5. Indicate percentages accurate to 4 digits to the right of the decimal point.

A	B	C	D
Class	Certified Full and Fair Cash Value Assessments	Percentage Full Value Shares of Total Tax Levy	New Percentage Shares of Total Tax Levy
1. Residential	$4,301,221,539	61.3581 %	34.5615 %
2. Open Space	$	%	%
3. Commercial	$2,033,717,005	29.0115 %	49.1298 %
4. Industrial	$ 448,051,763	6.3916 %	10.8239 %
5. Pers. Property	$ 227,040,000	3.2388 %	5.4848 %
TOTALS	$7,010,030,307	100.0000%	100.0000%

6. I hereby attest that notice was given to taxpayers that a public hearing on the issue of adopting the tax levy percentages for fiscal year 1996 would be held on Oct. 2, 1995 (date), 7:00 P. M. (time), at Sullivan Chamber (place), by legal notice (describe type of notice).

D. Margaret Drury

City/Town/District Clerk

7. We hereby attest that on October 2, 1995 (date) 7:00 P. M. (time), at Cambridge, MA (place) a public hearing was held on the issue of adopting the percentages for fiscal year 1996. that the Board of Assessors presented information and data relevant to making such determination and the fiscal effect of the available alternatives at the hearing and that the percentages set forth above were duly adopted in public session October 2, 1995 (date).

8. We have been informed by the Assessors of $ 6,184,124 excess levy capacity.

Cities: Councilors/Aldermen, Mayor Towns: Board of Selectmen Districts: Prudential Committee or Commissioners

Michael A. Sullivan　Anthony D. Galluccio　Kathleen L. Born

Sheila T. Russell　Katherine Triantafillou　Timothy J. Toomey

William H. Walsh　Jonathan S. Myers　Kenneth E. Reeves

BUREAU OF ACCOUNTS
SCHEDULE LA-5
CLASSIFICATION TAX ALLOCATION

CAMBRIDGE

City/Town/District

1. The selected Residential Factor is 56.3275 %

IF YOU DESIRE EACH CLASS TO MAINTAIN 100% OF ITS FULL VALUE TAX SHARE, INDICATE A RESIDENTIAL FACTOR OF "1" AND GO TO QUESTION 3.

2. In computing your residential factor, was a discount granted to Open Space?

Yes ___ ________% NO x

3. Was the residential exemption adopted?

Yes x 20 % NO ___

If Yes, complete the following:

Class I Total Assessed Value	$ 4,301,221,539	x 20	% =	49261
Class I Total Parcel Count *	17463	Sel Res Exempt. %		Residential Exemption

* Include All Parcels With A Mixed-Use Residential designation

4. Was a Small Commercial Exemption adopted?

Yes ___ ________% No x

If Yes, please complete the following:

Number of parcels eligible ________

Total value of parcels $ ________

Total value to be exempted $ ________

Summary:

The establishment of the property tax rate by the Board of Assessors with the approval of the Massachusetts Department of Revenue is the final step in the annual fiscal process that began last spring with the submission and adoption of the FY96 budget. The adopted FY96 budget including overlay reserve originally called for a property tax levy of $145,623,133 an increase of $1,177,000 over FY95. However, since the adoption of the budget in May, two factors have combined to allow the city to increase non property tax revenues and hold the tax levy stable at $144,442,000. First, on the revenue side, the city will receive $828,000 more in State Aid in FY96 than originally anticipated. While the City Council appropriated $367,000 of these funds at the August meeting for educational technology improvements, $461,000 remains to offset the tax levy. Secondly when the budget was presented last Spring it was expected that the overlay deficit (an off budget expense item for prior year property tax abatements) would exceed $1,450,000. Instead the final number is $840,000 a savings of $610,000. The combined savings of just under $1,100,000 results in the tax levy remaining consistent for FY96.

Furthermore, because property added to the tax rolls for FY96 will generate over $1,800,000 in new property taxes this year, taxes paid by property on the tax rolls in FY95 will actually decrease in FY96. Before the Assessors can establish tax rates, the City Council must vote to appropriate $3,215,000 for employee contract settlements, authorize the use of free cash, classify property, establish a minimum residential factor, establish a residential exemption, and establish various statutory exemptions. The sections that follow discuss the various issues.

ISSUES:

Free Cash

For the fiscal year that ended on June 30, 1995, the City of Cambridge had a free cash balance of $19,457,003 up $4,187,535 from the previous years balance of $15,269,468. As was the case last year when the City saw a $5,277,000 improvement in it's free cash position, the increase is mostly the result of delinquent tax accounts being paid off. For FY95 the City received a net of just over $5,000,000 in prior year taxes and tax titles. These receipts indicate that the City's recovery from the early 1990's real estate recession continues.

