



City of Cambridge

Executive Department

YI-AN HUANG
City Manager

June 20, 2024

To the Honorable, the City Council:

As we begin the summer, I continue to be grateful to the Mayor, Vice Mayor, and Councilors for the opportunity to serve our community. Cambridge is an amazing city. We are home to historic neighborhoods built before American independence as well as gleaming new buildings that are pushing the frontiers of technological innovation. We have a commitment to preserving our values and history, but also the courage to embrace new ideas and expand equal rights. This year, we are celebrating the twentieth anniversary of the first same-sex marriage in America which was performed at Cambridge City Hall. We are an incredibly diverse and beautiful community and, in this grand American democratic experiment, we are a shining example of how to live and make decisions together.

I started as City Manager two years ago and my hope has been to build on all our strengths and successes while finding opportunities for change; to honor what has worked well, while being open to feedback and willing to do things differently. A core commitment has also been to bring greater transparency to our City. We are in a national crisis of democracy where trust in institutions is at an all-time low. Truth is being questioned. Our views are becoming more polarized. And people feel distant from the government that is meant to represent them.

My hope is that we can model something better in our local democracy and that Cambridge can be a place of greater shared trust and legitimacy. Our community holds many different and sometimes conflicting views. It's unlikely that we will agree on every issue, but we can discuss and debate, listen to each other, search for consensus, allow for compromise, and accept decisions that we may not agree with.

We have so much work ahead of us: unaffordable housing, a struggling public transit system, the climate crisis, and an unfinished fight for racial and economic justice. I wake up energized for hard conversations because we need to work for a better world. And I'm grateful for the City Council, City leaders and staff, and everyone in our community for struggling together, living together, and moving forward together.



FY25 Budget

Following the Councils' recent adoption of the F25 Budget on June 3, I'm proud that we have built a budget that reflects the goals and priorities of the Council and the community. This is one of the most important things that we do as a City, though in conversations with friends and residents, I've found that some additional explanation is often helpful. Similar to our personal finances, a budget is not an exercise that starts with a blank sheet of paper. Rather, a budget is built over time and modified incrementally. We go into each year with many of the prior year's expenses: rent, car payments, cell phone plans, health insurance co-pays, grocery lists, kids' sports, Netflix subscriptions, and so much more. A new year presents choices, opportunities to re-prioritize and mark new directions, but changes are made more often with a scalpel than a chainsaw.

Our budget is a reflection of our values and I'm proud of the choices that we have made. The conversations we are having every week at City Council are reflected in this budget and we are putting tremendous resources towards our highest priorities. We are investing \$47 million toward affordable housing, \$16 million toward initiatives addressing homelessness and housing instability, \$34 million to expand universal preschool, \$17 million toward our Climate Net Zero goals, and \$13 million toward Vision Zero and Traffic Safety. The Cambridge Public Schools represent the single largest part of our budget at \$270 million and we have made significant increases this year in teacher salaries, including to support a longer school-day which is a long-time School Committee priority. We also continue to support so many of the important programs that have been built over the years in collaboration with the Council: services and support for people who are unhoused, job training and continuing education programs, urban composting that is expanding to serve both residents and small businesses, our urban forestry division that is planting more than 1,000 trees every year, and so much more.

We have also made new funding allocations in response to Council policy priorities, including \$490,000 to expand after-school programming, \$400,000 to support the new American Freedman Commission that was passed into ordinance last December, and \$250,000 for increased rental assistance to tenants at risk of eviction.

This year, we have continued to build closer collaboration and engagement with the City Council on the budget process. Councilor Paul Toner who chairs the Economic Development and University Relations Committee held a February hearing on the economic environment regarding lab, office, and retail vacancies and their expected impact on City revenues. Throughout the spring, we worked closely with Finance Committee Co-Chairs (Councilor Patty Nolan and Councilor Joan Pickett) on ensuring a transparent budget process. We held Finance Committee meetings to review the operating, capital, and police budgets to receive input from the Council, and held two full days of hearings on the submitted budget in May, discussing key departments and initiatives.

We are a unique community that has the resources to make significant investments beyond basic services and infrastructure, but a major theme over the course of this budget has been building a deeper understanding of the potential economic challenges ahead. While our economic outlook remains strong, there is a clear slowdown in new developments. Lab, office, and retail rents are soft and while Cambridge is performing better than most urban areas, we are not expecting the kind of revenue growth that we have experienced over the last ten years – and in fact, building permit revenue continues to decline as we come down from our peak in FY23. While we will continue to be able to make investments in priorities, moderation will be required as we move forward and we will need to make choices about where to invest.

This is particularly true as we consider our capital portfolio. We have built three new state-of-the-art and award-winning schools over the last ten years and made greater investment in maintaining and repairing municipal buildings. However, we are looking at significant capital demands going forward, including additional school projects, deferred maintenance of city buildings, building electrification projects, and much more. In anticipation of the need to moderate our budget growth and the need to work out decisions with the Council and the community, we have reduced the FY25 capital budget by 50% from last year's original projection to preserve flexibility and allow for prioritization. We will continue to work closely

with the Finance Committee and broader community as we begin to make decisions for FY26 and beyond.

These are incredibly important conversations and I encourage everyone to review the FY25 budget which is posted [online](#) and can also be viewed in our [Open Data portal](#).

