

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Stabilization Fund.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATIONS
GENERAL GOVERNMENT						
	reserve		950 000			950 000

BE IT FURTHER ORDERED: That the city appropriations in the Stabilization Fund are to be financed by taxes and additional state aid.

FUNCTION	DEPARTMENT	TAXES	INTER GOVERN- MENTAL LICENSES & PERMITS REVENUE	CHARGES FOR SERVICE	FINES FORFEITS	MISCELLA- NEOUS REVENUE	GRAND TOTALS
GENERAL GOVERNMENT							
	reserve	900 000		50 000			950 000

In City Council December 5, 1983.  
Adopted by a yeas and nays vote:-  
Yeas 7; Nays 0; Absent 2.  
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-



AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	TOTAL
COMMUNITY MAINTENANCE DEVELOPMENT	water				525 000	525 000

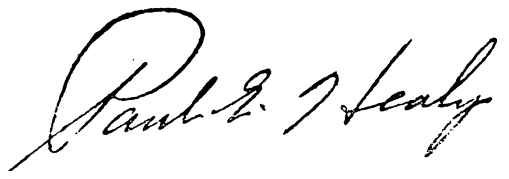
BE IT FURTHER ORDERED: That the city appropriations in the Water Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	INTER- CHARGES FOR SERVICE	GOVERN- MENTAL REVENUE	MISCELLA- NEOUS REVENUE	GRAND TOTALS
COMMUNITY MAINTENANCE DEVELOPMENT	water				525 000			525 000

In City Council December 5, 1983.  
Adopted by a yeas and nays vote:-  
Yeas 7; Nays 0; Absent 2.  
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-



CITY COUNCIL  
CITY OF CAMBRIDGE  
SUBMITTED NOVEMBER 21, 1983

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Pension Reserve Fund.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATIONS
GENERAL GOVERNMENT						
	employee benefits		1 000 000			1 000 000

BE IT FURTHER ORDERED: That the city appropriations in the Pension Reserve Fund are to be financed by taxes and the water fund.

FUNCTION	DEPARTMENT	TAXES	INTER GOVERN- LICENSES MENTAL & PERMITS REVENUE	CHARGES FOR SERVICE	FINES FORFEITS	MISCELLA- NEOUS REVENUE	GRAND TOTALS
GENERAL GOVERNMENT							
	employee benefits	750 000		250 000			1 000 000

In City Council December 5, 1983.  
Adopted by a yeas and nays vote:-  
Yeas 7; Nays 0; Absent 2.  
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-



INTRODUCED BY CITY MANAGER ROBERT W. HEALY  
AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

ORDER: That the following sums, designated as appropriations, are hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATIONS
<b>GENERAL GOVERNMENT</b>						
	finance		70 000			70 000
	employee benefits	1 600 000				1 600 000
	elections	10 000	2 500			12 500
	animal				11 000	11 000
	<b>TOTAL</b>	<b>1 610 000</b>	<b>72 500</b>		<b>11 000</b>	<b>1 693 500</b>
<b>PUBLIC SAFETY</b>						
	police	122 000	5 000	40 000		167 000
	electrical		50 000			50 000
	<b>TOTAL</b>	<b>122 000</b>	<b>55 000</b>	<b>40 000</b>		<b>217 000</b>
<b>COMMUNITY MAINTENANCE AND DEVELOPMENT</b>						
	public works		135 000			135 000
	community development		17 700			17 700
	<b>TOTAL</b>		<b>152 700</b>			<b>152 700</b>
<b>HUMAN RESOURCE AND DEVELOPMENT</b>						
	library	24 835	14 215		60 950	100 000
	<b>TOTAL</b>	<b>24 835</b>	<b>14 215</b>		<b>60 950</b>	<b>100 000</b>
	<b>GRAND TOTAL</b>	<b>1,756 835</b>	<b>294 415</b>	<b>40 000</b>	<b>71 950</b>	<b>2 163 200</b>

In City Council December 5, 1983.

