

REVENUE

REVENUE CATEGORIES

City revenues are divided into six basic categories recommended by the Massachusetts Uniform Municipal Accounting System: charges for services, fines and forfeits, intergovernmental revenue, licenses and permits, miscellaneous revenue, and taxes. The revenues described in this section are received in the General, Parking, Water, and Grant Funds.

REVENUE ASSUMPTIONS

The City's practice is to budget revenues conservatively. Revenue requests for FY20 are based on FY18 actual and FY19 projected collections, historical trends, and anticipated changes that impact particular revenues. The City met or exceeded most of its FY18 budgeted revenues and expects to do the same in FY19.

The Finance Department annually reviews license and permit fees, charges for services, and fines and forfeits charged by City departments. Increases proposed in FY20, for the most part, have not been reflected in the budget, in keeping with the practice to obtain actual revenue history prior to budgeting an increase in revenue. In addition, the continued growth of the economy, planned use of reserves, and ongoing analysis of revenue collections have also contributed to the increased use of non-property tax revenues.

MAXIMIZING NON-TAX REVENUE

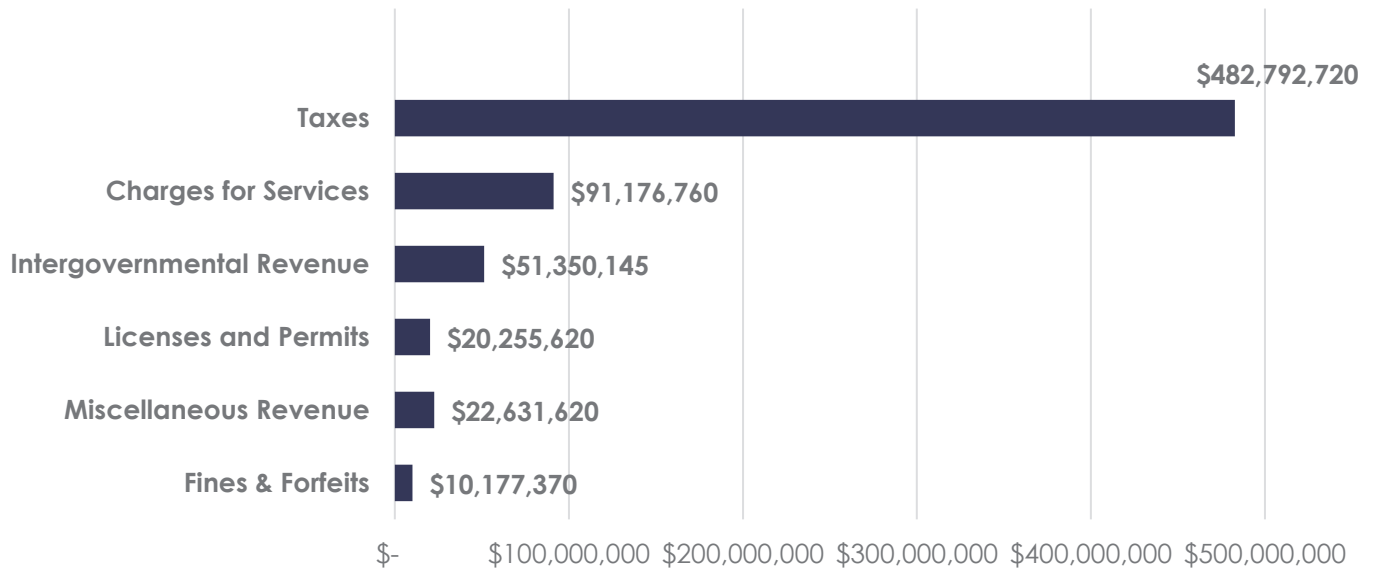
The City will continue its policy of maximizing alternative revenue sources to lower residents' tax burden for City services through enforcing license and permit policies, charging users for specific services where feasible, and collecting outstanding parking fines. The total property tax levy is projected to increase by 8.70% in FY20, or by \$35,657,860 from the FY19 property tax levy.

FIVE YEAR BUDGETED REVENUE ANALYSIS

REVENUE CATEGORY	FY16	FY17	FY18	FY19	FY20
CHARGES FOR SERVICES	\$78,376,305	\$81,536,765	\$85,472,800	\$88,816,015	\$91,176,760
FINES & FORFEITS	\$9,711,630	\$10,829,035	\$10,718,535	\$10,626,735	\$10,177,370
INTERGOVERNMENTAL REVENUE	\$42,032,420	\$43,700,755	\$47,260,505	\$48,869,010	\$51,350,145
LICENSES AND PERMITS	\$13,013,650	\$15,645,400	\$16,744,690	\$20,253,100	\$20,255,620
MISCELLANEOUS REVENUE	\$12,256,670	\$13,288,980	\$14,370,410	\$18,755,525	\$22,631,620
TAXES	\$390,480,200	\$409,561,190	\$430,464,395	\$449,130,725	\$482,792,720
TOTAL	\$545,870,875	\$574,562,125	\$605,031,335	\$636,451,110	\$678,384,235

REVENUE

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235

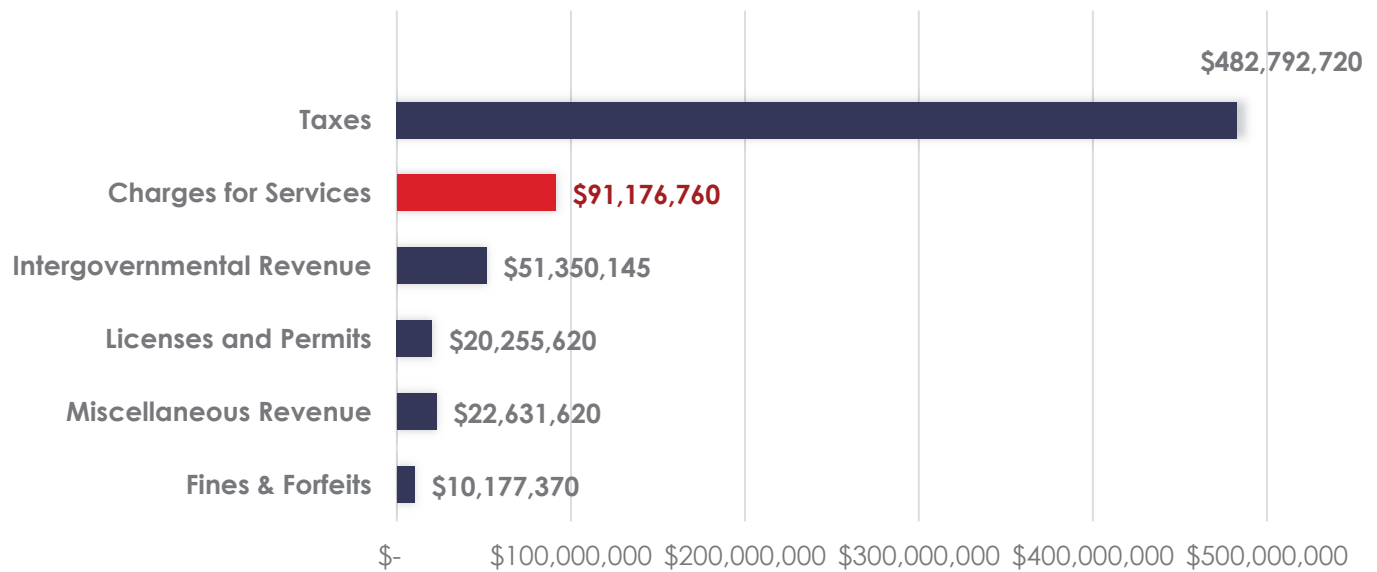


OPERATING BUDGET

FINANCING PLAN BY SOURCE	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
CHARGES FOR SERVICES	\$91,324,210	\$90,356,180	\$91,176,760
FINES & FORFEITS	\$10,475,960	\$10,168,295	\$10,177,370
INTERGOVERNMENTAL REVENUE	\$50,862,145	\$50,883,800	\$51,350,145
LICENSES AND PERMITS	\$42,827,595	\$33,497,715	\$20,255,620
MISCELLANEOUS REVENUE	\$17,548,245	\$20,425,035	\$22,631,620
TAXES	\$428,481,835	\$448,590,220	\$482,792,720
TOTAL REVENUE	\$641,519,990	\$653,921,245	\$678,384,235
PROGRAM EXPENDITURES			
GENERAL GOVERNMENT	\$52,201,080	\$59,298,755	\$69,797,295
PUBLIC SAFETY	\$133,563,585	\$139,389,395	\$146,900,900
COMMUNITY MAINTENANCE AND DEVELOPMENT	\$128,879,075	\$137,846,320	\$147,597,345
HUMAN RESOURCES AND DEVELOPMENT	\$42,388,965	\$47,088,855	\$50,841,505
EDUCATION	\$182,074,480	\$191,069,505	\$201,770,255
INTERGOVERNMENTAL	\$56,316,190	\$60,259,315	\$61,476,935
TOTAL EXPENDITURES	\$595,423,375	\$634,952,145	\$678,384,235

CHARGES FOR SERVICES

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235

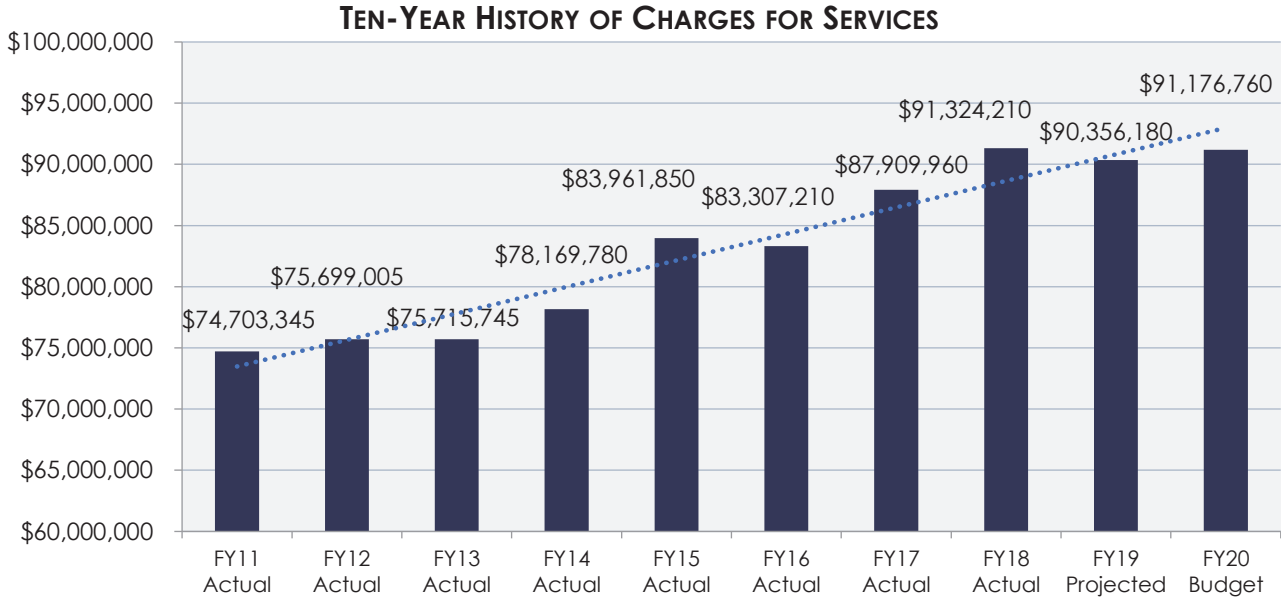


CHARGES FOR SERVICES SUMMARY

CHARGES FOR SERVICES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET	% OF FY20 CHARGES FOR SERVICES
FEES	\$8,703,305	\$8,030,955	\$7,308,395	8.0%
OTHER CHARGES FOR SERVICES	\$2,467,280	\$2,370,315	\$2,254,560	2.5%
PARKING	\$11,985,395	\$12,122,265	\$11,947,525	13.1%
SEWER SERVICE CHARGE,	\$50,566,540	\$53,122,650	\$56,111,120	61.5%
WATER UTILITY REVENUE	\$17,601,690	\$14,709,995	\$13,555,160	14.9%
TOTAL	\$91,324,210	\$90,356,180	\$91,176,760	100.0%

CHARGES FOR SERVICES

Charges for services are an important revenue source to maintain the level of services provided to the community. With a limit on tax revenues, the City must impose charges for the delivery of some services. Fees are flexible and adjustable in accordance with inflation and demand levels. User fees are often a more equitable funding mechanism than taxes because those who benefit from the service directly pay for that service. The user fees also allow the City to recover the cost of providing services, such as water and sewer, to tax exempt institutions. Service Charges and User Fees will account for 13.4% of total General Fund revenues.



