

## Boston's FY21 Budget Plan

### Conservative approach beneficial to maintaining service delivery

The City of Boston's FY21 budget has been set during a time of uncertainty, but reflects a 3.4% increase for a total operating budget of \$3.61B. What are the main priorities for Boston in the upcoming year? How will the City meet revenue expectations? Will Boston's history of robust economic times and strong financial management be enough to see the City through these difficult times? How will the City control spending? Maintaining a commitment to education, housing and public health, this budget devotes \$1.39B or 38.6% of the budget to these areas in FY21.

### Report Objectives

This report provides information and insights on:

- Priority Spending areas
- An in-depth look at Boston's revenues
- Hiring freeze in Boston
- Concerns for the upcoming fiscal year

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## Background

Boston is in the midst of an unprecedented public health and economic crisis prompted by the global COVID-19 pandemic. From March to April 2020, Boston's unemployment rate rose from 2.4% to 14.4%.<sup>i</sup> In August, the month for which the most recent local unemployment data is available, Boston's unemployment rate was 12.8%—down significantly from July, when the unemployment rate was 18.2%, but still well above levels in August 2019, when unemployment was at 2.6%. According to BPDA analysis of unemployment claims in March and early April, the seven industrial sectors hardest hit in Massachusetts employ almost 1 out of 2 of Boston's labor force—more evidence of the pandemic's impact on the local economy.<sup>ii</sup>

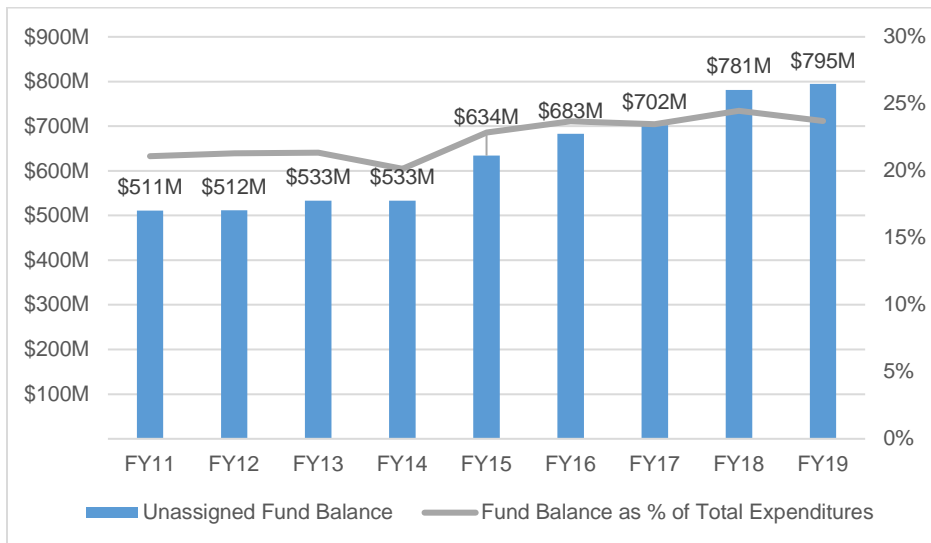
The Mayor's FY21 recommended budget, submitted on April 8<sup>th</sup>, proposed a 4.4% increase in spending from \$3.49B to \$3.65 over FY20. This proposed increase was not as large as it would have been under normal conditions: the City adjusted down revenue estimates by \$30M accounting for impact of the COVID-19 pandemic and what could be determined about FY21 economic conditions at that time. The April revenue estimates included a drop of \$17M (8%) relative to FY20 across all excise sources and adjustment of projected Departmental revenues down to FY20 levels. The proposed April budget also projected a \$9M (2%) increase in state aid, \$7M of which was expected to come through the Student Opportunity Act enacted into law in November 2019. Revenue estimates across these key categories have since been reduced further as commercial activity has continued to be below normal levels and state-wide economic conditions remain uncertain. Accounting for continued uncertainty and a negative economic outlook, the City's final FY21 budget includes a further reduction down to a 3.4% increase of \$118.9M over FY20.

The City resubmitted its FY21 budget amidst the first stages of economic reopening across Massachusetts and the country. Because of sound financial management and stable property tax revenue, Boston is better positioned to manage the challenges of the ongoing public health crisis and related economic strains relative to most cities nationwide. The City will nonetheless confront historic uncertainty in key revenue sources and public service needs of city residents through the current fiscal year.

