

SECTION IV

REVENUE

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 FY23 are based on FY21 actual and FY22 projected collections, historical trends, and anticipated changes that impact particular revenues. In FY21, the City met its budgeted revenue in the aggregate, even as some individual sources fell below budgeted amounts due to the impact of the COVID-19 crisis. Many revenue sources that declined in FY21 have started to rebound in FY22 and will continue to be monitored.

The Finance Department annually reviews license and permit fees, charges for services, and fines and forfeits charged by City departments. In addition, the economic outlook, planned use of reserves, and ongoing analysis of revenue collections also contribute to the estimates of non-property tax revenues.

MAXIMIZING NON-TAX REVENUE

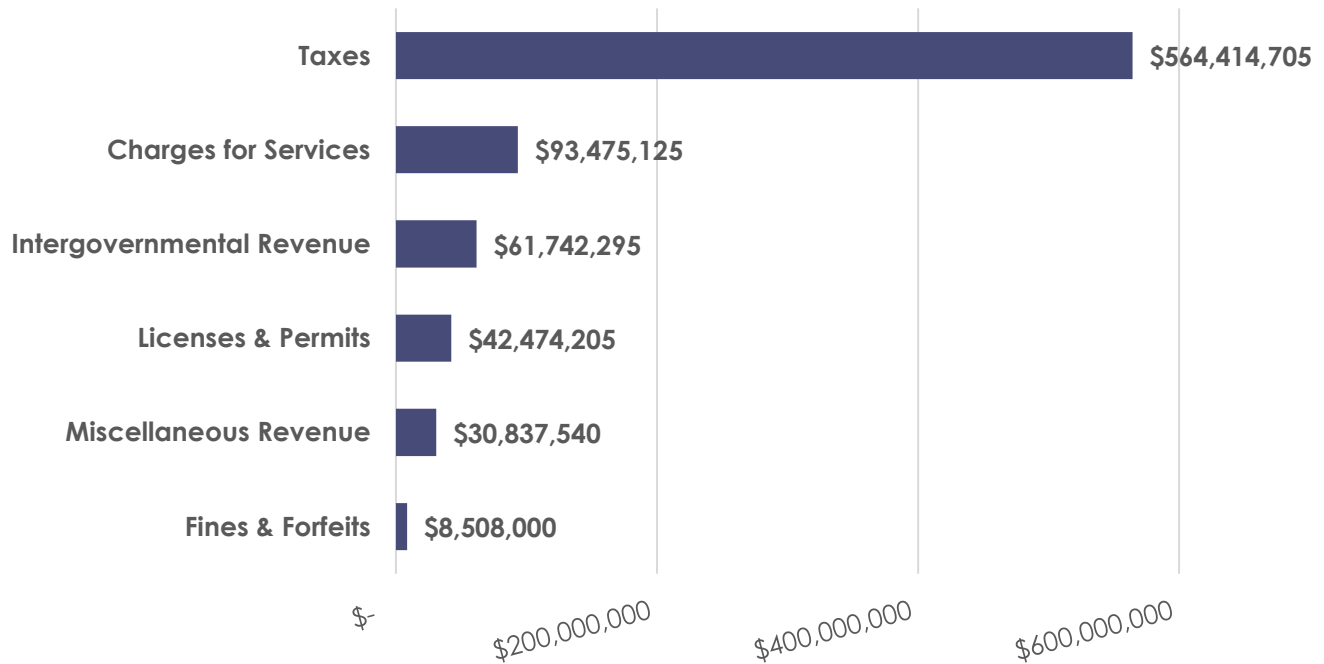
The City will continue its policy of maximizing alternative revenue sources to lower residents' tax burden for City services through enforcing license and permit policies, charging users for specific services where feasible, and collecting outstanding parking fines. Several key non-property tax revenues will be reviewed again in the fall as part of the property tax and classification process. The total property tax levy is projected to increase by 8.4% in FY23, or by \$41,532,713 from the FY22 property tax levy.

FIVE YEAR BUDGETED REVENUE ANALYSIS

REVENUE CATEGORY	FY19	FY20	FY21	FY22	FY23
CHARGES FOR SERVICES	\$88,816,015	\$91,176,760	\$93,436,400	\$89,969,745	\$93,475,125
FINES & FORFEITS	\$10,626,735	\$10,177,370	\$10,490,475	\$8,509,000	\$8,508,000
INTERGOVERNMENTAL REVENUE	\$48,869,010	\$51,350,145	\$54,553,800	\$55,334,540	\$61,742,295
LICENSES AND PERMITS	\$20,253,100	\$20,255,620	\$22,738,570	\$27,483,425	\$42,474,205
MISCELLANEOUS REVENUE	\$18,755,525	\$22,631,620	\$26,573,515	\$26,840,865	\$30,837,540
TAXES	\$449,130,725	\$482,792,720	\$507,471,465	\$540,083,115	\$564,414,705
TOTAL	\$636,451,110	\$678,384,235	\$715,264,225	\$748,220,690	\$801,451,870

REVENUE

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870

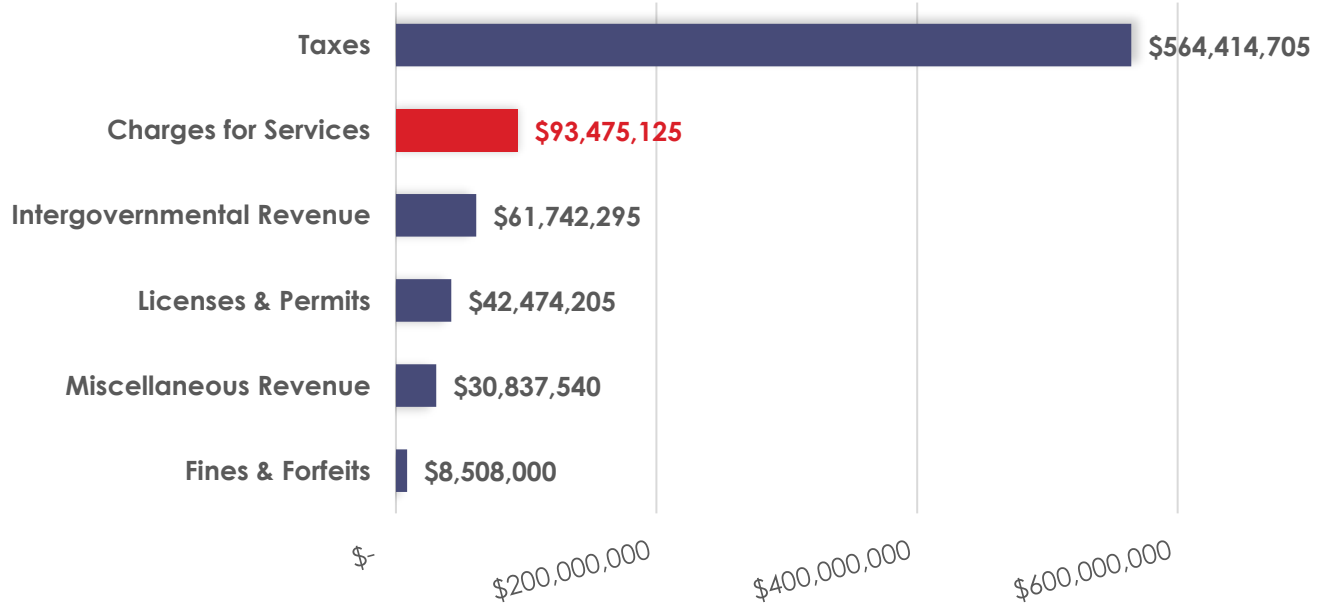


OPERATING BUDGET

FINANCING PLAN BY SOURCE	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
CHARGES FOR SERVICES	\$84,172,780	\$90,605,390	\$93,475,125
FINES & FORFEITS	\$6,013,325	\$8,368,970	\$8,508,000
INTERGOVERNMENTAL REVENUE	\$52,595,760	\$57,442,915	\$61,742,295
LICENSES AND PERMITS	\$59,746,185	\$48,785,135	\$42,474,205
MISCELLANEOUS REVENUE	\$25,789,470	\$29,161,630	\$30,837,540
TAXES	\$496,511,295	\$527,474,260	\$564,414,705
TOTAL REVENUE	\$724,828,815	\$761,838,300	\$801,451,870
PROGRAM EXPENDITURES			
GENERAL GOVERNMENT	\$72,490,065	\$67,380,995	\$76,811,310
PUBLIC SAFETY	\$148,768,680	\$160,474,180	\$175,595,645
COMMUNITY MAINTENANCE AND DEVELOPMENT	\$155,057,440	\$167,614,365	\$177,150,075
HUMAN RESOURCES AND DEVELOPMENT	\$47,490,195	\$58,243,600	\$69,423,765
EDUCATION	\$215,916,195	\$223,718,190	\$232,389,140
INTERGOVERNMENTAL	\$61,845,590	\$66,289,265	\$70,081,935
TOTAL EXPENDITURES	\$701,568,165	\$743,720,595	\$801,451,870

