



Operating & Capital Budget FY18

The BPDA plans and guides inclusive growth in our city - creating opportunities for everyone to live, work and connect. Through our future-focused, city-wide lens, we engage communities, implement new solutions, partner for greater impact and track progress.

The Boston Planning & Development Agency (BPDA)

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Information

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Introduction

The Boston Planning and Development Agency (BPDA), formally known as the Boston Redevelopment Authority (BRA) prior to a 2016 reorganization, is made up of five business units that interact through what is referred to as Related Parties Transactions. The units are comprised of three major entities; the Boston Redevelopment Authority (BRA); the Economic Development and Industrial Corporation (EDIC), which includes the Mayor's Office of Workforce Development (OWD), and the Boston Industrial Development Finance Agency (BIDFA). There are also two associated 501c(3) non-profit entities; the Boston Local Development Corporation (BLDC) and Friends of Youth Opportunity Boston (FYOB). WriteBoston, Inc., a third 501c(3), will leave the BPDA and function as an autonomous entity in FY18.

The BPDA plays a far reaching role in shaping the city. As a self-sustaining agency, a deep love for Boston inspires staff to make this city a better place to live, work, and connect. By guiding physical, social and economic change in Boston's neighborhoods and its downtown, the BPDA seeks to shape a more prosperous, resilient, and vibrant city for all.

The BPDA is charged with growing the City's tax base, cultivating the private jobs market, training the workforce, encouraging new businesses to relocate in Boston and existing businesses to expand, planning the future of neighborhoods with the community. The BPDA is responsible for identifying height and density limits, charting the course for sustainable development and resilient building construction, advocating for multimodal transpor-

tation, responding to the city's changing population, producing insightful research on our city, and ensuring Boston retains its distinctive character.

BPDA Goals & Objectives

Engage Communities: The BPDA engages the people, businesses and communities of Boston as well as it's own employees. The BPDA must design new forums and communication tools that enable people to participate in ways that are natural and convenient.

Implement New Solutions: To be a leader in planning and to solve many of the challenges that 21st century cities face, the BPDA leverages expertise, taps into Boston's innovative spirit, and captures inspiration from around the world. The BPDA identifies new approaches and collaborate with partners to implement new solutions that positively impact the people of Boston.

Partner for Greater Impact: The BPDA has ambitious goals for the future of the city, but cannot achieve them alone. The BPDA works with each partner in the most appropriate way, in order to amplify all efforts, making the sum truly greater than its individual parts. In the end, the collective efforts of many entities helps shape the future of Boston.

Track Progress: To build trust externally and confidence internally, the BPDA tracks progress and impact. With the right measures the BPDA uses appropriate tools to make tracking simple, and translates the results into relatable benefits.

FY17 Key BPDA Accomplishments

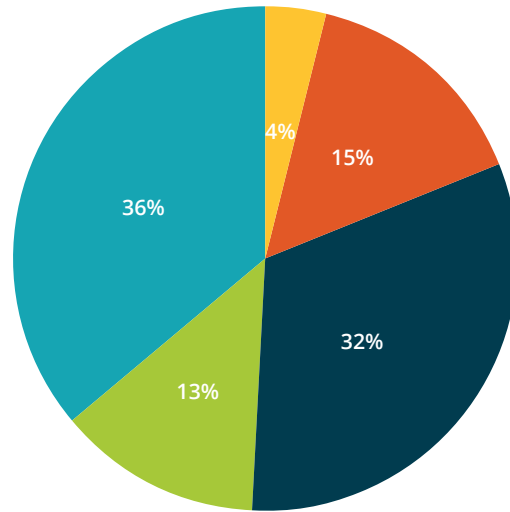
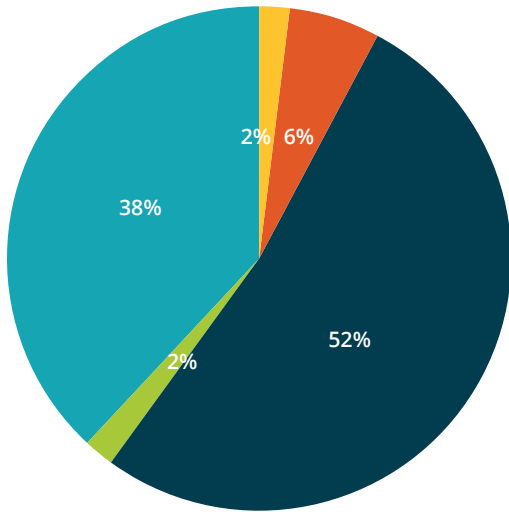
- BPDA Board of Directors approved nearly \$7.87 billion worth of development in Boston, representing over 14.7 million square feet.
- 7,686 residential units were approved by the BPDA Board of Directors, of which 1,661 are affordable.
- 12,568 construction jobs and 7,239 direct jobs have been created as a result of projects approved by the BPDA in 2016.
- Urban renewal extensions were approved by the State's Department of Housing and Community Development.
- Planning guidelines for the Dorchester Avenue in South Boston and the Washington Street Corridor of Jamaica Plain and Roxbury were approved. Similar planning studies are underway with the communities of Dudley Square and Glover's Corner in Dorchester.
- OWD launched Mayor Walsh's Tuition-Free Community College program for Boston Public School graduates – the first participants included 17 students from Madison Park High School, which were 77 percent female and had an average household income of \$19,860.
- Using the standardized application process for the disbursement of community benefits funds, the BPDA released \$400,000 to non-profits and community groups citywide.
- Salesforce, a new software platform, replaced several legacy systems that have historically been kept and maintained separately.
- BPDA completed its 10-year Capital Improvement Plan and Capital Budget, which will identify and prioritize needed long term investments in infrastructure projects to support future economic growth in the Raymond L. Flynn Marine Park (RLFMP), the Charlestown Navy Yard (CNY), Long Wharf, the China Trade building, and the BPDA's other physical assets.
- Increased staff in the Planning Department to better meet the mission and vision of the BPDA.

FY17 Key Improvements to BPDA Financial and Budget Practices

The Administration and Finance team continues to make progress in their efforts to define BPDA physical asset needs, seek strategic investments for recurring revenue growth, and develop and implement plans to reduce long-term liabilities. Below are some of the changes made to better manage the BPDA's finances into the future:

- The Accounting team was reorganized and the size of the team increased to support deeper analysis and detailed reporting of financial data.
- The Budget and Accounts Payable team was created to link expenses and budgets, sustain procurement improvements and to provide support to department managers.
- Special focus has been placed on compliance with state procurement laws. Key personnel from BPDA departments were sent to procurement training at the State's Inspector General's Office.
- The Budget and Accounts Payable team has collaborated with the Management Information Systems (MIS) team to improve and replace the existing requisition and purchase order system.
- The BPDA's accounting system has been redesigned to enhance accounting continuity and to utilize an integrated budget module.
- In collaboration with the Compliance Department and OWD, improvements were made to the Article 80 Mitigation and Community Benefits process to allow for quicker distribution of funds to the community and better tracking internally.
- Additional funds have been collected through the Fiscal Compliance Unit by reviewing and enforcing lease requirements and implementing software solutions.
- A funding schedule was established for certain retirement obligations. Those funds were invested in a trust fund and have since earned

Revenue vs. Expenses



substantial returns that will help reduce the overall liability.

- The debt on the RLFMP parking garage was refinanced to a fixed rate allowing the BPDA to avoid an interest rate reset in 2021.
- Efforts have been made to evaluate market earning rates and ensure all employees are paid fairly through compensation studies.
- A new payroll system and recruiting system have been put in place to better serve our employees. This will also be the foundation for linking Human Resources and Finance data.

BPDA Budget Sources and Uses

BPDA Revenue is derived from two main categories: 90% is Rental, Leases & Parking as well as Grants & Donations with the remaining 10% from Sale of Real Estate, Equity Participation, and Interest & Other Income.

Salaries and Benefits represent the largest category of expenses for the BPDA at 47% of the total budget. It is important to note that staff costs related to operating OWD's Community Based Organizations (CBOs) are accounted for in Contractual Services rather than Personnel. Adding Personnel and CBO costs together would account for 66% of all BPDA expenses.

The next largest category at 36% is Contractual Services. This category includes externally funded pass-through expenses for service providers for OWD. Property Management & Debt and Administrative Expense comprise the remaining 17%.

BPDA Revenue includes:

Rental, Leases & Parking – This category represents funds generated from ground leases or leases in BPDA-owned properties or buildings. Categories include:

- Leases and Licenses

- Additional or Percentage Rent
- Tenant Charges (EDIC only)
- Parking
- Payment In-lieu of Tax (PILOT) (EDIC only)

Sale of Real Estate – This BRA-only revenue category includes revenue from the one-time or installment sale of BRA-owned property.

