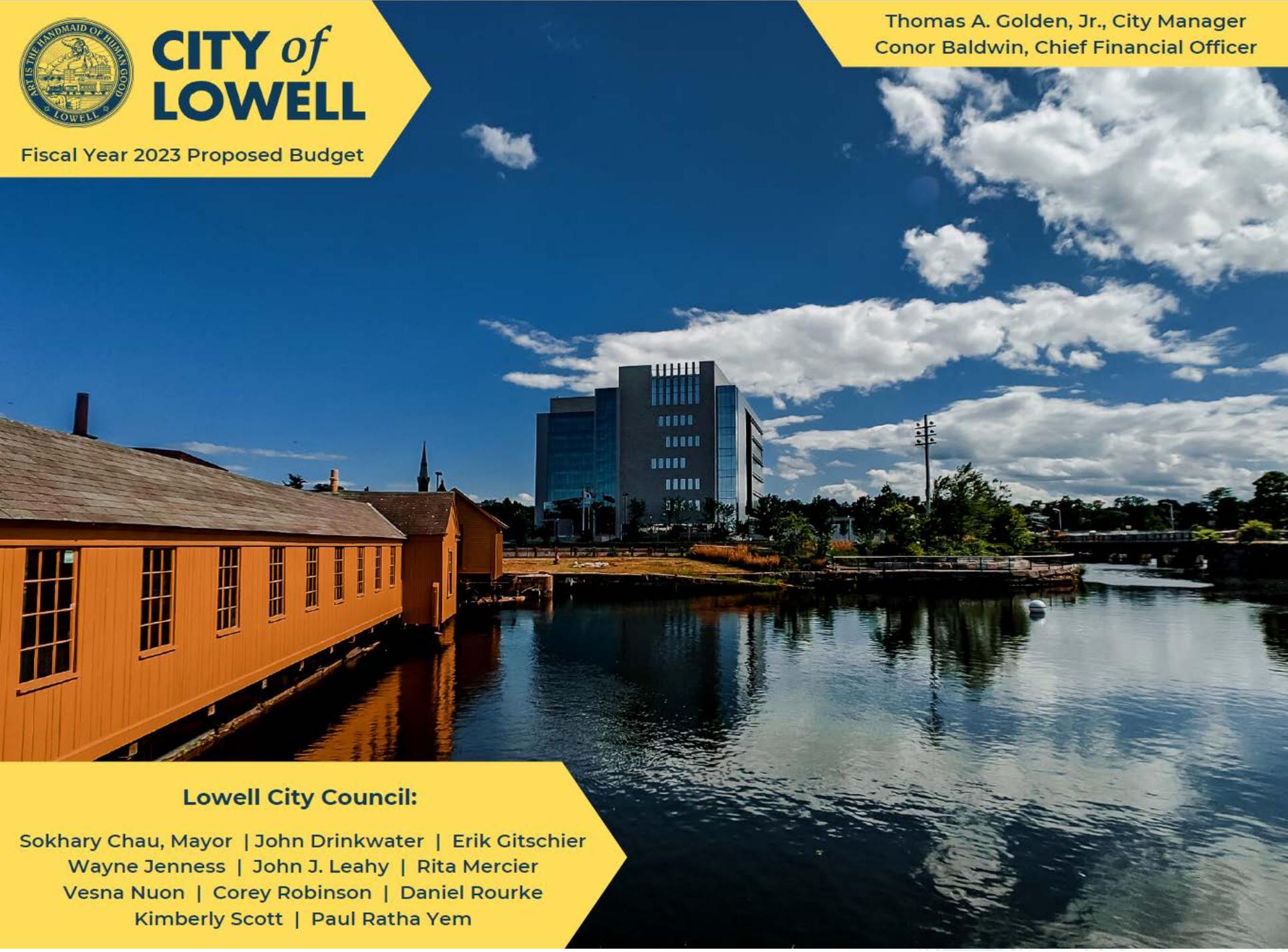




CITY *of* LOWELL

Fiscal Year 2023 Proposed Budget

Thomas A. Golden, Jr., City Manager
Conor Baldwin, Chief Financial Officer



Lowell City Council:

Sokhary Chau, Mayor | John Drinkwater | Erik Gitschier
Wayne Jenness | John J. Leahy | Rita Mercier
Vesna Nuon | Corey Robinson | Daniel Rourke
Kimberly Scott | Paul Ratha Yem



