C. C. 108

#1

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1 (A)
RE: APPROPRIATION OF $300,000. FROM GENERAL REVENUE SHARING FUNDS TO THE SCHOOL DEPT.

Councillor Wolf

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

- Order Adopted -

CWSR
RF
A

C. C. 108

#2

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1(B)

RE: APPROPRIATION OF $400,000. FROM GENERAL REVENUE SHARING FUNDS TO THE PUBLIC INVESTMENT FUND

Councillors Wolf and Danehy

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

-Order Adopted-

CDSP
RP
A

C. C. 108

#3

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1 (C)
RE: APPROPRIATION OF $700,000. FROM THE PARKING FUND TO THE SALARY ADJUSTMENT ACCOUNT

Councillor Danehy

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

CDJR
RF
A

Order Adopted

C. C. 108

#4

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1 (D)
RE: APPROPRIATION OF $50,000. TO THE CITY MANAGER'S DEPT.

City Manager stated that appropriation be made to Reserve Fund rather than Executive Dept

Councillor Graham and so amended -

Councillor David Sullivan requested "gram" to be considered for

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

Order Adopted

C. C. 108

#5

City of Cambridge

MASSACHUSETTS

AGENDA ITEM NO. 1(E)

In City Council September 23, 1985

RE: AUTHORIZING THE USE OF $4,500,000. IN "FREE CASH" TO REDUCE THE FY86 PROPERTY TAX LEVY

Councillor La Rosa

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

CL / SR / RF / A

Order Adopted

C. C. 108

#6

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1(F)
RE: ACCEPTANCE OF CHAPTER 64G, SECTION 3A OF THE MASS. GENERAL LAWS AS AMENDED (HOTEL AND MOTEL TAX)

Councillor David Sullivan

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

CDS
SR
RF
A

Order Adopted

C. C. 108

#7

City of Cambridge

MASSACHUSETTS

AGENDA ITEM NO. 1(G) In City Council September 23, 1985

RE: ESTABLISHMENT OF A CITY OF CAMBRIDGE HOTEL MOTEL EXCISE TAX OF FOUR PERCENT (4%)

Councillor Danehy
Councillor Wolf

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

CWR
RF
A

Order Adopted -

C. C. 108

#8

City of Cambridge

MASSACHUSETTS

AGENDA ITEM NO. 1(H) In City Council September 23, 1985

RE: CLASSIFICATION OF PROPERTY IN THE CITY INTO FIVE PROPERTY CLASSES ALLOWED FOR THE PURPOSE OF ALLOCATING THE PROPERTY TAX LEVY

Councillor David Sullivan

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

CDS
SR
RF
A

—Order Adopted—

C. C. 106

#9

City of Cambridge

MASSACHUSETTS

AGENDA ITEM NO. 1(I) In City Council September 23, 1985
RE: ESTABLISHMENT OF AN EQUALIZED PROPERTY TAX RATE OF $20.55

No Vote Required on Advice of City Manager

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton				
Mr. Thomas W. Danehy				
Ms. Saundra Graham				
Mr. Alfred W. LaRosa				
Mr. David E. Sullivan				
Mr. Walter J. Sullivan				
Mr. Alfred Vellucci				
Ms. Alice K. Wolf				
Mayor Duehay				

C. C. 106

#10

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1 (J)
RE: ESTABLISHMENT OF A MINIMUM RESIDENTIAL FACTOR OF 65.139%

Councillor Walter J. Sullivan

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Duehay	✓			
	9	0	0	

CWTJ
JR
RF
A

C. C. 108

#11

City of Cambridge

MASSACHUSETTS

In City Council September 23, 1985

AGENDA ITEM NO. 1 (K)

RE: ESTABLISHMENT OF A TEN PERCENT RESIDENTIAL EXEMPTION FOR OWNER-OCCUPIED HOMES, WHICH ALONG WITH THE RESIDENTIAL FACTOR OF 65.139% WILL PRODUCE A RESIDENTIAL TAX RATE OF $14.29 & A COMMERCIAL, INDUSTRIAL & PERSONAL PROPERTY TAX RATE OF $30.83

Councillor Walter J. Sullivan

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham		✓		
Mr. Alfred W. LaRosa	✓ 2	←	✓ 1	
Mr. David E. Sullivan		✓		
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓ 2	←	←	✓ 1
Ms. Alice K. Wolf		✓		
Mayor Duehay		✓		
	5	4	0	0

OWJS
SR
RP
A

Final Vote - Order Adopted

C. C. 108

#12

City of Cambridge

MASSACHUSETTS

In City Council September 23 1985

Motion by Councillor Walter J. Sullivan to suspend the Rules to move Reconsideration - Hoping that same would not prevail - to close out all parlimentary action and insure that action by Council on #11 would be final this date

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham		✓		
Mr. Alfred W. LaRosa	✓			
Mr. David E. Sullivan		✓		
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf		✓		
Mayor Duehay				✓
	5	3	0	1

Rules not suspended - on the Roll Call -
After recess a second motion to SR and
Reconsider was entertained - and Reconsideration failed

C. C. 108

#12

City of Cambridge

MASSACHUSETTS

In City Council September 23 1985

Motion by Councillor Walter J. Sullivan to suspend Rules to move Reconsideration - hoping that same would not prevail to close out all parliamentary discussion in the future and to insure final action this date

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Ms. Saundra Graham	✓			
Mr. Alfred W. LaRosa		✓		
Mr. David E. Sullivan		✓		
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf		✓		
Mayor Duehay				✓
	5	3	0	1

Rules not suspended on this roll call - later in the meeting Rules were suspended by unanimous vote to enable City Mgr to take final action on the tax rate

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
DEPUTY CITY MANAGER

September 23, 1985

To the Honorable, the City Council:

Attached are the eleven (11) separate votes required of the City Council in accordance with my communication of September 16, 1985, as follows:

