

A Vision for Boston: Questions for the 2009 Mayoral Candidates

DAY 16: WRAP-UP

Over the last four weeks, the Research Bureau and Pioneer Institute have issued sixteen briefs (as of today) outlining many of the issues Boston's next mayor will need to confront. However, his single biggest challenge will be how he manages the City through the next two years as it likely faces reductions in operating revenue or, at best, limited growth. His success will directly affect his ability to address the other issues we have raised.

In fiscal 2009, Boston absorbed a \$23 million mid-year cut in state aid and an additional reduction of \$71 million in state aid for 2010. Consequently, the City's 2010 budget shrank by 1.1%. A 3%+ growth in mandatory and employee benefit costs contributed to a cut of \$54 million, or 3%, in departmental spending and a 4% decrease in the City's workforce.



The financial challenges Boston faces go beyond one year, however. More local aid cuts are possible again this year and fiscal 2011 could be as difficult as 2010. Most of the City's collective bargaining contracts will expire on June 30, 2010 and, if new contracts are negotiated, they will increase costs significantly. Of some benefit will be a full year's collection of the additional 2% hotel excise and the new 0.75% meals taxes, estimated together at \$26 million. Nevertheless, hard budget choices will be required.

In light of these fiscal realities, the final questions we have for the candidates are these:

What steps will you take to ensure continued delivery of basic services within a balanced 2011 budget? What choices will you make to achieve greater operational savings? How will you apply revenues from the higher hotel room excise and new meals taxes?

This series, <u>A Vision for Boston, Questions for the 2009 Mayoral Candidates</u>, focused on topics from public safety to personnel expenses to payments-in-lieu-of-taxes to charter schools. Its purpose was to encourage discussion of pertinent issues.

We have asked the questions and the four candidates for Mayor will respond. The Boston Globe will post the candidates' answers to selected questions on boston.com starting Monday, September 14. Following the Globe series, all questions and answers will be posted on the Research Bureau and Pioneer Institute websites. We hope you have found the issue briefs informative and that these questions and the candidates' answers will help you decide who should be the next Mayor of Boston.

Contact: Elaine Beattie at 617-227-1900 or ebeattie@bmrb.org - www.bmrb.org

Liam Day at 617-723-2277 ext. 203, 617-721-1341 or lday@pioneerinstitute.org