and businesses, we also achieved or saw substantial progress on the goals that we laid out as priorities. Much of that work will continue into FY22.

My administration's commitment to transparency and efficiency of City services remained a priority in FY21. To that end, we made a number of improvements across departments while keeping costs down:

This spring we revamped and relaunched SeeClickFix after an intensive 9-month review and reorganization.

We officially launched a citywide Comprehensive Planning process, published the City's first-ever Capital Improvement Plan and a Housing Production Plan, and are about to release a consultant's comprehensive analysis of all of our roads and sidewalks. It's critical not only that we have strategic plans to guide our overall policies and decisions, but also that our actions are based in sound financial practices and that we have identified funding sources for major investments.

Acting on such major initiatives without careful planning could place the City in financial difficulties in the longer term, and do not ensure the sustainability of these efforts.

With the completion of the Capital Improvement Plan and the Housing Production Plan, for example, we now have a roadmap for affordable housing projects that meet the actual needs of our community NOW, and we have a financial plan for prioritizing roadway quality, parks and open spaces, fleet and infrastructure management, and modern water and wastewater infrastructure.

We are also doubling down on our city's commitment to sustainability. Over the last fiscal year we took a hard look at staff resources and ongoing work across the Office of Community Development and Energy and Environment, and how we can better tap into staff expertise and connectivity of their work to strengthen sustainability and community planning efforts.

By combining staff and resources into a new Office of Planning, Development, and Sustainability, we are making sure that climate resiliency and sustainability goals will be built into all of our planning and economic development work. Our environmental initiatives will also help bolster our business development and community planning efforts, making a sustainable and thriving Medford for all. Bringing together this work means that the City's environmental and sustainability initiatives will now be fully integrated into planning and development in the City.

We also made upgrades to our communications tools to keep our community informed through as many means as possible, which has been critical during the health emergency in the last 15 months:

- We updated the City's Reverse 911 technology to increase successful delivery rates, and in the process we saved more than \$20,000 annually.
- Thanks to Patrick and Cat at Medford Community Media, we increased the production of government programming and meetings by more than 300% over Calendar Year 2019. And, with the introduction of Zoom, we have increased participation in civic meetings and events by 300-400%. This means that residents now have exponentially more opportunities to view and/or participate in City meetings.
- We installed 5 new electronic signboards in our business districts, and we launched a new, bi-weekly e-newsletter, all with community engagement and information sharing at the forefront.

All of this work will continue and expand through FY22, but our proposed budget for the upcoming fiscal year also includes further investments in equity and diversity, upgrading infrastructure, enhancing quality of life and support for local businesses, and of course continues to invest in public health and safety.

We have worked hard to listen, engage and communicate with the public on how to best address equity and representation, particularly among residents from diverse backgrounds.

Last June we recommitted ourselves to the work of increasing inclusion, and to increasing diversity and equity within City government and the community as a whole.

In the coming fiscal year we're expanding on our work by adding staff to the Office of Diversity and Human Resources. We planned to immediately add more staff to the office at the beginning of FY 2021, but were instead forced to make difficult decisions and in some cases cuts to departmental budgets in the face of the economic crisis.

Fortunately, the outlook for FY22 is much more stable, and we are able to add a dedicated Director of Diversity to increase our focus on both internal and community-wide efforts around diversity and equity.

In Fall 2020, [I appointed and directed the Commission on Parking Policy and Enforcement](#) to examine the current parking policies in Medford and to make recommendations for a more equitable parking enforcement strategy that reflects the needs of Medford's neighborhoods. In late March, the Commission submitted a detailed report with a number of recommendations that my team and I have been reviewing for possible implementation.

Based in part on those recommendations, and the robust community process and public meetings held by the Commission, in the upcoming Fiscal Year the City will take direct oversight and control over parking policy and enforcement into the administration.

The transition and implementation of this operation from an outside vendor to an internal department will take several months of lead time to avoid a substantial interruption in service. Therefore, in this budget, I am proposing the creation of a new department led by an employee dedicated to ensuring a smooth transition and to hit the ground running.