1. Appropriate $300,000 from General Revenue Sharing Funds to the School Department's Salary and Wage Account ($273,500) and Other Ordinary Maintenance account ($26,500).
   1. ORDER ADOPTED 9-0-0
2. Appropriate $400,000 from General Revenue Sharing Funds to the Public Investment Fund for improvements to the air ventilation system at Cambridge Rindge and Latin School.
   2. ORDER ADOPTED 9-0-0
3. Appropriate $700,000 from the Parking Fund to the Salary Adjustment account.
   3. ORDER ADOPTED 9-0-0 RESERVE FUND
4. Appropriate $50,000 to the ~~City Manager's~~ Department for tourism development, public information and consideration of a portion of these funds to improve enforcement of the taxi ordinance.
   4. ORDER ADOPTED 9-0-0
5. Authorize the use of $4,500,000 in "free cash" to reduce the FY86 property tax levy.
   5. ORDER ADOPTED 9-0-0
6. Accept Chapter 64G, Section 3A of the Massachusetts General Laws as amended (Hotel and Motel Tax).
   6. ORDER ADOPTED 9-0-0
7. Establish a City of Cambridge Hotel/Motel Excise Tax of four percent (4%).
   7. ORDER ADOPTED 9-0-0
8. Classify property within the City of Cambridge into the five property classes allowed for the purpose of allocating the property tax levy.
   8. ORDER ADOPTED 9-0-0
9. Establish an equalized property tax rate of $20.55.
   9. NO VOTE REQUIRED BY CITY MANAGER DUE TO PRIOR ORDERS
10. Establish a minimum residential factor of 65.139%.
    10. ORDER ADOPTED 9-0-0
11. Establish a ten percent residential exemption for owner-occupied homes, which along with the residential factor of 65.139% will produce a residential tax rate of $14.29, and a commercial, industrial, and personal property tax rate of $30.83.
    11. ORDER ADOPTED 5-4-0. MOTION TO SUSPEND RULES BY COUNCILLOR WALTER SULLIVAN FAILED ON ROLL CALL - LATER RENEWED & CARRIED ON VOICE VOTE (SEE ROLL CALL #12)

Very truly yours,

Robert W. Healy

Robert W. Healy
City Manager

RWH/mbf

CITY COUNCIL
CITY OF CAMBRIDGE

September 23, 1985

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School	$273,500.00	$26,500 00			$300,000.00

9

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

FINANCING PLAN	REVENUE
Revenue Sharing	$300,000.00

CITY COUNCIL
CITY OF CAMBRIDGE

September 23, 1985

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School				$400,000.00	$400,000.00

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

FINANCING PLAN	REVENUE
Revenue Sharing	$400,000.00

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	$700,000.00				$700,000.00

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

FINANCING PLAN	REVENUE
Parking Fund	$700,000.00

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Executive		$50,000.00			$50,000.00

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

FINANCING PLAN	REVENUE
Taxes	$50,000.00

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council authorize the use of $4,500,000 in free cash to reduce the FY86 property tax levy.

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council hereby accepts Chapter 64G, Section 3A, of the General Laws of the Commonwealth of Massachusetts which allows cities to impose a local room excise tax.

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council imposes a hotel/motel room excise tax of four percent (4%), in accordance with their acceptance of Chapter 64G, Section 3A of the General Laws of the Commonwealth of Massachusetts.

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

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

CCM-10!

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council hereby establishes a residential factor of 65.149%

CCM-10!

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council approve a ten (10) percent residential exemption for owner-occupied homes, which will produce a residential tax rate of 14.29, while the commercial, industrial and personal property tax will be 30.83

Important - send me memo + other one in CWS' envelope for Friday!

CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

CWS - xerox the memo + the other for us home

take a look at these + type action

September 16, 1985

RECOMMENDATION: That the City Council take the following steps to finalize the FY 1986 budget and establish the FY 1986 property tax rate.

1. Appropriate $300,000 from General Revenue Sharing Funds to the School Department's Salary and Wage Account ($273,500) and Other Ordinary Manintnance Account ($26,500).

1/ Order Adopted 9-0-0

2. Approporiate $400,000 from General Revenue Sharing Funds to the Public Investment Fund for improvements to the air ventilation system at Cambridge Rindge and Latin School.

2/ Order Adopted 9-0-0

3. Appropriate $700,000 from the Parking Fund to the Salary Adjustment Account.

3/ Order Adopted 9-0-0

4. Appropriate $50,000 to the ~~City Manager's~~ Reserve Department for tourism development, public information and consideration of a portion of these funds to improve enforcement of the taxi ordinance.

4/ Order Adopted 9-0-0

5. Authorize the use of $4,500,000 in "free cash" to reduce the FY 1986 property tax levy.

5/ Order Adopted 9-0-0

6 Accept Chapter 64G, Section 3A of the Massachusetts General Laws as amended (Hotel and Motel Tax).

6/ Order Adopted 9-0-0

7. Establish a City of Cambridge Hotel/Motel Excise Tax of four percent.

7/ Order Adopted 9-0-0

8. Classify property within the City of Cambridge into the five property classes allowed for the purpose of allocating the property tax levy.

8/ Order Adopted 9-0-0

9. Establish an equalized property tax rate of $20.55

No vote required by City Mgr due to prior order

10. Establish a minimum residential factor of 65.139%

10/ Order Adopted 9-0-0 65.149 Factor

11. Establish a ten percent residential exemption for owner occupied homes, which along with the residential factor of ~~65.139~~% will produce a residential tax rate of $14.29, and a commercial, industrial, and personal property tax rate of $30.83. 65.149%

11/ Order Adopted ~~5-4-0~~ Motion to suspend rules by CWS failed on roll call - 5-3-0-1 later renewed and carried See H12

SUMMARY: The package that is presented for your consideration contains recommendations to finalize the FY 1986 budget and establish the FY 1986 property tax rate. While 11 separate votes of the City Council will be necessary to complete the package, my recommendations fall into four categories:

- I Supplemental appropriations
- II Authorization of free cash
- III Acceptance and establishment of a local hotel/motel tax
- IV Establishment of FY 1986 property tax rates

ISSUES:

I Supplemental Appropriations

School Department, $300,000: As you will recall, at the time the City Council approved the FY 1986 budget last May, the amount of funding that the City would receive from general revenue sharing was uncertain. Also, at that time, the School Committee requested budget was $300,000 over my guidelines to them. As a compromise, I agreed to a City Council/School Committee request that would grant the School Department an additional $300,000 from revenue sharing if it were available once Congress established funding levels. Since that time, Congress has approved full funding of the revenue sharing program for federal FY 1986. This action results in Cambridge receiving $700,000 more in revenue sharing funds than was anticipated last May. It should be noted that this $700,000 merely raises our FY 1986 entitlement to the same level as FY 1985, and that in voting to extend revenue sharing into fiscal year 1986, Congress voted to abolish it effective fiscal year 1987.
As a result of these available funds, I recommend that the City Council appropriate $273,500 to the School Department salary and wages account and $26,500 to the School other ordinary maintenance account. The funds will be used to finance the salaries and fringe benefits of ten elementary school teachers and one high school teacher. Both the City Council and School Committee should realize that this revenue source will not be available for FY 1987 school budget.

