CAMBRIDGE MATTERS #40

By: Commissioner Steve Rideout

[swrideout@aol.com](mailto:swrideout@aol.com)

May 13, 2019

Our Monday meeting was long, detailed, sometimes contentious, and filled with some statements/opinions by Commissioners that need to be addressed so that you can have a more complete picture of what happened at the meeting and the views of your elected leadership on some important issues.

To keep this report to a reasonable length, I hope to summarize some of the presentations and public statements that deserve more than what I can provide here. If any of what follows is of interest, you can go to [www.townhallstreams.com](http://www.townhallstreams.com) and find Cambridge and watch all or a portion of the meeting.

During the Public Comment we heard from

* Ken Kozel of Shore Regional Health on the hospital’s progress to open the Emergency Room and Medical facility here, close the Cambridge Hospital, open the New Hospital in Easton, and possibly move Behavioral Health beds to Chestertown.
* Portia Johnson-Ennels about a very high electric bill at the Empowerment Center that she felt was the responsibility of the city.
* Michael Wheatley about his support for increased salaries for the police and the proposed tax increase
* Alan Nelson on the Rotary Memorial Day Flag Project and the upcoming Power Boat Regatta and the need for alternative parking due to the soft ground at Great Marsh Park. His request to allow emergency parking on city property near the hospital was approved on a 5-0 vote.
* Dr. Theresa Stafford on the challenges that the Greenwood Avenue neighborhood is having with some of the children/teens who come there and are ill behaved and her frustrations with the response of the police department. Chief Lewis indicated that the police department has been working with the owners of the apartment complex to find a way to solve the problems there and believes they have a plan.
* Charles Johnson, who read a letter from the Mr. and Mrs. Kepler regarding their opposition to the rezoning of the Mill Street School property.
* Ms. Sharp about children in some parts of the city who are playing in the streets and lying in the streets where cars are passing through. On a 5-0 vote this matter was referred to the Traffic Safety Committee.

With the Consent Calendar, several of the meeting notes from prior meetings were continued over to the next meeting to ensure that some suggested corrections had been included. In addition, some other matters were removed from the Consent Calendar as I had questions that needed to be addressed.

As a result, the following items were approved as consent matters on a vote of 5-0:

* The Meeting Minutes of the Special Council Meeting of April 15th.
* The request to have the Awaken Hearts event moved to October 12th
* The Dorchester Garden Club’s request to have the city waive permit fees for some projects that are improving portions of city parks and public buildings
* The Dorchester County Health Department’s request to have their 3rd Annual Open House BBQ on July 6th and their 5th Annual Recovery Works event on September 21st both at the Dri-Dock Recovery Wellness Center

The other matters about which I had questions that were approved on votes of 5-0 were

* Paul Dendorfer’s request for a noise variance for his “Summer Kickoff” event on May 25th using the alley behind his business at Gay and Race Streets
* The request from Henry Vandyke, the owner of Lil Bitta Bull BBQ, to set up his food truck in the parking lot at Long Wharf starting May 16th from 9:00 a.m.- 9:00 p.m. on weekends and to leave the truck there overnight from Thursday- Saturday. City Council approved this for a period through June 30th conditioned on the approval of Oasis Marina that runs the city marina and on condition of providing insurance to protect the city and not interfering with other preapproved events that might occur during this period. If this works well, the plan would be to have a written MOU that would clarify the plans for the food truck’s use through the rest of the summer and fall.

The other matter of the request of Cambridge Main Street for an event in the 500 Block of Poplar Street on June 15th was continued over to the May 28th meeting of City Council with the request that Ms. Clendaniel attend the meeting. One of the concerns that I had was that the application did not meet the requirements of the Events Policy that was established to address concerns about the number of events being held where downtown streets were asked to be closed.

With the Ordinances for Introduction and First Reading, we had Ordinance 1149 which is to establish the annual tax levy for personal property of local businesses for FY 2020 starting July 1st at the same rate that it has been in prior years at $1.69 for each $100 of assessed valuation of all assessable personal property in the city for FY 2020 beginning July 1, 2019.

