



CITY OF BOSTON • MASSACHUSETTS

OFFICE OF THE MAYOR
THOMAS M. MENINO

June 19, 2009

TO THE CITY COUNCIL

Dear Councilors:

I retransmit herewith my Fiscal Year 2010 Recommended Budget for the City of Boston. The Recommended Operating Budget totaling \$2.4 billion is \$26.3 million, or 1.1%, less than the Fiscal Year 2009 Budget. This represents the first time in over 15 years that the City's operating budget is lower than the previous year.

The FY10 budget development process was one of the most challenging of the past few decades. All major revenue accounts, with the exception of property tax, are projected to decline significantly in FY10. As the Commonwealth of Massachusetts struggles with its own revenue challenges, State Aid to the City of Boston will decline sharply in FY10. In the months following the Governor's budget presentation in January, state receipts have fallen precipitously as the economy nationwide has continued to weaken.

While the Commonwealth's budget process is not yet complete, the City has used a prudent estimate of a loss of approximately \$95 million in net State Aid for FY10 – an additional loss of \$32 million from the estimates used in the City's initial budget submitted in April. This decrease in net State Aid of more than 25% from FY09 levels is unprecedented. The City remains hopeful that local option taxes, such as meals and hotel excise taxes may offer an opportunity to mitigate a portion of the losses in State Aid. However, it is important to note that no municipality will realize the full-year value of any new local option taxes in FY10 given that the new fiscal year is less than two weeks away.

The strategies outlined in the City's initial budget recommendation of April 8, 2009, reflect the hard work of all of the City's departments to meet the challenge of balancing the budget in the context of sharply declining State Aid and other revenue sources, in combination with increasing fixed costs. In addition to departmental strategies to adjust to the reduction in resources, the City's FY10 budget plan benefits greatly from the shared sacrifice made by the employees of the 22 unions that have agreed to delay their FY10 wage increases.

This resubmission includes critical adjustments to that plan in order to accommodate the further reduction in State Aid, while also preserving core services and preventing further job loss. These adjustments include both revenue and expenditure changes that combine for a balanced budget. Anticipating weakened revenue projections for this and subsequent fiscal years, the City will

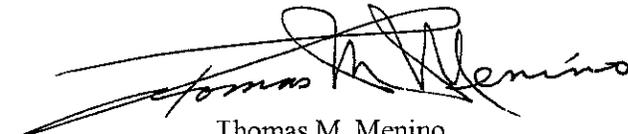
prudently allocate \$45 million, just over one-third, of its spendable reserves in FY10, an increase of \$5 million from our initial budget plan. Our approach to the use of reserves will help to ensure that core city services are sustainable in the difficult years ahead. The City will also make a one-time application of an additional \$3 million from the Parking Meter Fund.

On the expenditure side, the City will reduce non-personnel spending from that which was originally planned in April and defer investments in equipment and vehicles. Other reductions will include capturing further savings from personnel attrition throughout the year. Additionally, while the City will continue to honor its commitment to support its portion of the Quinn education award, we are anticipating a significant reduction in the Commonwealth's share, reflected in this resubmission.

I wish to thank the City Council and the Ways and Means Committee for the time you have committed to understanding and evaluating the evolving economic environment in which the City currently finds itself. Over the past two months, your thoughtful and thorough budget review process has allowed departments to articulate the challenges they face and the strategies they hope to implement to mitigate the effects of those challenges on services to the people of Boston. This has been an extremely difficult year for budget development, but I remain confident that our cooperative efforts have resulted in a budget plan that addresses the most critical issues for our City's future.

The recommended budget for Fiscal Year 2010 is soundly balanced within the City's available resources. I respectfully request your favorable action on the FY10 Operating Budget and the Five Year Capital Plan for FY10 to FY14

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Menino", with a large, sweeping flourish extending from the end of the name.

Thomas M. Menino
Mayor of Boston

**CITY OF BOSTON
IN CITY COUNCIL**

**Appropriation and Tax Order for the fiscal year
Commencing July 1, 2009 and ending June 30, 2010**

ORDERED:

