

## Boston Ends 2006 With Surplus

*Conservative revenue estimates offset overtime spending*

The City of Boston ended FY06 with a \$13.9M General Fund surplus. Total receipts exceeded the revenue budget by \$42.1M which drove this surplus. The extra revenue covered actual spending that was \$28.3M over budget. The surplus represents 0.7% of total city spending. The surplus will become part of the free cash calculation for future use.

### FY06 General Fund Financial Summary Figures in millions

	Budget	Actual	Change
Revenues	\$2,062.12	\$2,104.25	\$42.13
Expenditures	\$2,062.12	\$2,090.39	(\$28.27)
Surplus		\$13.86	

### Expenses:

In FY06, city spending of \$2.090B exceeded the budget by \$28.3M. The Fire and Police Departments accounted for almost 80% of the excess spending. The Fire Department spent \$12.5M primarily for overtime costs and spending for permanent employees. The Police Department's overtime costs alone are the primary driver of its \$9.8M deficit. In FY05, the Police Department ended the year in a similar situation, having in previous years made adjustments to offset overtime deficits.

### Income:

Revenues totaled \$2.104B in FY06, \$42.1M more than budgeted. A little over 80% of this revenue surplus came from three revenue sources: (1) Payments-in-lieu of taxes (PILOTS), (2) motor vehicle excise taxes

(MVE) and (3) building permits. Delayed and one-time receipts contributed to the MVE and PILOTS totals respectively. These surpluses combined with other growth areas allowed the City to forego using almost \$32M in budgeted revenues. This includes \$13.3M in available fund balance revenues, \$9.3M in surplus property funds and \$9M in parking meter money that the City originally intended to use. Fund balance revenue (free cash) is treated as a non-recurring source and reducing its use for operating expenses is prudent.

### Select Revenue Account Surplus Figures in millions

	Budget	Actual	Surplus
MVE	\$38.60	\$50.20	\$11.60
Other Excise			
Taxes	66.90	76.03	9.13
State Revenues	546.16	549.78	3.61
PILOTS	46.81	60.58	13.77
Building Permits	17.00	26.25	9.25
Investment			
Income	22.81	30.05	7.24
Parking Fines	61.30	63.99	2.69

### Select Spending Account Deficits Figures in millions

	Budget	Actual	Deficits
Police	\$235.46	\$245.22	(\$9.77)
Fire	148.01	160.52	(12.51)
Snow removal	10.60	11.93	(1.34)
Court Settlements	3.50	10.50	(7.00)

Source: City of Boston Financial Reports