* All step increases must be absorbed within the above framework.

* Funds can be reallocated within various statutory levels.

In addition, there may be increases in specific budgets based on programmatic changes. Departments also realize that reductions can be made during the review process either at the administrative or Council level.

At this point in the deliberations, I still estimate that the FY 1997 proposed budget will call for a property tax levy increase of between three and four percent. While I continue to offer that estimate, there are three significant revenue and/or expenditure issues that could impact that estimate. Those issues are the establishment of the first Charter School in Cambridge, the level of tax support in FY 1997 for The Cambridge Hospital and the final level of state aid for FY 1997.

The Charter School is expected to open in September of this year with a first year enrollment of between 160 and 215 students drawn largely from Cambridge. For each Cambridge child that enrolls in the Charter School, the City will loose $10,574 in state aid which will be transferred by the state directly to the Charter School. This translates into a net first year loss of between $1,015,000 and $1,365,000 (160 to 215 students). That number is expected to grow in future years as Charter School enrollment grows and partial (40%) state reimbursement disappears. While the school system is also experiencing enrollment declines unrelated to the Charter School, it will be a challenge for the school system to match cuts dollar for dollar with the state aid loss attributable to the Charter School.

The Governor's proposed FY 1997 budget includes slight increases in state aid for Cambridge. Under his proposal, Chapter 70 money (aid for education) would increase by $600,00 (not enough to offset losses caused by the Charter School) and Lottery Assistance would increase by $465,000. We do not yet know what increases could be on the cherry sheet; I will keep the City Council apprised of this situation as it evolves.

Finally the City Council will soon be receiving proposed legislation regarding the creation of a separate authority to administer the Hospital, Neville Manor and Public Health. As part of the ongoing discussions on this matter I am having discussions about the level of tax support for the new authority. Any changes to the existing level of tax support that might be recommended to the City Council will maintain the city's strong commitment to the Hospital yet recognize the Hospital's strong current financial condition.

I look forward to a productive budget process and welcome any comments you may have.

Very truly yours,

Robert W. Healy
City Manager

Attachments

DRAFT

ACTUAL FY95	PROJECTED FY96		BUDGET FY97

INSPECTIONAL SERVICES

INSPECTION/ENFORCEMENT
ZONING APPEAL BOARD
BOARD & RAZING

PURPOSE & OVERVIEW: The Inspectional Services Department is responsible for all laws and related City Ordinances which pertain to the Massachusetts State Building Code and Certain articles of the State Sanitary Code. The Inspection/Enforcement allotment is responsible for the administration of the building, wiring, plumbing/gas, and mechanical codes together with articles of the State Sanitary Code covering housing and food establishment inspections, and lead paint and asbestos testing and removal. Additionally, this allotment supports the rapid response capability provided in situations where building structural integrity or mechanical/electrical systems are potentially effected by fire or similar emergency. The Zoning Appeal Board appropriation supports costs necessary to administer the Zoning Ordinance and the processing of applications for relief before the Board of Zoning Appeal. The Board & Razing appropriation is for emergency demolition and the boarding up of dangerous buildings. This appropriation is offset by liens against the property. This year, the Inspectional Services Department's activities are expected to represent over $145 million in construction projects throughout the City. The Department is projected to generate in excess of $1.8 million in revenues through licenses and permit fees and charges for services.

FY96 MAJOR DEPARTMENTAL ACCOMPLISHMENTS:

- Completed the implementation of the revised permit fee structure. This was the first time since 1984 that this fee schedule was revised.
- The building permit application process has been streamlined through the elimination of unnecessary and duplicative reviews.
- Additional responsibilities have been taken on by the Department in the administration of the new Tobacco Control Ordinance including the establishment of a tobacco sales permit.
- In conjunction with the Department of Health and Hospitals, revised the City's licensing and operating procedures for massage therapists.
- Proposed procedural changes for the Board of Zoning Appeal with the result that Hearings are being conducted with increased efficiency and professionalism.

