



OFFICE OF THE CITY CLERK

CITY OF CAMBRIDGE

(617) 349-4260

FAX (617) 349-4307

tty/TDD (617) 492-0235

D. MARGARET DRURY
CITY CLERK

DONNA P. LOPEZ
DEPUTY CITY CLERK

October 23, 1998

Dear Councillor:

You are hereby notified to attend a Special Meeting of the City Council for
Monday, October 26, 1998 at 4:30 p.m. in the Sullivan Chamber.

By order of His Honor the Mayor.

Francis H. Duehay
Mayor

The purpose of this meeting is to conduct a public hearing on the Property Tax Rate
Classification for the City of Cambridge and to take any and all votes necessary relating to the
setting of the tax rate.

MEETING HELD.



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

Tel. 498-9011

SPECIAL CITY COUNCIL MEETING AGENDA

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

OCTOBER 26, 1998

DATA

NOTES

- | | |
|---|--|
| I. Transmitting communication from the City Manager, relative to the vote necessary to seek the Department of Revenue approval of the tax rate for FY99: | |
| A. Appropriate \$1,119,000 to the Employee Benefits Salary & Wages Account to provide for the annual cost of retiree cost-of-living adjustments (COLA) approved by the City Council on June 1, 1998 to be funded from free cash \$656,390, transfer from the Cambridge Health Commission \$212,610, and property taxes \$250,000; | 1A(i). ORDER ADOPTED.
8-0-0-1 (recused) |
| | 1A(ii). ORDER ADOPTED.
9-0-0. |
| B. Appropriate \$2,000,000 to the Capital Improvement Budget to establish an Open Space Acquisition Fund for the purpose of increasing the amount of open space in the City to be funded from free cash \$1,750,000 and property taxes \$250,000; | 1B. ORDER ADOPTED.
9-0-0. |
| C. Appropriate \$200,000 to the School Department Other Ordinary Maintenance Account to provide funds for the 1999 Summer Institute to be funded from increased state aid; | 1C. ORDER ADOPTED.
8-0-0-1 (present) |
| D. Appropriate \$35,000 to the Finance Department/Personnel Other Ordinary Maintenance Account to fund an Organizational Development Initiative for the City to be funded by property taxes; | 1D. ORDER ADOPTED.
9-0-0. |
| E. Appropriate \$11,000 to the Finance Department Other Ordinary Maintenance Account to fund the Senior Citizen Public Services Stipend Program to be funded from property taxes; | 1E. ORDER ADOPTED.
9-0-0. |
| F. Authorize the use of \$8,702,000 from the Unreserved Fund Balance (free cash) to reduce the FY1999 tax rate: Operating Budget \$2,400,000 (as adopted in the FY99 Budget); Affordable Housing Trust \$2,250,000 (as adopted in the FY99 Budget); Capital Budget \$ 3,150,000 (as adopted in the FY99 Budget); and Overlay Reserve \$902,000; | 1F. ORDER ADOPTED.
9-0-0. |

CONSENT AGENDA

OCTOBER 26, 1998

DATA

NOTES

PAGE 2

G. Classify property into in the five classes;

1G. ORDER ADOPTED.
9-0-0.

H. Adopt a minimum residential factor of 57.6069%;

1H. ORDER ADOPTED.
9-0-0.

I. Vote to approve the maximum residential exemption of 20% for owner occupied homes;

1I. ORDER ADOPTED.
9-0-0.

J. Vote to double the normal value of statutory exemptions for FY1999;

1J. ORDER ADOPTED.
9-0-0.

K. Vote to increase the FY1999 exemption allowed under General Laws Chapter 59, Section 5, Clause 17D, by 2.8% (\$5.17); and

1K. ORDER ADOPTED.
9-0-0.

L. Vote to double the income limit for deferral of property taxes by elderly homeowners.

1L. ORDER ADOPTED.
9-0-0.

IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	\$906,390				\$906,390.00

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	\$656,390.00
property taxes	\$250,000.00

In City Council October 26, 1998.

Adopted by a yeas and nays vote:-

Yeas 8; Nays 0; Absent 0; Recused 1.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury
City Clerk

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	\$212,610				\$212,610.00

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
Cambridge Health Commission	\$212,610.00

In City Council October 26, 1998.

Adopted by a ye 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

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the Public Investment Fund of the City of Cambridge:

OTHER		SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
FUNCTION	DEPARTMENT OR PROGRAM					
Community Maintenance & Development	Community Development				\$2,000,000.00	\$2,000,000.00

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

FINANCING PLAN	REVENUE
property taxes	\$250,000.00
free cash	\$1,750,000.00

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest: D. Margaret Drury, City Clerk

A true copy;

ATTEST:-

XO Margaret Drury
D. Margaret Drury
City Clerk

IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School		\$200,000			\$200,000.00

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
state aid	\$200,000.00

In City Council October 26, 1998.
Adopted by a yea and nay vote:-
Yeas 8; Nays 0; Absent 0; Present 1.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury
City Clerk

IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance/ Personnel		\$35,000			\$35,000.00

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
property taxes	\$35,000.00

In City Council October 26, 1998.
Adopted by a ye a and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest: D. Margeret Drury, City Clerk

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury
City Clerk

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

OTHER DEPARTMENT OR PROGRAM		SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance		\$11,000			\$11,000.00

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
property taxes	\$11,000.00

In City Council October 26, 1998.
Adopted by a ye 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

Agenda # 1F

IN CITY COUNCIL

October 26, 1998

ORDERED: That the City Manager be and hereby is authorized to use \$8,702,000 in Unreserved Fund Balance as an offset to the fiscal year 1999 tax rate.

In City Council October 26, 1998.

Adopted by a yeas and nays 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

Agenda # 1G

IN CITY COUNCIL

October 26, 1998

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

In City Council October 26, 1998.

Adopted by a ye 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

Agenda # 1H

IN CITY COUNCIL

October 26, 1998

ORDERED: That the City Council hereby adopts a minimum residential factor of 57.6069%, the legal minimum permitted for Cambridge.

In City Council October 26, 1998.

Adopted by a ye 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



City of Cambridge

Agenda # 11

IN CITY COUNCIL

October 26, 1998

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

In City Council October 26, 1998.

