



THE CITY OF BOSTON FINANCE COMMISSION
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Annual Report

Fiscal Year 2018

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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 \$50,000 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 Gubernatorial appointed members, the City of Boston Administration and to the public. .

The Boston Finance Commission promotes transparency, accountability and the application of proven good governance and business 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 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)

Matthew Gorzkowicz (8/9/2017)

Richard Iannella (10/9/2019)

Patrick Sarkis (9/18/2020)

Jake Sullivan (7/28/2021)

2. Executive Director

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

3. Budget

The Commission is an independent agency, funded by the City of Boston. The Commission budget appropriation for fiscal year 2018 was \$271,275.

4. Meetings

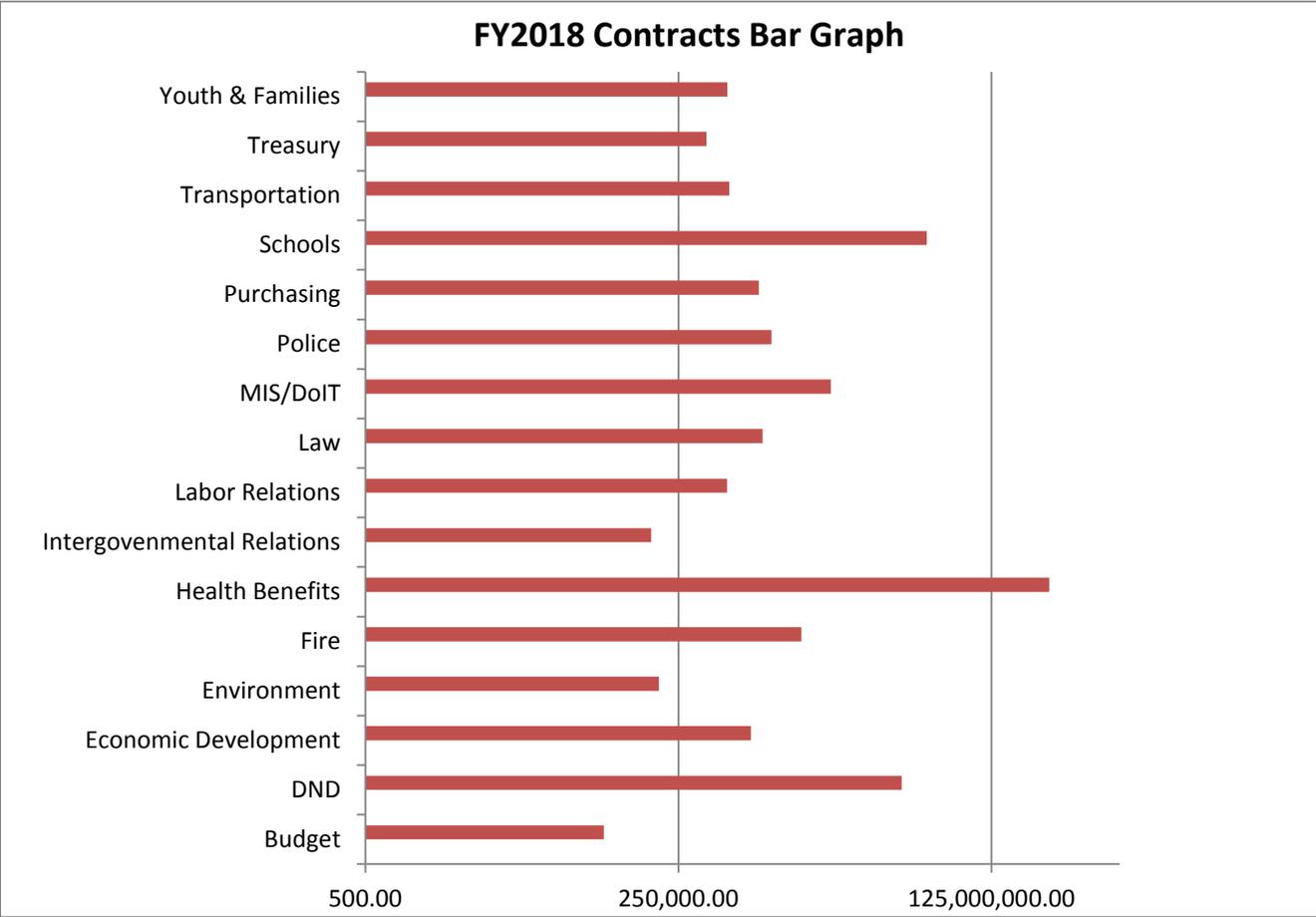
The Commission convenes often throughout the year. Meetings are public and citizens are encouraged to attend. Meetings were held at the Curley Conference Room at 43 Hawkins Street, Boston. In fiscal year 2018, Finance Commission members held eight meetings.