CHARGES FOR SERVICES

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870

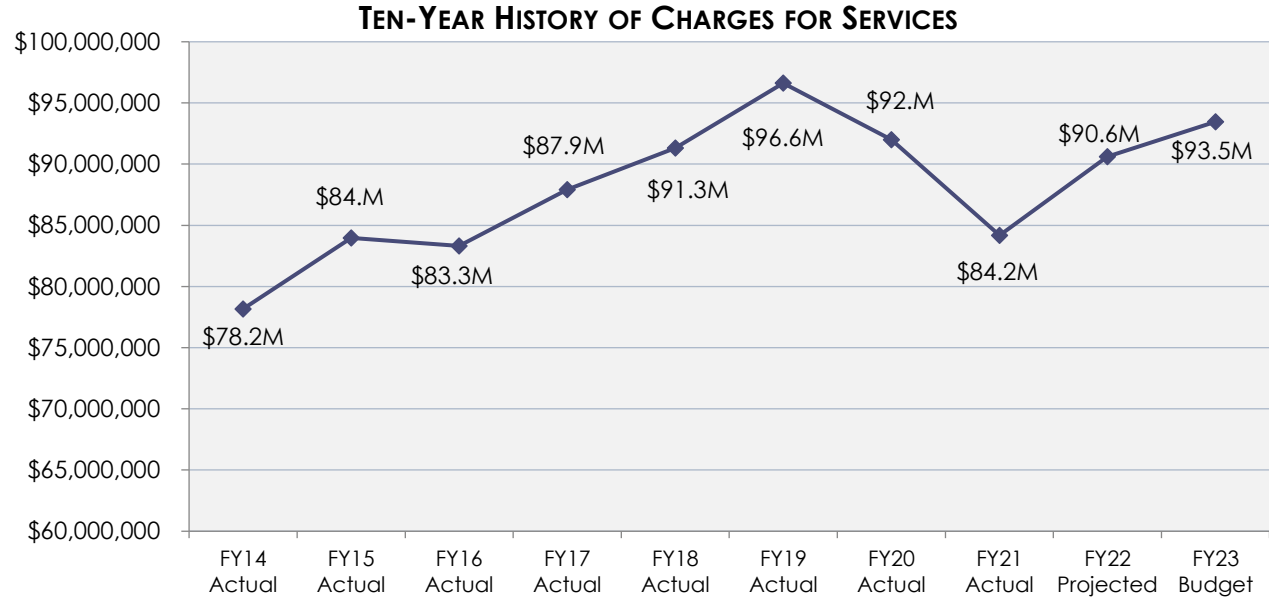


CHARGES FOR SERVICES SUMMARY

CHARGES FOR SERVICES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
FEES	\$4,958,470	\$6,644,490	\$6,643,880
OTHER CHARGES FOR SERVICES	\$2,123,820	\$2,003,480	\$2,015,640
PARKING	\$8,184,340	\$9,957,420	\$10,240,050
SEWER SERVICE CHARGE	\$52,966,655	\$55,600,000	\$60,311,350
WATER UTILITY REVENUE	\$15,939,495	\$16,400,000	\$14,264,205
TOTAL	\$84,172,780	\$90,605,390	\$93,475,125

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 11.7% of total General Fund revenues.



CHARGES FOR SERVICES

FEES

FY23: \$6,643,880*

FEES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
ADMINISTRATIVE	<u>\$366,210</u>	<u>\$340,580</u>	<u>\$328,200</u>
Certified Copies	\$216,050	\$213,500	\$213,500
Document Sales	\$175	\$135	\$700
Domestic Partners	\$4,870	\$4,500	\$4,500
Misc. Clerk's Fees	\$36,615	\$37,000	\$37,000
Municipal Liens	\$107,060	\$84,000	\$70,000
Photocopy/Reproduction	\$1,440	\$1,445	\$2,500
ELECTRICAL	<u>\$1,100,075</u>	<u>\$1,070,000</u>	<u>\$1,070,000</u>
Cut-Out/Plug-Out Fee	\$47,050	\$30,000	\$30,000
Fire Alarm Box Charge	\$167,800	\$140,000	\$140,000
Signal Maintenance Fee	\$885,225	\$900,000	\$900,000
HEARING/FILING	<u>\$169,585</u>	<u>\$156,830</u>	<u>\$101,500</u>
Board of Zoning Appeals	\$146,640	\$135,000	\$85,000
Conservation Commission	\$4,700	\$3,830	\$1,500
License Hearing Fees	\$18,245	\$18,000	\$15,000
HUMAN SERVICES	<u>\$1,646,135</u>	<u>\$3,454,900</u>	<u>\$3,566,000</u>
Athletic Leagues	\$0	\$3,000	\$3,000
Childcare Tuition	\$488,930	\$1,000,000	\$1,000,000
Community Schools	\$0	\$1,000,000	\$1,000,000
Field Permits	\$0	\$70,000	\$120,000
Golf Course	\$1,120,330	\$1,064,900	\$970,000
King Open Extended Day	\$0	\$110,000	\$110,000
Recreational Activities	\$0	\$84,000	\$250,000
Senior Activities	\$35,025	\$30,000	\$25,000
Special Needs	\$100	\$13,000	\$8,000
Youth Programs	\$1,750	\$80,000	\$80,000
PUBLIC SAFETY	<u>\$1,676,465</u>	<u>\$1,622,180</u>	<u>\$1,578,180</u>
Agency Fee	\$6,775	\$8,000	\$8,000
Boarding/Razing Fees	\$0	\$10,000	\$20,000
Fire Detail Surcharge	\$221,390	\$200,000	\$150,000
Inspectional Details	\$13,615	\$10,000	\$10,000
Police Detail Surcharge	\$383,320	\$355,000	\$350,000
Rescue Service Fees	\$897,625	\$891,180	\$891,180
Sealing Inspection	\$22,060	\$23,000	\$33,000
Smoke Detectors	\$80,850	\$60,000	\$51,000
Towing Surcharge	\$50,830	\$65,000	\$65,000
TOTAL REVENUE	\$4,958,470	\$6,644,490	\$6,643,880

*Does not include revenue (\$30,000 in golf course fees and \$28,000 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 Election Commission receives revenue from the sale of the annual street listing book.
- **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 950 CMR 32.07(2), promulgated pursuant to Massachusetts General Laws Chapter 66, Section 10, the City is entitled to charge for photocopying costs at \$0.05 per page for black and white copies, and the actual cost incurred in providing copies not susceptible to ordinary means of reproduction. As a courtesy, the City waives the fee for the first fifty pages of black and white copies on letter or legal paper.

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 applicant pays a \$175 hearing and advertising fee. If a hearing is required but no advertisement is required, the applicants pays \$100 hearing fee. There are approximately 150 petitions/applications that require a hearing each year. For alcohol license applications, there is also an application processing fee of \$25. For Special Noise Variance applications there is a non-refundable, non-transferrable \$75 application fee. For Pole and Conduit petitions not related to small cell attachments, there is a \$200 non-refundable, non-transferrable fee. Small Cell installation petitions also require a fee that is set pursuant to the City's Small Cell Installation Policy.

HUMAN SERVICE PROGRAM FEES

- **Athletic Leagues.** The Recreation Division sponsors and supports youth athletic leagues, primarily in the summer. Play was suspended in FY21 due to COVID-19, but league play resumed in FY22 at a reduced capacity and included a new girls upper school basketball league.
- **Childcare Tuition.** 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. In FY22 all Afterschool programs resumed in-person after being remote in FY21. Both Preschool and Afterschool now use sliding scale tuition rates across all programs to ensure childcare services are available to Cambridge families.
- **Community Schools Revenue.** This category includes revenues received from the various camps, programs, and activities offered by the Community Schools throughout the city. Community Schools programming was virtual in FY21, and in FY22 programming resumed in person with new sliding scale tuition rates across all programs.
- **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. \$62,699 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. King Open Extended Day programming was virtual in FY21 and in FY22 programming resumed in person with new sliding scale tuition rates across all classrooms.
- **Recreational Activities.** The War Memorial Recreation Center provides year-round evening adult classes and weekend children's activities and classes. The revenue from this wide range of classes is used to pay instructors and cover minimum equipment costs. After being closed for service in FY21, the War Memorial reopened in FY22 at a reduced capacity. The Gold Star pool provided swimming lessons for campers and family swim for members of the community and will continue to 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. In FY21, all classes were virtual; in FY22 a limited number of enrichment classes resumed in person, but the majority of classes remained virtual, therefore no fees were collected. Funds received from Somerville Cambridge Elder Services support staffing.

CHARGES FOR SERVICES

- **Special Needs.** Revenues from Camp Rainbow and school year special needs activities are generated through participant registration fees. Programs were virtual in FY21 due to COVID-19, and in FY22 special needs programming resumed in person and fees were collected.
- **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. Youth Center programming was virtual in FY21, but programming resumed in person in FY22 with new sliding scale tuition rates across all Youth Centers.

