

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 FY26 are based on FY24 actual and FY25 projected collections, historical trends, and anticipated changes that impact particular revenues. The City met or exceeded most of its FY24 budgeted revenues and expects to do the same in FY25.

The Finance Department annually reviews license and permit fees, charges for services, and fines and forfeits charged by City departments. Increases to these amounts proposed in FY26, for the most part, have been kept level or lowered in the budget, in keeping with the practice to obtain actual revenue history prior to budgeting adjustments in revenue. In addition, the economic outlook, planned use of reserves, Federal and State grants as well as ongoing analysis of revenue collections also contribute to the estimates of non-property tax revenues.

MAXIMIZING NON-TAX REVENUE

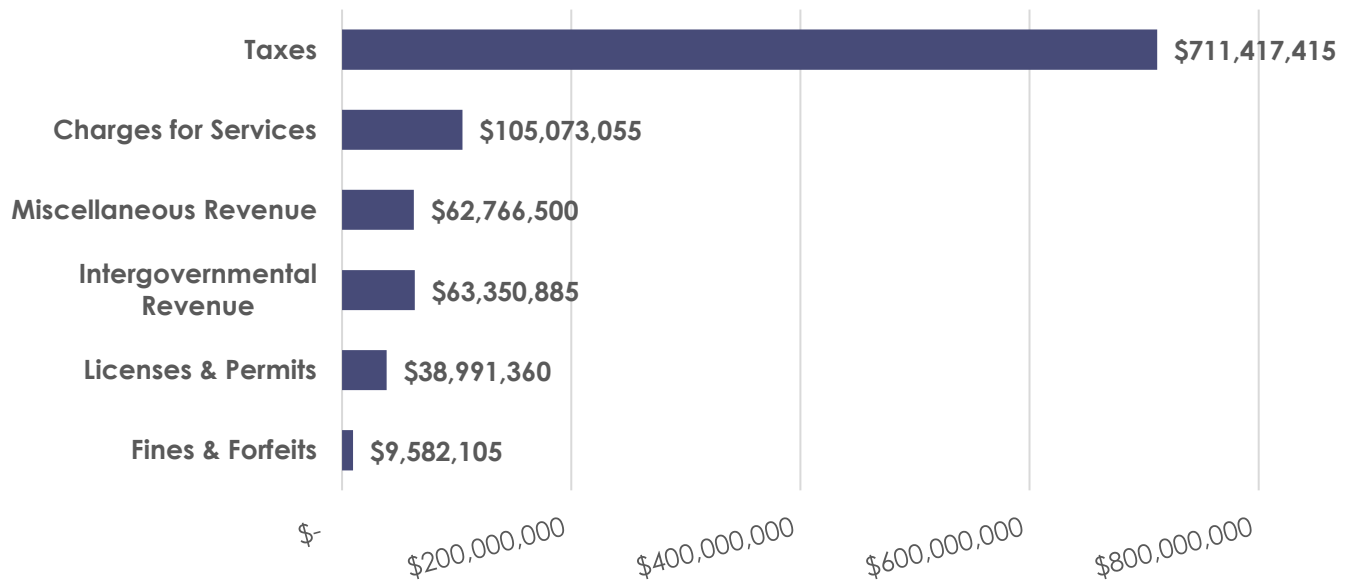
The City will continue its policy of maximizing alternative revenue sources to lower residents' tax burden for City services through enforcing license and permit policies, charging users for specific services where feasible, and collecting outstanding parking fines. Several key non-property tax revenues 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 7.9% in FY26, or by \$49.3 million from the FY25 property tax levy.

FIVE YEAR BUDGETED REVENUE ANALYSIS

REVENUE CATEGORY	FY22	FY23	FY24	FY25	FY26
CHARGES FOR SERVICES	\$89,969,745	\$93,475,125	\$102,211,765	\$105,478,810	\$105,073,055
FINES & FORFEITS	\$8,509,000	\$8,508,000	\$8,617,500	\$10,057,500	\$9,582,105
INTERGOVERNMENTAL REVENUE	\$55,334,540	\$61,742,295	\$64,234,490	\$65,331,130	\$63,350,885
LICENSES AND PERMITS	\$27,483,425	\$42,474,205	\$46,588,260	\$43,115,260	\$38,991,360
MISCELLANEOUS REVENUE	\$26,840,865	\$30,837,540	\$49,601,280	\$70,576,545	\$62,766,500
TAXES	\$540,083,115	\$564,414,705	\$612,520,590	\$661,025,105	\$711,417,415
TOTAL	\$748,220,690	\$801,451,870	\$883,773,885	\$955,584,350	\$991,181,320

REVENUE

FY26 OPERATING BUDGET - REVENUES BY CATEGORY

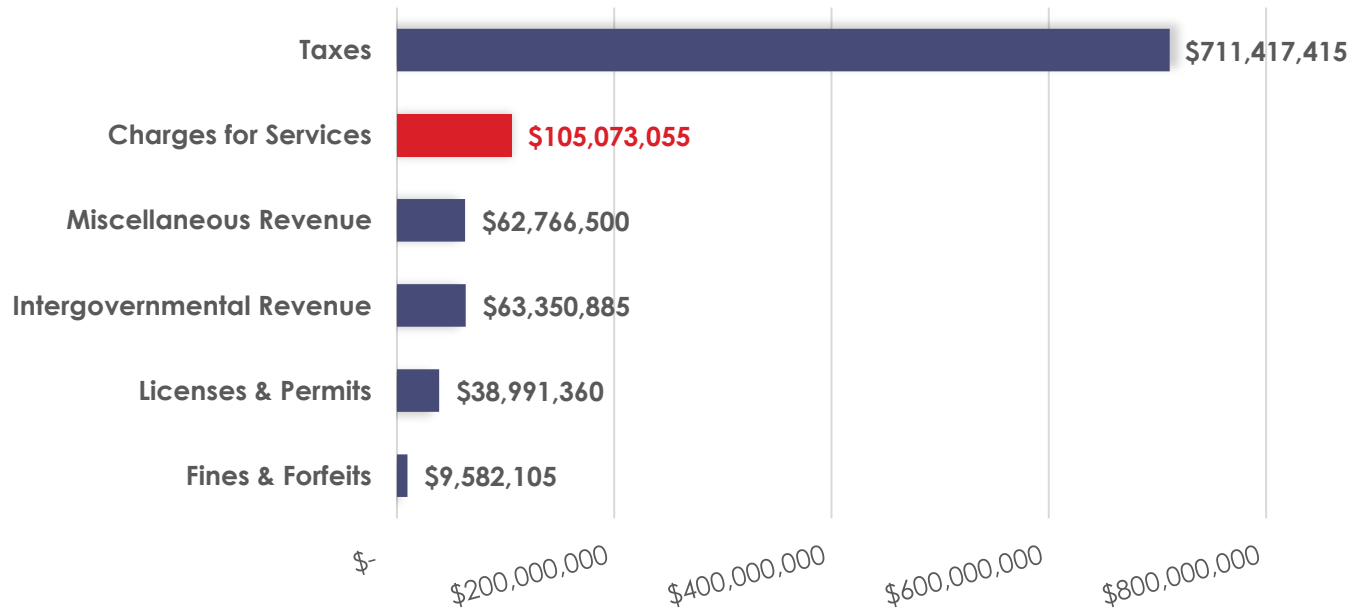


OPERATING BUDGET

FINANCING PLAN BY SOURCE	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
CHARGES FOR SERVICES	\$109,622,545	\$111,617,315	\$105,073,055
FINES & FORFEITS	\$12,336,950	\$11,324,400	\$9,582,105
INTERGOVERNMENTAL REVENUE	\$62,378,485	\$65,521,060	\$63,350,885
LICENSES AND PERMITS	\$55,865,260	\$43,842,215	\$38,991,360
MISCELLANEOUS REVENUE	\$62,529,075	\$69,934,520	\$62,766,500
TAXES	\$619,615,420	\$662,465,215	\$711,417,415
TOTAL REVENUE	\$922,347,735	\$964,704,725	\$991,181,320
PROGRAM EXPENDITURES			
GENERAL GOVERNMENT	\$69,158,300	\$80,024,375	\$186,085,215
PUBLIC SAFETY	\$181,595,475	\$194,066,720	\$136,473,250
COMMUNITY MAINTENANCE AND DEVELOPMENT	\$212,756,285	\$238,515,255	\$227,887,300
HUMAN RESOURCE DEVELOPMENT	\$74,582,180	\$92,008,355	\$83,729,320
EDUCATION	\$241,075,840	\$268,250,000	\$280,250,000
INTERGOVERNMENTAL	\$70,737,265	\$73,197,600	\$76,756,235
TOTAL EXPENDITURES	\$849,905,345	\$946,062,305	\$991,181,320