Adopted by a yeas and nays vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script, reading "D. Margaret Drury".

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1J

IN CITY COUNCIL

October 26, 1998

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 1999.

In City Council October 26, 1998.

Adopted by a yeas and nays 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

Agenda # 1K

IN CITY COUNCIL

October 26, 1998

ORDERED: That the City Council vote to increase the Fiscal Year 1999 exemption allowed under General Laws Chapter 59, Section 5, Clause 17D by 2.8% (\$5.17).

In City Council October 26, 1998.

Adopted by a yeas and nays vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "D. Margaret Drury". The signature is written in dark ink and is positioned to the right of the printed name and title.

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1L

IN CITY COUNCIL

October 26, 1998

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 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury
City Clerk

A handwritten signature in cursive script, reading "D. Margaret Drury".

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	\$906,390				\$906,390.00

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	\$656,390.00
property taxes	\$250,000.00

In City Council October 26, 1998.
Adopted by a ye and nay vote:-
Yeas 8; Nays 0; Absent 0; Recused 1.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-



D. Margaret Drury
City Clerk

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	\$212,610				\$212,610.00

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
Cambridge Health Commission	\$212,610.00

In City Council October 26, 1998.

Adopted by a ye 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

\$ Value Eligible	\$ Value Exempted
1000000	1000000
2000000	2000000
3000000	3000000
4000000	4000000
5000000	5000000
6000000	6000000
7000000	7000000
8000000	8000000
9000000	9000000
10000000	10000000
11000000	11000000
12000000	12000000
13000000	13000000
14000000	14000000
15000000	15000000
16000000	16000000
17000000	17000000
18000000	18000000
19000000	19000000
20000000	20000000
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92000000	92000000
93000000	93000000
94000000	94000000
95000000	95000000
96000000	96000000
97000000	97000000
98000000	98000000
99000000	99000000
100000000	100000000

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	5,725,262,310	59.9954%	34.5615%
2. Open Space	0	0.0000%	0.0000%
3. Commercial	2,933,678,354	30.7422%	50.2875%
4. Industrial	627,693,691	6.5776%	10.7594%
5. Personal Property	256,202,460	2.6848%	4.3916%
Totals	9,542,836,815	100.0000%	100.0000%

D. Margaret Drury
City/Town/District Clerk

8. We have been informed by the Assessors of \$ 18,753,738
excess levy capacity.

For cities: City Councillors, Aldermen, Mayor
For towns: Board of Selectmen
For districts: Prudential Committee or Commissioners

John A. Sullivan *Shirley T. Russell*
Herbert G. Allen *Wm. H. Loomis*
Kathleen Brown *Katherine Triantaf*

8. That the City Council approve the maximum residential exemption factor of 20% for owner occupied homes, which should result in a residential tax rate of \$11.05 and a commercial tax rate of \$27.25 upon final approval by Massachusetts Department of Revenue.
9. That the City Council vote to double the normal value of statutory exemptions.
10. That the City Council vote to increase the exemption allowed under Massachusetts General Laws Chapter 59, Section 5, Clause 17b from \$184.56 to \$189.73, as a follow up to the original acceptance of this statute by the City Council.
11. That the City Council vote to increase the income limit for deferral of real estate taxes by elderly persons from \$20,000 to \$40,000, as allowed under Chapter 59, Section 5, Clause 41A.

SUMMARY:

The establishment of the tax rate by the Board of Assessors with the approval of the Massachusetts Department of Revenue (DOR) is the final step in the annual fiscal process that begins in the Spring with the submission and adoption of the Annual Budget. The FY1999 budget adopted by the City Council in May called for a tax levy of \$160,610,000 - an increase of 4% over FY1998. However, as a result of additional State aid the actual tax levy for FY1999 totals \$159,000,000, including appropriations and free cash authorizations recommended in this memo -- an increase of 3%. Furthermore, it is important to note that the modest increase in the tax levy of \$4,697,000 is more than offset by taxes from new construction which in FY1999 totals \$5,411,779. Table I is a breakdown of the FY1999 new growth by property type.

Table I
New Construction Breakdown, FY1999
Estimated

	New Value Added	FY1999 Rate	Tax Paid by New Value
Commercial Property	\$131,367,480	\$27.25	\$3,579,764
Residential Property	\$165,793,223	\$11.05	\$1,832,015
Total new growth	\$297,160,703		\$5,411,779

For FY1999 the assessed value of taxable property in the City of Cambridge totals \$9,542,836,815 - an increase of just over 27%. By category, residential values increased by 20% while commercial and personal property values increased by 39%. The greater increase in commercial values shifts a larger percentage of the tax burden onto commercial property owners. This reinstates the minimum residential levy burden of 34.5615%, which was established in FY1985. For FY1999 the percentage of taxes paid by commercial property owners will total 65.4%, the maximum percentage allowable under the law. In FY1998 commercial property owners accounted for 64% of the City tax levy. The slight increase in the

percentage of the tax levy born by commercial property owners combined with the increased taxes paid by newly constructed properties will result in a tax decrease in FY1999 for a vast majority of Cambridge homeowners.

The growth in the tax rolls as a result of new construction also enables the City to increase its excess tax levy capacity to \$18,753,738 in FY1999. Under Proposition 2 ½, excess tax levy capacity is an important factor in allowing a community the financial flexibility to respond to unforeseen needs. The tables below compare FY1999 with prior years' experience in key financial measures.