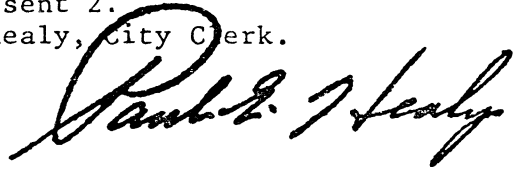
Adopted by a yea and nay vote:-

Yeas 7; Nays 0; Absent 2.

Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script, reading "Paul E. Healy". The signature is written in dark ink and is positioned above a horizontal line that serves as a separator for the attestation.

Paul E. Healy, City Clerk.

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Stabilization Fund.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATIONS
GENERAL GOVERNMENT	reserve		950 000			950 000

BE IT FURTHER ORDERED: That the city appropriations in the Stabilization Fund are to be financed by taxes and additional state aid.

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	INTER GOVERN- MENTAL REVENUE	CHARGES FOR SERVICE	FINES FORFEITS	MISCELLA- NEOUS REVENUE	GRAND TOTALS
GENERAL GOVERNMENT	reserve	900 000		50 000				950 000

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AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	TOTAL
COMMUNITY MAINTENANCE DEVELOPMENT	water				525 000	525 000

BE IT FURTHER ORDERED: That the city appropriations in the Water Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER GOVERN- MENTAL REVENUE	MISCELLA- NEOUS REVENUE	GRAND TOTALS
COMMUNITY MAINTENANCE DEVELOPMENT	water				525 000			525 000

In City Council December 5, 1983.

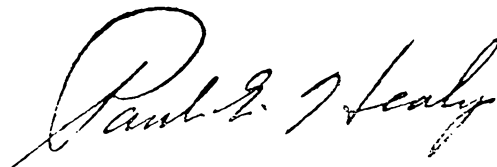
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AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Pension Reserve Fund.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATIONS
GENERAL GOVERNMENT						
	employee benefits		1 000 000			1 000 000

BE IT FURTHER ORDERED: That the city appropriations in the Pension Reserve Fund are to be financed by taxes and the water fund.

FUNCTION	DEPARTMENT	TAXES	INTER GOVERN- MENTAL LICENSES & PERMITS REVENUE	CHARGES FOR SERVICE	FINES FORFEITS	MISCELLA- NEOUS REVENUE	GRAND TOTALS
GENERAL GOVERNMENT							
	employee benefits	750 000		250 000			1 000 000

In City Council December 5, 1983.  
Adopted by a yeas and nays vote:-  
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INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

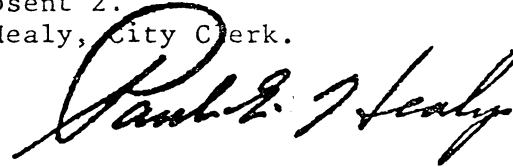
ORDER: That the following sums, designated as appropriations, are hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAINING & TRAVEL	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATIONS
<b>GENERAL GOVERNMENT</b>						
	finance		70 000			70 000
	employee benefits	1 600 000				1 600 000
	elections	10 000	2 500			12 500
	animal				11 000	11 000
	<b>TOTAL</b>	<b>1 610 000</b>	<b>72 500</b>		<b>11 000</b>	<b>1 693 500</b>
<b>PUBLIC SAFETY</b>						
	police	122 000	5 000	40 000		167 000
	electrical		50 000			50 000
	<b>TOTAL</b>	<b>122 000</b>	<b>55 000</b>	<b>40 000</b>		<b>217 000</b>
<b>COMMUNITY MAINTENANCE AND DEVELOPMENT</b>						
	public works		135 000			135 000
	community development		17 700			17 700
	<b>TOTAL</b>		<b>152 700</b>			<b>152 700</b>
<b>HUMAN RESOURCE AND DEVELOPMENT</b>						
	library	24 835	14 215		60 950	100 000
	<b>TOTAL</b>	<b>24 835</b>	<b>14 215</b>		<b>60 950</b>	<b>100 000</b>
	<b>GRAND TOTAL</b>	<b>1 756 835</b>	<b>294 415</b>	<b>40 000</b>	<b>71 950</b>	<b>2 163 200</b>

In City Council December 5, 1983.  
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Paul E. Healy, City Clerk.