CHARGES FOR SERVICES

FY26 OPERATING BUDGET - REVENUES BY CATEGORY

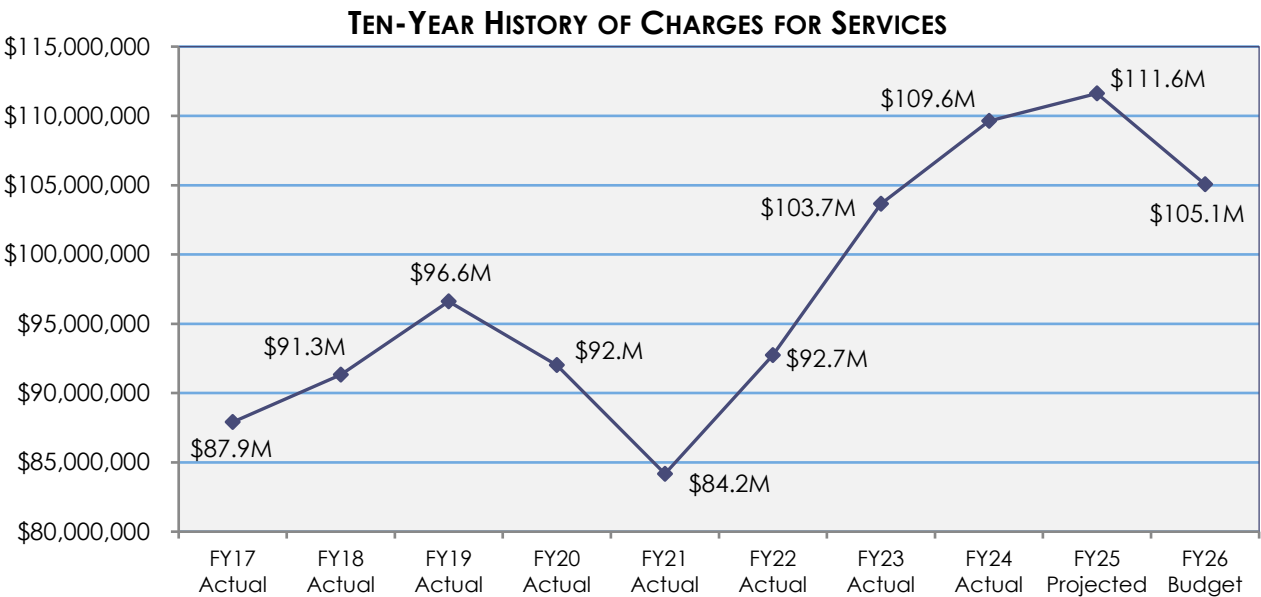


CHARGES FOR SERVICES SUMMARY

CHARGES FOR SERVICES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
FEES	\$9,512,905	\$8,879,225	\$9,290,480
OTHER CHARGES FOR SERVICES	\$2,582,460	\$2,332,525	\$2,176,875
PARKING	\$9,116,180	\$10,388,045	\$10,076,380
SEWER SERVICE CHARGE	\$69,417,250	\$68,710,200	\$66,820,840
WATER UTILITY REVENUE	\$18,993,750	\$21,307,320	\$16,708,480
TOTAL	\$109,622,545	\$111,617,315	\$105,073,055

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 10.6% of total operating revenues.



CHARGES FOR SERVICES

FEES

FY26: \$9,290,480*

FEES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE	<u>\$299,485</u>	<u>\$332,480</u>	<u>\$387,000</u>
Business Certificates	\$0	\$30,000	\$30,000
Certified Copies	\$203,535	\$226,000	\$280,000
Domestic Partners	\$5,635	\$5,000	\$6,000
Misc. Clerk's Fees	\$33,175	\$480	\$0
Municipal Liens	\$56,200	\$70,000	\$70,000
Photocopy/Reproduction	\$940	\$1,000	\$1,000
ELECTRICAL	<u>\$1,098,690</u>	<u>\$1,109,000</u>	<u>\$1,109,400</u>
Cut-Out/Plug-Out Fee	\$34,080	\$35,000	\$35,000
Fire Alarm Box Charge	\$157,910	\$174,000	\$174,400
Signal Maintenance Fee	\$906,700	\$900,000	\$900,000
HEARING/FILING	<u>\$109,980</u>	<u>\$78,275</u>	<u>\$78,500</u>
Board of Zoning Appeals	\$80,615	\$60,000	\$60,000
Conservation Commission	\$1,515	\$1,500	\$1,500
License Hearing Fees	\$27,850	\$16,775	\$17,000
HUMAN SERVICES	<u>\$6,412,925</u>	<u>\$6,234,920</u>	<u>\$6,148,400</u>
Athletic Leagues	\$5,440	\$6,000	\$6,000
Childcare Tuition	\$1,349,780	\$1,350,000	\$1,400,000
Community Schools	\$2,614,335	\$2,400,000	\$2,500,000
Field Permits	\$160,545	\$140,000	\$140,000
Golf Course	\$1,313,450	\$1,300,000	\$1,041,400
King Open Extended Day	\$404,085	\$400,000	\$425,000
Recreational Activities	\$417,315	\$400,000	\$400,000
Senior Activities	\$25,400	\$27,920	\$25,000
Special Needs	\$12,980	\$11,000	\$11,000
Youth Programs	\$109,595	\$200,000	\$200,000
PUBLIC SAFETY	<u>\$1,591,825</u>	<u>\$1,124,550</u>	<u>\$1,567,180</u>
Agency Fee	\$8,490	\$8,000	\$7,000
Fire Detail Surcharge	\$257,945	\$200,000	\$200,000
Inspectional Details	\$18,350	\$15,000	\$10,000
Police Detail Surcharge	\$243,965	\$260,000	\$260,000
Rescue Service Fees	\$978,975	\$553,550	\$1,003,180
Sealing Inspection	\$25,705	\$21,000	\$21,000
Smoke Detectors	\$46,750	\$51,000	\$51,000
Towing Surcharge	\$11,645	\$16,000	\$15,000
TOTAL REVENUE	\$9,512,905	\$8,879,225	\$9,290,480

*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

- **Business Certificates.** The City Clerk issues Business Certificates for a fee of \$50, valid for a four year period, to any person, partnership or corporation conducting businesses in Cambridge.
- **Certified Copies of Official/Vital Records.** The City Clerk's Office issues certified copies of official documents at a charge of \$15 (\$5 for Senior Citizen) per copy 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 \$50 per certificate (filing fee).
- **Miscellaneous City Clerk Charges.** The City Clerk collects fees for the issuance of miscellaneous certificates such as physician 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 master fire alarm boxes to the City's alarm 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.** An additional 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. 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.** Pursuant to the open meeting law, all petitions/applications must be considered by the Board of License Commissioners at an open meeting. There is a hearing fee associated with all applications considered by the Board, except one day permits/licenses. Certain state or municipal laws require some applications/petitions be advertised in the newspaper, and the applicant must pay that fee in addition to the hearing fee. There are approximately 150 petitions/applications that require a hearing each year. For alcohol license applications, there is 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.
- **Childcare Tuition.** Preschool programs are held at King, Morse, Peabody, 119 Windsor St., King Open and Haggerty School. All preschool families at or below 65% of HUD AMI will receive free early education and care. Higher income families of 4-year-olds will pay sliding scale tuition rates. In FY26, the new Alewife and Tobin Preschools will be operating.
- **Community Schools Revenue.** This category includes revenues received from summer camps and school year programs offered by the Community Schools throughout the city. Community Schools use sliding scale tuition rates to ensure childcare services are available to Cambridge families. Sliding fee scales allow prioritizing services to Cambridge's underserved populations.
- **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 events.
- **Golf Course.** The Thomas P. O'Neill, Jr. Golf Course at Fresh Pond is supported by membership dues and fees. In FY26, additional revenue will be generated by increased fees and new golf simulator activities.
- **King Open Extended Day Program.** The Department of Human Service Programs jointly administers an Extended Day Program with the King Open School Cambridge Public School Department. Revenue from tuition is used to fund the program. King Open Extended Day uses sliding scale tuition rates to ensure childcare services are available to Cambridge families.
- **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.
- **Senior Activities/Council on Aging.** Funds are generated from various classes and activities offered by the Council on Aging. Programming is a mix of in-person and virtual. Fees are not collected currently for virtual classes. Funds received from Somerville Cambridge Elder Services support staffing.
- **Special Needs.** Revenues from Camp Rainbow and school year special needs activities are generated through participant registration fees.
- **Youth Programs.** These funds are generated from tuition for the pre-teen, and middle school year-round program, summer camps, and from teen membership fees. Fees are used to offset program expenses. Cambridge Youth Day Programs uses sliding scale tuition rates to ensure childcare services are available to Cambridge families.

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.
- **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 collect 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 an administrative fee of 10% of all towing charges paid in the City. The revenue is used to support the Police Budget.

OTHER CHARGES FOR SERVICES

FY26: \$2,176,875

OTHER CHARGES FOR SERVICES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Cable Franchise License Fees	\$1,259,085	\$1,089,585	\$931,015
Cemetery Fees	\$259,440	\$220,000	\$220,000
Rent of City Property	\$630,830	\$625,940	\$628,860
Short-Term Rental Community Impact Fee	\$387,640	\$350,000	\$350,000
White Goods	\$45,465	\$47,000	\$47,000
TOTAL	\$2,582,460	\$2,332,525	\$2,176,875

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.

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 \$1,500 and a cremation opening is \$320.

RENT OF CITY PROPERTY

The City receives rent proceeds 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. The City also receives rent proceeds from Cambridge YWCA for emergency family housing located in a City-owned building and from the New School of Music, located on Lowell Street, which are used to support the Public Works Budget.

CHARGES FOR SERVICES

SHORT-TERM RENTAL COMMUNITY IMPACT FEE

MGL chapter 64G authorizes municipalities to charge a 3% community impact fee on short-term rentals. This revenue is used to support affordable housing.

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

FY26: \$10,076,380*

PARKING CHARGES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Boot Removal Fees	\$3,916	\$15,000	\$3,000
Business Parking Permits	\$83,721	\$60,000	\$60,000
Meter Collection	\$4,042,274	\$4,500,000	\$4,200,000
Parking Garages	\$3,387,766	\$3,963,045	\$4,223,380
Parking Lots	\$653,494	\$650,000	\$725,000
Resident Stickers	\$669,341	\$800,000	\$700,000
Use of Meters	\$275,668	\$400,000	\$165,000
TOTAL	\$9,116,180	\$10,388,045	\$10,076,380

*Does not include \$100,000 in parking revenue 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 Department of Transportation (DOT) budget, parking fee revenue will also support the Police Department (\$566,355) and Cherry Sheet Assessments (\$349,160).