Ordinance 1150 was the proposed FY 2020 budget that would appropriate the necessary funds for the operation of the government and administration of the City of Cambridge for FY 2020.

Both Ordinances were read and continued over to May 28, 2019 for our next scheduled city council meeting where there will be a 2nd reading, public hearing, and possible adoption.

Next came Ordinances for 2nd reading, public hearing, and possible adoption.

* Ordinances 1143 and 1144 dealt with the proposed Overlay rezoning of the Mill Street School property. Several residents raised concerns during the public hearing, particularly those living near the property. This was a shift in the public view from earlier meetings held by the Planning Commission. As I heard Sharon Smith speak, I asked a question that caused the matter to go in a different direction than I had anticipated. Sharon is on the Historic Preservation Commission. The proposed Ordinances dealt with a property that everyone thinks is historic, but some feel should be taken down anyway as part of any development. I felt that everyone, including the city council, needed to have a better understanding of what, if any, historic value the property held and what condition it was in that would allow it to be saved. There were also problems regarding some of the language in the Ordinances that needed to be corrected. As a result, these matters were referred to the Historic Preservation Commission for consideration on what, if any, historic value the property has and to the Planning Commission for further revision of the proposed language.
* Ordinances 1145 and 1146 dealt with the permitting and location of Small Wireless Facilities and Support Structures in the city. With the coming of 5G wireless communication, new and different support structures will be required. The Federal Communication Commission is considering their rules and regulations for these support structures, and the city attorney wanted Cambridge to have legislation on record to protect the city, to the extent possible, from what we might consider to be inappropriate placement of the structures or too many of them being placed closely together. This legislation will, hopefully, provide the city with the ability to reasonably manage the support structures that will be coming to support the new 5G phones and other telecommunication devices. After a public hearing where no one spoke, these Ordinances were approved on votes of 5-0.
* Ordinance 1147 addressed concerns about properties that used to hold professional offices that had been rezoned to residential properties. Under this ordinance if that is the case and the property owner wants to use it as a professional office instead of a residence, that request can be considered by the Planning Commission and possibly approved as a special exception with conditions in a neighborhood subdistrict. I had some concerns about some of the language that staff and the city attorney agreed needed to be clarified, so the matter was tabled pending the redrafting of that language. As of the writing of this report, that clarifying language has been drafted, so the matter will return to city council for final approval.
* The final Ordinance was 1148 that was to establish the annual tax levy for Real Property for FY 2020. This was the one that took the most time and discussion to finally resolve. As background, the city manager and finance director had worked with the city departments to have them provide their requests and justifications for their FY 2020 budgets. Those were pulled together by the City Manager and meetings were held with city staff and city council that resulted in several things:
  + A direction that staff reduce their proposed budgets
  + A direction that the city manager determine if all the proposed increases in workman’s compensation insurance, health insurance, and other unexpected costs could be negotiated down to more reasonable sums
  + Opposition by some of the members of city council to establishing a $60,000 fund for the mayor and members of city council to each have $10,000 with which to support projects that were of interest to each individual elected official
  + A direction to the Fire Chief that he provide to the city manager and city council the specifications for a new ladder truck that he felt needed to be purchased to replace the current ladder truck that is 25 years old. We also learned as part of this budget process that no money had been set aside in the past 25 years in a capital budget for the replacement of that vehicle.

The original proposed budget had almost everything that the different departments had wanted including a request by the police department to increase salaries for the various officers, corporals, sergeants, and leadership. The finance committee had worked with the Police Chief regarding salary increases that were included in the original budget. At the Monday meeting, Commissioner Sydnor claimed that City Council had agreed to the increases that had been requested by the Police Department and passed on to us by the Finance Committee. That, of course, was inaccurate as there has never been, until now, a formal written request for these increases with notice to the public, where the citizens have had the opportunity to be heard. The only time that the proposed increase was discussed was at a work session, where votes are not allowed.