DRAFT

FY97 GOALS

■ *GOAL 1: (PERMITTING FUNCTION): Process building permit applications and conduct required inspections in a timely and efficient manner.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Issue major building permits within 30 days, 100 % of time.	n/a	n/a	n/a	100%
2. Issue "short form" building permits within 2 days, 95% of time.	n/a	n/a	n/a	95%
3. Conduct required compliance inspections within two days of request, 95% of time.	n/a	n/a	n/a	95%
WORKLOAD INDICATORS				
1. Major permits	n/a	n/a	170	170
2. "Short form" permits	n/a	2 135	2 180	2 180
3. Compliance inspections	n/a	7 300	7 500	7 500

■ *GOAL 2: (HOUSING FUNCTION): Process and respond to citizen housing and related complaints in a timely and professional manner.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Respond to 95% of citizen complaints within 1 day of receipt.	n/a	n/a	n/a	95%
WORKLOAD INDICATORS				
1. Formal (documented) complaints	n/a	1 530	1 700	1 800
2. Inspections	n/a	n/a	4 600	4 800
3. Court cases	n/a	n/a	-	-

DRAFT

■ *GOAL 3:* *(RESTAURANT FUNCTION): Enhance and protect the public health and safety by conducting inspections of food handling establishments in a timely and efficient manner in accordance with State requirements.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Conduct minimum of 2 restaurant compliance inspections 100% of time.	n/a	n/a	100%	100%
WORKLOAD INDICATORS				
1. Number of restaurants	n/a	n/a	545	545
2. Compliance	n/a	n/a	1 450	1 450
3. Total number of inspections	n/a	n/a	3 000	3 000
UNIT COST MEASURE				
1. Average cost per inspection*	n/a	n/a	$84	$88

*** Includes an estimate of associated administrative costs.**

■ *GOAL 4:* *(ZONING FUNCTION): Process all applications for zoning relief in an efficient manner and in accordance with the requirements of applicable State Statutes.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Insure 100% of BZA requests for relief are issued within statutory requirements.	n/a	n/a	100%	100%
WORKLOAD INDICATORS				
1. Number of BZA applications	n/a	191	160	160

DRAFT

FINANCING PLAN. Support for this budget is drawn from the following sources: licenses and permits, $; charges for services, $; and negative taxes, $.

STATUTORY ANALYSIS. Salaries and Wages, $; Other Ordinary Maintenance, $; and Travel and Training, $.

DRAFT

ACTUAL FY95	PROJECTED FY96		BUDGET FY97

ADMINISTRATION BENEFITS

PURPOSE & OVERVIEW: Mandated by M.G.L. Chapter 115, the Department's mission is to advocate on behalf of Cambridge's wartime veterans (9,122), provide them with quality support services and to direct an emergency financial assistance program for those veterans and their dependents who are in need. The primary function of the Department is to administer a benefits program which provides monetary aid to qualified veterans and/or their dependents for food, clothing, shelter, utilities, house supplies, personal needs, insurance, fuel, telephone and transportation, as well as medical, dental, hospital, homelessness prevention, nursing home care and burial allowances. The cost of this benefits program is reimbursed by the State at the rate of $.75 for every dollar expended. The Department assists veterans in processing applications for federal benefits, such as service connected compensations, disability pensions, personal needs/aid and attendance pensions, social security/disability benefits, medical, education, housing, employment, life insurance and death benefits. The Department coordinates public events on Patriots', Memorial and Veterans' Days. In addition, in conjunction with the Cambridge Veterans' Organization (CVO), the Department participates in the dedication of streets, squares and parks as well as attends funerals of veterans killed in action. Each Memorial Day, over 6000 flags are placed on the graves of veterans interred in Cambridge cemeteries. The Department also serves as Burial/Graves representative for indigent Cambridge residents (non-veterans) buried in Cambridge cemetery.

SIGNIFICANT BUDGET MODIFICATIONS: The FY97 budget has been significantly realigned to more accurately reflect current and planned expenditures by creating two divisions one of which will include only the benefits portion of the budget.

FY96 MAJOR DEPARTMENTAL ACCOMPLISHMENTS:

- By the completion of FY96, the Department will have saved cost avoided $50 000 in Chapter 115 Veterans' Benefits by aggressively accessing federal benefits, pursuing third party reimbursements and implementing a case management methodology for clients. These savings represent 33% of the funds appropriated for Chapter 115 Veterans' Benefits.

- Through attrition, the department has reduced it's full-time employees by 25%, without decreasing productivity or service delivery.

DRAFT

- By the completion of FY96, Cambridge veterans and their dependents will have received $7.5 million in federal VA benefits.

- As a result of recent computer purchases, the Department has begun the process of automating office records, and is working with the Commonwealth to establish an electronic linkage which would reduce the amount of paperwork between offices and reduce processing time.

- The Department has developed a Veterans' Benefits brochure and handbook for public and institutional dissemination.

- The Cambridge Veterans' Organization, with financial assistance from the City, has established a citywide Color/Honor Guard for ceremonial events.