Equity Participation – Funds from the sale and resale of properties developed on BRA-owned land. Every time a unit or parcel is sold, the BPDA collects either 2% or 4% from the total sale price.

Grants & Donations – Grant or Donation funds received by the Mayor’s Office of Workforce Development and distributed to Community-Based Organizations (CBOs). Also includes intercompany grants between EDIC and BRA as authorized by the Board of Directors of each entity.

Interest & Other Income – Interest received on loans, bank deposits and late payments, fees, and sales of maps and other publications.

BPDA Expenses include:

Personnel – The cost of full time and part-time employees, interns, Employment Service Contractors (ESC), and temporary help.

Employee Benefits – All expenses related to health insurance, disability insurance, post-retirement benefits and workers compensation. There are unique items between the BRA and EDIC, but in totality they provide employees with a wide range of options and support.

Administrative Expense – Includes technology, employee education and engagement, copy equipment, office supplies, postage, travel, as well as marketing, recruiting and advertising of community meetings and procurement opportunities.

Contractual Services – OWD payments to Community-Based Organizations (CBOs) for programming expenses, outside legal fees, auditing services, appraisal services, and planning studies.

Property Management – Utilities, insurance, transportation, maintenance and land upkeep, and security costs. Fixed costs such as depreciation of capital expenses and debt service expenses.

BPDA FY18 Budget Summary

The FY18 Revenue Budget totals \$62.7M, with an Operating Budget of \$62.2M. This represents an increase in Revenue of \$.44M or 0.7% over the FY17 Revenue Budget and an increase in Operating Expenses of \$.58M or 0.9%. The budgeted Revenue and Expenses creates a budgeted surplus of \$0.45M which is a small decrease from the budgeted surplus of FY17. Highlights of the budgeted Revenues and Expenses by company follow below.

The BPDA receives no public funds for its operations (though it does receive a small amount of funding for Capital projects from the City.) As a self-sustaining Agency with a public mission, the BPDA must annually balance the need to fund its mission with the needs of the assets that support that mission over the long term. This budget seeks to balance efforts to support mission critical planning and development functions while still finding cost savings, reduc-

TABLE 1 Combined Budget Summary
In Millions of Dollars

Revenues	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Rental, Leases & Parking	\$31.04	\$32.57	\$38.46	\$32.88
Sale of Real Estate	\$2.69	\$3.43	\$3.54	\$3.85
Equity Participation	\$2.65	\$2.20	\$1.30	\$1.40
Grants & Donations	\$21.20	\$23.01	\$25.27	\$23.54
Interest & Other Income	\$0.31	\$1.03	\$1.55	\$1.00
Total Revenues	\$57.89	\$62.24	\$70.12	\$62.68
Expenses	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Personnel	\$18.85	\$19.54	\$19.98	\$19.73
Employee Benefits	\$8.36	\$10.04	\$10.24	\$9.38
Administrative Expense	\$1.36	\$2.09	\$1.60	\$2.49
Contractual Services	\$19.44	\$17.50	\$23.82	\$22.48
Property Management & Debt Services	\$9.27	\$12.47	\$6.52	\$8.14
Total Expenses	\$57.28	\$61.65	\$62.16	\$62.23
Net Surplus/(Deficit)	\$0.62	\$0.59	\$7.96	\$0.45

ing long-term liabilities and investing in assets which generate the sustainable recurring revenue.

The FY18 Operating Budget appears very similar to the FY17 Budget in terms of the absolute value of Revenue and Expenses. However, beneath those “top-line” numbers, the FY18 Budget can be characterized by notable changes in the sources of revenue and types of expenses versus the FY17 Budget. Changes occurred for both the BRA and the EDIC, which are the two main components of the BPDA budget.

Compared to the prior year’s budgeted revenue, the FY18 Budget will experience a small net gain in revenue. Losses of revenue from a multi-year lease sale due to an advance payment in FY17 to EDIC, the loss or reduction of several important federal and state grants to the OWD, and a decline in revenue from BRA Equity Participation income are offset by gains in Lease & Parking revenues, Sale of Real Estate, and Grants & Donations.

Lease revenue will increase after several years of investments in the BPDA’s China Trade Building located at 2 Boylston St. The BPDA is in the process of leasing the building at competitive lease rates. Parking revenue in the EDIC Raymond L. Flynn Marine Park (RLFMP) will increase with the seasonal needs of the expanded cruise ship business at MassPort’s Black Falcon Terminal and planned additional spaces on Parcel V-1.

On the expense side, the FY18 Budget will see savings due to the completion of one-time projects funded in FY17, reduced expenses for temporary labor related to the reduction of OWD federal and state grants mentioned above (although less than a dollar for dollar decrease compared to the loss of revenue above) and from reduced headcount and related employee benefits. On staffing, BPDA has been strategically adding staff in the Planning Department to enhance its role as the City of Boston’s

planning agency as well as in the Real Estate and Finance departments to increase capacity in those areas. With salary being its largest expense, the BPDA carefully controls the addition of staff.

Salaries and wages will increase in FY18 due to a cost-of-living adjustment (COLA) and an increase in the intercompany grant expense (a grant from EDIC to BRA to support Capital expenses for the China Trade Building).

The BPDA has recognized, planned for, and executed strategies to control fixed and long-term costs. From investing contributions to its retiree health insurance liability to refinancing long term debt and moving toward self-insurance for employee health care expenses, the BPDA is proactively controlling these costs to keep the BPDA on a firm financial footing for years to come.

More on detail on revenues and expenses follows in the Revenue sections below.

BPDA Revenue Summary

The BPDA is budgeting \$62.68M for revenue in FY18. Overall, FY18 Budgeted Revenue is projected to increase from FY17 Budgeted Revenue by \$.44M, or 0.7% with increases in the Rental, Leases & Parking, Sale of Real Estate, and Grants & Donations categories and decreases in Equity Participation and Interest & Other Income categories.

Rental, Leases & Parking which accounts for over 52% of all BPDA revenue, will increase by approximately \$0.3M or 1.0% and has several sub-categories. Within this category, Leases and Licenses decrease by \$1.1M or 5.9% due to the elimination of \$2.0M in quarterly payments from the sale of the Zoom Group lease located at 27 Drydock Avenue in the RLFMP. Instead, this revenue was received as a one-time upfront payment of the total value in FY17. This payment relieved pressure on a projected cash flow shortfall that had

TABLE 2 Combined Revenue Budget Summary
In Millions of Dollars

Revenues	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Rental, Leases, & Parking	\$31.04	\$32.57	\$38.46	\$32.88
Sale of Real Estate	\$2.69	\$3.43	\$3.54	\$3.85
Equity Participation	\$2.65	\$2.20	\$1.30	\$1.40
Project Income	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$0.00	\$0.00	\$0.00	\$0.00
Grants & Donations	\$21.20	\$23.01	\$25.27	\$23.54
Interest & Other Income	\$0.31	\$1.03	\$1.55	\$1.00
Total Revenues	\$57.89	\$62.24	\$70.12	\$62.68

TABLE 3 Rental, Leases & Parking Detail
Actual Dollars

Revenues	FY17 Budget	FY18 Budget	\$ Change	% Change
Leases & Licenses	\$19,081,268	\$17,954,210	(\$1,127,058)	-5.9%
Parking	\$9,763,080	\$11,021,026	\$1,257,946	12.9%
Payment In-lieu of Tax (Pilot)	\$1,163,960	\$1,655,351	\$491,391	42.2%
Tenant Charges	\$1,314,400	\$1,130,975	(\$183,425)	-14.0%
Percentage Rent	\$1,250,000	\$1,122,000	(\$128,000)	-10.2%
Total	\$32,572,708	\$32,883,562	\$310,854	1.0%

been expected in FY17 and thus avoided consideration of possible short-term borrowing for operational expenses. Partially offsetting this reduction is a large increase in revenue derived from leases in the newly renovated China Trade Building.

Revenue of more than \$0.8M is expected for China Trade versus virtually no revenue budgeted in FY17.

Parking revenue is budgeted to increase by \$1.3 Mil-

lion or nearly 13%. The addition of Parcel V-1 in the RLFMP as a surface parking lot in the latter half of the fiscal year will allow the BPDA to not only provide new parking opportunities for our monthly tenants but also the potential to substantially increase our share of event parking from the nearby Blue Hills Music Pavilion and from those visiting restaurants and retail outlets in the Seaport district. The structured parking facility at 12 Drydock Avenue continues to be in great demand due to the influx of large employers

such as Reebok and America's Test Kitchen to the RFLMP. Typically, surface lots such as C1 and C2 in the RLFMP were used only during the cruise season. Today, we are exploring opportunities to use those lots on a year round basis in order to better serve our monthly and daily customers. As plans continue to develop for an expansion to the existing garage, those lots will be much in demand as "swing space" as construction affects operations in the garage. Based upon the analysis of parking needs during the 2017 cruise season, we remain confident that sufficient space exists on the top floor of 12 Drydock Avenue to accommodate cruise passengers. In addition, the BPDA will shortly be responsible for student parking on land the agency owns immediately adjacent to Bunker Hill Community College, creating another heretofore untapped revenue source.