Table II
Assessed Values
(in millions)

	FY95	FY96	FY97	FY98	FY99
Commercial Property	\$2,490	\$2,482	\$2,463	\$2,495	\$3,561
Personal Property	222	227	236	249	256
Residential Property	4,043	4,301	4,543	4,760	5,725
TOTAL ASSESSED VALUE	\$6,755	\$7,010	\$7,242	\$7,504	\$9,543

Table III
Tax Levy/Tax Levy Limit/Excess Levy Capacity
(in thousands)

	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Estimated 1999
Levy Limit	\$144,899	\$150,639	\$158,824	\$166,515	\$177,754
Actual Levy	144,446	144,442	148,070	154,353	159,000
% Levy Increase over Prior Year	3.6%	-0-	2.5%	4.2%	3.0%
Excess Levy Capacity	\$ 453	\$ 6,197	\$ 10,754	\$ 12,162	\$ 18,754

Table IV
Changes in Average Tax Bills

	FY1998 Tax Bill	FY1999 Tax Bill	Dollar Change	Percent Change
1-Family	\$ 4,117	\$ 3,860	\$ -257	-6.2%
2-Family	\$ 3,114	\$ 3,020	\$ -94	-3.0%
3-Family	\$ 2,833	\$ 2,733	\$ -100	-3.5%
Condominium	\$ 1,600	\$ 1,505	\$ -95	-5.9%

For change in tax bills by district see Attachment 1 and map.

FY1999 Property Valuation. FY1999 is a Department of Revenue (DOR) Certification year for Cambridge. In order to meet the exacting standards set by the DOR for certification of

assessed values at 100% full and fair cash value, new appraisals were undertaken of 100% of the real estate parcels and personal property accounts. The valuation date for FY1999 is January 1, 1998 and the measure of assessment level is market activity (sales and/or lease data) which occurred during the period January 1, 1997 to January 1, 1998.

The chart below summarizes the methods and results of the FY1999 valuation program for various property types.

Property Type	Method	Value Change
Houses (1, 2, and 3 family)	Application of valuation model calculated from statistical analysis of 769 sales, which occurred during 1995, 1996 and 1997.	1-family 15% 2-family 18% 3-family 18% See Attachment 1 for neighborhood breakdown
Condominium units	Building by building valuation. Condo buildings with sales during 1996 or 1997 were valued based on those sales. For buildings without sales comparable buildings were identified which had sales and those sales were used.	Average condo unit value increase of 16%
Apartments	Apartments were valued via the income approach. Income and expense data requests were sent to all apartment building owners. Full market rents and expense levels were identified by neighborhood and by apartment type. Capitalization rates were developed from residential real estate investment rates and equity rates using a mortgage equity analysis.	Average apartment value increased from \$48,000 to \$62,400 (30%)
Commercial & Industrial	Income approach to value. Income and expense data requests were sent to all commercial property owners. For office, retail, and industrial buildings market rents per square foot were assigned to the property data. Typical expenses for the property type were allowed. Hotel operating statements were analyzed to identify average annual room rates and occupancy levels. Capitalization rates were developed from commercial real estate investment and equity rates.	Average commercial Increase 41% Average industrial increase 29%

The following sections provide details on the votes required by the City Council prior to the Board of Assessor's establishment of the tax rates with the Department of Revenue.

REQUIRED VOTES:

Employee Benefits: On June 1, 1998 the City Council accepted State legislation which transferred the authority for the granting of, and costs related to retiree cost-of-living adjustments (COLA). The annual cost of the acceptance of this legislation is \$1,119,000. For FY1999 the City's share is \$906,390 and Public Health Commission share is \$212,610. The City's share will be funded from free cash \$656,390 and property taxes \$250,000. It is my recommendation that the full funding of this expense by property taxes be phased in over 3 years.

Open Space Acquisition Fund: I am recommending that the City Council establish an Open Space Acquisition Fund for the purpose of increasing the amount of open space in Cambridge, and I am requesting an initial appropriation of \$2,000,000. The \$2,000,000 will be funded in FY1999 by free cash \$1,750,000 and property taxes \$250,000. As with the earlier discussion regarding the funding of the retiree COLA, I am recommending that the funding of open space acquisition be phased into full funding from property taxes over the next few years. By gradually increasing the property tax share of funding the City will become less reliant upon fund balances to fund the program in the future. As the economy slows fund balances can be expected to decrease, thus decreasing funds available for open space acquisition. Criteria for the purchase of open space need to be developed before funds are actually spent; criteria would include but not be limited to, location, size, and recreational use. Once the acquisition fund is established I will advertise for and appoint a Green Ribbon Open Space Committee to conduct an open space needs assessment by neighborhood and develop criteria for administering funds. Through the careful management and use of this fund in future years, the City can significantly add to our inventory of open space.

School Department: The Summer Institute will allow 140 teachers to attend a 10-day training season. The Institute will focus on professional development activities related to reading and writing, Massachusetts Comprehensive Assessment System (MCAS) alignments, the curriculum writing project and other initiatives related to the system-wide mission and goals. All participants will be provided materials and supplies to assist in the transfer of training activities into the classroom.

Organization Development Initiative: The goal of the organizational development initiative is to increase the overall effectiveness of our organization in order to deliver high quality customer services. Strategies to achieve this goal include: increasing organizational capacity to develop proactive strategies rather than reactive responses; developing greater capacity for interdepartmental communication and work; and developing a stronger customer/citizen orientation. This appropriation supports: two kick-off management retreats for 120 senior/mid-managers across the City; individual meetings/trainings with departments as they develop their organizational development goals; and a Leadership Progress meeting in January to review the City's organizational development agenda for the year. The training sessions will be facilitated by Roberta Miller and her associate, Mary Skelton Roberts. The recommendation for organizational development training came from the City's Diversity Task Force.

Senior Citizen Community Service Stipend Program: Over the last few years several towns in Massachusetts have begun programs for elderly property owners to earn limited funds to help pay property taxes by doing small jobs for the town. Initially the senior citizens would not be paid but would have up to \$500 abated from their tax bill. However the Department of Revenue ruled that the abatement program was not legal and towns moved to direct payment programs. Over the past few years the City Council has inquired about the feasibility of establishing a program for seniors here in Cambridge. For FY1999 it is my intention to begin a Pilot program for seniors in Cambridge. The first year of the program will fund 20 positions for seniors (owners or tenants) aged 60 and over. Ten positions will be available at the City's two Senior Centers for a variety of work including senior activities, mailings, and other office procedures, and ten will be made available at other City offices and departments. The success in filling these second ten positions will depend upon the ability to successfully match seniors

and their work skills with department needs. Cambridge residents aged 60 and over who meet income guidelines (\$29,100 for an individual and \$33,300 for a couple) will be eligible. The reimbursement rate will be \$5.25 per hour for up to 100 hours. At the end of the first year the program will be evaluated to determine future directions.