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

FY23: \$2,015,640

OTHER CHARGES FOR SERVICES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Cable Franchise License Fees	\$1,199,150	\$1,078,710	\$1,088,005
Cemetery Fees	\$275,020	\$275,000	\$275,000
Rent of City Property	\$604,510	\$604,770	\$612,635
White Goods	\$45,140	\$45,000	\$40,000
TOTAL	\$2,123,820	\$2,003,480	\$2,015,640

CABLE FRANCHISE LICENSE FEES

Revenues are received from Comcast according to the Cable Television License agreement with the City. The revenue received by the City is calculated based on Comcast cable revenues and the number of subscribers.

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 a cremation opening is \$320.

RENT OF CITY PROPERTY

The City will receive rent proceeds (\$572,635) 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 \$40,000 from the Cambridge YWCA for emergency family housing located in a City-owned building and from the New School of Music, located on Lowell Street. 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.

PARKING

FY23: \$10,240,050*

PARKING CHARGES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Boot Removal Fees	\$9,635	\$7,685	\$13,925
Business Parking Permits	\$22,070	\$57,625	\$55,700
Meter Collection	\$2,750,280	\$3,601,495	\$3,449,055
Parking Garages	\$3,637,785	\$4,273,775	\$4,307,620
Parking Lots	\$275,795	\$672,280	\$1,114,040
Resident Stickers	\$905,400	\$816,340	\$789,110
Use of Meters	\$583,375	\$528,220	\$510,600
TOTAL	\$8,184,340	\$9,957,420	\$10,240,050

*Does not include \$1,150,000 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 (TP+T) budget, parking fee revenue will also support the Police Department (\$1,116,355) and Cherry Sheet Assessments (\$220,400).

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.

BUSINESS PARKING PERMITS

Business parking permits are issued by TP+T on a limited basis to accommodate users who travel around the city for work-related purposes. During the pandemic, TP+T created a new online application through the Viewpoint OpenGov portal to eliminate the need for applicants to appear in person.

METER COLLECTIONS

The rate for on-street meters ranges from \$1 - \$2 per hour. Time limits vary by location.

CHARGES FOR SERVICES

PARKING GARAGES

Rates for the two garages were changes as of Feb 1, 2021. Both garages charge \$4 for the first hour and varying rates for additional time, up to \$30 for 24 hours. 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 \$1.25 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 provide visitor passes for their guests.

USE OF METERS

Payment is received when a request is made to use metered 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 \$13 per meter per day. Applicants use Viewpoint, the City's Permitting and Licensing system, to submit requests which are reviewed and approved by TP+T. During the pandemic, fee waivers have been provided to businesses with outdoor dining spaces and food pick up zones.

SEWER SERVICE

FY23: \$60,311,350*

SEWER SERVICES CHARGES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Sewer Connection Fee	\$602,785	\$400,000	\$125,000
Sewer Service Charge	\$52,363,870	\$55,200,000	\$60,186,350
TOTAL	\$52,966,655	\$55,600,000	\$60,311,350

*Does not include \$2,500,000 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). 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 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 FY22 sewer rate increase is 8% while the water rate increase is 1.96%, which calculates to a combined rate increase of 6.7%. The Sewer Service Charge revenue is allocated to the following City departments: Finance (\$225,000), Public Works (\$4,678,840), Debt Service (\$26,446,815), Massachusetts Water Resource Authority (\$28,791,195), and Community Development (\$44,500).

CHARGES FOR SERVICES

WATER

FY23: \$14,264,205*

WATER CHARGES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Misc. Water Charges	\$840,585	\$1,000,000	\$1,050,000
Water Usage	\$15,098,910	\$15,400,000	\$13,214,205
TOTAL	\$15,939,495	\$16,400,000	\$14,264,205

*Does not include \$2,487,000 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 FY22 rates, effective for all water consumed as of April 1, 2022 represent a 1.96% increase in the water rate and an 8% increase in the sewer rate, with a 6.7% increase in the combined rate.

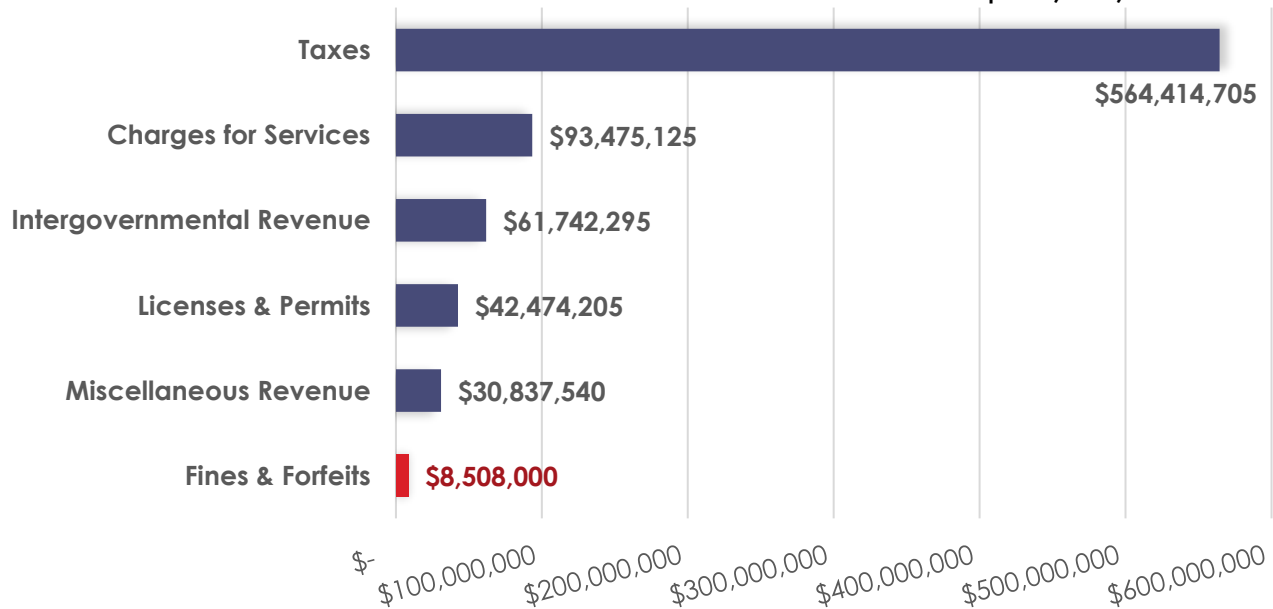
Block	Annual Consumption	Water Rate	Sewer Rate
1	0-40 CeF	\$3.11	\$14.59
2	41-400 CeF	\$3.33	\$15.42
3	401-2,000 CeF	\$3.54	\$16.57
4	2,011-10,000 CeF	\$3.76	\$17.84
5	Over 10,000 CeF	\$4.08	\$18.96

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.

In addition to funding the Water Department budget, Water Fund revenues will also support the following City departments: Finance (\$225,000), Public Works (\$461,235), Community Development (\$30,000), and Animal Commission (\$10,000).

FINES & FORFEITS

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870



FINES & FORFEITS SUMMARY

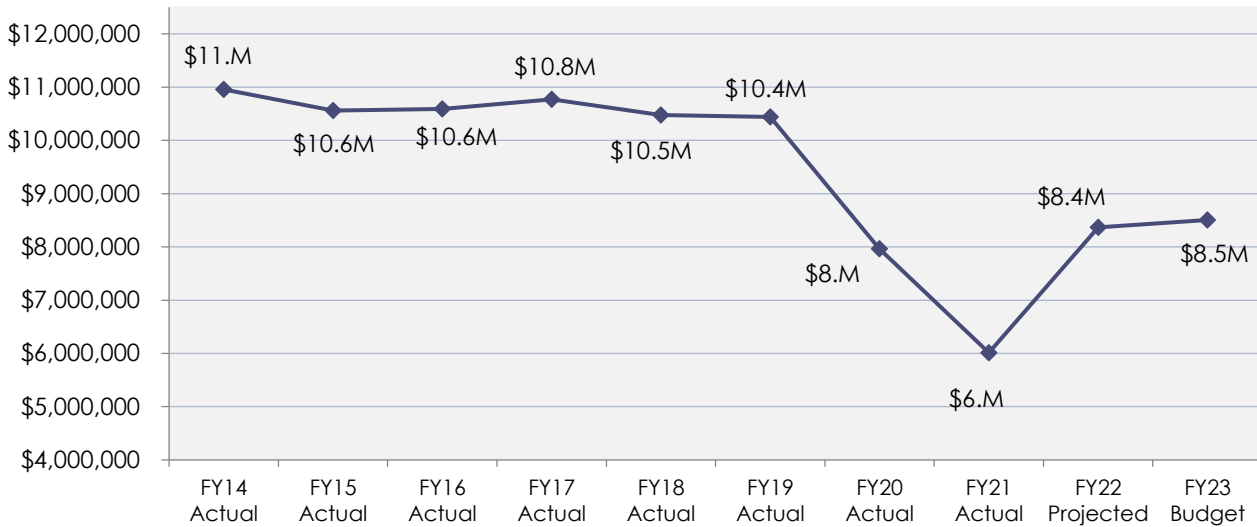
FY23: \$8,508,000

FINES & FORFEITS	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
ANIMALS	\$3,900	\$2,200	\$2,000
BICYCLE	\$475	\$620	\$500
FALSE ALARMS	\$30,560	\$34,000	\$53,000
LIBRARY	\$5,745	\$7,150	\$0
MOVING VIOLATIONS	\$109,630	\$120,000	\$250,000
NOISE FINES	\$4,500	\$5,000	\$2,500
PARKING	\$5,858,515	\$8,200,000	\$8,200,000
TOTAL	\$6,013,325	\$8,368,970	\$8,508,000

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 1.1% 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).

