



THE CITY OF BOSTON FINANCE COMMISSION  
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# Annual Report

## Fiscal Year 2016

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### **Introduction:**

The City of Boston Finance Commission is an independent watchdog agency, established by Massachusetts Acts and Resolves of 1909, Chapter 486, Section 17, to monitor the administrative and financial activities of the City of Boston. The Commission reviews all unadvertised contracts over \$35,000 issued by city departments, as well as other documents pertaining to city operations, investigates complaints of potential wrongdoing, undertakes research projects to uncover municipal efficiencies and reports the findings of any irregularities to the Administration and to the public.

The Boston Finance Commission promotes transparency, accountability and the application of proven good governance practices with the focus on acting in the best interest of the taxpayers. To assist in accomplishing this task, the Commission is empowered with subpoena powers, which can be utilized when necessary. The Commission's independence allows it to operate free of political pressures and to focus on policies and procedures that will lead to efficient and responsible governing practices for the City of Boston.

# **I. GENERAL INFORMATION ABOUT THE COMMISSION**

## **1. Membership**

Commission members are appointed by the Governor of Massachusetts for terms of one to five years. All appointees must have resided in the City of Boston for at least three years at the time of the appointment.

Commission members and their term expiration dates are as follows:

Margaret Mainzer-Cohen (Chair) (7/17/2020)

James Weliky, Esq. (7/28/2016)

Matthew Gorzkowicz (8/9/2017)

Richard Iannella (10/9/2019)

Patrick Sarkis (9/18/2020)

## **2. Executive Director**

Matthew A. Cahill serves as Executive Director of the Finance Commission. Mr. Cahill began with the Finance Commission in 1998 and became Executive Director in 2009.

## **3. Budget**

The Commission is an independent agency, funded by the City of Boston. The Commission received an appropriation of \$265,375.00 for fiscal year 2016.

## **4. Meetings**

The Commission convenes monthly and meetings are open to the public. In fiscal year 2016, the meetings were held at the Curley Conference Room at 43 Hawkins Street, Boston.

