

February 2015

Boston's Snow Removal Costs 2X the Budget

Spending beyond appropriation shows the value of conservative revenue estimates

Due to the record snowfall in January and February, the City has already spent over \$40M on snow removal, which is \$21.5M or 116% over budget. As explained in the Research Bureau's [A City in Transition](#) report, snow removal costs, Police and Fire Department spending for emergency situations, and Execution of Court expenses from court decisions are legally allowed to exceed their appropriations, but the excess spending still needs to be paid from city resources after application of any reimbursement from other sources.

Snow Budget

The FY15 snow removal budget is based on the average expenditures of the past five fiscal years, excluding FY12 a year which saw record low snowfall and snow removal costs. Due to the unpredictable nature of snow, both deficits and surpluses occur.

In the fourteen years since fiscal 2002, actual expenditures for snow removal have exceeded the budget eight times. This is not the first time the City has faced significant overruns in snow removal costs. In fiscal 2005, the snow removal budget was \$7.7M but the City actually spent \$22M that year due to a particularly snowy winter. To cover costs this year, the City will seek reimbursement from FEMA, take advantage of any state reimbursement program and use excess city revenue for any remaining expenses.

Deficit Spending

The City has ended each year since fiscal 1986 with operating surpluses. However, Boston's total operating expenditures have exceeded total authorized spending in four of the last five fiscal years. As a result of the City's practice of conservatively estimating revenue in preparing the budget, the City has been able to cover these additional costs and still end the year with an operating surplus. This practice has also been necessary to cover spending beyond authorization on overtime in the Police and Fire Departments, and Execution of Courts. The experience of this year serves to reinforce the importance of building the FY16 budget using conservative revenue estimates.

Boston Snow Removal Budget vs. Actual
FY10-FY15

	Snow Budget	Snow Actual	Over (Under) Budget	%
FY10	\$15,438,696	\$11,967,496	(\$3,471,200)	-22.5%
FY11	\$15,943,706	\$21,461,489	\$5,517,783	34.6%
FY12	\$17,059,444	\$5,366,278	(\$11,693,166)	-68.5%
FY13	\$17,843,045	\$19,130,202	\$1,287,157	7.2%
FY14	\$18,510,608	\$23,100,164	\$4,589,556	24.8%
FY15 *	\$18,510,608	\$40,000,000+	\$21,489,392	116.1%

* Expenditures to date.