



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE ▪ ROOM 373
BOSTON, MA 02133

JAY GONZALEZ
SECRETARY

ROBERT G. NUNES
LAWRENCE FISCAL OVERSEER

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June 30, 2010

Jay Gonzalez, Secretary
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

The Honorable Steven C. Panagiotakos, Chair
Senate Committee on Ways and Means
State House, Room 218
Boston, MA 02133

The Honorable Charles A. Murphy
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Secretary Gonzalez, Chairman Panagiotakos and Chairman Murphy:

Pursuant to section 4(a) of Chapter 58 of the Acts of 2010, I present this report on expenditures made from the City of Lawrence Financial Stability fund established with funds from private borrowing.

As of my appointment on April 23rd, the City had a deficit of \$24 million, a product of failed leadership and chronic mismanagement by a prior administration during the last three fiscal years (fiscal year 2008, fiscal year 2009 and fiscal year 2010), and had not yet produced the balanced budget that would allow it to set a fiscal year 2010 tax rate.

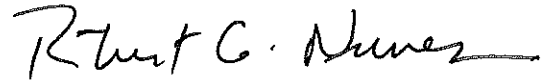
In April, the City borrowed, on the private market, a total of \$24 million in general obligation deficit financing obligation bond anticipation notes to address the accumulated deficit of \$24 million. This private borrowing by the City is not a state obligation. See attached Appendix A for an excerpt from the borrowing Official Statement that details the accumulated deficit of \$24 million.

On April 21st, with the deficit borrowing of \$24 million supporting a balanced budget for fiscal year 2010, the Department of Revenue's Division of Local Services certified the City's fiscal year 2010 tax rate.

Please see attached an accounting of expenditures made from the City of Lawrence Financial Stability fund between April 23rd and June 30th.

If you have any questions or comments please feel free to contact me at 617-626-2381 or by email at nunesr@dor.state.ma.us.

Sincerely,

A handwritten signature in black ink that reads "Robert G. Nunes". The signature is written in a cursive style with a long horizontal stroke at the end.

Robert G. Nunes
Fiscal Overseer

City of Lawrence Financial Stability Fund
Fund Activity through June 30, 2010

ITEM	TRANSFER DATE	DEBIT	CREDIT	BALANCE
Initial Balance	4/26/2010			24,000,000.00
FY2010 Transfer for Cash Flow	4/26/2010	1,800,000.00		22,200,000.00
FY2010 Transfer for Cash Flow	4/28/2010	3,035,927.86		19,164,072.14
FY2010 Transfer for Cash Flow	4/30/2010	4,253,976.35		14,910,095.79
FY2010 Transfer for Cash Flow	4/30/2010	2,589,044.12		12,321,051.67
FY2010 Severance Accrual Buyouts per Union Contracts	Week of 6/13/2010	542,650.81		11,778,400.86
FY2008 Health Insurance Deficit	Week of 6/13/2010	1,665,614.00		10,112,786.86
FY2009 Snow and Ice Deficit	Week of 6/13/2010	1,465,471.39		8,647,315.47
FY2008 Appropriation Deficit	Week of 6/13/2010	1,028,237.93		7,619,077.54
New High School Construction Project Deficit	Week of 6/13/2010	3,965,564.00		3,653,513.54
FY2010 Water Department General Fund Subsidy	Week of 6/13/2010	772,253.00		2,881,260.54
FY2010 Cherry Sheet Charter School Assessment	Week of 6/13/2010	2,105,929.00		775,331.54
FY2010 Reimbursement for Cash Flow Transfers in April	Week of 6/13/2010		11,678,948.33	12,454,279.87
FY2010 Appropriation Shortfalls	Week of 6/13/2010	4,111,203.07		8,343,076.80
FY2010 Overlay Shortfall	Week of 6/13/2010	486,921.65		7,856,155.15
FY2010 Cherry Sheet Revenue Shortfalls	6/30/2010	4,140,579.00		3,715,576.15
FY2010 High School Construction Project - Overestimated				
MSBA Reimbursement	6/30/2010	74,312.00		3,641,264.15
FY2010 Overestimated Local Receipts	6/30/2010	1,785,891.33		1,855,372.82
FY2010 Cherry Sheet Offsets - School Lunch & Library	6/30/2010	197,172.00		1,658,200.82