

Michael

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The Finance Committee held a public 4:25 p.m. in the Senior Center, 806 Mass: evaluation of the FY97 budget process.

Present at the hearing were Michael / Kathleen L. Born, Councillor Henrietta D: Anthony D. Galluccio, Councillor Timothy J. Rooney, Jr., Councillor _____ afillou, and City Clerk D. Margaret Drury and Acting Deputy Clerk Donna Lopez. Also present were Robert W. Healy, City Manager; James Maloney, Assistant City Manager for Finance; James Lindstrom, Auditor; Louis DePasquale, Budget Director, Lisa Peterson, Assistant to the City Manager; and Fred Santani. *Centanni* -Centanni

Councillor Sullivan convened the hearing and explained the purpose. He stated that he only heard one complaint from a citizen regarding the budget hearings.

Councillor Duehay stated that he was very impressed with the Water Department's video of its services. Perhaps the City could make a video about the budget process. Mr. Maloney said that there was an earlier attempt at a video explanation of the entire finance process that could be used as a basis for a new video.

Councillor Davis said that with regard to the budget process, it would be better to have an earlier policy or goal-setting discussion. Councillor Sullivan noted that the Government Operation ^SCommittee is discussing this issue.

Councillor Davis also suggested a limitation on the amount of time that each City Councillor has the floor to ten or fifteen minutes. Then if a Councillor wanted additional time, they could have it after other Councillors have ^{had} their opportunity to ask questions.

Mr. Healy stated that the key is the City Council reaching some sort of consensus about goals or objectives. He tries to make the budget reflect what he discerns as the general goals and objectives of the City Council.

Councillor Duehay said that, in fact, the budget is a year-round process. He agreed that it would be better to have an earlier discussion of goals and objectives. However, in the end, individual City Councillors may perceive their own political need to make a long statement.

Councillor Davis said that this is understandable, but it is not necessary that the Council allow this opportunity to be longer than fifteen minutes.

Councillor Sullivan noted that City Council has a more limited ability than the School Committee does to delve deeply into individual facets of the budget.

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City of Cambridge

The Finance Committee held a public meeting on Tuesday May 28, 1996, beginning at 4:25 p.m. in the Senior Center, 806 Massachusetts Avenue for the purpose of review and evaluation of the FY97 budget process.

Present at the hearing were Michael A. Sullivan, Chair of the Committee, Vice Mayor Kathleen L. Born, Councillor Henrietta Davis, Councillor Francis H. Duehay, Councillor Anthony D. Galluccio, Councillor Timothy J. Toomey, Jr., Councillor Katherine Triantafillou, and City Clerk D. Margaret Drury and Acting Deputy Clerk Donna Lopez. Also present were Robert W. Healy, City Manager; James Maloney, Assistant City Manager for Finance; James Lindstrom, Auditor; Louis DePasquale, Budget Director, Lisa Peterson, Assistant to the City Manager; and Fred Santani. Centanni Centanni

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City Manager Healy said that in keeping with the reality of a year long budget cycle, there could be ^{an} early September meeting to go over balances and classification, then perhaps an end-of-October meeting of the Finance Committee on goals and objectives.

Vice Mayor Born thanked Mr. Healy for this analysis, and added that she is not clear on how this would actually work. She cited the example of the orders that the Council passed regarding a two percent decrease. Mr. Healy said that it is important to take the matter seriously.

Mr. Maloney said that the City Council has done a good job over the past several years of not making decisions for short term gain at the expense of the long term. He suggests adoption of policies that make these priorities explicit, starting with the necessity of protecting the bond rating.

Mr. Healy gave the example of the budgeting for affordable housing. Last year the City Council had a lengthy process and agreed on a budget of \$2 million per year for affordable house.^{ing} This year he suggested a 12.5 percent increase. Then Mr. Healy is told that additional money should be allocated for specific projects and should come from another source.

Councillor Duehay said that this is a good example of a budget issue that reflects a deep disagreement in policy about what responsibility the City should take for affordable housing.

Councillor Triantafillou suggested quarterly meetings with department heads to talk about programs separate from the budget discussions.