All BPDA parking facilities are now under contract with one management company with an incentive in the contract to generate additional revenue. In this fiscal year, we expect to procure, install and utilize new state of the art parking software and equipment that will allow us to better manage and market our parking inventory, particularly during hours of operation where inventory is typically underutilized. Finally, the BPDA is receiving regular survey information on market rate changes for other nearby surface and structured parking facilities. This information allows us to track parking rates and plan for rate increases when the market will bear such an increase.

PILOT revenue is increasing by nearly \$0.5M, or over 42%, due to increased leasing and rents in the EDIC Jamestown building with the addition of Reebok and other new tenants.

Tenant Charges are decreasing by nearly \$0.2M, or 14%, based on the current year projection of actual EDIC 12 Channel Street building and RLFMP operating expenses. Operating costs for maintaining

these buildings can vary year to year depending on vacancy rates and maintenance needed.

Percentage Rent is decreasing by \$0.13M, or over 10%, based on the current year projections of actual rent owed to the EDIC from tenants in the Design Center and other properties that are required to pay percentage rents as part of their lease.

Sale of Real Estate is increasing by over \$0.4M or, 12%, almost entirely as a result of one-time sale of land or air rights expected in FY18. It is important to note that this revenue is not a recurring source and expenses budgeted against these revenues will need to be funded from an alternative source in future years.

Equity Participation decreases by \$0.8M, or nearly 62%, based on the FY17 projection for this volatile, economically sensitive revenue stream.

Grants & Donations are budgeted to increase by \$0.5M or 2.1%. There is an increase in this source for the BRA due to increased intercompany funding to \$8.2M from EDIC for the China Trade Building (expenses for this project are reflected in the Capital Budget). This increase offsets a decrease of almost \$1.8M in Federal and State grants and donation revenue to OWD.

OWD receives millions of dollars in Federal, State, and City grants as well as donations and funds from EDIC to support its programs and those of the CBOs funded through OWD. Below is a table of all OWD grants showing FY17 and FY18 budgeted amounts and variances. Budget to budget, OWD is expected to lose over \$1.8M in FY18. OWD staff have applied for additional grants from other sources, but as those awards are not guaranteed, the FY18 Budget excludes these. In addition, many grants are assumed at level funding until additional information is available later in the fiscal year. These funding levels could increase or decrease at that time.

TABLE 4 **Grants & Donations**
Office of Workforce Development (OWD) Only

Source	FY17 Budget	FY18 Budget	\$ Change	% Change
Federal	\$7,889,022	\$6,665,103	(\$1,223,919)	-15.5%
State	\$4,890,840	\$4,445,951	(\$444,889)	-9.1%
City	\$1,177,553	\$1,478,648	\$301,095	25.6%
Donations	\$2,083,967	\$1,641,417	(\$442,550)	-21.2%
Total	\$16,041,382	\$14,231,119	(\$1,810,263)	-11.3%

TABLE 5 **Combined Expense Budget Summary**
in Millions of Dollars

Expenses	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Personnel	\$18.85	\$19.54	\$19.98	\$19.73
Employee Benefits	\$8.36	\$10.04	\$10.24	\$9.38
Administrative Expense	\$1.36	\$2.09	\$1.60	\$2.49
Contractual Services	\$19.44	\$17.50	\$23.82	\$22.48
Property Management & Debt Services	\$9.27	\$12.47	\$6.52	\$8.14
Total Expenses	\$57.28	\$61.65	\$62.16	\$62.23

The largest loss occurs in Federal grants. The Choice Neighborhood and Skilled Careers in Life Sciences (SCILS) grants are ending, which has a -\$1.2M impact. State and Donations funds are also seeing a decline which is partially offset by a slight increase in City funding. The loss in Donations funding is largely due to the separation of WriteBoston, Inc. from EDIC as its fiscal administrator in FY18. The reductions in Grant revenue do not have corresponding dollar for dollar reductions in expenses. The OWD deficit – its revenue over expenses when excluded from EDIC – will increase by \$.2M to more than \$2.7M in FY18 due to these changes.

Interest & Other Income is expected to decrease by

approximately \$0.03M or, almost 2.0% due to over budgeting of MGL121A fees in FY17.

BPDA Expense Summary

The FY18 Expense Budget is increasing by \$0.58M or 0.9%. As the Administration and Finance (A&F) team works to enhance the budget process, many expenses have been re-categorized in an effort to provide more detailed financial reports. This results in some shifting between categories, particularly Administrative Services, Contractual Services and Property Management & Debt Service.

Personnel expenses which account for 32% of all BPDA expenses, are expected to increase slightly

TABLE 6

Recent COLA History

Fiscal Year	Percentage
FY18	2.0%
FY17	2.5%
FY16	3.0%
FY15	6.0%
FY14	0.0%
FY13	3.0%
FY12	0.0%
FY11	0.0%
FY10*	-4.0%
FY09	3.0%
10 Year Average	1.6%

TABLE 7

Personnel Details

	FY17 Budget	FY18 Budget	\$ Change	% Change
Salary & Wages	\$18,534,246	\$18,418,541	(\$115,705)	-0.6%
Overtime	\$121,000	\$121,000	-	0.0%
Intern	\$100,000	\$120,000	\$20,000	20.0%
Temporary Help	\$787,189	\$669,573	(\$117,616)	-14.9%
Stipends	-	\$400,581	\$400,581	100.0%
Total	\$19,542,435	\$19,729,695	\$187,260	1.0%

by \$0.2M or 1.0%. Several sub-categories makes up those expenses.

Salary & Wages are budgeted to decrease by \$0.1M or 0.6%. The projected headcount is expected to decline by a net of six active employees due to attrition

and slower than planned hiring in the previous fiscal year (see Table 8). This helps reduce the impact of salary increases that are scheduled based on a 2.0% COLA. A reserve of \$0.1M is included to serve as a placeholder for promotional or merit increases for staff based on the performance review process.

TABLE 8

Head Count Table

Department	FY17 Budget	Active	Vacancies	FY18 Budget
Administration & Finance	22	23	1	24
Administrative Services	2	0	0	0
BLDC	2	2	0	2
Board Members	5	5	0	5
Compliance	12	11	0	11
Development Review	15	13	3	16
Director's Office	18	12	0	12
Legal	13	11	2	13
MIS	17	16	0	16
OWD	53	49	1	50
Planning	45	43	7	50
Real Estate	37	34	1	35
Research	8	8	1	9
Secretary's Office	3	3	0	3
Total	252	230	16	246
Employee Service Contractors	31	18		18

TABLE 9

Employee Benefits Details

Employee Benefits	FY17 Budget	FY18 Budget	\$ Change	% Change
Health Insurance	\$2,663,686	\$3,071,028	\$407,342	15.3%
Other Insurance	\$482,818	\$671,899	\$189,081	39.2%
Pension Expense	\$3,555,808	\$3,582,650	\$26,842	0.8%
OPEB	\$1,665,500	\$1,354,795	(\$310,705)	-18.7%
Other Benefits	\$1,674,228	\$703,614	(\$970,614)	-58%
Total	\$10,042,040	\$9,383,986	(\$658,054)	-6.6%

In recent years the COLA percentage has fluctuated as reflected in Table 8. The BPDA experienced several years of challenging revenue levels due to the economic downturn, including salary reductions in FY10. Since then the BPDA has made efforts to catch up, resulting in a 10 year average of 1.6% in COLA increases.

EDIC employs approximately a dozen employees in the RLFMP that are members of the Industrial Union of Marine and Shipbuilding Workers of America. These employees work under a collective bargaining agreement and receive different wage and benefit packages from other EDIC employees. Recently, EDIC and the Union settled a new contract spanning three years beginning March 2016 through March 2019. The members accepted a 2.0% annual base wage adjustment each year of the contract as well as other changes agreed to by both parties.

Overtime expenses are budgeted level with FY17. The Intern program funding increase is partly due to a rise in the minimum wage. There is a reduction in Temporary Help due to reductions in OWD Grant & Donation income, and Stipends for Youth Opportunity Unlimited (Y.O.U.) workers have been reclassified from Contractual Services to Personnel.

