



David B. Cohen
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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 \$310,254,094 along with interfund transfers, revolving fund appropriations, and grant acceptances. The General Fund Total is \$267,845,728, the combined Water and Sewer funds total \$37,927,250, the Storm Water Fund totals \$700,000 and the Community Preservation Act Fund totals \$3,781,117.

The City's General Fund revenues continue to be predominantly from property taxes. Once again eighty-two percent (82%) of projected General Fund revenues are from the property tax and six percent (6%) 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 eight percent (8%), one percent greater than in the previous year. All other revenue sources constitute four percent (4%) of the City's revenues.

The largest proposed General Fund expenditure is for the School Department, with fifty-eight percent (57.9%) of expenditures. Municipal departments account for twenty-nine percent (28.7%) of General Fund expenditures. Retirement (7.4%), Debt and Interest (2.6%), and State Assessments (2.1%) are the other major spending categories. For FY08, the General Fund contains a Budget Reserve of \$610,000 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