

COMMONWEALTH OF MASSACHUSETTS
CITY OF LOWELL

In City Council

VOTE

Approving Budget for the City of Lowell for Fiscal Year 2024.

WHEREAS, pursuant to Mass. G.L. c.44 §32, the City Manager submitted a proposed budget for fiscal year 2024 to the City Council on June 6,2023 and the appropriation order was accepted by vote of the City Council; and

WHEREAS, the City Council held advertised public hearings to consider the proposed budget on June 20, 2023 and any other dates necessary, as advertised in the public hearing notice; and

WHEREAS, upon motion the City Council accepted the budget as submitted by the City Manager, after reductions otherwise separately voted, if any.

NOW, THEREFORE, BE IT VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL:

That the City Council of the City of Lowell hereby adopts and approves the budget for fiscal year 2024 for the City of Lowell, including all line items therein as if separately voted thereon, in the sum of **\$493,144,953** which sum shall be appropriated and raised by taxation and other sources, including but not limited to intergovernmental revenue, charges for services, licenses and permits, miscellaneous, etc. The full list of appropriations follows this vote.

WHEREAS, THE City of Lowell enterprise funds may have insufficient operating revenues to fund all expenditures of the funds in fiscal year 2024 and appropriation of retained earnings may be required to fund the fiscal year's operations.

NOW, THEREFORE, BE IT FURTHER VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL:

That the City Council of the City of Lowell hereby raise and appropriates the following retained earnings:

Fund	Amount	Fund Number
1. Wastewater Enterprise Fund	\$2,270,003	6000
2. Parking Enterprise Fund	\$2,237,665	4450
3. Water Enterprise Fund	\$2,715,733	6100

City of Lowell FY2023 Budget – Appropriation Order

and that the City Council of the City of Lowell hereby raises and appropriates the following from other funds:

Fund	Amount	Fund Number
1. Vacant Foreclosed Properties	\$50,000	1109
2. Salary Stabilization	\$400,000	8398
3. PEG Access Special Revenue	\$500,000	1710
4. General Stabilization	\$3,273,974	8401
5. Dog Licenses	\$22,460	1714
6. Equity / Diversity Stabilization	\$121,147	8394
7. Ride Sharing (Uber/Lyft)	\$60,000	1707

City of Lowell FY2023 Budget – Appropriation Order

Line Number	Department	Description	FY2023 Manager Recommended Appropriation
2024-01	City Council	Personal Services	\$280,000
2024-02	City Council	Ordinary Expenses	\$6,500
2024-03	Mayor	Personal Services	\$55,357
2024-04	Mayor	Ordinary Expenses	\$21,385
2024-05	City Clerk	Personal Services	\$492,063
2024-06	City Clerk	Ordinary Expenses	\$16,197
2024-07	City Manager	Personal Services	\$1,707,888
2024-08	City Manager	Ordinary Expenses	\$4,681,105
2024-09	City Manager - Lowell School Syst.	Ordinary Expenses	\$75,000
2024-10	City Manager - Marketing Develop.	Personal Services	\$10,000
2024-11	City Manager - Marketing Develop.	Ordinary Expenses	\$635,000
2024-12	City Manager - Contingency	Ordinary Expenses	\$124,259
2024-13	City Manager - Contingency	Reserve for Wages	\$2,918,322
2024-14	City Manager - Cable Access	Personal Services	\$128,883
2024-15	City Manager - Cable Access	Ordinary Expenses	\$268,600
2024-16	City Manager - Cable Access	Transfers to Schools	\$75,000
2024-17	City Manager – CASE	Personal Services	\$280,121
2024-18	City Manager – CASE	Ordinary Expenses	\$ -
2024-19	Finance	Personal Services	\$205,816
2024-20	Finance	Ordinary Expenses	\$1,000
2024-21	Budget	Personal Services	\$107,316
2024-22	Budget	Ordinary Expenses	\$ -
2024-23	Auditing	Personal Services	\$656,270
2024-24	Auditing	Ordinary Expenses	\$57,600
2024-25	Purchasing	Personal Services	\$299,980
2024-26	Purchasing	Ordinary Expenses	\$143,120
2024-27	Assessing	Personal Services	\$750,094
2024-28	Assessing	Ordinary Expenses	\$113,204
2024-29	Treasurer	Personal Services	\$639,406
2024-30	Treasurer	Ordinary Expenses	\$288,150
2024-31	Human Relations	Personal Services	\$495,758
2024-32	Human Relations	Ordinary Expenses	\$75,000
2024-33	Management Information Systems	Personal Services	\$1,041,506
2024-34	Management Information Systems	Ordinary Expenses	\$1,710,580
2024-35	Law	Personal Services	\$1,561,387
2024-36	Law	Ordinary Expenses	\$325,482
2024-37	Elections	Personal Services	\$221,534
2024-38	Elections	Ordinary Expenses	\$86,100
2024-39	Planning & Development	Personal Services	\$3,340,067
2024-40	Planning & Development	Ordinary Expenses	\$282,286
2024-41	Police	Personal Services	\$31,517,570
2024-42	Police	Ordinary Expenses	\$2,063,730