For FY96 I am recommending that the City Council authorize the use of $5,778,000 in free cash. As the Council will remember, the FY96 adopted budget called for the use of $3,320,000 in free cash, $1,500,000 for the operating budget and $1,820,000 for the capital. Ideally the vote to utilize these funds would be taken at the time the budget is adopted. However the Department of Revenue does not allow the authorization of free cash to be issued before July 1 of the fiscal year in which it is to be used, thus the authorization vote is required now. In addition to the funds approved in the FY96 budget it is recommended that an additional

$1,188,000 be authorized to offset the overlay reserve. The $5,778,000 recommended use of free cash compares with $3,550,000 authorized last year, the increase is essentially the result of the creation of the funding plan for affordable housing which will receive $1,320,000 in free cash during FY96 and the appropriation for salary adjustment discussed below. Beginning in FY97 the housing plan will be funded with tax dollars.

In addition to the authorization of free cash for the previously approved budget items and the overlay reserve, I am requesting the appropriation of $1,270,000 in free cash for employee contract settlements. These funds will be combined with the requested appropriations from the Hospital Fund ($1,220,000), the Neville Manor Fund ($290,000), the Water Fund ($285,000), and the Parking Fund ($150,000) to cover the cost of payments to City employees in-lieu-of a cost-of-living adjustment. This past week Local 195 became the latest employee group to accept the City's contract offer. The non-base build up payments to be made in FY95 and FY96 are in return for employees accepting essentially a zero raise in FY95 and FY96. The additional pattern established by the Local 195 contract is for a 3% adjustment in FY97, 4% in FY98 and 3.5% in FY99. This wage agreement totals 10.5% or 2% compounded annually over the five year contractual period. As I have repeatedly said, it is only with the cooperation of our employee groups that we have been able to hold taxes level in FY96.

Excess Levy Capacity

In the early 1990's Cambridge experienced three consecutive years of sharp tax levy increases and a resultant drop in the city's excess tax levy capacity under Proposition 2 1/2. These occurrences were the result of significant cuts in state aid to the city. While tax levy increases have been moderate (3.6% in FY 1995) the last three years, the excess levy capacity was all but eliminated by FY94. As stated earlier, the tax levy for FY96 will remain at the same level as FY95 $144,442,000. The city has been able to avoid a tax increase for the first time since FY83 because of the successes we have had in controlling budget growth. In FY96, over $15,000,000 in budget growth was avoided by changing employee health care plans and controlling salary growth. If the city had not been successful in these efforts not only would there be a tax increase in FY96 but the City also would be facing a Proposition 2 1/2 override vote. The table below illustrates recent trends in the City's tax levy and perhaps more importantly points out that the excess levy capacity for FY96 will grow to approximately $6,000,000 by far the largest margin of the last five years.

Table 1
Tax Levy/Tax Levy Limit
(in thousand)

	Actual 1992	Actual 1993	Actual 1994	Estimated 1995	Estimated 1996
Tax levy limit	$130,443	$135,171	$139,599	$144,899	$150,638
Tax Levy	128,050	133,580	139,404	144,446	144,442
Percentage levy increase Over Prior Year	8.5%	4.3%	4.3%	3.6%	-0-
Excess levy capacity	$ 2,393	$ 1,591	$ 195	$ 453	$ 6,196

In addition to budget constraint, another factor that adds to the city's excess levy capacity is tax growth from new construction. For FY96 taxes paid by property entering the tax rolls for the first time will total $1,866,270. Table 11 is a history of additional levy allowed due to new construction.

Table II
Additional Levy Allowed Due to New Construction
(in thousands)

FY92	FY93	FY94	FY95	FY96
$1,902	$1,458	$1,049	$1,809	$1,866

Total Assessed Values:

From FY91 through FY95 total assessed property values in Cambridge declined annually. For FY96 for the first time since FY91 the total assessed value of taxable property in the City of Cambridge will increase. While the increase of 3.9% is modest by 1980's standards, it is one more sign that the city has recovered from the recession and real estate decline of the late 1980's and early 1990's. Table III below presents a five year history of assessed property values in Cambridge.

Table III
Assessed Values
(in millions)

	FY92	FY93	FY94	FY95	FY96
Residential	$4,155	$3,975	$4,026	$4,043	$4,303
Commercial	3,659	3,078	2,772	2,712	2,713
Total	$7,814	$7,053	$6,798	$6,755	$7,016

Impact on Homeowners:

Generally speaking the FY96 level tax levy of $144.442 million combined with a modest increase in taxes paid by newly constructed property should combine for level or slightly decreased taxes for individual property owners. However because Cambridge has a diverse housing stock as well as a dynamic neighborhood based housing market it is difficult to generalize about the impact of annual property tax rate changes. Table IV below gives an overview of this year's tax bills by comparing FY95 citywide median tax bills by housing type with FY96 city wide median tax bills. In an effort to further inform the City Council as to value changes and tax changes in the various housing categories by neighborhood tables V, VI and VII have been prepared for your review. Table VIII is a map illustrating the various districts.