Public Investment Fund, $400,000: For some time now the School Committee and School Administration have been dealing with complaints from teachers and students about the air quality at Rindge and Latin School. This problem has been a major area of concern for the School Committee, and they have retained engineering consultants to advise them on this problem. Their recommendation is that the air handling system at the high school be significantly redone, resulting in increased air flow into each classroom.

While I personally have some reservations about the need to do this work (air quality at the high school conforms to State building code requirements), I recommend at this point $400,000 be appropriated to the public investment fund so that this matter can be put to rest. This appropriation will also be funded from general revenue sharing.

Salary Adjustment Account, $700,000: This appropriation, to be funded from the Parking Fund, will cover retroactive pay raises for employee groups that did not settle their collective bargaining contract during FY 1985. While most employee groups settled during FY 1985, Police and Fire did not. Police have since settled and these funds will be used to pay for a retroactive raise dating back to July 1, 1984. Fire has settled subject to a ratification vote of the membership, and this appropriation is sufficient to cover the expected Fire settlement.

City Manager's Office, $50,000 It is my recommendation that the City take a small portion of the proceeds of new hotel/motel tax and use it in a way that contributes to the promotion of tourism in Cambridge. The hotel/motel tax is the City's first growth tax, as such, the better the hotel/motel business, the higher the tax receipts. In a meeting with representives of local hotel and motel owners it was their desire that a much larger percentage of tax receipts go for this purpose. Before I could feel comfortable with such a request, however, I feel that a plan for the use of those funds must exist. It is my intention that these funds remain in my office budget until such a plan can be developed. One of the recommendations of the hotel operators is that the City's enforcement of the taxi ordinance should be improved. That recommendation also agrees with one by the Chairman of the License Board.

II Authorize Free Cash

Under Massachusetts Law cities and towns are allowed to appropriate for purpose or to use to reduce the tax levy a portion of fund balance known only in Massachusetts as "free cash". Free cash is undesignated fund balance minus uncollected and overdue property taxes from prior years. A check of the City's records shows that until FY 1984, Cambridge had a "free cash" deficit for decades. In fact, as recently as FY 1982, the "free cash" deficit had been $3.3 million. I am very proud and pleased to inform the City Council that for the fiscal year that ended June 30, 1985, Cambridge had a "free cash" balance of $13.6 million. This drastic turn around of $16.9 million is the result of the sound financial policies followed by the City Council and the City's strong local economy. As I have said before, this turnaround has put Cambridge in the strongest financial position that it has been in for decades. Our accomplishments are even more remarkable when one considers the financial plight of neighboring municipalities.

The benefits of this turn around have been listed before:

* 3 bond rating increases in 2 years
* A 500% reduction in City borrowing
* Increased interest earnings on investments
* Declining tax rates
* A stable financial environment

Now that we have reached this enviable position, I recommend that we cautiously begin to use these funds to further reduce the tax rate. I therefore recommend that the City Council vote to authorize the use of $4,500,000 in "free cash" to reduce the FY 1986 tax levy. $1,500,000 will be used to fund already approved FY 1986 Capital Projects and $3,000,000 will be used to offset operating budget costs. It is important that these funds be used extremely cautiously. It would be a disastrous error to use all of these available funds at once to falsely reduce the tax rate, only to see a monstrous increase the following year. The use of all or too much of these funds would also surely result in a decrease of our bond rating, as well as increased City borrowing and decreased City earnings from investments. The financial stability that we have all worked so long and hard for would end, and Cambridge would return to the era of threats of service reductions, lay-offs and erratic tax rates.

III Hotel and Motel Occupancy Tax

THE LAW: During the early summer the Massachusetts Legislature amended Chapter 64G of the General Laws by inserting Section 3A, which basically states that any city or town accepting the provisions of Chapter 64G, Section 3A, shall be authorized to impose a local excise tax upon the occupancy fee of any room or rooms in a hotel or motel located within the city. The fee shall not exceed four percent of the total amount of rent and shall not be imposed if the total amount of rent is less than fifteen dollars per day. The hotel operation is responsible for collecting the tax from the customer and the Massachusetts Department of Revenue has the legal responsibility for the collection of tax receipts from the hotel operators. Once collected, the State will then turn the tax receipts over to the city on a twice annual basis. The law will go into effect on the first day of the first calendar month following City Council acceptance, except if the first day of the next month is less than fifteen days after initial City Council acceptance (which in Cambridge's case will be the situation). In circumstances such as this, the law shall take effect on the first day of the second calendar month following City Council acceptance. Therefore, if the City Council accepts the provisions of the law and establishes a City of Cambridge hotel/motel tax, the effective date would be November 1, 1985.

FISCAL IMPACT: Cambridge currently has nine existing hotels with a total of 1909 rooms in operation. In addition to this, the Marriott, under construction in Kendall Square, will have 425 rooms and proposals exist for two additional hotels with a total of 700 rooms. While occupancy rates vary widely from hotel to hotel within Cambridge, the Finance Department has developed a number that indicates a 68% occupancy average City wide. Room rates, similar to occupancy rates also vary from hotel to hotel. However a review of these rates indicates a daily average rental of $70 is a fair estimate. Using the above numbers, the estimated receipts from a 4% hotel/motel tax would yield $1,325,000 annually, with the Marriott bringing in an estimated additional $340,000 once fully occupied.

