



OFFICE OF THE SECRETARY OF THE TREASURY



April 5, 1974

OFFICE OF REVENUE SHARING
1900 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20226

To General Revenue Sharing Recipients:

Your Revenue Sharing Check

The enclosed check is your government's general revenue sharing payment for the third quarter of the Fourth Entitlement Period. Entitlement Period 4 began on July 1, 1973 and ends on June 30, 1974. Your government can expect to receive the fourth quarter payment for this entitlement period in early July, 1974.

(If your government filed any of its three required reports late, but had all of them on file between the end of December 1973 and late March 1974, this enclosed check includes payment for the first three quarters of Entitlement Period 4.)

Planned Use Reports for Next Year

The Fifth Entitlement Period begins July 1, 1974 and ends June 30, 1975. The revenue sharing law requires your government to file a Planned Use Report with our office before the beginning of each entitlement period. Therefore, on April 30, 1974 the Office of Revenue Sharing will mail to your government its next Planned Use Report form. This report will tell you the estimated amount of revenue sharing money which your government will receive for the Fifth Entitlement Period.

The estimated amount to be provided to you on the Planned Use Report will include the Fifth Period allocation with final adjustments to the Fourth Period. The total amount may be different from the amount your government is now receiving. The Fifth Period allocation uses new data, which you have recently reviewed. Also, final Fourth Period adjustments will be made for governments whose data challenges were allowed. These adjustments may affect your government's final allocation even if you did not challenge any data. Because we work with a fixed total sum of money, any data changes may either increase or decrease your amount for the Fifth Entitlement Period.

The Planned Use Report is your government's proposal or plan for the use of its general revenue sharing money. The upper portion of the form must be published in its entirety (including the blank spaces) in a newspaper of general circulation in your area so that interested citizens or groups will know that this money will be coming to you, and they will be able to offer their opinions and suggestions for the use of these funds.

...The published portion of the Planned Use Report may be reduced in size for printing as long as it remains legible to the reader. Furthermore, the publication need not be a legal advertisement if other newspaper space is available and would be less costly.

...The report must be signed by your government's CHIEF EXECUTIVE OFFICER. By signing the report, he or she is assuring the Secretary of the Treasury that the revenue sharing funds will be spent in accordance with the provisions of the revenue sharing law.

...We will send you a return envelope with this year's report package. Please use this envelope for mailing your government's report to us. It has our correct address on it and can be quickly sorted out in our mail room and processed.

...There is no need to send a transmittal letter with the report; it may delay the processing of your report.

...There also will be a postcard attached to the report which you will be returning to us. Please do not detach this card from the report form. The card will be mailed back to you after the report has been received at our office to acknowledge our receipt of it.

...Your government's Planned Use Report for Entitlement Period 5 **MUST BE RECEIVED AT ORS BEFORE JUNE 24, 1974.** Late reports may delay your revenue sharing payments!

Telephone and Account Numbers

We would like to thank all of you who have begun to use your nine-digit revenue sharing account number when you correspond with our staff. This is very helpful to us in researching and answering your questions.

We also would like to suggest that you verify your account number each time you receive correspondence from us. This will insure that you are receiving the correct mail for your government.

We also hope you will include your telephone number on your letters so that we can contact you quickly, if the need arises.

Thank you very much for your continued assistance in making general revenue sharing a success.

Sincerely,



Graham W. Watt

Director

Office of Revenue Sharing

Enclosure

REVENUE SHARING ACCOUNTS FOR FY 75

<u>DEPARTMENT</u>	<u>REVENUE SHARING</u>	<u>CODE</u>
Budget-Personnel	\$ 10,000.00	A-1
Health General	250,000.00	A-1
Library	100,000.00	A-1
	<u>100,000.00</u>	D-6
Library TOTAL	200,000.00	
Police	150,000.00	A-1
	<u>150,000.00</u>	A-3
Police TOTAL	300,000.00	
Public Works	500,000.00	A-1
	<u>230,000.00</u>	F-spec. items
Public Works TOTAL	730,000.00	
Recreation - Playgrounds	200,000.00	A-2
SUB TOTAL	\$1,690,000.00	