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 DOT on a limited basis to accommodate users who travel around the city for work-related purposes to provide services to residents.

METER COLLECTIONS

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

PARKING GARAGES

The two municipal parking garages the City operates charge \$4 for the first hour and varying rates for additional time, up to \$30 for 24 hours. There are a total of 1,328 parking spaces in these facilities.

PARKING LOTS

The City operates nine municipal parking 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.

CHARGES FOR SERVICES

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 metered 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 DOT.

SEWER SERVICE

FY26: \$66,820,840*

SEWER SERVICES CHARGES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Sewer Connection Fee	\$406,000	\$150,000	\$125,000
Sewer Service Charge	\$69,011,250	\$68,560,200	\$66,695,840
TOTAL	\$69,417,250	\$68,710,200	\$66,820,840

*Does not include \$10,800,000 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 is connecting to the sewer. The rate schedule is as follows: \$50 per new residential fixture, \$80 per new commercial fixture, and \$120 per industrial fixture. 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 Massachusetts Department of Environmental Protection. The sewer charge allocates a portion of the burden to the tax-exempt institutions in the city, which are among the largest water users. The FY26 sewer rate increase is 6.5%, while the water rate increase is 8.2%, resulting in a combined rate increase of 6.9%. The Sewer Service Charge revenue is allocated to the following City departments: Finance (\$225,000), Public Works (\$7,871,015), Debt Service (\$25,485,825), Massachusetts Water Resource Authority (\$33,069,500), and Community Development (\$44,500).

CHARGES FOR SERVICES

WATER

FY26: \$16,708,480*

WATER CHARGES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Fund Balance	\$0	\$0	\$250,000
Misc. Water Charges	\$887,890	\$1,100,000	\$1,100,000
Water Usage	\$18,105,860	\$20,207,320	\$15,358,480
TOTAL	\$18,993,750	\$21,307,320	\$16,708,480

*Does not include \$4,452,385 in water usage revenue that will be used in the Capital Budget.

WATER FUND FUND BALANCE

For FY26, the City will use \$250,000 of the Water Fund fund balance. A fund balance is a result of excess assets over its liabilities and reserves. The Water Fund fund balance is restricted and committed to specific constraints as to how the amount may be spent.

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 FY26 rates, effective for all water consumed as of April 1, 2025 represent a 8.2% increase in the water rate and an 6.5% increase in the sewer rate, with a 6.9% increase in the combined rate.

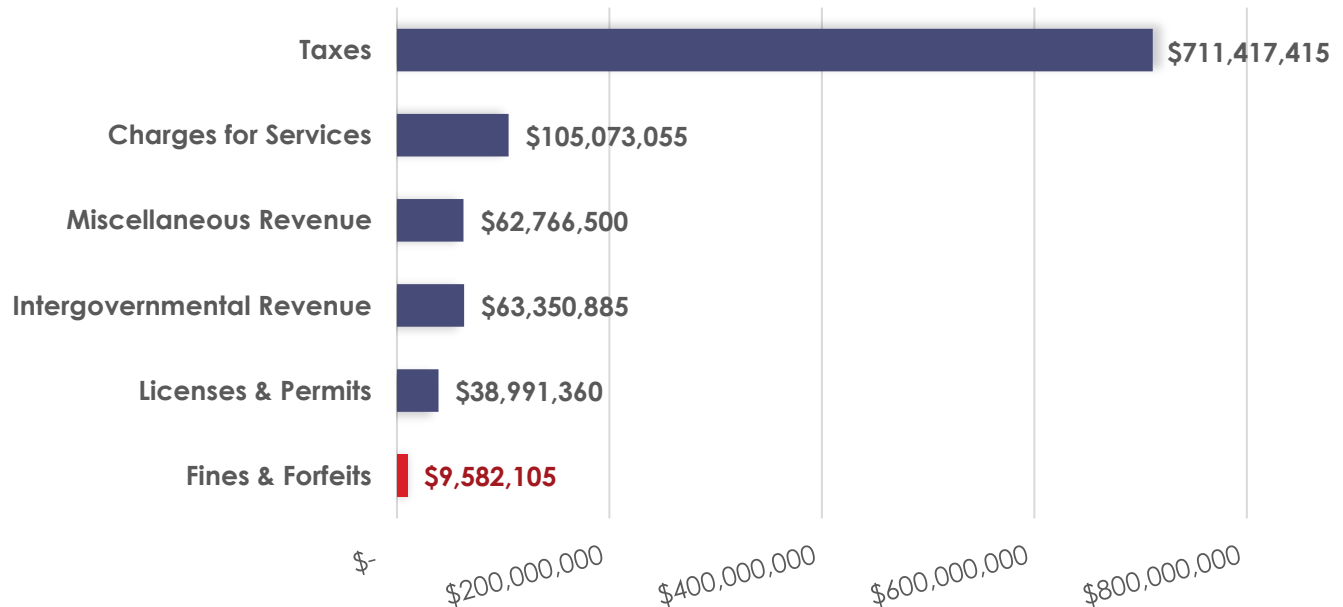
Block	Annual Consumption	Water Rate	Sewer Rate
1	0-40 CeF	\$3.84	\$17.12
2	41-400 CeF	\$4.10	\$18.10
3	401-2,000 CeF	\$4.36	\$19.45
4	2,011-10,000 CeF	\$4.63	\$20.93
5	Over 10,000 CeF	\$5.03	\$22.25

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: Employee Benefits (\$2,774,585), Finance (\$225,000), Public Works (\$464,340), Community Development (\$30,000), and Animal Commission (\$10,000).

FINES & FORFEITS

FY26 OPERATING BUDGET - REVENUES BY CATEGORY



FINES & FORFEITS SUMMARY

FY26: \$9,582,105*

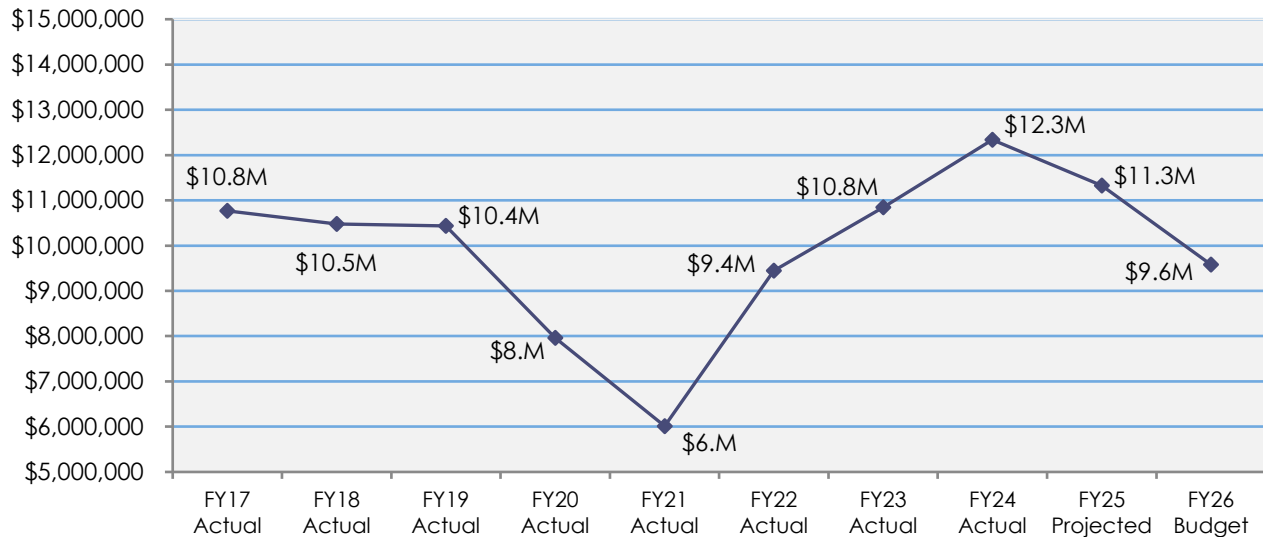
FINES & FORFEITS	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
ANIMALS	\$3,000	\$2,000	\$2,000
BICYCLE	\$0	\$100	\$100
FALSE ALARMS	\$32,095	\$33,000	\$33,000
MOVING VIOLATIONS	\$99,155	\$100,000	\$110,000
NOISE FINES	\$19,050	\$14,000	\$12,000
PARKING	\$12,183,650	\$11,175,300	\$9,425,005
TOTAL	\$12,336,950	\$11,324,400	\$9,582,105

*Does not include \$575,000 in Parking Fine revenue that will be used in the Capital Budget.

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 1.0% of total operating 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 designated off-leash areas. Dog owners are subject to a fine not exceeding \$50 for each offense for failure to comply with designated off-leash regulations. Per MGL chapter 140, section 137A, failure to license or display a current dog license results in a fine of \$50-\$500. The fine for the first offense committed by a person shall be \$50. The fine for a second offense shall be \$100. The fine for a third offense shall be \$300. For a fourth or subsequent offense, the fine shall be \$500 and the municipality may order the animal spayed or neutered. Failure to properly dispose of dog waste is punishable by a fine of not more than \$100 for each offense.