I. That to meet the current expenses of the City of Boston, in the fiscal year commencing July 1, 2009 and ending June 30, 2010, the respective sums of money specified in the schedules hereinafter set out, be, and the same hereby are, appropriated for expenditure under the direction of the respective boards and officers severally specified, for the several specific purposes hereinafter designated and, except for transfers lawfully made, for such purposes only said appropriations, to the extent they are for the maintenance and operation of parking meters, and the regulation of parking and other activities incident thereto (which is hereby determined to be \$15,000,000), being made out of the income from parking meters and, to the extent they are for other purposes, being made out of the proceeds from the sale of tax title possessions and receipts from tax title redemptions in addition to the total real and personal property taxes of prior years collected from July 1, 2008 up to and including March 31, 2009, as certified by the City Auditor under Section 23 of Chapter 59 of the General Laws, and out of available funds on hand, (which is hereby determined to be \$45,000,000) as certified by the Director of Accounts under said Section 23, and the proceeds from the sale of surplus property to be transferred in an amount not to exceed \$5,979,000 pursuant to the provisions of Section 24 of Chapter 190 of the Acts of 1982 as amended by Section 4 of Chapter 701 of the Acts of 1986, and the balance of said appropriations to be raised by taxation pursuant to Section 23 of Chapter 59 of the General Laws:

CITY DEPARTMENTS	Personnel Services	Contractual Services	Supplies & Materials	Current Charges & Obligations	Equipment	Special Appropriation	Structures & Improvements	Non-Structural Improvement	Land	Total
Mayor's Office										
111 Mayor's Office	1,955,715	129,235	29,329	6,200	5,988	0	0	0	0	2,126,467
113 Office of New Bostonians	317,460	15,106	1,735	100	0	0	0	0	0	334,401
150 Intergovernmental Relations	649,394	174,750	5,034	188,302	0	0	0	0	0	1,017,480
151 Law Department	3,146,107	2,176,257	21,176	110,000	17,920	0	0	0	0	5,471,460
231 Office of Emergency Preparedness	216,202	102,752	3,577	5,800	0	0	0	0	0	328,331
411 Public Information	1,026,310	47,615	9,102	29,713	38,570	0	0	0	0	1,151,310
412 Neighborhood Services	1,217,956	53,427	8,300	450	0	0	0	0	0	1,280,133
Administration & Finance										
144 Office of Administration & Finance	744,646	99,750	2,000	400	0	0	0	0	0	846,796
131 Auditing Department	2,151,496	75,500	12,900	5,217	12,328	0	0	0	0	2,257,441
136 Assessing Department	5,555,438	512,896	53,823	92,300	8,546	0	0	0	0	6,223,003
141 Budget Management	1,681,737	856,790	6,600	185,350	0	0	0	0	0	2,730,477
333 Execution of Courts	0	0	0	0	0	3,500,000	0	0	0	3,500,000
145 Graphic Arts Department	958,111	193,898	8,050	3,500	52,066	61,000	0	0	0	1,276,625
148 Health Insurance	0	0	0	196,076,530	0	0	0	0	0	196,076,530
142 Human Resources	2,999,904	69,850	25,225	114,271	8,454	0	0	0	0	3,217,704
147 Labor Relations	739,136	588,810	4,978	27,190	0	0	0	0	0	1,360,114
110 Library Department	20,274,032	6,587,476	2,619,527	208,657	0	0	0	25,000	0	29,714,692
139 Medicare Payments	6,595,000	0	0	0	0	0	0	0	0	6,595,000
374 Pensions & Annuities - City	4,100,000	0	0	0	0	0	0	0	0	4,100,000
749 Pensions & Annuities - County	100,000	0	0	0	0	0	0	0	0	100,000
143 Purchasing Division	1,155,275	60,461	10,200	1,962	2,493	0	0	0	0	1,230,391
163 Registry Division	919,128	39,800	14,314	1,050	0	0	0	0	0	974,292
137,138 Treasury Department	2,840,548	210,955	517,900	17,300	0	0	0	0	0	3,586,703
199 Unemployment Compensation	50,000	0	0	0	0	0	0	0	0	50,000
341 Workers' Compensation Fund	0	0	0	0	0	1,900,000	0	0	0	1,900,000
Chief Information Officer										
149 Management & Information Services	9,441,863	4,611,264	78,575	3,965,713	372,588	0	0	0	0	18,470,003
Public Safety										
221 Fire Department	142,129,983	5,045,863	3,010,271	2,582,933	950,473	0	0	0	0	153,719,523
211 Police Department	242,671,521	12,439,619	7,578,985	4,333,095	3,851,725	0	0	0	0	270,874,945
Economic Development										
156 Small/Local Business	593,508	8,650	1,500	750	0	0	0	0	0	604,408
157 Boston Residents Job Policy	443,777	1,500	1,500	0	0	0	0	0	0	446,777
Public Property										
416 Arts, Tourism & Special Events	1,050,706	336,393	12,508	4,165	5,460	189,580	0	0	0	1,598,812
114 Consumer Affairs & Licensing	416,889	24,030	7,969	1,125	0	0	0	0	0	450,013
121,128 Department of Voter Mobilization	2,278,816	524,871	338,706	47,170	16,179	0	0	0	0	3,205,742
300 Parks & Recreation Department	8,534,576	2,841,763	652,188	349,138	161,516	75,000	0	400,000	0	13,014,181
180 Property & Construction Mgmt	10,863,751	7,698,342	659,443	47,778	124,753	0	0	0	0	19,394,067