Table IV
Changes in Median Tax Bills

	Median FY95 Bill	Median FY96 Bill	Dollar Change	Percent Change
1 Family	$ 2,395	$ 2,485	$ 90	3.8%
2 Family	2,513	2,435	- 78	- 3.1%
3 Family	2,341	2,329	- 12	- 0.5%
Condo	1,090	981	-109	-10.0%

TABLE V ONE-FAMILY HOUSES 1995 TO 1996 IMPACTS

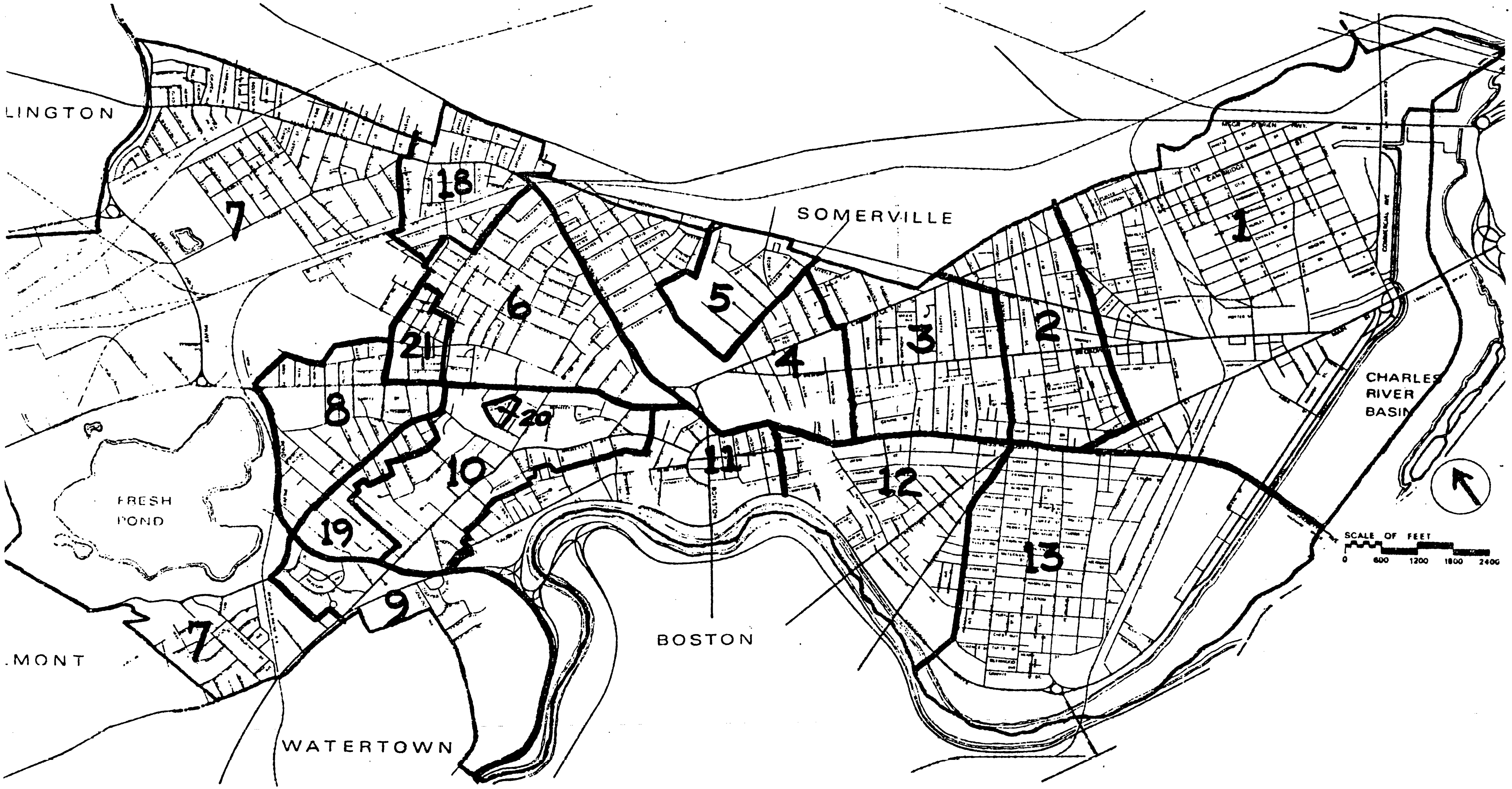
	AVERAGE VALUES				AVERAGE TAXES				
DISTRICT	# parcels	1995	1996	% DIFF	1995	1996	% DIFF	$ CHANGE	DISTRICT
1	375	122,000	137,100	14.6%	1070	1166	9.0%	96	1
2	187	153,400	133,400	-11.3%	1515	1117	-26.3%	-398	2
3	194	253,900	306,400	20.5%	2939	3424	16.5%	485	3
4	183	325,200	360,500	12.9%	3949	4146	5.0%	197	4
5	41	630,300	681,100	8.2%	8273	8423	1.8%	150	5
6	326	533,700	577,700	9.0%	6904	7044	2.0%	140	6
7	639	155,600	177,200	15.5%	1546	1701	10.0%	155	7
8	128	237,100	282,400	21.2%	2701	3104	14.9%	403	8
9	201	487,596	549,100	14.5%	6251	6662	6.6%	411	9
10	299	833,900	928,504	12.4%	11158	11723	5.1%	566	10
11	145	443,200	479,800	11.4%	5621	5738	2.1%	116	11
12	186	166,800	185,900	12.6%	1705	1817	6.6%	112	12
13	218	187,700	199,900	8.3%	2001	2004	0.1%	3	13
15	33	292,800	406,400	39.2%	3490	4758	36.3%	1268	15
16	2	191,700	216,900	13.2%	2058	2230	8.4%	173	16
17	32	249,900	285,400	14.6%	2882	3144	9.1%	262	17
18	135	217,100	218,100	2.4%	2418	2246	-7.1%	-171	18
19	51	479,300	475,500	7.4%	6133	5680	-7.4%	-453	19
20	11	387,500	419,500	9.7%	4832	4933	2.1%	101	20
21	74	237,100	255,000	9.9%	2701	2739	1.4%	38	21