### Boston in Strong Financial Standing

The City of Boston entered the COVID-19 pandemic and the FY21 budget process in strong financial standing. Since 2011 and 2014 the City has maintained the highest possible bond ratings (Aaa and AAA) from Moody's and Standard and Poor's, respectively, and has run a budget surplus each year since 1986. The City's unassigned fund balance, the accumulated reserves from year-end operating surpluses, is the highest it has been in Boston's history: \$794.6M as of the end of FY19. To operate in accordance with national accounting standards, the City's unassigned fund balance must equal no less than 15% of the City's operating expenditures.<sup>iii</sup> Since FY14, as a percentage of the City's total expenditures the unassigned fund balance has consistently been between 20 and 24%. The City's budgetary fund balance, otherwise known as "free cash", is another measure of the City's financial health and represents the share of available reserves certified by the state Department of Revenue that the City typically uses to fund extraordinary and non-recurring expenditures. The City's free cash as of the start of FY20 was \$414.2M—approximately 12.0% of FY20 General Fund spending (\$3.45B), the most in its history.<sup>iv</sup> The City's reserves have grown side-by-side with Boston's economic boom over the last decade.

## Unassigned Fund Balance



## Report Findings

Boston’s FY21 operating budget of \$3.61B, is a 3.4% increase or \$118.9M in General Fund spending over FY20. The \$3.61B reflects a total reduction of \$65M relative to what the City had budgeted before the COVID-19 pandemic in anticipation of greater reductions in key excise taxes and state aid due to the pandemic’s economic impact.

The additional cuts are made possible through delaying the City’s 2020 bond sale to the fall (saving \$16.5M), health care and salary cost savings from a six-month hiring freeze and paring back of non-personnel departmental spending. In spite of the expected impact of COVID-19, the approved budget maintains major additional spending commitments to education, public health and housing. The FY21 adopted budget also reflects a reallocation of \$12M in the Police Department’s overtime budget to a combination of initiatives in various City departments to advance public health outcomes and address systemic racism.

## Revenue Summary

Boston’s \$3.61B in general fund revenue comes from a combination of \$3.57B in recurring revenue and \$40M in non-recurring revenue. Collections from the property tax and state aid, the two largest revenue sources for the City, account for 85.4% of total budgeted revenues in FY21. State aid in FY21 is level funded at FY20 levels, following the State’s decision to level fund local aid for all communities.

Excise taxes are expected to drop steeply in FY21: 18.6% or \$38M across all excise categories. This accounts for the majority of the revenue loss the City projects in FY21. All other recurring revenues are expected to drop by 1.2%, mostly due to an anticipated decline in parking fines and a drop in interest on investments.

Boston’s FY21 revenue projections reflect the assumption that the local economy will be ramping up in commercial activity through the rest of the fiscal year.

## Where the Money Comes From

Account	FY20	FY21 April	FY21 Adopted	FY21 % of Total	FY20-FY21 Change (\$)	FY20-FY21 Change (%)
Gross Property Tax	\$2,508.8	\$2,636.5	\$2,636.5	73.0%	\$127.7	5.1%
Overlay	-\$47.3	-\$14.0	-\$14.0	-0.4%	\$33.3	-70.4%
Net Property Tax	\$2,461.4	\$2,622.5	\$2,622.5	72.6%	\$161.0	6.5%
State Aid	\$464.2	\$473.6	\$464.2	12.8%	\$0.0	0.0%
Excises	\$204.5	\$187.5	\$166.5	4.6%	-\$38.0	-18.6%
All Others [1]	\$323.0	\$323.8	\$319.2	8.8%	-\$3.8	-1.2%
Subtotal Recurring	\$991.7	\$985.0	\$950.0	26.3%	-\$41.8	-4.2%
Fund Balance	\$40.0	\$40.0	\$40.0	1.1%	\$0.0	0.0%
Other Non-recurring	\$0.4	\$0.0	\$0.0	0.0%	-\$0.4	-100.0%
Subtotal Non-Recurring	\$40.4	\$40.0	\$40.0	1.1%	-\$0.4	-0.9%
<b>General Fund Revenues</b>	<b>\$3,493.5</b>	<b>\$3,647.5</b>	<b>\$3,612.5</b>	<b>100.0%</b>	<b>\$118.9</b>	<b>3.4%</b>

[1] All Others refers to all revenue sources other than state aid and the property tax, including PILOTS, investment income, and departmental revenues from sources such as parking meters, parking fines, inspection fees, and building permits.

