



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

April 5, 1982

To the Honorable, the City Council:

Enclosed for your information is a summary of the financial impacts of the possible budget combinations for FY83. Also enclosed is a summary of the number of positions reduced by department.

As you can see, even with level funding, there will be reductions in the budgets to absorb increases in fixed costs. In the worst case budget the impact is frightening.

I have used an estimated amount of \$1.3 million in increased State Aid, of which 57% or \$741,000 can be distributed to non-educational departments.

The impacts of the release today of the Governor's local aid package are unclear. While it is stated that communities that suffer no losses due to overrides may have their aid decreased accordingly, it also appears that communities that are able to increase their levy this year are receiving additional state aid if they suffered under the lottery distribution formula and those communities who enjoyed a "bonanza" last year have a negative state aid increase this year.

Thus, at this moment it is unclear as to the effect on Cambridge's state aid should the referenda questions pass and should the Governor's plan pass the legislature.

I will keep the Council informed as this matter becomes clarified.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Encs.

Reductions In Full-Time Positions

<u>Department</u>	<u>3/22/82 Submission</u>	<u>Worst Case</u>	<u>Addl. 5.1</u>	<u>Addl. 10.2</u>
Election	1	1	1	0
City Hall Admin.	9	19	9	4
Animal Commission	1	1	1	1
Fire	42	54	29	14
Police	43	55	30	12
Electrical	6	6	6	4
Traffic & Parking	3	16	3	3
Public Works	114	133	114	51
Community Development	8	8	8	8
Rent Control	5	5	5	5
Water	4	4	4	4
Health & Hospitals	55	55	6	6
Library	11	20	11	7
Veterans	3	3	3	2
Human Services	<u>15</u>	<u>30</u>	<u>15</u>	<u>14</u>
*Total Positions Reduced	320	410	245	135
Total Number of Layoffs	260	350	185	75

*60 vacant positions

Animal Commission	1
Fire	14
Police	10
Electrical	1
Traffic & Parking	3
Public Works	11
Community Development	5
Rent Control	2
Water	4
Health & Hospitals	4
Library	1
Human Services	<u>4</u>
	60

No Relief Budget No Modification of 2½

City Must Cut	3,552,765	
	+ <u>121,000</u>	195 Trust Fund
	3,673,765	

Addition Revenues

57% of 1.3 Million State Aid	741,000
Increased Interest Income	600,000
Parking Fund Surplus	200,000
Assume a Rent Control Fee	<u>297,000</u>
	1,838,000

Library	253,765
H. Service	253,000
P. W.	296,000
City Hall	171,000
Fire	300,000
Police	300,000
T. Parking	212,000
Hospital	<u>50,000</u>
	1,835,765

3,673,765	Total City Cuts
<u>1,838,000</u>	Additional Revenue
1,835,765	Final Cut

7.5% Reduction

3,552,765 (Fixed Cost Increases)
2,905,600 (City Share of 7.5% or 57% of 5,097,541)
(647,165) Deficit from fixed Cost Increase

Additional Revenues

Assume increased State Aid of 1.3 million

57% of 1.3M = 741,000
Increased Interest Income = 600,000
Parking Fund Surplus = 200,000
Assume a Rent Control Fee = 297,000
1,838,000 in Increased Revenue

1,838,000 Increased Revenue
647,165 (fixed cost deficit)
1,190,835 To be distributed as follows:

195 Trust Fund (Fixed Cost not included in above)	150,000
Police	320,000
Fire	320,000
Clinics	320,000
Finance	35,000
Electrical	<u>45,835</u>
Total	1,190,835

Level Funding Passes

5,811,195 City Share (57% of 10,195,082)
- 3,552,765 (Fixed Cost Deficit)
2,258,430 (for distribution)
+ 1,838,000 (Additional Revenue)
4,096,430 For distribution as follows:

195 Trust Fund (Fixed Cost)	175,000
Police	700,000
Fire	700,000
Clinics	350,000
Public Works	1,000,000
Electrical	121,075
Finance	108,000
Library	100,000
Law	95,000
Cable T.V.	125,000
General Services	45,000
Human Services	25,000
Veterans Benefits	14,000
Election	13,000
Mayor	8,000
Historical	6,500
City Clerk	2,000
City Manager	2,000
Arts Council	2,000
Women's Commission	2,500
City Council	1,355
Conservation	<u>1,000</u>

Total 3,596,430
Employee Benefits 500,000

Total 4,096,430



CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To Robert W. Healy, City Manager

Date March 31, 1982

From Paul E. Healy, City Clerk

Reference

Subject Committee on Finance meeting scheduled for April 5, 1982

PEH

Dear Mr. Healy:

Please be advised that the Committee on Finance has scheduled a meeting for Monday, April 5, 1982 at 7:00 p.m. in the City Council Chamber. The purpose of said meeting being a discussion of the preliminary impact of FY-83 operating budget reductions of 10.2 million dollars, as mandated by Proposition 2 $\frac{1}{2}$.

Please advise as to whom this office should invite to represent the City Administration at this meeting.

