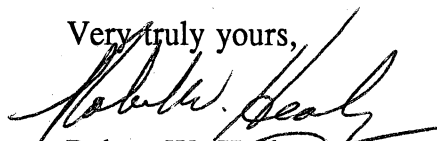


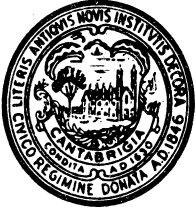
The Honorable, The City Council
February 28, 1994
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dilemma, our challenge goes far beyond. For the City to continue its current level of service delivery three things have to occur. First we must strive to contain costs, as implied in the referenced Council Order, secondly there must be an expansion of the tax base and finally there has got to be a willingness of the Commonwealth to reform the partnership that existed with municipalities throughout much of the last decade.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", written over a horizontal line.

Robert W. Healy
City Manager



CITY OF CAMBRIDGE

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EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

February 28, 1994

To The Honorable, The City Council:

In response to Awaiting Report Item No. 13, regarding a request for a proposal for reorganization of City Government that will save money, please be advised of the following:

As the City Council is aware, the City currently is at its Proposition 2 1/2 levy limit. This limit was not reached in one year, in fact it was over a period of five fiscal years that the City gradually moved toward the levy limit. During that period the administration and the City Council worked together closely to maintain some excess levy capacity. However, the lack of expansion of our tax base in recent years and sharp reductions in state assistance ultimately led the City to the tax levy limit.

At this point the administration is well into the preparation of the FY95 operating and capital budgets. It is my intention to recommend to the City Council a budget for the next fiscal year that does not require an override of Proposition 2 1/2 nor will it contain significant reductions in service. It will however be a budget that will reflect the current limitations on the City's revenue raising capacity. Over the past several months, this is a message that has been delivered to our employees and service recipients alike. While this message has not necessarily been warmly embraced, it is, I believe, understood by most if not all players in the annual budget process.

As for the issue of "reorganizing" the City Government to reduce costs, it should be understood that there will be no simple solutions to the financial challenge that faces us. I firmly believe that the programs we deliver to our citizens are needed and by large delivered in a fiscally prudent manner. This does not mean that further savings cannot be achieved. The deliverance of City services at the most economical level is a major charge given to the City Manager, and it is one that I take very seriously. Accordingly, one can expect a recommended FY95 budget that reflects citizens demands for service and the need for sound management priorities.

As the City continues to deal with the limits imposed upon us by Proposition 2 1/2 there will necessarily be changes in both the level of services provided and the manner in which services are delivered. While I truly wish the City could be reorganized to solve our financial

Consent Agneda #11

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Transmitting communicaiton from R.W.W Healy
relative to Awaiting Report No. 13 re:
a request for a proposal for reorganization
of City Government that will save money.

*for original see
1994 Finance # 21.*

In City Council February 28, 1994

Placed on file.