City of Lowell FY2023 Budget – Appropriation Order

Line Number	Department	Description	FY2023 Manager Recommended Appropriation
2024-43	Fire	Personal Services	\$24,086,642
2024-44	Fire	Ordinary Expenses	\$1,006,728
2024-45	Lowell Public Schools	Single Line	\$242,204,056
2024-46	Greater Lowell Technical School	Single Line	\$10,360,755
2024-47	Essex Agricultural High School	Single Line	\$60,000
2024-48	DPW Administration	Personal Services	\$679,989
2024-49	DPW Administration	Ordinary Expenses	\$540,300
2024-50	DPW Engineering	Personal Services	\$753,597
2024-51	DPW Engineering	Ordinary Expenses	\$105,000
2024-52	DPW Land & Buildings	Personal Services	\$1,660,567
2024-53	DPW Land & Buildings	Ordinary Expenses	\$1,939,340
2024-54	DPW Sustainability	Personal Services	\$682,202
2024-55	DPW Sustainability	Ordinary Expenses	\$100,000
2024-56	DPW Electrical	Personal Services	\$728,672
2024-57	DPW Electrical	Ordinary Expenses	\$422,000
2024-58	DPW Streets	Personal Services	\$1,403,201
2024-59	DPW Streets	Ordinary Expenses	\$317,800
2024-60	DPW Waste Collection & Disposal	Personal Services	\$230,131
2024-61	DPW Waste Collection & Disposal	Ordinary Expenses	\$8,223,368
2024-62	DPW Other	Snow & Ice	\$1,350,000
2024-63	Parks	Personal Services	\$1,814,807
2024-64	Parks	Ordinary Expenses	\$731,843
2024-65	Cemetery	Personal Services	\$284,101
2024-66	Cemetery	Ordinary Expenses	\$228,142
2024-67	Health	Personal Services	\$3,677,738
2024-68	Health	Ordinary Expenses	\$363,796
2024-69	Council on Aging	Personal Services	\$457,177
2024-70	Council on Aging	Ordinary Expenses	\$127,960
2024-71	Veterans'	Personal Services	\$175,525
2024-72	Veterans'	Ordinary Expenses	\$599,354
2024-73	Recreation	Personal Services	\$1,193,631
2024-74	Recreation	Ordinary Expenses	\$98,011
2024-75	Library	Personal Services	\$1,309,941
2024-76	Library	Ordinary Expenses	\$462,098
2024-77	Unclassified	Debt Service	\$13,389,860
2024-78	Unclassified	Workers Comp	\$1,050,000
2024-79	Unclassified	Unemployment	\$400,000
2024-80	Unclassified	Health Insurance	\$27,125,000
2024-81	Unclassified	Retirement	\$32,880,598
2024-82	Unclassified	Medicare Tax	\$3,177,500
2024-83	Unclassified	Claims & Judgments	\$900,000
2024-84	Unclassified	Other Insurance	\$820,000

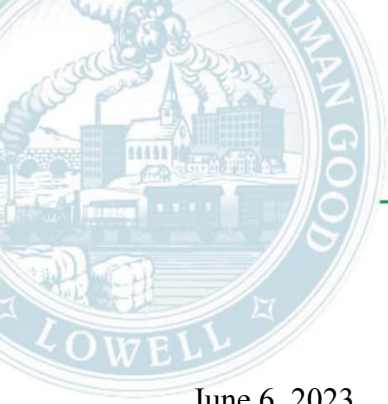
City of Lowell FY2023 Budget – Appropriation Order

