CAMBRIDGE MATTERS

Budget Work Session #1

Commissioner Steve Rideout

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The City Council met on May 1st for a work session about the Fiscal Year 2021 Budget. The Mayor was not able to attend at the start of the meeting but joined by phone later. Commissioner Cannon also was not able to join the meeting. Once again, we met virtually with the public being able to watch the proceedings on Town Hall Streams. I ran the meeting as acting Mayor in place of the Mayor. You can watch what we did on video at

TownHallStreams.com

City Manager Comiskey provided a booklet for the Mayor and Commissioners along with an Executive Summary of what he was proposing. He also provided copies of some of the written documents on the city website.

He began the meeting with a short summary of his plans for the budget that were followed by questions from Commissioners Sydnor, Foster, Hanson, and me. We then focused on the Police Budget and the Fire Department Budget with the Police and Fire Chiefs.

The challenge for the city and the upcoming budget is the uncertainty of how much and what funding will be available to the city from a variety of its normal sources – the state, grants, room taxes, sewer fees, etc. With travel being restricted, the room taxes that the city receives have been reduced significantly, and when they may increase is uncertain. As some homeowners are and may remain unemployed for an unknown period, their ability to pay real estate taxes is unknown as are personal property tax payments by business owners that are not able to be open.

The state provides a payment of what are called Highway User Fees that the city uses to help with paving streets and other related work. What, if any, Highway User Fees will be forthcoming from the state is unknown especially since the amount of driving and purchase of gasoline has been dramatically reduced over the past few months and may be limited into the near future as well. The Highway User Fees come from the gas tax.

While the City Manager was proposing a budget based on the tax monies received last year (The Constant Yield) as well as a possible loan for potential shortfall of other income, the Commissioners raised a number of questions and concerns that will need to be looked into before any final decisions are made. To that end there will be additional budget work sessions that can be viewed on Town Hall Streams. They will take place on May 5th at 1:00 p.m. and May 7th at 1:00 p.m.

In addition, there will be public meetings of city council where the decisions will be made as to what the tax rate will be for FY 2021 (May 11th) and what the budget will be (My 26th). Be sure to check the city website for what other matters will be on the agendas for the meetings scheduled on May 11th and 26th both at 6:00 p.m. Residents will be able to call in to those meetings to express your views on the tax rate and budget. You can also call your commissioner or send an email to the Mayor or the Commissioners with questions and/or your views prior to those meetings.

I am attaching an Executive Summary of the FY Budget Proposal that was provided by the City Manager.

Some of the issues that the city manager proposed that we consider include the following:

* Securing a long-term loan of $2 million to spread the expected losses of income from our financial crisis over 25 years.
* Not replacing any employee vacant positions during the coming year.
* Eliminating some unfilled positions
* Renegotiating city contracts for marina services and trash services.
* Purchasing 2 replacement police cars, a street sweeper, and a truck with a clam shell bucket.
* Carrying over $225,000 for the repair of the rear roof of the old city hall.
* Carrying over $50,000 for a potential match for an EPA grant to remove lead, asbestos, and other contamination from the former city hall
* Developing some state legislation that would allow cities and counties to establish a special service fee restricted to purchasing fire apparatus
* Seeking some possible voluntary extensions on existing loans and payments due the state.

At this point everything is flexible and open for discussion and reconsideration, since we are just beginning the process to establish our FY 2021 budget, tax rate, and goals that we hope to have completed in several steps over the next two months.

Please be an active participant in this process so that your voice can be heard as we make some difficult decisions in the coming weeks.

Thanks for reading.

Steve