CITY COUNCIL  
CITY OF CAMBRIDGE  
SUBMITTED NOVEMBER 21, 1983

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Stabilization Fund.

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GENERAL GOVERNMENT						
	reserve		950 000			950 000

BE IT FURTHER ORDERED: That the city appropriations in the Stabilization Fund are to be financed by taxes and additional state aid.

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GENERAL GOVERNMENT								
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CITY OF CAMBRIDGE  
SUBMITTED NOVEMBER 21, 1983

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COMMUNITY MAINTENANCE DEVELOPMENT	water				525 000	525 000

BE IT FURTHER ORDERED: That the city appropriations in the Water Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	INTER CHARGES FOR SERVICE	GOVERN- MENTAL REVENUE	MISCELLA- NEOUS REVENUE	GRAND TOTALS
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	employee benefits		1 000 000			1 000 000

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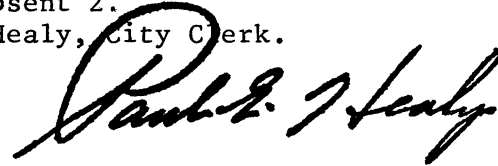
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<b>GENERAL GOVERNMENT</b>						
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	elections	10 000	2 500			12 500
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	<b>TOTAL</b>	<u>1 610 000</u>	<u>72 500</u>		<u>11 000</u>	<u>1 693 500</u>
<b>PUBLIC SAFETY</b>						
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	electrical		50 000			50 000
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	<b>TOTAL</b>	<u>24 835</u>	<u>14 215</u>		<u>60 950</u>	<u>100 000</u>
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Paul E. Healy, City Clerk.

*Agenda #15 11/21/83*  
*Calendar #25 12/5/83*

# City of Cambridge

MASSACHUSETTS

In City Council November 21, 1983

AGENDA ITEM NUMBER FIFTEEN

RE: APPROPRIATION IN THE GENERAL FUND OF \$2,163,200.  
APPROPRIATION IN THE STABILIZATION FUND OF \$950,000.  
APPROPRIATION IN THE PENSION RESERVE FUND OF \$1,000,000.  
APPROPRIATION IN THE WATER FUND OF \$525,000.

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham			✓	
Mr. Leonard J. Russell	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Wylie	✓			
Mayor Vellucci			✓	

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*Quits*  
*pp*  
*11*

*Agenda #15*

# City of Cambridge

MASSACHUSETTS

In City Council November 14 1983

*#2*

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham			✓	
Mr. Leonard J. Russell	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Wylie	✓			
Mayor Vellucci			✓	

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*0*

*2*

*Agenda #15*

# City of Cambridge

MASSACHUSETTS

In City Council November 14 1983

*#3*

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham			✓	
Mr. Leonard J. Russell	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Wylie	✓			
Mayor Vellucci			✓	

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#4

Agenda #15

# City of Cambridge

MASSACHUSETTS

In City Council

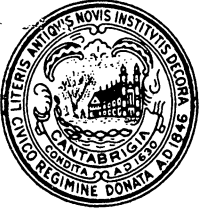
November 14 1983

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Sandra Graham			✓	
Mr. Leonard J. Russell	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Wylie	✓			
Mayor Vellucci			✓	

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## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 498-9011

EXECUTIVE DEPARTMENT  
ROBERT W. HEALY  
City Manager

### TO THE HONORABLE, THE CITY COUNCIL

**RECOMMENDATIONS:** 1. Appropriate and allocate \$3,498,200 in available state aid to the various sources listed below. 2. Appropriate \$1,650,000 in tax revenue as listed below. 3. Appropriate \$775,000 in water revenues as listed below.