Line Number	Department	Description	FY2023 Manager Recommended Appropriation
<u>2024-85</u>	<u>Unclassified</u>	<u>No. Middlesex</u>	<u>\$40,343</u>
Subtotal	General Fund		\$445,920,407
2024-86	Wastewater	Personal Services	\$3,832,370
2024-87	Wastewater	Ordinary Expenses	\$12,884,617
<u>2024-88</u>	<u>Wastewater</u>	<u>Debt Service</u>	<u>\$8,771,512</u>
Subtotal	Wastewater Enterprise Fund		\$25,488,499
2024-89	Parking	Personal Services	\$588,905
2024-90	Parking	Ordinary Expenses	\$3,598,067
<u>2024-91</u>	<u>Parking</u>	<u>Debt Service</u>	<u>\$5,160,404</u>
Subtotal	Parking Enterprise Fund		\$9,347,376
2024-92	Water	Personal Services	\$2,833,959
2024-93	Water	Ordinary Expenses	\$5,253,503
<u>2024-94</u>	<u>Water</u>	<u>Debt Service</u>	<u>\$4,301,209</u>
Subtotal	Water Enterprise Fund		\$12,388,671
Grand Total All Funds			\$493,144,953

City of Lowell FY2023 Budget – Appropriation Order

Furthermore, the following projected needs are costs to the City, but according to accounting rules established by the Department of Revenue, are not to be included in the appropriation order.

Line Number	Description	FY2023 Manager Recommended Appropriation
2024-95	General Fund - Cherry Sheet Assessments	\$44,897,882
2024-96	General Fund - Provision for Abatements & Exemptions	\$900,000
2024-97	Indirect costs of the enterprise funds	\$10,992,530



Thomas A. Golden, Jr.
City Manager

June 6, 2023

Mayor Sokhary Chau
And
Members of the Lowell City Council

Dear Mayor Chau and Members of the Lowell City Council,

In accordance with the requirements of the Massachusetts General Laws (M.G.L. c. 44 § 32) and the Charter of the City of Lowell, I herewith transmit the proposed \$549,935,365 Fiscal Year 2024 ('FY2024') operating budget for the city's general fund and three enterprise funds, beginning on July 1, 2023, and the \$31,972,635 Capital Budget associated with the city's five-year capital improvement plan ('CIP').

As I set forth on my Administration's first full fiscal year budget, I have instructed my finance team to prioritize our available resources according to the key focus areas of the Lowell City Council and to address the many challenges faced by a gateway city like Lowell. Rather than allow these challenges to define us as a city, or—even worse—to stand as obstacles to progress; it my intention to turn these challenges into opportunities for the 115,000 residents of this great city. With this budget I am proposing a spending plan for what will be a multi-year fiscal strategy to continue our recovery from the pandemic and continue investments in the city workforce to improve the quality of our city services. Using available federal relief dollars from the American Rescue Plan ('ARPA') in addition to available local, state, and federal funding; the FY2024 budget plan will continue the momentum to bring Lowell back to a better place than from whence it came, pre-pandemic. With these resources, the city is in a position to strategically use reserves as well as take advantage of our fiscal flexibility in order deliver a higher level of service to the community; address the impacts of the pandemic on the Lowell economy; expand city programs and key initiatives; and present a balanced, responsible budget for FY2024 that is responsive to community and the Lowell City Council's priorities.

If we are to deliver the quality of life that our residents deserve; we must first raise the bar. Since I took office last year, my team and I have met with all departments to better understand their challenges and constraints. Through many conversations, not only with the heads of each department, but also with middle-management and the rank-in-file employees of the workforce; I have come to realize that there is not a lack of passion, nor skill, nor ingenuity within the departments, but rather a lack of resources that is holding us back. The common thread amongst all of these conversations is an overwhelming desire to improve the quality of the department, but an inability to execute, due to a lack of resources. For some departments, that is a lack of human resources in that they are unable to attract and retain quality employees when jobs are posted, while for other departments it is a lack of capital resources for equipment and tools to



Thomas A. Golden, Jr.
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complete projects that are so desperately needed in our community. I have committed to those employees, middle manager, and department heads, that my Administration will allocate the necessary resources for them to meet the expectations of the City Council, and the taxpayers of Lowell. With that commitment, however, comes an expectation for accountability to a higher standard of quality.