HACKNEY FINES

The License Commission issues fines to Cambridge licensed hackney operators/owners and dispatch services 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 Transportation Network Companies (TNC). When a Hackney Officer issues a fine to a TNC operator, 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.

FINES & FORFEITS

LIBRARY FINES

Revenue is generated from payments for lost or damaged items belonging to the adult collections of the Library. During the pandemic, overdue fines were waived for all patrons. In October 2021, the Library began a one-year pilot of fine-free library service in which overdue fees were no longer charged on any items checked out at a Cambridge location. Some revenue was generated by payment of existing fines dating to before the pandemic. Replacement costs for adult collection items lost or damaged continue to be charged.

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

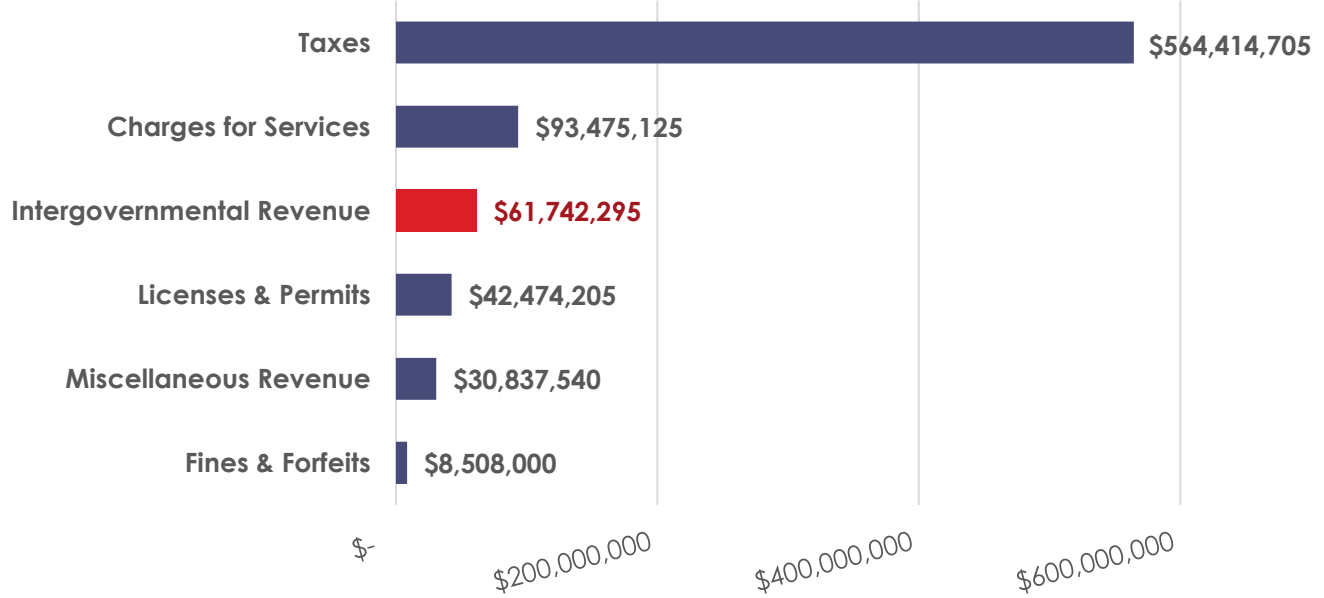
Pursuant to Cambridge Municipal Code Noise Ordinance 8.16, the License Commission may issue fines to any person, business, or licensee which violates the provisions therein. The fines issued can be of up to \$300 per violation and per day.

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. Parking Fines will also support the following City departments: Police Department (\$2,603,425), School Department (\$100,000), and Traffic (\$5,496,575).

INTERGOVERNMENTAL REVENUE

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870



INTERGOVERNMENTAL REVENUE SUMMARY

INTERGOVERNMENTAL REVENUE	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
FEDERAL GRANTS	\$1,125,750	\$1,156,260	\$1,115,675
OTHER INTERGOV. REVENUE	\$9,388,050	\$10,536,145	\$11,590,020
STATE CHERRY SHEET REV.	\$41,876,590	\$45,572,140	\$48,853,460
STATE GRANTS	\$205,370	\$178,370	\$183,140
TOTAL	\$52,595,760	\$57,442,915	\$61,742,295

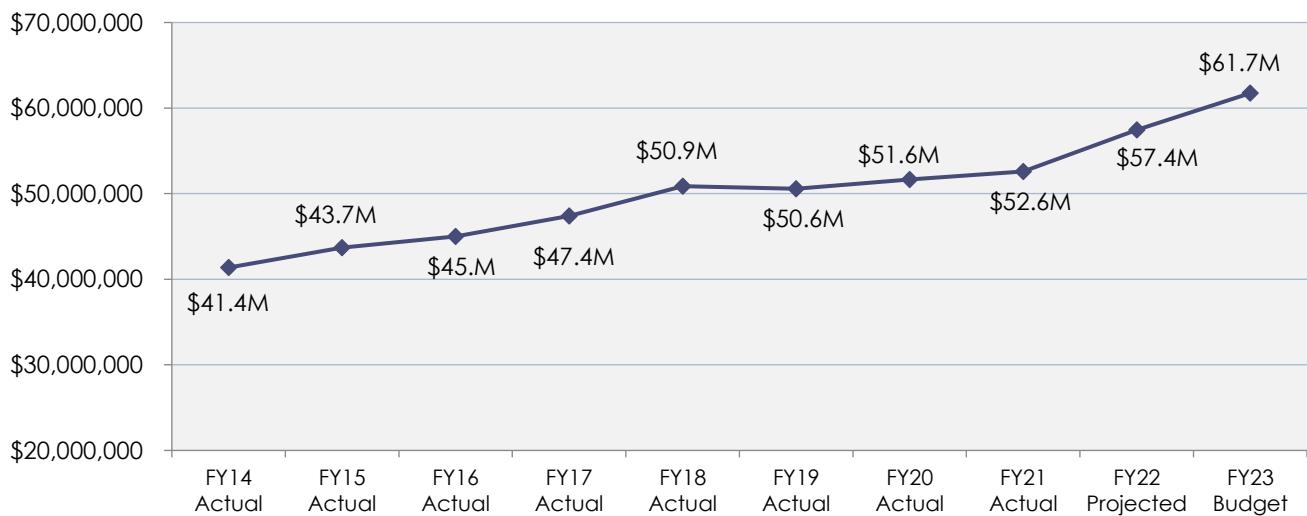
INTERGOVERNMENTAL REVENUE

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 7.7% 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.

TEN-YEAR HISTORY OF INTERGOVERNMENTAL REVENUE



FEDERAL GRANTS

FY23: \$1,115,675*

FEDERAL GRANTS	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Com. Dev. Block Grant	\$1,125,750	\$1,156,260	\$1,115,675
TOTAL	\$1,125,750	\$1,156,260	\$1,115,675

*Does not include \$1,549,380 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.

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. FY23 CDBG funds are allocated as follows: Community Development (\$715,725) and the Department of Human Service Programs (\$399,950).

INTERGOVERNMENTAL REVENUE

OTHER GOVERNMENTAL REVENUE

FY23: \$11,590,020

OTHER GOVERNMENTAL REVENUE	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Cambridge Health Alliance	\$8,506,820	\$9,536,145	\$10,690,020
Medicaid Reimbursement	\$881,230	\$1,000,000	\$900,000
TOTAL	\$9,388,050	\$10,536,145	\$11,590,020

CAMBRIDGE HEALTH ALLIANCE

The Cambridge Health Alliance reimburses the City for its share of contributory retirement system costs (\$10,690,020) 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

FY23: \$48,853,460

FEES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
EDUCATION REIMBURSEMENT	<u>\$1,367,955</u>	<u>\$3,740,135</u>	<u>\$5,663,520</u>
Charter School Tuition Reimbursement	\$1,367,955	\$3,740,135	\$5,663,520
GEN. GOVT. REIMB/DISTRIB	<u>\$574,780</u>	<u>\$618,185</u>	<u>\$402,925</u>
Library Aid	\$171,920	\$181,580	\$167,300
Real Estate Abatements	\$47,315	\$133,440	\$123,330
Veterans' Benefits	\$355,545	\$303,165	\$112,295
SCHOOL/LOCAL AID (UGGA)	<u>\$39,933,855</u>	<u>\$41,213,820</u>	<u>\$42,787,015</u>
School Aid/Chapter 70	\$17,121,610	\$17,648,470	\$18,538,850
Unrestricted General Gvt. Aid/Local Aid	\$22,812,245	\$23,565,350	\$24,248,165
TOTAL REVENUE	\$41,876,590	\$45,572,140	\$48,853,460

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 \$42,787,015 in FY23. These two local aid categories represent 5.3% 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 three-year period at a declining rate of 100%, 60%, and 40%.