**BACKGROUND:** When the City Council adopted the FY 1984 budget last spring, the total amount of state aid to Cambridge, and the FY 84 tax levy limits were unknown. For planning purposes it was assumed that both the levy limit and state aid would at least equal the prior year. However, when the state budget was approved it contained \$30,432,027 in state aid for Cambridge, a net increase of \$3,616,008. Additionally, now that the City has achieved full market property valuation, and we are currently taxing at a rate of less than 2½% of the total assessed valuation, the City can legally raise the tax levy by 2½% or approximately \$1,650,000. As the summary that follows shows, I am recommending that the increase in state aid be appropriated or allocated to various operating programs, while the increased tax levy should be appropriated to two reserve accounts.

Ordinarily, I would not recommend that the City Council increase appropriations from the tax levy by the 2½% allowable, as all of our operating programs are funded without the increase. However, in an effort to address the long range financial problems of the City, with the goal of improving the City's bond rating, and avoiding service reductions and lay-offs in future years, I am recommending that the City Council appropriate an additional \$1,650,000 from the tax levy. The funds would be used to increase our debt stabilization fund (School annual debt will increase by over \$1,000,000 in FY85; City annual debt will increase by over \$800,000 in FY 87) and to create a pension liability reserve fund. Both of these appropriations are essential if the City is to insure a stable financial future. It should be noted that this supplemental appropriation was calculated into the estimated tax rate that was listed in the revaluation impact notices.

While I would have liked to have been able to make a recommendation for increased General Fund capital expenditures, it is important to remember that Cambridge has just begun to recover from the initial impact of proposition 2½. If the City is to be able to meet the financial demands of the next few years we must adequately financially plan for them through the continued use of debt stabilization funds and the creation of the pension reserve fund. Depending upon the course of events over the next several months, it is my goal to establish the City's first General Fund pay-as-we-go capital budget commencing in FY 1985.

**Note:**

- A. Total appropriated to Pension Reserve Fund is \$1,000,000 (750,000 tax levy 250,000 Water)
- B. Total appropriated to Stabilization Fund is 950,000 (900,000 tax levy 50,000 state aid)

**DETAIL: SALARY ADJUSTMENT \$1,600,000.** When the fiscal 1984 budget was adopted, the School Committee did not have a contract settlement with the Teachers Union. The agreement at that time between the City Manager and School Committee was that the School Department, would received a larger percentage of any increase in state aid than normally allocated in order to fund the settlement.

**POLICE: \$127,000** This appropriation will add ten police officers to the Police Department. The \$127,000 represents approximately one half year of funding. If the City Council approves this recommendation, the number of funded uniform positions in the Police Department will rise to 266.

**POLICE: \$40,000** These funds will be used to cover the hospitalization and medical costs of the police officer wounded this past summer.

**PUBLIC WORKS: \$125,000** This appropriation will be used to renovate athletic field playing surfaces at various parks in the City.

**PUBLIC WORKS: \$10,000** The Blouin Building, located at the corner of Hampshire and Columbia Streets, is in serious need of roof repair. This facility houses two child care programs.

**LIBRARY: \$100,000** The FY 1984 budget adopted by the City Council did not contain funds for the operation of the Observatory Hill Branch of the Library or the Bookmobile. However, the Council requested that the City Manager continue to operate those two library programs and allocate increased state aid to cover costs. This appropriation will allow both programs to continue operation. Additionally, a part of these funds will be used, along with private donations, to purchase a new bookmobile.

**ELECTRICAL: \$50,000** This appropriation is requested to cover increased street lighting costs.

**FINANCE DEPARTMENT: \$40,000** The City currently uses a service bureau to process and record all excise tax payments. The Finance Department is currently developing an excise tax receivable system to be run on the City's own computer. By doing the processing ourselves, the City will achieve a \$30,000 savings annually.