CHARGES FOR SERVICES

FEES

FY20: \$7,308,395

FEES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
ADMINISTRATIVE	<u>\$350,620</u>	<u>\$327,925</u>	<u>\$326,800</u>
Certified Copies	\$218,395	\$210,000	\$210,000
Document Sales	\$910	\$1,350	\$750
Domestic Partners	\$4,780	\$4,525	\$4,500
Misc. Clerk's Fees	\$43,250	\$37,000	\$37,000
Municipal Liens	\$72,725	\$70,000	\$70,000
Photocopy/Reproduction	\$10,560	\$5,050	\$4,550
ELECTRICAL	<u>\$1,203,365</u>	<u>\$990,000</u>	<u>\$870,000</u>
Cut-Out/Plug-Out Fee	\$48,160	\$40,000	\$30,000
Fire Alarm Box Charge	\$160,590	\$150,000	\$140,000
Signal Maintenance Fee	\$994,615	\$800,000	\$700,000
HEARING/FILING	<u>\$252,765</u>	<u>\$110,435</u>	<u>\$104,500</u>
Board of Zoning Appeals	\$231,035	\$90,000	\$85,000
Conservation Commission	\$2,100	\$635	\$1,500
License Hearing Fees	\$19,630	\$19,800	\$18,000
HUMAN SERVICES	<u>\$5,257,925</u>	<u>\$5,044,095</u>	<u>\$4,502,615</u>
Athletic Leagues	\$6,100	\$5,000	\$5,000
Childcare Tuition	\$1,800,310	\$1,600,000	\$1,340,000
Community Schools	\$1,729,840	\$1,800,000	\$1,600,000
Field Permits	\$172,725	\$170,000	\$145,000
Golf Course	\$817,880	\$805,095	\$819,615
King Open Extended Day	\$184,110	\$185,000	\$150,000
Recreational Activities	\$396,305	\$362,000	\$330,000
Senior Activities	\$35,000	\$35,000	\$35,000
Special Needs	\$11,400	\$12,000	\$8,000
Youth Programs	\$104,255	\$70,000	\$70,000
PUBLIC SAFETY	<u>\$1,638,630</u>	<u>\$1,558,500</u>	<u>\$1,504,480</u>
Agency Fee	\$12,910	\$9,500	\$10,000
Boarding/Razing Fees	\$0	\$0	\$20,000
Fire Detail Surcharge	\$228,335	\$210,000	\$125,000
Inspectional Details	\$16,695	\$11,000	\$10,000
Police Detail Surcharge	\$386,855	\$375,000	\$350,000
Rescue Service Fees	\$843,125	\$822,000	\$840,480
Sealing Inspection	\$17,465	\$15,000	\$33,000
Smoke Detectors	\$60,025	\$51,000	\$51,000
Towing Surcharge	\$73,220	\$65,000	\$65,000
TOTAL REVENUE	\$8,703,305	\$8,030,955	\$7,308,395

*Does not include revenue (\$30,000 in golf course fees and \$48,000 in recreational activity fees) that will be used in the Capital Budget.

CHARGES FOR SERVICES

ADMINISTRATIVE FEES

- **Certified Copies of Documents.** The City Clerk's Office issues a wide variety of certified copies of official documents. The Clerk's Office charges \$10 for birth, death, marriage, and domestic partnership certificates.
- **Document Sales.** The Public Works Engineering Division is reimbursed for maps and other documents requested by the public (\$50). The Election Commission receives revenue from the sale of the annual street listing book (\$700).
- **Domestic Partners.** The City Clerk issues a certificate of Domestic Partnership. The fee is \$35 per certificate (filing fee).
- **Miscellaneous City Clerk Charges.** The City Clerk collects fees for the issuance of miscellaneous certificates such as physician and business registrations and constable swearing-in fees. Miscellaneous charges also include zoning and municipal ordinance fees and the filing fee for a zoning petition.
- **Municipal Lien Certificates.** The Finance Department issues a certificate indicating any tax or utility charges outstanding on a particular parcel of property to an individual requesting the information, within 10 days of the request. The cost ranges from \$25 to \$150 depending on the type of property.
- **Reproduction Services.** A number of departments charge for the reproduction of department records and reports. In accordance with the regulations of the State Supervisor of Public Records (950 CMR 32.07, authorized by the Massachusetts General Laws Chapter 66, section 1), the City limits the fee for photocopying standard 8 1/2" by 11" public records to \$.05 per page, with certain exceptions.

ELECTRICAL FEES

- **Cut-Out/Plug-Out Fee.** A fee of \$25 is assessed for the disconnection and reconnection of private systems to the City's system for repairs and maintenance to the private system. This fee is assessed for disconnects and reconnects that exceed two in one week.
- **Fire Alarm Box Charge.** An annual fee of \$400 is charged for every private master fire alarm box connected to the City's alarm system.
- **Signal Maintenance Fee.** A fee is assessed to disconnect or reconnect a privately-owned master box on private buildings, if the service was provided after hours. This fee reimburses the City for overtime costs.

HEARING/FILING FEES

- **Board of Zoning Appeal.** Fees are collected by the Inspectional Services Department for petitioning the Board of Zoning Appeal for variances, special permits, and appeals relating to the Zoning Ordinance.
- **Conservation Commission.** Under Massachusetts General Laws, Chapter 131, section 40, any individual who proposes to alter land adjacent to water bodies, bordering vegetated wetlands, or within 100 feet of same, or land subject to flooding, must apply to the local conservation commission for a permit. The state regulations define the filing fees associated with these applications on a sliding scale based on location and the nature of the proposed alteration. Fifty percent of the filing fee plus \$25 is payable to the City. The list of project categories and associated fees can be found at 310 CMR 10.03 (7) (c).

CHARGES FOR SERVICES

- **License Application and Hearing Fees.** There are certain petitions/applications that require a hearing before the Board of License Commissioners. For those, if the application must be advertised in the newspaper, the License Commission charges \$175 for the hearing and advertising fee. If a hearing is required but no advertisement is required, the License Commission charges a hearing fee of \$100. There are approximately 150 petitions/applications that require a hearing each year. For alcohol license, there is also a processing application fee of \$25. For Special Variance applications there is a non-refundable, non-transferrable \$75 application fee.

HUMAN SERVICE PROGRAM FEES

- **Athletic Leagues.** The Recreation Division sponsors youth and adult leagues, primarily in the summer. The cost varies per activity: \$400 per volleyball team and \$10 per basketball player.
- **Childcare Tuition.** The Childcare and Family Support Services Division administers childcare programs serving approximately 342 children throughout the city. Preschool programs are held full-time at King, Kennedy/Longfellow, Morse, Peabody, 119 Windsor St., King Open and Haggerty School. After-school programs are located at the Morse, King, Fletcher/Maynard Academy, and Peabody Schools. The fees projected are \$363 per month for afterschool care and \$827 per month for fulltime preschool enrollment. Revenue from tuition is used to fund teacher salaries and benefits, scholarships, classroom and teaching supplies, equipment purchases, food, substitute teachers, special events, and field trip transportation.
- **Community Schools Revenue.** This category includes revenues received from the various classes, camps, programs, and activities offered by the Community Schools throughout the city.
- **Field Permits.** A permit fee of \$120 is required per two-hour period of field use. Fees are waived to all schools, youth leagues, and City sponsored fund-raising events.
- **Golf Course.** The Thomas P. O'Neill, Jr. Golf Course at Fresh Pond is supported by membership dues and fees. \$69,850 of total revenues is allocated to Debt Service for Golf Course improvements.
- **King Open Extended Day Program.** The Department of Human Service Programs jointly administers an Extended Day Program with the King Open School. Revenue from tuition is used to fund the program.
- **Recreational Activities.** The War Memorial Recreation Center provides year-round evening adult classes and weekend children's activities. The revenue from this wide range of classes is used to pay instructors and cover minimum equipment costs. In addition, DHSP receives revenue for the use of the War Memorial swimming pool in the evenings and weekends. The War Memorial swimming pool will be open for public use during the day in the summer and will charge a flat rate of \$1.00 per admission.
- **Senior Activities/Council on Aging.** Funds are generated from art classes, the Walking Club and various other senior fitness and recreational leisure activities. This also includes funds received from Somerville Cambridge Elder Services to support the breakfast and lunch program for seniors, which is operated by the Council on Aging six days a week.
- **Special Needs.** Revenues from various special needs recreational programs such as Camp Rainbow and other school-year activities, are generated through participant registration fees.
- **Youth Programs.** These funds are generated from tuition for the pre-teen year round program, summer and vacation camps, and from teen membership fees, and are used to offset program expenses.

CHARGES FOR SERVICES

PUBLIC SAFETY FEES

- **Agency Fee.** This fee is paid by other agencies and private businesses for having Cambridge police officers assist in arrests made by their security personnel.
- **Boarding/Razing Fee.** Inspectional Services charges property owners for the boarding up and/or razing of a building.
- **Fire Detail Surcharge.** The City receives a 10% surcharge for the private use of off-duty firefighters.
- **Inspectional Details.** The Inspectional Services Department charges businesses requiring an inspection that is not an emergency and does not occur during normal working hours.
- **Police Detail Surcharge.** The City receives a 10% surcharge for the private use of off duty police officers.
- **Rescue Service Fees.** The Emergency Medical Services paramedic plan improves Advanced Life Support services in the City by utilizing firefighters/paramedics from the Fire Department and Professional Ambulance to dramatically improve response capabilities throughout the City. This allows the City to increase its third-party revenues for transport fees and advanced life support services included in the Fire Department Budget.
- **Sealing Inspection.** In accordance with Massachusetts General Laws, Chapter 98, the Sealer of Weights and Measures tests for accuracy and seals commercially used measurement devices.
- **Smoke Detectors.** A \$50 fee is charged for a smoke/carbon monoxide detector compliance inspection, as mandated by MGL, Chapter 148. This revenue is used to fund the Fire Budget.
- **Towing Surcharge.** The City receives \$7 of each towing charge paid in the City. The revenue is used to fund the Police Budget.

OTHER CHARGES FOR SERVICES

FY20: \$2,254,560

OTHER CHARGES FOR SERVICES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Animal Boarding	\$0	\$65	\$0
Cable Franchise License Fees	\$1,564,700	\$1,465,740	\$1,371,945
Cemetery Fees	\$273,885	\$275,000	\$275,000
Rent of City Property	\$594,870	\$599,510	\$587,615
White Goods	\$33,825	\$30,000	\$20,000
TOTAL	\$2,467,280	\$2,370,315	\$2,254,560

ANIMAL BOARDING

The Animal Commission is reimbursed by dog owners for kennel costs and administrative costs when a dog has been picked up by the City Animal Control Officer.

CABLE FRANCHISE LICENSE FEES

Revenues are received from Comcast. As Comcast cable television revenues increase, the municipal access fees received by the City will increase proportionately and will be used to support municipal programming. If municipal access fees decrease, the Cable Department will be more dependent on property taxes.

CHARGES FOR SERVICES

CEMETERY FEES

The Public Works Department maintains the Cambridge Cemetery. Fees help support the cost of operating the cemetery. The fee for a single grave opening is \$1,200 and the recording fee for a deed is \$20.

RENT OF CITY PROPERTY

The City will receive rent proceeds (\$550,100) from the Cambridge Housing Authority for tenancy at 5 Western Avenue as an offset to the Debt Service costs for the renovation of the Alice K. Wolf Center. In addition, the City will receive \$25,155 in rent from the newsstand in Harvard Square and the New School of Music. These funds are used to support the Public Works Budget.

WHITE GOODS

Large appliances containing refrigerants, metal, and other materials that are banned from the municipal waste stream must be scheduled for special pick-up by the Public Works Department. The Department offers online applications for these permits through the City's website in addition to in-person sales. More than half of the applications are completed online.

PARKING

FY20: \$11,947,525*

PARKING CHARGES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Boot Removal Fees	\$23,045	\$33,500	\$33,500
Business Parking Permits	\$68,250	\$69,000	\$69,000
Meter Collection	\$5,074,615	\$5,104,765	\$4,930,025
Parking Garages	\$4,471,125	\$4,565,000	\$4,565,000
Parking Lots	\$1,060,640	\$1,050,000	\$1,050,000
Resident Stickers	\$829,510	\$850,000	\$850,000
Use of Meters	\$458,210	\$450,000	\$450,000
TOTAL	\$11,985,395	\$12,122,265	\$11,947,525

*Does not include \$969,975 in parking revenues that will be used in the Capital Budget.

PARKING FUND

This fund consists of revenue from meter permits, meter collections, resident parking stickers, parking lots and garages, parking fines (see Fines and Forfeits) and interest earnings (see Miscellaneous Revenue). These revenues are then distributed to help fund programs permitted under Chapter 44 of the Massachusetts General Laws. In addition to funding the Traffic, Parking, and Transportation (TPT) Budget, parking revenues will also support the following City departments: Finance (\$27,950), Law (\$100,000), Police (\$3,841,845), Public Works, (\$3,296,935), Community Development (\$671,045), School (\$100,000), Cherry Sheet Assessments (\$481,300), Executive (\$255,000), and Electrical (\$22,935).

BOOT REMOVAL FEE

This fee is assessed for the removal of boot devices used to immobilize cars belonging to parking ticket scofflaws with five or more outstanding tickets.

CHARGES FOR SERVICES

BUSINESS PARKING PERMITS

Business parking permits are issued by TPT on a limited basis to accommodate users who travel around the city for work-related purposes.

METER COLLECTIONS

The rate for on-street meters ranges from \$1 - \$1.50 per hour. Time limits vary by location.

PARKING GARAGES

Revenue is raised from the following: Green Street Municipal Parking Garage (\$2 per hour) and the East Cambridge Municipal Parking Garage (\$2 per hour). There are 1,328 parking spaces in these facilities.

PARKING LOTS

The City operates nine lots with pay stations that accept quarters and credit cards and one metered lot. The rates in these lots range from \$1 to \$3 per hour.

RESIDENT STICKERS

To prevent commuter parking in residential areas, resident parking stickers (\$25) are issued to Cambridge residents to allow them to park in permit-only areas and also provide residents with visitor passes for their guests.

USE OF METERS

Payment is received when a request is made to use meter spaces in conjunction with a street obstruction or closing permit such as when a company requests the use of the meter spaces for construction work. The fee is \$10 per meter per day. TPT operates a permit database that includes online applications to improve efficiency, customer service, and revenue collection.

SEWER SERVICE

FY20: \$56,111,120

SEWER SERVICES CHARGES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Sewer Connection Fee	\$671,555	\$350,000	\$125,000
Sewer Service Charge	\$49,894,985	\$52,772,650	\$55,986,120
TOTAL	\$50,566,540	\$53,122,650	\$56,111,120

*Does not include \$1,500,000 in sewer revenues that will be used in the Capital Budget.

