



OVERVIEW

The Economic Development and Industrial Corporation (EDIC) Operating Budget includes the revenue and expenses attributable to a variety of functions, including operating the Boston Marine Industrial Park, conducting a variety of economic initiatives to benefit the City of Boston, and running the Mayor's Office of Jobs and Community Services (JCS) and its component programs. The Operating Budget is a twelve-month strategic plan that begins July 1st of each year and allocates resources to achieve program initiatives. It emphasizes the objectives of the EDIC's programs and reflects the policy goals established by the Mayor, the Board, and the community.

Accountability and financial control will continue to be at the forefront of the budget process to ensure an effective and efficient planning and economic development program.

The Operating Budget for EDIC is outlined in two attached charts, the first chart presenting the summary of revenues and expenses and the second chart presenting the operating expense detail.

BUDGET SUMMARY

Total operating revenue is projected at \$36,273,691 and total operating expenses at \$33,166,463, resulting in revenues over expenses of 107,228. The major components of the Operating Budget are as follows:

Revenue

Revenue is projected at \$36,273,691. This represents revenue generated from rental payments, lease payments, equity participation, project income, grant income, interest income, and other income.

- Rental, Lease, and Long Term Agreement Income is budgeted at \$13,926,346 and represents revenue sources at the Marine Industrial Park.
- Equity Participation of \$820,000 represents percentage rent payments from tenants at the Marine Industrial Park.
- Grant Income is expected to total \$20,994,095 and represents amounts received from federal and state agencies that are distributed through Jobs and Community Service programs.
- Interest Income is projected at \$133,250 and reflects interest earned on operating funds.
- Other Income is budgeted at \$400,000 representing cost reimbursement for engineering services, and loan and housing program applications.

Economic Development and Industrial Corporation
Budget Detail/Operating Expenses
(000s)

IN THOUSANDS	FY10 BUDGET
PERSONNEL	\$8,877
EMPLOYEE BENEFITS	
SOCIAL SECURITY / RETIREMENT	1,689
HEALTH	1,640
WORKERS COMP	23
TOTAL EMPLOYEE BENEFITS	3,352
ADMINISTRATIVE	
ADVERTISING	6
DATA PROCESSING	92
EMPLOYEE EDUCATION	50
GRAPHIC DESIGNS	5
MARKETING	160
OFFICE EQUIPMENT	60
OFFICE SUPPLIES	228
POSTAGE	50
PRINTING	48
DUES & SUBSCRIPTIONS	67
TELEPHONE	114
TRAVEL/ADMINISTRATION	25
TOTAL ADMINISTRATIVE	905
CONTRACTUAL SERVICES	
ADMINISTRATION & FINANCE	450
JOBS & COMMUNITY SERVICE	15,773
LEGAL	88
PLANNING & ECONOMIC DEVELOPMENT	926
TOTAL CONTRACTUAL SERVICES	17,236
PROPERTY MANAGEMENT	
TRANSPORATION	88
SECURITY	515
INSURANCE	275
DEPRECIATION	1,200
LAND & BUILDING MAINTENANCE	421
UTILITIES	2,376
DEBT SERVICES	922
BAD DEBT RESERVE/BLDC	0
TOTAL PROPERTY MANAGEMENT	5,797
TOTAL OPERATING EXPENSES	\$36,166

Economic Development and Industrial Corporation
Budget Summary
(000s)

IN THOUSANDS	FY10 BUDGET
OPERATING REVENUE:	
RENTAL, LEASES	\$13,926
EQUITY PARTICIPATION	820
GRANT INCOME	20,994
INTEREST INCOME	133
OTHER INCOME	400
TOTAL REVENUE	\$36,274
OPERATING EXPENSES:	
PERSONNEL	8,877
EMPLOYEE BENEFITS	3,352
ADMINISTRATIVE	905
CONTRACTUAL SERVICES	1,463
CBO'S & JOBS & COMMUNITY SERVICES	15,773
PROPERTY MANAGEMENT	5,797
TOTAL EXPENSE	\$36,166
REVENUES OVER (UNDER) EXPENSES	\$ 107