City of Lowell FY23 Budget

BUDGET CALENDAR

<p>January 5-14, 2022 Budget Instructions and financial sheets distributed to Department Heads.</p>	<p>May 24, 2022 Presentation by the City Manager of the FY23 Operating and Capital Budget to the Lowell City Council</p>
<p>February 9, 2022 All department budget requests (financials) due to the Finance Department for review.</p>	<p>June 7, 2022 to June 10, 2022 Tentative dates for Public Hearings on FY23 Operating Budget and Capital Plan.</p>
<p>February 10, 2022 to February 25, 2022 Finance Department works with departments to complete budgets</p>	<p>June 7-10, 2022 Projected Adoption Date by the City Council.</p>
<p>February 28, 2022 Departments' completed budget submissions due.</p>	<p>June 22, 2022 Deadline for City Council adoption of the Budget (Mass General Law Chapter 44 § 32).</p>
<p>April 5, 2022 Presentation by the City Manager of the FY23 Preliminary Budget</p>	<p>June 13, 2022 CFO/ Budget Department's transmittal of the Chart of Accounts/appropriations to the City Auditor.</p>
<p>April 12, 2022 To April 29, 2022 City Manager and CFO to meet with Department Heads RE: FY2023 Budget</p>	<p>July 1, 2022 Begin Fiscal Year 2023.</p>