However, since the earliest date that the City could put a hotel/motel tax into effect would be November 1, 1985, and since June receipts will be credited to the following fiscal year, the hotel/motel tax will yield only $700,000 in fiscal year 1986. In fiscal year 1987 it is estimated that the hotel/motel tax will yield $1,425,000 and fiscal year 1988, the first full operational year for the Marriott it is estimated that the hotel/motel tax will yield $1,900,000.

REASONS FOR A CAMBRIDGE HOTEL/MOTEL TAX: While the hotel/motel tax was first proposed by Boston Mayor Raymond Flynn as one way to reduce that City's revenue deficit, Cambridge with strong fund balances should adopt the hotel/motel tax from a more positive and constructive viewpoint.

First, while Cambridge is currently in a strong financial position, we still must operate under the constraints of Proposition 2 1/2. Any extraordinary or unforeseen expenses of a serious magnitude could cause fiscal chaos. The establishment of a Cambridge hotel/motel tax would afford the City a greater degree of fiscal flexibility in responding to any such occurrence.

Second, it is clear that one of the key elements in Cambridge's fiscal recovery has been the tremendous increase in state aid. While the additional state aid has been a tremendous benefit to the City, reliance upon it, as we have already learned makes it very difficult to control our own fiscal destiny. There is already talk about reduced amounts of state aid in future years, particularly in light of what looks like a definite cut in state taxes. Revenue from the hotel/motel tax will soften the impact of possible decreases.

Third, the latest Congressional action on general revenue sharing eliminates that program effective at the end of federal fiscal year 1986. Cambridge has recently been receiving $2,000,000 annually in general revenue sharing funds. The loss of revenue sharing funds will mean either an increase in the City's property tax levy or a reduction in services. Revenue from the hotel/motel tax will replace at least some of the lost federal dollars.

Fourth, the adoption of the hotel/motel tax will have a positive impact on the City's bond rating. Both major bond rating firms, Moody's Inc. and Standard and Poors Corporation, are concerned with the City's limited revenue-raising capacity and growing reliance upon state aid. Adoption of the hotel/motel tax will give the City a second (and elastic, responding to inflation and economic growth) local tax source.

Finally, even in the unlikely event that the growth in state aid does not slow down, and Congress somehow reverses itself and extends general revenue sharing, perhaps the most important reason to establish a Cambridge hotel/motel tax is that it results in a tax break for property owners in Cambridge. The first year revenue of $700,000 reduces the fiscal year 1986 equalized property tax rate by $ .21 and the projected fiscal year 1987 revenue of $1,425,000 would reduce the fiscal year 1987 tax by an estimated $ .38 and the fiscal year 1988 revenue estimate of $1,900,000 would reduce that year's levy by an estimated $ .47.

IV ESTABLISH FY 1986 TAX RATE

BACKGROUND: Under Massachusetts Law, municipalities have the ability to classify property according to use, for the purpose of allocating the property tax.

The classification law provides that the minimum residential tax rate after classification can result in no less than 65% of what the total tax burden would be on residential properties if all classes were equally taxed. Additionally, the tax burden on commercial and industrial property can be no more than 150% of what it would be if all classes were taxed at the same rate.

For the past year the City Council adopted a residential factor of 65%, which resulted in a residential tax rate of $15.26 per thousand dollars of assessed valuation, and a commercial, industrial, and personal property tax rate of $34.69 per thousand dollars of assessed value. The City Council chose not to approve a residential exemption in FY 1985.

For FY 1986, the sound fiscal policies of the City Council and the strong local economy will result in an equalized property tax rate reduction of $2.91. The reduction of the property tax rate to $20.55 per thousand dollars of assessed valuation represents a 12.4% drop from the FY 1985 equalized rate, which when coupled with a property tax levy increase of only 2.7% means that for the fifth consecutive year the overall property tax burden in Cambridge has declined.

The recommended residential factor of 65.139%, which is the minimum allowable factor for Cambridge this year, along with a 10% residential exemption, results in a residential tax rate of $14.29, a 6.3% reduction from the FY 1985 residential tax rate of $15.26. If the Council chooses not to approve a 10% residential exemption, then the residential tax rate will be $13.39, a 12.4% reduction from FY 1985. The residential rate is higher with a residential exemption, because, when a community chooses to opt for residential exemptions, the total tax levy paid by the residential sector does not change even though the residential value decreases due to the exemptions. The resultant commercial, industrial and personal property tax rate of $30.83 represents a $3.86 or 11.2% reduction from the FY 1985 commercial rate of $34.69.

CLASSIFICATION: For FY 1986, I am recommending a residential factor of 65.139% which is the minimum allowable residential factor that Cambridge may use this year. As stated earlier, while 65% is the minimum residential factor allowed under state law, that minimum can only be used as long as the resultant commercial rate results in a commercial, industrial and personal property tax levy of less than 150% of what it would be if all classes were taxed at the same rate. If Cambridge were to attempt to set a minimum residential factor of 65%, the resultant commercial tax rate would result in a total amount of the tax levy raised by the commercial sector exceeding 150% of what the commercial sector would have to pay at the equalized rate of $20.55. Only by working back from the minimum allowable commercial levy ($45,799,599) can the minimum residential factor of 65.139% be derived.

Classification is a highly complex issue. To those of us who deal with it on an infrequent basis, it can seem an endless puzzle of confusion. For example it may seem difficult to comprehend how Cambridge, with all of the new commercial development, could not maintain the 65% residential factor. However, as one reviews the two tables that follow, it is clear that residential values as a percentage of the City's total value are increasing at a rate significantly more rapid than commercial values. As we are all very much aware, Cambridge residential property continues to escalate to unimaginable levels.

