Bureau Update



July 2013

City Approves \$2.6 Billion Operating Budget for Fiscal 2014

Change from original April submission decreases by \$4.2 million

On June 26, the Boston City Council approved the City's FY14 operating budget of \$2.6B which is an increase of \$134.5M or 5.4% from the prior year. However, the compared to Mayor's original submission in April, the final budget represents a decrease of \$4.2M or 0.2%. A decrease in the estimated state charter tuition reimbursement and decreased state assessments for charter tuitions and the MBTA are the primary reasons for the overall budget reduction.

The Mayor's recommended budget starting on July 1 is submitted to the City Council based on estimates made in March or early April so the City Council normally rejects the first submission in June, enabling the Mayor to submit an updated budget with revisions made to revenue and expenditure numbers. The House and Senate budgets for the next fiscal year are not approved when the Mayor first submits his recommended budget.

Budget Adjustments

Account	Change	
Revenues		
Property Tax	\$0	
State Aid	(7,534,638)	
Aircraft Excise	3,300,000	
All Other	54,209	
Total	(\$4,180,429)	
Expenditures		
Departmental Spending	\$642,005	
Pensions	45,508	
State Assessments	(4,867,942)	

Collective Bargaining

The biggest change for most departments in the final budget is the allocation of additional funds to support salary increases due to negotiated employee contracts. A total of \$5.7M was allocated departmental budgets from a budget reserve of \$40.1M. The reserve balance of \$34.4M is available for contracts not yet settled. Such contracts include the four police contracts now in some stage of the arbitration process and the firefighters' contract still being negotiated. Together, these five unions represent approximately 3,600 employees.

New Spending

Beyond the increases for contract salaries, four departments received budget increases in the final budget for additional employees, equipment, or services totaling \$642,005.

New Spending

Department	Amount	Purpose of Increase
Boston Resident		New Monitoring
Job Policy	\$55,910	Position
Fire Department	359,115	Breathing Equipment; Bunker Gear Cleaning
Parks and Recreation	50,000	Support Ranger Program
		Implement Building Energy Reporting Ordinance; One Position and Non-
Environment	176,980	Personnel Costs
Totalı	¢642.005	

Total: \$642,005