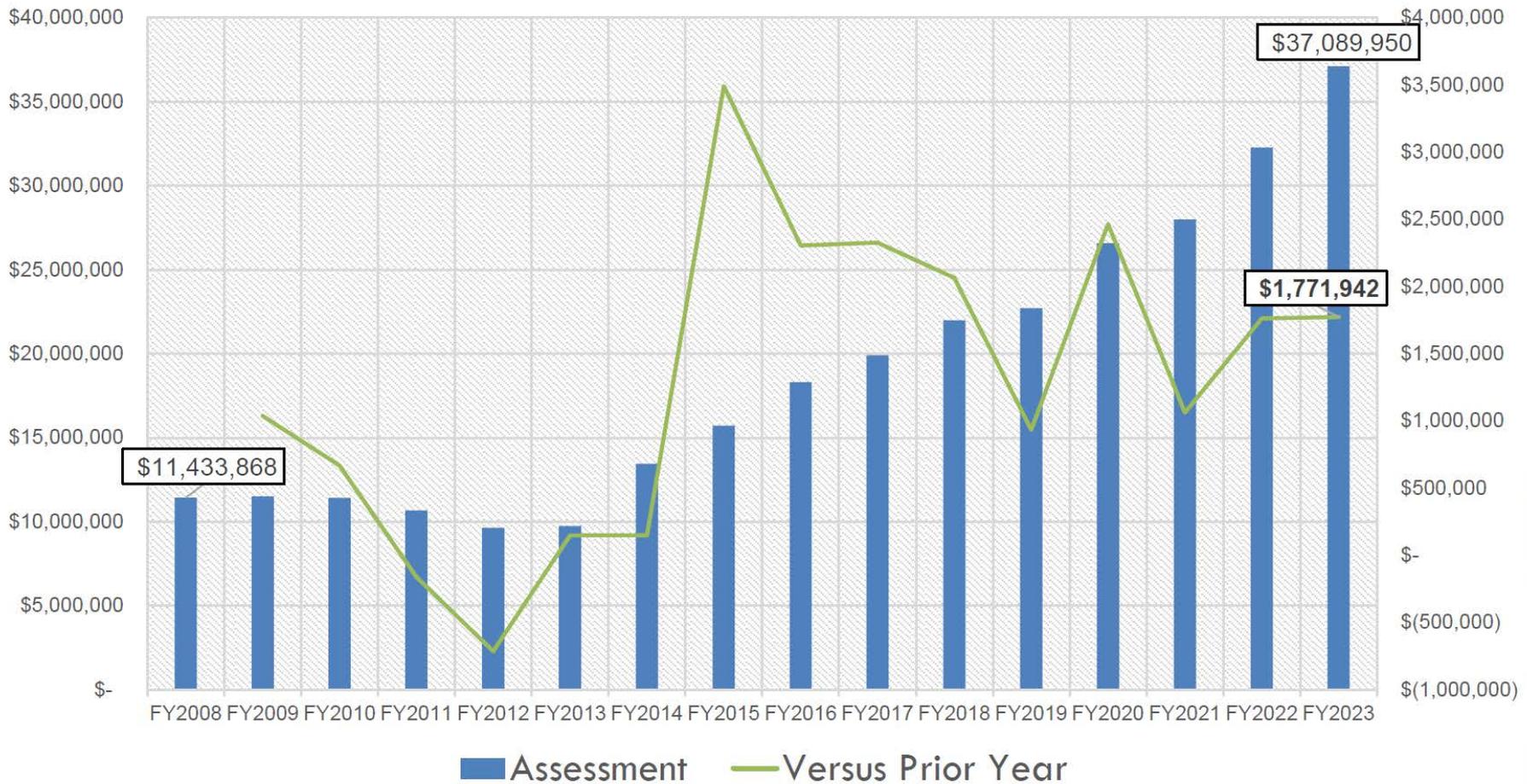
City of Lowell FY23 Budget

Major Fiscal Challenges

- Increase in the **Pension Assessment** of \$1.6 million;
- The average overall **Health Insurance** premium increase is 6.2% from the GIC. Some plan increases were as high as 10.3%. A 6.2% increase represents about \$1.5 million in additional cost;
- Increase in the **Charter Schools** assessment \$4.8 million;
- **Personnel Cost** (FY23 MOU per CBA's) of 2.5%, approximately \$6 million;
- Increase in **Solid Waste & Recycling** of \$380,000, plus any contamination charges;
- **Greater Lowell Vocational** assessment increased by \$369,000.

Charter School Budget Impact

Charter School Assessment - Historic Budget Impact



City of Lowell FY23 Budget

Highlights & Initiatives

- **Quality of Life** – Pay-as-you-go (PAYGO) investment in the operating budget to address capital needs in city and school buildings, streets, sidewalks, etc., which will save money on interest/ borrowing costs;
- **Capital investments - An FY2023 investment of \$12.9 million.** With the capital budget, the Administration will maximize tax payer's dollars by pursuing state, federal, and private grant sources to fund capital investments, where tax dollars are only required to match a fraction of the overall project costs;
- **Investment in Human Capital** – The FY2023 budget makes strategic investments in the city workforce to better align services, fund and implement a pay & class study on the City workforce and invest in training.

