



CITY OF CAMBRIDGE

MASSACHUSETTS 02139 • 617-498-9090

Francis H. Duehay
Mayor

February 23, 1981

I am enclosing information on six bills currently pending before the legislature. Taken together, if passed, they would amount to 20-30 million dollars in savings or increased income to the cities and towns. I received this analysis last week at a meeting of the Massachusetts Mayors' Association.

May I urge you to consider the content of this legislation and join me and other municipal officials throughout the state in achieving its prompt passage.

The bills are as follows:

1. H-2169. Referred to Insurance Committee. Municipal pooled insurance. Would permit the establishment of a non-profit organization that will be run by municipal officials for workers' compensation. The Massachusetts Municipal Association, if this is passed, intends to set up an agency that would provide considerable savings in the area of workers' compensation. This agency would save money for the following reasons:
 - a) eliminates duplication in administrative costs
 - b) provides professional risk management
 - c) provides aggressive claims management

Municipal pooled insurance is handled in this manner in 20 other states where there are documented savings of 15 to 30% in insurance costs. This is true even for communities which are self-insured.

Another area which such an organization would enter is the provision of liability insurance for municipal officials.

2. H-2936. Referred to Committee on State Administration. Bill would remove statutory limits on all local fees and charges. Covers 73 existing sections of state law in which all existing limits would be removed. Would allow local government to set fees and charges which reflect actual inspection costs (e.g. our sealer of weights and measures office in Cambridge could be completely funded). All costs of processing could be passed on through fees.

Last year a bill passed which removed statutory limits in four areas.

- a) everything under the City Clerk
- b) taxi cab licenses
- c) some auctioneers' licenses
- d) signs over public ways

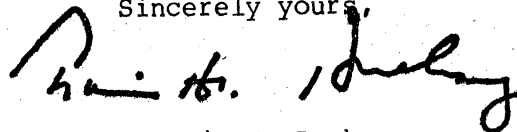
There is therefore, a good precedent just set for the passage of H-2963.

3. H-2893. Referred to Human Services Committee. Community Residence Bill. Would reimburse municipality dollar for dollar for the amount of property tax revenue they lose due to the establishment of community residences.
4. Docket #2488. No bill number yet. Referred to Judiciary Committee. Last year a law passed which provided that $\frac{1}{2}$ of the increased revenue over that amount collected in 1980 generated by parking or moving traffic fines would revert to the state. The assumption behind last year's bill was that the state incurred great collection costs and therefore deserved the income. In fact, this is not true; e.g. Cambridge has put a great deal of money into making the county collection system more efficient.

This bill would repeal the bill passed last year, thus ensuring that all money generated by these fines reverts to local government, as was the case prior to last year.

5. H-2170. Referred to Committee on Local Affairs. Lease/purchase Agreement. Municipalities have limited ability and flexibility now in the area of leasing anything from trucks to copying equipment. The bill would provide new flexibility in this area.
6. H-2153. Referred to Human Services Committee. Funding of Veterans' Benefits. This bill would bring in federal funds, now budgeted and not sought, to provide a portion of veterans' benefits. Currently these benefits are funded 50% by local government and 50% by state government. If this bill passes, the federal government would pick up 53% of eligible veterans' benefits. Statewide, local government would pick up \$9 million dollars under this bill. All states except Massachusetts have eliminated an expensive dual system of handling benefits which exists only in this state. The current bill would maintain a local office for the processing and payment of claims. Both the state and local government save money under this bill.

Sincerely yours,



Francis H. Duehay
Mayor

FHD/jc

City of Cambridge

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Copies sent to all
City Councilors
2/24/81 (dl)