SEWER CONNECTION FEE

The City charges a sewer connection fee for every new plumbing connection into the City's wastewater system. The fee is based on the number of plumbing fixtures, such as sinks or toilets, within the structure that are being connected to the sewer. The rate schedule is as follows: residential (\$45), commercial (\$70), and industrial (\$110). \$125,000 of Sewer Connection Fee revenue is allocated to Public Works.

SEWER SERVICE CHARGE

Each year, the City authorizes a Sewer Service Charge to shift sewer expenditures away from property taxes. Sewer Service charges are included in the General Fund. Implementation of this charge makes the

CHARGES FOR SERVICES

City eligible for sewer construction grants and low-interest loans from the U.S. Environmental Protection Agency and the MA Department of Environmental Protection. The sewer charge shifts some of the burden to the tax-exempt institutions in the city, which are among the largest water users. The FY20 sewer rate increase is 7.0% while the water rate increase is 0% which calculates to a combined rate increase of 5.2%. The Sewer Service Charge revenue is allocated to the following City departments: Finance (\$225,000), Public Works (\$3,931,655), Debt Service (\$25,148,815), Massachusetts Water Resource Authority (\$26,636,150), and Community Development (\$44,500).

WATER

FY20: \$13,555,160

WATER CHARGES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Misc. Water Charges	\$454,905	\$810,000	\$700,000
Water Usage	\$17,146,785	\$13,899,995	\$12,855,160
TOTAL	\$17,601,690	\$14,709,995	\$13,555,160

*Does not include \$4,500,000 in water usage revenue that will be used in the Capital Budget.

MISCELLANEOUS WATER CHARGES

The Water Department receives miscellaneous revenue from service renewals, hydrant rentals, cross connection inspections, meter replacements, water works construction permits, fines, meter transmitter unit installations, fire service fees, laboratory bacterial testing, and other services.

WATER USAGE

The municipally owned and operated public water utility system provides water to the residents of Cambridge. The City currently bills users on a quarterly basis for water and sewer use. A block rate schedule is used to encourage water conservation and to provide a more equitable billing system. The FY20 rates, effective for all water consumed as of April 1, 2019 represent a 0% increase in the water rate and a 7.0% increase in the sewer rate, with a 5.2% increase in the combined rate.

Block	Annual Consumption	Water Rate	Sewer Rate
1	0-40 CeF	\$3.02	\$11.77
2	41-400 CeF	\$3.24	\$12.44
3	401-2,000 CeF	\$3.44	\$13.36
4	2,011-10,000 CeF	\$3.65	\$14.39
5	Over 10,000 CeF	\$3.96	\$15.30

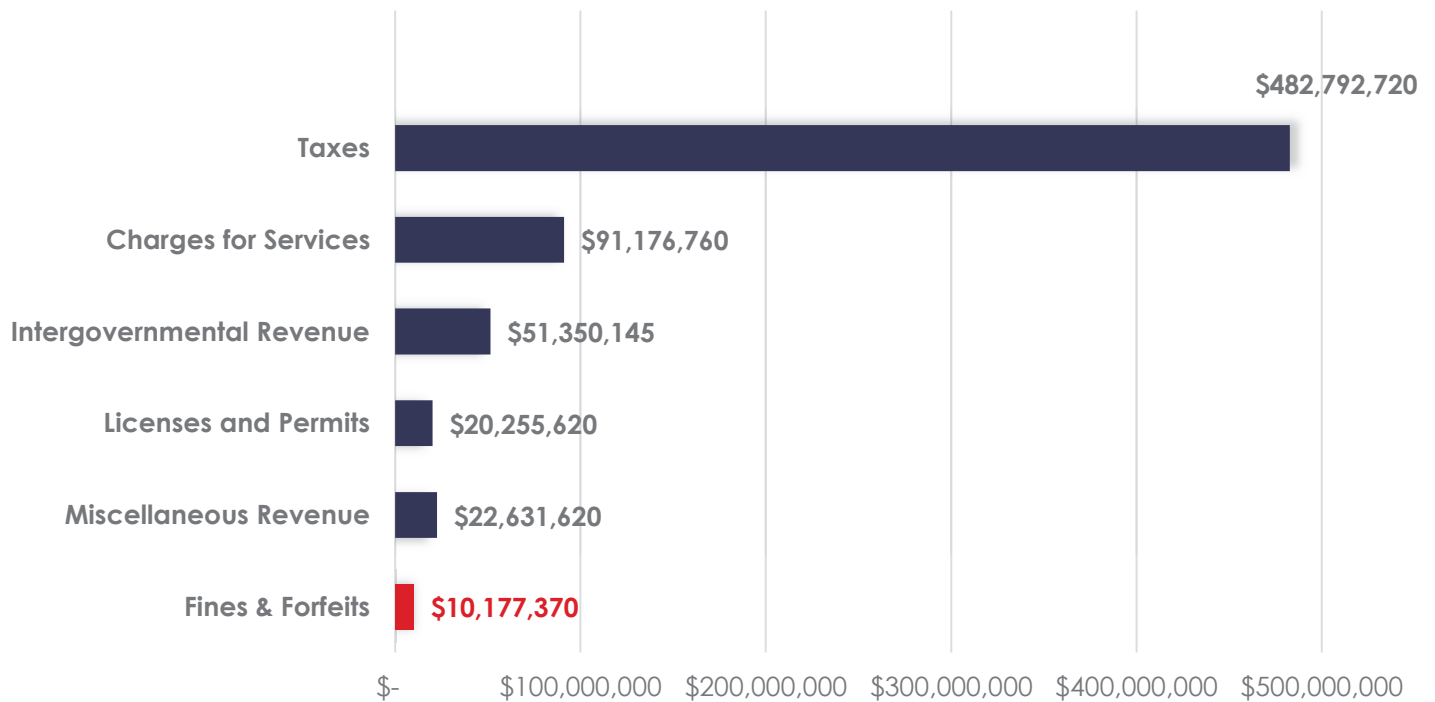
All consumption is measured in hundreds of cubic feet and the rates charged are per hundred cubic feet. One hundred cubic feet equals approximately 748 gallons of water.

CHARGES FOR SERVICES

In addition to funding the Water Department budget, Water Fund revenues will also support the following City departments: Finance (\$225,000), Public Works (\$456,865), Community Development (\$30,000), and Animal Commission (\$10,000).

FINES & FORFEITS

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235



FINES & FORFEITS SUMMARY

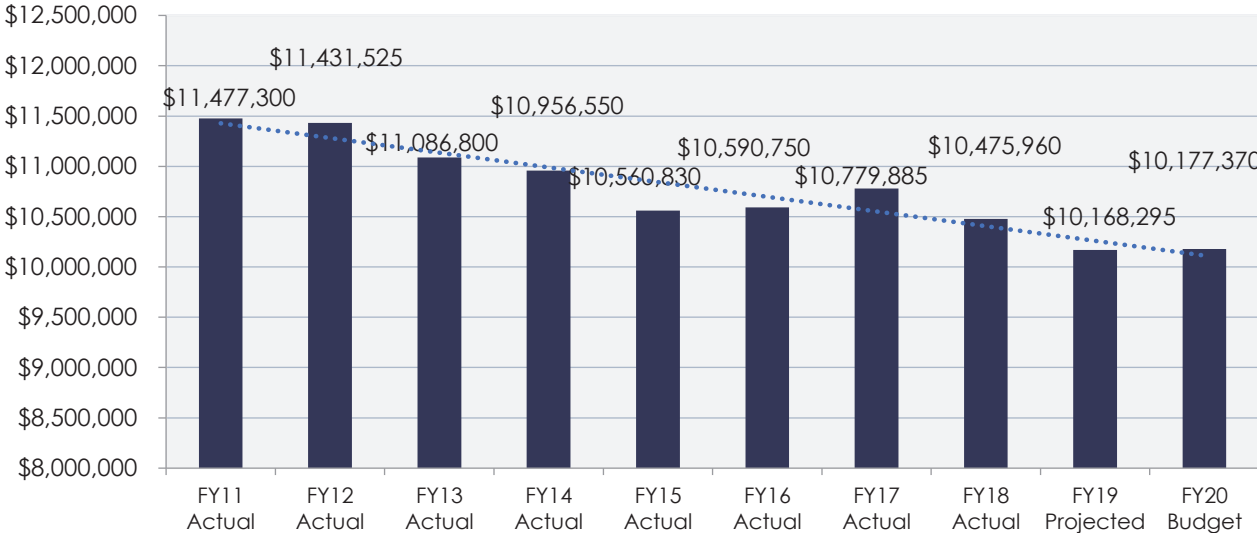
FY20: \$10,177,370

FINES & FORFEITS	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
ANIMALS	\$2,050	\$2,000	\$2,000
BICYCLE	\$2,250	\$4,000	\$5,000
FALSE ALARMS	\$79,875	\$64,000	\$64,000
HACKNEY	\$465	\$60	\$0
LIBRARY	\$75,335	\$70,000	\$65,000
MOVING VIOLATIONS	\$225,495	\$200,000	\$250,000
NOISE FINES	\$7,625	\$12,000	\$6,000
PARKING	\$10,080,240	\$9,812,235	\$9,784,370
WEIGHT & MEASURES CIVIL CITATIONS	\$2,625	\$4,000	\$1,000
TOTAL	\$10,475,960	\$10,168,295	\$10,177,370

FINES & FORFEITS

Fines & Forfeits are penalties levied for violations of the City's municipal code. Parking fines are the largest revenue source in this category. Fines & Forfeits will account for 1.5% of total General Fund revenues.

TEN-YEAR HISTORY OF FINES & FORFEITS



ANIMAL FINES

The Animal Commission issues fines for unleashed and unlicensed dogs, failure to dispose of dog waste properly, and failure to comply with regulations in off-leash areas. Dog owners are subject to a fine not exceeding \$50 for each offense for failure to comply to off-leash regulations. Failure to license or display a current dog license results in a \$50 fine. Failure to properly dispose of dog waste is punishable by a fine of not more than \$100 for each offense. Failure to leash your dog is a fine of \$25.

BICYCLE FINES

The Police Department issues violations of bicycle laws. These fines (\$20) are used for the development and implementation of bicycle programs.

FALSE ALARM FINES

The Fire Department charges for false alarms exceeding three in any six-month period. After the third fire response, the following fines are assessed: fourth response (\$50), fifth response (\$75), sixth response (\$100), seventh response (\$150), eighth and subsequent response (\$200).

The Police Department charges for false alarms exceeding two in a calendar year. On the third police response, the following fines are assessed: third response (\$20), fourth response (\$50), fifth and subsequent response (\$100).

FINES & FORFEITS

HACKNEY FINES

The License Commission issues fines to Cambridge licensed hackney operators/owners for violations of the Cambridge Municipal Code 5.20 or the Hackney Rules and Regulations. The License Commission also issues fines to non-Cambridge licensed hackney operators/owners and other individuals who violate Cambridge Municipal Code 5.20. Cambridge Municipal Code 5.20 does not apply to regulating TNCs.

When Hackney Officers fine TNC operators it is based on traffic law violations. The Board of License Commissioners continues to waive all renewal fees for Hackney Driver's Licenses and Hackney Vehicle Inspections.

LIBRARY FINES

Revenue is generated from payments for lost, late, or damaged items.

MOVING VIOLATIONS

Non-parking offenses result in fines for moving violations. Among the violations included in this category are speeding, passing in the wrong lane, and failing to stop at a traffic signal. These fines, collected by the Registry of Motor Vehicles, are distributed to the City on a monthly basis and used as revenue in the Police Department Budget.

NOISE FINES

Pursuant to Cambridge Municipal Code Noise Ordinance 8.16, the License Commission may issue fines to any person, business, or licensee which violates the provisions therein. The fines issued can be of up to \$300 per violation and per day.

PARKING FINES

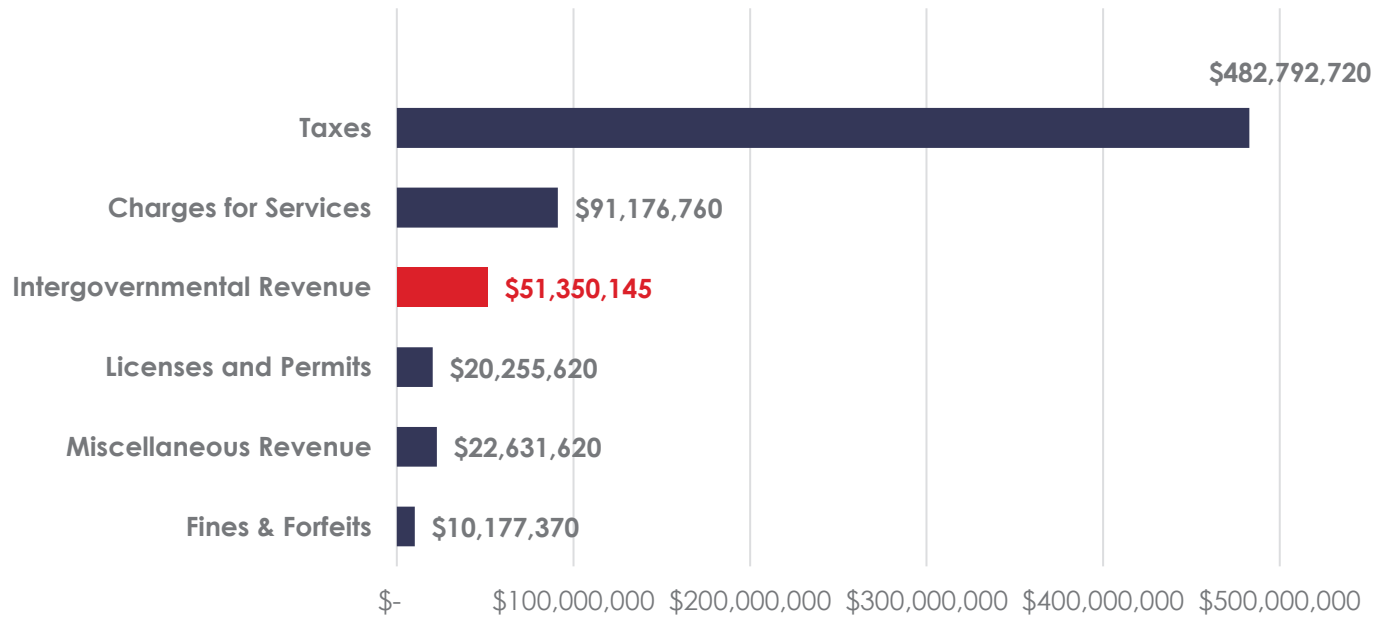
The timely collection of Parking Fines is supported by a computerized collection and processing database, the boot program, and the fact that violators are prohibited from renewing their driver's license, registration, or obtaining a resident parking permit until all outstanding tickets are paid in full.