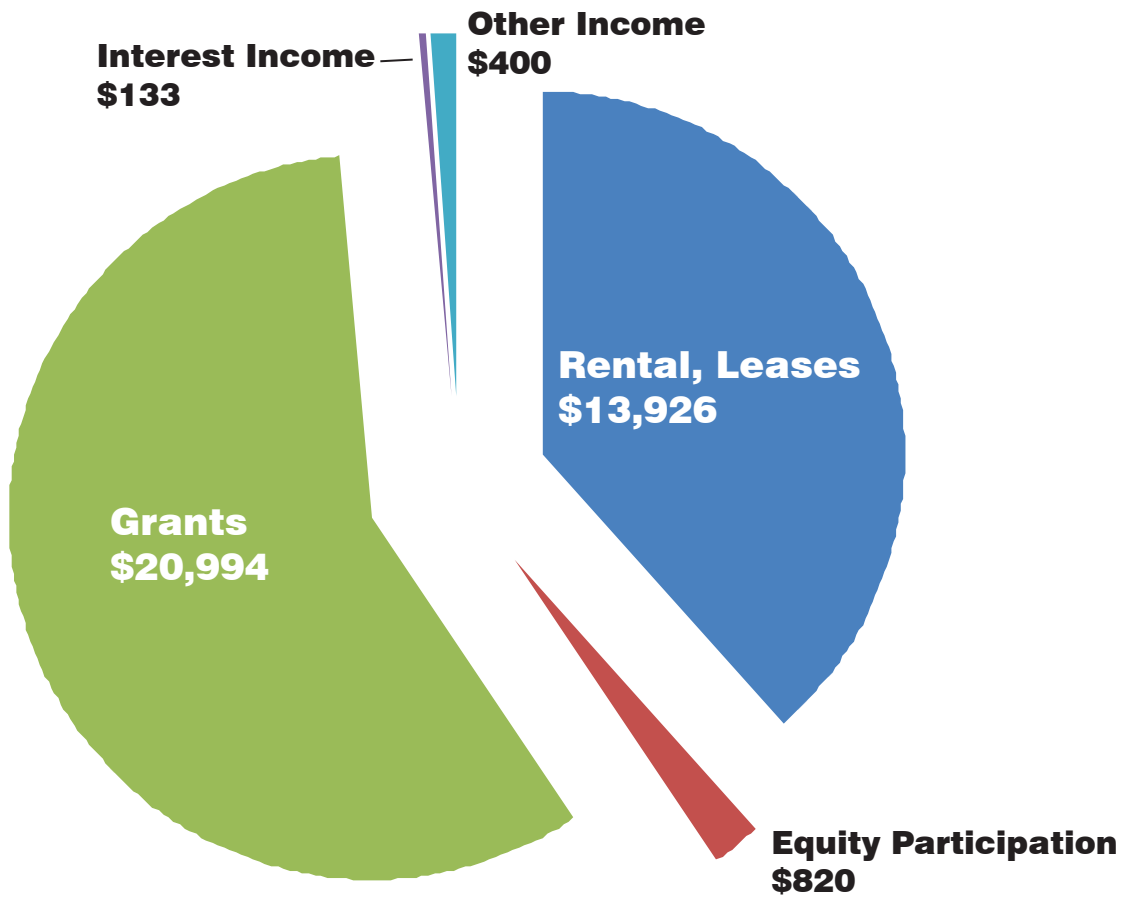
Expenses

Total Operating Expenses are budgeted at \$36,166,463. This represents the following categories: Personnel: Employee Benefits; Administrative; Contractual Service; and Property Management.