INTERGOVERNMENTAL REVENUE

GENERAL GOVERNMENTAL REIMBURSEMENT DISTRIBUTION

- 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 \$28,250 for
 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.
- a single person or \$41,792 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 \$55,718, or married, in excess of \$77,685, 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.

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

FY23: \$183,140

STATE GRANTS	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Additional Voting Hours	\$58,065	\$0	\$0
Consumers' Council Grant	\$65,000	\$65,000	\$65,000
Mass. Cultural Council	\$20,700	\$18,800	\$23,500
Reimb/Non-Contrib Pensions	\$17,100	\$50,000	\$50,000
State MCWT Subsidy	\$44,505	\$44,570	\$44,640
TOTAL	\$205,370	\$178,370	\$183,140

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, including costs related to state-mandated early voting hours, subject to appropriation by the legislature.

INTERGOVERNMENTAL REVENUE

CONSUMERS' COUNCIL

The Massachusetts Attorney General's Office annually awards a grant to the Cambridge Consumers' Council to offset the Council's operating budget. The Consumers' Council is a division of the License Commission.

MASSACHUSETTS CLEAN WATER TRUST SUBSIDY

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

MASSACHUSETTS CULTURAL COUNCIL (MCC)

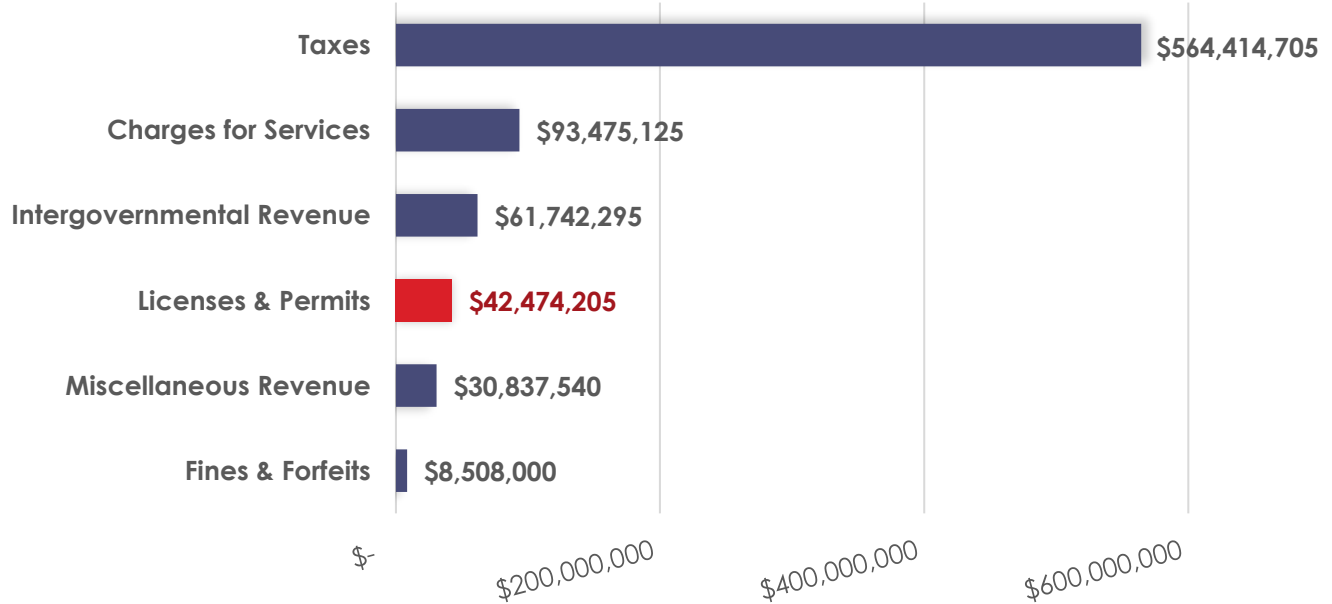
The Arts Council receives a competitive MCC Cultural Investment Portfolio Grant (CIP) to provide operating support to offset administrative and programming costs.

REIMBURSEMENT FOR NON-CONTRIBUTORY PENSIONS

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

LICENSES & PERMITS

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870



LICENSES AND PERMITS SUMMARY

LICENSES AND PERMITS	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
LICENSES	\$2,202,430	\$2,067,900	\$1,949,350
PERMITS	\$57,543,755	\$46,717,235	\$40,524,855
TOTAL	\$59,746,185	\$48,785,135	\$42,474,205

LICENSES & PERMITS

License revenues arise from the City's regulation of certain activities (e.g., 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 policy or regulation. Many license fee renewals for existing businesses have been reduced and renewal deadlines extended temporarily to help businesses struggling due to COVID-19. 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 0.2% of total General Fund revenues.

Permits are required when a person or business wants to perform a municipally regulated activity (e.g., 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 5.1% of total General Fund revenues.

TEN-YEAR HISTORY OF LICENSES & PERMITS



LICENSES & PERMITS

LICENSES

FY23: \$1,949,350

LICENSES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Alcoholic Beverages	\$830,870	\$710,000	\$610,000
Builders	\$7,600	\$10,000	\$3,500
Common Victualer	\$48,590	\$51,500	\$51,500
Disposal	\$3,800	\$1,400	\$1,400
Dog Licenses	\$52,460	\$45,000	\$45,000
Dumpster	\$123,900	\$95,000	\$95,000
Entertainment	\$81,285	\$160,000	\$100,000
Garage/Gasoline	\$345,070	\$345,000	\$345,000
Hackney	\$5,855	\$5,200	\$2,400
Health Related	\$190,455	\$145,500	\$186,500
Lodging House	\$193,435	\$195,000	\$195,000
Marriage	\$51,065	\$41,500	\$41,500
Miscellaneous	\$37,770	\$20,000	\$20,000
Motor Vehicle Related	\$16,865	\$31,200	\$31,200
Newspaper Boxes	\$425	\$450	\$450
Pole and Conduit	\$174,535	\$170,000	\$170,000
Property Use	\$6,350	\$7,250	\$7,500
Recreation Camps	\$9,950	\$10,000	\$12,500
Shops and Sales	\$920	\$900	\$900
Short Term Rentals	\$12,430	\$7,000	\$20,000
Tobacco	\$8,800	\$16,000	\$10,000
TOTAL	\$2,202,430	\$2,067,900	\$1,949,350

ALCOHOLIC BEVERAGES LICENSES

Pursuant to MGL chapter 138 and the Special Acts of 1922, the Board of License Commissioners can grant, suspend, revoke, 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. As a recovery measure during the COVID-19 Pandemic, the Board of License Commissioners reduced the 2021 and 2022 renewal fees for existing businesses by 40%.

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 pursuant to MGL chapter 140, allows food and non-alcoholic beverages to be sold and consumed on the premises. As a recovery measure during the COVID-19 Pandemic, the Board of License Commissioners reduced the 2021 and 2022 renewal fees for existing businesses by 40%.

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 un-spayed/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 License Commission issues and regulates the entertainment licenses. As a recovery measure during the COVID-19 Pandemic, the Board of License Commissioners reduced the 2021 and 2022 renewal fees for existing businesses by 40%.

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, the amount of flammables, and type of garage. As a recovery measure during the COVID-19 Pandemic, the Board of License Commissioners reduced the 2021 and 2022 renewal fees for existing businesses by 40%.

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. Every year, bi-annually, 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 since FY17.

HEALTH RELATED LICENSES

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

LODGING/INNHOLDER LICENSES

Pursuant to MGL chapter 140, the Board of License Commissioners licenses innholders, including 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. This does not include short-term rentals, like those booked through services like AirBNB. Due to the COVID-19 Pandemic, 2021 renewal fees for existing businesses were reduced by a total of 40% and pro-rated when appropriate.

LICENSES & PERMITS

MARRIAGE LICENSES

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

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, hawkers/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 livery services. As a recovery measure during the COVID-19 Pandemic, the Board of License Commissioners reduced the 2021 and 2022 renewal fees for existing businesses by 40%.

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 not related to a small cell attachments, are \$200 per street. For small cell attachment the fees are as set by the Pole and Conduit's Small Cell Policy which can be found on the License Commission's website. An annual maintenance fee of \$7,500 is charged to all entities that have conduits in the public way. The applications are processed and fees collected by the License Commission. The Pole & Conduit Commission is chaired by the Chair of the License Commission.