To fully outfit the departments with all of the tools necessary to meet the needs of the entire community will take time, so as not to overly burden the growth in the tax levy. However, in the first year of my Administration, steps have been taken to move us forward in raising employee wages to be more competitive in the job market and purchasing capital equipment and vehicles to replace an ageing fleet of vehicles that has far exceeded its useful life. I am pleased to report that the FY2024 budget is a balanced, responsible budget that continues this momentum and includes several highlights such as: a reorganized DPW to better accommodate the service needs of the community; funding for an expanded CO-OP team to address the needs of the unhoused population; overtime funding for public safety, including fully funding this City Council's initiative to eliminate the dangerous practice of fire station company closings (a.k.a. "brown outs"); funding for expanded transparency and accountability in the Lowell Police Department through the body worn camera program; implementation of a fully functional 311 system for a one-stop-shop for citizen requests; and increased funding for education, library, and expanded code enforcement.

The preparation of the annual operating and capital budget is generally a year-round process, however major revenue decisions had to be made late into the FY2024 process due to some uncertainty as it related to the state budget process, which at the time of writing is with the State Senate. Some of the one-time strategies used in FY2023 to help offset revenue shortfalls had to be replicated in FY2024, such as the use of the stabilization fund to mitigate the increase to the tax levy. Mainly due to the pressures of increase to fixed costs and previously negotiated salary increase, this funding was necessary to avoid a more drastic increase in taxes. However, I am committed to replenishing any reserves used when free cash is certified for FY2024 and to reducing the city's reliance on so-called "one time" revenue sources over the next several years. Despite these challenges, however, I present to you a budget for Fiscal Year 2024 which is not only balanced in accordance with the law, but also supports the initiatives set forth by the City Council.

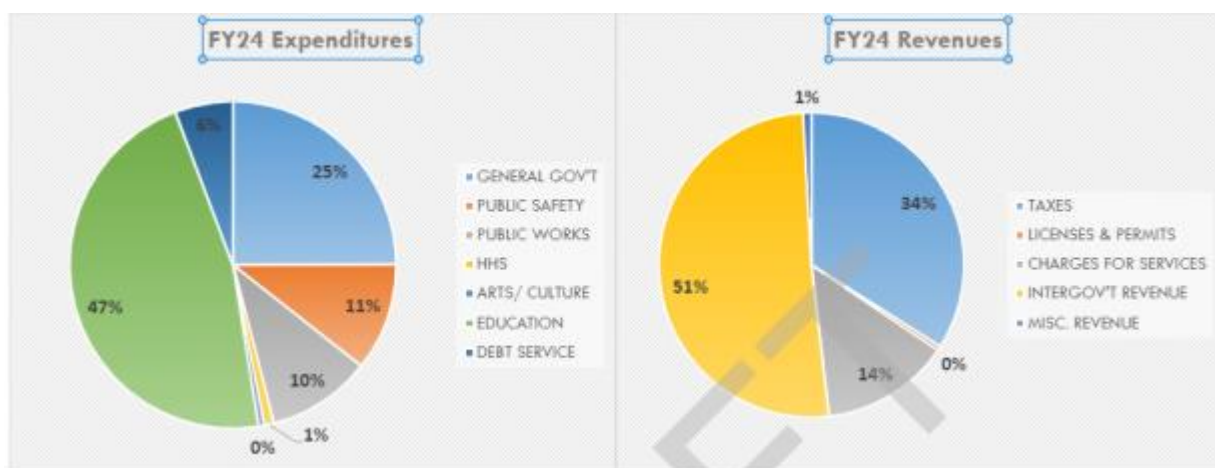
The FY2024 operating budgets for all major funds (General Fund, Parking Enterprise, Water Enterprise, and Sewer Enterprises) of **\$549,935,365** represents an increase of \$47.4 million (9.4%) over the prior year (FY2023). The overwhelming majority of this increase is accounted for within the education category, as well as within other fixed costs and state assessments. The additional funding in Chapter 70 education aid of \$27.7 million included in the FY2024 Senate Ways & Means version of the State budget is another significant, consecutive increase for the school district and is a direct result of the Legislature's implementation of the Student Opportunity Act. Fixed costs increased significantly in FY2024, in the aggregate, including a \$1.2 million increase to the retirement assessment from the Public Employee Retirement Administration Commission ("PERAC"). State 'Cherry Sheet' Assessments also increased, with