Employee Headcount for the BPDA is projected to decline in FY18 from 252 to 246. Table 8 details headcount by department assumed in the FY17 budget, current active employees, and vacancies. Of the 16 vacancies, only 3 are for new positions in FY18, the remaining are current vacancies that will be funded and filled in FY18.

The FY18 headcount represents a sustainable workforce for the BPDA at the current level of business. During the last economic downturn, staffing was reduced to approximately 200 employees due to declines in revenue and mission related needs. Should there be another economic downturn, staff-

ing levels may need to be reduced again. Tracking headcount, estimating attrition as well as engaging in organizational planning can avoid large staff reductions when there are economic cycle changes.

Employee Benefits includes three major expenses: Health Insurance, retirement or Pension Expense and Other Post-retirement Employee Benefits (OPEB). Also, this category includes dental, vision, short and long-term disability insurances. Overall FY18 benefit costs are budgeted to decline by \$0.7M, or 6.6%. This is mainly due to a decrease in OPEB and non-insurance related expenses. Health Insurance Benefits vary between BRA and EDIC due to the state statutes each company is incorporated under. This expense overall increases by \$0.4M which is 15.3% over the FY17 Budget amount.

BRA employees are members of the State's Group Insurance Commission (GIC). The GIC provides several health insurance options for employees and their dependents. The GIC attempts to continually provide value to its members by negotiating with insurers and adjusting plan design, deductibles and copays to deliver high quality coverage at the best price. The BRA pays 80% and employees pay 20% of annual premiums in addition to any deductibles and co-pays. Average premiums for GIC plans will increase by 3.8%.

For more information regarding the GIC, please visit: <http://www.mass.gov/anf/employee-insurance-and-retirement-benefits/oversight-agencies/gic/>

EDIC provides its employees with health insurance through Blue Cross Blue Shield (BCBS). The plan offsets a high deductible by offering a Health Savings Account (HSA). EDIC pays 80% of annual premiums and employees pay 20% of annual premiums in addition to any deductibles and co-pays. EDIC pays 50% of the plan deductible for the employee to their HSA and for FY18 will match em-

TABLE 10 **EDIC Health Insurance**
Rate Change History

Renewal Year	Final Rate
FY17	7.2%
FY16	9.9%
FY15	-5.0%
FY14	2.3%
FY13	-5.1%
FY12	-5.0%
FY11	7.1%
FY10	0.0%
Average	1.4%

TABLE 11 **OPEB Contribution Schedule**

Fiscal Year	Total Contribution	Expected Benefit Payments	Funded Status
FY16	\$4,028,198	\$626,035	31.8%
FY17	\$1,386,974	\$649,512	42.8%
FY18	\$1,354,795	\$709,762	53.2%
FY19	\$1,318,693	\$765,159	63.1%
FY20	\$1,279,126	\$806,875	72.7%
FY21	\$1,237,292	\$878,047	81.8%
FY22	\$1,190,797	\$922,047	90.6%
FY23	\$1,141,901	\$979,487	99.0%
FY24	\$1,089,686	\$1,047,945	106.9%
FY25	\$649,031	\$0	99.1%

employee contributions of 15% (up from 10% in FY17) to cover a full 80% of the employee deductible. HSA's operate similarly to an IRA in several ways. For example, contributions are made on an individual basis and earn investment returns, which make them fully portable. Contributions are also pre-tax, and funds in an HSA can be used for any eligible medical expense including Medicare wraparound plan premiums in retirement.

In FY18, EDIC will become partially self-insured by increasing employee deductibles from \$2,000/\$4,000 (single/family) to \$3,300/\$6,250 but paying the difference in deductible for the employee. This change reduces the amount of increase in BCBS premium from 14.1% to 7.2% for the upcoming year.

The BPDA constantly works to keep the cost of health insurance low for EDIC employees and the BPDA while providing high quality coverage. Table 10 shows that by successfully negotiating with providers and implementing plan design changes, the average annual increase in premiums has been only 1.4% since 2010.

Pension Expense is a category for retirement benefits that are budgeted to increase modestly overall by \$0.3M, or 0.8%. Between the BRA and EDIC, employee benefits vary due to the state statutes under which each company is incorporated. BRA employees are members of the State-Boston Retirement System (SBRS), a member system of the Public Employee Retirement Administration Commission (PERAC) and as such are the beneficiaries of a defined-benefit pension plan. BRA employees are responsible for a set percentage of annual earnings which are deducted from their pay that funds the annuity portion of their future retirement benefit. The BRA also contributes annually toward employees retirement benefits through the payment of both the Normal Cost (the amount of contributions required to fund the benefit allocated to the current year of service) and the payment of its share of the unfunded liability of past

retiree benefits. Currently, the remaining portion of the SBRS (and therefore BRA) funding schedule is expected to be fully funded by 2025, after which the remaining cost will only be the Normal Cost. For more information on SBRS please visit: <https://www.boston.gov/departments/retirement>

Other Post-retirement Employee Benefits (OPEB) is a BRA only expense retiree health care costs that are associated with the defined-benefit pension expense described above. BRA retirees had been granted the same health care benefits in retirement as active employees despite the fact that all employees hired after a certain date were required to contribute to Medicare. With a change in state law, all employees that contribute to Medicare must, with certain exceptions, move to Medicare upon becoming age eligible. Per Government Accounting Standards Board (GASB) requirements, the BPDA must now report the unfunded liability of all OPEB costs annually and will soon be required to fund that liability. As of the most recent valuation the BRA's unfunded liability totals approximately \$12.6M, down from over \$20.0M after a large reduction due to the change in the law mentioned above.

In preparation for that funding requirement, the BPDA has developed a funding schedule for the BRA that will fully pay the unfunded liability by June 30. In FY15, the BPDA set aside \$2.5M toward this liability. In FY16, the BRA opened an OPEB trust fund account with the Pension Reserves Investment Trust (PRIT), the investment arm of Public Employee Retirement Administration Commission (PERAC) and transferred the FY15 amount and the FY16 contribution of \$1.5M to that fund. The FY17 budgeted amount of \$1.4M was transferred in January 2017. Those contributions, totaling \$5.4M, have earned \$0.38M to date for a return of 6.4% since inception. Every year, immediately after approval of the Annual Budget and subject to the availability of funds, the BPDA will transfer the annual appropriation for this

TABLE 12

Contractual Services Detail

Contractual Services	FY17 Budget	FY18 Budget	\$ Change	% Change
Admin & Finance	\$297,200	\$282,500	(\$14,700)	-4.9%
Legal	\$729,825	\$528,545	(\$201,280)	-27.6%
Planning & Econ. Dev.	\$16,476,626	\$3,171,450	(\$13,305,176)	-80.8%
Grant Expense	-	\$8,171,046	\$8,171,046	100.0%
Program Expense	-	\$10,329,022	\$10,329,022	100.0%
Total	\$17,503,651	\$22,482,563	\$4,978,912	28.4%

liability per the funding schedule to PRIT for investment. For FY18, the scheduled amount for transfer to PRIT is \$1.3M per the schedule below.

For more information regarding the PRIT fund please visit: <http://www.mapension.com/about-prim/>

EDIC Retirement Benefits are based on its enabling legislation. EDIC employees are not eligible for the defined-benefit pension plan provided to BRA employees. In lieu of a defined-benefit pension plan, EDIC employees are enrolled in a 401(a) defined contribution retirement plan. Employees receive an employer paid per diem payment of \$12.40 for each day worked and a matching contribution of up to 6% of their annual salary paid into their 401(a) account.

Funds held in the 401(a) are professionally managed and employees are encouraged to join an advisory group that meets regularly to discuss investment performance and consider investment options recommended by the manager.

Other Benefits includes a variety of expenses such as vision, dental, workers compensation, Federal Insurance Contribution Act (FICA) expenses, and unemployment benefits. In totality, the budget for these expenses is declining by \$0.97M or 58%. FY18

includes a new methodology for projecting and distributing budgets for these expenses in part due to budgeting flaws in FY17, and therefore the decline is not fully reflective of the expected change in cost.

Administrative Services increased by \$0.2M or 17.0%, mainly due to categorization updates at the detail level. Additional shifts reflect the recognition of increases in language translation needs related to advertising expenses. BPDA wide, employees are provided with tuition reimbursements as well as reimbursements for memberships and dues to professional organizations, which is consolidated in the Administration and Finance Department's budget.

Contractual Services is increasing by \$4.9M or 28.2% due mostly to a categorization change for the Inter-company grant which was grouped with Property Management & Debt Service, specifically in the Bad Debt account, in FY17. Also in FY17, all Contractual Services aside from those in Administration & Finance and Legal were grouped in Planning & Economic Development (see Table 12).