WEIGHTS & MEASURES CIVIL CITATIONS

Citations are issued to businesses that do not comply with weights and measures regulations under Massachusetts General Laws.

INTERGOVERNMENTAL REVENUE

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235



INTERGOVERNMENTAL REVENUE SUMMARY

INTERGOVERNMENTAL REVENUE	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET	% OF FY20 INTERGOV. REVENUE
FEDERAL GRANTS	\$3,918,160	\$1,087,815	\$1,119,225	2.2%
OTHER INTERGOV. REVENUE	\$8,828,900	\$8,937,285	\$9,401,615	18.3%
STATE CHERRY SHEET REV.	\$37,976,815	\$40,650,285	\$40,650,285	79.2%
STATE GRANTS	\$138,270	\$208,415	\$179,020	0.3%
TOTAL	\$50,862,145	\$50,883,800	\$51,350,145	100.0%

INTERGOVERNMENTAL REVENUE

Intergovernmental Revenue includes Federal and State grants, other governmental revenues, and state aid revenue. Examples include the State's Cherry Sheet allocation and Federal funds received from the Community Development Block Grant. Intergovernmental revenue will account for 7.6% of total General Fund revenues.

GRANT FUND

The City will continue to accept, appropriate, and expend grants in a special revenue fund. Grants are accepted and appropriated year-round by the City Council at the time of notification by the grantor to the City. However, a small number of federal and state grants, imperative to the operating budgets of some departments, will be appropriated in the General Fund budget process.

FEDERAL GRANTS

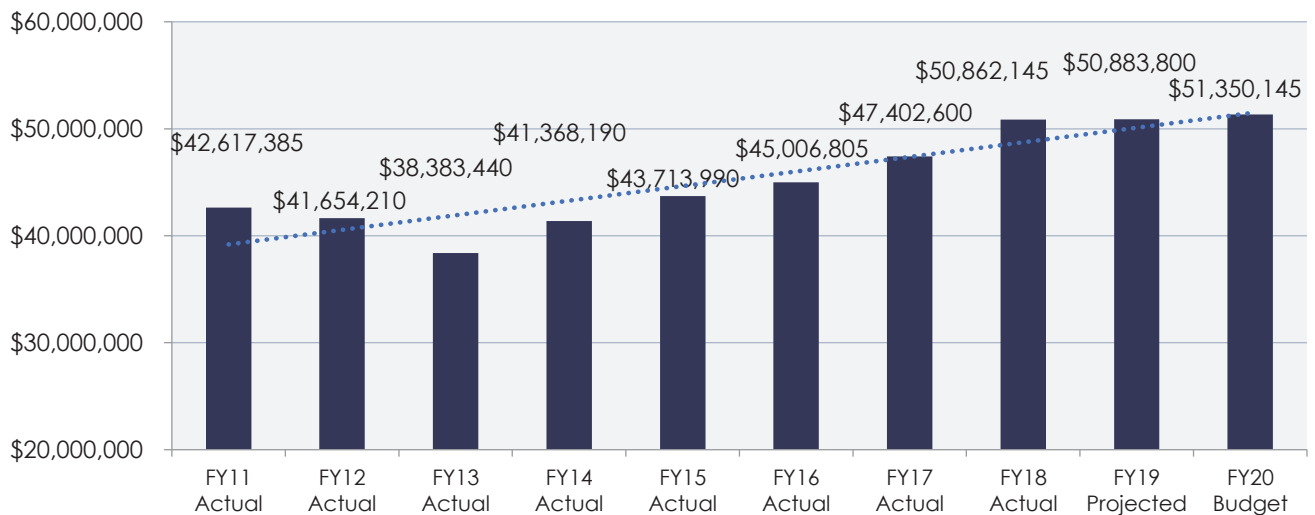
FY20: \$1,119,225

FEDERAL GRANTS	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Com. Dev. Block Grant	\$3,918,160	\$1,087,815	\$1,087,815*
HOME Grant			\$31,410
TOTAL	\$3,918,160	\$1,087,815	\$1,119,225

*Does not include \$1,583,565 in CDBG funds that will be used in the Capital Budget.

The following federal grants will be appropriated in the General Fund budget process. All other federal grants will be accepted and appropriated individually by the City Council upon receipt of the grant award notice to the City.

TEN-YEAR HISTORY OF INTERGOVERNMENTAL REVENUE



INTERGOVERNMENTAL REVENUE

COMMUNITY DEVELOPMENT BLOCK GRANT

The primary objectives of the federally funded Community Development Block Grant (CDBG) are the funding of programs that develop viable urban communities by providing affordable housing, enhancing the physical environment, preserving the diversified employment base, and improving the quality of public services. FY20 CDBG funds are allocated as follows: Community Development (\$687,105) and the Department of Human Service Programs (\$400,710).

HOME GRANT

The FY20 HOME Grant will partially fund HOME activity salaries (\$31,410).

OTHER GOVERNMENTAL REVENUE

FY20: \$9,401,615

OTHER GOVERNMENTAL REVENUE	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Cambridge Health Alliance	\$7,445,860	\$7,937,285	\$8,401,615
Medicaid Reimbursement	\$1,383,040	\$1,000,000	\$1,000,000
TOTAL	\$8,828,900	\$8,937,285	\$9,401,615

CAMBRIDGE HEALTH ALLIANCE

The Cambridge Health Alliance reimburses the City for its share of contributory retirement system costs (\$8,401,615) that are budgeted in the Employee Benefits Department.

MEDICAID REIMBURSEMENT

This revenue source reflects reimbursements of the cost of certain health services provided to Medicaid eligible students with disabilities.

STATE CHERRY SHEET REVENUE

FY20: \$40,650,285

FEES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
EDUCATION REIMBURSEMENT	<u>\$1,507,525</u>	<u>\$2,305,285</u>	<u>\$2,305,285</u>
Charter School Tuition Reimbursement	\$1,507,525	\$2,305,285	\$2,305,285
GEN. GOVT. REIMB/DISTRIB	<u>\$640,410</u>	<u>\$678,345</u>	<u>\$678,340</u>
Library Aid	\$132,555	\$134,845	\$134,845
Real Estate Abatements	\$87,225	\$165,130	\$165,125
Veterans' Benefits	\$420,630	\$378,370	\$378,370
SCHOOL/LOCAL AID (UGGA)	<u>\$35,828,880</u>	<u>\$37,666,655</u>	<u>\$37,666,660</u>
School Aid/Chapter 70	\$14,367,520	\$15,454,155	\$15,454,155
Unrestricted General Gvt. Aid/Local Aid	\$21,461,360	\$22,212,500	\$22,212,505
TOTAL REVENUE	\$37,976,815	\$40,650,285	\$40,650,285

INTERGOVERNMENTAL REVENUE

Every year the Commonwealth sends each municipality a "Cherry Sheet," named for the pink colored paper on which it was originally printed. The Cherry Sheet comes in two parts, one listing the state assessments to municipalities for MBTA, MAPC, air pollution control districts, and the other state programs; the other section lists the financial aid the City will receive from the state for funding local programs. Cherry Sheet revenue consists of direct school aid, local aid, and specific reimbursements and distributions such as aid to public libraries, veterans' benefits, and a number of school related items.

Cherry Sheet revenue is used in funding 22 City departmental Operating Budgets and for Cherry Sheet Assessments. The City estimates Chapter 70 School Aid and Unrestricted General Government Aid (UGGA) revenue of \$37,666,660 in FY20. These two local aid categories represent 5.6% of the total Operating Budget.

EDUCATION REIMBURSEMENT

- **Charter School Tuition Reimbursement.** This revenue is intended to partially reimburse local communities for the cost of Charter School tuitions, which are assessed to local communities through the Cherry Sheet. Under Chapter 46, the state is to reimburse increased costs over a six-year period at a declining rate of 100%, 25%, 25%, 25%, 25%, and 25% for students attending charter schools.

GENERAL GOVERNMENTAL REIMBURSEMENT DISTRIBUTION

- **Library Aid.** This sum includes a Library Incentive Grant of \$0.50 per capita and a Municipal Equalization Grant apportioned according to the lottery distribution formula including equalized property valuation. All Library Aid funding is contingent upon the municipal library being certified annually by the Massachusetts Board of Library Commissioners as meeting the minimum standards of library service as established for its population category.
- **Real Estate Exemptions.** The State Cherry sheet reimburses the City for loss of taxes due to real estate abatements to veterans, surviving spouses, and the legally blind. Under state law, municipalities are reimbursed in part or in full for abated taxes for veterans with disabilities or Purple Hearts depending on the extent of the veteran's disability. The base exemption amount is \$400 and can be increased to as much as the full amount of the veteran's real estate tax depending upon the extent of the veteran's disability. State law also provides an abatement of \$500 for a legally blind person which can be increased to a maximum of \$1,000, depending upon the tax increase over the prior year. In addition, persons over age 65 with yearly maximum earnings of \$26,364 for a single person or \$39,547 for a married couple, minus minimum social security receipts, domiciled in the property for five years and in the state for 10 years, with assets, if single, not in excess of \$52,725, or married, in excess of \$72,498, excluding the first three dwelling units of the domicile, receive a base exemption of \$1,000. This can be increased up to \$2,000, depending upon the amount of the applicant's tax increase.
- **Veterans' Benefits and Aid to Dependents of Veterans.** Under MGL Chapter 115, section 6, each municipality can submit an application to the state Department of Veterans' Benefits for reimbursement of amounts expended for veterans' benefits. The State Secretary of Veterans' Services assigns to the City an amount equal to 75% of the total expenditures for veterans' benefits.

INTERGOVERNMENTAL REVENUE

SCHOOL/LOCAL AID

- **School Aid.** Chapter 70 School Aid is based on a formula that takes into account enrollment, pupil characteristics, inflation, property values, and personal income data.
- **Unrestricted General Government Aid/Local Aid.** This revenue refers primarily to distributions from the Commonwealth to municipal general revenue for additional assistance and lottery aid.

STATE GRANTS

FY20: \$179,020

STATE GRANTS	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Additional Voting Hours	\$12,130	\$43,465	\$14,000
Consumers' Council Grant	\$54,000	\$54,000	\$54,000
Mass. Cultural Council	\$15,000	\$16,580	\$16,580
Reimb/Non-Contrib Pensions	\$12,835	\$50,000	\$50,000
State MCWT Subsidy	\$44,305	\$44,370	\$44,440
TOTAL	\$138,270	\$208,415	\$179,020

The following state grants will be appropriated in the General Fund. All other state grants will be appropriated in the Grant Fund during the course of the fiscal year.

ADDITIONAL VOTING HOURS

The state funds additional voting hours for Primary and General Elections.

CONSUMERS' COUNCIL

The Massachusetts Attorney General's Office annually awards a grant to the Cambridge Consumers' Council to offset the Council's operating costs. The Consumers' Council is budgeted as part of the License Commission.

MASSACHUSETTS CLEAN WATER TRUST SUBSIDY

The City currently receives subsidies from the state for sewer loans.

MASSACHUSETTS CULTURAL COUNCIL (MCC)

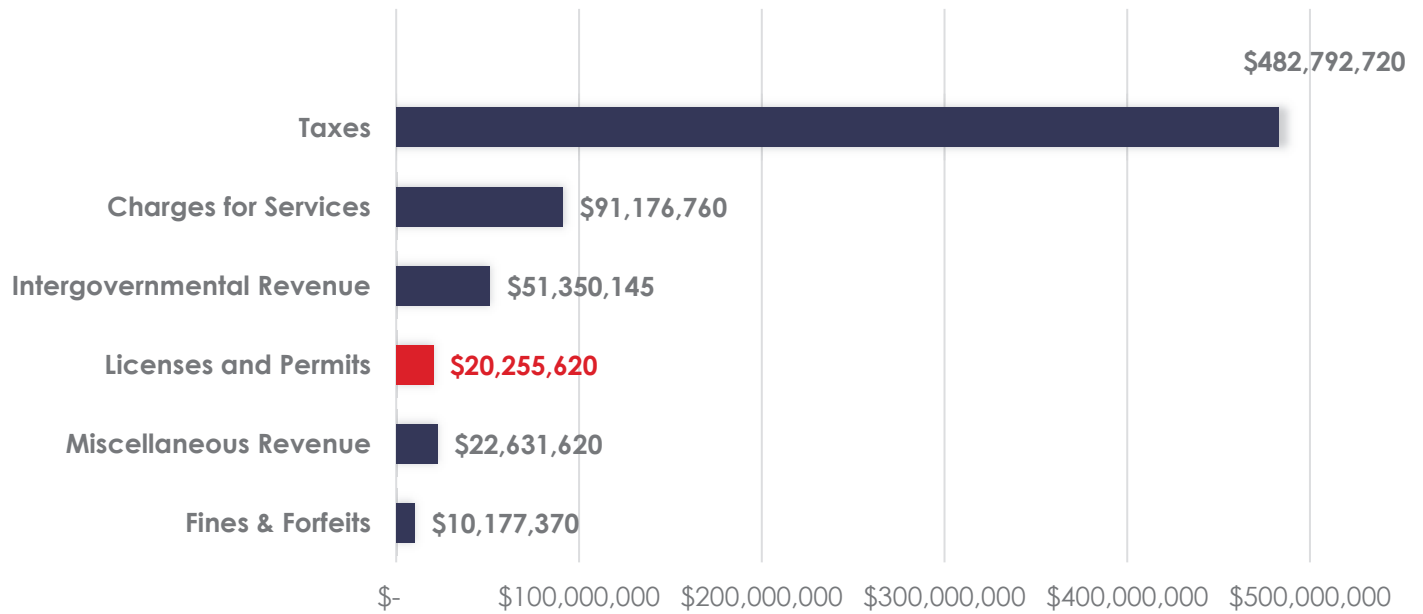
The Arts Council receives a MCC Cultural Investment Portfolio Grant (CIP) to provide operating support to offset administrative and programming costs.

