

CITY OF CAMBRIDGE

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EXECUTIVE DEPARTMENT

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June 19, 1972

To the Honorable, the City Council:

An unprecedented transportation crisis in the 79 cities and towns of the MBTA area and some communities beyond appears to be in the making as the result of the scheduled June 23d Budget vote of the MBTA Advisory Board in which, as City Manager, I shall represent the City of Cambridge.

On a problem of this magnitude, and since there has been ample time to reflect on the matter beforehand, I have chosen to inform your Honorable Body and the citizens of Cambridge how I intend to vote, given the circumstances as they are known to me to exist today. I intend to accept the recommendation of the Budget Committee of the Advisory Board to reject the third supplementary budget or to consider carefully any budget adjustments this Committee proposes.

Twice this year I voted to support the recommendations of the Budget Committee and not approve the \$8.8 million MBTA supplementary budget.

The third supplementary budget of \$20,236,800, of which about \$8 million would be reimbursed to the MBTA from outside sources, has been submitted by the MBTA Board of Directors. The Budget Committee has indicated that it will once again recommend to reject on the basis that local property taxes have reached the point where the cities and towns cannot afford the additional expenditures for whatever reasons requested by the MBTA.

Rather than talk in general terms about the Cambridge property tax plight, let us consider specifics, using figures by thousand for simplification.

In my Annual Budget Message and Budget Summary submitted to Your Honorable Body on February 14 I attached tables indicating major receipts and expenditures from 1960 to 1971.

Looking at these tables and also at copies of the State Cherry Sheet for two years forwarded to you last week, you will note that the two-year average charge to the City for Middlesex County costs for 1970 and 1971 was \$2,161.5M whereas in 1972 the cost to Cambridge for this item has increased 10% or \$217.3M above the two-year average.

Now look at the charge to Cambridge for MDC sewers. The charge has increased about 3%. The MDC Parks charge has remained fairly stable.

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The MBTA costs have skyrocketed. The charge in 1970 to Cambridge was \$2,064.3M and in 1971 \$3,281.5M for a two-year average of \$2,672.9M. The 1972 Cherry Sheet charge against the City for the MBTA deficit is \$3,839.9M or \$1,167.0M in excess of the two-year average. And this is not the whole story! The MBTA Board of Directors at the end of 1971 predicted the deficit cost to Cambridge in 1972 could be \$4,559,604 or \$1,886.7M in excess of the two-year average. Since the 1972 MBTA assessment has been made against the City, we could be charged for this "surplus" deficit in 1973.

But looking at the whole picture, rather than only at the MBTA, you will note from the Cherry Sheets for 1971 and 1972 that the State charges against the City exceeded receipts from the State by \$3,758.3M in 1971 alone. This figure includes \$3,281.5M for the MBTA deficit, about 88% of the total state deficit which the City had to make up in taxes to pay the State.

In 1972 the figures go skyward once again. This year the excess of State charges over State receipts in Cambridge is \$4,144.0M which includes \$3,839.9M for the MBTA deficit or more than 92% of the total State deficit.

In 1971 in excess of \$10 was included in the Cambridge property tax rate for the MBTA charge, and this year this figure will obviously increase.

Lest a wrong impression be created by the action of the Advisory Board and its Budget Committee on the rejection of the MBTA skyrocketing costs, I quote Governor Francis W. Sargent who on March 2, 1971 before the Joint Legislative Committee on Transportation declared:

"In the Metropolitan Boston area a quiet revolution has been taking place in transportation thinking. Municipal officials no longer tolerate the idea that their cities must bear the brunt of high amounts of highway construction. No longer will they allow their cities to pay for and subsidize the social costs that unbalanced transportation plan of the past have wrought upon them".

Cambridge was not the first to join in this "quiet revolution" on overall transportation. In December of 1970 I say to it that Cambridge was placed on record at the budget meeting of the Advisory Board in favor of certain economies in the MBTA system and the budget was reduced. Subsequently the MBTA, in retaliation, declared its intention to cut back on bus runs in areas of Cambridge populated by the lower income and elderly in large numbers. Your Honorable Body then voted to adopt the policy of opposing any curtailment and or reduction of MBTA service. The MBTA found it did not have to eliminate the bus runs.

In December of 1971, keeping in mind this vote of the City Council, I saw to it that Cambridge did not approve cuts in the MBTA budget as proposed by the Budget Committee on the Advisory Board. The cuts were approved nevertheless.

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But what is more significant, some of the smaller communities abandoned the "quiet revolution" role, referred to by the Governor in March of last year, and openly battled to make drastic budget cuts. They didn't succeed on the budget vote in December of 1971 but representatives from Everett, Boston, Arlington, Brookline, Concord, Framingham, Needham, Randolph and Somerville who comprise the Budget Committee warned the MBTA that if supplementary budgets were subsequently submitted for 1972, a stronger taxpayers revolt would then break out into the open, unless the State Legislature agreed to finance all or some of the MBTA deficit. They believe that Metropolitan transportation is important to the economy of the entire State and in effect is a service to the total State, the cost of which is a proper State charge to be shared by all communities.

I think I would be remiss in my duties if I did not join my fellow members of the MBTA Advisory Board in opposing the skyrocketing costs. If they sustain their opposition, as I have every reason to believe they will, I intend not to break their ranks. I intend to stand firm with them for local property tax relief.

Governor Sargent, when he appears at the luncheon meeting of the Cambridge Chamber of Commerce on June 27 may enlighten Cambridge and the other communities on what his office may do to relieve the pending transportation crisis. The Advisory Board has appealed to the Governor now for relief.

In the meantime, as City Manager I shall continue my policy of prudent spending for budget items over which I have control. The cost of the City Administration in 1971 increased 9.6% over 1970, and in 1972 the City budget items show less than a 10% increase for all items within and beyond my control.

I am optimistic that the property tax increase for 1972 will be less than 1971, but I am in no position now to say what the tax rate will be.

We have our problems collecting money due to Cambridge from the State and this also affects our tax rate. We have in excess of \$1 million uncollected from the State for Cambridge Hospital charges for welfare patients. We have been forced to bring court action seeking to collect this money.

In addition we have \$450,000 for 1971 Cambridge Hospital welfare bills which we are having difficulty collecting. For 1972 there is an additional \$600,000 in welfare hospital bills uncollected from the State.

The total of these uncollected State welfare bills therefore is in excess of \$2 million.

Our tax situation would be relieved if this money were in our treasury instead of being listed on paper.

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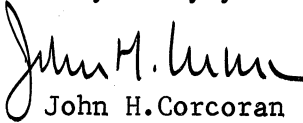
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We will continue to provide essential city services at the Cambridge Hospital for all persons who take advantage of the many new services provided at this modern health facility.

I am sure that Cambridge taxpayers are willing to pay for this. We know that the new Housing for the Elderly at the corner of Mount Auburn and Putnam Avenue in Sullivan Square is returning, by an agreement with the City, only 10% of the shelter rent collected there which by last estimate amounts to \$5,600 annually for the 94 dwelling units, provided principally by Harvard University.

I believe that the Cambridge City Administration is following a policy of fiscal responsibility by providing vital services to the community at the most reasonable cost possible. I am hopeful that, in the end, the pending transportation crisis can be averted.

Very truly yours,



John H. Corcoran
City Manager

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from the City Manager ~~trans-~~
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relative to the Mass. Bay Transportation
Authority budget

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