

Answers to Resolutions 22-392, 22-393, 22-394, 22-395, 22-396

We have created a process to determine the cities capital needs when we undertook and completed the City's/schools first ever 6 year Capital Improvement plan for 2021-2026. It can be viewed on the City of Medford's website at medfordma.org. Also, over the summer we will be reviewing, updating, and extending the plan into 2027.

In prepping for the FY23 budget we did not limit increases to a certain percent. We did not restrict any department from asking for what they needed. We did not provide a cap on what each department could request. We allowed the schools and city departments to provide the finance team with a needs-based budget so that we could understand the needs and use it to plan for the future. Unfortunately, the downside of allowing this leads to requests that cannot all be fully funded due to capacity; due to the fact that we have to budget within our means.

Developing a revenue generation plan is something I will refer to our new CFO, however, please know that our Economic Development Director, PDS Director and I have actively been working on bringing in new growth and revenue by attracting new development such as life science and manufacturing, negotiating with our 40b's, negotiating 4 HCA's for retail and cultivation cannabis sites, ect. We thank the council for helping with this through your work on zoning reform.

As far as a timeline is concerned, we posted for a CFO for the first time on July 19th, 2021. We held several rounds of interviews without being able to find a qualified candidate that fit our needs. We hired a part time interim CFO, and the company CLA to help us with our finance needs.

We came to the City Council for a CAF change in order to offer a competitive salary that matched what was being offered by surrounding Cities. We hoped that by doing this, we would be able to attract a qualified and experienced candidate to fill the roll and secure an accepted offer. The city council approved the vote on it's 1st reading, but has not taken a vote for the final reading. Based on the first reading and the timeline we were up against we posted the position again on December 29, 2021 and updated it on January 2nd, based on the new CAF. We offered the job to Bob Dickinson in March and he started in May 2022. We began doing the necessary work to start the budget such as finalizing cash reconciliation, projecting revenues, cleaning up double revenue entries when the finance office was impacted by COVID. After the return of our finance budget team we continued the hard work we were behind on, which included calculating the ARPA revenue replacement number.

ARPA revenue replacement was put into place because the Federal Government assumed that cities and towns would have lost revenue due to the global pandemic. They also gave us multiple years to utilize the funds because they knew it was not a one-year fix or that it would be only one year of lost revenue. We used app. 12 million in revenue replacement last year to

balance the FY22 budget. We always knew we would have to ween off the use of one-time funds over several years as revenues came back up to 2019 levels and beyond.

We always knew the amount for FY23 would be lower, but we didn't know the exact number until we had our CFO do the hard work needed to get us to that place. Being behind on the timeline that we set for ourselves and the fact we allowed the departments to draft need-based budgets put us at the beginning of June when we finally were able to start our final stage of budgeting.

A full accounting of revenue replacement has been posted as of 6/27. We finished that on June 21st to include with the budget although I don't believe it posted. It is also up on the ARPA page of our city website and now on the on-line version of the budget. It was also e-mailed to you on 6/27.

Now that we have a great CFO, we will be working on closing out FY22, filing state reporting and getting the audit done with initial discussions with departments on next year's budget starting this summer/fall. We will also continue the work we have been doing to increase new growth, which we hope to see the results of starting in FY24, but more so in FY25 and FY26. We will have deep discussions on what is best for this community as it relates to a New High School and the ask, we will have of our residents to help fund that as well as any other needs we feel should be included. I will make the tough decisions as any Mayor across the commonwealth is doing through a pandemic and leading up to a possible recession. We will continue to prioritize helping those who can't afford food, rent, their mortgage, bills, ect..