



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

May 11, 1984

TO: City Councillor Francis Duehay, Chairman of the
Finance Committee and the Members of the City Council:

The following is a summary of my responses to the additional questions and requests raised at the Budget Hearing on Saturday, May 5, 1984.

By way of introduction I would state that despite completing revaluation and complying with Proposition 2½, the City is still in a position of managing more with less. The property tax levy is still considerably lower than in FY1981 (9.12 million dollars). Thus, while there are virtually unlimited requests for projects, programs, services and staffing, not all of these desirable items are affordable. With this in mind, it is financially impractical to provide additional sums in the budget for all of last Saturday's requests.

Water Department. At the Finance Committee meeting on May 5, 1984, the City Council expressed its desire for a further review of projects funded from Water revenues in order to avoid a rate increase during FY1985. As originally submitted, the FY1985 Water Fund budget would result in a year-end deficit of \$290,000 without a rate increase. In order to avoid that deficit, as well as to avoid a rate increase, it is recommended that the following adjustments be made:

Reduce:	
Water Department Extraordinary Expenditures	\$200,000
Water Department Other Ordinary Maintenance	<u>40,000</u>
	\$240,000
Reduce Water Fund Contribution to Pension Reserve	<u>50,000</u>
	\$290,000

It is my goal to prepare a formal overview of Water Fund financing needs for future years for presentation to the City Council. It would be my recommendation that this presentation be held in the Fall prior to the formulation of the FY1986 Budget.

Division of Community and Youth Services. An increase of \$23,000 in the Other Ordinary Maintenance account of the Department of Human Services budget will restore the program funds for operating the 14 Community School programs to the same level of funding which they

received in FY1983. Based on agreements reached with 29 Neighborhood Council members (representing 9 councils) and Jill Herold, Assistant City Manager for Human Services, at a meeting on Thursday, May 10, the total program fund allocation of \$49,000 will be distributed equally among the 14 neighborhood councils. Each Council will prepare a general budget for their \$3,500 allocation prior to June 30, 1984, and all requisitions for expenditure of funds will be accompanied by a statement of jurisdiction.

This budget allocation will permit the continuity of programs throughout the fiscal year. Intensive budget preparation over the next several weeks will allow a range of summer programs for pre-school and school age children, teens, families and senior citizens to be provided through the individual community schools programs.

Women's Commission. Full-time staff funding for the Commission on the Status of Women - - I have requested the Executive Director of the Commission to supply me with a Program Memorandum on what significant impact would be achieved if full-time funding were possible. I will evaluate the content of this memorandum and consider further recommendations.

For comparison purposes, however, the salary allocations in the budget for other Commissions are as follows:

Animal	\$48,040
Conservation	12,500
Consumer Advisory	16,007
Handicapped	23,625
Historical	68,815
Civic Unity	14,528
Women's	30,345

Average \$30,551

\$250,000 Request for Cambridgeport-Riverside Stabilization Fund.

As the City Council is aware, the stabilization fund concept originated in 1978 with the East Cambridge Fund to offset the impacts of identified developments. The concept was five years of Block Grant Funding and nine years of general fund support made available from the increased tax revenue. This concept has been made somewhat financially inoperative by the tax revenue limits of Proposition 2½. That is not to say that a mechanism for permitting areas affected by major development is not a good one. Inasmuch as, however, the Community Development Block Grant funding allocations have been finalized for FY1985, and there is no new tax monies coming from development in the area at this time, it cannot be funded in FY1985 without reducing funding for some other Block Grant project. I would encourage that this request be pursued in the FY1986 Block Grant Process.

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Hoyt Teen Center Heating System and Renovation. The heating system will be evaluated by the in-house Architect at Public Works and efforts made to repair it either from the renovation of public buildings account or operating budgets. In terms of full-scale renovation, unfortunately, there are always more demands than funds available, and this item will have to compete for future years' funding.

Hazmat's Request - Fire Department. The Fire Budget has been allocated \$200,000 from the Capital Project Fund and the Fire Chief is allowed to set his own priorities for the allocation. Some of this request could be funded from operating expenses and others allocated from the total. However, at this time with projected FY1985 tax levy funds all allocated, any increase in funding for this program would require a reduction elsewhere.

Lighting on the Cambridge Common. The Electrical Department has sufficient funds in its operating budget to make improvements to the Cambridge Common lighting.

Contingencies for Civilian Review Board and Human Rights Commission.

Since the tax rate will not be set until September, there will be the opportunity to identify additional small sums of money should the City Council adopt policies for the above items that require appropriations.

Respectfully submitted,


Robert W. Healy

City Manager

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