### Revenues: Property Taxes Predicted to Face Little Impact in FY21

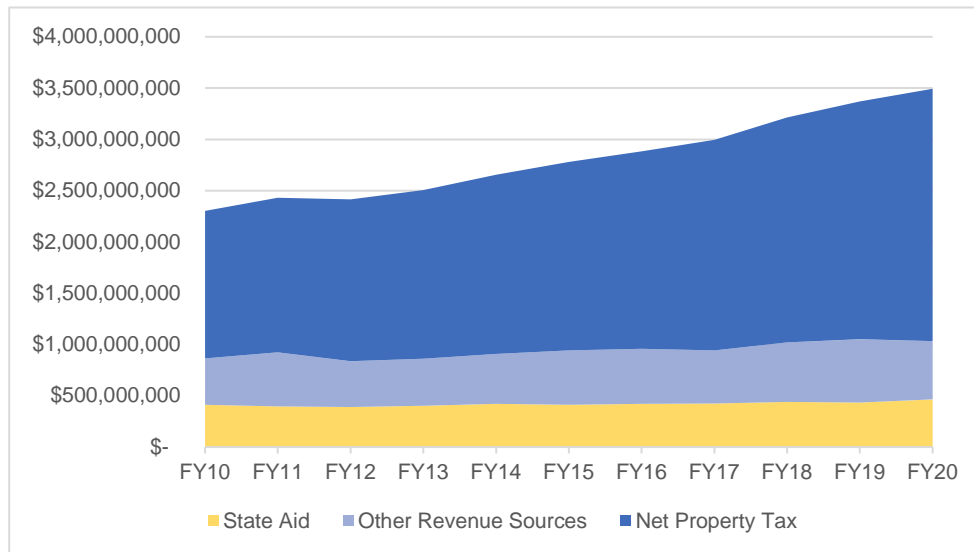
The single biggest source of revenue, the property tax levy, accounts for \$2.62B (72.6%) of all General Fund revenue in FY21. This continues a trend of growing reliance on the property tax levy as the stalwart for revenue growth in the City. The amount budgeted for overlay reserves, \$14M, is significantly less than FY20 (\$47.3M). The overlay amount reflects what the City sets aside to account for abatements and related non-collections. The City adjusted its FY21 budgeted overlay reserve as a correction responding to several years during which the larger overlay amount budgeted far exceeded what was necessary.

Annual increases in the property tax levy have been the most significant source of increasing revenue in the City budget over the last decade. Net property tax revenues account for 85.7% of the \$1.19B increase in revenues the City has experienced from FY10 through FY20.<sup>v</sup> The stability of the City's property tax base compared to other revenue sources is central to Boston's insulation from economic volatility.

A critical driver of rising property tax revenue is new growth: additional taxable property value generated by new construction and renovations. In addition to the 2.5% increase in property taxes the City can levy per year on residents and businesses, per Proposition 2 ½, the City can capture additional value created through new growth in excess of the standard 2.5% increase. In FY21, the City anticipates collecting \$65M in new growth—a drop from the all-time high of \$98.7M in FY20. Since FY15 new growth has made up the larger share of the total tax levy increase each year and has been a key factor enabling the City to commit to large, new spending initiatives.

The City predicts strong property tax collections in FY21, though expects to see significant decline in new growth in FY22 given the current slowdown in pipeline for new buildings and what is expected to be a continued slowing of new development projects in light of economic conditions.

## Property Tax Driving Revenue Growth, FY10-FY20



### Revenues: State Aid Level for Now

In response to worsening financial conditions at the state level, the City scaled back FY21 state aid predictions to be level-funded relative to FY20 at \$464.2M. Before COVID-19, the City was projecting a \$9.4M increase in state aid from FY20, largely due to an expected \$7M increase in education aid from the passage of the Student Opportunity Act.

On July 28, the Massachusetts House and Senate approved a three-month \$16.5B bill to cover state spending through the end of October. The legislation establishes FY20-level funding in Chapter 70 education aid and Unrestricted General Government Aid (UGGA), which together make up 91% of Boston’s local aid appropriations, through October.

With the Governor’s revised FY21 budget proposal sent to the Legislature on October 14, the State begins the process of creating a budget for the remainder of the fiscal year. Final decisions on what that state budget means for Boston won’t come until the House and Senate weigh in with their own proposals and the three branches of state government reach agreement.