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the most significant increase to the Charter School Assessment of \$3.55 million over the 2023 final Cherry Sheet estimate.

The FY2024 budget was developed to address the specific goals of my Administration, which are detailed in the Strategic Goals, Objectives, and Key Initiatives section of the budget. Each FY2024 objective noted within City department budget narratives relates to one or more these goals. In addition, the budget provides a plan on how to effectively allocate resources across different areas, which reflects the City Council priorities. The overarching fiscal theme in the FY2024 budget plan is that of cautious optimism.



Despite facing a host of lingering fiscal challenges brought about by the pandemic, including significant budgetary pressure on the city’s public health and public safety operations, we are confident that we are starting to build back better. Lowell’s history is marked by resiliency—whether through the immigration story of our ancestors or throughout Lowell’s many revitalizations. Each time that this city has been knocked down, it has found a way to regain its footing and reinvent itself. This time will be no different. We remain circumspect regarding the lingering impacts of the pandemic but must, at the same time, be bullish in our pursuit of opportunities for transform the way we do business. I am proud to present a funding plan to that end, which supports a continued emphasis on the key focus areas of my Administration: Economic Development, Public Safety, and Quality of Life.

A strong, sustainable local economy, however, cannot succeed without strong finances. A solid financial foundation is the bedrock upon which any municipality is built and must be at the forefront of any and all decisions. This budget is built on those principles and despite the host of financial challenges faced by all Gateway Cities, as well as those particular to Lowell, this budget achieves the delicate balance between quality service delivery and affordable taxes for our residents. The audited financial results from FY2022 and year end projections for FY2023 prove out these decisions according to the sustained fund balance in the General Fund at a level higher than Lowell has seen in many years. At the end of FY2022, the fund balance was \$14.3 million. While this was a decrease of \$8.2 million over the prior year, the level of fund balance at



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year end is well above the prior five-year average. This healthy fund balance will indicate to the ratings agencies, such as Standard & Poor's and Moody's that Lowell's financial outlook is strong and worthy of investment. It is important that the city maintain a strong financial position through the adherence to strong fiscal policies.

While the financial management in Lowell is strong, as recognized by the ratings agencies and the Department of Revenue, there still exist several looming fiscal issues which must be addressed. Those issues can be found on the balance sheet in the city's long-term liabilities. Both the pension and other post-employment benefits ("OPEB") liabilities are staggering at \$236.7 million \$643.8 million, respectively. To address these long-term issues, my Administration will continue to fund the OPEB Trust and build reserves, pursuant to the city's policies. Addressing structural deficits in the budget will also be a priority for my finance team, as well as strengthening internal controls and making city government more transparent.

Economic Development

Without a doubt, the cornerstone of my Administration is economic development. In the first year of office, my Administration has worked tirelessly to reinvigorate the local economy by lending support to businesses large and small and by formulating an economic plan using the American Rescue Plan Act ("ARPA") stimulus funding as a catalyst for economic growth. Despite the pandemic and slowing economy, Lowell continues to attract small businesses. In 2022 several businesses opened in Downtown and surrounding neighborhoods. Residential housing development is beginning to once again take off and in just the last year, many new businesses have opened their doors to Lowell residents. Our land use boards approved over 140 new housing units, including 53 units of income-restricted housing at 733-735 Broadway Street at the former Merrimack Valley Food Bank site.