REIMBURSEMENT FOR NON-CONTRIBUTORY PENSIONS

The state reimburses the Employee Benefits Budget for cost-of-living increases granted to non-contributory pensioners.

LICENSES & PERMITS

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235



LICENSES AND PERMITS SUMMARY

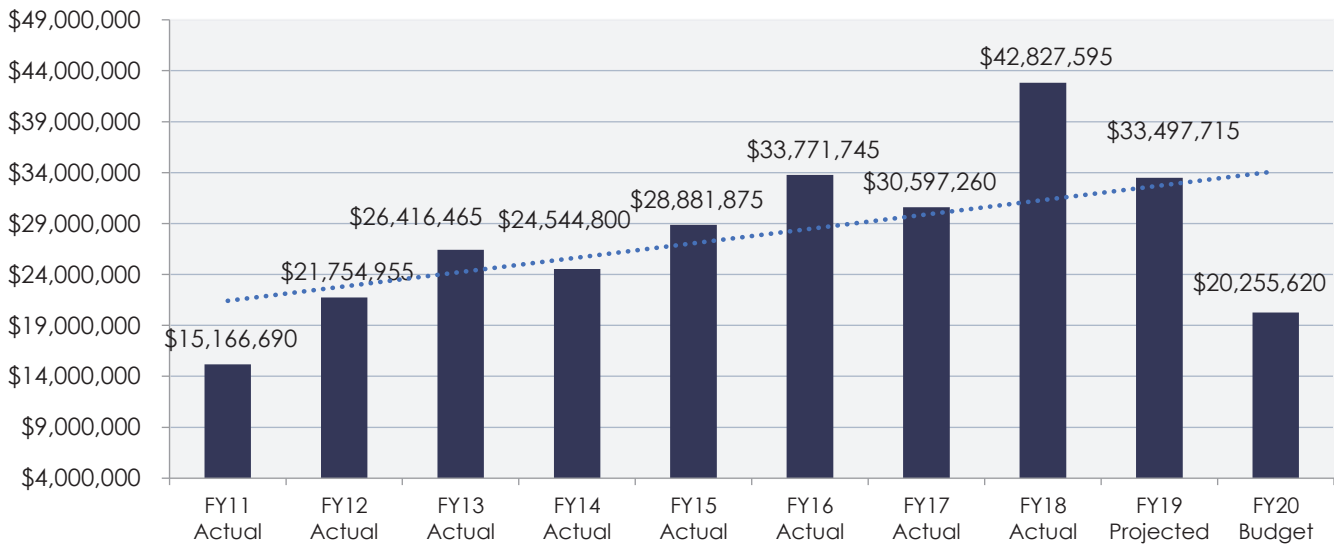
LICENSES AND PERMITS	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET	% OF FY20 L&P REVENUE
LICENSES	\$2,910,890	\$2,715,290	\$2,576,770	12.7%
PERMITS	\$39,916,705	\$30,782,425	\$17,678,850	87.3%
TOTAL	\$42,827,595	\$33,497,715	\$20,255,620	100.0%

LICENSES & PERMITS

License revenues arise from the City's regulation of certain activities, such as selling alcoholic beverages or driving a taxicab. A person or organization pays a licensing fee to engage in the activity for a specified period. The primary licensing agency in the City is the License Commission, which consists of the Police Commissioner, the Fire Chief, and the chairperson of the License Commission. All fees are set by one of three methods: state law, City ordinance, or License Commission regulation. A complete fee structure is available at the License Commission Office at 831 Massachusetts Avenue or through its webpage www.cambridgema.gov/license. License revenue will account for 0.4% of total General Fund revenues.

Permits are required when a person or business wants to perform a municipally regulated activity, such as building, electrical, or plumbing services). The bulk of permit revenue is brought in through building permits collected by the Inspectional Services Department. All construction and development in the city must be issued a building permit based on the cost of construction. A complete fee schedule is available at the Inspectional Services Department at 831 Massachusetts Avenue or through its webpage www.cambridgema.gov/inspection. Permit Revenue will account for 2.6% of total General Fund revenues.

TEN-YEAR HISTORY OF LICENSES & PERMITS



LICENSES & PERMITS

LICENSES

FY20: \$2,576,770

LICENSES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Alcoholic Beverages	\$1,021,515	\$1,000,000	\$1,000,000
Builders	\$4,620	\$4,000	\$2,670
Common Victualer	\$91,120	\$86,000	\$80,000
Disposal	\$2,275	\$1,600	\$1,600
Dog Licenses	\$44,880	\$45,000	\$45,000
Dumpster	\$92,400	\$80,000	\$75,000
Entertainment	\$194,160	\$190,000	\$180,000
Garage/Gasoline	\$434,250	\$360,000	\$360,000
Hackney	\$4,120	\$4,300	\$2,000
Health Related	\$300,615	\$229,100	\$156,000
Lodging House	\$296,160	\$301,000	\$290,000
Marriage	\$42,630	\$42,825	\$40,000
Milk	\$7,100	\$7,000	\$6,000
Miscellaneous	\$37,315	\$35,000	\$20,000
Motor Vehicle Related	\$66,865	\$65,000	\$65,000
Newspaper Boxes	\$4,500	\$2,675	\$2,500
Pole and Conduit	\$196,390	\$180,000	\$185,000
Property Use	\$40,725	\$38,750	\$30,000
Recreation Camps	\$1,600	\$1,500	\$1,000
Shops and Sales	\$2,500	\$2,500	\$2,000
Short Term Rentals	\$0	\$25,000	\$25,000
Street Performers	\$7,950	\$2,040	\$0
Tobacco	\$17,200	\$12,000	\$8,000
TOTAL	\$2,910,890	\$2,715,290	\$2,576,770

ALCOHOLIC BEVERAGES LICENSES

Pursuant to MGL chapter 138 and the Special Acts of 1922, the Board of License Commissioners can grant and regulate licenses for the sale of alcoholic beverages. The license fee depends on the type of liquor license being issued and the category of alcohol being sold.

BUILDER'S LICENSES

The Inspectional Services Department issues a builder's license to qualified individuals for specific construction categories. The initial two-year license fee is \$50, and a two-year renewal is \$50.

COMMON VICTUALER LICENSES

The common victualer license, issued by the License Commission, allows food and non-alcoholic beverages to be sold and consumed on the premises.

LICENSES & PERMITS

DISPOSAL LICENSES

Pursuant to City Ordinance 5.24, all private garbage, salvage, and trash companies operating in Cambridge require a license. The fee for each company is \$200. The Board of License Commissioners issues the disposal licenses.

DOG LICENSES

The Animal Commission issues dog licenses registering the name, address, and telephone number of the dog owner and a complete description of the dog and its rabies expiration date. The Animal Commission charges \$10 for spayed/neutered dogs and \$30 for unspayed/unneutered dogs.

DUMPSTER LICENSES

Pursuant to City Ordinance 8.25, an annual \$100 dumpster license is required for all dumpsters located in the City. The Inspectional Services Department issues the dumpster licenses.

ENTERTAINMENT LICENSES

Entertainment licenses are issued for live performances, movie theaters, automatic amusement machines, billiard tables, bowling alleys, and several other forms of entertainment. Theater licenses are based on annual attendance and number of screens or stages. The Inspectional Services Department issues the entertainment licenses.

GARAGE WITH/WITHOUT FLAMMABLE LICENSES

These licenses are issued, and the fees related thereto are set, by the Board of License Commissioners. The fees for these licenses depend on the type of license, flammables, and type of garage.

HACKNEY FEES & LICENSES

There are 257 medallions that have been issued and approved by the Board of License Commissioners. Due to the state of the taxi industry, it is estimated that at least 132 of those medallions are not in use. Twice a year the vehicles to which the medallions were issued are subject to inspection by the Hackney Police Officers. In addition, every year, individuals who have been licensed as hackney drivers must renew their license by submitting themselves to a Criminal Offender Record Information and Driving History checks. In consideration of the decline in the industry, the fees charged for the inspection of the vehicles and the renewal of the driver's licenses have been waived for FY17-20.

HEALTH RELATED LICENSES

The Inspectional Services Department issues a wide variety of licenses primarily related to the serving, processing, and disposal of food.

LODGING/INNHOLDER LICENSES

Pursuant to MGL chapter 140, the Board of License Commissioners licenses innholders which includes hotels, motels, resorts, boarding houses, lodging houses, fraternities/sororities, or inns which are kept, used, or advertised or held out to the public to be a place where sleeping or housekeeping accommodations are supplied for pay to guests for transient occupancy. The license fee is \$24 for the first four rooms and \$24 for each additional room if no alcohol is served at the premises. If alcohol is served, then the fee is \$5,900 if there are less than 100 Rooms, and \$6,500 if there are more than 100 Rooms.

LICENSES & PERMITS

MARRIAGE LICENSES

The City Clerk issues marriage licenses to couples intending to marry. The fee is \$35 per license.

MILK LICENSES

The Inspectional Services Department issues and renews licenses to serve and/or sell dairy products. The yearly fee is \$10.

MISCELLANEOUS LICENSES

The Board of License Commissioners issues several other types of licenses which it includes in this revenue category. These include, but are not limited to, fortune tellers, peddlers, and open-air festivals.

MOTOR VEHICLE RELATED LICENSES

The Board of License Commissioners issues licenses for used car dealers (\$200), automobile rental agencies (\$121), and limousine services.

NEWSPAPER BOX FEES

The City charges a newspaper box fee for all newspaper or publication boxes located on public ways. Each publisher is assessed a \$200 annual fee plus \$25 per box. Owners who violate the City Ordinance regulating the placement and maintenance of newspaper boxes are subject to removal and storage fees of up to \$200 per box. The Public Works Department issues the newspaper box fees.

POLE & CONDUIT PERMITS

The City charges a fee for each conduit site, pole and small cell installations which are authorized and for which a permit is granted by the Pole and Conduit Commission. The cost for all types of connections are \$200 per street. The fee is collected when the petition is filed, and it is non-refundable. An annual maintenance fee is charged to all entities that have conduits in the public way. Because the applications are processed by the License Commission Department and the Pole & Conduit Commission is chaired by the License Commission Department Head, the License Commission collects the fees.

PROPERTY USE LICENSES

Any establishment which has an outdoor patio on the public way and serves alcoholic beverages on the patio pays an additional \$750 annual fee for the use of the public way. Any establishment which has an outdoor patio on private area and serves alcoholic beverages on the patio, pays an additional \$250 annual fee. Establishments which have outdoor areas that serve alcohol on both public and private property pay both fees.

RECREATION CAMP FEES

The State has set minimum sanitation and safety standards for recreational camps for children. Camps schedule inspections prior to opening and are charged a \$50 fee. There are approximately 40 camps in the City. These inspections are conducted by the Inspectional Services Department.

LICENSES & PERMITS

SHOPS & SALES LICENSES

The Board of License Commissioners issues licenses to antique and second hand good stores, and auctioneers. The annual license fees are: antique and second hand goods \$100, and auctioneers \$100. One day auctioneer permits are also issued for a cost of \$31 per day.

SHORT-TERM REGISTRATION FEE

Inspectional Services Department issues a certificate of registration for qualified properties to be used as short-term rental pursuant to article 4 section 4.60 of the Cambridge Zoning Ordinance. An annual fee of \$100 or a \$500 payment for 5-year registration.

STREET PERFORMER LICENSES

Starting in FY19, all fees for Street Performer Licenses have been waived based on a change to the City Ordinance.

TOBACCO LICENSES

Inspectional Services issues a license for the selling of tobacco products by commercial establishments (\$200 per year).

PERMITS

FY20: \$17,678,850

PERMITS	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Air Rights/Public Ways	\$43,875	\$40,000	\$15,000
Building	\$34,143,740	\$26,000,000	\$14,175,000
Fire	\$184,770	\$150,000	\$120,000
Firearm	\$7,510	\$3,000	\$3,000
Gas	\$211,755	\$160,000	\$120,000
Mechanical	\$430,805	\$260,000	\$125,000
Occupancy Certifications	\$141,390	\$125,000	\$35,000
Place of Assembly	\$477,515	\$475,000	\$475,000
Plan Review	\$115,480	\$8,500	\$55,000
Plumbing	\$400,740	\$270,000	\$160,000
Sheet Metal	\$111,500	\$90,000	\$60,000
Sprinkler	\$158,305	\$100,000	\$85,000
Street Obstruction	\$1,046,070	\$1,025,000	\$1,025,000
Street Opening	\$1,502,090	\$1,300,000	\$650,000
Sunday	\$1,835	\$925	\$850
Wiring	\$939,325	\$775,000	\$575,000
TOTAL	\$39,916,705	\$30,782,425	\$17,678,850

*Does not include \$4,725,000 in building permits revenue that will be used in the Capital Budget.