As a result of an earlier public meeting on May 9th, I had a concern about the police salary increase because it did not include the Sergeants. From other experience, I knew that if the salaries of the staff and the supervisor became too close to one another, some who would be excellent supervisors would not take the positions because there would be extra work for which they would not be adequately compensated.

I wanted to give the Sergeants the same increase as the patrol officers and corporals but at the same time had concerns about the significant proposed tax increase of 10 cents per $100 of assessed value and what it would have on some in the community that are homeowners but have limited incomes. As a result, what I think is a fair modification of the salary increase will be part of the discussion at the hearing on the budget on May 28th.

The discussion of the Tax Rate Increase of 10 cents per $100 of assessed value on Real Property began with a motion by Commissioner Sydnor to adopt the proposed tax rate increase. It did not receive a 2nd. He then made a second motion that would have made an inconsequential change in proposed tax rate that also did not receive a 2nd.

Based on the materials and options provided by the city manager and what I felt were reasonable needs to increase the tax rate, I moved to increase the rate by 5 cents, which would bring the rate to $0.8679 rather than the originally proposed rate of $0.9179. The sometimes-heated debate then followed

* The Mayor and Commissioner Sydnor wanted to have the 10-cent increase. They commented that we would probably be back next year asking for another increase. They did not want to “kick the can” down the road, which we are learning has been done for many years. I do not see our decisions as doing that but rather making good sound financial decisions in difficult times.
* Commissioner Foster was concerned with the larger proposed increase and the impact that it would have on elderly homeowners on fixed income and low-income homeowners.
* Commissioner Cannon and Commissioner Hanson did not feel that the proposed 10 cent increase was needed and that some of the proposed requests for staffing, vehicles, and the mayor and city commissioner project funds should not be included in the budget.
* I had additional concerns, some about which I spoke
  + The police department raises are clearly necessary. We have not kept pace with other police department salaries, and as a result we have been paying to train new officers, had them for a few years, and then lost them to other departments. We need to bring our pay scale up but need to do it in a way that shows the officers that we have heard them and that our intent is to make the necessary corrections while not overburdening taxpayers.
  + If we need a ladder truck, and it appears that we do, I am not in favor of a new one now, if we can find one that can provide what we need for a period of time for us to save the money to pay for a new one. I also feel that we need to put the truck specifications out for bid with the understanding that some companies might not be able to provide everything that we want. Finding what is best for the city at a reasonable price should be our priority. Once we have those specifications, we need to have them made available to providers for response and we need to begin looking at how we might pay for the vehicle.
  + With the issue of increased workman’s compensation and health care costs, we need to look at other providers to see what they might charge us for the resource. On the 16th of May we will be having a presentation regarding health insurance to see what else might be available that could adequately protect city staff and save the city some money. With workman’s compensation insurance, the major cost there is for the police department. We need to find out what actions by the police or what situations that the police are in are causing the injuries that have increased our costs. In that way we can see how the department might make changes to avoid those costs in the future. Our workman’s compensation insurance is based on a 3-year running average of claims. This year followed a 3-year period of high claims, and the insurance company is trying to recoup some of its expenses from us by increasing our cost for the insurance.
  + We need to look at our fiscal position every month to see what is costing us more than anticipated and what we might do to change that. We need to begin our budget process much earlier in the FY in order to be aware of what might be increasing costs in the next year so that the budget process for FY 2021 will run more smoothly. We need to help the citizens who are interested in budget issues understand what we are facing so that there is a greater understanding about what we can and can’t do to reduce costs while providing services. We also need to meet with the county to have an in-depth discussion about the current tax differential that could help reduce your county taxes. The county has the right to make that determination under state law.
  + Regarding code enforcement, we have been understaffed for too long. We have an excellent leader in Susan Webb who understands this work very well and has ideas that can help us even more. Since we have become a town with many more rentals than homeowners, we need more staff to oversee what the landlords are doing or not doing to keep their properties in good repair. To achieve this goal, one of the proposals is to increase the rental registration fee. If it comes in at $15 per rental unit, that will bring in over $50,000 to help hire that additional code enforcement person. This was proposed in 2016 and was defeated. With the state now reassessing properties in the city that will impact next year’s budget, we need to be sure that we are doing everything we can to ensure that residential and business properties are kept in good shape. At the same time, we need to look at the work that staff is doing within the city and ensure that we have enough staff to do the work and not too many staff. That is a constant challenge but one that needs to be reassessed periodically.
  + With regard to our capital expenditures, I believe that we need to move forward with a saving program that allows the city to put money away for such things as fire trucks, police cars, and trucks for DPW but have that fund separate and apart from the department budgets so that the city manager can take a close look at what funds are available and what vehicles need to be purchased and what might wait a year. Until we are in a better financial shape and have saved money for needed capital purchases, we need to look at what might be available as used equipment rather that always buying new. That does not mean that we won’t buy new but rather that we don’t just jump there because we want to make that new purchase.

