



# BPDA FY18 BUDGET PRESENTATION

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Additional support from Department Heads  
and Agency Leadership

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# Changes for FY18 Budget Process

FY18 marks the second year of a multi-year effort to improve budget and accounting practices

## **GOAL: Increase organization, transparency and detail of the Agency's budget**

- New budget book to be released publicly after Board approval
- Re-categorization/regrouping of revenues and expenses to produce better financial reporting
- More detail on capital projects, costs and sources of funds

## **GOAL: Increase focus on long-term planning and liabilities**

- Refining multi-year cash flow analysis with more detailed capital planning process
- Adhering to OPEB funding schedule and investing money for returns
- Taking steps toward self insurance for EDIC health insurance

## **GOAL: Develop the budget for use as a fiscal planning and management tool**

- Meetings with department heads for budget development and quarterly variance reviews
- Linking Human Resources data with financial data for better Personnel analysis
- Leveraging financial software to link Budget/Procurement/General Ledger processes

# FY18 BPDA Operating Budget Overview

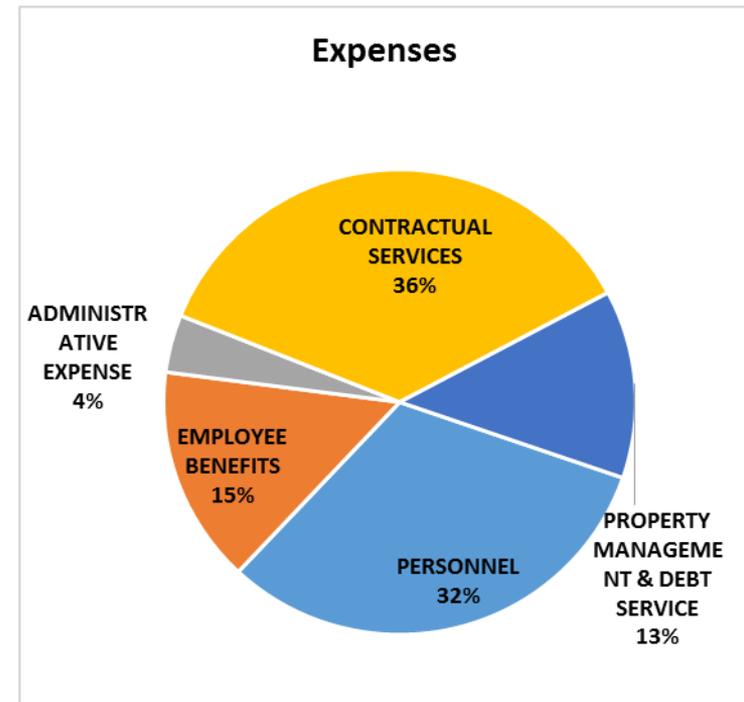
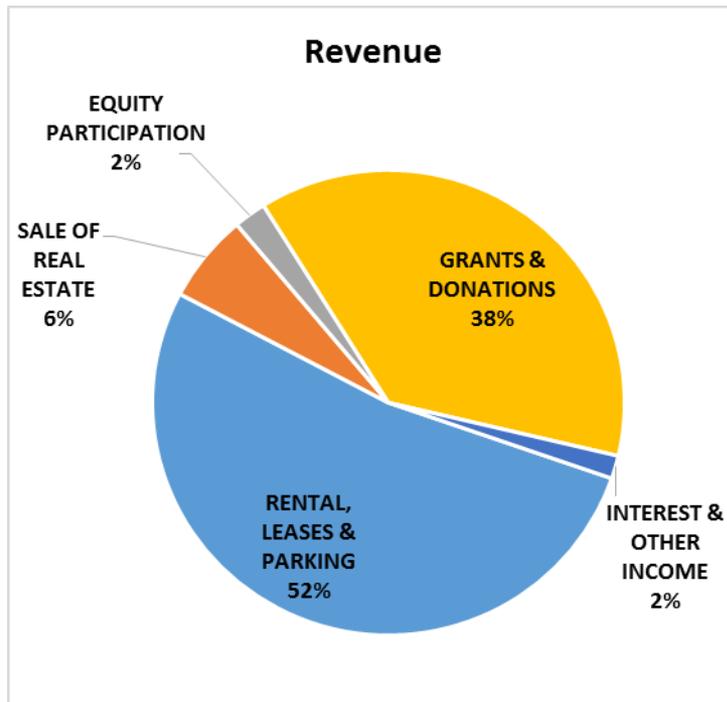
# FY18 Operating Budget Overview

The Boston Planning & Development Agency (BPDA), as a financial entity, consists of five (5) “business units”.