DISTRICT	AVERAGE VALUES # parcels	1995	1996	% DIFF	AVERAGE TAXES 1995	1996	% DIFF	$ CHANGE	DISTRICT
1	210	133,100	146,200	11.5%	1227	1287	4.9%	60	1
2	210	161,500	149,800	-6.0%	1630	1335	-18.1%	-294	2
3	247	281,300	288,200	1.9%	3327	3182	-4.4%	-146	3
4	183	351,000	385,600	13.7%	4315	4481	3.8%	166	4
5	36	714,000	760,200	9.3%	9459	9478	0.2%	19	5
6	145	407,400	490,900	23.3%	5114	5886	15.1%	771	6
7	735	212,400	211,200	0.1%	2351	2154	-8.4%	-197	7
8	330	276,200	286,900	4.2%	3255	3164	-2.8%	-91	8
9	17	393,700	469,200	23.5%	4920	5596	13.7%	676	9
10	57	924,700	1,006,200	8.7%	12444	12760	2.5%	315	10
11	48	451,700	480,700	10.6%	5742	5750	0.1%	8	11
12	220	166,900	190,600	14.8%	1706	1880	10.2%	173	12
13	269	206,400	226,300	10.2%	2266	2356	4.0%	90	13
15									15
16	5	217,800	249,200	14.7%	2428	2661	9.6%	234	16
17	26	249,000	297,300	19.6%	2870	3303	15.1%	433	17
18	135	202,100	231,600	2.4%	2205	2427	10.0%	221	18
19	172	377,000	417,200	10.8%	4683	4902	4.7%	219	19
20	4	356,000	405,100	13.8%	4386	4741	8.1%	355	20
21	46	258,100	276,400	8.7%	2999	3024	0.9%	26	21

TABLE VII THREE-FAMILY HOUSES 1995 TO 1996 IMPACTS

	AVERAGE VALUES				AVERAGE TAXES				
DISTRICT	# parcels	1995	1996	% DIFF	1995	1996	% DIFF	$ CHANGE	DISTRICT
1	281	136,200	168,100	25.3%	1271	1579	24.2%	308	1
2	176	177,400	171,300	-1.5%	1855	1622	-12.6%	-233	2
3	166	299,300	310,700	3.3%	3582	3482	-2.8%	-101	3
4	82	370,200	403,500	10.1%	4587	4720	2.9%	133	4
5	3	749,900	848,200	12.9%	9967	10652	6.9%	685	5
6	79	377,200	475,100	26.9%	4686	5675	21.1%	989	6
7	249	214,200	228,100	6.8%	2377	2380	0.1%	3	7
8	80	328,700	330,100	0.7%	3999	3741	-6.5%	-258	8
9	1	200,400	252,000	25.7%	2181	2699	23.7%	518	9
10	3	1,061,500	1,142,100	7.3%	14383	14573	1.3%	190	10
11	19	389,600	442,800	19.6%	4862	5244	7.9%	382	11
12	166	204,000	213,900	5.6%	2232	2190	-1.9%	-42	12
13	211	197,100	230,300	17.4%	2134	2409	12.9%	275	13
15									15
16	4	273,700	294,300	7.2%	3220	3263	1.3%	43	16
17	5	304,200	349,100	15.6%	3652	3994	9.4%	342	17
18	77	227,400	257,000	13.5%	2564	2765	7.9%	202	18
19	17	446,400	485,500	9.4%	5667	5814	2.6%	147	19
20	1	374,500	443,600	18.5%	4648	5255	13.1%	607	20
21	18	269,100	298,500	11.9%	3154	3319	5.2%	165	21