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

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

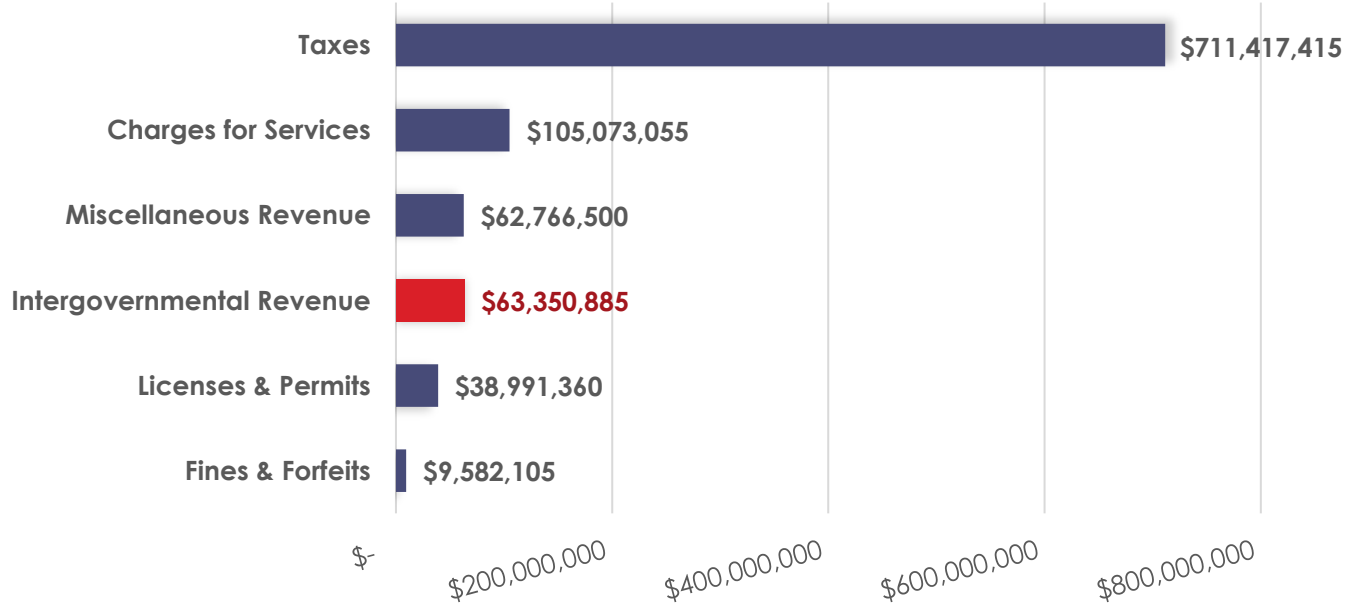
Pursuant to Cambridge Municipal Code Noise Ordinance 8.16, the License Commission may issue fines to any person, business, or licensee which violates the provisions therein. The fines issued can reach up to \$300 per violation per day.

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. In addition to funding the DOT budget, Parking Fines will also support the Police Department (\$1,643,165), Employee Benefits (\$4,124,665) and School Department (\$100,000).

INTERGOVERNMENTAL REVENUE

FY26 OPERATING BUDGET - REVENUES BY CATEGORY



INTERGOVERNMENTAL REVENUE SUMMARY

INTERGOVERNMENTAL REVENUE	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
FEDERAL GRANTS	\$818,340	\$1,018,865	\$914,905
OTHER INTERGOV. REVENUE	\$12,913,495	\$14,106,460	\$8,958,400
STATE CHERRY SHEET REV.	\$48,542,130	\$50,188,925	\$52,865,380
STATE GRANTS	\$104,520	\$206,810	\$612,200
TOTAL	\$62,378,485	\$65,521,060	\$63,350,885

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 6.4% of total operating 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

FY26: \$914,905*

FEDERAL GRANTS	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Com. Dev. Block Grant	\$818,340	\$1,018,865	\$914,905
TOTAL	\$818,340	\$1,018,865	\$914,905

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. FY26 CDBG funds are allocated as follows: Community Development (\$472,195), Housing Department (\$81,625), and the Department of Human Service Programs (\$361,085).

INTERGOVERNMENTAL REVENUE

OTHER GOVERNMENTAL REVENUE

FY26: \$8,958,400

OTHER GOVERNMENTAL REVENUE	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Cambridge Health Alliance	\$11,983,510	\$13,206,460	\$8,058,400
Medicaid Reimbursement	\$929,985	\$900,000	\$900,000
TOTAL	\$12,913,495	\$14,106,460	\$8,958,400

CAMBRIDGE HEALTH ALLIANCE

The Cambridge Health Alliance reimburses the City for its share of contributory retirement system costs 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

FY26: \$52,865,380

FEES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
EDUCATION REIMBURSEMENT	<u>\$2,818,505</u>	<u>\$2,396,630</u>	<u>\$2,503,740</u>
Charter School Tuition Reimbursement	\$2,818,505	\$2,396,630	\$2,503,740
GEN. GOVT. REIMB/DISTRIB	<u>\$313,450</u>	<u>\$521,240</u>	<u>\$662,870</u>
Library Aid	\$238,075	\$269,045	\$267,805
Real Estate Abatements	\$33,635	\$131,770	\$146,245
Veterans Benefits	\$41,740	\$120,425	\$248,820
SCHOOL/LOCAL AID (UGGA)	<u>\$45,410,175</u>	<u>\$47,271,055</u>	<u>\$49,698,770</u>
School Aid/Chapter 70	\$19,728,185	\$20,818,605	\$22,664,365
Unrestricted General Gvt. Aid/Local Aid	\$25,681,990	\$26,452,450	\$27,034,405
TOTAL REVENUE	\$48,542,130	\$50,188,925	\$52,865,380

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. Estimated revenues are based on the Governor's FY26 budget proposal and are subject to revision after the state budget process is completed.

Cherry Sheet revenue is used in funding departmental Operating Budgets and for Cherry Sheet Assessments. The City estimates Chapter 70 School Aid and Unrestricted General Government Aid (UGGA) revenue of \$49,698,770 in FY26. These two local aid categories represent 5.0% of the total Operating Budget.

INTERGOVERNMENTAL REVENUE

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%.

GENERAL GOVERNMENTAL REIMBURSEMENT DISTRIBUTION

- **Library Aid.** This amount has three components: the Library Incentive Grant is disbursed to all certified municipalities based on their population to encourage local support for library services and bolster reciprocal resource sharing among libraries; the Municipal Equalization Grant apportioned according to the lottery distribution formula, including equalized property valuation; and the Nonresident Circulation Offset helps libraries cover additional costs related to circulating materials to patrons of other Massachusetts library systems. 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 \$32,193 for a single person or \$48,290 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 \$64,382, or married, in excess of \$88,526, 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 Executive Office of Veterans Services 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.

INTERGOVERNMENTAL REVENUE

STATE GRANTS

FY26: \$612,200

STATE GRANTS	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Additional Voting Hours	\$15,395	\$123,870	\$0
Consumers' Council Grant	\$65,000	\$65,000	\$65,000
State Grants	\$19,200	\$17,940	\$497,200
Reimb/Non-Contrib Pensions	\$4,925	\$0	\$50,000
TOTAL	\$104,520	\$206,810	\$612,200

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.

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.

STATE GRANTS

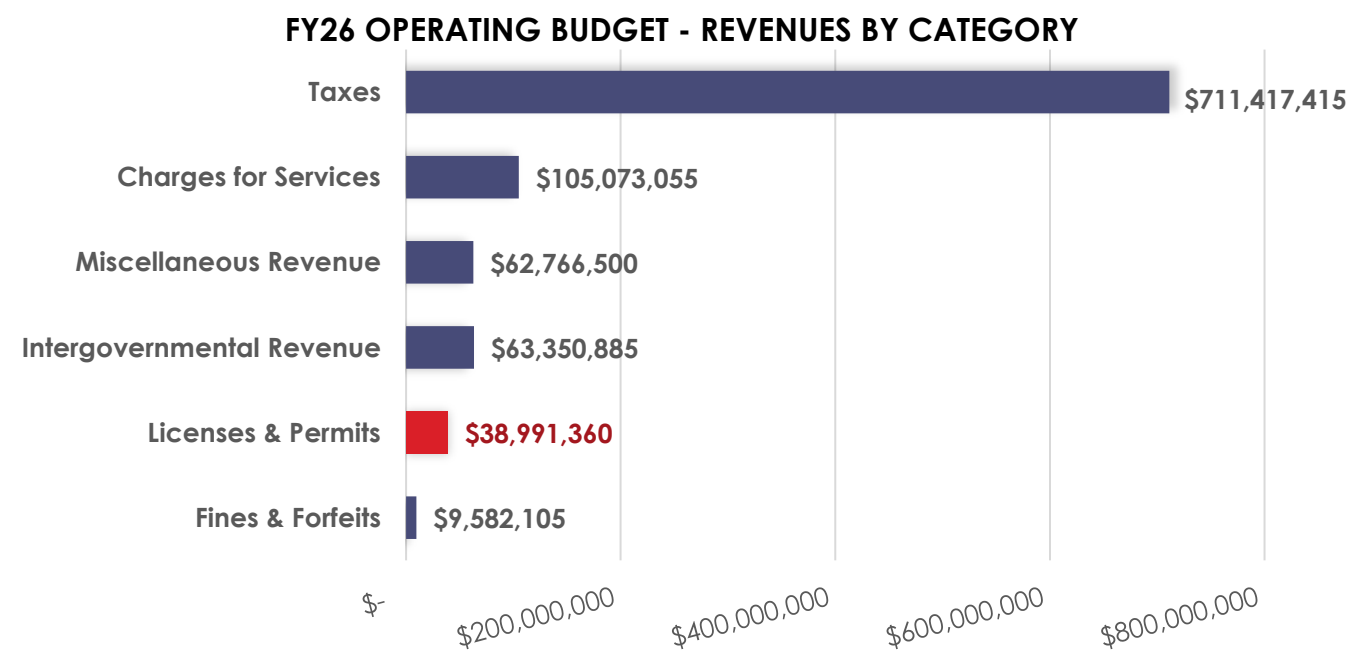
Massachusetts Cultural Council (MCC) receives a competitive MCC Cultural Investment Portfolio Grant (CIP) to provide operating support to offset administrative and programming costs.