The material change to Contractual Services is a reduction in expenses due to the removal of several one-time costs which were funded in FY17. These include items such as the Continuum contract and

TABLE 13

Property Management & Debt Detail

Property Mgmt. & Debt	FY17 Budget	FY18 Budget	\$ Change	% Change
Building & Land Main.	\$3,958,152	\$3,493,271	(\$464,881)	-11.7%
Depreciation	\$2,500,000	\$2,919,859	\$419,859	16.8%
Insurance	\$471,305	\$506,735	\$35,430	7.5%
Transportation	\$44,013	\$78,615	\$34,602	78.6%
Bad Debt	\$4,489,464	\$120,000	(\$4,369,464)	-97.3%
Utilities	\$190,000	\$679,594	\$489,594	257.7%
Bonds	\$818,160	\$340,000	(\$478,160)	-58.4%
Total	\$12,471,094	\$8,138,074	(\$4,333,020)	-34.7%

expected spending on a project to digitize archived Land Disposition Agreements that was ultimately done in-house. As Imagine Boston 2030 concludes, spending on planning studies is anticipated to decrease slightly, allowing for funding to be leveraged to address more ongoing work in-house with higher Planning Department staffing levels.

This category also includes funding the Intercompany grant to the BRA to support the China Trade Building project. This expense is increasing at the project nears completion. Contractual Services also includes funding for CBOs that receive funds from OWD. Given the decline in Federal funding, OWD will need to reduce the amount of programming over all. Table 12 below also illustrates the budget practice improvement of coding CBO expenses by moving budgets from the Planning & Economic Development category to the Program Expense category.

Property Management and Debt Service decreased by \$4.3M or 34.7% compared to FY17. This is mainly due to the re-categorization of the Intercompany Grant to Contractual Services. A decrease in Building & Land Maintenance is offset by an increase in

Utilities due to the correction of over budgeting in FY17. Decreases in Bonds are due to over budgeting in FY17. Depreciation expenses will increase by \$0.4M or 16.8% as capital projects approach completion. Given the ongoing capital needs that will be discussed in the Capital section, the BPDA anticipates the trend of rising depreciation expense to continue. This category also supports much of the Real Estate department's work to maintain BPDA owned properties. These include expenses that range from HVAC and electrical services to trash removal, snow removal, repairs, and maintenance which have had several multi-year agreements go through the procurement process in FY17.

The BPDA has continually worked to reduce its debt. Over the last five years, the level of debt owed by the BPDA has decreased from approximately \$17.0M in FY12 to \$13.0M in FY17. This has been accomplished through retirement of certain notes and continued payment of principal and interest. In FY17, the note on the RLFMP parking garage was refinanced to a fixed rate to avoid an interest rate reset in FY22, potentially saving the BPDA additional interest costs given the likelihood of increased rates by that point.

Related Party Transactions

Related Party transactions for these four units, BLDC, BIDFA, FYOB, and WBI. These entities are staffed and paid for through the EDIC payroll and are covered under EDIC's fringe benefits policies. In addition to Human Resources Management, EDIC provides all financial services support including billing and collections, budget development,

accounts payable services and audits. Depending on the entities financial health, EDIC Related Party Transactions and subsequent costs total approximately \$0.5M per year. FY18 marks the first year that WBI will leave the BPDA and function as an autonomous entity.



Excluded Items

The FY18 Budget does not include the following:

Mitigation and Community Benefit Funds

The BPDA acts as a pass through entity for mitigation and community benefits funds that arise from the Article 80 process as memorialized in Cooperative Agreements. The BPDA monitors compliance with the Cooperation Agreements and collects and releases funds per the terms. Funds held under these agreements are restricted and cannot be used for BPDA operating expenses.

Notes Receivable Funds

The BPDA holds notes or loans on many properties throughout the city for land conveyed for development purposes. These notes are generally only due when there is a change in the use of the property from what was originally agreed to. For example, when a property changes from affordable to market rate housing, the note may become due. Nearly all notes receivable funds are due to the City of Boston if repayment were required. In such case, the BPDA would collect the funds and transfer them to the City's Department of Neighborhood Development (DND).

Inclusionary Development Policy Funds

Revenue generated from Inclusionary Development Policy (IDP) for affordable housing through the Article 80 process is transferred to be managed by DND for the creation of affordable housing at sites across the city.

Pass-through Grants

Often, Federal or State grants will "pass-through" the BPDA to other recipients. An example of such are state "MassWorks" grants. The BPDA administers the program for these grants but does not receive any administrative fees. These grants are excluded from the budget as the BPDA does not directly benefit from them and they would artificially increase the size of the budget.

Linkage

Funds collected for and disbursed through Linkage, such as the Neighborhood Jobs Trust, are not included in this budget. These funds are directed to the City of Boston. From there, some funds may ultimately be distributed in the form of a grant to fund specific OWD job training programs at the City's discretion.

FY18 Capital Budget Summary

The BPDA has engaged in a long-term capital project planning process to ensure that its substantial real estate assets are maintained. After many years of deferred maintenance, the BPDA has begun to and must continue to invest in its assets to prevent larger capital expenses and to produce the revenue needed to sustain the BPDA into the future.

The BPDA has various capital projects that have been in progress prior to FY17 and continue into FY18 and beyond. These expenses include several projects that are imperative to maintain all assets and extend their useful lives.

Capital projects are not funded from operating revenue and therefore do not appear in the Operating Budget. Depreciation expense is linked to past capital projects and is an operating expense annually. Therefore, some of the Intercompany grant from EDIC to BRA funds BRA capital expenses. This grant appears as an expense to EDIC and Revenue to BRA, but there is no expense budgeted to BRA for capital projects.

Management Information Systems (MIS)

The Management Information Systems department in FY17 spent \$0.15M on a contract with Acumen Solutions, Inc. for the use of Salesforce licenses, software, and implementation services also referred to Pipeline 2.0.

China Trade Building (BRA)

The China Trade Building, at 2 Boylston Street, has been a crucial improvement project for the BPDA in recent years. The BPDA has made this project a high

priority for completion, spending roughly \$3.9M in FY17 on active base-building improvements and is projected to spend another \$1.9M in FY18. The Mechanical Systems Improvements Project, which will cost \$1.9M, should be completed in the near future. This project involves bringing the building's heating, cooling, and ventilation systems up to necessary levels and furnishing all labor, materials, equipment and services necessary to perform the work for the 4th, 5th, and 6th floor of the China Trade Building. The work performed includes but is not limited to demolishing existing tenant improvements such as partitions, floor coverings, and ceilings. Further work will be performed to construct new bathrooms and a new elevator lobby, provide new electrical metering system throughout building, and install new lighting. One million in repair to Fire Alarm & Stair Pressurization Systems were recently finished. That work generally consisted of removal of the existing fire alarm system, installation of a voice activated Class A addressable Fire Alarm System, new Fire Command Center, and repairs to the stair pressurization system. This also included fabrication & installation of new handrail, storm windows, and stairwell painting.

In FY18 China Trade Building capital expenses will remain active. There has been and will continue to be ongoing design services in connection with improvements throughout the building conducted by Bargmann Hendrie + Archetype, Inc. This work will cost roughly another \$0.14M. In FY18, \$0.18M is budgeted for a project to reconstruct the existing plaza with new concrete pathways, areaways, and plaza areas with granite and concrete pavers, plant-

er beds with trees and irrigation, lighting, and an interpretative element known as the Liberty Tree Plaza Project. The BPDA and Boston Parks & Recreation Department (BPRD) have entered into a Memorandum of Agreement (MOA) which establishes that the BPDA will expend the full amount of funding to BPRD, who will oversee and enter into a separate agreement with a contractor for the full construction of the Liberty Tree Plaza.

Currently, there is an invitation to bid for a Stair Improvements Project for \$0.3M which generally consists of structural, life safety, and improvements to two main egress stairs. The BPDA is currently scheduling numerous upcoming base-building projects for the China Trade Building. These projects include masonry repairs, automatic front door openers, the first phase for window improvements, and a freight elevator modernization project. These projects are expected to cost nearly \$1.1M.

In FY17 the BPDA budgeted The China Trade Building's real estate broker fees and tenant improvements which ultimately did not fully materialize due to the ongoing projects. Therefore in FY18 rolls a portion of that budgets forward, with \$0.76M for real estate broker fees and \$3.0M for tenant improvements.

Charlestown Navy Yard (BRA)

In the Charlestown Navy Yard (CNY), the BPDA has spent a little over \$1.9M in capital expenses in FY17. FY17 includes costs associated with the environmental engineering services contract with Weston & Sampson Engineers, Inc. who was charged with assisting in the decommissioning of former Building 108 Power Plant. FY17 also included spending on Maritime Infrastructure Improvements for projects that involved the relocation of existing water shuttle floats, docks and handicapped accessible gangway systems in CNY. The last project, which

was City funded, was the restoration and repair of BPDA-owned pier surfaces and fender systems to restore their functional capacity.

