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CITY OF NEW BEDFORD Jonathan F. Mitchell, Mayor

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## PRESS RELEASE

## Mayor Announces Austerity Measures Triggered by City Council's Budget Cuts

NEW BEDFORD – Mayor Jon Mitchell announced Thursday a series of measures to respond to recent budget cuts by the City Council.

In May, the Mitchell Administration proposed a budget for Fiscal Year 2026 that reflected a conservative fiscal approach, in which material increases in spending were limited to areas over which the City had little or no legal discretion to reduce. In his budget address, the Mayor explained to the Council that increases in non-discretionary items, coupled with the retrenchment of the state's commitment to local aid since the 2008 financial crisis, warranted an especially cautious approach to spending. The proposed budget reflected a reduction in the number of positions in city government and achieved new efficiencies, while preserving core services.

On June 17, Councillors submitted proposed cuts to the budget that were withheld from the public and the administration. On the evening of June 23, the Council's annual "cut night", the Council revealed to the public and the Administration for the first time some 1,309 proposed cuts. The Council ultimately voted on 448 budget cuts, each requiring a roll-call of all 11 Councillors. The time necessary to vote on each measure in one night effectively foreclosed the possibility of meaningful deliberations, much less consultation with the Administration or the public about the real world implication of the cuts. In total, the Council reduced the budget by \$10.2 million across an array of items in the City's general fund and enterprise funds. Many of the cuts will render the City unable to satisfy certain of its legal obligations, including spending required by state law on the school department and employee healthcare, as well as on certain contracts, such as for network security and trash pickup.

"The CFO's office and our department heads worked hard to hold the line on spending, and provided the Council with the information it needed to make sound budgetary decisions," Mayor Mitchell said. "The Council is well aware of the pressures on the budget, especially the diminishment of state aid and the rising costs of pensions and employee healthcare. The Council chose not to adopt reasonable healthcare reforms that have long been in place in nearly every municipality in our region, which would have relieved pressure on taxpayers. Instead, they hastily voted on a raft of cuts with hardly any deliberation, which reduced spending in areas that the City is legally required to support, and in other areas that will result in the contraction of key services."

In light of the Council's actions, the Mitchell Administration will implement a series of austerity measures, and propose the restoration of spending in areas where the City might otherwise be forced to breach legal obligations.

Specifically, among other service reductions, Mayor Mitchell is announcing the following:

- A hiring freeze for non-public safety agencies for the first quarter of the fiscal year.
- The closure of the Casa da Saudade library.
- The reduction of operating hours at the Wilks and Lawler libraries.
- The elimination of the introduction of "Citibot" to enhance customer service at City Hall.
- Deferral of the city-wide census and certain capital maintenance projects at City Hall and the Waldron Barracks, along with sidewalk repairs.
- Reduction in grass cutting and other landscaping at city parks.
- Elimination of the van driver position in the Department of Veterans Services.
- The possibility of "browning out" fire stations as a result of the Council's cuts to overtime in the fire department.

The Council reduced the police department's budget by \$1 million and the snow removal budget by 33%. The administration will attempt to manage both of these reductions, as well as significant cuts in other departments.

Meanwhile, through supplemental budget requests to the Council, the Administration is proposing to restore funding in other areas to enable it to satisfy its legal obligations:

<u>Net school spending requirements:</u> To ensure that the City meets its obligation to fund the school department at the "foundational" level under state law, the Administration has

submitted a supplemental request of \$3.29 million. If the City falls short of the foundational funding level, the state will require it to add the shortfall to next year's budget.

<u>School transportation:</u> The Administration has requested funding to enable the School Department to make full payment on its school bus contracts.

Zeiterion Performing Arts Center: The Administration has submitted a supplemental request to fully fund the management contract with the Z, which the Council approved in 2024. After next year, when the Z is again fully operational, the payment will drop to \$395,000.

<u>Trash contract:</u> The Administration has requested restoration of funding for the city's refuse contract. Failure to do so will result in the elimination of important services such as bulky-item pickup, and inevitably lead to more illegal dumping in the City.

MIS software and network security contracts: Every aspect of municipal operations heavily relies on operating system software, and it is protected against the threat of cyber-attack by network security software. Like other enterprises, the software is subject to licensing agreements for a period of years, which must be funded.

The City Council is scheduled to meet later this month. The Administration will be prepared to answer its questions as it considers these proposals.