LICENSES & PERMITS

AIR RIGHTS OVER PUBLIC WAYS

The Inspectional Services Department inspects private bridges built over public ways for pedestrian travel. Calculations of the permit fee is based on the cubic footage of the bridge.

BUILDING PERMITS

The Inspectional Services Department issues building permits to qualified individuals to do repairs, alterations, new construction, or demolition in the City. The cost of permits is based on the estimated cost of the project: \$20 per thousand, with a \$50 minimum. Building permits for the construction of three residential dwelling units or less is \$15 per thousand. The City conservatively estimates building permit revenue to guard against potential economic downturns.

FIRE PERMITS

The Fire Department issues fire alarm, fire suppression, sprinkler, fuel storage, and other types of permits as required by state law and local ordinance.

FIREARMS PERMITS

The Police Department issues licenses to carry a firearm to individuals meeting the requirements established by statute (\$100 for six years). The Department also issues firearms identification cards (\$100 for six years), which allow the holder to possess and carry non-large capacity rifles or shotguns. The Department collects the fee and distributes \$75 to the Department of Criminal Justice Information Services.

GAS PERMITS

The Inspectional Services Department issues permits to licensed individuals to perform gas fitting work. The permit fee is based on the cost of the installations.

MECHANICAL PERMITS

The Inspectional Services Department issues permits for the installation of mechanical equipment such as furnaces, boilers, rooftop units, air conditioners, and emergency generators. The fee is based on the type of work required.

OCCUPANCY CERTIFICATIONS

The Inspectional Services Department issues Certificates of Occupancy (CO's) after completion of construction or a change in use, to certify that the structure complies with the Building Code and Zoning Ordinance. CO's are also issued upon the owner's request for those older structures that predate the Building Code. The fee is \$100 for a one family residential building. An additional fee of \$50 for each unit over the first unit is charged.

PLACE OF ASSEMBLY FEES

The Inspectional Services Department inspects the capacity of churches, dormitories, hospitals, clinics, apartment houses, and schools and issues Certificates of Inspection (CI's). Inspections are made, as required under the provisions of the State Building Code, to ensure that buildings have emergency lighting, proper egress, and other safety requirements. The fee is based on building capacity.

LICENSES & PERMITS

PLAN REVIEW PERMIT

Special permit fees are generated by the Community Development Department. Project applicants requesting a special permit from the Planning Board are required to pay a \$0.10 per square foot fee to offset staff and other professional service costs associated with project review.

PLUMBING PERMITS

The Inspectional Services Department issues plumbing permits to licensed plumbers to install and repair piping for a specific job. The fee is based on the amount and type of work being done. For example, a plumbing permit for new plumbing is \$50 for up to five fixtures, plus \$5 for each additional fixture.

SHEET METAL FEES

The Inspectional Services Department charges an inspection fee for installation of sheet metal/ duck work. The fee is \$50 plus \$25 per each 100 linear feet.

SPRINKLER PERMITS

The Inspectional Services Department issues permits for the installation of sprinklers and standpipes. The permit of \$50 includes five heads. Each additional head is \$2.00.

STREET OBSTRUCTION PERMITS

The TP&T Department issues over 6,500 permits per year to close streets or to occupy the street for special events, moving vans, tool trucks, dumpsters, and other temporary uses.

STREET OPENING & SIDEWALK OBSTRUCTION PERMITS

The Public Works Department issues permits for the obstruction and excavation of public rights of way and for the obstruction of sidewalks. Permits require companies to be bonded, insured, and to have proper workplace safety licenses and traffic plans as appropriate.

SUNDAY PERMITS

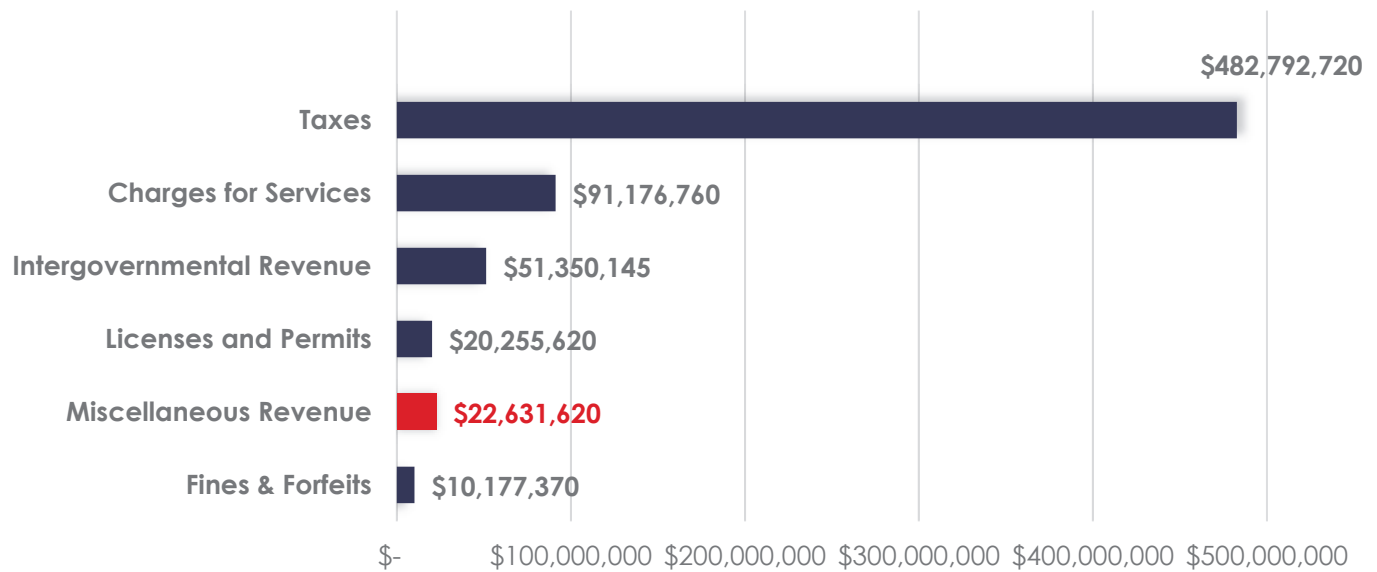
The Police Department issues Sunday permits (\$25 per Sunday) allowing a business to operate on Sunday due to unusual or extenuating circumstances.

WIRING PERMITS

The Inspectional Services Department issues wiring permits to licensed electricians to perform specific electrical wiring work. The cost of the permit is dependent on the number of fixtures and wiring included in the job. The minimum permit fee is \$25.

MISCELLANEOUS REVENUE

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235



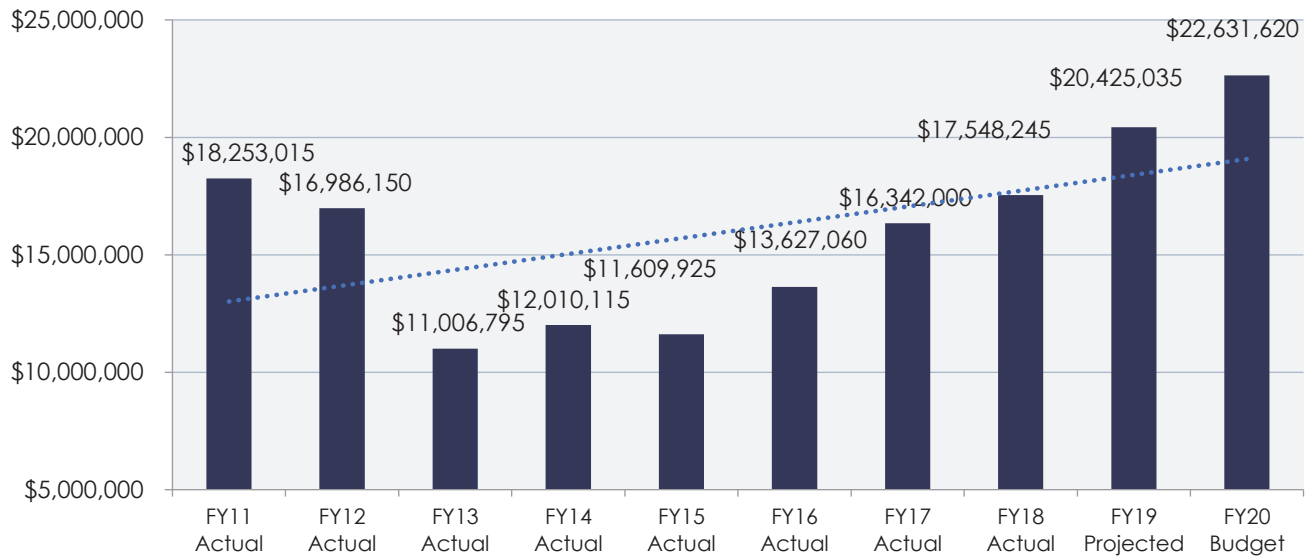
MISCELLANEOUS REVENUE SUMMARY

MISCELLANEOUS REVENUE	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET	% OF FY20 MISC. REVENUE
INTEREST EARNINGS	\$4,591,910	\$3,010,000	\$2,910,000	12.9%
OTHER MISC. RECEIPTS	\$12,842,555	\$17,305,035	\$19,641,620	86.8%
SALE OF CITY PROPERTY	\$113,780	\$110,000	\$80,000	0.3%
TOTAL	\$17,548,245	\$20,425,035	\$22,631,620	100.0%

MISCELLANEOUS REVENUE

The General Fund includes a variety of revenues that cannot be categorized in the other five accounting designations. Interest earnings on investments and transfers from non-operating budget funds comprise the bulk of revenues in this category. Miscellaneous Revenues will account for 3.3% of total General Fund revenues.

TEN-YEAR HISTORY OF MISCELLANEOUS REVENUE



INTEREST EARNINGS

FY20: \$2,910,000

The City regularly invests temporarily idle cash in the Massachusetts Municipal Trust Depository Cash Fund and through our semiannual Certified Deposit (CD) bids. The City emails bid request to all local banks semiannually to request CD rates for 6-9 month CDs in denominations as low as \$250,000 and as high as \$10,000,000. Over the years, the City has successfully invested idle cash into many local banks.

General Fund interest earnings of \$2,670,000 have been included in the Operating Budget. In addition to this amount, \$200,000 in interest earnings is included in the Parking Fund and \$40,000 from interest on perpetual care accounts have been budgeted in the Public Works Budget.

Interest income is used to offset expenditures in: Community Development (\$60,000), Public Works (\$40,000), and Traffic, Parking, and Transportation (\$140,000).

MISCELLANEOUS REVENUE

OTHER MISCELLANEOUS REVENUE

FY20: \$19,641,620

OTHER MISCELLANEOUS REVENUE	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET
Bus Shelter Advertising	\$53,125	\$53,125	\$53,125
Claims Trust Transfer	\$9,020,000	\$11,500,000	\$11,500,000
Debt Stabilization Transfer	\$2,000,000	\$3,500,000	\$6,000,000
Electric Vehicle Charging Station Revenue	\$0	\$6,300	\$14,520
Misc. Reimbursement	\$41,425	\$192,330	\$145,875
Miscellaneous School Receipts	\$402,055	\$200,000	\$200,000
Overtime Reimbursement	\$139,640	\$110,000	\$85,000
Recycling	\$13,675	\$10,000	\$10,000
Royalties	\$1,640	\$1,200	\$1,200
School Stabilization Fund	\$495,070	\$0	\$0
Teacher Retirement Transfer	\$600,000	\$600,000	\$600,000
Traffic Knockdown	\$45,925	\$30,000	\$30,000
Traffic Mitigation Funds	\$30,000	\$30,000	\$30,000
Utility Net Metering Credits	\$0	\$1,072,080	\$971,900
TOTAL	\$12,842,555	\$17,305,035	\$19,641,620

BUS SHELTER ADVERTISING

This revenue reflects the income received by the City for advertising located in bus shelters. The revenue is collected by the Community Development Department.

ELECTRIC VEHICLE CHARGING STATION

In FY19 the City installed seven additional charging stations with support from Eversource's "Make Ready" program. Electric vehicle (EV) owners pay fees to charge their vehicles based on the amount of electricity used.

CLAIMS TRUST TRANSFER

In an effort to lessen the impact of Employee Benefit increases on the property tax levy, employee contributions from the Health Claims Trust Fund will be used as revenue to offset health insurance, dental, and life insurance costs. The use of these funds is in accordance with the objective of the fund to be used as a contingency against higher than anticipated health insurance costs.

DEBT STABILIZATION TRANSFER

This fund was established as a reserve to offset a portion of the debt service on large tax-supported projects. In FY20, \$6,000,000 will be used to cover debt service costs.

MISCELLANEOUS REVENUE

MISCELLANEOUS REIMBURSEMENT

The Public Works Department receives reimbursements (\$25,675) for utility costs associated with two community service programs located in City buildings, as well as reimbursement for fuel obtained at DPW headquarters. This revenue is used to fund expenditures for energy included in the DPW Budget. The Fire Department receives reimbursements (\$12,000) for the limited use of a rental facility by a third party. Also, The Inspectional Services Department receives reimbursements for laboratory animal inspections (\$108,200).

MISCELLANEOUS SCHOOL RECEIPTS

The School Department receives revenues related to vocational education and international tuition.