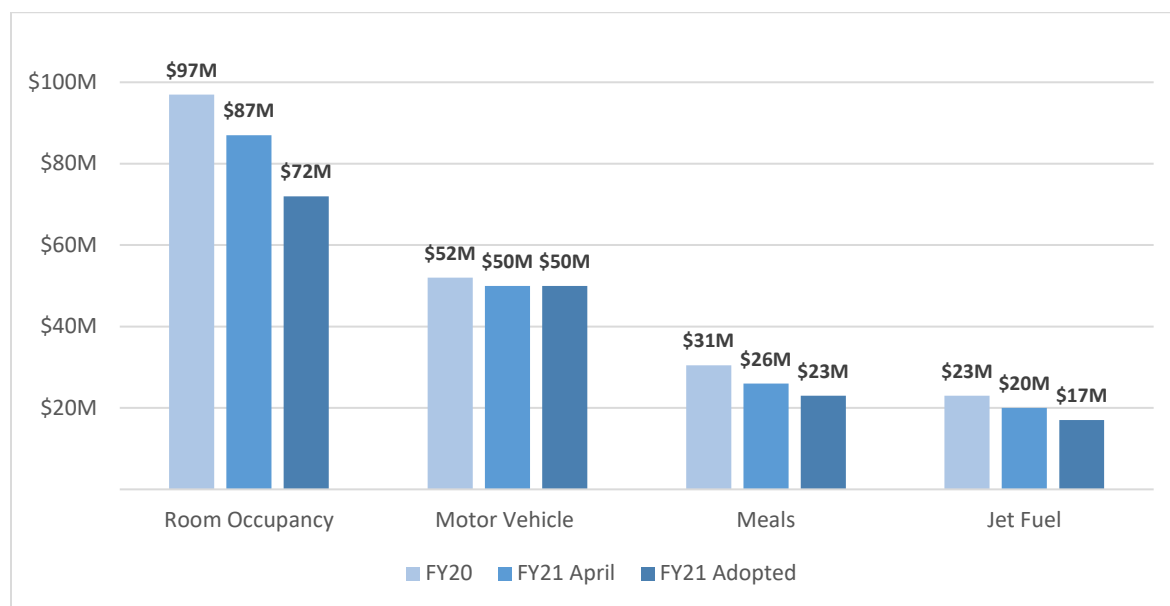
As the experience of past recessions has shown, state aid is often an area where Massachusetts focuses on curtailing spending—and Boston, like other municipalities, may face local aid estimates as state budget writers develop more definitive revenue projections.

### Revenues: Excise Collections Down in FY21

Excise revenues are closely linked to the local economy and accordingly, the City has reduced revenue projections to reflect the impact of what is now expected to be a prolonged period of less business activity in related industries. In FY21, the City expects excise collections to be reduced by 18.6% or \$38M from FY20. This is more than twice the City’s initial projected cut of \$17M in the April recommended budget, reflecting how local economic conditions have not improved in key sectors.

The room occupancy tax, which accounted for slightly less than half of all excise revenues in FY20, is expected to face the greatest exposure in anticipation of significantly lower hotel commerce. The City projects a 25.8% decline or \$25.0M in room occupancy tax revenue and 3.8% decline or \$2.0M in motor vehicle excise revenue in FY21. Revenues from meals and jet fuel excise taxes are likewise projected to decline due to the ongoing impact of the COVID-19 pandemic. The City expects a 24.6% or \$7.5M drop in meals tax revenue from FY20 levels due to less restaurant patronage and closure of food and beverage establishments and a 26.1% or \$6.0M drop in jet fuel tax revenue due to lower levels of commercial air travel through Logan Airport. The \$40.5M losses across these four key excise categories is budgeted to be marginally offset by a combined \$2.5M in new revenue from the marijuana excise tax and community host agreements (\$1.3M each).

### Selected Excise Tax Revenue FY20 vs FY21



Due to conservative budgeting and a bustling economy, excise collections have generated significant revenues beyond what the City has budgeted in recent years. Over the five-year period from FY15-FY19, the City collected, on average, \$30.7M above what was budgeted each fiscal year. Excise collections have thus become an increasingly important revenue source and avenue to diversify where the City gets its money.

### Revenues: Other Recurring Revenues Projected to Fall Slightly

Beyond the property tax, state aid and excise taxes, in FY21 all other recurring revenues are budgeted to decline by 1.2%, or \$3.8M, from \$323.0M in FY20 to \$319.2M in FY21. Revenue from interest on investments is expected to drop the most, 46.7% from \$15.0M in FY20 to \$8.0M in FY21, mostly due to the Federal Reserve’s reduction of interest rates to effectively 0% in March. Parking fines are expected to bring in \$61.2M in FY21 compared to \$65.3M in FY20—a drop of \$4.1M, largely attributable to continued lower collections from parking fines due to less vehicle traffic.

Building permits are one of the largest Departmental revenue source and are determined by market conditions and the cycles of the building process. This source is projected to bring in \$45.0M in FY21—

level with what's projected for FY20 but below FY18 and FY19 collections of \$52.8M and \$61.8M, respectively.

Urban redevelopment tax agreements (121A/B/C's) are budgeted to bring in \$30.7M in FY21, slightly lower than FY20 budgeted collections of \$31.1M. These agreements are a development tool available to the City to encourage developers to participate in urban renewal and provide developers with tax relief in the early years of a new development project. 121A/B/C agreements have made up a progressively smaller share of the City's General Fund revenues over the last decade. Total revenue from this source has dropped from \$70.3M in FY11 to \$30.7M budgeted in FY21—a 56.3% decrease of \$39.6M.