Free Cash Authorization: For the fiscal year that ended June 31, 1998 the City had an estimated free cash balance of \$29,172,594, a decrease of \$2,873,081 from June 30, 1997. The slight decrease in free cash is not considered significant and was somewhat anticipated given the use of over \$11,000,000 in free cash during the past fiscal year. In addition to the free cash requested above for open space acquisition (\$1,750,000) and retiree COLAS (\$656,390). I am requesting the City Council authorize the use of an additional \$8,702,000 to offset the FY1999 tax rate, as the table below indicates.

**Table V
FREE CASH USE FY1999**

Operating Budget	\$2,400,000
Affordable Housing Trust	\$2,250,000
Capital Improvement Fund	\$3,150,000
Overlay Reserve	\$ 902,000
Retiree COLA	\$ 656,390
Open Space Acquisition Fund	\$1,750,000
Total	\$11,108,390

While the use of this level of funding still leaves the City with an available free cash balance of \$18,064,204, it is important to note that based on current projections, we will not be able to fully replenish expended free cash funds by June 30, 1999; this could lead to the need to either reduce FY2000 program areas supported by free cash or increase taxes to replace free cash.

Classification of Property and the 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. State laws allow the residential portion of the tax levy to be as low as 50% of what it would be if with a single tax rate. There are two exceptions to the 50% minimum:

1. The residential percent of the levy cannot drop to less than its lowest level since classification was initially voted by the City Council (34.5615% in FY1985 in Cambridge); and
2. The 50% 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.

The City Council sets the levy distribution each year by voting for a Minimum Residential Factor. The result of voting for a Minimum Residential Factor of 57.60692% this year will be a residential property share of the total tax levy of 34.5615%. This is the lowest residential levy share allowed for Cambridge due to the requirement explained in (1) above that sets the

34.5615% floor for the residential levy share. Commercial property will pay 65.4385% of the levy, which will bring the commercial portion to 164% of what it would be with a single tax rate.

Residential Exemption: State law enables cities and towns to grant owner occupants of residential properties a deduction of up to 20% of the average residential parcel value before the tax rate is applied. I am once again 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 \$63,505 from the assessed value of each owner occupied property. The residential exemption serves to reduce the effective tax rate on lower valued properties while raising it on higher valued properties. Since the same amount is deducted from every value, its impact is greatest on the lower valued properties. The residential exemption is paid for by raising the residential tax rate sufficiently to cover the number of taxpayers claiming the residential exemption. For FY1999 there are approximately 11,866 residential exemptions on the Assessing Department files. If Cambridge did not adopt a residential exemption, the residential tax rate would be \$9.60 instead of \$11.05. The higher tax rate results in 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. In FY1999 the break-even value is \$484,600.

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. There are also two pieces of legislation, which authorize cities and towns to increase the amounts of these exemptions. The first allows cities and towns to double the statutory amounts for taxpayers whose tax bills have increased over the prior year's bill. The City Council must vote annually for this increase. I am recommending that the Council do this for FY1999 as it has since FY1987. The second, enacted in 1995, allows cities and towns to increase the amount of the exemption for a senior citizen 70 or older, surviving spouse, or minor with a deceased parent by the increase in the cost-of-living as measured by the Consumer Price Index (CPI). The CPI increase for 1999, which was published by the Department of Revenue for exemption purpose, is 2.8%. Applying the 2.8% increase to the FY1998 exemption of \$184.56 raises the exemption to \$189.73.

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 deferral is \$20,000, which may be increased to \$40,000 by local legislative action. I am recommending that the City Council take this action.

CONCLUSION:

As the City Council is aware, by the time the classification vote is taken in the Fall of each year, the options for the City are fairly limited. Failure to approve maximum classification, residential exemption and the doubling of statutory exemptions would result in significantly higher taxes for residential property owners. After the classification vote is taken, the establishment of the tax rate is a fairly simple mathematical calculation: the tax levy required to support the City budget divided by the total assessed valuation equals the tax rate for FY1999. As I stated earlier, this year, modest growth in the tax levy combined with strong commercial valuation growth and new tax growth, will enable the majority of residential

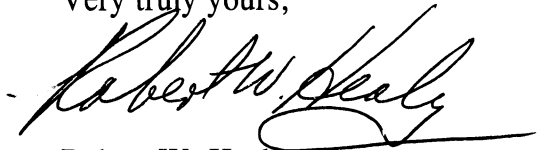
taxpayers to receive a drop in their tax bill. In fact, as the table below indicates, over the last four years, average residential property taxes in Cambridge have increased only marginally, with compounded rates of increase of less than 1% annually in single, two-, and three-family homes and condominiums.

**Changes in Average Tax Bills
FY1995 to FY1999**

	FY 95	FY 99	\$ Change	% Increase
Single Family	\$ 3,776	\$ 3,859	83	2.2%
Two Family	\$ 2,984	\$ 3,018	34	1.1%
Three Family	\$ 2,625	\$ 2,731	106	4.0%
Condominium	\$ 7,453	\$ 7,498	45	3.0%

Not only have we been successful in limiting the growth of residential property taxes in recent years but, as I outlined earlier, the City has seen its excess by capacity grow from only \$185,000 in FY1993 to \$18,753,738 in FY1999. As I have stated many times in the past a comfortable excess levy capacity provides the City with enormous flexibility in economic downturns. As indications appear that the economy may be slowing we must continue to adhere to the fiscal positions that have served us so well in the past.

