

June 2014

## Mayor's Revised FY15 Budget Mainly about Contract Costs

*\$29.5M allocated for FY15 police and firefighter contracts – two unions still not settled*

The most notable change in the revised FY15 \$2.7B City of Boston operating budget that Mayor Walsh resubmitted to the City Council on June 16 is the transfer of \$29.5M to pay the cost of the Superior Officers', Superior Detectives' and firefighters' contracts in FY15. These contracts had not been settled when the Mayor submitted his initial FY15 budget on April 9. Overall, the revised June 16 operating budget represents an increase of \$3.2 million over the April budget, which is due to [\\$627,013](#) in additional city appropriations and an increase of \$2.6M in charter school tuition [assessments](#). This added cost is funded by an increase in state aid of \$3.2M, mainly in charter school reimbursements.

The Bureau's April [City in Transition](#) report provides a more complete explanation of the city budget process and why the Mayor resubmits his budget in June.

The Mayor's April budget included a collective bargaining reserve of \$42.5M which is the source of the transfer of funds to the Police and Fire Department budgets to pay the \$29.5M in additional salary and other contract related costs. The remaining collective bargaining reserve balance is \$13M. Funds are needed for two union contracts. Also, the bus drivers have not settled and the City would pay any increase.

### Contracts Not Settled

The City of Boston negotiates with 40 public unions representing 17,821 employees, and has now settled with 38 of its unions through negotiations, or in the case of the Patrolmen's

Association, by arbitration. These are all six-year contracts that will expire in 2016 or 2017. The two remaining contracts are the Police Detectives and the Public Health Commission's EMTs.

The four settled public safety contracts are estimated to cost \$217.9M over six years. All other unions settled for salary increases of 12.3% over six years with reforms.

### Public Safety Contract Costs

\$ in Millions over 6 Years

Union	No. Mem. 6/26/14	Est. Cost	Salary %
Patrolmen	1,447	\$87.2	25.4%
Superior Officers	247	\$21.7	24.3%
Superior Detectives	126	\$13.3	26.1%
Detectives	280	NA	--
Police Total	2,100	\$122.2	--
Firefighters	1,478	\$95.7	18.8%
Grand Total	3,578	\$217.9	--

The Boston Police Detectives Benevolent Society represents approximately 275 Detectives whose contract expired on June 30, 2010. The City and the union have met 25 times and are now engaged in mediation.

The Public Health Commission's EMTs, a unit affiliated with the Boston Police Patrolmen's Association, consists of 325 members whose contract expired on June 30, 2011. The PHC and union met in 14 sessions and are currently in mediation.