Emergency Communications Center (ECC) Center receives a MA 911 Department Support & Incentive Grant to support operational 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



LICENSES AND PERMITS SUMMARY

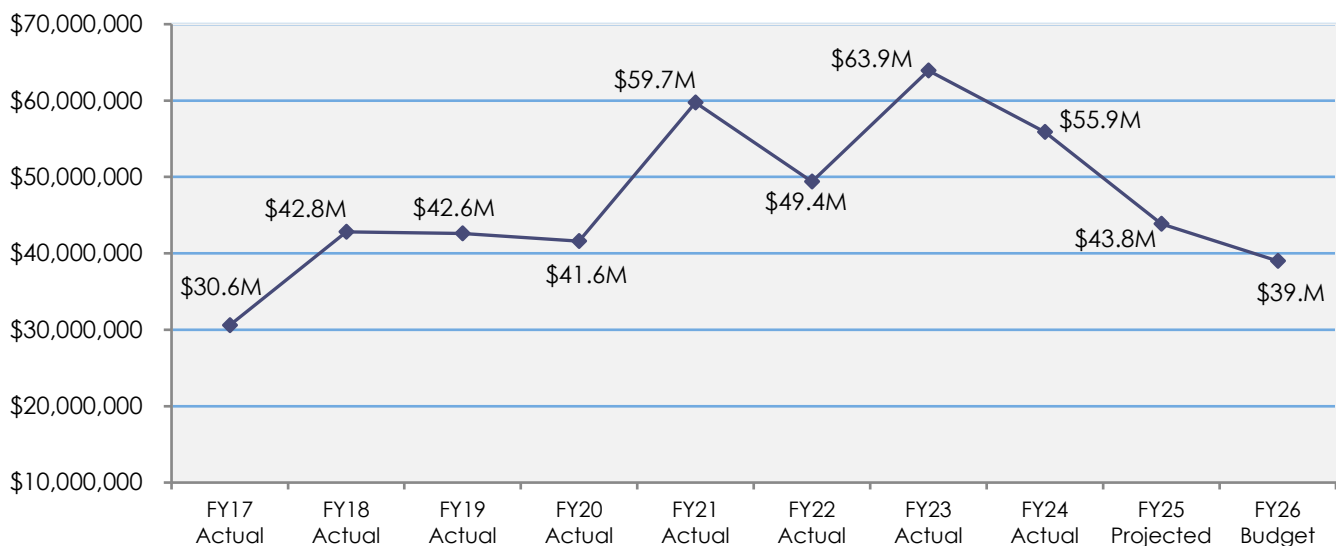
LICENSES AND PERMITS	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
LICENSES	\$3,323,520	\$3,060,350	\$2,988,560
PERMITS	\$52,541,740	\$40,781,865	\$36,002,800
TOTAL	\$55,865,260	\$43,842,215	\$38,991,360

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. 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 0.3% of total operating 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 3.6% of total operating revenues.

TEN-YEAR HISTORY OF LICENSES & PERMITS



LICENSES & PERMITS

LICENSES

FY26: \$2,988,560

LICENSES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Alcoholic Beverages	\$1,074,485	\$1,040,655	\$1,000,000
Builders	\$4,880	\$5,000	\$5,000
Common Victualer	\$86,890	\$82,945	\$83,000
Disposal	\$4,600	\$2,800	\$2,800
Dog Licenses	\$42,000	\$45,000	\$78,450
Dumpster	\$118,225	\$102,500	\$100,000
Entertainment	\$227,545	\$217,000	\$210,000
Garage/Gasoline	\$552,000	\$540,000	\$540,000
Hackney	\$24,675	\$13,670	\$13,670
Health Related	\$278,490	\$235,250	\$183,000
Lodging House	\$323,890	\$328,390	\$330,000
Marriage	\$45,605	\$41,500	\$50,000
Miscellaneous	\$61,560	\$45,000	\$45,000
Motor Vehicle Related	\$59,255	\$58,540	\$58,540
Pole and Conduit	\$263,020	\$178,000	\$175,000
Property Use	\$101,250	\$75,000	\$75,000
Recreation Camps	\$18,350	\$18,500	\$12,500
Shops and Sales	\$1,600	\$1,600	\$1,600
Short Term Rentals	\$20,800	\$15,000	\$15,000
Tobacco	\$14,400	\$14,000	\$10,000
TOTAL	\$3,323,520	\$3,060,350	\$2,988,560

ALCOHOLIC BEVERAGES LICENSES

Pursuant to MGL Chapter 138 and the Special Acts of 1922 to those that serve, sell or deliver alcoholic beverages to be consumed on or off premises. The license fee depends on the type of liquor license being issued, the category of alcohol being sold, and on whether the license is an annual or a one-day license. Depending on the type of business, it may also include a common victualer and/or entertainment license and thus the fee would vary upon those additional licensed services.

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

Pursuant to MGL Chapter 140 to those that sell food to be consumed on the premises. The license fee is a base \$100 fee plus a \$1 per person fee based on the total indoor occupancy. All common victualer licenses are allowed to offer background music at or below conversation level as entertainment for no additional fee. Additional entertainment categories can be included in the license after approval and payment of the entertainment fees.

LICENSES & PERMITS

DISPOSAL/WASTE HAULER LICENSES

Pursuant to City Ordinance 5.24 to any private garbage, salvage, and trash companies operating in Cambridge. The fee for each company is \$200.

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 \$20 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

Pursuant to MGL Chapter 140 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. Entertainment license fees depend on whether it is annual or a one-day license, and on the type of entertainment categories or devices licensed.

GARAGE WITH/WITHOUT FLAMMABLES AND OPEN AIR PARKING LOT LICENSES

Pursuant to MGL Chapter 148, Cambridge Municipal Ordinance 8.08 and the Special Acts of 1930, to those who keep or maintain parking lots, garages or flammables for direct and/or indirect consumption. The fees for these licenses depend on the type of license, the quantity of flammables stored (and whether for direct/indirect consumption), and/or the number of vehicles stored.

HACKNEY FEES & LICENSES

Pursuant to MGL Chapter 40 and the Special Acts of 1922 and 1930, as medallions to the vehicles used as hackney carriages and to the drivers that operate those carriages in the City of Cambridge. The vehicles are inspected twice a year, for which there is a \$190 inspection fee. The driver's license is renewed yearly, subject to satisfactory Criminal Offender Record Information and driving history checks, and payment of a \$42 fee. Associated with this category are the dispatch service licenses which have an initial and annual renewal cost of \$250.

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 to those who operate hotels, motels, resorts, boarding houses, lodging houses, fraternities/sororities or inns. 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, or bed and breakfast operations.

MARRIAGE LICENSES

The City Clerk issues marriage licenses to couples intending to marry. The fee is \$50 per license.

LICENSES & PERMITS

MISCELLANEOUS LICENSES

The Board of License Commissioners issues several other types of licenses and permits, such as fortune tellers (\$50), hawkers/peddlers (\$39 annually, \$10 one day), open-air festivals (\$5 per amusement/ride, per day), leaf blowers (\$200), raffles/bazaar (\$10 one day, \$60 annual), and jitneys (\$100 flat fee plus per driver fee per set schedule posted on website). This category also includes the fees associated with the issuance of Special Noise Variances (\$100).

MOTOR VEHICLE RELATED LICENSES

Pursuant to MGL Chapter 140 and the Special Acts of 1930, these licenses include used car dealers (\$200), automobile rental agencies (\$121), and livery services (\$121 for the first two vehicles and \$50 for each additional vehicle). Livery service vehicles are also inspected yearly for an annual fee of \$190.

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 to those who have conduit or small cell attachments in the public way. 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 \$8,500 is charged to all entities that have conduits in the public way.

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 used to offset the costs associated with regulating, inspecting and investigating the sale and service of alcohol in those areas. The fees paid to the License Commission for operating on a public outdoor area are separate from the fees paid to the Department of Public Works or Traffic, Parking and Transportation for the use of the area.

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.

SHOPS AND SALES LICENSES

Pursuant to MGL Chapter 40 and Chapter 100 to those operating antique, junk dealers and/or secondhand good stores, or operating as an auctioneer. The annual license fees for each is \$100. One day auctioneer permits are also issued for a cost of \$31 per day.

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).

LICENSES & PERMITS

PERMITS

FY26: \$36,002,800

PERMITS	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Air Rights/Public Ways	\$34,920	\$20,000	\$20,000
Building	\$46,436,035	\$35,000,000	\$31,000,000
Fire	\$199,725	\$160,000	\$160,000
Firearm	\$4,425	\$3,800	\$3,800
Gas	\$93,255	\$90,000	\$130,000
Mechanical	\$284,090	\$300,000	\$250,000
Occupancy Certifications	\$260,000	\$220,000	\$200,000
Place of Assembly	\$524,210	\$655,000	\$450,000
Plan Review	\$13,620	\$35,000	\$35,000
Plumbing	\$166,550	\$190,000	\$230,000
Sheet Metal	\$91,980	\$105,000	\$105,000
Special Building Permits	\$165,350	\$175,000	\$150,000
Sprinkler	\$83,505	\$95,000	\$105,000
Street Obstruction	\$1,364,620	\$1,322,065	\$1,200,000
Street Opening	\$1,997,650	\$1,630,000	\$1,210,000
Sunday	\$6,425	\$6,000	\$4,000
Wiring	\$815,380	\$775,000	\$750,000
TOTAL	\$52,541,740	\$40,781,865	\$36,002,800

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. Building permits are used to fund Inspectional Services (\$19,254,250), Employee Benefits (\$1,500,000) and the Housing Department (\$10,245,750).