PROPERTY VALUE BY CATEGORY
DOLLAR AMOUNT AND PERCENTAGE OF TOTAL

	FY 1984		FY 1985		FY 1986	
Residential	$1,642.9 B	56.6%	$1,780.1 B	57.7%	$2,139.9 B	58.9%
Commercial	1,258.8 B	43.4%	1,303.3 B	42.3%	1,485.8 B	41.1
Total	$2,901.7 B		$3,083.4 B		$3,616.7 B	

PROPERTY VALUE PERCENTAGE INCREASES
BY YEAR, BY CATEGORY

	FY 1984	FY 1985	FY 1986
Residential	N.A.	8.4%	19.7%
Commercial	N.A.	3.5%	14.0
Total	N.A.	6.3%	17.3%

TRENDING: Cambridge, unlike most communities in the Commonwealth, has a policy of keeping assessments in line with the real estate market on an annual basis. (the Commonwealth requires revaluation only every three years) The reasons for this policy are as follows:

1. Those assessment systems which stay closest to full market value are the fairest assessment systems because, other things being equal, taxpayers can relate to the accuracy of their assessments and thereby provide a built-in check/balance system, as well as a source of data corrections. Many citizens have at least some understanding of real estate market trends. When assessments relate to real value, individual taxpayers can readily see when their assessment is off base.

2. Keeping assessments in line with the market is fairer in an absolute sense; the property tax is a tax on property value. Property values shift relative to one another, geographically and by property types. Annual valuations adjustments reflect these shifts, and this helps insure that each taxpayer carries their fair burden. In the post Proposition 2 1/2 era, with a relatively fixed property tax levy, a dollar improperly saved by one taxpayer through an obsolete assessment is made up directly by another taxpayer.

3. The absence of annual assessment adjustment can produce dramatic jumps in assessments, and troublesome shifts in tax burdens, when property values are only adjusted every three years. This is particularly true in a dynamic market, and the eastern Massachusetts market in recent years has been just that. Annual revaluation tends to smooth out erratic changes in assessments.

4. The Cambridge real estate market is an extremely complex one. It is difficult to "read" which is the process we go through when assessments are determined. Annual assessments require an annual market analysis process which puts us, and keeps us, in closer contact with the dynamics of the market place. We can produce fairer and more accurate assessments when we reassess annually simply because we are constantly on top of the situation.

Trending-Impact 1986: Newspapers have recently contained stories concerning the extraordinary rises in property values in the Boston metropolitan region. Ironically, the trend factors for FY 86 for Cambridge probably seem low in comparison to what we have read or "heard" about the real estate market. There are several reasons for this perception. First, our FY 86 trending analysis involves averaging of 1984 sales. Thus the last 15 months of market activity, the period receiving all the publicity, is only partially reflected in the trend factor. Secondly, Cambridge, unlike many parts of the Boston region, has experienced healthy increases in property values every year for perhaps the last four years, so any one-year increase may not seem so extraordinary. Finally, informal conversation about real estate tends to focus on exceptionally high sales, rather than those on the lower end of the range. The overall inflationary increases in the residential sector, as generated by the trend factors, is about 17%.

On the other hand, inflation in the commercial market has been much more moderate. (the one exception is developable land, which has skyrocketed due to its scarcity.) Cambridge's favorable development climate is insuring a steady increase in the supply of commercial space, which in turn is moderating rent increases, and therefore property value increases. The overall inflationary increase in the commercial sector has been about 5%.

The trend factors by assessment district and class of property are shown in the accompanying table. Each factor represents a 50-50 weighting of the neighborhood average increase and the city wide median increase for that class of property. This weighting approach, suggested by Professor Oliver Oldman, Chairman of the Assessment Advisory Committee, has several benefits: potential problems with small data sample size (#of sales) are reduced; and extreme changes in tax burdens (due to valuation changes) are moderated from year to year. For example, a 20% jump in taxes one year, followed by a zero increase the next year would now become a 10% increase in both years. It should be noted that the stronger real estate market has produced an approximate 30% increase in sales activity which, along with a relatively even distribution of sales accross the City, has greatly diminished the problem of insufficient sales data in particular neighborhoods.

As is the case every year, increases in value vary significantly among neighborhoods and among classes of property. The heterogeneous and fragmented character of the Cambridge market is precisely why we trend on a district level, even though such an approach is far more difficult. The lowest factor is 10%, for most rent-controlled multi-family properties; the highest factor is 52%, for single family houses in the Porter Square sector of North Cambridge. Indeed , value increases in Porter Square have been astounding. Until perhaps 1983, the Porter Square end of North Cambridge showed a market pattern similar to that of the rest of North Cambridge. In response to this change, we have created a new assessment district for the Porter Square area.

During the applicable sales period, two family houses, with an average 25% increase city wide, clearly increased faster than the other classes of property. As single family houses rise beyond the reach of many buyers, they turn to two family buildings which provide assistance in the form of rental income. There is also potential from condominium conversion.

As one reviews the district analysis sheet,almost without exception, those districts/classes at the high end of the trend factor scale this year were at the low end last year, and vice versa. For example, R3/East Cambridge was 48% last year and 13% this year; R2/Cambridgeport was 0% last year and 34% this year.

10 PERCENT RESIDENTIAL EXEMPTION: The tax classification law provides for at local option the so called "10% Residential Exemption". The basic intent of this provision is (1) to give owner-occupied residential property a tax benefit at the expense of non-owner occupied properties, and (2) to give lower valued properties a relatively higher benefit than higher valued properties. Residential exemption, like classification, must be voted on by the City Council each year.

Last year I recommended that the exemption be adopted, and the Council chose not to. For fiscal year 1986, I once again recommend that the exemption be adopted with the understanding that, from a housing point of view, the exemption is of little consequence to the City as a whole.

For fiscal year 1986, the data concerning residential exemption is as follows:

Number of exemptions = 9,000
$ value of exemption = $14,571
Residential tax rate after exemption = 14.29

TAX ALTERNATIVE FACT SHEET

Property Value	$13.39 Without Residential exemption	$14.29 10% Exemption 00	14.29 10% Exemption Non-00
50,000	670	506 (-164)	715 (+ 45)
100,000	1339	1221 (-118)	1429 (+ 90)
150,000	2008	1935 (- 73)	2144 (+136)
200,000	2678	2650 (- 28)	2858 (+180)
231,355	3097	3097 (0)	3306 (+209)
300,000	4017	4079 (+ 62)	4287 (+270)
Rent Control (per unit)			
10,000	134		143 (+ 9)
20,000	268		286 (+ 8)
30,000	402		429 (+ 27)

As can be seen from the chart, owner occupied homes assessed for less than $231,355 will pay less under residential exemption, while those assessed for more than $231,355 along with non-owner occupied homes will pay more.