- ❑ Three (3) corporations:
  - Boston Redevelopment Authority (BRA)
  - Economic Development and Industrial Corporation (EDIC)
  - Boston Industrial Development Finance Agency (BIDFA)
  
- ❑ Two (2) associated 501(c)3's:
  - Boston Local Development Corporation (BLDC)
  - Friends of Youth Opportunity Boston (FYOB)
  
- ❑ WriteBoston, Inc. is transitioning to a fully independent 501c(3) for FY18
  
- ❑ EDIC acts as fiscal and administrative agent for BIDFA, BLDC, and FYOB by providing employees, Facilities, IT, Accounting and HR support as well as financial support when needed

# FY18 Operating Budget Overview: Sources of Revenue & Expenses

- Major revenue source include – Rental, Lease & Parking, Grants & Donations (OWD/Intercompany), Sale of Real Estate, and Equity Participation.
- Major expenditures include – Personnel, Benefits, Contractual Services (includes OWD community-based organizations & intercompany grant), Property Management & Debt Service and Administrative Expenses.



# FY18 Operating Budget Overview: Revenue & Expenses

- BPDA has a Combined (BRA/EDIC) FY18 Budget Revenue of \$62.7M and Expenses of \$62.2M
- Revenue increases over the FY17 Budget of \$0.4M, or 0.7%
- Expenses increase over the FY17 Budget of \$0.6M, or 0.9%
- FY18 Operating Budget surplus projected at \$0.5M

BPDA Combined Budget Summary (Millions)				
	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
<b>REVENUES</b>				
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
<b>TOTAL REVENUES</b>	<b>\$57.89</b>	<b>\$62.24</b>	<b>\$70.12</b>	<b>\$62.68</b>
<b>EXPENSES</b>				
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 SVC.	\$9.27	\$12.47	\$6.52	\$8.14
<b>TOTAL EXPENSES</b>	<b>\$57.28</b>	<b>\$61.65</b>	<b>\$62.16</b>	<b>\$62.23</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$0.62</b>	<b>\$0.59</b>	<b>\$7.96</b>	<b>\$0.45</b>

# FY18 Operating Budget Overview: Highlights

## Revenue Highlights

- Rentals, Leases & Parking increases
  - Parking increase from expanded cruises and added spaces
  - Zoom Group lease paid in FY17
- Sale of Real Estate increases but has some one-time revenue
- Equity Participation decreases as trend is slowing
- Grants & Donations increases
  - OWD decrease of \$1.8M due to declining Federal funding
  - Increase in intercompany grant from EDIC to BRA for China Trade

## Expense Highlights

- Personnel increases
  - Headcount declining. 16 vacant positions: 3 new/13 from FY17
  - 2.0% COLA increase
- Benefits decrease
  - Funding of OPEB liability lower based on schedule
  - Reduced growth in EDIC health insurance cost by going partially self-insured
- Contractual Services increases and Property Management decreases
  - Re-categorization of expenses - intercompany
  - Reduction to certain one time expenses of roughly \$3.0M: Continuum, ImagineBoston 2030, LDA

# FY18 Operating Budget Overview: Headcount

As Personnel and the associated Benefits are the Agency's largest expense, control of headcount is very important

- Adding Personnel in areas of need while controlling total headcount requires planning and efforts to reorganize where and when there is there is attrition
- In FY18, headcount is expected to decline overall -- reversing the recent trend -- while increasing staff in key areas of need



BPDA Head Count Table				
Department	FY17			FY18
	Budget	Active	Vacancies	Budget
<b>ADMINISTRATION AND FINANCE</b>	22	23	1	24
<b>ADMINISTRATIVE SERVICES</b>	2	0	0	0
<b>BLDC</b>	2	2	0	2
<b>BOARD MEMBERS</b>	5	5	0	5
<b>COMPLIANCE</b>	12	11	0	11
<b>DEVELOPMENT REVIEW</b>	15	13	3	16
<b>DIRECTOR'S OFFICE</b>	18	12	0	12
<b>LEGAL</b>	13	11	2	13
<b>MIS</b>	17	16	0	16
<b>OWD</b>	53	49	1	50
<b>PLANNING</b>	45	43	7	50
<b>REAL ESTATE</b>	37	34	1	35
<b>RESEARCH</b>	8	8	1	9
<b>SECRETARY'S OFFICE</b>	3	3	0	3
<b>Total</b>	<b>252</b>	<b>230</b>	<b>16</b>	<b>246</b>
<b>Employee Service Contractors</b>	<b>31</b>	<b>18</b>		<b>18</b>