CNY FY18 funding also includes support for concrete columns and iron fence repairs for \$0.38M which need to be addressed along with Shipyard Park for \$0.14M. These investments are expected to address the final requirements at the Building 108 Power Plant.

Other Locations (BRA)

In FY17, the BPDA purchased 555 Columbia Road, formerly a Bank of America building, in Dorchester for \$0.25M which was a one time expense. The Long Wharf area required \$0.75M granite and masonry repairs to be completed by the end of FY17, and additional work will continue into FY18. Also, there will be an additional \$0.25M of City funded money granted to the BPDA for design expenses to address structural issues at Long Wharf related to flooding caused by high tides. Furthermore, the Pavilion Building is slotted to have repairs done at the cost of \$0.06M.

Raymond L. Flynn Marine Park (EDIC)

The Raymond L. Flynn Marine Park (RLFMP) has had a significant amount of capital expenses, \$6.3M, throughout FY17 and is expected to spend a similar amount of \$6.1M in FY18. As of FY17, EDIC is halfway through a \$2.3M project of fully upgrading and modernizing certain elevators in EDIC owned buildings including the passenger elevator in Central Parking Garage and 12 Channel Street. The Black Falcon and Terminal Street Resurfacing Project will begin in FY18 with a design project cost of \$0.4M which will be City funded.

FY17 is projected to incur broker fees for Parcels A, N, and Q1 in RLFMP at a total of \$1.1M by the end of FY17 with small remaining projected broker fees

TABLE 14

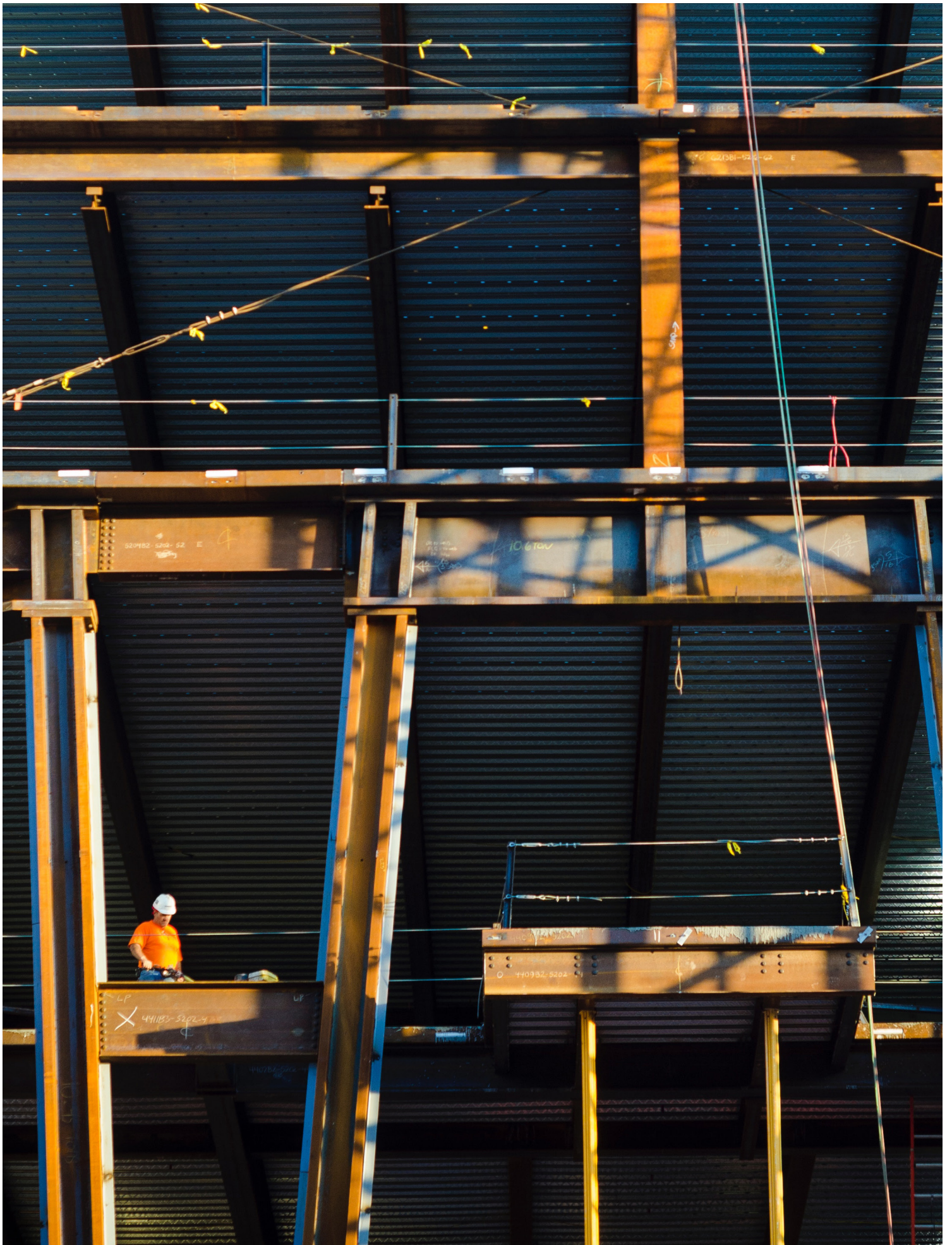
FY18 BPDA Capital Projects

Category	FY16 & Prior	FY17 Projected	FY18 Projected	BPDA Funding FY18	City Funding FY18
MIS					
Pipeline 2.0 Project Phase 1,2,3	-	\$197,202	\$232,048	\$232,048	-
Subtotal	-	\$197,202	\$232,048	\$232,048	-
BRA - China Trade					
Base Building Improvements	\$1,731,750	\$2,175,119	\$1,245,946	\$1,245,946	-
Real Estate Broker Fees (floors 2-6)	\$91,868	\$432,046	\$975,100	\$975,100	-
Tenant Improvements (floors 2-6)	\$970,015	\$1,584,021	\$3,160,000	\$3,160,000	-
Window Improvements Phase 1	-	-	\$660,000	\$660,000	-
Subtotal	\$2,793,632	\$4,191,186	\$6,041,046	\$6,041,046	-
BRA - Charlestown Navy Yard					
Building 108 - Demo. Study	-	\$78,013	\$42,000	\$42,000	-
Maritime Infrast. Improvements	-	\$1,838,251	\$197,840	\$121,840	\$76,000
Masonry Repairs/ Granite Reset	-	-	\$380,000	\$380,000	-
Shipyards Park	-	-	\$140,000	\$140,000	-
Subtotal	-	\$1,916,264	\$759,840	\$683,840	\$76,000
BRA - Other Locations					
555 Columbia Road, BOA Building	-	\$253,953	-	-	-
Long Wharf - Granite Repairs/Masonry	-	\$75,000	\$175,000	\$175,000	-
Design - Long Wharf - Structural Damage (CBR24672)	-	-	\$250,000	-	\$250,000
Pavilion Building Repairs	-	-	\$65,000	\$65,000	-
Subtotal	-	\$328,953	\$490,000	\$240,000	\$250,000

TABLE 14

FY18 BPDA Capital Projects Continued...

Category	FY16 & Prior	FY17 Projected	FY18 Projected	BPDA Funding FY18	City Funding FY18
EDIC - RLFMP					
12 Channel Elevator/ Garage Elevator	\$55,348	\$1,083,542	\$1,310,000	\$1,310,000	-
22 Drydock Mechanical System Improv.	-	-	\$450,000	\$450,000	-
Design - Black Falcon/ Terminal St Resurfacing (CBR23777)	-	-	\$400,000	-	\$400,000
Broker Fees (Parcels A, N, Q1)	-	\$1,037,500	\$487,500	\$487,500	-
Drydock No.4 Caisson Recovery Phase 1	\$621,727	\$371,906	-	-	-
Drydock No. 4 - Pier 5 Topside Repairs Phase 2	-	\$574,000	-	-	-
Design - Drydock No. 4 - Pier 6 (CBR24673)	-	-	\$400,000	-	\$400,000
Design - Drydock No. 4 (CBR24671)	-	-	\$250,000	-	\$250,000
Parking Garage Addition	-	\$50,000	\$1,000,000	\$1,000,000	-
Park-Wide Misc. Projects	-	\$337,358	\$350,000	\$350,000	-
Parking Equipment & Software	-	-	\$500,000	\$500,000	-
Parking Lot Paving	-	-	\$600,000	\$600,000	-
Stormwater Drainage Improvements	-	-	\$100,000	\$100,000	-
Relocating BFD	-	-	\$200,000	\$200,000	-
V01 Bulkhead & Pier 5 Cofferdam	\$52,334	\$2,814,488	-	-	-
Subtotal	\$729,409	\$6,268,794	\$6,047,500	\$4,997,500	\$1,050,000
Contingency - Agency Wide					
Contingency for Capital Projects	-	-	\$1,333,839	\$1,333,839	-
Subtotal			\$1,333,839	\$1,333,839	-
Grand Total	\$3,523,040	\$12,902,399	\$14,904,273	\$13,528,273	\$1,376,000



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for FY18. The Drydock No.4 location phase 1 of the caisson recovery and reinstallation and phase 2 for Pier 5 topside site repairs are currently in progress. These two phases are projected to cost \$0.27M.