OVERTIME REIMBURSEMENT

The Police (\$60,000) and Public Works (\$25,000) Departments receive reimbursements from various outside organizations for overtime and services provided by City personnel.

RECYCLING

The City's Public Works Department receives revenue for the materials collected in the curbside recycling collection and drop-off programs. The amount the City receives is based on the market prices per ton of paper, cardboard, cans, and bottles collected minus a per ton processing fee. When market conditions are poor, the City pays for processing of recycled materials.

ROYALTIES

The Historical Commission offsets expenditures with income received from sales of its publications to members of the public, to book stores, and through publishers' royalties. Income is also earned from fees for research assistance, consultations on historic paint colors, the sale of photographic prints, and scans from the Commission's collections.

SCHOOL STABILIZATION TRANSFER

School Stabilization Funds were used to offset a portion of the debt service costs from the February 2008 bond issue for the War Memorial Recreation Center. The debt was retired in FY18 and therefore there are no transfers required.

TEACHER RETIREMENT TRANSFER

This transfer will be used to offset retirement costs in the Employee Benefits Department. An update to the Pension Actuarial Study is done every two years. The FY20 amount is consistent with previous year allocations and available revenues.

TRAFFIC KNOCKDOWN

The Electrical Department and Traffic Department receive reimbursements for the replacement of street lights, fire alarm boxes, and traffic lights from individuals who have knocked them down with their vehicles. This revenue is used to fund the expenditure for replacement light poles, fire alarm boxes, and traffic lights.

MISCELLANEOUS REVENUE

TRAFFIC MITIGATION FUNDS

The account is set up to receive annual mitigation of new development project(s) for traffic and urban development infrastructures. Each year the owner of the CambridgeSide Galleria contributes \$30,000 to TP&T.

TRANSPORTATION NETWORK COMPANIES (TNC)

In FY20 \$530,000 of revenue received from TNC's will be allocated in the Traffic, Parking, and Transportation Public Investment Fund. Focusing on Vision Zero supported infrastructure projects these funds will be used to address the impact of transportation network services on Cambridge streets, sidewalks and paths, or any other public purpose substantially related to the operation of transportation network services.

UTILITY NET METERING CREDITS

Virtual net metering credits are earned for energy produced by renewable generating facilities that the City participates in.

SALE OF CITY PROPERTY

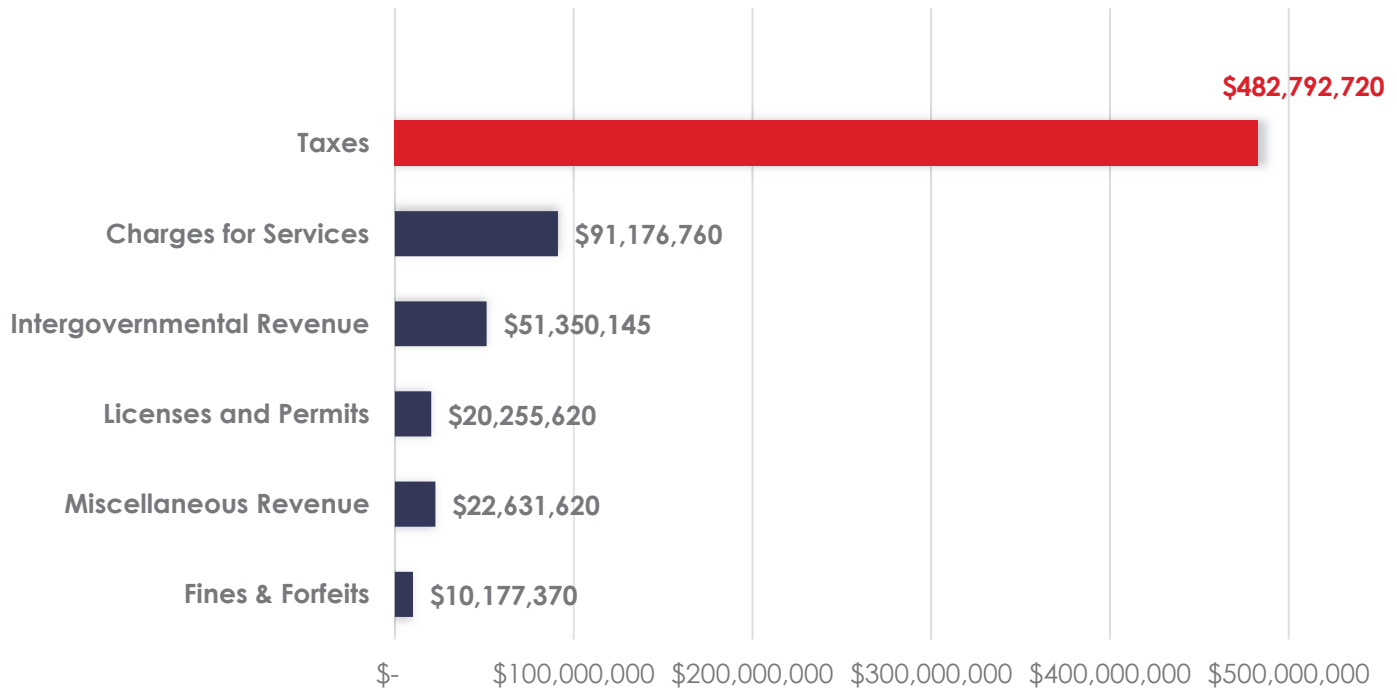
FY20: \$80,000

SALE OF CITY PROPERTY

Revenue is received from the sale of lots and graves at the City cemetery. The price of a single lot is \$1,600. Revenue from this source is \$80,000 per year, which is used to support the operation and maintenance of the cemetery in the Public Works Budget.

TAXES

FY20 OPERATING BUDGET - REVENUES BY CATEGORY: \$678,384,235



TAXES SUMMARY

TAXES	FY18 ACTUAL	FY19 PROJECTED	FY20 BUDGET	% OF FY20 TAXES
CORPORATION EXCISE TAX	\$419,870	\$372,000	\$0	0.0%
HOTEL/MOTEL EXCISE TAX	\$15,982,555	\$16,150,000	\$15,150,000	3.1%
IN LIEU OF TAX PAYMENTS	\$7,820,725	\$7,100,000	\$7,100,000	1.5%
MEALS EXCISE TAX	\$4,955,410	\$4,850,000	\$4,450,000	0.9%
MOTOR VEHICLE EXCISE TAX	\$7,539,360	\$7,300,000	\$7,200,000	1.5%
PENALTIES & DELINQUENT INTEREST	\$562,985	\$550,000	\$550,000	0.1%
PERSONAL PROPERTY TAX	\$25,708,910	\$23,911,557	\$24,185,759	5.0%
REAL PROPERTY TAX	\$365,492,020	\$388,356,663	\$424,156,961	87.8%
TOTAL	\$428,481,835	\$448,590,220	\$482,792,720	100.0%

TAXES

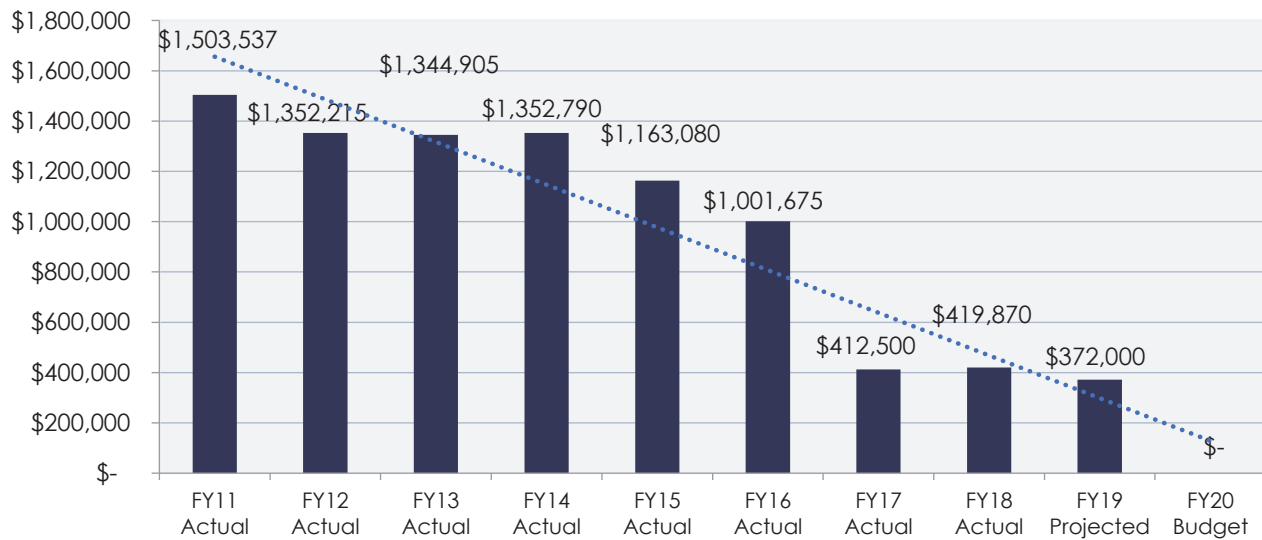
Taxes, primarily property taxes, are assessed and levied by the City to fund a wide range of community services. Taxes will account for 71.2% of total General Fund revenues.

CORPORATION EXCISE TAX

FY20: \$0

Chapter 121A, section 10 of the Massachusetts General Laws, states that each city or town is entitled to receive proceeds from the urban development excise tax paid on its local projects. This excise tax is valid for an initial 15-year period and may be extended for an additional period not to exceed, in the aggregate, 40 years of the corporation's existence in the municipality. The excise tax is composed of an amount equal to 5% of the corporation's gross income in the preceding year and an amount equal to \$10 per thousand of agreed valuation. The City received their final payment in FY19.

TEN-YEAR HISTORY OF CORPORATION EXCISE TAX



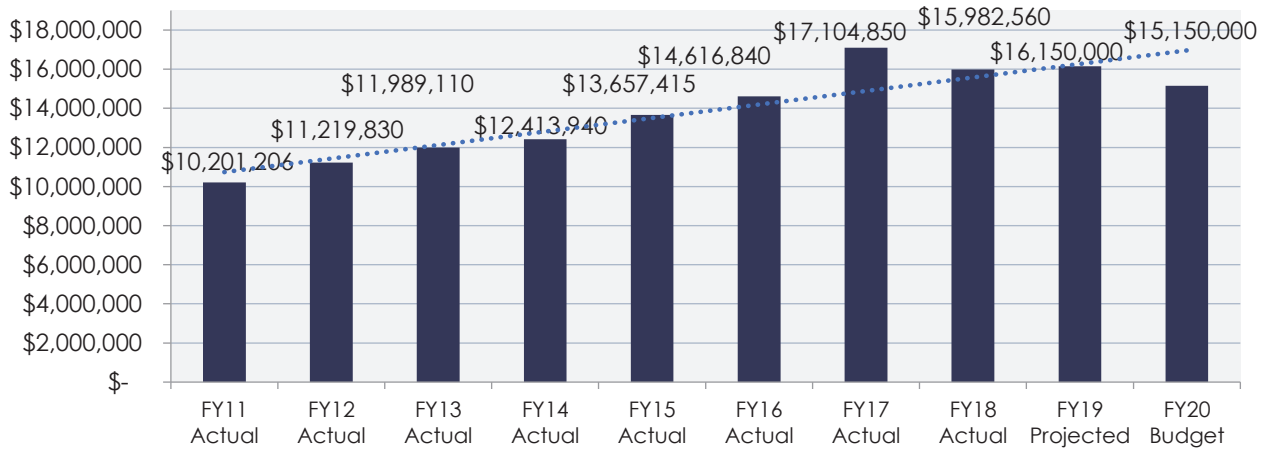
HOTEL/MOTEL EXCISE TAX

FY20: \$15,150,000

Chapter 64G, section 3A of the Massachusetts General Laws, states that any city or town has authorization to impose a local excise tax upon the occupancy fee for any room in a hotel, motel, or short-term rental located within its limits. The local fee shall not exceed 6% of the total cost of the room and shall not be imposed if the total cost of the room is less than \$15 per day. The local fee was increased from 4% to 6% in FY10. The total tax is 14.45%, with the State and Convention Center Authority receiving the difference of 8.45%. The hotel operator is responsible for collecting the tax from the customer and the Massachusetts Department of Revenue has the legal responsibility for collecting the tax receipts from the hotel operator. Once collected, the state turns the tax receipts over to the City on a quarterly basis.

TAXES

TEN-YEAR HISTORY OF HOTEL/MOTEL TAX



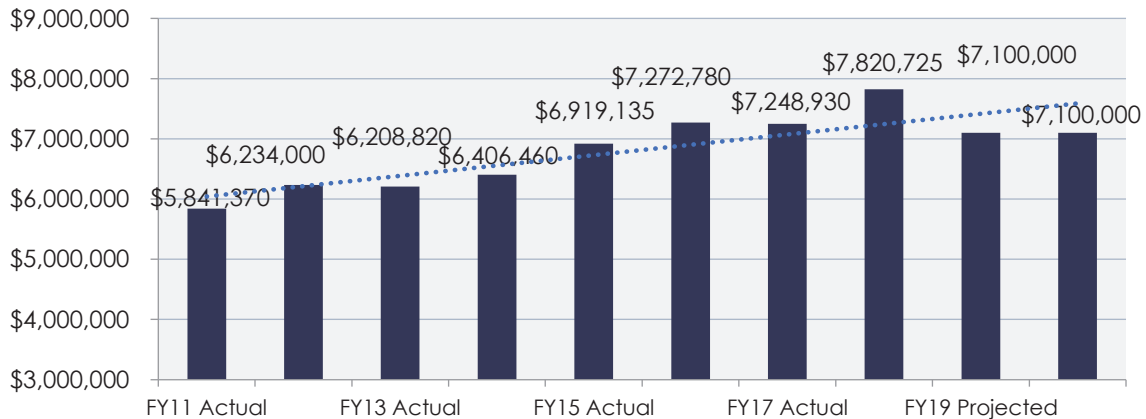
IN LIEU OF TAX PAYMENTS

FY20: \$7,100,000

The "In Lieu of Tax" payments program was adopted in 1971 to partially offset the loss of tax revenue due to non-taxable property. Harvard University and the Massachusetts Institute of Technology (MIT) are the City's major in lieu of tax payers.