Miscellaneous

Legislative		
Transportation Forum	15,000.00	
Executive		
Civic Unity Committee	33,075.00	
Council on Aging	20,000.00	
Executive Youth Project	11,188.00	
Capital Improvement Program	250,000.00	
Departmental Coordination	25,000.00	
Administration & Finance		
F.A.M.I.S.	50,000.00	
Data Processing	47,000.00	
Human Services & Education		
Community Schools	440,954.00	
Youth Resources Bureau	50,000.00	
Teen Centers	170,000.00	
Custodial Services	60,000.00	
Recreation-Mentally Retarded	7,000.00	
Recreation-Senior Citizens	6,000.00	
Multi-Service Centers	6,247.56	
Camb.-Som. Mental Health Assoc.	14,666.64	
Forsyth Dental Center	75,000.00	
Youth Employment Program	20,000.00	

REVENUE SHARING INVESTMENTS

12-13-72	\$ 894,680.00	University Trust	6.25%	C/D	\$	9,345.20
1-10-73	\$ 650,000.00	Harvard Trust	5.54%	7-12-73	\$	17,745.00
1-10-73	\$ 200,000.00	Harvard Trust	5.54%	7-19-73	\$	5,602.00
2-14-73	\$ 930,000.00	Harvard Trust	5.50%	5-15-73	\$	12,033.17
4-10-73	\$ 520,000.00	Harvard Trust	5.95%	7-5-73	\$	7,726.62
5-10-73	\$ 930,000.00	Harvard Trust	5.97%	8-9-73	\$	13,880.25
7-5-73	\$ 545,000.00	Harvard Trust	7.67%	10-4-73	\$	10,001.68
7-12-73	\$ 650,000.00	Harvard Trust	7.60%	10-11-73	\$	12,487.22
7-16-73	\$ 520,000.00	Harvard Trust	9.95%	9-13-73	\$	6,484.60
7-20-73	\$ 200,000.00	Harvard Trust	7.94%	10-18-73	\$	4,028.00
8-7-73	\$ 945,000.00	Harvard Trust	8.80%	2-7-73	\$	41,420.93
9-13-73	\$ 560,000.00	Harvard Trust	8.80%	12-6-73	\$	11,446.40
10-4-73	\$ 550,000.00	Harvard Trust	7.67%	1-3-74	\$	10,663.43
10-11-73	\$ 650,000.00	Harvard Trust	7.6 %	1-3-74	\$	10,889.67
10-18-73	\$ 200,000.00	Harvard Trust		1-17-74	\$	3,634.00
12-26-73	\$ 500,000.00	Harvard Trust	7.4 %	1-31-74	\$	3,597.22
12-26-73	\$1,200,000.00	Harvard Trust	7.42%	3-7-74	\$	15,582.00
1-17-74	\$ 200,000.00	Harvard Trust	7.98%	4-18-74	\$	4,036.00
1-31-74	\$ 500,000.00	Harvard Trust	7.44%	5-2-74	\$	9,984.72
2-4-74	\$1,100,000.00	Harvard Trust		5-2-74	\$	18,377.34

228,965.45

RECEIPTS FROM REVENUE SHARING

12-14-72	\$894,686.00	\$1,753,222.00
1-9-73	\$858,538.00	\$1,753,222.00
4-9-73	\$503,982.00	\$2,257,206.00
7-9-73	\$503,982.00	\$2,761,188.00
10-23-73	\$556,275.00	\$3,317,463.00

REVENUE SHARING ACCOUNTS FOR FY 73-74

A. <u>DEPARTMENT</u>	<u>REVENUE SHARING</u>	<u>CODE</u>
Fire	\$ 317,000.00	A-1
Health, Hospital & Welfare	300,000.00	A-1
Library	150,000.00	A-1
	<u>150,000.00</u>	D
Library TOTAL	\$ <u>300,000.00</u>	
Police	150,000.00	A-1
	80,000.00	A-2
	<u>100,000.00</u>	A-3
Police TOTAL	\$ <u>330,000.00</u>	
Public Works	12,000.00	E-2
	750.00	E-3
	750.00	E-5
	1,200.00	E-10
	<u>3,700.00</u>	E-13
E-Code Sub Total	\$ <u>18,400.00</u>	
	1,250.00	F-1
	2,000.00	F-2
	10,000.00	F-3
	2,100.00	F-4
	10,000.00	F-5
	500,000.00	F-9
	9,000.00	F-10
	<u>1,500.00</u>	F-15
F-Code Sub Total	\$ <u>535,850.00</u>	
Public Works TOTAL	\$ <u>554,250.00</u>	
Recreation	288,000.00	A-2
A SUB TOTAL	\$2,089,250.00	

