

Memo

To: Mayor and City Council
From: Jeffrey E. Repp, City Administrator
CC: Margie Eirich, City Clerk
Date: 4/30/2009
Re: FY 2010 Proposed Budget

Please find attached for your review and input the proposed budget for FY 2010.

Overview

As we are all aware our nation and the State of Maryland are facing unprecedented financial times. There is no local government in Maryland that is not facing the same financial issues that the City of Cumberland is currently facing. With the adjournment of the 2009 Session of the Maryland General Assembly the full impact of the decisions of that legislative body in adopting the State's FY 2010 budget are now known.

For the City, the greatest impact was in the decision to reduce Highway User Revenues (HUR) by 10.8% for municipal governments across the State to assist the State in balancing their budget. While the State was able to fill many operating budget gaps with American Recovery and Reinvestment Act (ARRA) funds from the federal government, local governments in Maryland failed to realize any of those funds to assist in our operating budgets.

The chart below I believe fully illustrates the impact that both the national economy and the State's action have taken on this very important revenue source.