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. These fees are collected by the License Commission and are to offset the costs associated with regulating, inspecting and investigating the sale and service of alcohol in those areas. As a recovery measure during to the COVID-19 Pandemic, the Board of License Commissioners reduced the property use license fee for existing businesses to \$75 for public and \$25 for private. The Board of License Commissioners also implemented a Temporary Extension to Outdoor Premises Due to COVID-19 Permit for which no fees were collected and which allow the use of public and private ways until April 1, 2022, as established by state law.

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. As a recovery measure during the COVID-19 Pandemic, the Board of License Commissioners reduced the 2021 and 2022 renewal fees for existing businesses by 40%.

SHORT-TERM RENTAL 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.

TOBACCO LICENSES

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

PERMITS

FY23: \$40,524,855*

PERMITS	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Air Rights/Public Ways	\$41,305	\$40,000	\$40,000
Building	\$50,926,400	\$40,983,015	\$35,170,855
Fire	\$180,575	\$150,000	\$140,000
Firearm	\$6,115	\$2,800	\$3,000
Gas	\$178,740	\$130,000	\$130,000
Mechanical	\$314,275	\$170,000	\$200,000
Occupancy Certifications	\$242,365	\$220,000	\$80,000
Place of Assembly	\$292,160	\$380,000	\$450,000
Plan Review	\$472,045	\$254,420	\$55,000
Plumbing	\$240,865	\$220,000	\$180,000
Sheet Metal	\$138,275	\$75,000	\$80,000
Special Building Permits	\$701,125	\$140,000	\$50,000
Sprinkler	\$114,090	\$150,000	\$95,000
Street Obstruction	\$1,228,655	\$1,275,000	\$1,375,000
Street Opening	\$1,568,705	\$1,800,000	\$1,800,000
Sunday	\$3,905	\$2,000	\$1,000
Wiring	\$894,155	\$725,000	\$675,000
TOTAL	\$57,543,755	\$46,717,235	\$40,524,855

*Does not include \$10,287,750 in building permits revenue that will be used in the Capital Budget.

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.

LICENSES & PERMITS

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.

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 allows 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) 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. 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.

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/duct work. The fee is \$50 plus \$25 per each 100 linear feet.

LICENSES & PERMITS

SPECIAL BUILDING PERMITS

The Inspectional Services Department issues permits asbestos removal or remediation. The contractor also needs approval from the state Department of Environmental Protection prior to applying for the a permit from the City. The permit fee, based on the estimated cost of the project, is \$20 per \$1,000.

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

Traffic, Parking and Transportation issues an average of 7,200 permits in a normal year for curb space use or to occupy the street for special events, moving vans, tool trucks, dumpsters, and other temporary uses. As constructions has resumed in the city, there has been an increase in street obstruction permit requests for projects that were paused because of COVID-19. Permit fees were waived for outdoor dining for businesses impacted by the pandemic.

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

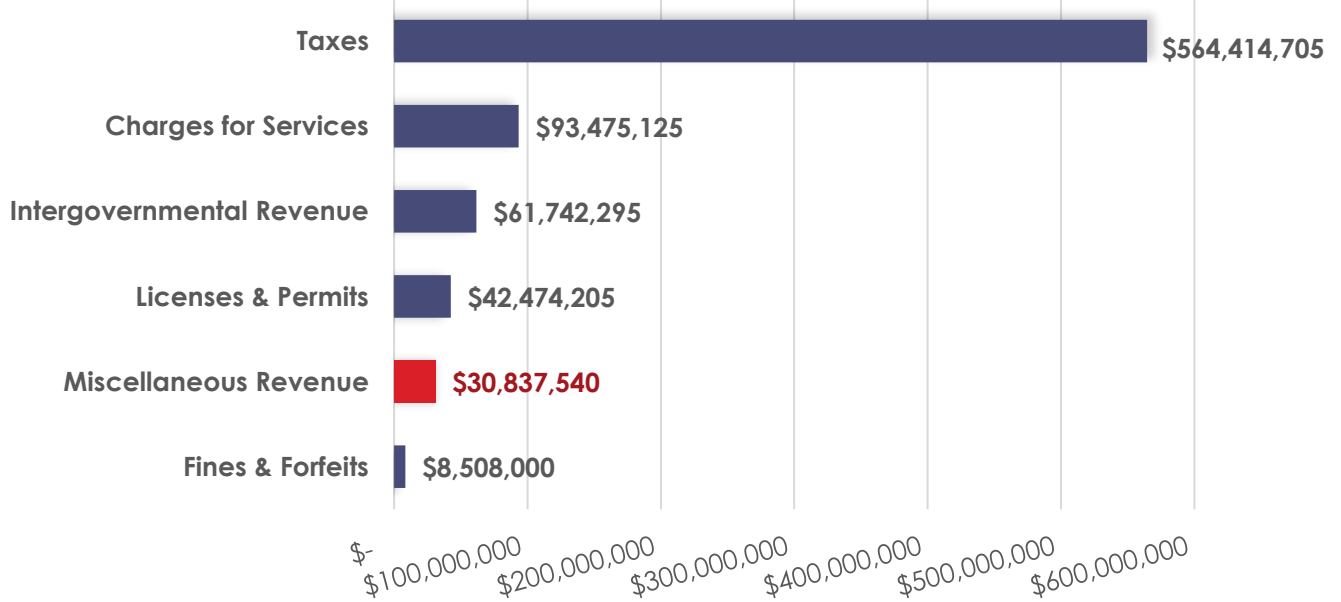
The Police Department issues Sunday permits (\$25 per Sunday) allowing a business to operate on Sunday due to unusual or extenuating circumstances.

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

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870



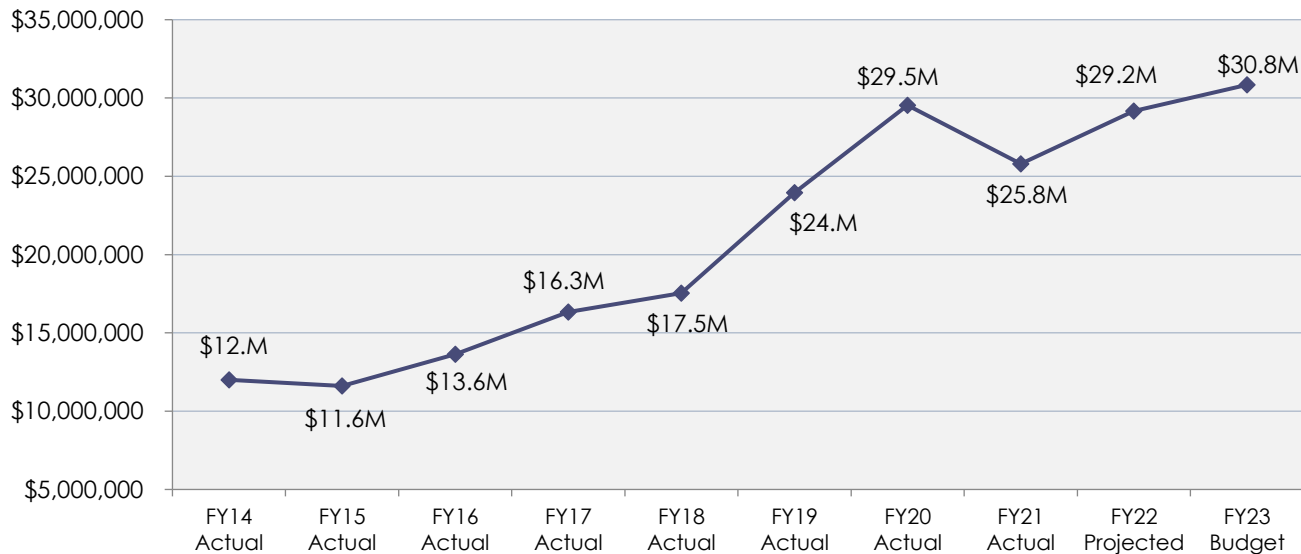
MISCELLANEOUS REVENUE SUMMARY

MISCELLANEOUS REVENUE	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
INTEREST EARNINGS	\$1,351,990	\$740,000	\$740,000
OTHER MISC. RECEIPTS	\$24,349,330	\$28,338,130	\$30,007,540
SALE OF CITY PROPERTY	\$88,150	\$83,500	\$90,000
TOTAL	\$25,789,470	\$29,161,630	\$30,837,540

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 3.8% of total General Fund revenues.

TEN-YEAR HISTORY OF MISCELLANEOUS REVENUE



INTEREST EARNINGS

FY23: \$740,000

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 \$600,000 have been included in the Operating Budget. In addition to this amount, \$100,000 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: Public Works (\$40,000) and Traffic, Parking and Transportation (\$100,000).