<u>B. MISCELLANEOUS</u>	<u>REVENUE SHARING</u>
Rehab of Public Buildings	\$ 75,000.00
Capital Improvement Progrsm	750,000.00
F.A.M.I.S.	75,000.00
Custodial Services	60,000.00
Management Intern Program	50,000.00
Youth Resources Bureau	50,000.00
Summer Camping Program	6,000.00
Day Care Survey	15,000.00
Recreation Mentally Retarded	8,000.00
Recreation Senior Citizens	5,400.00
Teen Centers	246,000.00
Multi Service Center	9,450.00
Cambridge Mental Health	24,000.00
Forsyth Dental Center	112,500.00
Community Schools	667,500.00
Dog Officer	15,183.61
Dog Officer Fees	1,800.00
Public Works & Facilities	
a. Sewer Construction	75,000.00
b. Street Construction	75,000.00
Playground Maint. & Deve.	60,000.00
Dutch Elm Disease	7,500.00
Gypsy Moth	3,750.00
Tree Committee	<u>12,000.00</u>
Miscellaneous	
B SUB TOTAL	\$2,404,083.61
Grand TOTAL	<u>\$4,493,333.61</u>



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

April 8, 1974

To the Honorable, the City Council:

It is imperative that it be brought to your attention some serious problems with respect to the procedure for handling General Revenue Sharing Funds in the past and the problems of the current budget as it applies to General Revenue Sharing.

Attached are analysis of the application of Federal Revenue sharing funds for the eighteen month year which shows the utilization of \$4,493,333.61 of revenue sharing funds which is the application of all the funds received through the years 1972-1973 and the first six months of 1974.

Enclosed also is a report of the Receipts from Revenue Sharing through April 5th plus an analysis of the Investments made of the funds received.

It should be pointed out that Cambridge made a series of mistakes in handling Revenue Sharing funds that has cost the taxpayers a substantial amount in potential investment income. First you will note from the attached Schedule of Revenue Sharing Investments that money was invested in Treasury Bills and not C. D. 's which could have been purchased at anywhere from 3/4 of 1% to 2% more interest to the Community.

Additionally the check that was received on October 23, 1973 in the amount of \$556,275.00 was not invested at all in any interest bearing account until December 26, 1973, over 2 months later and the interest that was lost was approximately \$4,500.00.

Another check was due on December 10, 1973 in the amount of \$556,275.00 and because of the failure of Cambridge to file its planned use reports on time the check was not received until today, thus Cambridge sacrificed the interest on over another 1/2 million dollars for three months.

The Budget for the year 1975 currently before the City Council shows the application of \$3,441,131.20 of Federal Revenue Sharing funds to the upcoming budget. This is estimating an increase in Federal

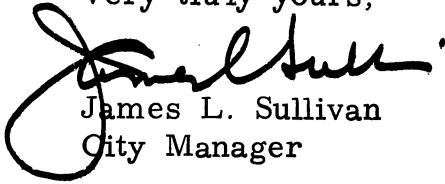
To: The City Council (cont.)

April 8, 1974

Revenue Sharing for the coming year of approximately 50% which is unrealistic.

I feel quite strongly that these matters should be brought to the attention of the City Council so that they may be aware of the past practices and be forewarned for the future.

Very truly yours,



James L. Sullivan
City Manager

JLS/b

Revenue Sharing Funds.

4/8/74

Report to Council
ON FINANCE

In City Council,

April 8, 1974

Copy sent to Chairman
of Finance Committee

4/9/74 dl

File 2

Records in Finance