The Parking Garage Addition Project at 22 Drydock Avenue is set to begin at the end of FY17 but with a substantial amount of projected expenses of \$1.0M budgeted for FY18. During FY18, there is an expected expense of \$0.5M to update the parking equipment and software in the RLFMP. Also, Parcel V1 parking lot paving project is expected to cost

\$0.6M. There is a budget of \$0.35M for additional smaller projects throughout FY18. The RLFMP has pending projects in preliminary stages but are expected to start in FY18 at a total cost of \$0.76M. These projects consist of street lighting, curbs, and sidewalk repairs on Tide, Harbor, and Fid Kennedy Avenue as well as stormwater drainage improvements. Lastly, the Parcel V01 Bulkhead and the Pier 5 Cofferdam Repairs Project is set to be completed by the end of FY17, totaling \$2.8M. FY18 will also fund the relocation of the Boston Fire Department (BFD) operations for \$0.20M.

Department Budgets

This section contains brief descriptions of the different departments within the BPDA. Along with goals and objectives, it includes summary budgets of the different key areas of funding. As the BPDA develops new and additional financial practices, department funding will change over time.

Administration and Finance (A&F)

Overview: The Administration and Finance (A&F) Department is comprised of the Human Resources, Budget and Finance, the Financial Services and Fiscal Compliance teams. In FY18 the Administrative Services Department rejoined A&F after being funded as an independent department in

FY17. The mission of the A&F Department is to strategically manage the BPDA's resources of both human and financial capital.

The Administration and Finance Department supports all other departments in the BPDA, allowing each department to efficiently achieve its individual mission, and ensuring the cohesive operation of the BPDA overall. The BPDA is self-sustaining, and became an independent financial entity in 1987. The BPDA provides all services to the people and businesses of Boston at no cost to the City budget. A&F works to deliver on this promise for the Citizens of Boston. The A&F budget contains

**TABLE 15 Administration and Finance Budget
FY18**

Expenses	
Employee Benefits	
Actuarial Health Expense	\$1,354,795
Fringe Allocation	\$864,343
Subtotal	\$2,219,138
Administrative Expense	
Data Processing	\$35,000
Employee Education	\$45,360
Leased Office Equipment	\$18,495
Marketing	\$3,332
Office and Copy Supplies	\$115,491

Expenses Continued...	
Postage	\$9,459
Printing	\$33,000
Subscriptions	\$45,360
BPDA Media Subscriptions	\$270
Travel/Administrative	\$16,600
Bank Fees	\$9,359
Other Miscellaneous	\$115,000
Subtotal	\$446,726
Personnel	
Salaries and Wages	\$1,834,184
Interns	\$120,000
Employment Service Contractors	\$87,735
Subtotal	\$2,041,919
Contractual Services	
Administration and Finance	\$245,000
Legal	\$109,545
Grant Expense	\$3,600,000
Subtotal	\$3,954,545
Property Management	
Building and Land Maintenance	\$48,128
Insurance	\$34,000
Transportation	\$13,868
Bad Debt	\$120,000
Subtotal	\$215,996
Grand Total	\$8,878,324

funds for several BPDA wide expenses such as the Intern program, employee development and education reimbursements, as well as the inter-company grant.

FY18 Goals and Objectives:

- Develop system integration and data integrity to drive reporting, analysis and increase overall business intelligence.
- Increase revenue by driving more favorable business terms and reducing risk through stronger fiscal compliance and tighter fiscal controls.

Real Estate

Overview: The mission of the Real Estate department is to maximize the use and value of the BRA/EDIC’s physical assets as a means of supporting the BPDA’s planning initiatives and ongoing operations. The Real Estate department manages the utilization, marketing, leasing and disposition of BPDA assets. These physical assets include such high profile properties as the Charlestown Navy Yard, the Raymond L. Flynn Marine Park in South Boston, Long Wharf along the Downtown Water-

front, and various sites throughout the city. The department strives to identify key development opportunities, to manage locations of economic activity and growth, and to maximize the value of the BPDA’s real estate assets for the people of Boston. Revenue generated through those assets also provides funding for the BPDA’s operations and planning activities.

FY18 Goals and Objectives:

- Enact multi-year maintenance and service contracts to secure vendors and price for the duration of one to three years.
- Manage and expedite property transactions to generate revenue, manage occupancy and create sustainable value to the BPDA.
- Complete leasing and rehabilitation of the China Trade Building to generate revenue, manage occupancy and create long-term value to the BPDA.
- Identify and plan for Waterside infrastructure repair at CNY and RLFMP to stabilize waterfront assets for future development and to attract and retain industrial jobs.

**TABLE 16 Real Estate Budget
FY18**

Expenses	
Personnel	
Salaries and Wages	\$2,757,291
Overtime	\$100,000
Employment Service Contractors	\$67,956
Subtotal	\$2,925,247
Employee Benefits	
Fringe Allocation	\$1,166,797

Expenses Continued...	
Subtotal	\$1,166,797
Administrative Expense	
Advertising	\$110,623
Data Processing	\$68,268
Graphic Design	\$8,595
Leased Office Equipment	\$9,848
Agency Media Subscriptions	\$1,229
Travel/Administrative	\$9,446
Bank Fees	\$249,373
Subtotal	\$457,382
Employee Benefits	
Fringe Allocation	\$1,166,797
Subtotal	\$1,166,797
Contractual Services	
Planning and Economic Development	\$1,460,465
Subtotal	\$1,460,465
Property Management	
Building and Land Maintenance	\$3,189,647
Depreciation	\$2,919,859
Insurance	\$444,317
Transportation	\$40,486
Utilities	\$679,594
Bonds	\$340,000
Subtotal	\$7,613,903
Grand Total	\$13,623,794

Management Information Systems (MIS)

Overview: The mission of the Management Information Services Department (MIS) is to provide technology leadership, expertise and services that help the BPDA fulfill its mission and achieve its business goals. The MIS budget contains funding for many BPDA wide activities such as telecommunications, enterprise software, and technical equipment.

FY18 Goals and Objectives:

- Service Delivery - Meet or exceed customer expectation.
- Efficiency & Effectiveness - Leverage existing, emerging, and evolving technologies to enhance, improve, and streamline business processes.
- Engagement - Develop relationships with City departments and CBOs in regards to innovation.

TABLE 17
MIS Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$1,238,957
Employment Service Contractors	\$49,504
Subtotal	\$1,288,461
Employee Benefits	
Fringe Allocation	\$540,460
Subtotal	\$540,460
Contractual Services	
Subtotal	\$0
Administrative Expense	
Data Processing	\$311,000
Graphic Design	\$16,000
Leased Office Equipment	\$66,200
Telephone Services	\$80,000
Property Management	
Subtotal	\$0
Grand Total	\$2,302,121

TABLE 18 Planning Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$3,392,285
Employment Service Contractors	\$431,704
Other Personnel	\$400,581
Subtotal	\$4,224,570
Employee Benefits	
Fringe Allocation	\$1,657,196
Subtotal	\$1,657,196
Administrative Expense	
Other Miscellaneous	\$801,443
Educational Supplies	\$801,443
Subtotal	\$881,032
Contractual Services	
Program Expense	\$10,329,022
Subtotal	\$10,329,022
Property Management	
Building and Land Maintenance	\$255,496
Insurance	\$28,418
Transportation	\$24,261
Subtotal	\$308,175
Grand Total	\$17,399,995

Planning Department

Overview: The mission of the Planning Department is to create places that are livable, ecologically

sensitive and economically thriving. The department seeks to realize this mission by:

- Working collaboratively with community members,

other local stakeholders and government departments to develop shared visions for the future.

- Creating plans, providing planning, designing guidelines and developing regulation that establish a predictable and appropriate context for growth while respecting Boston's historic character and future aspirations.