In FY05, the City entered into a 40 year written Payment In Lieu of Taxes (PILOT) agreement with MIT. The agreement contains an annual escalation of the base payment by 2.5% per year during the term. In addition, the City also renewed its PILOT agreement with Harvard University in FY05, which has a 50-year term. The agreement contains an annual escalation of the base payment by 3%. Harvard's base PILOT payment will increase by an additional \$100,000 every 10 years. In addition, other institutions such as the Whitehead Institute and Cambridge Housing Authority, as well as several smaller organizations, make in lieu of tax payments annually.

TEN-YEAR HISTORY OF IN LIEU OF TAX PAYMENTS



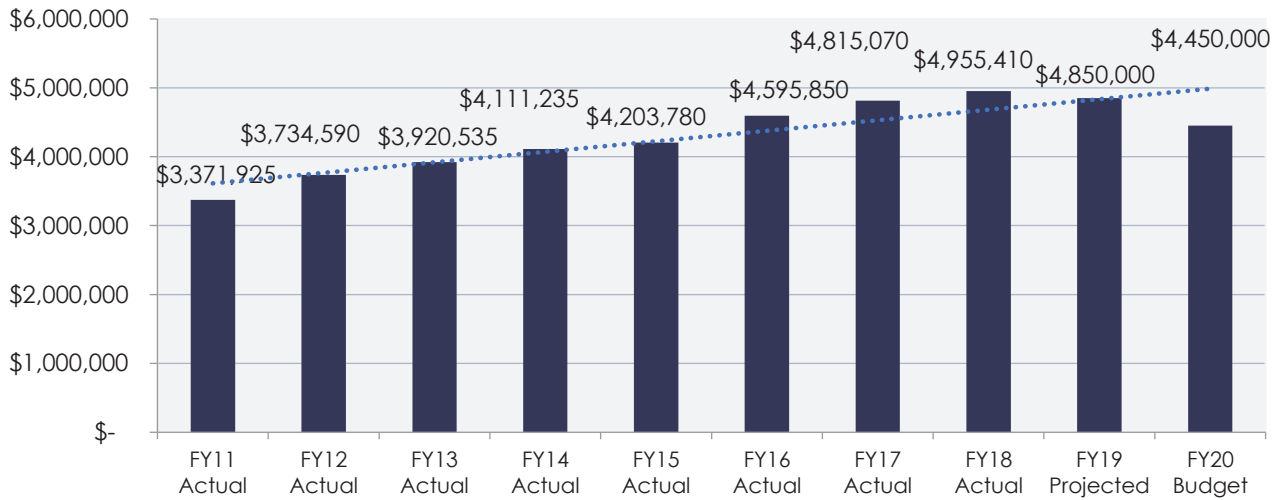
TAXES

MEALS EXCISE TAX

FY20: \$4,450,000

The state provides cities and towns the ability to impose a 0.75% meals excise upon local acceptance for local use, which the City adopted in July 2009. The state’s portion of the Meals Excise Tax is 6.25%.

TEN-YEAR HISTORY OF MEALS EXCISE TAX



FY20: \$7,200,000

MOTOR VEHICLE EXCISE TAX

EXCISE TAX RECEIPTS

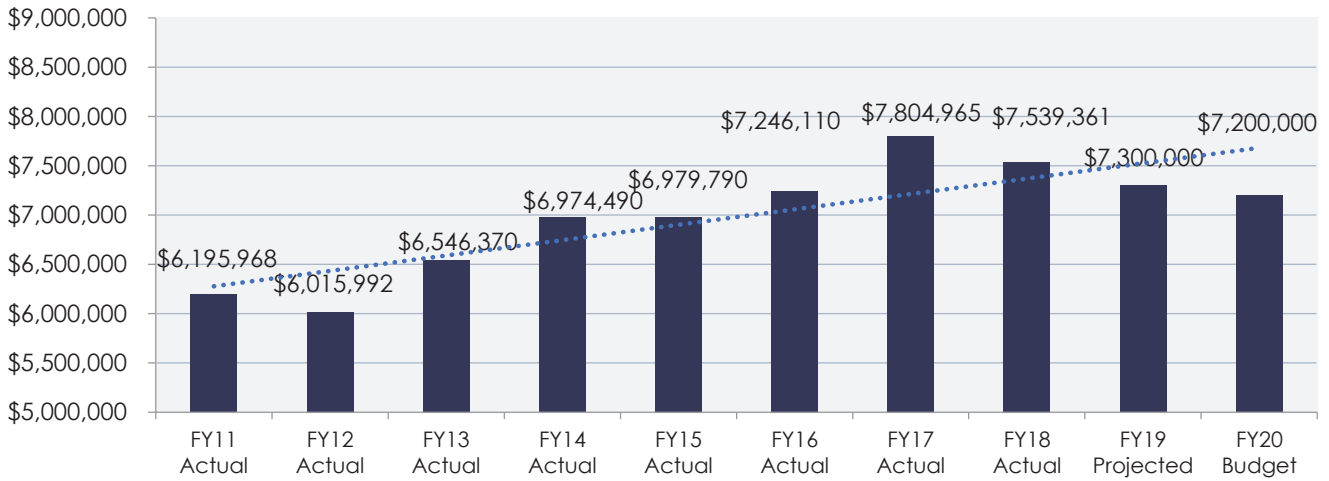
The motor vehicle excise tax is collected by the city or town in which a vehicle is garaged at the time of registration. State law sets the motor vehicle excise rate at \$25 per \$1,000 valuation. These monies are based on data provided by the Massachusetts Registry of Motor Vehicles. Valuations are determined by the Registry using a statutory formula based on a manufacturer's list price and year of manufacture. Accounts are updated nightly, all processes and delinquent notices are automated, and information is provided to the deputy collectors on a quicker and more accurate basis. In FY19, the City sent out approximately 56,500 excise bills. The City has a web-based payment system that allows excise taxpayers to pay their bill online using their Visa or MasterCard credit cards.

REGISTRY NON-RENEWAL SYSTEM

The Registry of Motor Vehicles implemented a computer tracking system that forces auto owners to pay their excise taxes. Those who do not pay are not allowed to renew registrations and licenses. Cities and towns must notify the Registry of delinquent taxpayers and Cambridge currently prepares an excise collection activity computer tape for the Registry at regular intervals.

TAXES

TEN-YEAR HISTORY OF MOTOR VEHICLE EXCISE TAX



FY20: \$550,000

PENALTIES & DELINQUENT INTEREST

DELINQUENT INTEREST

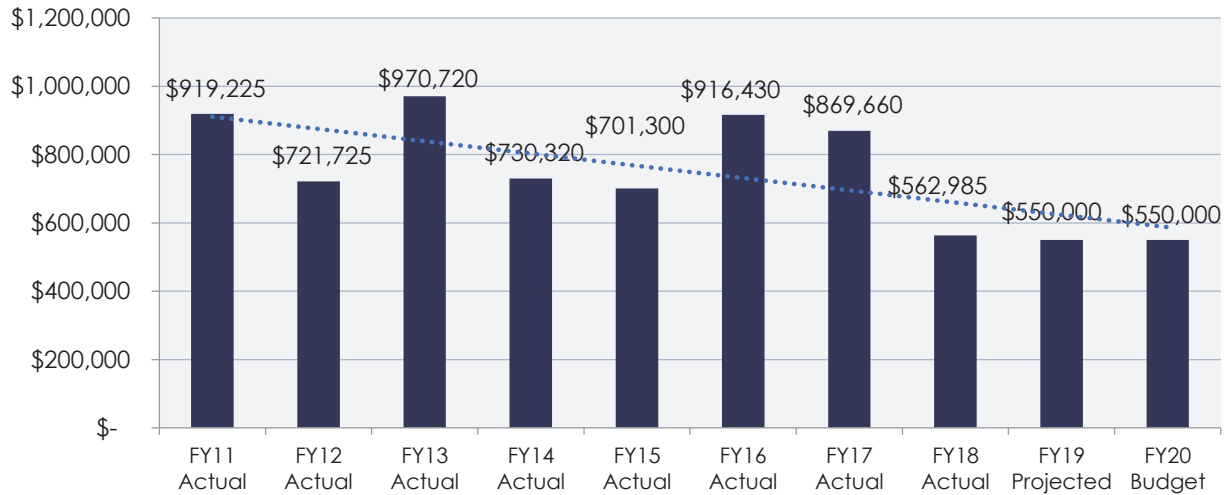
The City receives interest on overdue taxes and water/sewer service rates. State law dictates the interest rate for taxes, whereas City ordinance sets the rate for water/sewer charges. Overdue real and personal property taxes are charged 14% from the due date. Tax title accounts are charged 16% from the tax-taking date or the certification date. The interest rate for delinquent excise tax accounts is 12% from the due date. The interest rate on delinquent water/sewer services is 14% per annum. Water interest is reported in the Water Fund and is not included in the above estimate.

PENALTY CHARGES

If real and personal property taxes are not paid within 30 days for the second billing (usually May 1) in the year of the tax, a demand for payment notice (\$5) is sent to all delinquent taxpayers. Delinquent motor vehicle taxpayers are sent a demand (\$5), a warrant (\$10), and two separate notices from a deputy tax collector (\$12, \$17). The deputy collectors' earnings come solely from delinquent penalty charges, in lieu of a salary. A \$20 fee is added to outstanding excise tax accounts that have been placed on hold at the Registry of Motor Vehicles. Demands and warrants are not issued for delinquent water/sewer service accounts, but such overdue balances are subject to a lien on the corresponding real estate tax bill. Once a delinquent real estate account goes into the process of tax title, there are numerous fees added to the property tax bill.

TAXES

TEN-YEAR HISTORY OF PENALTIES & DELINQUENT INTEREST



PERSONAL PROPERTY TAX

FY20: \$24,185,759

This tax is imposed on the personal property (stock, inventory, laboratory or business equipment, furniture, fixtures, and machinery) of business firms located in the city. The Board of Assessors determines the value of all taxable personal property for approximately 2,632 accounts. Traditionally, utility companies are the highest personal property taxpayers but Cambridge has a good biotechnology and high tech base as well. Manufacturing corporations pay personal property tax to the City on poles, wires, and conduit.

The personal property tax is projected to produce roughly 5.4% of the City's total property tax revenue. The delinquency rate has rarely exceeded 1%, mainly because the 10 largest accounts pay a majority of the total personal property tax.

The Highest Personal Property Taxpayers (FY19)		
1	NSTAR ELECT/ EVERSOURCE	\$3,432,192
2	NORVARTIS	\$2,040,221
3	NSTAR GAS / EVERSOURCE	\$1,372,358
4	KENDALL GREEN ENERGY	\$1,306,721
5	MILLENIU PHARMACEUTICALS	\$923,304
6	AMGEN	\$908,280
7	LEVEL 3 COMMUNICATIONS	\$590,015
8	AKAMAI TECHNOLOGY	\$546,849
9	COMCAST OF MASS	\$477,640
10	VERIZON NEW ENGLAND	\$377,427

TAXES

REAL PROPERTY TAX

FY20: \$424,156,961

The primary source of revenue for municipalities in the Commonwealth is the real property tax. For purposes of taxation, real property includes land and buildings and improvements erected or affixed to the land. The City's Board of Assessors determines the value of all taxable land, which is revalued at fair market each January 1st. The state's Department of Revenue recertifies property values on a triennial basis. In the intervening years, the City is required to perform a statistical validation of values, which is also approved by the state.

TAX LEVIES & COLLECTIONS

The following table shows the tax levies, amounts added as overlay reserve for abatements, and the amount of taxes actually collected as of the end of each fiscal year. The total tax levy for each year includes personal property taxes.

Fiscal Year	Tax Levy	Overlay Reserve Abatements	Net Tax Levy (1)	Collections During FY Payable (2)	
				Amount	% of Net Levy
FY19	\$409,809,861	\$4,565,850	\$405,244,011		
FY18	\$389,080,359	\$4,520,140	\$384,560,219	\$388,111,848	100.92%
FY17	\$372,674,087	\$4,388,635	\$368,285,452	\$362,130,356	98.33%
FY16	\$354,430,753	\$4,377,717	\$350,053,036	\$350,616,668	99.80%
FY15	\$341,445,455	\$4,604,198	\$336,841,257	\$337,734,019	100.30%

1 Tax levy less overlay reserve for abatements.

2 Actual collection of levy less refunds and amounts refundable, including proceeds of and tax possessions, but not including abatements of other credits.

The following table shows the net tax levy and the amount added as a reserve for abatements attributed to each levy for the most recent fiscal years:

Fiscal Year	Tax Levy	Overlay Reserve		Abatements During FY of Each Tax Levy
		Amounts	% of Total Levy	
FY19	\$409,809,861	\$4,565,850	1.1%	-
FY18	\$389,080,359	\$4,520,140	1.2%	\$1,175,062
FY17	\$372,674,087	\$4,388,635	1.2%	\$1,442,442
FY16	\$354,430,753	\$4,377,717	1.2%	\$1,008,309
FY15	\$341,445,455	\$4,604,198	1.3%	\$1,005,232