My Administration, working through the Department of Planning and Development ("DPD") and with a coalition between the City of Lowell, CBA, CTI, JDCU, UMass Lowell, and members the business community in the Acre Neighborhood along the Upper Merrimack Street, are engaged in a Transformative Development Initiative ("TDI"), which will promote a district with mix of affordable & market rate housing, a combination of services that embrace urban qualities and promote economic and social vibrancy. The future uses will represent market trends that ensure economic resiliency. This project is a microcosm of my Administration's economic development strategy which we will pursue over the next several years, and is funded with this FY2024 budget, to provide neighborhood services within a short walk from residential uses creates a social, economic, and environmental resilient district.

Through targeted investment in key priority areas, the city will revitalize the local economy in FY2024. This will be accomplished through the funding proposal in the FY2024 capital plan and those capital investments previously funded by this City Council and the ARPA investments. The FY2024 operational budget and the coordinated efforts of the Economic Development Office in DPD will compliment these investments and ensure that the capital and federal grant



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monies make an impact commensurate with the City Council’s goals. The city’s role in economic development has shifted, significantly, as the DPD not must only focus its efforts as much on business retention as on attracting new businesses.

In an effort to continue to provide support during these challenging times, the city will continue the temporary outdoor seating program in FY2024, as well as introduce traffic improvements to allow for “*streateries*”. The Department of Planning and Development (“DPD”) is currently conducting a pilot study of closing a portion of Downtown Lowell to vehicular traffic. DPD’s Transportation Engineer and Director of Economic Development are working collaboratively on this project. The Northern Middlesex Council of Governments (“NMCOG”) will conduct an initial feasibility study report advising on which sections of which streets to undertake a temporary closure. During the period of temporary closure, NMCOG will evaluate traffic, parking, and business operations and create a report advising on whether the closure should be made permanent, altered in any way, replicated as a seasonal event, or not repeated. A final report outlining the impact of street closures in Downtown Lowell will be provided to the city.

This project is funded by the District Local Technical Assistance (“DLTA”) program, funded by the Massachusetts Department of Housing and Community Development (“DHCD”), and provided at no cost to the City of Lowell. The estimated cost for this project is approximately \$25,000. The project began in May 2023 and will be completed in November of this year. First steps in the project involve intensive outreach by City staff to business owners in the study area, including surveys available online, delivered in-person to businesses in hardcopy form, and with follow-up interviews of selected respondents. The NMCOG team will do an initial traffic analysis including turn counts, pedestrian counts, and other data collection at key intersections in the study area. For more detailed information, please see the attached scope of work for the project.

To effect meaningful change in Lowell, we must “think big”. While it is important to stabilize the community quickly and address basic needs, ARPA funds also offer the opportunity to innovate. From now until the end of the ARPA eligibility period in December of 2026, the Administration and the City Council must think beyond restoring Lowell to a pre-pandemic status-quo. Rather, we should consider programs and services to accelerate opportunities for sustainable equity and mobility. ARPA funds will allow us to implement strategies that reduce income and wealth inequities and give all Lowell residents a “leg up” for opportunities.

Public Safety

Another key to advancing economic development is public safety. If we do not have a safe city, we cannot attract new families, nor can we retain the families who have called Lowell ‘home’ for generations. The importance of public city to a gateway city’s development is paramount, as it directly influences a company’s or a resident’s decision to locate within the city limits. Despite the fiscal challenges, as part of this FY2024 budget, I am proposing in this budget sufficient funding to increase the level of police protection, under the leadership of the newly appointed Police Superintendent. The Lowell Police Department’s (“LPD”) responsibilities have grown



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exponentially to meet the needs of the community over the years. Since the city has implemented the Community Opioid Outreach Program (“CO-OP”), the LPD continues to support the team with a dedicated officer, has added two Co-Response Clinician positions, increased the capacity of the School Resource Officer program, and implemented a Youth Services program. Additionally, the Department has expanded the Training Section, increased their capacity to partner with federal and state law enforcement partners, and increased responsibilities on reporting information to the Peace Officer Standards and Training (“POST”) Commission. The technological advances in policing through the implementation of the body-worn camera program, drone program, and increased use of video surveillance systems have added additional administrative responsibilities in the department.