ASSESSMENT DISTRICTS - FY96 Exhibit 8



NOTES

District 14 - Charles Riverfront
District 15 - Grove & Blanchard Sts.
District 16 - St. Paul St
District 17 - Walden St between Mt Pleasant and Raymond
District 18: was part of District 7 until FY85
District 19: was part of District 4 until FY86

FY96 Property Valuation

Every three years, property assessments in Massachusetts must be reviewed and certified by the State Department of Revenue. The D.O.R. standards for certification, as required by state law, are rigorous. In order to satisfy certification requirements, communities must re-assess all taxable property. In Cambridge, this was accomplished again completely by Assessing Department staff, (with the exception of valuation of nursing homes, which require specialized knowledge of various federal and state reimbursement programs).

For 1, 2, and 3 family houses, statistical analysis of sales was undertaken to derive a new "market model". This model, or formula, is applied to property characteristics and location factors to arrive at an estimate of market value as of January 1, 1995, the FY96 Assessment Date. The new values resulted in an overall average increase of + 10% for houses. There is a lot of variation around this average. Tables V, VI, and VII show average value and tax bill changes by neighborhood and by property class for one, two and three family houses.

Condominium units were valued on a building by building basis. In condo buildings with market transactions during 1993 and 1994, the sales in the building were used to estimate the value of all the units in the building. This was accomplished by relating each sale to its percentage ownership (beneficial interest) in the condominium association and adjusting for relative conditions of units within condominium buildings. Overall, condominium units increased in value by an average of 5%. It should be noted, that the increase took place almost exclusively among the newer, waterfront buildings while values of condominiums elsewhere in the City were generally stable.

On the FY96 legal assessment date, January 1, 1995, the continued existence of rent control was an unresolved issue. In the November 4, 1994, election, "Question 9", a statewide referendum to require the legislature to abolish rent control was voted in. Enabling legislation was not put in place until January 4, 1995, and the market for rent controlled properties reflected the ambiguous situation. As a result, FY96 assessments of rent controlled properties carry forward for one more year the FY95 values which were derived by capitalizing the net operating income allowed by the Cambridge Rent Control Board, whose requirements were still in place on January 1, 1995. For FY97, one of the major projects to be undertaken by the Assessing Department will be collection and analysis of apartment building data -- both physical property descriptions and income and vacancy information. It is anticipated that the increase in value attributable to the lifting of rent restrictions will mostly be captured in fiscal years 1997 and 1998.

For commercial properties, the computerized income approach to value which was put in place for the FY93 certification year was updated to reflect income and expense information reported for the 1994 calendar year. Also, for FY96, for the first time, a cost approach was calculated for each commercial property as a back-up and for comparison purposes to the income approach. The result of the re-appraisal of all the commercial properties was, aside from value increases due to new construction, an overall decrease of about 1 1/2%. Trending factors which were applied to assessed values for FY94 and FY95 reflected market trends which were mostly static during 1994, thus explaining the muted impact of an extensive revaluing effort.

Classification of Property/Establish Minimum Residential Factor

Since 1984 the City Council has voted annually to follow State laws for classification of property according to use (residential or commercial) and to allocate the legal maximum portion of the tax levy to the commercial class. From 1984 through 1992, this was accomplished each year by voting for a minimum residential factor of 65%. A minimum residential factor of 65% means that residential property is being taxed at a rate 65% of what it would be if all classes of property were taxed at the same rate. As the commercial tax base of the City expanded through the eighties, voting for a minimum residential factor of 65% each year resulted in lowering, each year, the percentage of the City's levy to be borne by the residential class. FY93 was the first year in which there was a reversal of the trend of the late eighties which saw the commercial class increasing its proportion of total value each year. Even though the commercial proportion of the City's total valuation dropped in each of the years 1992 through 1996, State law has allowed levy distribution between the commercial and residential classes to remain unchanged from year to year.

This stability was accomplished for FY95 by voting for a minimum residential factor of 57.74098% and will be accomplished for FY96 by voting a minimum residential factor of 56.32730%. The State classification laws which have enabled Cambridge to steadily increase the proportion of the tax levy to be borne by the commercial class have a provision which protects against an undesired shift from the commercial sector back to the residential class. Under this provision, the minimum residential factor may be dropped to as low as 50%, given two conditions:

(a) the minimum residential factor does not cause the residential class to bear a lower percentage share of the tax levy than it bore in any year since the community was first certified as assessing property at full and fair cash value and
(b) it does not cause the commercial class to bear a portion of the levy greater than 175% times what it would pay if both classes were taxed equally.