Very truly yours,

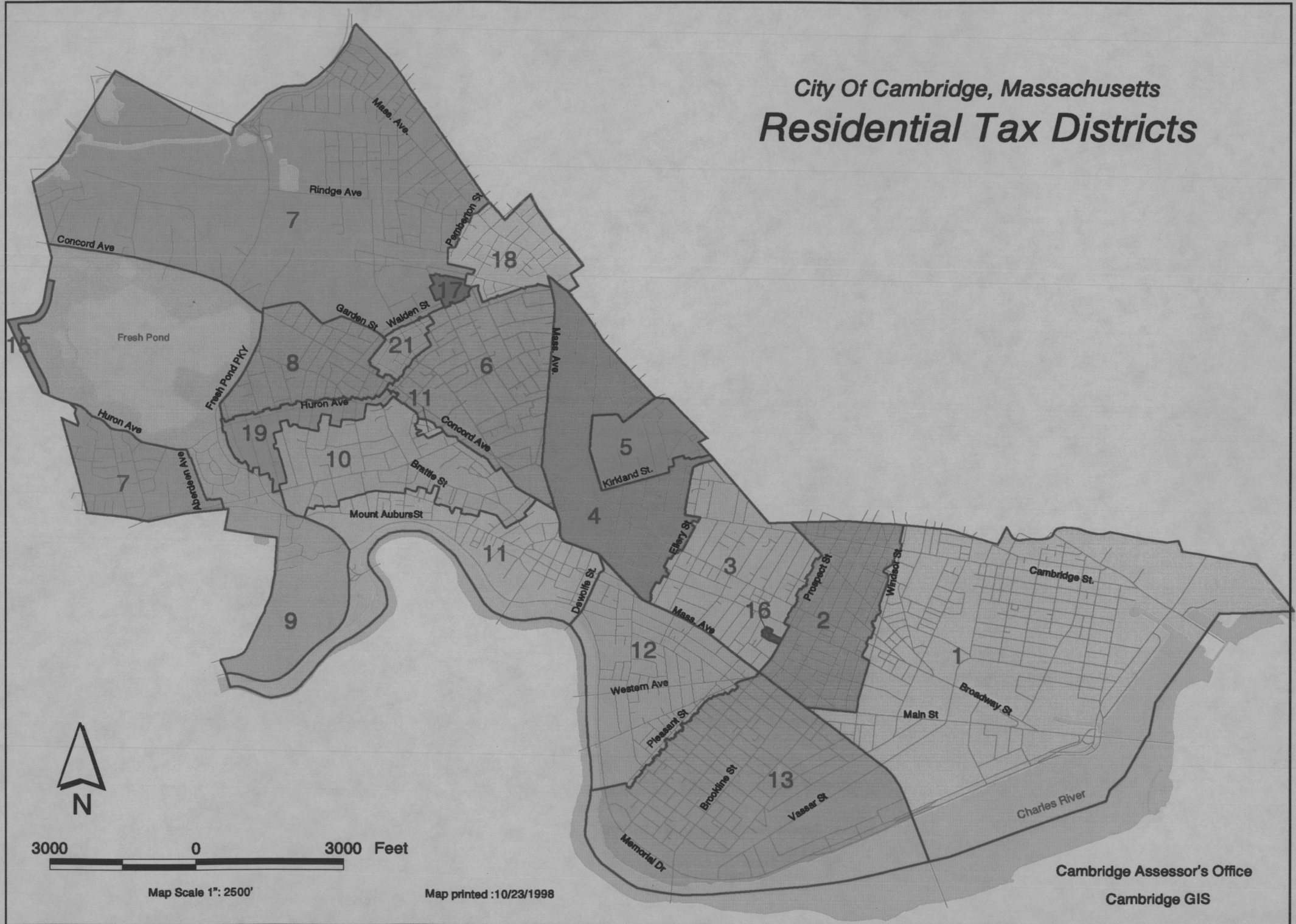


Robert W. Healy
City Manager

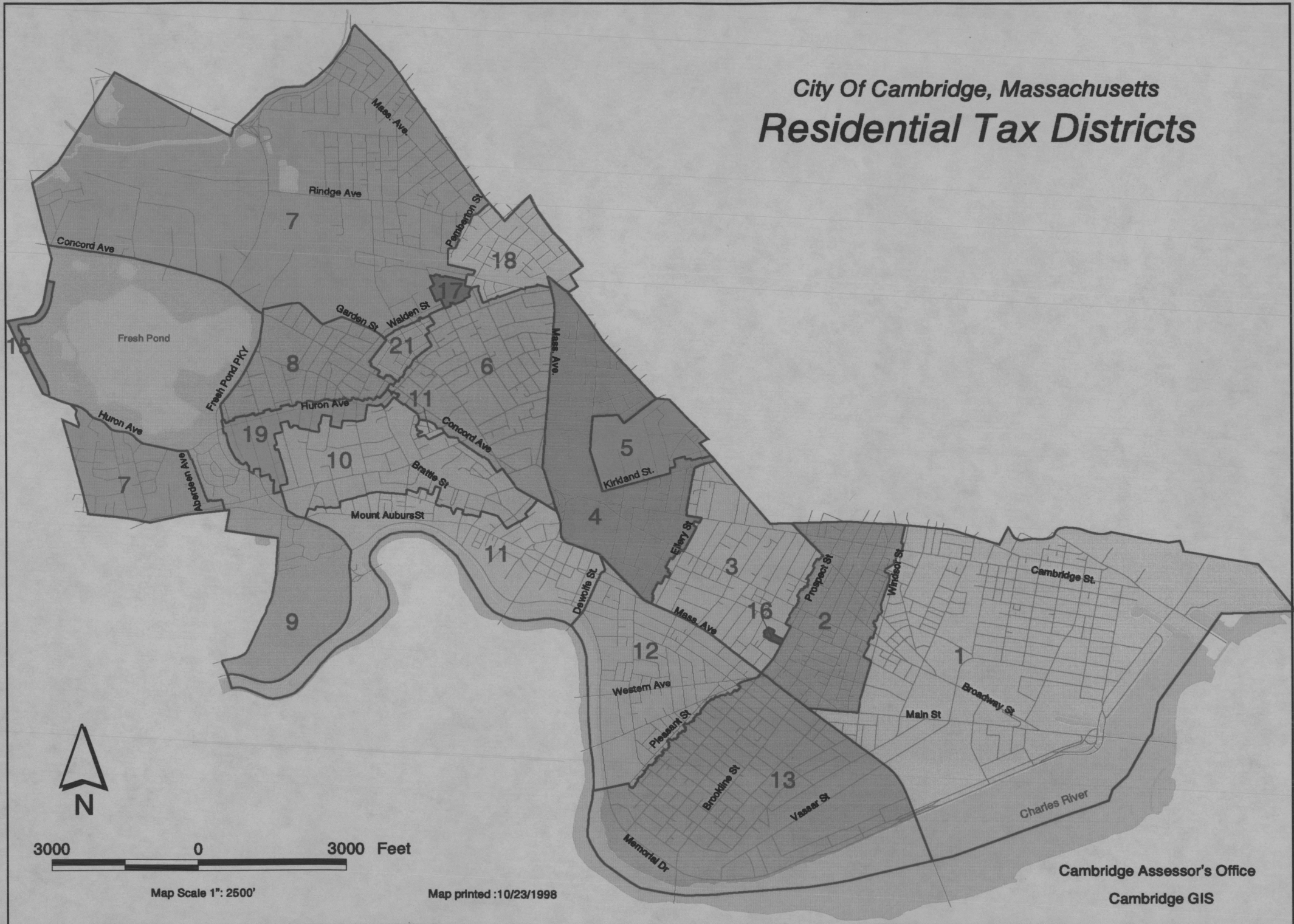
ATTACHMENT 1

DIST	CHANGES BY NEIGHBORHOOD FY1998 TO FY1999																				DIST	
	ONE FAMILY HOUSES							TWO FAMILY HOUSES							THREE FAMILY HOUSES							
	AVG 99 VAL	AVG 98 VAL	AVG 99 TAX	AVG 98 TAX	VALUE CHNGE	TAX CHNGE	#	AVG 99 VAL	AVG 98 VAL	AVG 99 TAX	AVG 98 TAX	VALUE CHNGE	TAX CHNGE	#	AVG 99 VAL	AVG 98 VAL	AVG 99 TAX	AVG 98 TAX	VALUE CHNGE	TAX CHNGE		#
1	161,000	143,300	1,077	1,209	12%	-11%	391	183,600	156,700	1,327	1,389	17%	-4%	325	214,400	181,800	1,667	1,726	18%	-3%	281	1
2	184,300	131,100	1,335	1,045	41%	28%	195	178,100	164,500	1,266	1,494	8%	-15%	218	210,600	190,600	1,625	1,844	10%	-12%	184	2
3	359,100	319,900	3,266	3,581	12%	-9%	199	367,200	305,100	3,356	3,382	20%	-1%	250	405,500	309,500	3,779	3,441	31%	10%	172	3
4	403,100	381,900	3,753	4,413	6%	-15%	196	436,900	407,600	4,126	4,758	7%	-13%	140	434,600	399,100	4,101	4,644	9%	-12%	76	4
5	824,700	681,054	8,411	8,431	21%	0%	42	1,166,300	810,500	12,186	10,169	44%	20%	29	1,282,500	848,200	13,470	10,676	51%	26%	3	5
6	638,200	597,807	6,350	7,313	7%	-13%	340	620,200	510,200	6,151	6,136	22%	0%	146	561,600	484,300	5,504	5,788	16%	-5%	73	6
7	206,600	183,600	1,581	1,750	13%	-10%	641	265,500	214,400	2,232	2,164	24%	3%	732	296,200	249,700	2,571	2,638	19%	-3%	247	7
8	349,000	305,200	3,155	3,383	14%	-7%	131	340,500	312,300	3,061	3,479	9%	-12%	319	391,800	344,200	3,628	3,907	14%	-7%	75	8
9	643,700	544,400	6,411	6,596	18%	-3%	201	505,800	463,200	4,887	5,505	9%	-11%	17	215,800	252,000	1,683	2,669	-14%	-37%	1	9
10	1,205,200	983,800	12,616	12,497	23%	1%	286	1,511,100	1,061,800	15,996	13,544	42%	18%	54	1,393,800	1,210,700	14,700	15,544	15%	-5%	2	10
11	542,100	503,100	5,288	6,041	8%	-12%	174	596,300	493,900	5,887	5,917	21%	-1%	51	616,400	452,400	6,109	5,360	36%	14%	18	11
