



David B. Cohen
Mayor

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Office of the Mayor

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Honorable Board of Aldermen, Citizens, and Taxpayers:

I hereby submit for your approval, in accordance with Chapter 44, Section 32 of the Massachusetts General Laws, the Fiscal 2010 Budget, totaling \$333,442,492 along with interfund transfers, revolving fund appropriations, and grant acceptances. The General Fund total is \$287,097,420, the combined Water and Sewer funds total \$42,525,505, the Community Preservation Act Fund totals \$3,119,567 and the Storm Drain Fund totals \$700,000.

The bulk of the City's General Fund revenues continue to be generated from property taxes. Eighty percent (80%) of projected General Fund revenues are from the property tax and four and seven-tenths percent (4.7%) are from other taxes, such as the motor vehicle and hotel/motel excise taxes. The City's second largest source of revenue is state aid, totaling seven and one-tenth percent (7.1%). All other revenue sources constitute eight and a two-tenths percent (8.2%) of the City's General Fund revenues. This includes \$7,371,750 to support debt service, based on the long term capital plan as amended recently as a result of the recent bond sale. This sum comes from next year's MSBA reimbursement, last year's MSBA reimbursement currently in free cash and a transfer from capital stabilization.

The largest proposed General Fund expenditure is for the School Department, with fifty-seven percent (57%) of expenditures. Municipal departments account for twenty-seven and eight-tenths percent (27.8%) of General Fund expenditures. Retirement (7.7%), Debt and Interest (5%), and State Assessments (2%) are the other major spending categories. For FY10, the General Fund contains a Budget Reserve of \$750,000 to meet unexpected emergencies during the year.

I look forward to working with the Board of Aldermen during the next 45 days to complete the review and approval of the budget. I welcome suggestions from all members of the Newton community, as we move forward with the budget process and into fiscal year 2010.

Very truly yours,

David B. Cohen
Mayor

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DEDICATED TO COMMUNITY EXCELLENCE