With this budget, I am committed to fully funding the Lowell Police Department and supporting their initiatives to increase community collaboration, foot patrols, and integration of the officers within the fabric of the community. The men and women of the Lowell Police Department work tirelessly to ensure the safety of the residents and businesses in the city and, as such, deserve the adequate resources to carry out their essential duties. In March of CY2022, the Lowell Police Department has earned accreditation from the Massachusetts Police Accreditation Commission, making the department the largest municipal police force in Massachusetts to achieve the state’s highest level of professional certification. The Lowell Police Department began the process of seeking accreditation in 2018. The years-long, self-initiated process includes rigorous independent review and evaluation by MPAC of the department’s compliance with 257 mandatory standards and 125 optional standards. The men and women of the Lowell Police Department are amongst the bravest in the country and this budget supports their tireless work to make Lowell a better place to live and work. In FY2024, the LPD will work to expand community outreach through new Lowell Police website to be user friendly and easily translatable into numerous languages and will implement new software that will enable LPD to initiate an early warning system and track information regarding officer health and wellness. This system will also streamline the process to provide information to the Peace Officer Standards and Training (POST) Commission.

The FY2024 appropriation in the operating budget for the Lowell Fire Department (‘LFD’) meets the call of the City Council to reduce the dangerous practice of company closings, or so-called “brown outs”. Pursuant to the direction of the City Council, the Fire Department will maintain maximum fire protection through the reduction in closings. The appropriation proposed in the budget for overtime in LFD is \$2.7 million, an increase of 80% over FY2023 and an amount determined by the Fire Chief and the finance department over the course of FY2023. In FY2024, my Administration's goal it to provide a sustainable level of funding for this historic level of fire protection in Lowell by maintaining the ranks for fire protection and public safety by fully funding the number of firefighters and following the civil service process to fill vacant, but funded positions. The LFD recently welcomed eleven (11) new recruits to the ranks, including: three (3) new graduates from Class 307 at the Massachusetts Fire Academy’s Stow Campus, two (2) new recruits from Class 308 from the Massachusetts Fire Academy’s Stow campus, and six (6) new recruits from the Boston Fire Academy located at Moon Island in Quincy.



Thomas A. Golden, Jr.
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Notwithstanding the historic investment by this City Council through the ARPA funds to completely rehaul the fleet of fire apparatus, in the FY2024 Capital Plan, my Administration is proposing capital investments in the LFD in the amount of \$215,000 for replacement of safety protection equipment (a.k.a. “turn out” gear) for the firefighters, \$400,000 in building improvements to fire stations in Lowell, and matching funds for a new dive truck, to be funded through a federal grant through the Assistance for Firefighters Grant program (“AFG”). Taken in total, this funding plan will set the course for a renewed investment in the department’s equipment and will put the department on solid footing for many years to come.

Quality of Life

The residents and businesses of Lowell deserve the highest quality services; and the employees of the city deserve the best possible work environment. These principles have guided the first year of my Administration and are a beacon for the approach to improve the quality of life for everyone in our community in an environment of excellence while maintaining a strong financial position including awareness of the impact on taxpayers. As previously stated, in order to produce quality results, we must equip our employees with the proper tools to provide the appropriate level.

We must manage our resources efficiently and effectively to improve the quality of life for all of Lowell’s residents. My Administration will work towards achieving this goal by employing a data-driven approach to management. As an example, in calendar year, the Department of Public Works filled 2,200 potholes. For calendar year 2023, the DPW is on target to fill an additional 550 potholes for a total of 2,750, thanks in large part to 3 new Falcon "Hot Box" Trailers made possible by the City Council’s appropriation in the last capital budget. This is an informative data point, but without context on performance it is not useful in managing, nor improving, the quality of our city. My Administration will focus on response times and performance measures, such as the average time to fill potholes, to gauge staffing levels and resources in departments and discuss these opportunities and challenges with the City Council and the public. This public debate is critical, in order to both set expectations with the public for appropriate service levels they can expect from their city government, as well as to inform discussions with the Council on the need for resources using real data.

Through previous performance initiatives like LowellSTAT, we have a good understanding of the work outputs associated with public works, development services, public safety, and other city departments. Now we need to not only examine those factors for efficiencies which may allow cost saving or better allocations of resources, but we can also look to understand more subjective variables, such as public health and the aesthetic quality of the city. The FY2024 budget creates a new “311” work order division to stand up a one-call service line for City Hall, where residents can easily submit and track work orders and the Administration can better manage the operations using data to benchmark successes and determine areas for performance improvement.



