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**Gary Christenson, Mayor**

Tuesday, April 26, 2016

The Honorable Malden City Council  
200 Pleasant Street  
Malden, MA 02148

Dear Council:

I hereby submit the proposed Fiscal Year 2017 budget in the amount of \$173,188,038 for your consideration. In an effort to minimize the disruption to the delivery of core services, this budget as with past budgets relies on a combination of the use of one-time funds (reserves) and cost containment to balance our revenue and expenses.

We project regular recurring revenue consisting of property taxes, state aid and municipal revenues to increase \$4.5 million. We propose utilizing \$4 million of our reserves to support the budget. We also are recommending shifting the Cemetery Department expenses worth nearly \$500,000 off-budget to the Perpetual Care Interest fund through a transfer from that account. In addition, we propose reallocating all remaining Mitigation funds worth approximately \$500,000 to the budget.

On the expense side, we recommend reducing personnel costs by not filling certain vacancies and by offering an incentive for ten employees in the amount of \$10,000 per employee to voluntarily leave the organization. We are hoping for a \$450,000 savings as a result of the program with those positions not being backfilled. In addition, a relatively mild winter allowed us to decrease our projected snow deficit in half for Fiscal Year 2017.

If I was asked to label this budget it would be called the "soft landing." While we have avoided a hard landing for yet another fiscal year, we have to resolve ourselves toward aligning our revenues with expenses and eliminating our ongoing structural deficit. The easiest outcome would be that new revenue sources would emerge but I don't see that happening in a way significant enough to address the shortfall. Therefore, we need to look to the expense side and focus on reducing our expense base in every way possible while at the same time identifying any new opportunities that exist to increase local revenues.

I realize this is a lot to consider and that is why I wanted to submit this proposal to you early. Please contact me with any questions.

Sincerely,

**GARY CHRISTENSON**  
Mayor, City of Malden