A minimum residential factor for FY95 of 56.32730% satisfies both these conditions, resulting in commercial properties' bearing a portion of the levy 169% higher than would be the case if both classes were taxed equally.

The Residential Exemption

State law enables cities and towns to grant owner occupants of residential properties a deduction of up to 20% of the citywide average residential parcel value, off their assessed values before the tax rate is applied. I am recommending that the City Council adopt the maximum Residential exemption of 20%, as it has done in the past. This will result in a deduction of $49,747 from the assessed value of each owner occupied property.

The residential exemption makes the residential levy a slightly progressive tax. The residential exemption is paid for by raising the residential tax rate sufficiently to cover the number of taxpayers claiming the residential exemption. There are currently about 11,200 residential exemptions on the Assessing Department files. If Cambridge did not adopt a residential exemption, the residential tax rate would be $12.60 instead of $13.34. As a result, higher valued properties pay higher taxes than would be the case if there were no residential exemption, while the lowest valued properties receive the maximum benefit of exempting a fixed amount of $49,747 from taxation. There is a "break-even" value over which the higher valued residential properties are assessed for higher taxes than would be the case if there were no residential exemption. For FY96 the "break-even" value is $382,800.

Statutory Exemptions

State legislation requires cities and towns to grant a variety of tax exemptions to elderly taxpayers, blind taxpayers, veterans, and surviving spouses who qualify by virtue of residency, income, and assets. In 1987, new state laws were passed which authorized cities and towns to increase the amounts of these exemptions up to double the statutory amounts, for taxpayers whose tax bills have increased over the prior year's bill. The City Council must vote annually to increase the exemptions. I am recommending that the Council do this for FY96, as it has since FY87.

Another form of tax relief available to property owners under state law is Clause 41A of Section 3 of Chapter 59. This statute allows taxpayers over 65 years old to defer tax payment until they are deceased or the property is transferred. The statutory income limit for this is $20,000, which can be increased to $40,000 by local legislative action. I am recommending that the City Council take this action.

CONCLUSION:

Each year when the property tax rate is established, much attention is focused upon this report and the attendant public hearing. However, the options for the city at this point are fairly limited. Failure to approve maximum classification, residential exemption, and a doubling of the statutory exemption would result in a significant tax increase for residential property owners. Once these approvals are granted (or not), the establishment of the tax rate is a legal process between the Board of Assessors and the Department of Revenue. It is also a simple straight forward mathematical calculation; the tax levy required to support the City's adopted FY96 budget divided by the City's total assessed valuation. This calculation reflects the many financial decisions made by the City Council since the FY96 budget was submitted in April.

As the City Council and Board of Assessors prepare to take the final steps on the FY96 tax rate, members of the administration are already working on budget and financial issues that effect FY97 and beyond. In addition to this work, the City Council has been presented with five year financial projection for the city as well as an array of possible service cuts in the budget. Through cooperation and hard work the city avoided a tax levy increase in FY96 for the first time since FY83. This is an achievement that should not be taken lightly. Only six times in the last 51 years has the tax levy remained level or decreased from one year to the next. It is now our joint assignment to review the financial projections and possible service cuts and develop a plan for the city that addresses the city's service and financial needs for the remaining few years of the twentieth century.

Very truly yours,

Robert W. Healy
City Manager

Agenda Item #14B
CITY COUNCIL
CITY OF CAMBRIDGE

October 2, 1995

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1995

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1995-96 the following sum is hereby accepted in accordance with General Laws Chapter 44, Section 53A and appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARY $ WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	$3,215,000				$3,215,000

BE IT FURTHER ORDERED: That the above acceptance and appropriation in the General Fund to be financed by estimated revenues drawn from the following sources:

FINANCING PLAN	REVENUE
Free Cash	$1,270,000
Parking Fund	150,000
Hospital Fund	1,220,000
Neville Fund	290,000
Water Fund	285,000
	$3,215,000

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy; D. Margaret Drury

ATTEST:-

D. Margaret Drury, City Clerk

14.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

October 2, 1995

To The Honorable, The City Council,

Recommendations:

1. That the City Council authorize the use of $5,778,000 in Unreserved Fund Balance (Free Cash) to offset the FY96 tax rate as follows:

A. Operating Budget	$1,500,000	as adopted in FY96 Budget
B. Capital Budget	1,820,000	as adopted in FY96 Budget
C. Overlay Reserve	1,188,000	
D. Salary Adjustment	1,270,000	10/2/95 appropriation

2. That the City Council appropriate $3,215,000 to the General Fund Salary Adjustment Account to cover the cost of employee contract settlements, said appropriations to be funded as follows:

A. From Free Cash	$1,270,000
B. From Hospital Fund Balance	1,220,000
C. From Neville Fund Balance	290,000
D. From Water Fund Balance	285,000
E. From Parking Fund Balance	150,000

3. That the City Council classify property within the City of Cambridge into the five classes allowed for the purpose of allocating the property tax. It is further recommended that the City Council adopt the minimum residential factor of 56.32730%

4. That the City Council approve the maximum residential exemption of 20% for owner occupied homes, which should result in a FY96 commercial tax rate of $34.90 and a residential tax rate of $13.34 upon final approval by the Massachusetts Department of Revenue

5. That the City Council vote to double the normal value of statutory exemptions and double the income limit for the deferral of property taxes by eligible elderly homeowners.