CITY DEPARTMENTS	Personnel Services	Contractual Services	Supplies & Materials	Current Charges & Obligations	Equipment	Special Appropriation	Structures & Improvements	Non-Structural Improvement	Land	Total
Public Works & Transportation										
251,253 Transportation Department	19,550,132	8,382,917	1,191,913	141,637	1,558,152	0	0	0	0	30,824,751
310 Chief of Public Works & Transportation	1,458,460	10,800	13,694	0	9,334	0	0	0	0	1,492,288
311 Public Works Department	18,071,132	61,885,772	1,222,688	302,464	401,151	0	200,000	0	0	82,083,207
321 Central Fleet Maintenance	1,568,813	181,351	203,200	27,027	20,863	0	0	0	0	2,001,254
331 Snow Removal	0	15,737,362	0	0	206,344	0	0	0	0	15,943,706
Environment and Energy										
303 Environment Department	1,110,560	196,612	10,767	1,240	1,869	0	0	0	0	1,321,048
260 Inspectional Services Dept	13,249,586	1,199,834	164,792	844,409	209,504	0	0	0	0	15,668,125
Human Services										
385 Boston Centers for Youth & Families	18,468,451	3,035,631	97,329	45,873	11,945	0	0	0	0	21,659,229
387 Elderly Commission	2,611,352	154,585	78,677	4,062	0	0	0	0	0	2,848,676
403 Civil Rights	289,115	28,020	1,000	0	0	0	0	0	0	318,135
406 Emergency Shelter Commission	256,332	293,471	2,259	1,000	0	0	0	0	0	553,062
417 Women's Commission	154,875	3,525	700	0	0	0	0	0	0	159,100
448 Youth Fund	237,123	15,280	42,540	3,680	0	4,339,750	0	0	0	4,638,373
741 Veterans Services Department	928,444	68,927	24,337	3,254,330	0	0	0	0	0	4,276,038
Public Health										
620 Public Health Commission	0	0	0	0	0	70,000,000	0	0	0	70,000,000
Housing & Neighborhood Development										
188 Neighborhood Development	2,332,763	866,714	49,197	28,080	1,190	0	0	0	0	3,277,944
189 Affordable Housing-Leading the Way	0	4,979,000	0	0	0	0	0	0	0	4,979,000
Non-Mayoral Departments										
112 City Council	4,308,073	169,500	29,750	15,800	15,000	0	0	0	0	4,538,123
161 City Clerk	917,227	38,192	10,195	7,650	5,284	0	0	0	0	978,548
193 Finance Commission	188,586	5,450	575	1,675	700	0	0	0	0	196,986
252 Licensing Board	652,570	45,550	8,900	11,700	0	0	0	0	0	718,720
Other										
158 Risk Retention Reserve	0	0	0	0	0	1,000,000	0	0	0	1,000,000
159 Housing Trust Fund	0	0	0	0	0	330,000	0	0	0	330,000
199 Reserve for Collective Bargaining	16,863,000	0	0	0	0	0	0	0	0	16,863,000
TOTAL	581,035,579	142,826,116	18,847,928	213,096,786	8,070,395	81,395,330	200,000	425,000	1,045,897,134	

**CITY OF BOSTON
IN CITY COUNCIL**

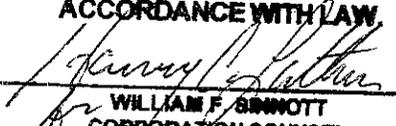
FURTHER ORDERED:

II. That to meet so much of the expenses of maintaining, improving and embellishing in the fiscal period commencing July 1, 2009 and ending June 30, 2010, cemeteries owned by the City of Boston, or in its charge, as is not met by the income of deposits for perpetual care on hand December 31, 2008, the respective sum of money specified in the subjoined schedule be, and the same hereby is, appropriated out of the fund set up under Chapter 13 of the Acts of 1961 the same to be expended under the direction of the Commissioner of Parks and Recreation:

400100

Cemetery Division
Parks and Recreation Department
\$2,079,153

**I HEREBY CERTIFY THAT
THE FOREGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW**



**WILLIAM F. BENNETT
CORPORATION COUNSEL**