As the law indicates, the principal benefits of the exemption lie at the low end of the value scale; and many properties in this value range are located in the City's lower-income neighborhoods. On the other hand, a significant number of properties in the $60,000 to $120,000 range are condominiums whose owners are not necessarily lower income. In the $125,000 to $175,000 range, which includes the majority of Cambridge properties, the benefit of the exemption is relatively inconsequential.

Despite ambiguous benefits, I am swayed towards recommending approval of the residential exemption for two reasons. First, the value cut-off point for those who would benefit from the exemption is $231,355. Clearly, despite the value increases in Cambridge the vast majority of our residential property is assessed for under $231,355.

Secondly, most rent controlled property continues to benefit from revaluation—particularly larger buildings. FY1986 rent controlled properties over three units received only a 10% increase from trending, which would mean additional tax reductions in FY1986 if the exemptions were not adopted. With the exemption in effect, however, the next tax increase for multi-family structures would be under 4%. This is a small increase relative to the benefit which occurs to owner-occupied houses in the lower value range.

IMPACT ON RESIDENTIAL TAXPAYERS: As stated earlier, residential values are increasing more rapidly than commercial values. The natural result of this action is that residential property value as a percentage of the total City property value, is increasing (56.6% in FY84, 57.7% in FY85, 58.9 % in FY86). Consequently, because Cambridge was already at the maximum level of classification, FY 1986 will see a slight increase in the overall residential tax burden. The table below details that shift.

Tax Level By Class
Dollar and Percentage
(000's Omitted)

	1984		1985		1986	
Residential	$27,929	40.1%	$27,164	37.5%	$28,520	38.4%
Commercial	41,688	59.9	45,206	62.5	45,807	61.6
Total	$69,617		$72,370		$74,327	

It can be expected that as long as total residential value growth outstrips commercial growth on an annual basis, this process will continue.

For the past two years Cambridge homeowners have enjoyed the lowest residential property tax rate within the Route 128 metropolitan area. Despite the slight shift of the tax burden to the residential sector in FY 1986, Cambridge homeowners will once again enjoy one of, if not the lowest, residential tax rates within the Route 128 area. However, because the residential tax rate has decreased by a lower percentage than most residential property has increased in value, most residential taxpayers will see a slight increase in their annual tax bill.

In a City with housing stock as diverse as Cambridge's, it is virtually impossible to come up with an average residential assessment. However, it is correct to state that most one, two and three family property owners will receive tax increases of $150 to $250. Taxes on most condominiums will increase in the $25 to $100 range, while rent controlled multi-family properties with four or more units will decrease or increase slightly, due to the fact that increases in rent control property values are less than the tax rate percentage decrease.

Conclusion

The political philosopher, Edmund Burke, once stated "to tax and to please, no more than to love and be wise is not given to man." While I am sure that Mr. Burke would substitute humanity for man were he alive today, never has his statement been more true than it is in Cambridge today. Our equalized property tax rate has fallen by 12.4%, while our total property tax levy has increased by only 2.7%. The result is that the overall property tax burden in Cambridge is down considerably, yet most of our residential property owners will receive slight tax bill increases. These increases are the result of residential value increases of historic proportions, coupled with the fact that Cambridge already was at maximum classification.

Despite the tax bill increase, the new Cambridge residential tax rate of $14.29 remains one of, if not the lowest residential tax rate within Route 128. The result of this is that a Cambridge homeowner pays less taxes on their property than do owners of similar assessed property in neighboring towns. For example, a home that is assessed for $200,000 in Cambridge will pay $2,858 in taxes for FY 1986. In an adjoining community, where the rate has yet to be established but is estimated to be around $17, a home assessed for $200,000 would pay $3,400, $542 more than the Cambridge $200,000 home.