12	244,000	188,400	1,994	1,815	30%	10%	189	216,700	200,500	1,693	1,977	8%	-14%	220	240,900	212,800	1,960	2,142	13%	-8%	165	12
13	240,900	217,900	1,960	2,211	11%	-11%	218	268,400	234,200	2,264	2,430	15%	-7%	269	290,500	231,400	2,508	2,392	26%	5%	213	13
15	431,000	357,000	4,061	4,079	21%	0%	33										-702					15
16	425,900	425,800	4,004	3,979	0%	1%	35	393,200	261,700	3,643	2,799	50%	30%	5	451,700	309,000	4,290	3,434	46%	25%	4	16
17	295,800	272,000	2,567	2,937	9%	-13%	34	318,800	300,200	2,821	3,316	6%	-15%	27	357,100	343,500	3,244	3,898	4%	-17%	6	17
18	267,700	219,400	2,256	2,231	22%	1%	136	261,400	233,100	2,187	2,415	12%	-9%	133	302,400	270,900	2,640	2,923	12%	-10%	76	18
19	507,500	474,500	4,906	5,657	7%	-13%	52	458,700	406,300	4,367	4,741	13%	-8%	172	510,000	467,200	4,934	5,559	9%	-11%	15	19
21	335,300	280,100	3,003	3,046	20%	-1%	73	362,500	290,000	3,304	3,179	25%	4%	44	395,800	313,400	3,672	3,493	26%	5%	18	21

City Of Cambridge, Massachusetts
Residential Tax Districts



City Of Cambridge, Massachusetts
Residential Tax Districts



Selected % # Eligible Parcels

 \$ Value Eligible \$ Value Exempted

5. Indicate percentages accurate to 4 digits to the right of the decimal point. The following was derived from the LA-7.

A	B	C	D
Class	Certified Full and Fair Cash Value	Percentage Full Value Shares of Total Tax Levy	New Percentage Shares of Total Tax Levy
1. Residential	5,725,262,310	59.9954%	34.5615%
2. Open Space	0	0.0000%	0.0000%
3. Commercial	2,933,678,354	30.7422%	50.2875%
4. Industrial	627,693,691	6.5776%	10.7594%
5. Personal Property	256,202,460	2.6848%	4.3916%
Totals	9,542,836,815	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 1999 would be held on, **October 26, 1998** (date), **4:30 p.m.** (time), at **Cambridge City Hall** (place), by (describe type of notice) **legal notice.**