While there are other issues of concern, I will stop there. Next on the agenda was the awarding of a contract for the Deep Harbour Riverwalk. After a review of the report and bids, the City Council approved the bid of Chesapeake Landscaping. As part of this discussion, we were reminded that the city negotiated a settlement with Beazer for $100,000 for this project as it was part of the responsibility of Beazer to complete this. With the cost of the project and the cost of attorney fees, it came to about $100,000. As the city attorney advised that they had already been paid for their services, it means that approximately $20,000 is available from the settlement to put to other city needs such as a hoped-for Capital Replacement Fund.

The final item on the agenda was the approval of the TMG Group to be the city auditor for another year. This received the unanimous approval of the City Council. During this discussion or possibly during the debate regarding the City Tax Rate, Commissioner Sydnor made the claim that there was a deficit in the FY 2017 budget of $750,000 that ended June 30, 2018, and that no one could explain where that money went. Commissioner Sydnor is not correct in the amount of the deficit or that no one could explain where the money went, because the auditor explained it a city council meeting where all the Commissioners were present and had questions, including Commissioner Sydnor.

The clear implication of what he said was that something suspicious had happened. As he was the chair of the finance committee and was the city council representative on fiscal and financial issues, I would have hoped that he would have been aware of any wrongdoing prior to Monday night and that he would have let us and the police know before then. The reality is that there is and has been no wrong doing.

Earlier this year City Council was provided an audit by TMG Group that did not disclose any wrongdoing by anyone. During the discussion with the auditor, we heard about the deficit. The auditor was not concerned as the documentation clearly explained what had happened. The auditor said that under an accounting rule, a line of credit is accounted for differently than a loan so the money used for paying for the wharf was not booked the same way as a loan would have been if we had received it on June 20th instead of August 20th.  You will see from the two attached documents from the auditor that we did not receive the budgeted $1.8 million bond until August of 2018, which was in the current Fiscal Year.  If we had received it in the 2017 Fiscal Year, the fund balance would be $1.7 million (actual loan) million minus the fund deficit number shown.

This issue involved the rebuilding of the wharf at Sailwinds. The work had been completed in the spring of 2018, and the contractors were due to be paid. The city had agreed to participate in the bond offering that would provide the long-term funding for that project in the amount of $1,880,000. The bond was not able to be finalized prior to the end of FY 2017, but the company that provided the services for the wharf was entitled to be paid then for its work.

As the city had a line of credit with 1880 Bank, the city drew down on that line of credit in FY 2017 to pay our bills regarding the wharf. When the bond was approved in FY 2018, the monies the city received for that were then used to pay off the line of credit that had been used to pay for the wharf repair. Please see the attached documents from the financial audit that addresses this issue and in particular Note 8 on the 2nd page.

I have taken too long and probably given too much detail, for which I should apologize. I do not, however, because you need to know what we are doing and how we are doing it so that you can have confidence in your elected leadership and be prepared make good decisions in 2020 on who is best to lead Cambridge in 2021 and beyond.

Thanks for reading.