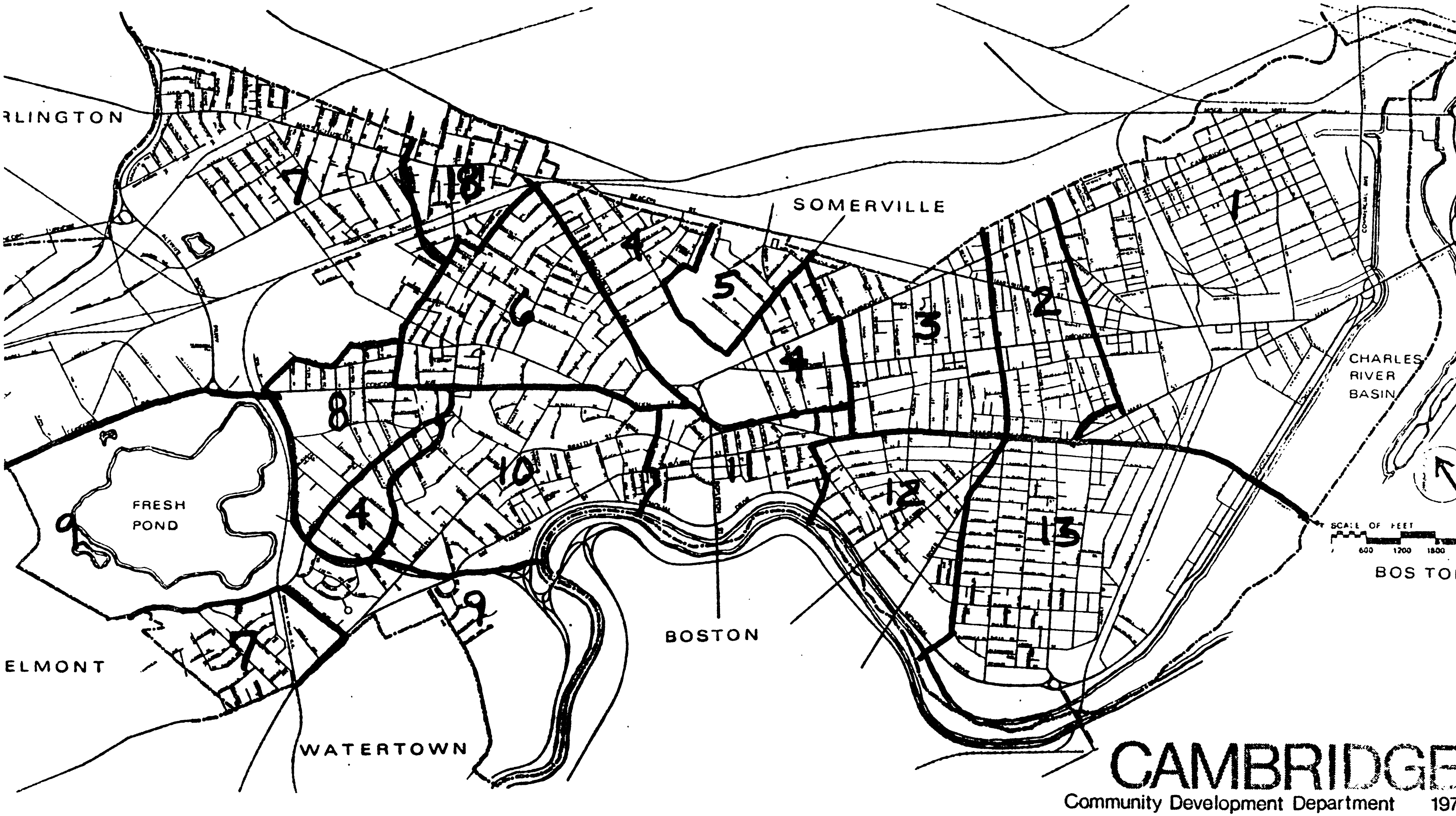
The 12.4% reduction in the equalized rate to $20.55 is another indication of Cambridge's strong fiscal condition. Investment in our City continues at record breaking levels and the City has begun to address our various capital needs, including streets, sidewalks and recreation facilities. The financial future of Cambridge continues to look strong.

ATTACHMENT A

ASSESSMENT TRENDING FACTORS-FISCAL YEAR 1986

DISTRICT	1	2	3	4	5	6	7	8	9	10	11	12	13	18
R1	1.18	1.21	1.20	1.18	1.30	1.12	1.12	1.12	1.13	1.24	1.23	1.22	1.22	1.52
# Sales	10	11	10	17	3	5	21	2	7	14		10	5	4
R2	1.17	1.38	1.23	1.36	1.31	1.24	1.21	1.34	1.27	1.27	1.33	1.38	1.34	1.29
# Sales	6	10	13	8		11	16	9	1	2	1	8	17	6
R3	1.13	1.20	1.28	1.22	1.20	1.13	1.12	1.27	1.15	1.15	1.22	1.26	1.22	1.21
# Sales	7	6	15	7		1	18	5		1	2	7	16	2
Condo	1.10	1.10	1.18	1.18	1.18	1.18	1.13	1.18	1.18	1.18	1.18	1.10	1.10	1.18
# Sales	0	2	100	30		76	23	1	4	1	1	3	3	
R4	1.38	1.35	1.10	1.10	1.10	1.10	1.18	1.10	1.10	1.10	1.10	1.10	1.15	1.15
# Sales	4	8	6	2		1	3			1	1	2	8	
Ap.	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
# Sales		2	6	4		2						1	1	

ATTACHMENT B



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
DEPUTY CITY MANAGER

September 23, 1985

To the Honorable, the City Council:

Attached are the eleven (11) separate votes required of the City Council in accordance with my communication of September 16, 1985, as follows:

1. Appropriate $300,000 from General Revenue Sharing Funds to the School Department's Salary and Wage Account ($273,500) and Other Ordinary Maintenance account ($26,500).

2. Appropriate $400,000 from General Revenue Sharing Funds to the Public Investment Fund for improvements to the air ventilation system at Cambridge Rindge and Latin School.

3. Appropriate $700,000 from the Parking Fund to the Salary Adjustment account.

4. Appropriate $50,000 to the City Manager's Department for tourism development, public information and consideration of a portion of these funds to improve enforcement of the taxi ordinance.

5. Authorize the use of $4,500,000 in "free cash" to reduce the FY86 property tax levy.

6. Accept Chapter 64G, Section 3A of the Massachusetts General Laws as amended (Hotel and Motel Tax).

7. Establish a City of Cambridge Hotel/Motel Excise Tax of four percent (4%).

8. Classify property within the City of Cambridge into the five property classes allowed for the purpose of allocating the property tax levy.

9. Establish an equalized property tax rate of $20.55.

10. Establish a minimum residential factor of 65.139%.

11. Establish a ten percent residential exemption for owner-occupied homes, which along with the residential factor of 65.139% will produce a residential tax rate of $14.29, and a commercial, industrial, and personal property tax rate of $30.83.

Very truly yours,

Robert W. Healy

Robert W. Healy
City Manager

RWH/mbf

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School	$273,500.00	$26,500 00			$300,000.00

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

FINANCING PLAN	REVENUE
Revenue Sharing	$300,000.00

CITY COUNCIL
CITY OF CAMBRIDGE

September 23, 1985

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School				$400,000.00	$400,000.00

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

FINANCING PLAN	REVENUE
Revenue Sharing	$400,000.00

CITY COUNCIL
CITY OF CAMBRIDGE

September 23, 1985

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	$700,000.00				$700,000.00

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

FINANCING PLAN	REVENUE
Parking Fund	$700,000.00

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Executive		$50,000.00			$50,000.00

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

FINANCING PLAN	REVENUE
Taxes	$50,000.00

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council authorize the use of $4,500,000 in free cash to reduce the FY86 property tax levy.

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council hereby accepts Chapter 64G, Section 3A, of the General Laws of the Commonwealth of Massachusetts which allows cities to impose a local room excise tax.