Consent Agenda #14 F- 181

Communication regarding the vote necessary to seek the Dept. of Revenue approval of the tax rate for FY96.

14A. Authorize the use of $5,778,000.00
adopted 9-0-0

14B. Appropriate $3,215,000.00
adopted 9-0-0

14C. Classify property into the five classes.
adopted 9-0-0.

14D. Adopt a minimum residential factor of 56.~~32730%~~ 327507o.
Order adopted 9-0-0

14E. Vote to approve the maximum residential exemption of 20% for owner occupied homes.
Order adopted 9-0-0

14F. Vote to double the normal value of statutory exemptions for FY1996.
Order adopted 9-0-0

14G. Vote to double the income limit for deferral of property taxes by elderly homeowners.
Order adopted 9-0-0

In City Council October 2, 1995

Hearing held
October 2, 1995 at
7PM

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14D residential factor 56.32750%

(changed from 56.32730% due to approval by State to 56.32750%)

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

CS/RF/A

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14E - 20% residential exemption

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

CS/RF/RF

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14 F - Chap. 73 Section 4 Acts of 1986

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

CS/RF/RF

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14G - elderly deferment

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14A $5,778,000. - Unreserved fund Balance

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

CS/RF/RF

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14B Appropriation of $ 3,215,000 - Salary Adjustment

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

CS/RF/RF

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 2 1995

14C - 5 property classes

	YEA	NAY	ABSENT	PRESENT	
Ms. Kathleen L. Born	✓				
Mr. Francis H. Duehay	✓				
Mr. Anthony Galluccio	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Michael A. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Ms. Katherine Triantafillou	✓				
Mayor Kenneth E. Reeves	✓				
	9	0	0		

CS/RF/RF

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 23 1995

Consent Agenda #14a. - Authorize the use of $5,778,000

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

MAS ms 1V/9 on all of #14
R.F 0-9

CCM-101

City of Cambridge

AGENDA ITEM #14A

IN CITY COUNCIL

OCTOBER 2, 1995

ORDERED: That the City Manager be and hereby is authorized to use $5,778,000 in unreserved fund balance as an offset to the fiscal year 1996 tax rate.

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy; D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council Octobrt 2, 1995

Consent Agenda #14b. - Appropriate $3,215,000 to the Salary Adjustment Account

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council October 2, 1995

Consent Agenda #14c - Classify property into the five classes

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

CCM-101

City of Cambridge

AGENDA ITEM #14C

IN CITY COUNCIL
OCTOBER 2, 1995

ORDERED: That the City Council classify property within the City of Cambridge into five property classes allowed for the purpose of allocating the property tax levy.

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- D. Margaret Drury

D. Margaret Drury
City Clerk

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 2, 1995

Consent Agenda #14d - Adopt a minimum residential factor of ~~56.32730%~~ 56.32750%

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

CCM-101

City of Cambridge

AGENDA ITEM #14D

IN CITY COUNCIL
OCTOBER 2, 1995

ORDERED: That the City Council hereby adopt a minimum residential factor of 56.32750%, the legal minimum permitted for Cambridge.

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy; D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council October 2, 1995

Consent Agenda #14e - Vote to approve the maximum residential exemption of 20% for owner occupied homes.

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

CCM-101

City of Cambridge

AGENDA ITEM #14E

IN CITY COUNCIL
OCTOBER 2, 1995

ORDERED: That the City Council approve a twenty (20) percent residential exemption for owner occupied homes.

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy; D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 2, 1995

Consent Agenda #14f - Vote to double the normal value of statutory exemptions for FY1996

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

CCM-101

City of Cambridge

AGENDA ITEM #14F

IN CITY COUNCIL
OCTOBER 2, 1995

ORDERED: That the City Council in accordance with the General Laws, Section 4 of Chapter 73 of the Acts of 1986, hereby increase by 100% the normal value of statutory exemptions for fiscal year 1996.

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy; D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council October 23, 1995

Consent Agenda #14g - Vote to double the income limit for deferral of property taxes by elderly homeowners.

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Kenneth E. Reeves
9	0	0	0	

CCM-101

City of Cambridge

AGENDA ITEM #14G

IN CITY COUNCIL

OCTOBER 2, 1995

ORDERED: That this City Council go on record approving to double the income limit for deferral of taxes by elderly homeowners.

