

# CITY OF PEABODY

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## OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

June 19, 2020

Honorable Members of the City Council  
Peabody City Hall  
24 Lowell Street  
Peabody, Massachusetts 01960

Honorable Members:

In accordance with Section 32 of Chapter 44 of the Massachusetts General Laws, I hereby submit to your Honorable Body my recommendations for the City of Peabody's Fiscal 2021 Operating Budget.

Over the past few months I, along with our department heads and school officials, have worked together to compile the first steps towards a balanced budget under the extreme circumstances driven by COVID-19. This FY2021 budget of \$156,939,743 represents a decrease of \$1,897,197 from FY2020 while still maintaining essential City Services. The City is facing a substantial revenue shortfall for the current year FY2020 and it is important that we as a City take immediate action to reduce spending for FY2021. Waiting and doing 1/12 budgets is not a prudent option when we know funding will be reduced substantially in FY2021. That is why I am recommending we pass this reduced spending plan for FY2021 by the statutory date of June 30, 2020.

These are unprecedented times with uncertainty and no historical context as a guide. Traditional funding through Taxes, State Aid and Local Receipts will be in constant flux. Therefore, I expect the FY2021 budget process to be ongoing up to Tax Classification and Tax Rate setting in early December. I propose we schedule monthly budget meetings starting in September to review our revenue and expenditure status and to take appropriate action as new information is received

Respectfully submitted,

Edward A. Bettencourt, Jr.  
Mayor, City of Peabody