**COMMUNITY DEVELOPMENT: \$17,700** This appropriation will be used to complete the renovation to the rest room in City Hall Annex. The renovations will remove architectural barriers and allow for access by handicapped individuals.

**ANIMAL COMMISSION: \$11,000** This appropriation will be used to purchase a replacement van for the Animal Commission. The current van is ten years old and is in constant need of costly repair.

**ELECTION COMMISSION:** \$12,500 The funds requested will fully fund the census division of the election department, and continue the process of replacing voting booths. The funds will allow the census forms to be mailed to every household in the City with three door-to-door follow ups by the census takers. This effort will result in the 1984 street list and voting list to be completed in accordance with statutory publication requirements.

**DEBT STABILIZATION:** \$950,000 As the City Council will recall, last spring I stated that it was my intention to recommend an increase in the Debt Stabilization Fund, once the full amount of state aid and the City's total valuation were known. Beginning with the FY 1983 budget, the City has had a Stabilization Fund. Last year the City had a Stabilization Fund of \$750,000 while the School had one of \$1,566,292. The City's share of the fund remains, however in order to balance the FY 84 school budget, \$1,500,000 was used. Thus, as of July 1, 1983 a total of \$871,292 remains in the debt stabilization fund. In the next few years Cambridge faces significant increases in our annual debt payment. These increases are a result of the permanent funding of several bond issues approved in the late 1970's and early 1980's. These issues were not permanently funded at that time for two reasons. First, interest rates at the time were extremely high and secondly, Proposition 2½ became law and the City simply could not afford to permanently fund these projects. Next fiscal year (1985) the School Department will have a net tax increase of over \$1,000,000 in annual debt payment. Under Proposition 2½, the most Cambridge will be allowed to raise the tax levy by in FY 1985 would be approximately \$1,700,000. If \$1,000,000 of the allowable increase of \$1,700,000 in the tax levy went for debt service, the City would face serious operational funding problems. Additionally, in FY 1987, the City's net tax share of annual debt service increases by approximately \$800,000. This addition to the Stabilization Fund will help to insure that we can meet our financial requirements in future years.

**DATA PROCESSING:** \$30,000 This appropriation will be used for the purchase and/or lease of word processing units for various City Departments.

**HOSPITAL:** \$1,050,000 These funds will not be appropriated to the Hospital for expenditure purposes. Rather, they will be used to offset projected shortfalls in Hospital FY 1984 revenue. The original Hospital budget estimated \$26,402,550 in revenue, while the revised revenue estimate is now \$25,102,550. The primary reason for the revenue shortfall is a lower than anticipated receipt from the State for General Relief (\$600,000). This allocation, also enables the Kennedy and Cambridgeport neighborhood health clinics to remain fully staffed.

**OVERLAY RESERVE:** \$200,000 This is not an appropriation. The State Department of Revenue has recommended that Cambridge increase its overlay reserve during the first year of full market value property assessment. In past years the City has run a deficit in this account, which is used to cover the cost of abatements. However, for the past two fiscal years this account has had a balance and I do not wish to see the City return to a deficit in this account.

**RENT CONTROL:** \$35,000 This is not an appropriation. These funds will be used to reduce the original revenue anticipated for Rent Control filing fees. Current revenue estimates indicate a shortfall of approximately \$35,000.

The following is a summary of my recommendations. It should be noted that some of the recommendations require a Council appropriation while others are merely revenue offsets to existing Council appropriations. Following the summary is a detailed explanation of each recommendations.