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council imposes a hotel/motel room excise tax of four percent (4%), in accordance with their acceptance of Chapter 64G, Section 3A of the General Laws of the Commonwealth of Massachusetts.

CCM-101

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

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

CCM-10!

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council hereby establishes a residential factor of 65.149%

CCM-10!

City of Cambridge

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council approve a ten (10) percent residential exemption for owner-occupied homes, which will produce a residential tax rate of 14.29, while the commercial, industrial and personal property tax will be 30.83

Agenda Item No. 1(A)

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund **of the City of Cambridge:**

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School	$273,500.00	$26,500 00			$300,000.00

BE IT FURTHER ORDERED: That the above appropriations in the General Fund **to be financed by estimated revenues drawn from the following sources:**

FINANCING PLAN	REVENUE
Revenue Sharing	$300,000.00

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

(AGENDA ITEM NO. 1(B)

CITY COUNCIL
CITY OF CAMBRIDGE

September 23, 1985

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: **That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the** General Fund **of the City of Cambridge:**

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School				$400,000.00	$400,000.00

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

FINANCING PLAN	REVENUE
Revenue Sharing	$400,000.00

In City Council September 23, 1985.
Adopted by a yea nad nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

AGENDA ITEM NO. 1(C)

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund **of the City of Cambridge:**

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits	$700,000.00				$700,000.00

BE IT FURTHER ORDERED: That the above appropriations in the General Fund **to be financed by estimated revenues drawn from the following sources:**

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

FINANCING PLAN	REVENUE
Parking Fund	$700,000.00

AGENDA ITEM NO. 1(D)

CITY COUNCIL
CITY OF CAMBRIDGE

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

September 23, 1985

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1985-86 the following sum is hereby appropriated in the General Fund **of the City of Cambridge:**

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Reserve Fund		$50,000.00			$50,000.00

BE IT FURTHER ORDERED: That the above appropriations in the General Fund **to be financed by estimated revenues drawn from the following sources:**

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

FINANCING PLAN	REVENUE
Taxes	$50,000.00

CCM-101

City of Cambridge

Agenda Item No. 1(E)

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council authorize the use of $4,500,000 in free cash to reduce the FY86 property tax levy.

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CCM-101

City of Cambridge

(Agenda Item No. 1(F)

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council hereby accepts Chapter 64G, Section 3A, of the General Laws of the Commonwealth of Massachusetts which allows cities to impose a local room excise tax.

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CCM-101

City of Cambridge

Agenda Item No. 1 (H)

IN CITY COUNCIL

September 23, 1985

ORDERED:

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

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CCM-105

City of Cambridge

Agenda Item No. 1(I)

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council hereby establishes a residential factor of 65.149%

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CCM-10!

City of Cambridge

Agenda Item No. 1(J)

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council approve a ten (10) percent residential exemption for owner-occupied homes, which will produce a residential tax rate of 14.29, while the commercial, industrial and personal property tax will be 30.83

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 5; Nays 4; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139 • (617) 498-9017

OFFICE OF
THE CITY CLERK

October 17, 1985

Department of Revenue
Property Tax Bureau
P. O. Box 7014
Boston, MA 02204

To Whom It May Concern:

Enclosed you will find a copy of an order adopted by the City Council of the City of Cambridge at their meeting of September 23, 1985 accepting Chapter 64G, Section 3A of the General Laws of the Commonwealth of Massachusetts regarding a hotel/motel room excise tax of four percent (4%).

Your kind attention in this matter will be greatly appreciated.

Very truly yours,

Paul E. Healy, City Clerk

PEH/dl

Enc. (1)

CCM-101

City of Cambridge

Agenda Item No. 1(G)

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council imposes a hotel/motel room excise tax of four percent (4%), in accordance with their acceptance of Chapter 64G, Section 3A of the General Laws of the Commonwealth of Massachusetts.

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CCM-101

City of Cambridge

Agenda Item No. 1(G)

IN CITY COUNCIL

September 23, 1985

ORDERED:

That the City Council imposes a hotel/motel room excise tax of four percent (4%), in accordance with their acceptance of Chapter 64G, Section 3A of the General Laws of the Commonwealth of Massachusetts.

In City Council September 23, 1985.
Adopted by a yea and nay vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
DEPUTY CITY MANAGER

September 23, 1985

To the Honorable, the City Council:

Attached are the eleven (11) separate votes required of the City Council in accordance with my communication of September 16, 1985, as follows:

1. Appropriate $300,000 from General Revenue Sharing Funds to the School Department's Salary and Wage Account ($273,500) and Other Ordinary Maintenance account ($26,500).

2. Appropriate $400,000 from General Revenue Sharing Funds to the Public Investment Fund for improvements to the air ventilation system at Cambridge Rindge and Latin School.

3. Appropriate $700,000 from the Parking Fund to the Salary Adjustment account.

4. Appropriate $50,000 to the City Manager's Department for tourism development, public information and consideration of a portion of these funds to improve enforcement of the taxi ordinance.

5. Authorize the use of $4,500,000 in "free cash" to reduce the FY86 property tax levy.

6. Accept Chapter 64G, Section 3A of the Massachusetts General Laws as amended (Hotel and Motel Tax).

7. Establish a City of Cambridge Hotel/Motel Excise Tax of four percent (4%).

8. Classify property within the City of Cambridge into the five property classes allowed for the purpose of allocating the property tax levy.

9. Establish an equalized property tax rate of $20.55.

10. Establish a minimum residential factor of 65.139%.

11. Establish a ten percent residential exemption for owner-occupied homes, which along with the residential factor of 65.139% will produce a residential tax rate of $14.29, and a commercial, industrial, and personal property tax rate of $30.83.

Very truly yours,

Robert W. Healy

Robert W. Healy
City Manager

RWH/mbf

Agenda Item No. 1 F-321

Re: eleven votes on the finalization of the FY86 budget & establishment of the FY86 property tax rate, acceptance of the hotel & motel tax, establishment of same at 4%, establishment of the five allowed property classifications, establishment of the residential factor & a ten percent residential exemption for owner-occupied homes.

In City Council,

September 23, 1985

9/23/85

Eleven

Orders

Roll Call

Adopted