Councillor Duehay said that this can also be done in the subcommittees that relate directly to city program areas. Councillor Triantafillou said that it should be done as a committee of the whole, a public forum. She said that she had also been thinking that since the budget is one of the major responsibility, perhaps the Council should use much more of its time for budget consideration.

Councillor Duehay gave the example of Portland, Oregon, where each City Councillor has a portfolio.

Councillor Davis said that there seems to be general interest in having departmental program discussions throughout the year, separate from the budget.

Councillor Triantafillou said this still does not answer the question of what the Council will do with the City Manager's goals and objectives.

Councillor Sullivan stated that the Government Operations Committee is considering a schedule in which ^a election year^s, the City Council discusses goals and objectives in June, and in a non-election year the discussion occurs in the fall.

Councillor Davis suggested an intensive look at particular departments, not every department every year.

Vice Mayor Born said that she is troubled by the implication that this moves the City Council further in the direction of micromanagement.

Councillor Davis agreed that this is a danger but said that there is something in between that people are searching for.

Mr. Healy suggested that if the desire is for high quality roundtables, they should not be on Cable TV. Roundtables could be useful. He would like as much policy input from the City Council as possible.

Vice Mayor Born said that it would be preferable to be able to have discussions in which city departments did not feel defensive. Councillor Triantafillou agreed.

Mr. Maloney suggested determining overriding principles first; such as the primary importance of the City's credit rating.

Councillor Sullivan noted the time limits of the budget cycle.

Mr. Healy described the schedule for preparing the budget, starting with departmental budget hearings. The time to impact priorities is in September and October. Mr. Healy noted that policy considerations did guide the school budget decisions this year. Councillor Duehay said that Jim Conry and David Kale, etc., did a terrific job. However, there was still a need for bringing the employees along as part of the decision-making process.

Councillor Sullivan noted that the School Department has to do better in terms of meeting the statutory requirements for budget adoption.

Councillor Duehay divided departments into three groups. One group includes departments that everyone thinks is doing a good job, just as it should be done; another includes departments where some people think the department is doing a good job others disagree with the work from a philosophical point of view; and yet another includes that department which there is a general consensus regarding the need for improvements.

Mr. Maloney noted the issue of not being able to provide the same level of services because of federal and state cuts.

Councillor Triantafillou said that people are more concerned about the connection between taxes and the level of services. They are not complaining about the amount of taxes.

Councillor Sullivan agreed.

Councillor Triantafillou said that she believes people are by-and-large satisfied with the level of services.

Councillor Duehay said that people are concerned with the consumer services aspect; they don't want to see four Water Department employees standing around or a Police Officer on a detail looking into the hole instead of helping an elderly lady cross the street.

Councillor Davis said that except for senior citizens who have lived here all their lives and are struggling to pay their bills, she does not get complaints from citizens about the amount of their taxes.

Councillor Triantafillou said she gets a few complaints from professionals about the tax rate. However, most complaints are about customer services.

Councillor Sullivan invited public comment.

Michael Brandon, 27 Seven Pines Road, stated that he liked the idea of having programmatic discussions separate from the budget. He suggested compressing the actual budget meetings. He wants to make sure that the backup documents are freely available to the public. He stated that he also has a question about other rented City property, and how it is shown in the budget.

Mr. Maloney explained that there is other property rented in the same garage, and the income is held by the Management Company in escrow and appropriated by the City Council during the year, not as a part of the budget process.

Councillor Duehay suggest having the budget online, and also having it on Cable TV. He stated that one of the biggest problems is that the public just does not understand the process.

Councillor Triantafillou asked for a copy of the performance goals for all the departments without additional narrative. Lisa Peterson said that it would be supplied.

The meeting was adjourned at 5:48 p.m.

For the Committee,



Councillor Michael A. Sullivan, Chair

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Councillor Sullivan agreed that people want a dollars worth of services for a dollar of taxes.

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The meeting was adjourned at 5:48 p.m.

For the Committee,

A handwritten signature in cursive script, appearing to read "Michael".

Councillor Michael A. Sullivan, Chair

Committee Report #2

F-90

A report from Councillor Sullivan
for a meeting held May 28, 1996 for
the purpose of review and evaluation
of the FY97 budget process.

In City Council June 10, 1996

Report Accepted.
Placed on file.