*To Paul Healy
Veterans Services*

*Ed Kennedy
Tony Pavullo*

Don Keegan

Jill Herold

Margaret Henderson - Acting

Don Vredy

Marie Dupont

Bill Coker

Electoral Commission

Louis DePasquale

Lee Hestley

Dir. Library Dept

Sandra Shair, Ed Samp

Response received 3/31/82

RECEIVED
MAR 31 2 21 PM '82
OFFICE OF THE
CITY MANAGER



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CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To The Departments Concerned

Date April 1, 1982

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In response to my inquiry of March 31, 1982, the City Manager has indicated that the following persons should be notified of this meeting date: Edward Kennedy, Public Works Dept.; Anthony Paolillo, Acting Chief of Police; Fire Chief Daniel Reagan; Jill Herold, Dept. of Human Services; Margurite Lecchario; David Vickery, Community Development Dept.; Maria Imperato; Rent Control Board; Bill Crocker, City Electrician; Sandra Sheir and Ed Samp, Election Commission; Dr. Melvin Chalfen, Comm. of Health and Hospitals; Louis DePasquale, Budget Office; Russell Higley, City Solicitor; and Paul Ryan, Dept. of Veterans Services.

Your presence at this meeting would be of great assistance to the membership of the Committee on Finance.

4/2/82

Mr. Healy -

I'll be meeting with the Mayor's Commission on Rent Control administration on 4/5/82 from 6-8pm. I can appear at the Finance Committee after 8pm.

PEH/mh

Maria Imperato



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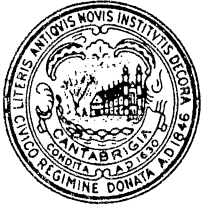
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City Manager

March 22, 1982

To the Honorable, the City Council:

Enclosed is a summary of the preliminary impact of the FY 83 mandated reductions of 10.2 million dollars under Proposition 2½ on operating budgets. The picture is even worse than shown in the departmental summaries of positions eliminated and services reduced in next year's budget.

The unpleasant fact of the matter is that in addition to these cuts, I must further reduce departmental budgets by \$3,552,765, due to increases in fixed cost items over which I have no control.

Some examples of major increases are:

Insurance Premiums, BC/BS, Harvard Health and Medicare	\$1,003,785
Pensions	782,395
Revaluation	127,000
Debt Service	265,575 *

* This assumes a 16¢ sewer rate increase which will be recommended.

Additionally the education budget will benefit by a 1.8 million dollar credit of School Construction Projects which must be deducted from available revenues to the non-educational budget.

Thus, as bleak as this picture appears here, it is even worse in that I must reduce these already decimated budgets by another \$3,552,765.

Because of the shift in the revenue credit of School Construction Projects, even if the voters approve the 7½% reduction question, I am still faced with reducing these operating budgets by \$2,206,020.

While the City continues to explore all possible revenue sources, it is impossible to replace the net loss of 13.8 million dollars.

To the City Council (cont.)

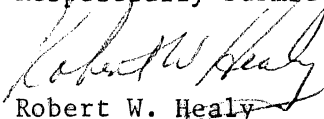
March 22, 1982

The largest single new revenue source would be the establishment of a rubbish collection fee. This fee which will be proposed along with the Public Works Budget would generate 1.7 million dollars.

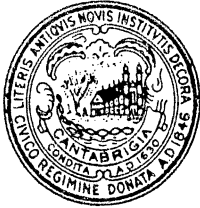
To illustrate the impact of the cuts in terms of numbers, the following is a comparison of the number of budgeted positions in three of the largest departments for FY 81 and FY 83 -

	<u>Budget Positions</u> <u>FY 81</u>	<u>Recommended</u> <u>Budget Positions</u> <u>FY 83</u>	<u>Difference</u>
Police	336	256	- 80
Fire	312	260	- 52
D.P.W.	380	188	- 192

Respectfully submitted,


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City Manager

RWH/b



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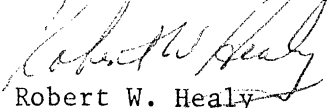
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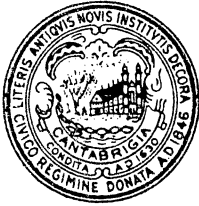
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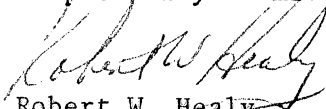
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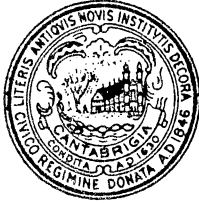
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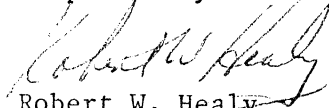
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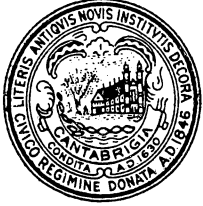
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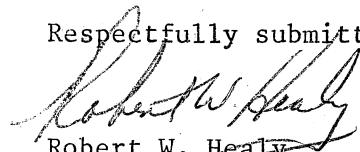
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Re: Summary of the preliminary impact of FY-83 mandated reductions of 10.2 million dollars under Prop. 2 $\frac{1}{2}$ on operating budgets.

4/5/82

- Hearing Held -

See Comm #14 Enclosed

Letter sent to City Mgr. requesting names of administrators, personnel to invite to 4/5/82 hearing. 3/31/82 mh

Copy sent to the Chairman of the Finance Committee 3/16/82 mh

Response received from Mgr. 3/31/82 all requested persons notified 4/1/82 mh

In City Council,

March 22, 1982

3/24/1982

- Placed

on

File -

3/23/1982

This item will be referred to Finance Committee