MISCELLANEOUS REVENUE

OTHER MISCELLANEOUS REVENUE

FY23: \$30,007,540

OTHER MISCELLANEOUS REVENUE	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
Bus Shelter Advertising	\$45,630	\$0	\$0
Claims Trust Transfer	\$13,500,000	\$16,750,000	\$17,000,000
Debt Stabilization Transfer	\$8,000,000	\$9,500,000	\$11,000,000
Electric Vehicle Charging Station Revenue	\$16,635	\$29,450	\$34,200
Misc. Reimbursement	\$34,405	\$156,000	\$151,840
Miscellaneous School Receipts	\$39,480	\$160,000	\$50,000
Other Miscellaneous Revenue	\$0	\$39,030	\$50,000
Overtime Reimbursement	\$70,390	\$78,650	\$83,000
Recycling	\$7,075	\$15,000	\$13,000
Teacher Retirement Transfer	\$1,800,000	\$775,000	\$775,000
Traffic Knockdown	\$10,950	\$30,000	\$30,000
Traffic Mitigation Funds	\$30,000	\$30,000	\$30,000
Utility Net Metering Credits	\$794,765	\$775,000	\$790,500
TOTAL	\$24,349,330	\$28,338,130	\$30,007,540

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. Going forward, bus shelter revenue will be determined as the MBTA transitions to a new model for future shelter operations.

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 FY23, \$11,000,000 will be used to cover debt service costs.

ELECTRIC VEHICLE CHARGING STATION REVENUE

There are City-owned electric vehicle charging stations offering a level 2 charge in 13 locations. The stations cost \$0.189 per kWh and \$0.15 per hour. These fees offset the cost of the electricity consumed and networking and maintenance of the stations.

MISCELLANEOUS REIMBURSEMENT

The Public Works Department receives reimbursements (\$25,000) for utility costs associated with a community service program located in a City building, as well as reimbursement for fuel obtained at DPW headquarters. This revenue funds energy expenditures 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 (\$114,840).

MISCELLANEOUS REVENUE

MISCELLANEOUS SCHOOL RECEIPTS

The School Department receives partial reimbursement from the Department of Elementary & Secondary Education for the transportation of non-resident vocational and homeless students and receives other revenues related to vocational education and international tuition.

OTHER MISCELLANEOUS REVENUE

TP+T receives overtime reimbursement for events that require department staffing and collects a \$0.60 surcharge on each car rental or lease transaction initiated in Cambridge, as required by MGL chapter 90 section 20E.

OVERTIME REIMBURSEMENT

The Police (\$80,000) and Public Works (\$3,000) 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 scrap metal, 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.

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 FY23 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.

TRAFFIC MITIGATION FUNDS

TP+T receives annual mitigation of new development projects for traffic and urban development infrastructures. Each year the owner of the CambridgeSide Galleria contributes \$30,000.

TRANSPORTATION NETWORK COMPANIES (TNC)

Per MGL chapter 159A^{1/2}, TP+T receives \$0.10 from the Massachusetts Department of Public Utilities for each TNC ride that originates within Cambridge municipal boundaries. In FY21, TP+T received \$229,899. These funds are used to address the impact of TNC's on Cambridge streets, sidewalks and paths, or any other public purpose substantially related to their in Cambridge focusing, especially on infrastructure projects supporting the City's Vision Zero goals.

UTILITY NET METERING CREDITS

Virtual net metering credits are earned for energy produced by renewable generating facilities that the City participates in. The City is the registered "off taker" of credits for three rooftop solar systems that have added 4.6 megawatts of renewable energy capacity to the Massachusetts electricity grid.

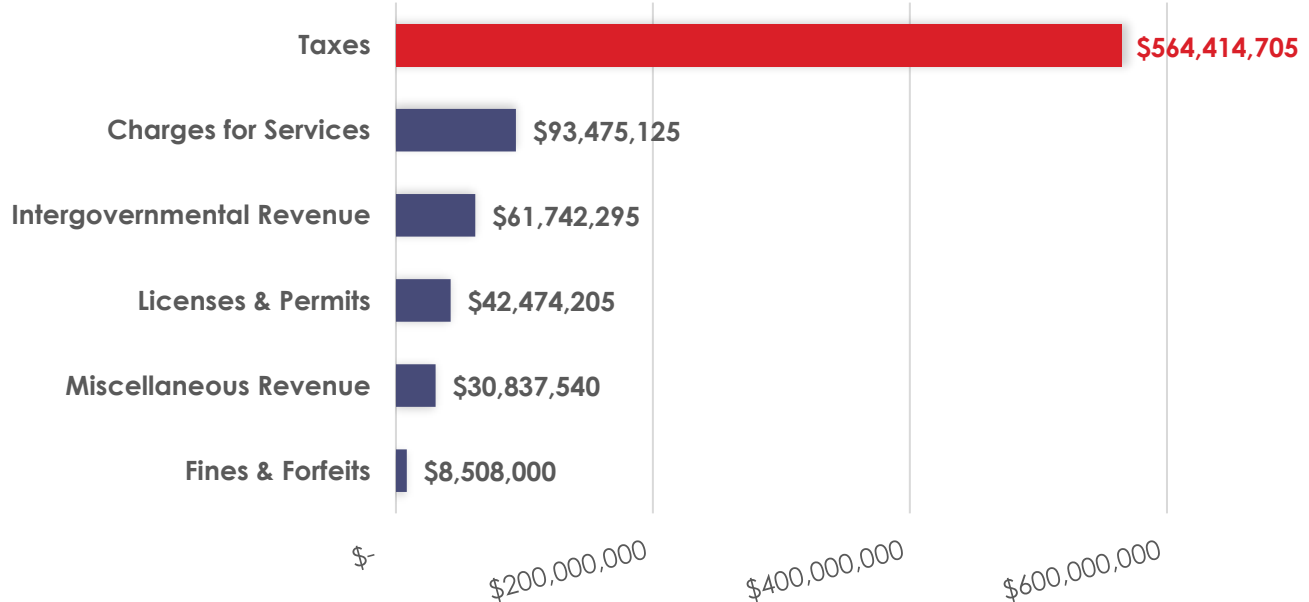
SALE OF CITY PROPERTY

FY23: \$90,000

Revenue from the sale of lots and graves at the City Cemetery supports its the operation and maintenance in the Public Works Budget. The price of a single lot is \$1,600.

TAXES

FY23 OPERATING BUDGET - REVENUES BY CATEGORY: \$801,451,870



TAXES SUMMARY

TAXES	FY21 ACTUAL	FY22 PROJECTED	FY23 BUDGET
CANNABIS EXCISE TAX	\$0	\$90,000	\$500,000
HOTEL/MOTEL EXCISE TAX	\$1,394,755	\$7,300,000	\$9,390,000
IN LIEU OF TAX PAYMENTS	\$8,219,285	\$8,000,000	\$8,000,000
MEALS EXCISE TAX	\$2,185,855	\$3,500,000	\$3,950,000
MOTOR VEHICLE EXCISE TAX	\$8,167,785	\$7,900,000	\$7,850,000
PENALTIES & DELINQUENT INTEREST	\$1,101,170	\$1,000,000	\$800,000
PERSONAL PROPERTY TAX	\$21,934,860	\$23,036,945	\$23,735,345
REAL PROPERTY TAX	\$453,507,585	\$476,647,315	\$510,189,360
TOTAL	\$496,511,295	\$527,474,260	\$564,414,705

TAXES

Taxes, primarily on real and personal property, are assessed and levied by the City to fund a wide range of community services. Taxes will account for 70.4% of total General Fund revenues.

CANNABIS EXCISE TAX

FY23: \$500,000

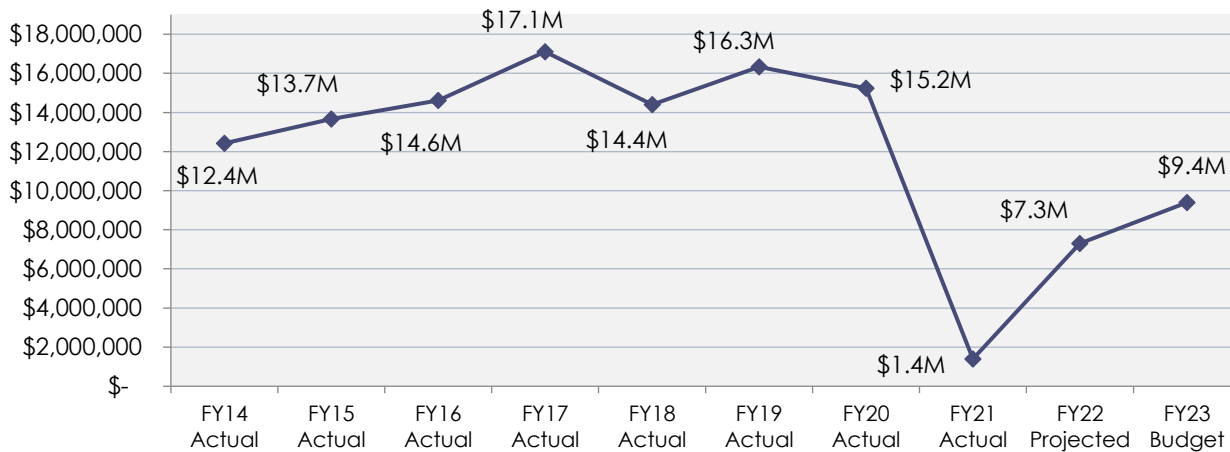
MGL chapter 34N authorizes municipalities to impose a 3% excise tax on the sale of marijuana products. The first recreational marijuana retailers in Cambridge opened during FY22.

