

Boston Ends FY16 with a \$1.9M Surplus

Revenues \$25.9M over budget, spending exceeded appropriations by \$24.0M

The City of Boston ended FY16 with a \$1.9M General Fund operating surplus, smaller than the \$7.4M surplus in FY15. The surplus is due to the fact that actual receipts exceeded budgeted revenues by \$25.9M, which was greater than the \$24.0M that actual spending exceeded final appropriations. The General Fund surplus represents 0.07% of city spending totaling \$2.88B.

FY16 General Fund Summary

Figures in Millions

	Budget	Actual	Variance
Revenues	\$2,857.1	\$2,883.0	\$25.9
Expenditures	\$2,857.1	\$2,881.1	(\$24.0)
Surplus		\$1.9	

Expenditures

The \$24M in spending over appropriations is driven by public safety overtime and legal claims. Police and Fire Department overtime costs contributed to a combined departmental deficit of \$19.5M. In the FY17 budget, the City increased the Police and Fire overtime budgets and expects both to manage spending within their budgets which would be a savings over FY16 actuals. Additionally, court judgments and legal claims paid by the City exceeded its budget by \$7.0M in FY16. A mild winter kept snow removal costs within budget in FY16.

FY16 Select Spending Accounts

Figures in millions

	Budget	Actual	Variance
Police	\$332.5	\$348.9	(\$16.3)
Fire	\$213.7	\$216.9	(\$3.2)
Judgments & Claims	\$3.5	\$10.5	(\$7.0)
Snow Removal	\$14.8	\$14.8	\$0.0

Revenues

The City's prudent practice of conservatively estimating its revenues once again produced a revenue surplus at year end. Actual receipts of \$2.883B in FY16 were \$25.9M over budget estimates. The excise revenue surplus of \$44.5M included motor vehicle, room occupancy, meals, aircraft fuel, and other small accounts. Building permit receipts were \$19.3M or 58.4% over budget. State aid was \$2.5M less than expected due mainly to the state only funding the charter tuition reimbursement at 56.9% of its full obligation.

FY16 Select Revenue Accounts

Figures in millions

	Budget	Actual	Variance
Property Tax	\$1,923.4	\$1,925.0	\$1.6
State Aid	\$424.0	\$421.6	(\$2.5)
Excise Receipts	\$179.4	\$223.8	\$44.5
PILOTS*	\$91.7	\$99.3	\$7.7
Building Permits	\$33.0	\$52.3	\$19.3
Free Cash	\$40.0	\$0.0	(\$40.0)
Parking Meter Fund	\$20.5	\$0.0	(\$20.5)

*includes PILOT program, Massport PILOT and 121A payments

For the fifth year in a row, the revenue surplus allowed the City to forego using revenues initially budgeted for operations. The City did not use \$40M in free cash, \$20.5M from the Parking Meter Fund and \$1M in Cemetery Trust Funds. From approved appropriations for other purposes, the City was also able to transfer \$12M to the Boston Retirement System at year-end to help mitigate its investment loss in 2015.