

CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

November 19, 1980

TO ALL DEPARTMENT HEADS

SUBJECT: 1981-82 BUDGET

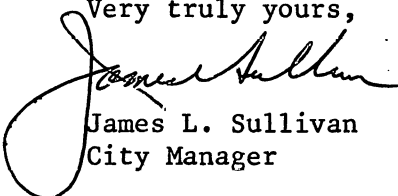
As we begin work on the 1981-82 Budget, we are all well aware of the severe consequences of Proposition 2½. The law imposes a 14.7 million dollar reduction in the City's 1981-82 appropriation. We must prepare the 1981-82 Budget on the premise that the law will not be amended nor can we assume that there will be any additional state aid.

Because Proposition 2½ will take effect on December 4, 1980, there will be a revenue shortfall in this current fiscal year due to the reduction of the motor vehicle excise tax. It is imperative that close attention be paid to revised estimates of current year expenditures and revenues. If an expenditure over-run is projected, an immediate analysis of department spending should be conducted. Because of the revenue shortfall, it must be emphasized that there will be no funds available to supplement existing budgets.

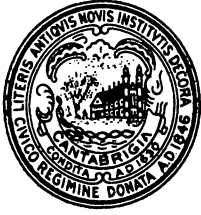
For the 1981-82 budget process, I am requesting that each department submit a budget at 75% of the 1980-81 appropriation, plus \$1,000 per employee as listed in the 1980-81 Adopted Budget Position List. Realizing that this will require some drastic action and difficult decisions, I am also requesting that each department provide a supplemental sheet outlining what had to be done to conform to the 25% reduction.

Any deviation from these guidelines must be sent in writing to the City Manager. The preparation of this budget and the unprecedented reductions will make this budget process exceedingly difficult. All decisions must be carefully weighed, keeping in mind the best interests of each department and the needs of the community.

Very truly yours,


James L. Sullivan
City Manager

JLS/b



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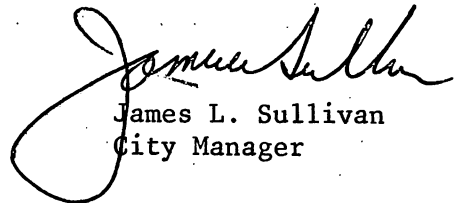
EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

November 24, 1980

To the Honorable, the City Council:

Enclosed please find copy of a communication which I have sent to all department heads relative to the effects of Proposition 2½ on this year's budget and on the preparation of the budget for 1981-82.

Very truly yours,



James L. Sullivan
City Manager

JLS/mbf
Enc.

F0418

Memo sent to all department heads in regard to the effect of Proposition 2½ on this year's budget and on the preparation of the budget for 1981-1982.

In City Council,

November 24, 1980

11/24/80

Place on File
Copy for City Clerk
FILE