FY21 revenue from the Payment-in-lieu-of-Taxes (PILOT) program is budgeted to be \$49.3M, 0.6% growth from \$49.0M in FY20. Massport payments are expected to total \$20.0M and the remainder is expected to come from voluntary payments from 46 nonprofit entities in Boston including cultural institutions, hospitals and colleges and universities. From FY11 to FY19, PILOT cash contributions, not including Massport, increased 87.9% from \$18.4M to \$34.6M due to the new PILOT program guidelines instituted in FY12. PILOT payments have become an increasingly important part of Boston's General Fund revenues.

### Expenditures Summary

The FY21 approved budget is a 3.4% increase in General Fund spending over FY20, however, it is scaled-back from the City's initial budget submission. Despite adjustments in the initial budget, in FY21 the BPS budget is expected to grow by 6.8% or \$80.1M and appropriations for the Boston Public Health Commission (BPHC) are expected to increase by 14.0% or \$13.1M. The BPHC growth directs more resources towards COVID-19 prevention. The FY21 adopted budget also includes a reallocation of \$12.0M from the police overtime budget to a combination of initiatives in various City departments to advance public health outcomes and address systemic racism.

The approved budget reflects spending growth scaled back in light of economic conditions, with a total adjustment of \$65M relative to what the City had planned for before the pandemic. This includes a reduction of \$30M the City initially made in the April recommended budget plus another \$35M in adjustments made during the budget process through June. The \$35M reflects \$21M in savings from fixed cost adjustments—including delaying the City's bond sale and health insurance cost reductions—and an additional \$14M combined savings from a series of reductions including a six-month hiring freeze on non-essential vacant positions (\$4.5M), a 4.1% or \$4M reduction in the Public Works Department's snow removal appropriation, \$3.5M in overtime reductions across City departments (not part of the \$12M Police Department overtime adjustment) and a 2% (\$2.4M) cut in non-personnel costs across various departments.

### Expenditures: Departmental Spending Concentrated in Schools, Public Health and Housing

Overall, FY21 departmental spending is up 2.9% or \$66.3M relative to FY20. The five largest departments, Schools (net of health insurance), Police, Fire, Public Works and BPHC, make up 85.2% of all departmental spending in the FY21 budget and 56.1% of the total budget.

## Where the Money Goes

Department	FY20	FY21 April	FY21 Adopted	FY21 % of Total	FY20-FY21 Change (\$)	FY20-FY21 Change (%)
School [1]	\$1,052.1	\$1,122.8	\$1,122.8	31.1%	\$70.7	6.7%
Fire	\$271.6	\$275.1	\$271.5	7.5%	-\$0.1	0.0%
Police	\$414.3	\$414.2	\$404.2	11.2%	-\$10.1	-2.4%
Public Health Commission	\$93.4	\$102.5	\$106.5	2.9%	\$13.1	14.0%
Public Works [2]	\$125.1	\$125.8	\$120.0	3.3%	-\$5.1	-4.1%
Reserve for Collective Bargaining	\$5.7	\$3.0	\$3.0	0.1%	-\$2.7	-46.9%
Other Departmental [3]	\$349.2	\$348.3	\$349.6	9.7%	\$0.5	0.1%
<b>Total Departmental</b>	<b>\$2,311.3</b>	<b>\$2,391.6</b>	<b>\$2,377.6</b>	<b>65.8%</b>	<b>\$66.3</b>	<b>2.9%</b>
Non-Departmental [4]	\$15.7	\$15.7	\$15.5	0.4%	-\$0.2	-1.2%
Benefits/Mandatory [5]	\$1,166.6	\$1,240.2	\$1,219.4	33.8%	\$52.8	4.5%
<b>General Fund Expenses</b>	<b>\$3,493.5</b>	<b>\$3,647.5</b>	<b>\$3,612.5</b>	<b>100.0%</b>	<b>\$118.9</b>	<b>3.4%</b>

[1] Does not include school health insurance costs.  
 [2] Includes snow removal.  
 [3] Other Departmental includes all City departments other than the top five broken out in this table.  
 [4] Non-Departmental refers to worker's compensation, the City's housing trust, unemployment compensation, Medicare payments and tax title and audit appropriations.  
 [5] Benefits/Mandatory comprises all less flexible expenditures accounts. Examples include debt service, state assessments like charter schools and the MBTA, City and School health insurance, pensions and OPEB.

