




Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

MEMORANDUM

TO: Thomas A. Golden Jr., City Manager 

FROM: Conor Baldwin, Chief Financial Officer

CC: Austin Ball, Deputy CFO

DATE: May 23, 2023

RE: FY2024 Budget Status Update

This memorandum is intended to provide an update to the City Council regarding the FY2024 budget process. Due to the computer system disruption associated with the April cyber-related incident, the finance department has altered the time table for delivery and acceptance of the FY2024 budget, slightly. Immediately upon the loss of access to network drives and certain financial data in the system, the finance team met to discuss contingencies, such as the possibility of a so-called 1/12th budget.

Per the Massachusetts General Laws, if the city does not have an operating budget for the fiscal year on July 1 due to circumstances beyond its control, the City Manager may submit a “continuing appropriation budget ... on a month to month basis for a period not to exceed three months.” (G.L. c. 44, § 32). This means the City Manager may submit a budget for July if the annual budget is not approved by June 30, a budget for August if the annual budget is not approved by July 31 and a budget for September if the annual budget is not approved by August 31. However, there is no requirement that a continuing budget for any of those months be equal to 1/12 of the previous fiscal year’s operating budget. Each continuing budget can provide for all expenses that may be incurred for that particular month.

For the FY2021 budget, due to impacts and uncertainty related to the COVID-19 pandemic, the City of Lowell employed this procedure for the months of July, August, and September of FY2021, before approving the full budget in September for the remainder of the fiscal year. The Commonwealth also has routinely employed this method in the past when the conference committee is unable to reconcile a state budget prior to June 30th.

Thanks to the hard work and dedication of the MIS staff, however, it appears likely that the process will be completed in advance of the fiscal deadline, albeit on a timeline different than that previously discussed. A revised timeline and update of the progress, to date, are included in this memorandum.



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Update on Current Funding Status

As of the date of this memo, the finance team and the City Manager have met with or discussed the FY2024 funding requests with all Departments Heads and the budget is in balance. However, the logistics of compiling the budget document, copy editing, and review of all department submissions and financial analysis typically included in the budget are still in the final stages of completion. By advancing the date of delivery by two weeks to June 6th, the date of adoption will still afford the City Council and the public with ample opportunity to debate and deliberation on the 2024 operating and capital budgets.

FY2024 Revised Budget Timeline and Process for Adoption

1. January 25 – 27, 2023 – Budget instructions and financial sheets distributed to Department Heads. (**COMPLETE**)
2. February 15, 2023 – All FY2024 budget requests (financial spreadsheets) due to the Budget Department for initial review (**COMPLETE**)
3. March 1, 2023 – Department's complete budget submission (**COMPLETE**)
4. April 3, 2023 – April 25, 2023 – Finance team budget preparation. (**COMPLETE**)
5. April 24, 2023 – Cyber Incident (**Loss of computer system access**)
6. May 15, 2023 – Computer system restoration
7. May 16 – May 23, 2023 – Meetings with Department Heads on FY2024 budgets
8. June 6, 2023 – FY2024 Budget and Capital Loan Order introduction to the Lowell City Council. On June 6th, the formal budget introduction will be made to the City Council. The budget books will be placed on each City Councilors desk that evening.

On the agenda for that City Council meeting, which will be a special meeting, will be the first reading of the appropriation order for FY2024, the loan order to finance the FY2024 capital budget, and any other relevant ordinance amendments. All of these items will be referred to a public hearing at least two weeks later for consideration by the Council and the public, and for approval by the City Council. By state law (GL c. 44 s. 32), the budget must be submitted to the City Council within 170 days after the Council organizes in early January. The deadline for submission is June 22nd.

Please let me know if there are any questions.