

Cambridge City Council – Tax rate and spending remarks/Manager’s Agenda #1  
Vote NO on using free cash and reserves to lower the tax rate  
September 30, 2013

I want to add my voice to those who are celebrating the financial condition of the city. The setting of a tax rate that will continue the lowest tax rate of any city in the Commonwealth, the maintenance of a triple AAA bond rating, and a free cash balance of more than \$142 million, the highest ever, is welcome news.... **BUT**

Once again it is time to think about our moral and civic responsibilities. I don’t believe that it is our number one civic and moral principle to set the lowest possible tax rate if critical human needs and the crisis of climate change are not being more fully addressed. Never before has so much wealth been concentrated in the hands of so few in Cambridge and across the country. Our coffers are filled with cash because of the massive development that is occurring in Cambridge, development which tends to increase the gaps between rich and poor due to rising costs for housing, food and other necessities.

Our low tax rate is the single largest subsidy of middle income home ownership in the state, yet politicians demand that we have more high-rise development so that we can provide more incentives for middle income housing, often at the expense of low income housing (there is an implicit trade-off of low income housing for the benefit of middle income families), all of which demands more development.

There is conversation about climate change and net zero, yet little comprehensive programming exists on the part of the city that would impact the ability of low and moderate income homeowners and small businesses to retrofit their properties to meet climate change goals. It is deemed too expensive for the city to get involved.

Cambridge politicians and school department personnel applauded the new “backpack” program which packages meals for weekend consumption by some of the 6,000 children that are at nutritional risk. This extension of the food pantry approach to affordable and culturally acceptable nutrition standards fails to address fundamental issues of access to affordable food and inequality in Cambridge. These questionable stop gap efforts, while well intended, keep us from taking the kind of fundamental action that a wealthy city should undertake. 22 years ago the City of Cambridge passed a non-binding referendum outlining steps to take to end hunger in Cambridge. Over 17,000 votes in favor, yet Cambridge did not enact those recommendations because the city felt it could not financially afford to take action.

Tonight the council will be voting to use \$11 million in free cash and reserves to lower the tax rate some more. This is being done despite the fact that by formula MIT will receive more than a \$1,250,000 savings and the top ten developers and real estate investors will receive one-third of the savings, more than \$3.5 million of the \$11 million dollars.

I suggest that we could maintain our AAA bond rating, and our lowest tax rate in the Commonwealth and still not use \$11 million in free cash and reserves in that way. We could be developing a program that would use this annual free cash giveaway to help low and moderate income homeowners and small businesses address climate change issues in such a way that would long term save them more money than is being received in the yearly free cash giveaway.

And of course, there is still hunger, homelessness, affordable housing and early childhood education to address.

I urge the council to vote no on the use of free cash and reserves to lower the tax rate, but instead face up to the human needs and climate change issues before us.

Thanks for your consideration.

Gerald Bergman  
82 Elm Street

A handwritten signature in black ink, appearing to read "Gerald Bergman". The signature is fluid and cursive, with a long, sweeping tail on the final letter.