HOTEL/MOTEL EXCISE TAX

FY23: \$9,390,000

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 or 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.

TEN-YEAR HISTORY OF HOTEL/MOTEL TAX



IN LIEU OF TAX PAYMENTS

FY23: \$8,000,000

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.

TAXES

TEN-YEAR HISTORY OF IN LIEU OF TAX PAYMENTS

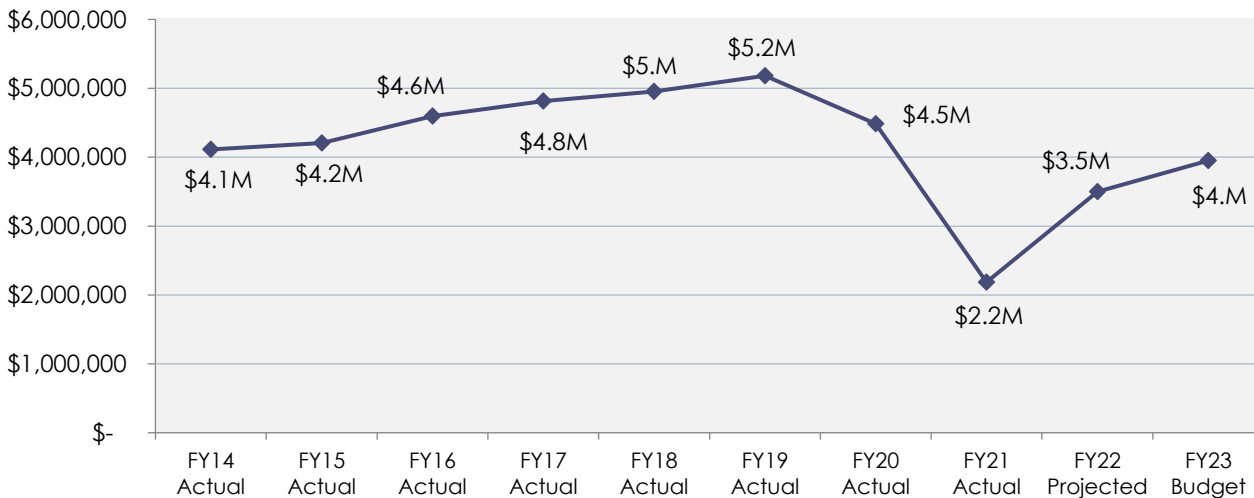


MEALS EXCISE TAX

FY23: \$3,950,000

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



MOTOR VEHICLE EXCISE TAX

FY23: \$7,850,000

EXCISE TAX RECEIPTS

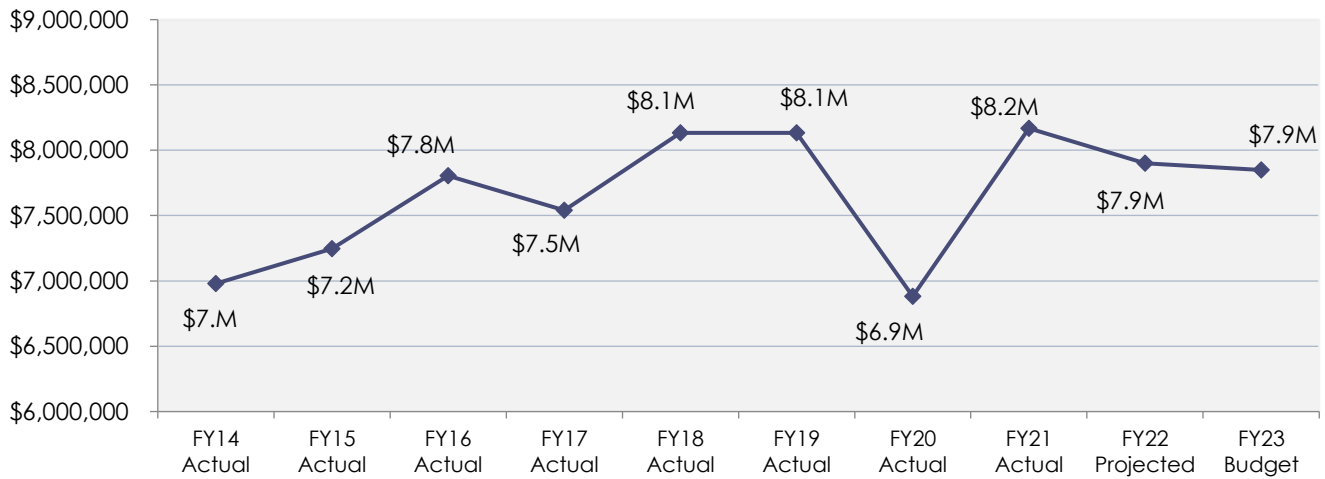
The motor vehicle excise tax is collected by the city or town in which a vehicle is garaged at the time of registration. State law sets the motor vehicle excise rate at \$25 per \$1,000 valuation. These monies are based on data provided by the Massachusetts Registry of Motor Vehicles. Valuations are 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. The City has a web-based payment system that allows excise taxpayers to pay their bill online using their Visa or MasterCard credit cards.

TAXES

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.

TEN-YEAR HISTORY OF MOTOR VEHICLE EXCISE TAX



PENALTIES & DELINQUENT INTEREST

FY23: \$800,000

DELINQUENT INTEREST

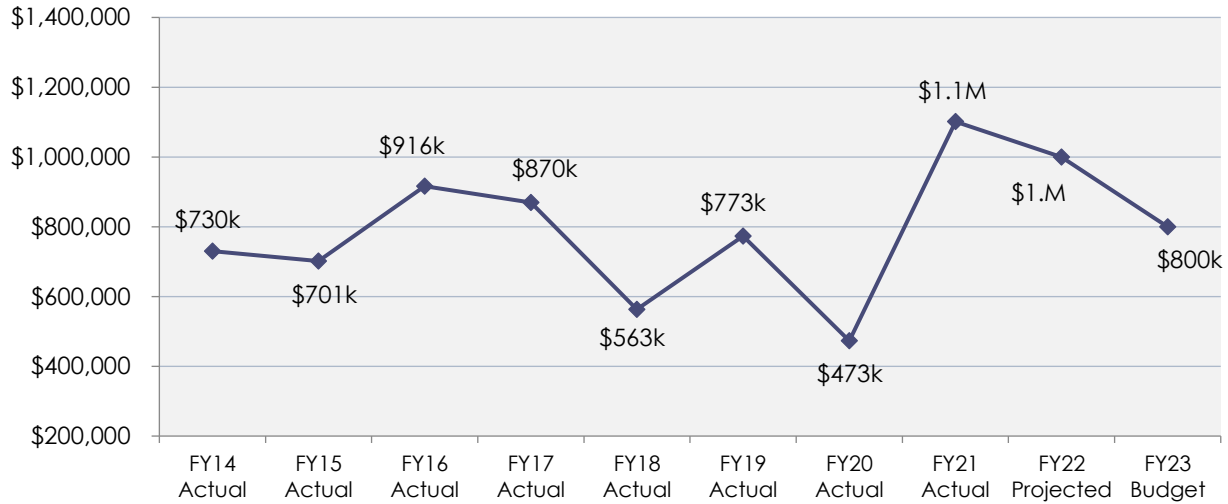
The City receives interest on overdue taxes and water/sewer service rates. State law dictates the interest rate for taxes, whereas City ordinance sets the rate for water/sewer charges. Overdue real and personal property taxes are charged 14% from the due date. Tax title accounts are charged 16% from 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

FY23: \$23,735,345

This tax is imposed on the personal property (stock, inventory, and 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 2,561 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 City of Cambridge adopted a Personal Property Tax Exemption to benefit small businesses for fiscal year 2021. Personal property accounts with a total assessed value of less than \$20,000 are granted an exemption.

The personal property tax is projected to produce roughly 4.5% 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 (FY22)		
1	NSTAR Electric	\$4,738,028
2	NSTAR Gas	\$2,016,217
3	Novartis Institute for Biomedical Research	\$1,422,102
4	Millennium Pharmaceutical	\$1,116,926
5	Amgen	\$600,818
6	Level 3 Communications	\$418,795
7	Foundation Medicine	\$392,286
8	Verizon New England	\$329,255
9	Bluebird Bio	\$309,478
10	Comcast of Massachusetts	\$197,884

TAXES

REAL PROPERTY TAX

FY23: \$510,189,360

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
FY22	\$479,006,992	\$4,426,877	\$474,580,115		
FY21	\$458,695,148	\$4,343,318	\$454,351,830	\$461,617,444	101.6%
FY20	\$438,128,694	\$4,329,196	\$433,799,498	\$428,257,917	98.7%
FY19	\$409,809,861	\$4,565,850	\$405,244,011	\$408,507,179	100.8%
FY18	\$389,080,359	\$4,520,140	\$384,560,219	\$388,111,848	100.9%

¹Tax levy less overlay reserve for abatements.

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

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