



David B. Cohen
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 2008 Budget, totaling \$318,098,916 along with interfund transfers, revolving fund appropriations, and grant acceptances. The General Fund Total is \$275,085,378, the combined Water and Sewer funds total \$38,579,292, the Storm Water Fund totals \$691,018 and the Community Preservation Act Fund totals \$3,743,228.

The City's General Fund revenues continue to be predominantly from property taxes. Property taxes account for eighty-one percent (81%) of projected General Fund revenues and five (5%) are from other taxes, such as the motor vehicle and hotel/motel excise taxes. Both of these percentages are down from FY08. The City's second largest source of revenue is state aid, totaling eight percent (8%), the same percentage as in FY08. All other revenue sources constitute six percent (6%) of the City's revenues.

The largest proposed General Fund expenditure is for the School Department, with fifty-eight percent (58.2%) of expenditures. Municipal departments account for twenty-seven percent (27.4%) of General Fund expenditures. Retirement (7.6%), Debt and Interest (3%), and State Assessments (2.1%) are the other major spending categories. For FY09, the General Fund contains a Budget Reserve of \$650,000 to meet unexpected emergencies during the year, and a Wage Reserve to meet the funding needs of contracts yet to be settled.

Very truly yours,

David B. Cohen
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DEDICATED TO COMMUNITY EXCELLENCE