Thomas A. Golden, Jr.
City Manager

It makes sense to think about the broad picture and pursue policies that improve residents' well-being. Particularly in difficult economic climates, we must ensure the best quality of life for our community members, including the accurate, courteous and efficient delivery of services. At the end of the day, making life better for the people who live and work in this city is our primary task.

FY2024 Budget Highlights & Challenges

While I am proud of the initiatives presented in this budget, planning for the FY2024 fiscal cycle was not without its challenges, challenges that had to be overcome immediately upon entering office. Fixed costs have risen, including a \$1.2 million increase in our pension assessment from PERAC. As of the date of this letter, "Cherry Sheet" assessments from the Commonwealth will increase by a substantial amount in FY2024 as well due to a nearly \$4 million total charter impact, including both the increase to the city's assessment and the reduction of the reimbursement from the Commonwealth.

My Administration has held the line on discretionary spending and included funding only for contractual increases to service contracts for essential services. However no single, non-fixed cost expense increase is more onerous, than the increased cost for trash and recycling collection and disposal. By contract, the city must pay for so-called "contaminated recycling" and must assume the full impact of the cost. Without an increase to the trash fee, the increase is borne by the tax base. The only potential mitigating factor is in behavior of Lowell residents to keep a careful eye on items thrown into the recycling bin on a weekly basis. Personnel cost increases are budgeted within departments and include the final COLA from the last contract period with a total impact to all funds of approximately \$6 million, for the 2.5% of the last year, including increased overtime costs. All of these fixed costs, combined with our financial commitment to our key focus areas, limited our ability to expand any discretionary funding for the various city departments. In fact, many line items were not just level-funded, but reduced. These necessary cuts in expenses were spread evenly across the departments and were focused on limiting any disruption to service delivery. While I'm confident in my department heads' ability to continue to do the great work that they do each year with less, it is worth noting that these departments are as lean as they have ever been.

Conclusion and Recommendation

Many of the aforementioned initiatives and challenges represent a substantial cost, but my administration has worked tirelessly to limit the impact to the taxpayer. This budget includes a planned levy increase of 3.5%, plus new growth. While above the standard 2.5% marker, this increase is consistent with taking on debt service associated with projects overwhelmingly supported by the community, like the Lowell High School construction project. My Administration will do everything possible to phase-in the impact to mitigate the tax impact. As history has shown, Lowell functions best with continuous, modest increases to the levy in order to fund the rising costs of goods and services. This fact is evidenced by the \$13.8 million in excess levy capacity in FY2023—the amount of money below the tax levy limit prescribed by



Thomas A. Golden, Jr.
City Manager

Proposition 2 1/2. In the coming years, we must continue to find creative ways to increase revenue streams. Lowell is more heavily reliant on state aid than most Massachusetts municipalities, as approximately two-thirds of the entire city budget comes from the State budget. This budget is the result of months of work by my finance team in conjunction with all department heads. While unable to meet many worthwhile requests, my Administration attempted to be reasonable and fair with each department while maintaining fiscal discipline. The result is a budget that addresses the City's fiscal difficulties while investing in key programs and initiatives. It is my hope that this budget will be another step toward my goal of improving the economic vitality of the city through sound fiscal planning, increased public safety, and strategic partnerships.

I would like to thank Chief Financial Officer Conor Baldwin, Deputy CFO Austin Ball, Assistant to the City Manager Doreen Burgess, Chief Information Officer Mirán Fernandez, Human Relations Director Mary Callery, Assistant City Manager Shawn Machado, and all of the Department Heads whom played an integral role in developing and producing this budget. I am sincerely thankful to the City Council for its vision and support; the residents are lucky to have leadership of this caliber at the local level. Finally—and most importantly—I wish to thank the city's greatest resource, its citizens; it is the honor of a lifetime to serve as your City Manager.

With this transmittal letter and enclosed detailed budget documents, I further recommend approval by the City Council.

Sincerely,

Thomas A. Golden, Jr.
City Manager

CC: Conor Baldwin, Chief Financial Officer