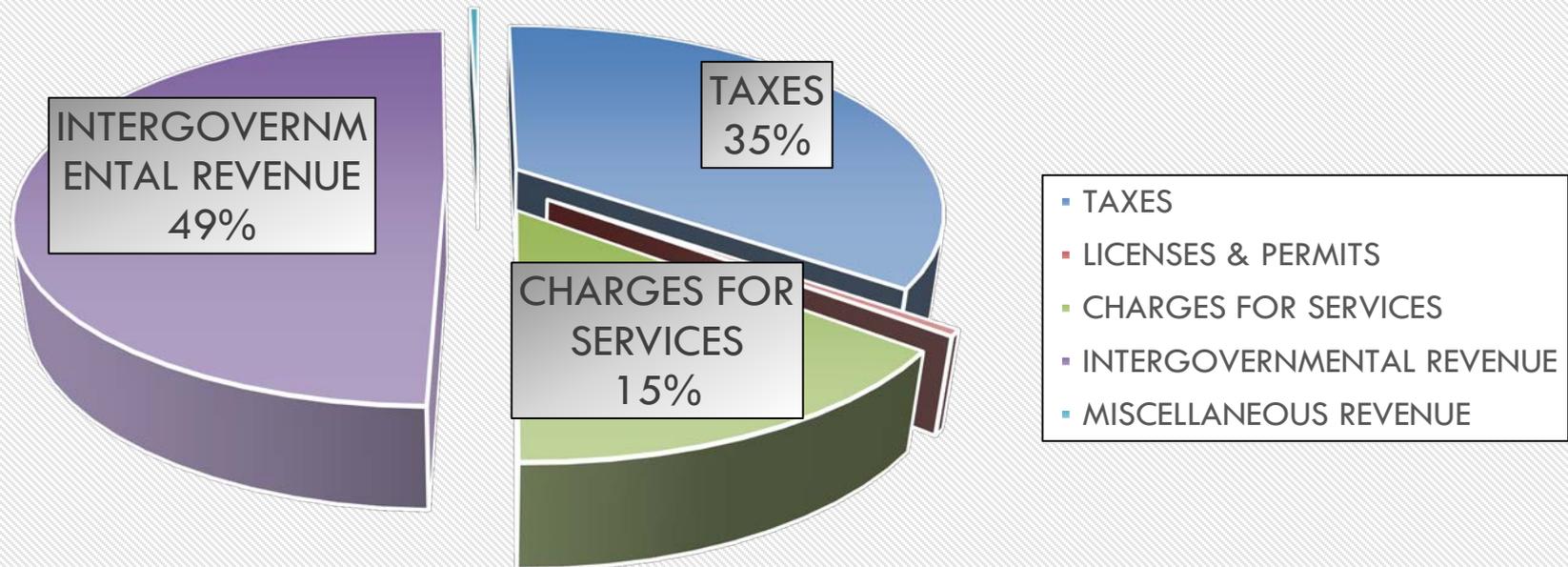
City of Lowell FY23 Budget

Rising Costs

Cost Type	FY2022 Cost	FY2023 Cost	Increase
Pension Assessment	\$30,084,564	\$31,687,781	\$1,603,217
Salaries & Wages	\$71,683,476	\$77,687,187	\$6,003,711
Solid Waste & Recycling	\$7,667,250	\$7,983,658	\$316,408
GLRTHS Assessment	\$10,045,281	\$10,414,657	\$369,376
Charter School/ "Cherry Sheet" assessments	\$34,773,285	\$39,505,284	\$4,731,999
Health Insurance	\$24,330,000	\$25,854,915	\$1,524,915
Gas/ Diesel (Police/ Fire/ DPW)	\$509,000	\$836,287	\$327,287
TOTAL			\$15,246,321

Revenue by Source

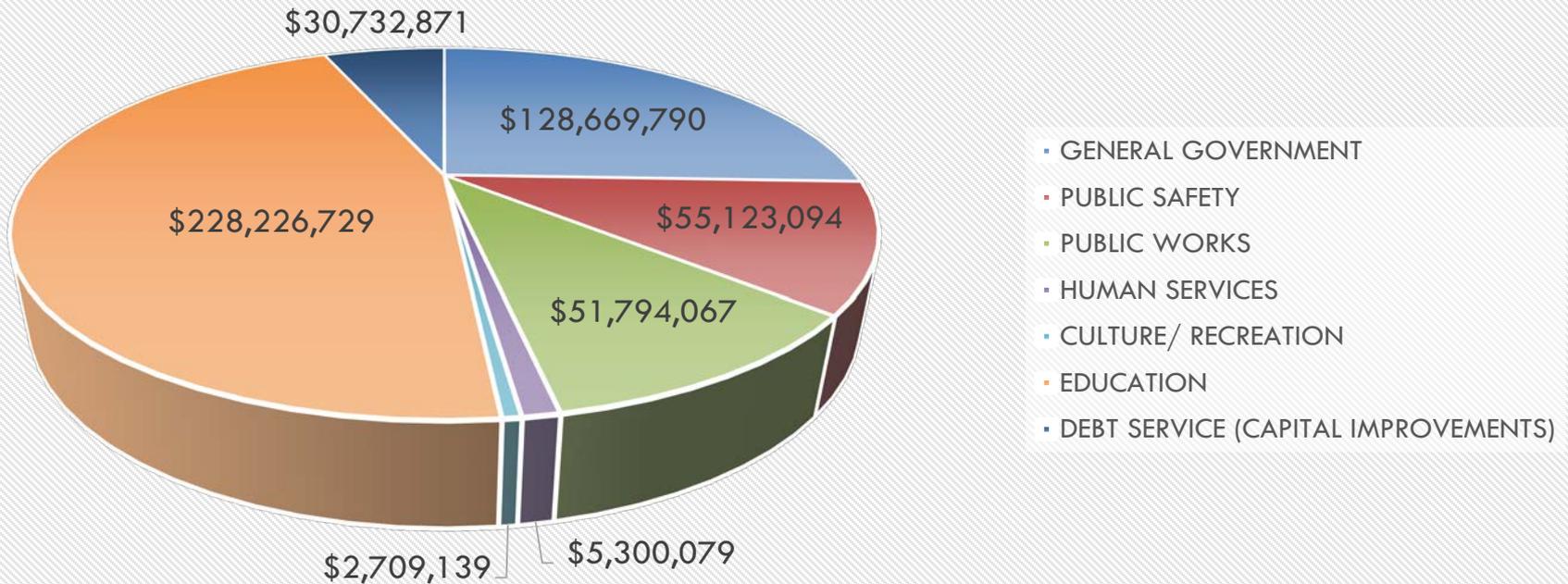
FY23 Revenue By Source



TOTAL BUDGET (ALL FUNDS) = \$502.5 MILLION

Appropriations by Category (All Funds)

2023 Appropriations by Category



Questions/ Comments