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 up to six years). The Department also issues firearms identification cards (\$100 for up to six years), which allows the holder to possess non-large capacity rifles or shotguns. The Department collects the fee and distributes \$75 to the Department of Criminal Justice Information Services.

LICENSES & PERMITS

GAS PERMITS

The Inspectional Services Department issues permits to licensed individuals to perform gas fitting work. The permit fees range from \$20 to \$100 and are based on the type of equipment being installed.

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 equipment and the size of the system being installed.

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, with an additional fee of \$50 for each unit over the first unit. The fee for commercial buildings is \$100 plus \$50 per 1,000 square feet.

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.

SPECIAL BUILDING PERMITS

The Inspectional Services Department issues permits for asbestos removal or remediation. The contractor also needs approval from the state Department of Environmental Protection prior to applying for 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.

LICENSES & PERMITS

STREET OBSTRUCTION PERMITS

Traffic, Parking and Transportation issues an average of 6,800 permits annually for curb space use 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

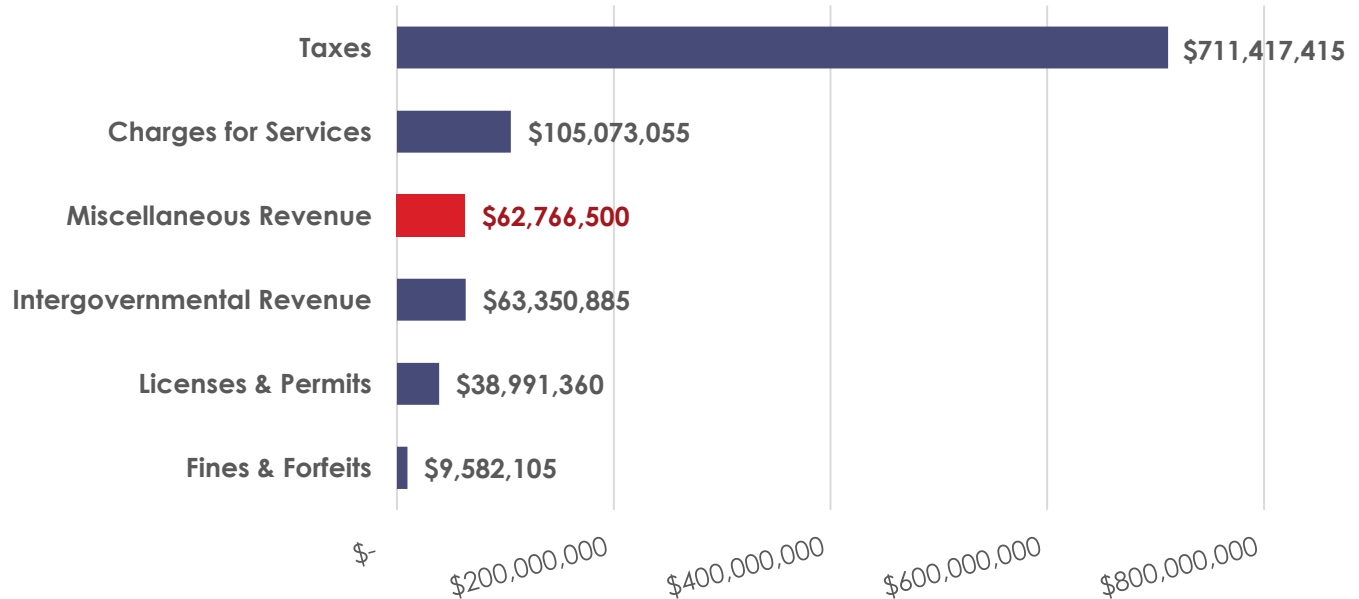
The Police Department issues Sunday permits (\$25 per Sunday) allowing a business to operate on Sunday due to unusual or extenuating circumstances.

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

FY26 OPERATING BUDGET - REVENUES BY CATEGORY



MISCELLANEOUS REVENUE SUMMARY

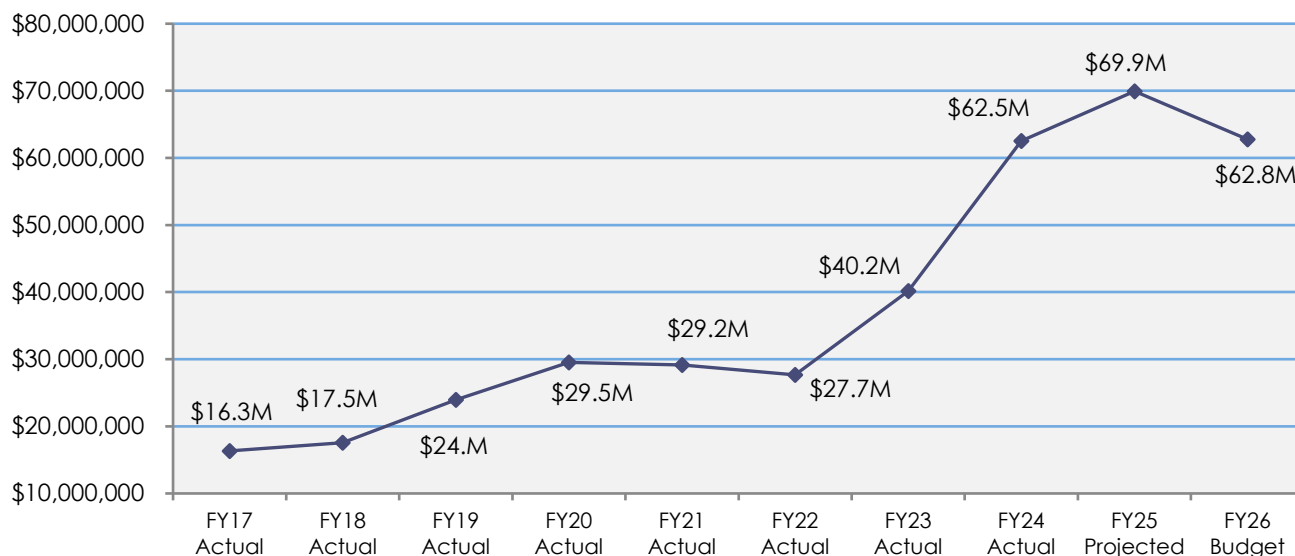
FY26: \$62,766,500

MISCELLANEOUS REVENUE	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Claims Trust Transfer	\$17,250,000	\$18,250,000	\$18,000,000
Debt Stabilization Transfer	\$10,000,000	\$17,756,620	\$18,000,000
Electric Vehicle Charging Station Revenue	\$107,965	\$125,000	\$175,000
Free Cash	\$16,000,000	\$18,000,000	\$17,000,000
Interest Earnings	\$16,506,900	\$4,851,400	\$5,965,000
Misc. Reimbursement	\$212,920	\$176,500	\$176,500
Miscellaneous School Receipts	\$185,690	\$50,000	\$50,000
Other Miscellaneous Revenue	\$70,995	\$200,000	\$80,000
Overtime Reimbursement	\$217,810	\$300,000	\$100,000
Recycling	\$31,555	\$35,000	\$35,000
Sale of City Property	\$137,280	\$100,000	\$100,000
Teacher Retirement Transfer	\$775,000	\$775,000	\$775,000
Traffic Knockdown	\$0	\$30,000	\$30,000
Traffic Mitigation Funds	\$0	\$60,000	\$30,000
Universal Pre-Kindergarten Stabilization Transfer	\$0	\$8,500,000	\$1,500,000
Utility Net Metering Credits	\$1,032,960	\$725,000	\$750,000
TOTAL	\$62,529,075	\$69,934,520	\$62,766,500

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 6.3% of total operating revenues.

TEN-YEAR HISTORY OF MISCELLANEOUS REVENUE



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.

ELECTRIC VEHICLE CHARGING STATION REVENUE

The City owns 40 public electric vehicle charging ports, with 16 more nearing construction, and 12 municipal fleet ports available to the public after hours. The stations cost \$0.28 per kWh and \$0.15 per hour. These fees partly offset the cost of the electricity consumed and networking and maintenance of the stations.

FREE CASH

Under MGL chapter 29, section 23, "free cash" is certified at the beginning of each fiscal year by the state Bureau of Accounts. A community's free cash or budgetary fund balance is the surplus amount of funds that are unrestricted and available for appropriation. This figure is usually generated by actual revenues that exceed estimates and actual expenditures that are less than budgeted amounts. The City carefully limits its use of free cash in operating budgets. The surplus eliminates the need for short-term borrowing, bolsters the City's bond ratings, and earns interest. Additional appropriations with free cash are made throughout the fiscal year.

MISCELLANEOUS REVENUE

INTEREST EARNINGS

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 \$5,600,000 have been included in the Operating Budget. In addition to this amount, \$325,000 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.

MISCELLANEOUS REIMBURSEMENT

The Public Works Department receives reimbursements (\$24,527) for utility costs associated with a community service program located in a City building, as well as reimbursement for fuel obtained at DPW headquarters. The City also receives annual Alternative Energy Credits (\$15,000) for clean energy produced by geothermal systems at City buildings. These revenues fund 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 (\$125,000).

MISCELLANEOUS SCHOOL RECEIPTS

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

OTHER MISCELLANEOUS REVENUE

DOT 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 Department receives 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, textiles and bottles collected and partially offsets the costs of processing the recyclables.