FY97 GOALS

■ *GOAL 1: Improve compliance with M.G.L. Chapter 115, (Veterans' Benefits) regulations*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Ensure new applications are forwarded for approval to the State within ten days after intake.	n/a	n/a	80%	100%
2. Develop a case management plan for each new client within 30 days of intake.	n/a	n/a	n/a	100%
3. Ensure State returns for reimbursement are forwarded to the State within ten days following the payment month.	n/a	n/a	70%	100%

■ *GOAL 2: Increase public awareness of Veterans' Benefits, services and issues by establishing a veterans' television program on cable television and producing a veterans' column in the newspaper (Cambridge Chronicle).*

DRAFT

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Produce 20 one-half hour television programs on veterans' benefits, services and issues.	n/a	n/a	n/a	20
2. Produce 12 articles for monthly publication in the Cambridge Chronicle on veterans' benefits, services and issues.	n/a	n/a	n/a	12

■ *GOAL 3: Increase community participation in veterans' ceremonial events by utilizing the Department's public awareness program, personal presentations and establishing linkages with schools, community organizations and City departments.*

■ *GOAL 4: During the first half of FY97, explore the feasibility of creating a veterans' homeless/transitional shelter in the City by meeting with appropriate state and local homeless housing specialists.*

■ *GOAL 5: Reorganize the Department by reallocating staff positions to better reflect current duties performed and continue to upgrade staff skills with an emphasis on team building and accountability.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Conduct weekly staff training.	n/a	n/a	n/a	50
2. Increase external training opportunities.	n/a	n/a	n/a	4

DRAFT

■ *GOAL 6: Continue to aggressively identify and access federal resources for eligible clients.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Conduct quarterly assessment and evaluation of client eligibility for federal benefits.	n/a	n/a	n/a	4

■ *GOAL 7: Continue the ceremonial and public events functions of the Department by honoring both living and deceased veterans.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Plan and execute events in celebration of Patriots', Memorial and Veterans' Days.	n/a	3	3	3
2. Provide for the placement of American Flags on Veterans' graves on Memorial Day.	n/a	5 800	6 000	6 200

■ *GOAL 8: Continue automating office records and activities. Participate with the State Department of Veterans' Services in a pilot program which provides for electronic transmission of Chapter 115 documents.*

FINANCING PLAN. This budget is financed by $ in property taxes; $ in reimbursements from the Veterans' Administration for burial payments; and $ in reimbursements from state Veterans' payments and $ in cherry sheet revenue.

STATUTORY ANALYSIS. Salaries and Wages, $; Other Ordinary Maintenance, $; and Travel and Training, $.

DRAFT

ACTUAL FY95	PROJECTED FY96		BUDGET FY97
		POLICY AND ADMINISTRATION OFFICE OPERATIONS ANNUAL CENSUS VOTER REGISTRATION PRIMARY ELECTION GENERAL ELECTION MUNICIPAL ELECTION PRESIDENTIAL PRIMARY	

ELECTION COMMISSION

PURPOSE & OVERVIEW: The Board of Election Commissioners was established by the Acts of 1921, Chapter 239, to conduct voter registration, supervise all elections, assume responsibility for the annual census, and certify voter signatures on nomination papers, petitions, and ballot questions. Its role was expanded in 1987 to include administration of Chapter 55 of the Massachusetts General Law, governing campaign and political finance reporting. In 1991, the Commission was assigned the task of implementing Chapter 2.118 of the Cambridge Municipal Code, known as the "Ethics Ordinance."

FY96 MAJOR DEPARTMENTAL ACCOMPLISHMENTS:

- Converted City of Cambridge Master Resident/Voter File to Voter Registration Information System (VRIS) of the Commonwealth of Massachusetts. Maintained dual computer system for accuracy while implementation of new system is being refined; trained staff in basic functions of new system.

- Established Technical Working Committee for Computerization of Cambridge Elections (TWCC) to examine alternatives for computerizing state, federal, and municipal elections. Produced TWCC report with unanimous recommendation for precinct- based optical scanning system.

- Developed 1996 census form which includes a voter registration affidavit component to reach current eligible non-registered persons and new residents.

- Conducted efficient, accurate, and timely 1995 Municipal Election and Proportional Representation (PR) Count.

- Implemented mail-in voter registration under Motor Voter Law through extensive citywide network of distribution sites and training of organizational representatives in registration procedures. Revised election materials and training of pollworkers to accommodate major statutory changes under Motor Voter Law.

