

Bureau Update

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NEWS & NOTES



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FY04 BUDGET NOTE

The Council is expected to reject the Mayor's budget without prejudice on June 11th. The Administration and Council will then have two weeks to negotiate changes and the Administration will re-submit its budget prior to the Council's scheduled June 25th vote.

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LIMITED RELIEF

On June 4th, the House approved a municipal relief package that addressed a few issues of interest to Boston but overall is limited in its benefits to cities and towns. More fundamental Civil Service reform and construction changes in filed sub-bid and prevailing wage requirements were missing from the bill. No local option taxes were included. Of interest to Boston are:

- Ability to set towing fees to state maximum
- Increase formal bid level from \$25,000 to \$100,000
- Eliminate Boston's 5% overlay requirement
- Provide for quarterly payment of jet fuel excise
- Authorize bi-weekly payrolls subject to negotiation
- Create an urban center housing tax increment financing plan to encourage housing construction

BUDGET BRIGHTENS

As the Bureau cited in its May 19th *Special Report*, Boston's FY04 budget appears brighter because the City may receive between \$60M - \$75M more in state aid than it budgeted in April. The House-Senate Conference Committee could make a budget recommendation near the midpoint of that range. Boston's final state aid will be determined when the Governor signs the budget into law, which is expected sooner than in past years. The final amount likely will produce a cut in local aid of approximately \$30M, the second consecutive year of local aid reductions.

The prospect of more local aid is good news but brings with it the responsibility of determining the right balance between restoring services and maintaining adequate reserves. New funds should be used to maintain school class size limits, pay step and lane salary increases and strategically restore positions in schools and central administration. The City also should consider adding a police class in FY04. Departmental efficiencies proposed in the Mayor's budget should be implemented regardless of the final state aid amount.

FUTURE URBAN RENEWAL?

Discussions about the City Council's oversight role in Boston's Urban Renewal program have resulted in an agreement between the BRA and the Council that the Council will be included in the approval process for the extension of 21 active Urban Renewal plans in the city. The state Department of Housing and Community Development (DHCD) also provides some oversight of this housing and economic development program, which began in 1949. The BRA assumed implementation authority for Urban Renewal in Boston via state legislation in 1957, and controls redevelopment under plans approved by the Council and DHCD mostly in the 1960s and 1970s. Though eight plans will expire by 2006, current laws and regulations do not clearly define the process for extending them. A mayoral task force developed draft options for codifying the extension process, and the BRA and DHCD agreed on an interim, short term extension mechanism for two Renewal Areas. Discussions between the BRA and the Council will continue in the coming weeks.

NEW FEES, NO PROCESS

Without an opportunity for the public to comment, the City Council increased the cost to get a marriage, death or birth certificate in Boston by 100%. Parking fines in no loading zones, bus stop zones, downtown Zone A and no stopping/standing zones in the City would also increase on average by 76%. Fines for "no parking" violations in the downtown area alone will increase from \$30.00 to \$55.00. All together, Boston is expecting to raise an additional \$3.1M in FY04 as a result of the increases in the 14 different fees and fines approved by the

City Council on April 30th. These increases will be enforced beginning July 1, 2003.

To be able to pay the cost of printing new tickets from the FY03 Transportation Department's budget, the Menino Administration convinced the Council to accelerate approval without a public hearing. Instead, the Council interrupted its regular weekly meeting to conduct a brief fact-finding session to receive testimony from only one representative of the Transportation Department. The fees

and fines increases were approved by the Council by an 8-3 vote, with two absent. The City Council should not approve any financial measure without first holding a legally noticed public hearing.

SELECT FEE/FINE CHANGES

- Intention of Marriage Certificate
Current \$25.00 ---- New \$50.00.
- No Parking, Zone A
Current \$30.00 ---- New \$55.00
- No Parking, Stopping/Standing
Current \$40.00 ---- New \$75.00

CITY SEVERANCE PAY

FYI

The Menino Administration's implementation of two early retirement incentive (ERI) programs, come with an added cost of severance payments owed to the departing employees. Severance payments for unused sick time are common in Boston's collective bargaining contracts. City employees receive 15 sick days per year that can be accumulated and later reimbursed at the then-current salary based on a percentage of accumulated days or maximum number of days depending on the bargaining contract. A smaller number of contracts also allow reimbursement for a capped number of vacation days. Some contracts allow the employees to buy back annually any of the first five sick days not taken.

These benefits add to the employee costs of city government as was demonstrated in October 2002 when 476 employees took advantage of the ERI program. The aggregate severance payments of \$1.9M for city employees and \$2.7M for school employees cut into the savings generated by the ERI. For example, the average severance payment for 6 employees from MIS was \$21,380 and the average for 15 from Parks was \$9,323.

Boston teachers also receive 15 days annual sick leave that can be accumulated yearly without limitation. Teachers who retire, resign or die after 10 years of teaching in the BPS will receive 40% of the accumulated sick days based on the current rate of pay. Payment is made to the estate if the teacher dies. In the 2001-2002 school year, 182 teachers retired and received an average total severance payment for unused sick days of \$36,239 paid over two years.

REDEPLOY SWORN FORCE



The Police and Fire Departments should proceed with plans to redeploy sworn personnel to more essential service areas in response to declining personnel totals. Both departments have experienced a reduction of sworn staff in recent years, primarily due to retirements. They should continue with plans to increase efficiency among their sworn staffs, regardless of whether additional funds are restored to their proposed FY04 budgets.

BFD should push ahead with its intention to eliminate two fire districts and to consolidate positions in the Marine and Fire Alarm units. BPD should pursue aggressively its proposal to redeploy 69 officers from administrative to patrol positions. The issue is currently on the bargaining table. If successful, the proposal will allow the department to hire civilians to perform administrative duties and to replenish the Bureau of Field Services with sworn staff currently in administrative positions.

Fire Department

Position	Jan.	May	Change	%
	2000	2003		
Firefighters	1,225	1,150	(75)	-6.1%
Superior Officers	364	388	24	6.6%
Total	1,589	1,538	(51)	-3.2%

Police Department

Position	Jan.	May	Change	%
	2000	2003		
Police Officers/ Detectives	1,837	1,704	(133)	-7.2%
Sergeants/ Sgt. Detectives	295	285	(10)	-3.4%
Other Superior Officers	113	109	(4)	-3.5%
Total	2,245	2,098	(147)	-6.5%