SALE OF CITY PROPERTY

Revenue from the sale of lots and graves at the Cambridge Cemetery supports its the operation and maintenance in the Public Works Budget. The price of a single lot is \$2,000.

TEACHER RETIREMENT TRANSFER

This transfer will be used to offset retired teacher healthcare costs in the Employee Benefits Department.

TRAFFIC KNOCKDOWN

The DPW and DOT receive reimbursements for the replacement of streetlights, fire alarm boxes, and traffic lights from individuals who have knocked them down with their vehicles. This revenue is used to fund replacement equipment.

MISCELLANEOUS REVENUE

TRAFFIC MITIGATION FUNDS

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

UTILITY NET METERING CREDITS

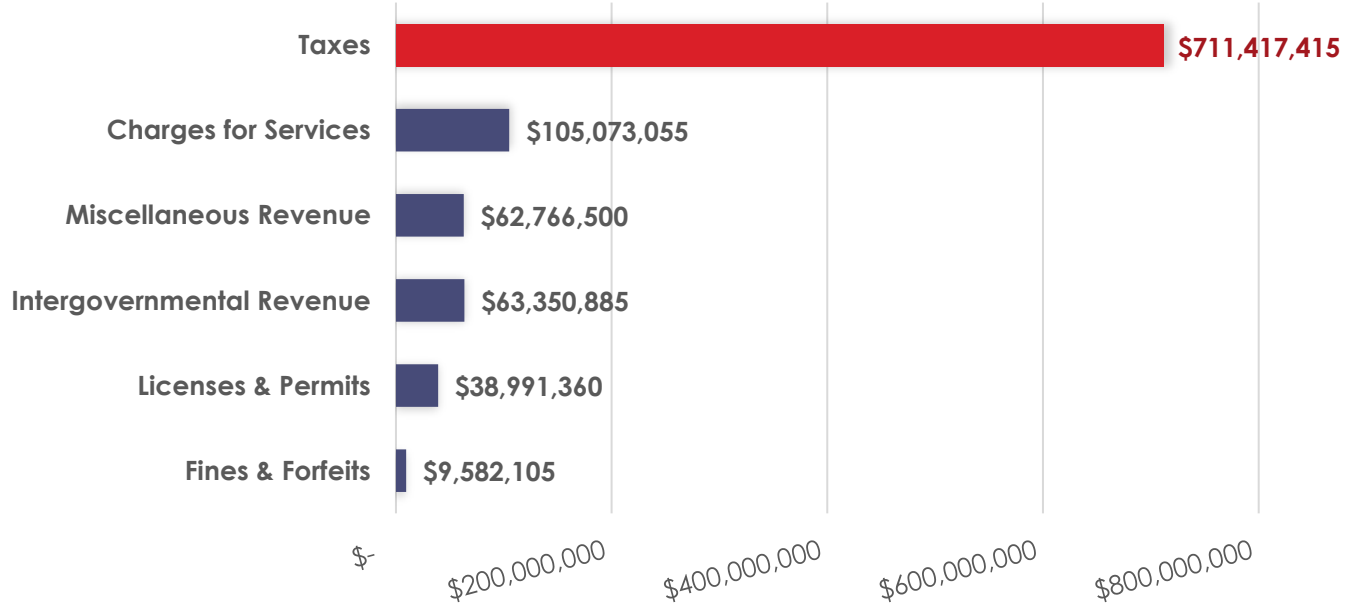
Virtual net metering credits are earned for energy produced by renewable generating facilities that the City participates in contracts with. The City is the registered “off taker” of credits for three rooftop solar systems that have added 4.6 megawatts of renewable energy capacity to the Massachusetts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

UNIVERSAL PRE-KINDERGARTEN STABILIZATION TRANSFER

The Universal Pre-Kindergarten (UPK) Stabilization Fund was established in FY23 to support the provision of programs and services related to establishing, maintaining, and expanding a UPK program and other early childhood programs in the City of Cambridge.

TAXES

FY26 OPERATING BUDGET - REVENUES BY CATEGORY



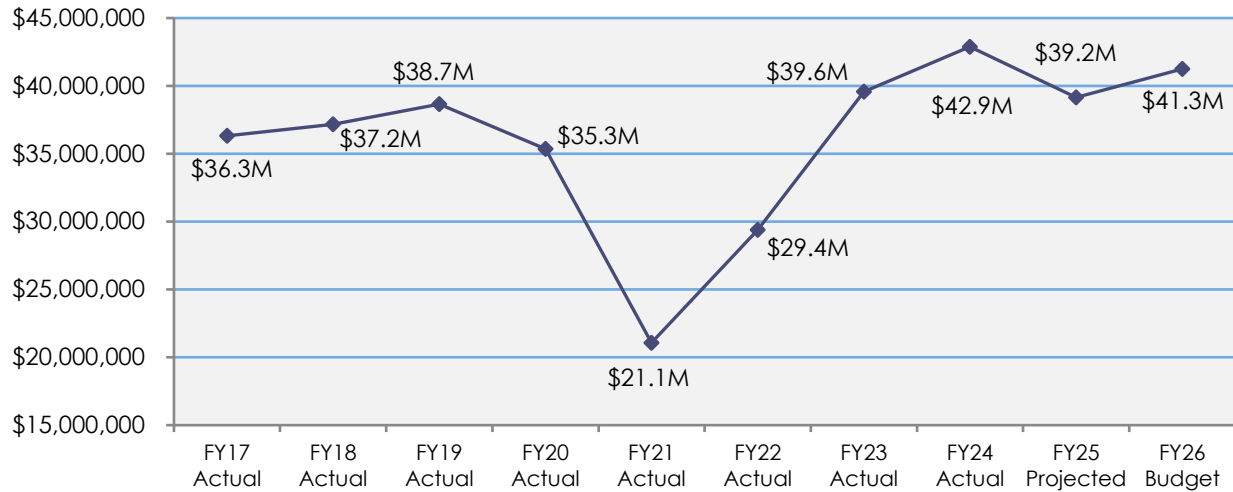
TAXES SUMMARY

TAXES	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
CANNABIS EXCISE TAX	\$428,970	\$511,325	\$400,000
HOTEL/MOTEL EXCISE TAX	\$18,638,000	\$17,000,000	\$18,000,000
IN LIEU OF TAX PAYMENTS	\$8,683,470	\$8,000,000	\$9,100,000
MEALS EXCISE TAX	\$5,686,030	\$5,000,000	\$5,100,000
MOTOR VEHICLE EXCISE TAX	\$8,063,740	\$7,850,000	\$7,850,000
PENALTIES & DELINQUENT INTEREST	\$1,386,550	\$800,000	\$800,000
PERSONAL PROPERTY TAX	\$23,171,095	\$29,226,240	\$31,156,263
REAL PROPERTY TAX	\$553,557,565	\$594,077,650	\$639,011,152
TOTAL	\$619,615,420	\$662,465,215	\$711,417,415

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 71.8% of total General Fund revenues.

TEN-YEAR HISTORY OF NON-PROPERTY TAX TAXES



TAXES

CANNABIS EXCISE TAX

FY26: \$400,000

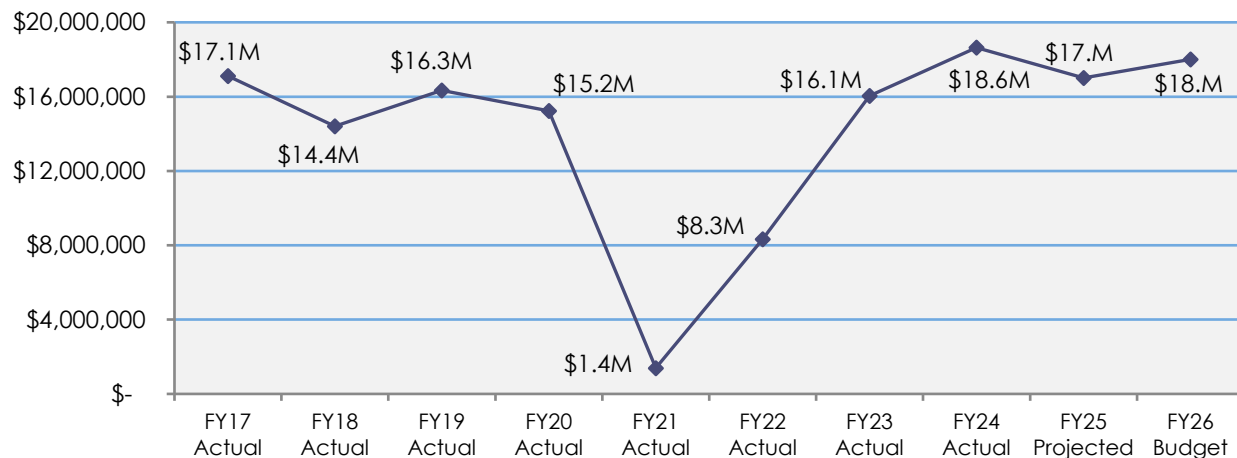
MGL chapter 64N authorizes municipalities to impose a 3% excise tax on the sale of marijuana products. Cambridge receives an additional 1% from the state excise tax because of the presence of social equity marijuana retailers. The funding supports Community Development's Economic Opportunity and Development Division.