## Summary of Commission Activity in Fiscal Year 2016

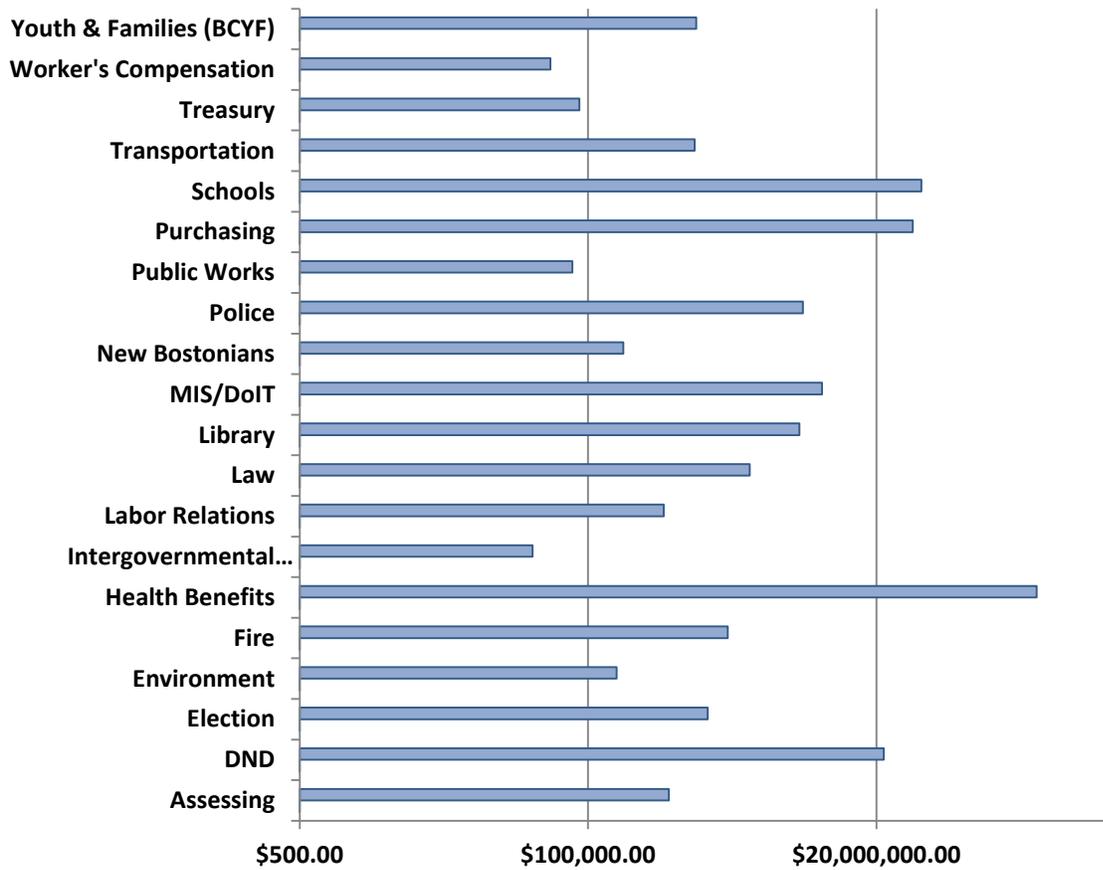
### I. Unadvertised Contracts

It is the business of the Finance Commission to review all unadvertised contracts over the \$35,000 dollar value set forth by M.G.L. 30B, to assure Commonwealth of Massachusetts Bidding Law compliance. The review process allows the Commission to consider the need for the services, review the qualifications of the vendor, and monitor the provider's hourly/daily rate and the total cost of the contract. **In fiscal year 2016, the Finance Commission reviewed 321 unadvertised contracts issued by various city departments, having a total value of \$511,370,492.31. The charts below detail contracts reviewed data:**

Department	Number of Contracts	Total Value
Assessing	3	\$440,000.00
DND	72	\$22,876,009.00
Election	1	\$900,000.00
Environment	1	\$169,373.00
Fire	17	\$1,301,455.83
Health Benefits	7	\$379,192,000.00
Intergovernmental Relations	1	\$36,000.00
Labor Relations	8	\$402,656.00
Law	20	\$1,952,000.00
Library	8	\$4,862,581.29
MIS/DoIT	17	\$7,375,920.87
New Bostonians	6	\$191,627.37
Police	32	\$5,191,995.61
Public Works	1	\$75,000.00
Purchasing	27	\$39,025,000.00
Schools	86	\$45,807,527.26
Transportation	2	\$708,577.87
Treasury	2	\$85,000.00
Worker's Compensation	1	\$50,000.00
Youth & Families (BCYF)	9	\$727,768.21
<b>Totals</b>	<b>321</b>	<b>\$511,370,492.31</b>

\* Bar graph representative of data in table shown previously.

### FY2016 Contracts



The vertical data represents City of Boston departments and the horizontal data represents the total dollar value of each department's unadvertised contracts over \$35,000 for FY2016.

## **II. INVESTIGATIONS**

Investigations were generated from complaints, media reports and first-hand observations of City of Boston activities.

### **Boston 2024 Olympics**

The magnitude of the potential impact of the City of Boston hosting the 2024 Olympic Games motivated the Commission to continue researching the areas of concern. Efforts focused strongly on the financial areas but also included discussions of the need for City-owned land in and around the meter shop and vehicle maintenance facilities located at Frontage Road. The Commission created a document of questions that was distributed to the Walsh Administration, the Boston Redevelopment Authority, and the Boston 2024 Olympic Committee but received limited responses. At a Finance Commission meeting, held on July 22, 2015, members decided that a final attempt would be made to collect answers regarding potential taxpayer liability. The Commission felt confident in issuing a document stating that the Commission would not support the City of Boston hosting the 2024 Olympic Games unless a document was created and executed that indemnified the taxpayers from any financial obligations. A final attempt to reach out to Boston 2024 was made on July 23, 2015, that explained that the questionnaire must be completed and returned, or the Commission would be issuing a public statement of non-support. On July 27, 2015, Mayor Walsh announced that he would no longer support the Olympic 2024 bid, due to the fact that there would be no guarantee that the taxpayers would not be responsible for cost overruns.