# FY18 BPDA Capital Budget

# FY18 Capital Budget Summary

FY18 continues the process of investing in the Agency's infrastructure and addressing deferred maintenance

FY18 Capital Budget Summary					
Category	FY16 & Prior	FY17 Projected	FY18 Projected	Agency Funding FY18	City Funding FY18
Management Information Services	-	\$197,202	\$232,048	\$232,048	-
BRA - China Trade	\$2,793,632	\$4,191,186	\$6,041,046	\$6,041,046	-
BRA - Charlestown Navy Yard	-	\$1,916,264	\$759,840	\$683,840	\$76,000
BRA - Other Locations	-	\$328,953	\$490,000	\$240,000	\$250,000
EDIC - RLFMP	\$729,409	\$6,268,794	\$6,047,500	\$4,997,500	\$1,050,000
CONTINGENCY - AGENCY WIDE	-	-	\$1,333,839	\$1,333,839	-
<b>GRAND TOTAL</b>	<b>\$3,523,040</b>	<b>\$12,902,399</b>	<b>\$14,904,273</b>	<b>\$13,528,273</b>	<b>\$1,376,000</b>

**Notes:**

- \* Total City funded \$1.5 million - \$200,000 strategic planning area transportation study in the operating budget.
- \* \$76,000 prior year city budget approved.
- \* Pending projects are listed but not approved.

# Questions?

# Appendix

## FY18 BRA Budget Summary (\$millions)

BRA Summary Budget				
	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
<b>REVENUES</b>				
RENTAL, LEASES & PARKING	\$9.50	\$8.04	\$8.19	\$8.83
SALE OF REAL ESTATE	\$2.69	\$3.43	\$3.54	\$3.85
EQUITY PARTICIPATION	\$2.65	\$2.20	\$1.30	\$1.40
GRANTS & DONATIONS	\$4.16	\$6.44	\$8.90	\$9.31
INTEREST & OTHER INCOME	\$0.28	\$1.03	\$0.98	\$0.99
<b>TOTAL REVENUES</b>	<b>\$19.28</b>	<b>\$21.13</b>	<b>\$22.91</b>	<b>\$24.38</b>
<b>EXPENSES</b>				
PERSONNEL	\$7.70	\$7.76	\$7.97	\$7.74
EMPLOYEE BENEFITS	\$4.92	\$5.91	\$6.03	\$5.69
ADMINISTRATIVE EXPENSE	\$0.63	\$0.62	\$0.62	\$0.81
CONTRACTUAL SERVICES	\$3.18	\$3.87	\$3.52	\$2.89
PROPERTY MANAGEMENT & DEBT SERVICE	\$2.30	\$2.85	\$2.18	\$3.08
<b>TOTAL EXPENSES</b>	<b>\$18.71</b>	<b>\$21.01</b>	<b>\$20.32</b>	<b>\$20.21</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$0.57</b>	<b>\$0.12</b>	<b>\$2.59</b>	<b>\$4.16</b>



## FY18 EDIC Budget Summary (\$millions)

EDIC Summary Budget (millions)				
	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
<b>REVENUES</b>				
RENTAL, LEASES & PARKING	\$21.54	\$24.53	\$30.27	\$24.05
SALE OF REAL ESTATE	\$0.00	\$0.00	\$0.00	\$0.00
EQUITY PARTICIPATION	\$0.00	\$0.00	\$0.00	\$0.00
GRANTS & DONATIONS	\$17.04	\$16.57	\$16.37	\$14.23
INTEREST & OTHER INCOME	\$0.03	\$0.00	\$0.57	\$0.01
<b>TOTAL REVENUES</b>	<b>\$38.61</b>	<b>\$41.11</b>	<b>\$47.21</b>	<b>\$38.30</b>
	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
<b>EXPENSES</b>				
PERSONNEL	\$11.15	\$11.78	\$12.02	\$11.98
EMPLOYEE BENEFITS	\$3.44	\$4.13	\$4.21	\$3.70
ADMINISTRATIVE EXPENSE	\$0.73	\$1.47	\$0.98	\$1.68
CONTRACTUAL SERVICES	\$16.27	\$13.63	\$20.30	\$19.59
PROPERTY MANAGEMENT & DEBT SERVICE	\$6.98	\$9.63	\$4.34	\$5.06
<b>TOTAL EXPENSES</b>	<b>\$38.56</b>	<b>\$40.64</b>	<b>\$41.84</b>	<b>\$42.01</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$0.04</b>	<b>\$0.47</b>	<b>\$5.37</b>	<b>-\$3.71</b>