**SUMMARY:**

**STATE AID**

<b>NET INCREASE</b>	<b>3,616,008</b>	
	95,000	Appropriated to Finance Dept. 10/3/83
	<u>22,808</u>	Appropriated to Election Commission 9/12/83

Remaining Balance 3,498,200

**To be appropriated**

1,600,000	Salary Adjustment, School Salary Increase
127,000	Police, ten additional patrol officers
40,000	Police, Hospitalization Costs
125,000	Public Works, Park Renovation
10,000	Public Works, Blouin Building
100,000	Library, Fund Bookmobile/Branches
50,000	Electrical, Street Lighting Cost
40,000	Finance, Collection System Development
17,700	Community Development, Handicap Access Rest Rooms
11,000	Animal Commission, Purchase Van
12,500	Election Commission, Street Listing
50,000	Debt Stabilization Fund
<u>30,000</u>	Data Processing, Word Processors
<b>\$2,213,200</b>	

**Reserve as Revenue Offset**

1,050,000	Hospital, to offset revenue shortfall
200,000	Overlay Reserve Increase
<u>35,000</u>	Rent Control, to offset revenue shortfall
<b>\$1,285,000</b>	<b>Total</b>

**TAX LEVY**

750,000	To Pension Reserve Fund
<u>900,000</u>	To Debt Stabilization Fund
<b>\$1,650,000</b>	<b>Total Tax Levy</b>

**WATER REVENUES:**

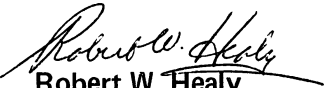
250,000	To Pension Reserve Fund
<u>525,000</u>	Flocculation System Reconstruction
<b>775,000</b>	<b>Total Water Fund</b>

**PENSION FUND RESERVE:** \$1,000,000 There has not been an actuarial study done of the City's pension system since 1979. The last study found that as of January 1, 1979, Cambridge had an unfunded pension liability of \$92,778,369. That study also projected that during the decade of the 1980's the City's annual pay-as-we-go contribution to the pension fund would more than double. As in the case discussed above, concerning annual debt service payments, the City under proposition 2½ can not handle such increases in pension costs. If nothing is done now to equip the City to fund such increases, serious fiscal problems face us. Additionally, Moody's Investor Service of New York has made it clear that the City can expect no serious consideration for a bond rating increase until we begin to address our growing liabilities. This appropriation of \$1,000,000, consisting of \$750,000 from the tax levy and \$250,000 from the Water Fund, would establish a Pension Reserve Fund. It is my goal to make this an annual appropriation and to expand contributions to include the Hospital and other revenue producing departments, in future years. Under Chapter 40, Section 5D of the General Laws, the City Council is empowered to create such a fund, the fund and its investments will be under the control of the City Treasurer.

**WATER DEPARTMENT:** \$525,000 This appropriation will be used for the complete mechanical rehabilitation of the flocculation system. The existing system, installed in 1952 is in need of major repairs. The Water Board has requested this renovation, as part of its capital improvements program.

**CONCLUSION:** The appropriation recommendations contained here-in are a further step in the City's financial recovery. The mix of appropriations for operation programs and the creation of reserves to meet future fiscal liabilities is at this point the best use of these funds. As I mentioned earlier, if Cambridge continues its strong financial recovery, it is my goal to expand this recovery with the establishment of the City's first General Fund pay-as-we-go capital budget in FY 1985.

Very truly yours,

  
Robert W. Healy  
City Manager

#25

F-311

Re: appropriation in the General Fund of \$2,163,200.; appropriation in the Stabilization Fund of \$950,000.; appropriation in the Pension Reserve Fund of \$1,000,000.; appropriation in the Water Fund of \$525,000.

Copies sent to

City Manager, Council Office, Auditor, Budget, Purchasing, Assessors, Treasurer, PMS Council, Community Development, Water Dept, Employee Benefits (Personnel), Election Comm., Criminal Comm., Police Dept, Electrical Dept, Public Works + Library Dept  
12/7/83 mb

Agenda #15 of 11/21/83

Calendar #25 of 12/5/83

12/5/83 CWTB

- Moved adoption -  
If order adopted  
M-O-2

~~CWTB~~  
~~SP/RF/11~~

In City Council,

November 21, 1983

11/21/1983

Tabled by E. Deboay

- Motion withdrawn -

Then renewed by

E. Clinton - Tabled

By BOTH finally