The main responsibilities of the Planning Department are:

- Proactive long-range planning
- Development of design guidelines
- Drafting of zoning
- Participation in development and design

The team of this department collaborates across disciplines including:

- Community Planning
- Urban Design
- Waterfront Planning
- Infrastructure Planning
- Climate change and Sustainability
- Zoning and Regulation

FY18 Goals and Objectives:

- Establish departmental procedures to ensure enhanced tracking and optimize staffing assignments.
- Maximize near term opportunities to build new mixed income housing and promote economic development while improving and enhancing existing neighborhoods.
- Continue work on revisions to the Zoning Code that promote parity, eliminate redundancy and increase predictability across all neighborhoods.

Office of Workforce Development (OWD)

Overview: The mission of OWD's department is to be an innovative public agency that promotes economic resilience to ensure the full participation of all Boston residents in the city's economic vitality

and future. The characteristics of OWD are:

- It is the City's largest workforce development funder, and creates policies and programs that support the aspirations, education, and career paths for youth and adults.
- It oversees and convenes the region's one-stop career center, known as the American Job Centers.
- It oversees the Adult Literacy Initiative - a group of 26 State funded pre-HiSet and ESOL programs that serve greater Boston.
- It oversees the Neighborhood Jobs Trust, funded by Linkage fees from developers, and it also oversees the funding allocations of BRA mitigation funds.

FY18 Goals and Objectives:

- Adult Services - Ensure access to quality programs for Boston residents.
- Youth and CDBG - Increase youth and adult employment in the City of Boston, and increase the capacity of partners to provide more services.
- Workforce Development Research - Use evidence based models for program and policies that improve workforce and educational skills for youth.
- Neighborhood Job Trust - Protect and provide continued and future employment opportunities for Boston's low or moderate income residents.
- Mayor's Office of Financial Empowerment - Create and implement asset building opportunities, and improve the financial capabilities of Boston Families.
- Youth Options Unlimited (YOU) - Increase educational and employment opportunities for returning citizens in Boston.
- Read Boston - Promote a culture of literacy and reading in Boston's children and families.
- WriteBoston - Promote a culture of writing, creativity and learning for teens in Boston.
- Labor Compliance - Increase the number and improve the quality of jobs for Boston residents.
- Operations - Improve customer service to OWD's vendors and partners.

TABLE 19 OWD Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$3,392,285
Employment Service Contractors	\$431,704
Other Personnel	\$400,581
Subtotal	\$4,224,570
Employee Benefits	
Fringe Allocation	\$1,657,197
Subtotal	\$1,657,197
Contractual Services	
Program Expense	\$10,329,022
Subtotal	\$10,329,022
Administrative Expense	
Other Miscellaneous	\$801,443
Educational Supplies	\$79,589
Subtotal	\$881,032
Property Management	
Building and Land Maintenance	\$255,496
Insurance	\$28,418
Transportation	\$24,261
Subtotal	\$308,175
Grand Total	\$17,399,995

Director's Office

Overview: The Director's Office oversees all facets of the BPDA to make certain that the City of Boston's planning objectives and economic development strategies are achieved. Through the prioritization of these objectives and strategies, this office ensures that businesses and developers continue to invest in the City of Boston, which results in more jobs and housing for the residents of Boston.

FY18 Goals and Objectives:

- Continue to improve performance, transparency, and efficiency throughout the BPDA.
- Take on new projects and implement proactive communications strategies as a department.
- Coordinate with staff on the ongoing response and implementation of the strategic plan for the BPDA.

Research

Overview: The mission of the Research department is to understand the current environment of the city to produce quality research and targeted

TABLE 20 Director's Office Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$1,111,449
Subtotal	\$1,111,449
Employee Benefits	
Fringe Allocation	\$1,077,203
Subtotal	\$1,077,203
Administrative Expense	
Office and Copy Supplies	\$500
Agency Media Subscriptions	\$6,879
Travel/Administrative	\$18,600
Subtotal	\$25,979
Contractual Services	
Subtotal	\$0
Property Management	
Subtotal	\$0
Grand Total	\$2,214,631

information that will inform and benefit the residents and businesses of Boston.

The BPDA's Research department compiles and analyzes current, historical, and comparative data on the City of Boston. The department conducts research on Boston's economy, population, and commercial markets for all departments of the BPDA, the City of Boston, and related organizations. The Research department is comprised of staff who have backgrounds in economics, sociol-

ogy and public policy, and prior experience working with research institutes, colleges and universities, and community organizations.

FY18 Goals and Objectives:

- Provide research products relevant to the BPDA and City in the areas of economics and demographics.
- Continue improving efficiency through automation and internally developed tools.
- Improve Research services with new methods and promote institutional knowledge.

TABLE 21
Research Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$680,312
Subtotal	\$680,312
Employee Benefits	
Fringe Allocation	\$299,693
Subtotal	\$299,693
Administrative Expense	
Office and Copy Supplies	\$60,000
Agency Media Subscriptions	\$5,564
Travel/Administrative	\$2,000
Subtotal	\$67,564
Contractual Services	\$0
Subtotal	\$0
Property Management	\$0
Subtotal	\$0
Grand Total	\$1,047,569

Legal

Overview: The mission of the Legal department is to support the strategic goals of the BPDA by providing high quality legal counsel to protect and preserve the legal and ethical integrity of the BPDA. The Legal Department provides essential support to the core mission of the BPDA, as the department processes almost every document that the Board of Directors receives, as well as every document that the Director executes.

The Legal Department provides transactional real estate counsel to the BPDA staff through structuring, negotiating, and drafting all legal documentation required pursuant to urban renewal plans and projects, demonstration projects, the Article 80 development process and the Inclusionary Development Policy for affordable housing.

The Legal Department's attorneys represent and guide the BPDA through litigation and provide advice to staff. They share knowledge of existing

TABLE 22
Legal Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$1,180,325
Employment Service Contractors	\$19,800
Subtotal	\$1,200,125
Employee Benefits	
Fringe Allocation	\$602,371
Subtotal	\$602,371
Administrative Expense	
Agency Media Subscriptions	\$23,193
Subtotal	\$23,193
Contractual Services	
Legal	\$400,000
Subtotal	\$400,000
Property Management	
Subtotal	\$0
Grand Total	\$2,225,689

and pending legislation that impacts the business and operations of the BPDA. Additional support is provided to the public procurement process.

FY18 Goals and Objectives:

- Decrease outside legal fees.
- Update leases and licenses language.
- Create and implement a plan for organizing legal files currently separately maintained by each attorney.
- Work with other departments on streamlining

request for legal review and drafting of documents and distributing executed documents.

Compliance

Overview: The Compliance Department serves as the housing policy manager for the BPDA. In collaboration with the Legal Department and Development Review, the Compliance Department monitors and enforces the rule and regulations around housing.

TABLE 23 Compliance Budget
FY18

Expenses	
Personnel	
Salaries and Wage	\$824,377
Subtotal	\$824,377
Employee Benefits	
Fringe Allocation	\$370,821
Subtotal	\$370,821
Administrative Expense	
Agency Media Subscriptions	\$796
Travel/Administrative	\$600
Subtotal	\$1,396
Contractual Services	\$0
Subtotal	\$0
Property Management	\$0
Subtotal	\$0
Grand Total	\$1,196,594

FY18 Goals and Objectives:

- Facilitate integration and presentation of BPDA Boston Jobs policy to DECK for monthly review.
- Centralize all BPDA documents to reduce BPDA's response time to internal and external requests for information.
- Review any existing non-compliant BPDA condos and rental units for owner occupancy.
- Create monitoring system (with Development Review and A&F) to track benefit payments from developers.

Development Review

Overview: The mission of Development Review is to facilitate the review of small and large scale development projects, pursuant to Article 80 of the Boston Zoning Code. Led by a team of Project Management staff, this unit coordinates with BPDA Planning staff, City Agencies, elected officials and the community to foster responsible development in neighborhoods and Downtown.

Development Review is responsible for facilitating the evaluation of design, density, use, and phys-

TABLE 24 Development Review Budget
FY18

Expenses	
Personnel	
Salaries and Wages	\$1,113,364
Subtotal	\$1,113,364
Employee Benefits	
Fringe Allocation	\$517,395
Subtotal	\$517,395
Administrative Expense	
Marketing	\$2,128
Travel/Administrative	\$2,554
Subtotal	\$4,682
Contractual Services	
Subtotal	\$0
Property Management	
Subtotal	\$0
Grand Total	\$1,635,441

ical and social impacts for all development projects in the City of Boston. This includes proposals for residential, commercial office, hotel, retail, and research & development uses. The Project Managers assemble and work closely with Planners, relevant City Agencies and the community to ensure that the impacts of each project are identified, mitigated, and that the design of the project relates to and enhances the surrounding area.

FY18 Goals and Objectives:

- Partner with the Planning Department to create a framework of enhanced collaboration.
- Work to improve transparency and consistency around the BPDA's Development Review processes for both internal and external stakeholders.

