

Holyoke Mayor Joshua Garcia proposes nearly \$154 million budget for FY 2023

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HOLYOKE — Mayor Joshua A. Garcia has proposed a \$153,849,695 million budget for fiscal 2023, which begins July 1. The budget avoids tax overrides and service reductions, leaving a \$779,876 surplus in place.

Around \$70.5 million represents the city side of the budget, with the remainder allocated for the schools. The mayor's budget anticipates a net gain in school aid from the state's Student Opportunity Act.

The current projections are based on the House preliminary budget and include moderate rises in local revenue.

"However, these estimates remain conservative to mitigate any potential COVID pandemic impact and other circumstances that contribute toward uncertainty," Garcia stated.

The City Council must hold a series of budget hearings with department heads and approve the budget within 45 days.

General revenues appear healthy heading into fiscal 2023. The property tax levy climbed by over \$1.4 million, as did state aid, local receipts and other funding sources, or 5.9% overall. Proposition 2½ caps the amount municipalities may collect in taxes and fees.

Major operating budgets will see moderate gains, with the public schools slated for an additional \$7.055 million. Employee benefits rose from \$24,961,680 to \$26,187,667, while Garcia added \$68,151 onto the public works budget.

"This surplus number is subject to change as we continue to learn what our revenue estimates are and as we proceed forward with any potential cuts from the City Council or supplemental budget additions by me," Garcia stated.

The most significant increases stem from "uncontrollable" or required expenditures, including insurance, retirement and the school budget. The mayor used conservative estimates for future receipts and unrealized new growth.

"We will know more of our revenue capacity as we get closer to fiscal year-end. Because of the uncertainty for my comfort, however, it's important we preserve as much of excess capacity as possible before reacting by committing all our dollar potential to short-term and often short-sided fixes," he stated.

The mayor stressed "plugging the gap" in departing department heads and supervisors, maximizing the city's revenue collection and addressing quality of life issues. In addition, he called for competitive salaries to preserve the city's professional ranks.

In January, Garcia requested departments submit reduced or level-funded budgets. He asked departments to provide detailed responses to why an increase was necessary. A second budget guideline assumes a 3% increase in staffing needs.

"The reason for this was to allow me to see the whole picture of what we are dealing with and how it compares to our target number. As you can imagine, we were well over the target," Garcia said.