D. Martinez Drury
 City/Town/District Clerk

7. We hereby attest that on **October 26, 1998** (date) **4:30 p.m.** (time), at **Cambridge City Hall** (place), a public hearing was held on the issue of adopting the percentages for fiscal year 1999, 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 on **October 26, 1998** (date)

8. We have been informed by the Assessors of \$ 18,753,738 excess levy capacity.

For cities: City Councillors, Aldermen, Mayor
 For towns: Board of Selectmen
 For districts: Prudential Committee or Commissioners

[Signatures]
[Signatures]
[Signatures]
[Signatures]
[Signatures]

\$ Value Eligible	\$ Value Exempted
-------------------	-------------------

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	5,725,262,310	59.9954%	34.5615%
2. Open Space	0	0.0000%	0.0000%
3. Commercial	2,933,678,354	30.7422%	50.2875%
4. Industrial	627,693,691	6.5776%	10.7594%
5. Personal Property	256,202,460	2.6848%	4.3916%
Totals	9,542,836,815	100.0000%	100.0000%

D. Margaret Drury
City/Town/District Clerk

8. We have been informed by the Assessors of \$ 18,753,738
excess levy capacity.

For cities: City Councillors, Aldermen, Mayor
For towns: Board of Selectmen
For districts: Prudential Committee or Commissioners

[Handwritten signatures and names follow:]

John A. Sullivan, *Shute T. Russell*, *Wm. G. Burn*, *Kathleen Burn*, *Catherine Triantaf*, *J. J. Loomney*, *A. D. Salt*

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the Public Investment Fund of the City of Cambridge:

OTHER		SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
FUNCTION	DEPARTMENT OR PROGRAM					
Community Maintenance & Development	Community Development				\$2,000,000.00	\$2,000,000.00

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

FINANCING PLAN	REVENUE
property taxes	\$250,000.00
free cash	\$1,750,000.00

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest: D. Margeret Drury, City Clerk

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury
City Clerk

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School		\$200,000			\$200,000.00

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
state aid	\$200,000.00

In City Council October 26, 1998.
Adopted by a yeas and nays vote:-
Yeas 8; Nays 0; Absent 0; Present 1.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-



D. Margaret Drury
City Clerk

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance/ Personnel		\$35,000			\$35,000.00

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
property taxes	\$35,000.00

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest: D. Margeret Drury, City Clerk

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury
City Clerk

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance		\$11,000			\$11,000.00

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
property taxes	\$11,000.00

In City Council October 26, 1998.

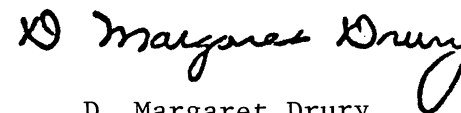
Adopted by a yeas and nays vote:-

Yeas 9; Nays 0; Absent 0.

Attest: D. Margaret Drury, City Clerk

A true copy;

ATTEST:-



D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1F

IN CITY COUNCIL

October 26, 1998

ORDERED: That the City Manager be and hereby is authorized to use \$8,702,000 in Unreserved Fund Balance as an offset to the fiscal year 1999 tax rate.

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script, reading "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1G

IN CITY COUNCIL

October 26, 1998

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

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in black ink, reading "D. Margaret Drury". The signature is written in a cursive style with a large, looping "D" and "M".

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1H

IN CITY COUNCIL

October 26, 1998

ORDERED: That the City Council hereby adopts a minimum residential factor of 57.6069%, the legal minimum permitted for Cambridge.

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script that reads "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 11

IN CITY COUNCIL

October 26, 1998

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

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script, reading "D. Margaret Drury". The signature is written in dark ink and is positioned to the right of the "A true copy;" text.

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1J

IN CITY COUNCIL

October 26, 1998

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 1999.

In City Council October 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in black ink, reading "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1K

IN CITY COUNCIL

October 26, 1998

ORDERED: That the City Council vote to increase the Fiscal Year 1999 exemption allowed under General Laws Chapter 59, Section 5, Clause 17D by 2.8% (\$5.17).

In City Council October 26, 1998.

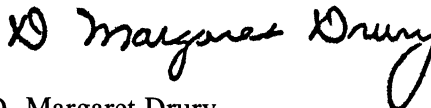
Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-


D. Margaret Drury
City Clerk



City of Cambridge

Agenda # 1L

IN CITY COUNCIL

October 26, 1998

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 26, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury
City Clerk

A handwritten signature in cursive script, reading "D. Margaret Drury", is written over the printed name and title.

Agenda # 1K

October 26, 1998

ORDERED: That the City Council vote to increase the Fiscal Year 1999 exemption allowed under General Laws Chapter 59, Section 5, Clause 17D by 2.8% (\$5.17).

City of Cambridge

MASSACHUSETTS

In City Council October 26, 1998

Agenda # 11L - Approval to double the
income limit for deferral of taxes
by elderly homeowners.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

9 0 0 0

MRS in sup on actual w/g
FD in recn w/0-9 RF

Agenda # 1L

October 26, 1998

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

City of Cambridge

MASSACHUSETTS

Agenda # 1A (i) - Appropriation of In City Council October 26, 1998
 \$906,390 to the Employee Benefits to be
 funded from Free Cash - \$656,390 and
 Property Tax - \$250,000.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell				<i>reused</i>
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

SR *reused* *hazel*

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	\$906,390				\$906,390.00

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	\$656,390.00
property taxes	\$250,000.00

City of Cambridge

MASSACHUSETTS

Agenda # 1A (ii) - Appropriation of \$212,610 from the Cambridge Health Commission. In City Council October 26, 1998

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

OTHER DEPARTMENT OR FUNCTION PROGRAM		SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	\$212,610				\$212,610.00

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
Cambridge Health Commission	\$212,610.00

City of Cambridge

MASSACHUSETTS

Agenda # 1B - Appropriation of In City Council October 26, 1998
 \$2,000,000 to the Capital Improvement
 Budget for the establishment of an Open Space
 Acquisition Fund.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the Public Investment Fund of the City of Cambridge:

OTHER		SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
FUNCTION	DEPARTMENT OR PROGRAM					
Community Maintenance & Development	Community Development				\$2,000,000.00	\$2,000,000.00

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

FINANCING PLAN	REVENUE
property taxes	\$250,000.00
free cash	\$1,750,000.00

City of Cambridge

MASSACHUSETTS

In City Council October 26, 199⁸

Agenda # 1C - Appropriation of \$200,000
to the School Department to provide funds for the
1999 Summer Institute.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves				✓
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School		\$200,000			\$200,000.00

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
state aid	\$200,000.00

City of Cambridge

MASSACHUSETTS

Agenda # 1D - Appropriation of \$35,000 to the Finance/Personnel Department to fund an Organizational Development Initiative.