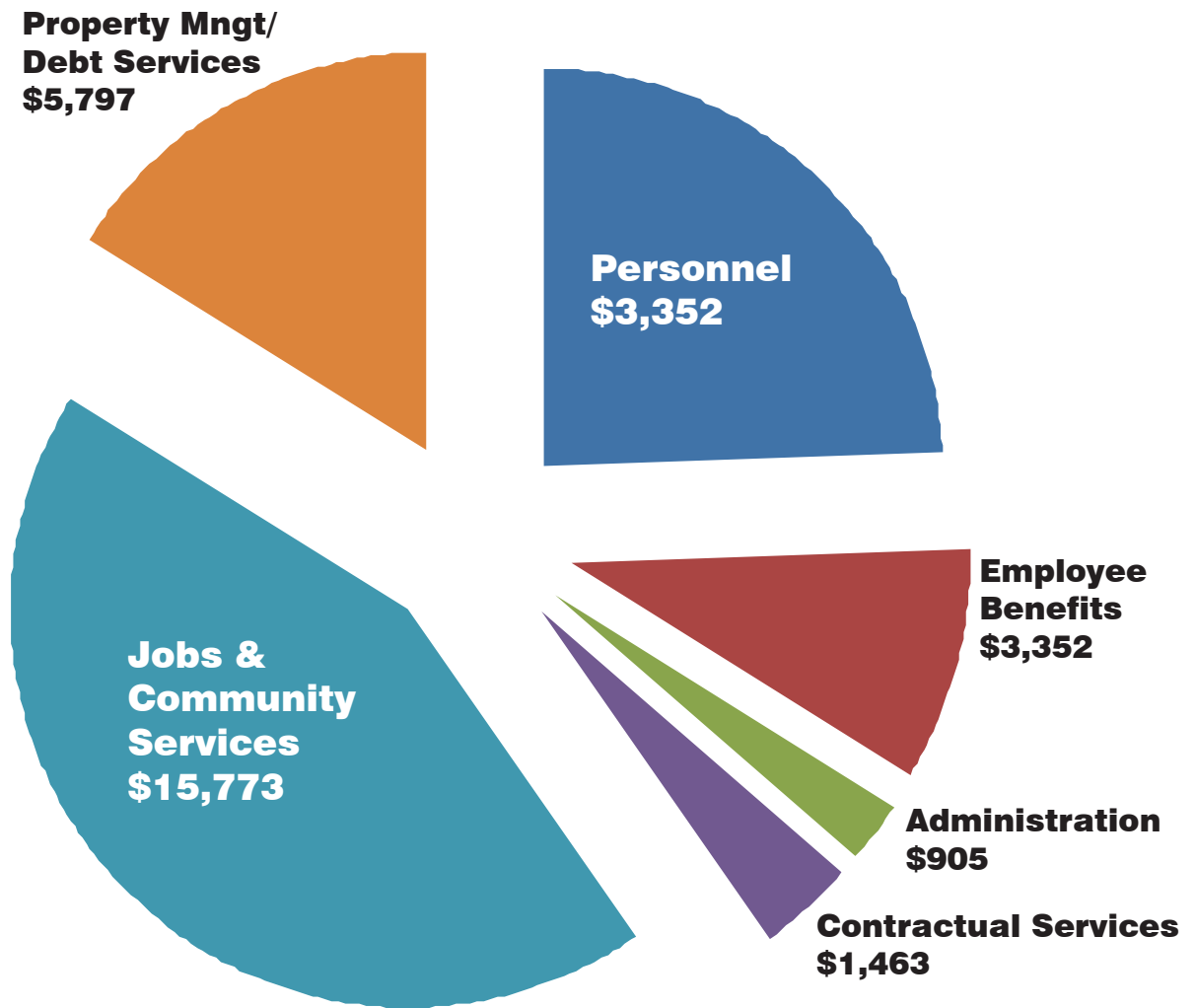
- Personnel costs are budgeted at \$8,877,235 which reflects a wage reduction of either 3% or 5% for all staff earning \$50,000 or above. This budget will support a full time staff of 152 which is a decrease from last year's total of 174.
- Employee Benefits are projected at \$3,351,995 and represent Social Security and retirement program payments of \$1,688,905, health insurance payments of \$1,640,474 and workers compensation insurance costs of \$22,619.
- Administrative expenses are budgeted at \$904,500 and represent the day-to-day cost of operations, including the following:
 1. Major costs, totaling \$784,500, include: data processing at \$62,000, to support the acquisition and upgrade of computers, computer applications, and software; employee education costs totaling \$50,000; telecommunication costs of \$114,000; costs of leased copy equipment and maintenance support totaling \$60,000; office supplies and postage at \$278,000; travel at \$55,000; marketing and advertising totaling \$165,500.
 2. Other costs, totaling \$120,000, represent costs for graphic design, printing, and subscriptions.
- Contractual Services is budgeted at \$17,235,734 and provides funding for Administration and Finance, Legal, Community Based Organizations, and Planning and Economic Development initiatives.
 1. Administrative and Finance contractual services are budgeted at \$449,500 and represent independent audit costs totaling \$192,000 and leased space for JCS Operations totaling \$257,500.
 2. Legal expenses are projected at \$87,500 and include the costs of litigation and Board Members' liability insurance.
 3. Other professional services are budgeted at \$926,000 and include Planning and Economic Development initiatives, alternative transportation initiatives, job stimulus projects and costs associated with Municipal Harbor Plans.
 4. Jobs and Community Services contractual services are budgeted at \$15,772,734 and represent program payments for job training, education, human services, and literacy initiatives.
- Property Management/Debt Service costs are projected at \$5,797,000 and represent utility costs of \$2,376,000, insurance costs of \$275,000, transportation costs of \$88,000, land and building maintenance costs of \$421,000, security costs of \$515,000, depreciation of \$1,200,000 and debt service of \$922,000.
 1. Of the total \$4,875,000 in property management costs it is estimated that \$2,800,000 will be charged back to the tenants at the Marine Industrial Park in accordance with the lease agreements.

The EDIC Fiscal Year 2010 Operating Budget is approved in the expense amount of \$36,166,463.

REVENUE DISTRIBUTION %



EXPENSE DISTRIBUTION %



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Budget Detail/Operating Expenses
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