The Director of Parking will be responsible in the first half of FY22 for preparing to integrate this critical city service into existing operations, and for identifying additional needs and resources to implement this change. Additional policy and operational changes may be necessary in order to do this effectively, but beginning the process early will help us identify and implement any changes that may be required, as well as putting into action other recommendations of the Commission.

Especially with two new GLX stations opening this year, we need to work *now* to prioritize parking policies and enforcement mechanisms that work for our neighborhoods and business districts. In the coming months we will also launch a citywide community engagement campaign to involve residents and businesses from each area in a public process leading up to the launch of the new department.

I want to thank the Commission for their thorough and thoughtful work, and for agreeing to extend the scope of their mission to continue to help us transition into this next phase.

As with the Commission on Parking Policy and Enforcement, this past fall I also [appointed a special task force](#) to analyze the state of the facilities used by the Medford Fire Department. Prior to its final report being issued, the Task Force identified several critical needs of the Fire Department that required immediate attention. To address these issues, we leveraged available funds to begin work at several facilities with the most pressing needs. You can see the details of the work that's already underway on page 18 of your budget book.

We are continuing to implement the recommendations of the Task Force, including developing a Request for Proposals for a design feasibility study of fire headquarters, which I am excited to say will be released for bids within the next few weeks.

As we approach the conclusion of our existing solid waste disposal contract with Waste Management in 2023, this fiscal year we will begin a review of all of our trash and recycling practices citywide. This is an enormous expense within our operating budget and the service that we receive should reflect the investment that we make in that service year-over-year.

And, in the coming months, I will continue to pursue Charter Review, and the first meaningful look into our charter in nearly four decades. I'm excited to say that as of last month, our Home Rule Petition has a bill number in the State's Committee on Election Laws, and we will be publicizing the hearing date when we receive it.

In the upcoming year we will also reintroduce a Facilities Manager position to the DPW. This has been a long understood critical need for our city operations. This position would, for the first time, be the key point of contact for the maintenance, upkeep, repair, and oversight of municipal buildings, including the new Medford Police Station and the new library that is scheduled to open to the public this fall.

The position will work to ensure that these projects - and the complex systems associated with them - are well monitored, maintained and adjusted to provide maximum return to the City. This is in conjunction with the normal maintenance of the City's existing buildings, some of which are historic and need special maintenance attention. The position is being restored within the FY22 budget to address the crucial needs faced by the City.

Finally, in light of the promising financial outlook, I am proposing to reinstate or create several positions that we were unable to include in the FY21 budget due to severe funding limitations or that are being added to respond to and recover from the pandemic.

In my budget message in your budget books you can find a chart that lists each of the positions being added or restored, but to highlight a few:

- Through ARPA funding, we added an Emergency Preparedness and Response Coordinator who is leading our volunteer efforts around COVID-19, coordinating vaccine clinics and our vaccine program for homebound seniors, and many more COVID-related and emergency preparedness efforts.
- Also through ARPA funding, we recently added a dedicated Public Information Officer to lead our communications efforts around COVID-19. We also added a Housing Planner which is essential in supporting the needs of residents especially with the impacts of COVID-19 on stable housing and housing resources.
- From the General Fund or Revolving Funds, we are proposing, as I mentioned, the addition of four new positions:
 - A Parking Director, who will lead our transition to bring the Parking Department in-house;
 - An Administrative Assessor to help capture and maximize new and existing growth;
 - A Recreation Facility Coordinator who will responsible for the administrative tasks associated with our valued open space assets.
 - And, as I previously mentioned, we're adding a position within the Office of Diversity and Human Resources.
- Additionally, we are restoring a number of (vacant) positions including 10 Patrol Officers and 1 Traffic Supervisor in the Medford Police Department, and 5-8 Firefighters.

We are excited for all of the work we have laid out as part of this budget process, and so much more. My team and I are happy to answer your questions over the next several weeks through the Council's budget hearings.

Thank you again for your consideration and for allowing me to present our proposed budget this evening.