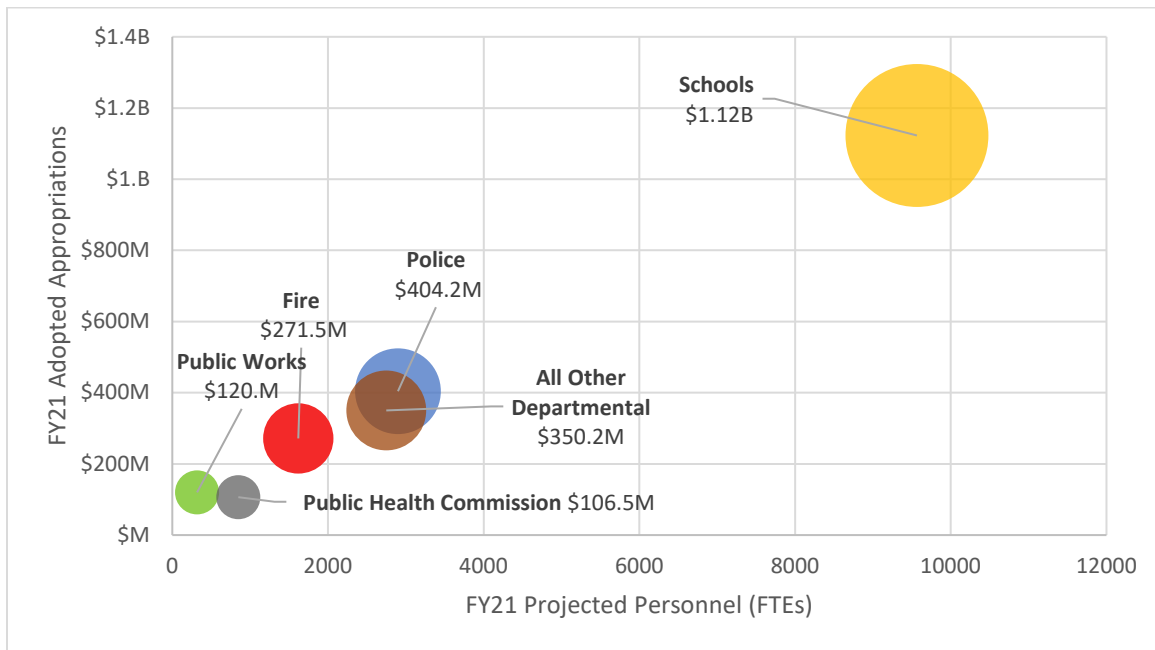
The largest spending priority in the approved FY21 budget continues to be education, budgeted at \$1.12B, not including health insurance. This is an increase of \$70.7M over FY20. Including costs for health insurance, the Boston Public Schools (BPS) budget totals \$1.26B, an increase of \$80.1M over FY20. The \$80.1M increase includes \$44M in cost increases and \$36M out of the \$100M Mayor Walsh committed to Boston Public Schools (BPS) over three years. The additional \$36M will be dedicated to resources for BPS families (\$9M), teacher development and improving learning environments (\$12M) and instructional materials (\$15M). The BPS budget represents 34.8% of the total City budget.

The BPHC's FY21 budget of \$106.5M represents a 14% increase of \$13.1M overall from FY20, which includes \$4M reapportioned from the police overtime budget. Additional funding for the BPHC outside of the \$4M from the police overtime budget will be dedicated to supporting the City's response to the COVID-19 crisis and Emergency Medical Services and services for substance abuse disorders.

The largest increase in departmental spending on a percentage basis is for the Department of Neighborhood Development (DND), a growth of 41.4% or \$8.5M over FY20. DND's Housing Development and Services programs, including assistance for homeowners and tenants, homelessness support and housing development, account for \$8.3M of the FY20-FY21 growth. The increased appropriation for DND is an important dimension to the Mayor's long-term housing commitment of \$100M over five years. Notable housing-related spending items in the FY21 approved operating budget include \$2.5M for a city-funded housing voucher and \$2.4M for mortgage and first time homebuyer assistance for Boston residents, to be administered by the Boston Home Center, a subdivision of DND.



## FY21 Approved Budget, Top Five Departments and Other Departmental



[1] The \$1.12 in School appropriations does not include school health insurance costs.

