



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300

FAX 349-4307

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

September 11, 1995

To The Honorable, The City Council:

In response to Awaiting Report Item No. 13, regarding the feasibility of creating a fund for each of the City's thirteen neighborhoods to assist community and neighborhood groups in their civic endeavors, please be advised of the following:

While this is an intriguing request, the implementation of it would be made difficult if not impossible by a number of legal and operational factors. First, as written, such a program would appear to be in violation of the so called "anti-aid" amendment of the State Constitution, which prohibits the use of public money for the purpose of founding, maintaining or aiding any charitable undertaken which is not publicly owned and under exclusive control of public agents. A second issue, both legal and operational, would involve the Internal Revenue Service. Assuming a solution to the anti-aid amendment could be determined, and a legal funding mechanism developed, each group would need to legally incorporate a non-profit group for IRS reporting purposes. Such a process could require expensive external audits depending upon the level of funding provided. Third, I am troubled by jurisdictional issues and the selection of funded groups. Would these groups end up providing services already serviced by existing City agencies? Also, once such funding were to begin it likely would result in a number of additional groups seeking City financial assistance.

Finally, I must raise the funding question, at a time when the City Council is expressing concern over budget growth, such a program would require the allocation of new funding. For all the above, I do not believe it feasible to begin funding community groups.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec

Consent Agenda Item Number #23

5-278
Response to Awaiting Report Item Number
Thirteen regarding the feasibility of
creating a fund for each of the City's
thirteen neighborhoods to assist community
and neighborhood groups in their civic
endeavors.

*for original see
1995 City Manager
Request # 68.*

In City Council,

Sept. 11, 1995

Placed on file