**Summary of Commission
Activity in Fiscal Year 2018**

I. Unadvertised Contracts

It is the business of the Finance Commission to review all unadvertised contracts over the \$50,000 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 2018, the Finance Commission reviewed 210 unadvertised contracts issued by various city departments, having a total value of \$465,677,492.51. The chart below details contracts reviewed data:**

Department	Number of Contracts	Total Value
Budget	1	\$57,000.00
DND	58	\$20,965,985.00
Economic Development	14	\$1,050,000.00
Environment	1	\$169,373.00
Fire	11	\$2,872,821.04
Health Benefits	7	\$393,989,577.87
Intergovernmental Relations	1	\$145,516.00
Labor Relations	8	\$655,674.25
Law	15	\$1,330,000.00
MIS/DoIT	14	\$5,171,174.58
Police	13	\$1,589,149.81
Purchasing	3	\$1,231,889.21
Schools	54	\$34,668,600.00
Transportation	4	\$685,731.75
Treasury	2	\$435,000.00
Youth & Families	4	\$660,000.00
	210	\$465,677,492.51



The vertical data represents City of Boston departments. The horizontal data represents the total dollar value of each department's M.G.L. 30B exempt contracts reviewed for FY2018.

I. INVESTIGATIONS/REPORTS/ACTIVITIES

Investigations were generated from complaints, media reports, first-hand observations, as well as requests made by members of the Finance Commission. Some of the activities of the Finance Commission in fiscal year 2018 were:

Executive Summary reports

The Finance Commission held eight meetings in fiscal year 2018. The office staff created an executive summary report for each meeting to keep Finance Commission members informed of activities of the office as well as issues of importance to the City of Boston. The executive summary reports include a synopsis of office activities that members may want to further discuss.

Fiscal Year 2017 Report

At the beginning of every City of Boston Fiscal Year, the office creates an annual report that outlines the activities of the City of Boston Finance Commission.

Fiscal Year 2018 Budget Report

After the approved fiscal year 2018 City of Boston Budget was released, the office reviewed the appropriations and created the City of Boston Fiscal Year 2018 Budget Overview report. The document reviewed City of Boston revenue streams such as property taxes and state aid and also highlighted expenditure percentage growths that would be of interest.

Boston Public Schools Prepared Meals

The office was asked by Commission Members to review and report on the bidding process for Boston Public Schools Vended Meals and Boston Public Schools Snacks contracts. A review of the process was taken and a report created. The findings were forwarded to members and the results were discussed during the November 17, 2017 Finance Commission meeting.

Requests for Proposals/Information

The office randomly selects Requests for Proposals and Requests for information to review and inform the Finance Commission members. In fiscal year 2017 these included the Request for Information for the potential development of the City of Boston Public Works yard at 400 Frontage Road and the Request for Proposals for renovations to City Hall Plaza.

Boston Public Schools Pizza Contract

The office received a complaint regarding the awarding of a contract without undertaking a bidding process. An investigation was undertaken which included interviews with Boston Public Schools employees. It was initially stated that the contract was procured utilizing a Commonwealth of Massachusetts contract which was found to be incorrect. The investigation proved that the contract had not been properly procured. A letter was composed and forwarded to Boston Public Schools Superintendent Tommy Chang outlining the issue and the findings of the Finance Commission.

Health Care Report

Finance Commission members requested information regarding the City of Boston costs for employee health care, the processes used to procure the health plans and comparisons to other municipalities. The office conducted interviews and research and created a report. It was found that Boston's health plans are similar in costs and structure to most other reviewed cities.

Ongoing Issues

Several issues of issues to the Commission will continue to be of interest going into fiscal year 2019 including: The sale and development of the Winthrop Square Garage is a potential financial windfall for the citizens of Boston and the Commission will continue to monitor the progress of the Financial District site. The recent announcement that the Shattuck Hospital will be moving some of its operations from its Jamaica Plain location, will potentially lead to other possible uses of the site. The office has reached out to the Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance (DCAMM) and citizen groups to keep informed of the progress.

Very Truly Yours,

Matthew A. Cahill
Executive Director
City of Boston Finance Commission