HOTEL/MOTEL EXCISE TAX

FY26: \$18,000,000

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 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



TAXES

IN LIEU OF TAX PAYMENTS

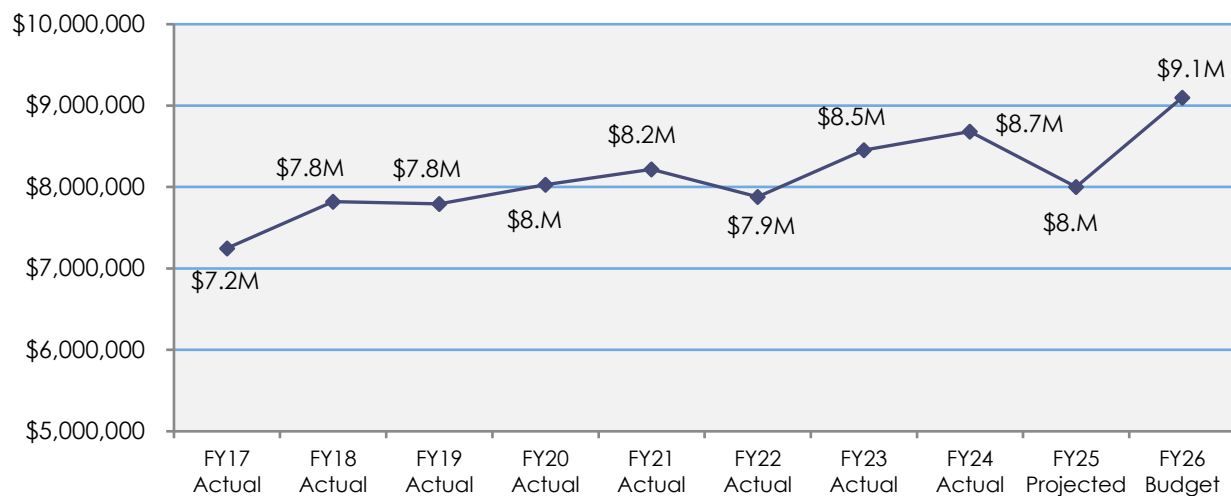
FY26: \$9,100,000

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 addition to the Whitehead Institute and Cambridge Housing Authority, and several smaller institutions.

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.

In March 2025, Harvard University entered into a one-year agreement with the City for an increase (from the most recent payment) in its voluntary PILOT for FY26. The City will continue to negotiate with the university to reach a long-term PILOT agreement.

TEN-YEAR HISTORY OF IN LIEU OF TAX PAYMENTS



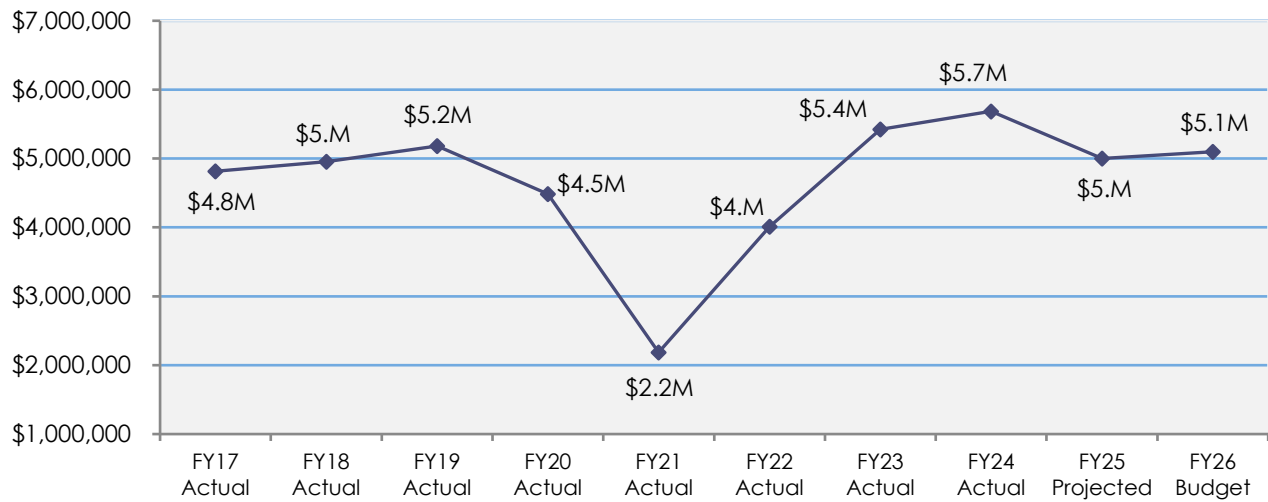
TAXES

MEALS EXCISE TAX

FY26: \$5,100,000

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



TAXES

MOTOR VEHICLE EXCISE TAX

FY26: \$7,850,000

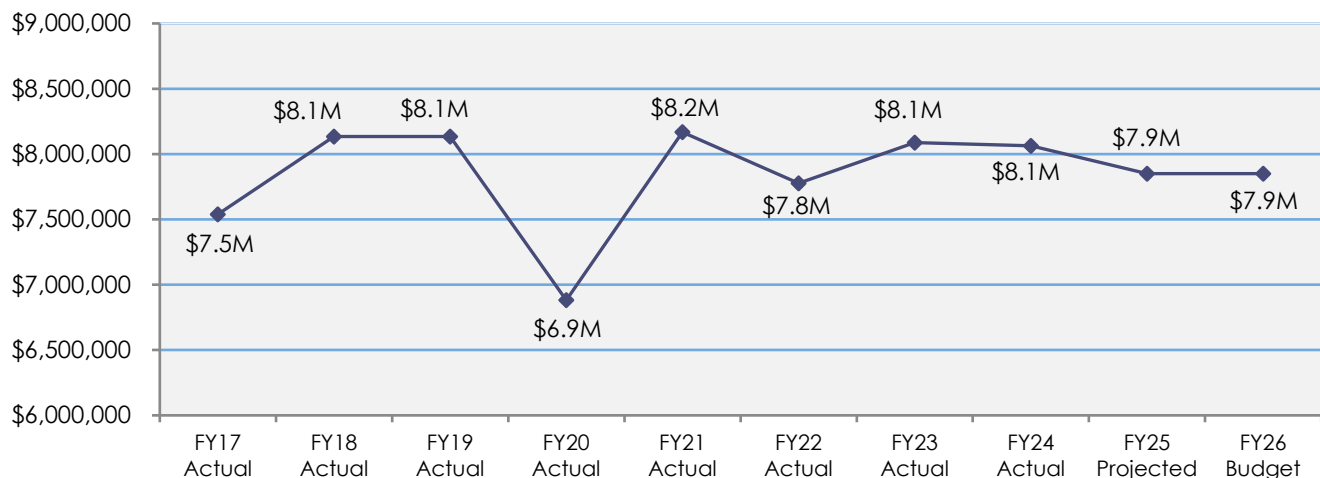
EXCISE TAX RECEIPTS

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.

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



TAXES

PENALTIES & DELINQUENT INTEREST

FY26: \$800,000

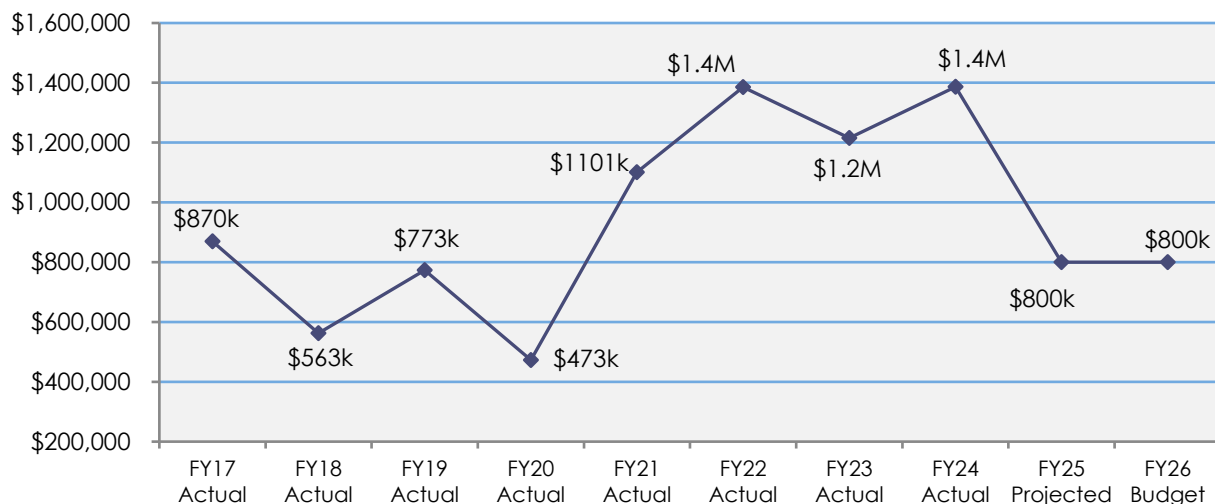
DELINQUENT INTEREST

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 from the tax-taking date or the certification date prior to November 1, 2024, are charged 16%. 8% is charged to the tax title accounts from the tax-taking date or the certification date made after November 1, 2024. 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.

TEN-YEAR HISTORY OF PENALTIES & DELINQUENT INTEREST



TAXES

PERSONAL PROPERTY TAX

FY26: \$31,156,263

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 through the online Sale Verification form for approximately 1,000 properties. 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 4.6% 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.

REAL PROPERTY TAX

FY26: \$639,011,152

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
FY25	\$628,388,753	\$4,692,865	\$623,695,888		
FY24	\$575,418,489	\$4,421,864	\$570,996,625	\$576,728,660	101.0%
FY23	\$531,428,571	\$4,124,387	\$527,304,184	\$528,067,076	100.1%
FY22	\$494,731,992	\$4,426,877	\$490,305,115	\$492,322,324	100.4%
FY21	\$472,520,148	\$4,343,318	\$468,176,830	\$469,536,464	100.3%

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.

This page intentionally left blank