### **Boston Centers for Youth & Families**

Boston Finance Commission staff investigated several City-owned community center facilities that were being operated by vendors. The investigation found that three of the four centers that have been outsourced, were operating without a contract, and that the fourth center appeared to have had a contract, which had some irregularities. A report was created and distributed that highlighted concerns of liabilities for those utilizing the buildings in lieu of executed contracts, questions arose regarding employees following proper screening procedures, and taxpayers continuing to fund the operations and facility repairs, while vendors collected revenues. The City has since begun public bidding and issuing new contracts, requiring vendors and employees to be insured and CORI checked, as well as ensuring that the costs of operations will be paid by the vendors.

### **Office of New Bostonians**

The Boston Finance Commission conducted a review of funds expended by the Office of New Bostonians for the “We Are Boston Annual Gala”, held on November 17, 2015, after receiving multiple contracts for event planning, venue rental, and catering costs. The event included dinner and drinks at the Fairmount Copley Plaza Hotel, dancing, and a performance by singer and actress Vanessa Williams. Several irregularities were noted including the lack of review of one of the contracts, event tickets that were given without a fee and alcohol that was said to be donated for the event. The Commission met with the Office of New Bostonians to discuss concerns and to assure that all contracts were properly executed.

### **Long-Term Issue Updates**

The Winthrop Square Garage, a City of Boston owned property located at 115 Federal Street, in the Financial District of Downtown Boston, took positive steps moving towards a sale after many years of advocacy by the Finance Commission. The Boston Redevelopment Authority, acting as an agent of the City of Boston, issued a Request for Proposals for the sale of the property and received six offers. The Boston Finance Commission strongly advocated that submissions include a purchase price proposal, and this requirement yielded a top bid of up to \$150.8 million. Mayor Walsh has indicated that a portion of these funds will be used for housing initiatives.

The Mary Cummings Trust consists of 210 acres of property located in Burlington and Woburn Massachusetts, as well as over \$300,000 in funds left to the City of Boston in 1930. The land has sat mostly vacant and overgrown since the death of Mrs. Cummings. After many years of the Commission keeping the City aware of the need for a solution to utilize this property, the Treasury Department issued a Request for Proposals for the care and custody of the land as an open pleasure ground. There was one proposal submitted which did not appear to meet the needs of the City of Boston. The RFP will be reviewed, edited and advertised.

Boston Finance Commission office staff began to review all 121A tax incentives that have been given to developers. The process has been arduous due to the need to submit requests for information to the Boston Redevelopment Authority, which a recent audit found has

had difficulty in the area of record retention and retrieval. Boston Finance Commission staff will continue to analyze each 121A tax incentive as they become available and report at a later time.

The Boston Finance Commission has been continually monitoring the development of the Long Island and Northern Avenue bridges. The Long Island Bridge was officially closed to vehicular traffic in October 2014 and was demolished in its entirety in 2015, effectively denying access to the property by land, which forced the closure and relocation of social programs. The expense to upkeep the buildings on the island still remain. The Northern Avenue Bridge, one of the last examples of a swing bridge in the City of Boston, allowed access to what is now the South Boston Seaport District, but the structure has been closed due to the deteriorating condition. There have been discussions to refurbish the bridge as a way of alleviating traffic congestion in the area, however the City has not undertaken a traffic study, and additionally, an analysis should be conducted to ensure that the financial obligations of the plan will be known. The Boston Finance Commission will continue to monitor and report on both issues.

Very Truly Yours,

Matthew A. Cahill  
Executive Director  
City of Boston Finance Commission