



City of Cambridge

Consent Agenda #7

IN CITY COUNCIL

November 17, 1998

COUNCILLOR DAVIS

ORDERED: That the City Manager be and hereby is requested to report on land owned by ComEnergy bounded by Memorial Drive, Putnam Avenue, River Street and Pleasant Street; and be it further

ORDERED: That a report to whether that land may be available for purchase for municipal use be forwarded to the City Council.

In City Council November 16, 1998.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in black ink, appearing to read "D. Margaret Drury".

ATTEST:-

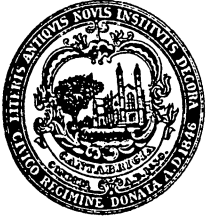
D. Margaret Drury
City Clerk

HD

Agenda #7

Ordered: CM be & he is requested
to report on land owned by
Common Energy bounded by
Main Dr. Return the
River 16 + Pleasant, w/ report
to whether that land may
be available for purchase
for municipal uses.

w/9



CAMBRIDGE CONSUMERS' COUNCIL

831 Massachusetts Ave. Cambridge, MA 02139

Tel. (617) 349-6150

349-6153

City Of Cambridge

Paul J. Schlaver
Executive Director

serving the
residents of:

Cambridge
Boston

RECEIVED
98 NOV 12 PM 12:54
OFFICE OF THE CITY MANAGER

TO: Robert W. Healy, City Manager
FROM: Paul Schlaver
THROUGH: Benjamin Barnes
DATE: November 12, 1998

RE: Calendar Item #011, dated 9/28/98 RE: REPORT ON THE TOWN OF
SHREWSBURY BEING ABLE TO
ADD SIGNIFICANT REVENUES
TO ITS TREASURY WITHOUT
RAISING TAXES.

Various Massachusetts communities such as Shrewsbury and Braintree have been adding a variety of new services to their residents in recent months. Braintree is about to become an Internet service provider, the first in Massachusetts, but the town officials recently decided against venturing into the cable television service business. The Town of Shrewsbury has been in the cable television service business since 1983 and is now offering long distance telephone services, Internet access and potentially local telephone services similar to Bell Atlantic.

While such ventures are certainly interesting ideas from the revenue potential perspective and opportunity of the local control of the quality and cost of the services offered, such an undertaking for the City of Cambridge at this time is not recommended for a variety of reasons.

The most significant factor is the very major starting point difference for Cambridge compared to the other municipalities. Both Shrewsbury and Braintree (and presumably any other municipality similarly positioned to add such services) have municipal owned and operated electric light companies and have been managing and providing electricity for all its residents and local businesses for decades. Also, in the case of Shrewsbury, it decided to construct and maintain the cable television service infrastructure over fifteen years ago. Consequently the bureaucracy and management experience needed to maintain and provide such communication services have long been in place along with the necessary physical infrastructure.

Cambridge did not choose to construct and manage a cable system in the early 1980's. I do not know if it ever considered embarking on the ownership and management of a municipal-run electric light company. It appears, though, that ownership and management of the electricity system in the city would have had to preferably precede the decision of taking on the task of developing and running a cable television system fifteen years ago. I do not intend to offer any opinion as to the wisdom of such historical decisions. It appears to me though, that without a longstanding experienced bureaucratic system of management of and billing for such services as electricity and cable television, the new challenges of entering the highly competitive marketplace of long distance telephone services and Internet services would appear to be unwise and problematic.

Even if the City of Cambridge suddenly owned the Cambridge Electric Company and the infrastructure currently owned and maintained by MediaOne, it would have to acquire an ability and flexibility to skillfully and rapidly make contractual and marketing decisions in a very competitive marketplace. While I certainly share the potential excitement and interest of City Council in such a venture and see the value from a consumer protection and quality of services viewpoint, I cannot recommend tackling the challenge.

The City of Cambridge can target its energies and authority, though, toward the addition of competition in the cable television arena and toward the negotiation of solid franchise agreements with the cable providers. Success in this arena could bring costs and service benefits to its citizens/customers and especially its more vulnerable elderly and low-income populations.



CITY OF CAMBRIDGE
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

November 16, 1998

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 16, regarding a report on the Town of Shrewsbury being able to add significant revenues to its treasury without raising taxes, received from Executive Director of the Consumers' Council Paul Schlaver.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachment

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7385

Relative to AW #16, regarding
a report on the Town of Shrewsbury
being able to add significant revenues
to its treasury without raising
taxes.

In City Council November 16, 1998

PLACED ON FILE

ORDER ADOPTED