DRAFT

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Number of Sidewalk Registrations	1,116	734	490	360
2. Number of Mail-In Registrations	n/a	3,628	3,500	6,000
3. Number of Census Registrations	n/a	n/a	3,000	6,000
UNIT COST MEASURES*				
1. Cost per Sidewalk Registration	$3.07	$2.35	$2.32	$1.75
2. Cost per Mail-In Registration	n/a	$0.30	$0.30	$0.47
3. Cost per Census Registration	n/a	n/a	$0.24	$0.47

*** These figures do not include administrative costs.**

■ *GOAL 3: To conduct municipal, state and federal elections and ballot tabulation in accordance with statutory requirements: training and staffing of pollworkers; preparation of election ballots, materials, and polling place equipment; training and staffing of ballot counters and auditors.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Number of Municipal Elections	1	0	1	0
2. Number of State/Federal Elections	0	2	1	2
UNIT COST MEASURES*				
1. Cost per Municipal Election	$79,242	0	$72,126	0
2. Cost per State/Federal Election	0	42,355	$44,290	$45,000

*** These figures do not include administrative costs.**

DRAFT

- Administered Ethics Ordinance to produce 100% response to request for Statements of Financial Interests.

- Worked with CEOC to create and implement the Family Stabilization Program to support low-income women who utilize the agency's food pantries.

FY97 GOALS

■ *GOAL 1:* *To conduct 1996 annual city census; to reduce personnel canvassing costs by contacting 30,000 individual households in dwellings of eight or fewer units through a series of three mailings; to contact owners/managers/condo officers of 1,058 multi-unit addresses; to produce annual Street Listing.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Number of Individual Households contacted	31,664	32,775	32,922	32,922
2. Number of Multi-Unit Households contacted	n/a	n/a	14,094	14,094
3. Number of List Books produced	275	225	200	200
UNIT COST MEASURES*				
1. Cost per Individual Household	$ 1.07	$ 1.33	$ 0.95	$ 0.95
2. Cost per Multi-Unit Household	n/a	n/a	$ 0.06	$ 0.06
3. Cost per Street List Books	$18.00	$25.00	$25.00	$25.00
*** These figures do not include administrative costs**				

■ *GOAL 2:* *To vigorously implement the spirit and letter of the Motor Voter Law by extensive outreach to eligible, non-registered residents to increase voter registration from 75% to 85% through: 1) sidewalk voter registration sessions; 2) citywide distribution of mail-in voter registration forms; 3) registration through the annual city census.*

DRAFT

■ *GOAL 4: To computerize municipal, state and federal elections and ballot tabulation through utilization of ballot/box scanner technology.*

PERFORMANCE MEASURES	FY94 ACTUAL	FY95 ACTUAL	FY96 ESTIMATE	FY97 PROPOSED
1. Number of Municipal Elections	1	0	1	0
2. Number of State/Federal Elections	0	2	1	2
UNIT COST MEASURES*				
1. Cost per Municipal Election	n/a	n/a	n/a	n/a
2. Cost per State/Federal Election	n/a	n/a	n/a	n/a
*** These figures do not include administrative costs.**				

FINANCING PLAN. This budget is supported entirely by $ in document sales; $ in property taxes; $ in reimbursement/additional voting hours; and $ in cherry sheet revenue.

STATUTORY ANALYSIS. Salaries and Wages, $; Other Ordinary Maintenance, $; and Travel and Training, $.

15.

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

February 12, 1996

To The Honorable, The City Council:

In response to Awaiting Report Item No. 28, please be advised of the following:

At a meeting of the City Council Finance Committee in December, I informed the Council that staff are taking steps to revise the budget document in response to City Council requests. Since that meeting the Budget Department has been working with City Departments to refine the content of the budget narratives in an effort to make them more quantitative and concise. Specifically the goal is to improve the Budget Document by focusing on the following:

A. Establishment of goals that are quantifiable;
B. Creation of meaningful measures of performance;
C. Calculation of service unit costs where feasible;

To date the Budget Department has had a least two meetings with every department to generate the data for the narrative section. Several departments have submitted early drafts; I have attached some samples for your review. Because we are still in budget deliberations requested budget numbers have not been included.

Regarding the actual funding level of the proposed FY1997 budget, please be advised that departmental budget hearings with the City Manager are underway. To date, submitted departmental budgets are in compliance with the budget guidelines issued in December. As you will recall those guidelines are as follows:

* Salary and Wage accounts can increase by only 2% which means 1% of the 3% approved cost of-of-living-raise must be absorbed within the budget.

* Pension and Health Insurance cost can increase as required.

* Non Personnel accounts must not increase.

* All Non Personnel operating items, known to be increasing due to contractual terms, must be absorbed within the budget and not knowingly underbudgeted. Major contracts for service will be reviewed to ensure that departments have sufficient funds to meet contractual needs.

Consent Agenda #15

F-26

Relative to Awaiting Report
Item No. 28, regarding the
status of the FY97 budget.

In City Council February 12, 1996

Referred to the
Finance Committee.