In City Council October 26, 1998

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance/ Personnel		\$35,000			\$35,000.00

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
property taxes	\$35,000.00

City of Cambridge

MASSACHUSETTS

In City Council October 26, 199 8

Agenda #1E - Appropriation of \$11,000
to the Finance Department to fund Senior
Citizen Public Services Stipend Program.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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**IN CITY COUNCIL
CITY OF CAMBRIDGE
October 26, 1998**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1998

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1998-99 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	OTHER DEPARTMENT OR PROGRAM	SALARY & WAGES	ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance		\$11,000			\$11,000.00

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
property taxes	\$11,000.00

City of Cambridge

MASSACHUSETTS

In City Council October 26, 1998

Agenda # 1F - Authorization to use
\$8,702,000 in Unreserved Fund Balance.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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Agenda # 1F

October 26, 1998

ORDERED: That the City Manager be and hereby is authorized to use \$8,702,000 in Unreserved Fund Balance as an offset to the fiscal year 1999 tax rate.

City of Cambridge

MASSACHUSETTS

In City Council October 26, , 1998

Agenda # 1G - Classification of property
into five classes.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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Agenda # 1G

October 26, 1998

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

City of Cambridge

MASSACHUSETTS

In City Council October 26, 1998

Agenda # 1H - Adoption of minimum
residential factor of 57.6069 %.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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Agenda # 1H

October 26, 1998

ORDERED: That the City Council hereby adopts a minimum residential factor of 57.6069 %, the legal minimum permitted for Cambridge.

City of Cambridge

MASSACHUSETTS

In City Council October 26, 1998

Agenda # 11 - Approval of 20% residential
exemption for owner occupied homes.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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Agenda # 1I

October 26, 1998

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

City of Cambridge

MASSACHUSETTS

In City Council October 26, 1998

Agenda # 1J - Increase by 100% the
normal value of statutory exemptions for
fiscal year 1999.

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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Agenda # 1J

October 26, 1998

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 1999.

City of Cambridge

MASSACHUSETTS

In City Council October 26, 199 8

Agenda # 1K - Increase the Fiscal
Year 1999 exemption by 2.8% (\$5.17).

	YEA	NAY	ABSENT	PRESENT
Ms. Kathleen L. Born	✓			
Ms. Henrietta Davis	✓			
V. Mayor Anthony Galluccio	✓			
Mr. Kenneth E. Reeves	✓			
Ms. Sheila T. Russell	✓			
Mr. Michael A. Sullivan	✓			
Mr. Timothy J. Toomey, Jr.	✓			
Ms. Katherine Triantafillou	✓			
Mayor Francis H. Duehay	✓			

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CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307



EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

October 26, 1998

RICHARD C. ROSSI
Deputy City Manager

To the Honorable, the City Council:

RECOMMENDATIONS:

1. That the City Council appropriate \$1,119,000 to the Employee Benefits Salary and Wages Account to provide for the annual cost of retiree cost-of-living adjustments (COLA) approved by the City Council on June 1, 1998. Said appropriation to be funded from free cash \$656,390, transfers from the Cambridge Health Commission \$212,610, and property taxes \$250,000.
2. That the City Council appropriate \$2,000,000 to the Capital Improvement Budget to establish an Open Space Acquisition Fund for the purposes of increasing the amount of open space in the City of Cambridge. Said appropriation to be funded from free cash \$1,750,000, and property taxes \$250,000.
3. That the City Council appropriate \$200,000 to the School Department Other Ordinary Maintenance Account to provide funds for the 1999 Summer Institute. The School Committee approved the appropriation on October 20, 1998. The funds to support this appropriation will come from increased State aid.
4. That the City Council appropriate \$35,000 to the Finance Department/Personnel Other Ordinary Maintenance Account to fund an Organizational Development Initiative for the City. Said appropriation will be supported by property taxes.
5. That the City Council appropriate \$11,000 to the Finance Department Other Maintenance Account to fund the Senior Citizen Public Service Stipend Program. Said appropriation to be funded from property taxes.
6. That the City Council further authorize the use of \$8,702,000 in free cash to offset the FY1999 tax rate as follows:

a. Operating Budget	\$2,400,000	As adopted in FY99 Budget
b. Affordable Housing Trust	\$2,250,000	As adopted in FY99 Budget
c. Capital Improvement Fund	\$3,150,000	As adopted in FY99 Budget
d. Overly Reserve	\$ 902,000	
7. 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 57.6069%.

Consent Agenda #1

F-139

Communication transmittted by
the City Manager relative to
the vote necessary to seek
the Dept of Revenue approval
of the tax rate for FY99.

10/26/98

1A(i) ORDER ADOPTED.
8-0-0-1(recused)

1A(ii) ORDER ADOPTED.
9-0-0.

1B. ORDER ADOPTED.
9-0-0.

1C. ORDER ADOPTED.
8-0-0-1(present)

1D. ORDER ADOPTED.
9-0-0.

1E. ORDER ADOPTED.
9-0-0.

1F. ORDER ADOPTED.
9-0-0.

1G. ORDER ADOPTED.
9-0-0.

In City Council October 26, 1998
Special City Council Meeting

1H. ORDER ADOPTED.
9-0-0.

1I. ORDER ADOPTED.
9-0-0.

1K. ORDER ADOPTED.
9-0-0.

1J. ORDER ADOPTED.
9-0-0.

1L. ORDER ADOPTED.
9-0-0.