

October 2017

Boston Ends FY17 with a \$6.7M Surplus

Results due to conservative revenue estimates and expenditure control

The City of Boston ended FY17 with a \$6.7M General Fund operating surplus, larger than the \$1.9M surplus in FY16. The General Fund surplus represents 0.22% of city spending totaling \$2.99B. Contributing to the surplus were the budget's conservative revenue estimates and ongoing control over spending for permanent employees. One result of these two factors was that not all revenue sources planned in the adopted FY17 budget needed to be utilized.

FY17 General Fund Summary

| | Figures in Millions | | |
|--------------|---------------------|-----------|----------|
| | Budget | Actual | Variance |
| Revenues | \$2,997.4 | \$2,996.8 | (\$0.6) |
| Expenditures | \$2,997.4 | \$2,990.1 | \$7.3 |
| Surplus | | \$6.7 | |

Expenditures

Notable in the expenditure results in FY17 is that the main causes of overspending in FY16 are not factors in FY17. The combined Police and Fire Department budgets ended FY16 with a \$19.5M deficit, but a \$1.7M surplus in FY17. Spending for Court Judgements and Claims against the City generated a \$7.0M deficit in FY16, but a \$1.8M surplus in FY17.

Police and fire overtime costs exceeded appropriations in FY16 by \$25.2M, but in FY17 the deficit was \$3.8M. The overtime budgets were increased in FY17 for police (+49%) and fire (+21%) and at year-end, the Police Department ended with an overtime deficit of \$4.7M, but the Fire Department finished with a surplus of \$844,093.

FY17 Select Spending Accounts

| | Figures in Millions | | |
|---------------------|---------------------|-----------|----------|
| | Budget | Actual | Variance |
| School | \$1,031.7 | \$1,031.6 | \$0.05 |
| Police | \$364.3 | \$364.6 | (\$0.3) |
| Fire | \$221.0 | \$219.1 | \$2.0 |
| Judgements & Claims | \$5.0 | \$3.2 | \$1.8 |
| Snow Removal | \$22.6 | \$24.9 | (\$2.3) |

Revenues

The conservative revenue estimates used to build the City's FY17 operating budget is evident by the fact that at year-end four revenue categories reported surpluses from \$11M to \$18M. Building permits produced the largest surplus of \$17.9M or 40.6% over budget estimates.

FY17 Select Revenue Accounts

| | Figures in Millions | | |
|-------------------|---------------------|-----------|----------|
| | Budget | Actual | Variance |
| Property Tax | \$2,047.9 | \$2,053.4 | \$5.5 |
| State Aid | \$429.9 | \$424.9 | (\$4.9) |
| Other Excise Rev. | \$145.8 | \$157.4 | \$11.6 |
| Motor Vehicle Ex. | \$53.0 | \$52.1 | (\$0.9) |
| In Lieu/Taxes | \$65.5 | \$82.1 | \$16.7 |
| Dep't/Other Rev. | \$64.1 | \$77.1 | \$13.0 |
| Building Permits | \$44.1 | \$62.0 | \$17.9 |

These surpluses in FY17 allowed the City to forego using [revenues](#) totaling \$67.5M initially budgeted for operations. Free cash of \$40M was not used to fund the OPEB Trust Fund.