

Boston Ends Fiscal 2010 With A Small Surplus

Actual revenues over budget exceed spending over appropriations to generate \$9.1M surplus

The City of Boston ended FY10 with a \$9.1M General Fund surplus which represents 0.4% of the \$2.3B in spending. That compares with operating surpluses of \$4.1M in FY09, \$15.8M in FY08 and \$15.2M in FY07. Revenues coming in at \$22.7M more than anticipated was the primary driver of the FY10 surplus. The FY10 financials also reflect the transfer of teacher pensions assets from the State Boston Retirement Board (SBRB) to the state PRIT fund for investment. The change resulted in Boston's expenses being reduced by \$126.4M and its revenues decreasing by \$126.9M for a net impact of \$500,000.

Income

General Fund revenues totaled \$2.303B in FY10, \$22.7M more than budgeted once adjustments are made for the teacher pension transfer. The table below depicts the drivers of this revenue surplus.

Revenue Surplus Select Accounts FY10

Figures in millions

Accounts	Budget	Actual	Surplus
Property Tax	\$1,429.3	\$1,440.2	\$10.9
Motor Vehicle Excise	\$36.0	\$40.1	\$4.1
Hotel Excise	\$23.0	\$30.0	\$7.0
Meals Excise	\$4.4	\$10.0	\$5.6
Medicaid Reimb.	\$14.0	\$18.7	\$4.7

The property tax and state aid remain Boston's largest revenue sources, accounting for 80% of FY10 revenues.

Spending

In FY10, city spending totaled \$2.294B or \$13.1M more than expected (after teacher pension adjustments). While most accounts came in under budget, two accounts surpassed budget levels:

Police (\$11.5M) and Court Settlements (\$12.5M). Accounts posting the largest surplus include: snow removal (\$3.5M), charter school sending tuitions (\$4M), Public Works (\$587,746) and Fire (\$568,834). The School Department also ended the year with a \$52,187 surplus.

Public Safety Snapshot

In recent years, public safety overtime costs have routinely exceeded budget levels causing departmental spending to incur operating deficits. Progress in controlling overtime costs has been made over the prior three years by both Police and Fire Departments. The chart below shows the history of these departments and the opposite outcomes in FY10. Police spending reflects increased overtime due to the departure of 103 police officers (44 patrolmen) in 2010 and contract delay in reducing the City's Quinn Bill costs after the state slashed its 50% share.

Boston Police & Fire Surplus/(Deficits)