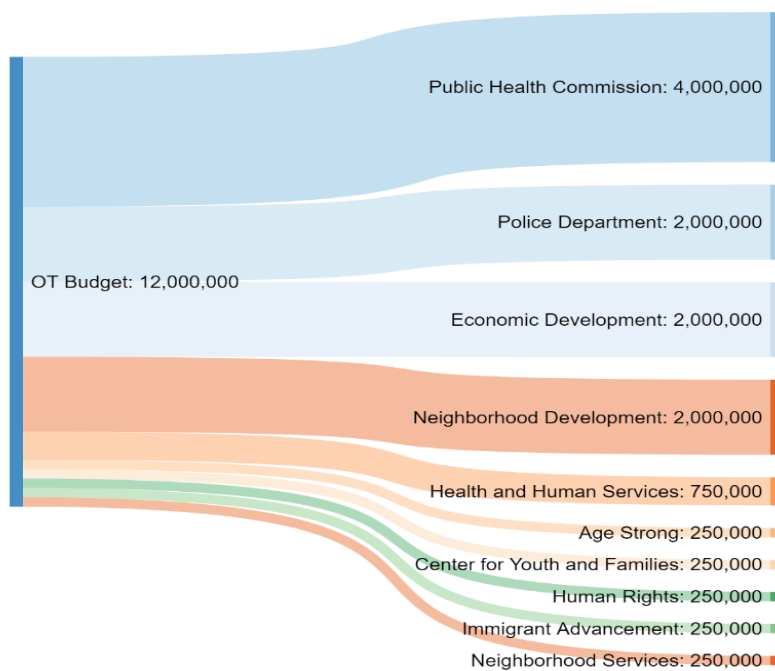
Budgeted appropriations for the remaining departments are either slightly down, level or adding modestly to the dollar increase in the FY21 adopted budget. Significant increases for some other departments, such as the Office of Economic Development’s 56.8% or \$2.0M appropriations increase, are due to the \$12M reallocation from the police overtime budget.

### Expenditures: \$12M from Police Overtime Reapportioned

The FY21 approved budget reduces the Boston Police Department’s overtime budget 20% from \$60M to \$48M and reallocates the \$12M to inclusion and equity initiatives in ten different departments, including executing on the Mayor’s Pledge to review and reform police practices and policies. The \$12M reduction will be made possible through reducing police overtime by 233,000 hours, from 960,000 to 727,000.

The BPHC will be receiving the largest share of the \$12M reallocation, including \$3M to implement the eight strategies outlined in the Mayor’s June 12<sup>th</sup> Executive Order declaring racism a public health crisis and \$1M to further resource BPHC’s trauma and counseling services. Both the Department of Economic Development and Department of Neighborhood Development will receive \$2M to provide support to minority and women-led businesses and advance housing support and youth homelessness programs, respectively. The Police Department will retain \$2M of the money reallocated from the overtime budget to augment mental health services in partnership with the Boston Medical Center Emergency Services (BEST) Program. The remaining \$2M will be divided up between six other departments to fund community-based programs.

## FY21 Police Department Overtime Reallocation (\$12M)



## Expenditures: Personnel Spending Continues Upward Trend

Total personnel costs, including salaries, overtime and benefits, are projected to increase by 3.4% or \$86.2M in FY21, accounting for 67.1% of total spending—in-line with FY20 (66.9%). Salaries for overtime, permanent, emergency and part-time employees are expected to grow by 3.4% or \$54.9M. Within salaries, city-wide overtime spending is down 6.3% or \$6.4M, mostly due to the \$12M reduction in the police overtime budget netting out with increases in overtime for other departments, such as the \$8.6M increase in budgeted overtime for Boston Public Schools. Total benefits, including health insurance, unemployment compensation and workers' compensation, are up 4.5% or \$31.3M in FY21, from \$86.6M to \$87.4M.

Total personnel costs, have increased 18.9% since FY17, an increase \$384.8M from \$2.04B to \$2.42B over the five-year period. Over the same timeframe, total personnel costs have consistently made up 67%-68% of total General Fund spending each year. For the first six months of FY21 the City instituted a hiring freeze for all non-essential personnel.

## Expenditures: Fixed Costs Continue to Rise

Fixed costs for pensions, debt service, health insurance and state assessments—the four largest fixed costs in the City's General Fund budget—is up 4.8% or \$53.6M in FY21. Pensions and state assessments make up the vast majority, 87.4% of this increase in fixed costs, reflecting the City's ability to continue funding its pension obligations at a time of financial uncertainty. The charter school assessment, Boston's largest state assessment, is up 8.1% (\$17.4M) from FY20 for a budgeted total of \$232.0M for FY21.

The City made the decision to delay its municipal bond sale to the fall of 2021, which will push the City's first payments of interest and principal to after the close of FY21, saving \$16.5M in the current fiscal year. Accounting for the savings from delaying the City's bond sale, debt service spending is up 1.4% (\$2.7M) from \$186.4M in FY20 to \$189.1M in FY21. The fixed cost total also factors in a \$3.5M reduction in health care and salary costs due to the hiring freeze on non-essential personnel.

Adding in other payment obligations, including \$40M for other post-employment benefits (OPEB), brings the total FY20-FY21 increase in mandatory and benefits spending to \$52.8M, for a total of \$1.2B in the approved FY21 budget.