In City Council October 2, 1995.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- D. Margaret Drury

D. Margaret Drury
City Clerk

CITY OF CAMBRIDGE

NOTICE OF PUBLIC HEARING

The Cambridge City Council will conduct a public meeting on Monday, October 2, 1995 at 7:00 P.M. in the Sullivan Chamber, City Hall, Second Floor, Cambridge on

PROPERTY TAX RATE CLASSIFICATION.

Under the laws of the Commonwealth the City has the option of taxing residential and commercial/industrial property at different tax rates. At this public meeting, the City Council will review tax rates proposed by the City Manager and the Board of Assessors. The votes taken will result in property tax rates which reflect the City's property tax levy for FY96, the addition of new taxable property to the City's tax base, the Assessors' program to assess properties at their full and fair cash value as of January 1, 1995, and the City Council's decision regarding distribution of the tax burden between commercial and residential properties and the granting of a residential exemption.

The Cambridge City Council will entertain comment and opinion from interested citizens and taxpayers.

By Order of the City Council,

D. Margaret Drury
City Clerk

CITY OF CAMBRIDGE

NOTICE OF PUBLIC HEARING

The Cambridge City Council will conduct a public meeting on Monday, September 25, 1995 at 7:00 P.M. in the Sullivan Chamber, City Hall, Second Floor, Cambridge on

PROPERTY TAX RATE CLASSIFICATION.

Under the laws of the Commonwealth the City has the option of taxing residential and commercial/industrial property at different tax rates. At this public meeting, the City Council will review tax rates proposed by the City Manager and the Board of Assessors. The votes taken will result in property tax rates which reflect the City's property tax levy for FY96, the addition of new taxable property to the City's tax base, the Assessors' program to assess properties at their full and fair cash value as of January 1, 1995, and the City Council's decision regarding distribution of the tax burden between commercial and residential properties and the granting of a residential exemption.

The Cambridge City Council will entertain comment and opinion from interested citizens and taxpayers.

By Order of the City Council,

D. Margaret Drury
City Clerk

CITY OF CAMBRIDGE

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PROPERTY TAX RATE CLASSIFICATION.

Under the laws of the Commonwealth the City has the option of taxing residential and commercial/industrial property at different tax rates. At this public meeting, the City Council will review tax rates proposed by the City Manager and the Board of Assessors. The votes taken will result in property tax rates which reflect the City's property tax levy for FY96, the addition of new taxable property to the City's tax base, the Assessors' program to assess properties at their full and fair cash value as of January 1, 1995, and the City Council's decision regarding distribution of the tax burden between commercial and residential properties and the granting of a residential exemption.

The Cambridge City Council will entertain comment and opinion from interested citizens and taxpayers.

By Order of the City Council,

D. Margaret Drury
City Clerk

CITY OF CAMBRIDGE

NOTICE OF PUBLIC HEARING

The Cambridge City Council will conduct a public meeting on Monday, September 25, 1995 at 7:00 P.M. in the Sullivan Chamber, City Hall, Second Floor, Cambridge on

PROPERTY TAX RATE CLASSIFICATION.

Under the laws of the Commonwealth the City has the option of taxing residential and commercial/industrial property at different tax rates. At this public meeting, the City Council will review tax rates proposed by the City Manager and the Board of Assessors. The votes taken will result in property tax rates which reflect the City's property tax levy for FY96, the addition of new taxable property to the City's tax base, the Assessors' program to assess properties at their full and fair cash value as of January 1, 1995, and the City Council's decision regarding distribution of the tax burden between commercial and residential properties and the granting of a residential exemption.

The Cambridge City Council will entertain comment and opinion from interested citizens and taxpayers.

By Order of the City Council,

D. Margaret Drury
City Clerk

42.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

September 11, 1995

To the Honorable, the City Council:

As the City Council is aware, a publicly advertised hearing must be held by the City Council for the purpose of allocating the local property tax levy among the four classes of real and personal property for fiscal year 1996. Accordingly, I request that the City Council schedule a public hearing on the matter for September 25, 1995 at 7:00 p.m. Once the Council has voted on this matter, the City will submit the tax recapitulation sheet to the Massachusetts Department of Revenue for the formal establishment of the fiscal year 1996 tax rate.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec

181 F

Consent Agenda Item Number 42

Public hearing to be set to allocate the local property tax levy among the four classes of real and personal property tax for fiscal year 1996.

10/2/95 - Hearing held at 7:00 P.M.

In City Council,

September 11, 1995

Public hearing scheduled for Monday Sept. 25, 1995 at 7:00 P.M.

Meeting of 9/25/95 Cancelled

Public hearing rescheduled to Oct. 2, 1995 at 7:00 P.M.