## Conclusion & Recommendations

In spite of the great uncertainty facing Boston, the City's conservative approach to budgeting and history of sound financial management make it well-prepared to withstand difficult economic times. The City's FY21 adopted budget makes important reductions to key revenue sources and adjustments in spending in light of the uncertainty of ongoing economic impact of the COVID-19 pandemic.

The fiscal reality ahead, however, will likely require significant additional adjustments in key revenue areas, which will in turn require revisiting the City's major spending commitments. The City will also have to consider how to appropriate what will likely be increasingly limited resources to residents' emerging needs related to the COVID-19 pandemic and its economic fallout. It will likewise be important for the City to continue to develop as comprehensive and accurate a picture of the state of its small, medium and large businesses and unique challenges by industry.

The educational and medical sectors, for example tend to be more secure than other industries in their operations and employment during typical recessions. Ratings agencies have identified this as a source of relative stability in Boston during financial crises. The current economic downturn has put unique fiscal strain on universities and hospitals. Financial uncertainty for large organizations in these two sectors alone has important direct and indirect consequences for the City's finances. Indirectly, these organizations employ a disproportionately large share of city residents and their normal operations stimulate consumer spending through patronage at restaurants and other small local businesses. More directly, larger organizations' in these sectors are participants in the PILOT program and their financial challenges will complicate their payment commitment and revenue collections.

Collections in excise taxes will be critical to monitor closely, too, as their revenue stability depends on typical levels of commerce resuming. There is currently not enough certainty of commercial conditions in FY21 to judge whether the City's excise revenue estimates are adequately conservative. At the current pace with which business activity is increasing in Boston, excise collections will come in far less than projected. Continued, gradual reopening without a resurgence of COVID-19, however, would put Boston on a path to meet or even exceed what is budgeted.

**Conservative revenue estimates:** As collections through the first quarter of FY21 provide an updated view of near-term economic conditions, it is imperative that the City stay committed to conservative estimates in revenue sources such as the meals option tax and room occupancy tax, adjusting estimates downwards in the event of more business closures than projected and a slower pace of economic reopening.

**Prioritize long-term liabilities where possible:** The City made personnel spending adjustments through a six-month hiring freeze on non-essential employees. Total benefits spending is up 4.5%, though most of the increase is attributable to additional spending on pension obligations—an area that the City should continue to prioritize funding amidst economic uncertainty.

**Facilitate economic activity and revenue:** To restore jobs and revenue-generating activity, the City needs to facilitate economic activity as much as possible, as quickly as possible, within the restrictions needed to keep City residents, employees, and business activities safe and healthy. The City set up resources and support for small businesses struggling during the pandemic and engaged contractors and developers on keeping workers safe on job sites as part of a re-opening effort. Yet for months the Zoning Board of Appeals couldn't rule on project requests because empty seats on the Board weren't getting filled during a critical time to keep Boston moving forward.

**Maximize resources and support:** The amount of federal aid available to Boston will influence its FY21 outlook, and the City should maximize all possible federal assistance and reimbursement to supplant reduced local revenues and cover unexpected expenditures.

The City has set up resources and support for residents struggling during the pandemic, including PPE and food support, and infrastructure to house overflow of COVID patients. The City should maximize the benefits of the CARES Act and FEMA reimbursement for qualifying needs to support these activities first, in case additional federal resources don't materialize and the City must meet ongoing pandemic-related challenges with only its own resources going forward.

**Examine alternative service delivery:** Explore lessons learned from the shift to city employees working remotely, constituents' remote engagement with City services, and other alternative service delivery methods being used during the pandemic. What worked and might be worth continuing, even after the pandemic, as alternative or supplemental service delivery? What didn't work well and do we need a workable alternative right now or in the future?

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<sup>i</sup> Labor Force, Employment and Unemployment, Massachusetts and Cities and Towns, MA Department of Unemployment Assistance. These figures are not seasonally-adjusted. Available here:

<https://lmi.dua.eol.mass.gov/lmi/LaborForceAndUnemployment/TownComparison>

<sup>ii</sup> The BPDA's analysis uses data from the Massachusetts Executive Office of Labor and Workforce Development (EOLWD) and the U.S. Census Bureau. Available here: <http://www.bostonplans.org/getattachment/d7e2fdcf-c0c5-40a2-a21c-adb8e2a4f768>

<sup>iii</sup> These standards are codified in generally accepted accounting principles (GAAP) developed by the official U.S. authority on accounting practices, the Financial Accounting Standards Board (FASB).

<sup>iv</sup> As of July 1, 2019. Retrieved via the Department of Local Service's Municipal Finance Dashboard, available here:

<https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=Dashboard.Cat1MuniOperatingPos>.

<sup>v</sup> The net property tax is equal to gross property tax less the overlay reserve amount the City sets aside each year to address abatements and non-collection of taxes.