City and Council Governance

City Council Goals

We started the year with a new City Council and it has been an opportunity for us to review how we have been working together and what can be improved.

One of our key priorities has been Council goal setting and I've worked closely with Mayor E. Denise Simmons to hold a series of goal setting discussions with the City Council. This is the first time that we have reviewed goals since 2017, and I'm proud that we adopted updated [goals](#) that cover the major challenges that we see in Cambridge: Housing and Zoning, Economic Opportunity and Equity, Transportation, Sustainability and Climate Resilience, and Government and Council Performance.

These five goals don't encompass everything that we do as a City; we are committed to being responsive to resident concerns and addressing important improvements across all of our programs and services. But having a sense of our most pressing priorities is helpful, and these five areas align well to both the 2023 Resident Survey results and so many conversations that Councilors and city leaders are having with residents.

These high-level goals are not the end of the conversation, but rather the beginning, and my hope is that working with the Council, we can create more structure to communicate *how* we are going to work toward these goals – the specific initiatives that we have chosen to implement and what impact they will have.

Awaiting Reports

As an example of small but meaningful changes, I worked with the Council to revamp the Awaiting Reports Process as we started the new term. The ever-present list of almost a hundred awaiting reports has been a constant and acute City Council pain point, and that feeling is widely shared among City leaders and staff. I also hear confusion and frustration from residents who ask about a long ago passed policy order and wonder when or if the response is going to come back.

The challenge over time has been the volume of requests. On average, the Council passes 100 awaiting reports each year while the City responds to 60. At the end of each two-year Council term, some awaiting reports are eliminated, but a growing number are carried over into the new term, including 68 from the previous 2022-2023 Council.

While some responses are more complex than others, each one requires thoughtful attention and neither the Council nor the community would be happy with rushed or inaccurate responses. I remember holding a cross-departmental meeting during my first month on the job, eager to make a dent in the pile of awaiting reports. After two hours, we had discussed six awaiting reports, each of which still needed hours of attention and work. I diligently plugged along and at the next Council meeting, five new awaiting reports were added to the list. As we entered 2024, the spirit is willing but the reality was stark. It would be impossible to keep the city running, implement the initiatives that have been agreed to, answer the 68 awaiting reports from the last three terms, and address the new policy orders that the Council would inevitably pass. At our first meeting of the term on January 8, I presented a [memo](#) to the new Council calling for mercy.

I'm incredibly grateful for the 4-3 vote later in January to clear out the prior awaiting reports and start fresh. I'm committed to following the Council's direction and answering requests, but there needs to be prioritization. Starting anew has been a way of prioritizing, and I quickly implemented a new [Awaiting Report Status Update](#) that is refreshed for each Council meeting that lists the outstanding awaiting reports and the date that we are targeting to provide a response. Transparency and accountability are important but also only possible when the amount of work assigned is realistic.

While this has been a small change, the policy order to awaiting report to City response process is a core part of the interaction of our local government. It took mutual steps of trust and collaboration to fix, and this has made me hopeful for the work we are doing together as a community.

City Manager Performance Review

Finally, I worked with the Council to approve the [2024 City Manager Goals and Performance Review Process](#). This has been a long-standing community request, and we conducted the first comprehensive City Manager review [last year](#). This included goal setting, a mid-year check-in, anonymous feedback from the city leadership team, input from the 2023 resident survey, and feedback from each individual City Councilor. We are following the same process this year and I continue to be committed to ensuring that there is clear transparency and accountability for the work that we are doing as a city.

Additional Updates

One of the major debates over the first months of the year has been over the Cycling Safety Ordinance and the speed and impact that this has had on our community. This was an incredibly hard discussion for our community and saw one of the largest turnouts to public comment with over 300 speakers. But it also gave me hope in our collaborative and consensus driven structure. Clear options were laid out that represented potential consensus. Technical details like seasonal construction schedules and parking distribution across neighborhoods were incorporated. And larger changes like modifying the Parking Demand Management Ordinance to allow private parking lots along our bike routes to be used more broadly by the community were considered.

Throughout this process, City leaders and staff were closely engaged but left the political process and decision-making to the elected City Council. And this did feel like a process that respected the fundamental tenants of our democracy – not that we are able to get everything we want given the diverse and different views across our community. But rather, we have listened to all voices and worked hard to find a path forward. I was heartened by a [WBUR interview](#) with Councilors Jivan Sobrinho-Wheeler and Councilor Joan Pickett representing the two sides – demonstrating a willingness to sit down together, explain their positions, and disagree without being disagreeable. I've been proud that hopefully Cambridge can be a model of how to do this in a time of national division.

Internally, we have also continued to make investments in a strong City foundation. We have strengthened our Human Resources and Equity and Inclusion teams to better support city staff, build more reliable systems and processes, and better live out our values in a time of backlash against the idea of diversity and inclusion. We have elevated the role of our Climate and Housing teams in recognition of the critical work that they are doing. We have hired a Director of Community Engagement and a Director of Capital Building Projects. And we have welcomed Claire Spinner, our new Assistant City Manager of Fiscal Affairs after David Kale retired after a long and dedicated career in municipal services. Claire was previously the Chief Financial Officer at Cambridge Public Schools and I've been grateful for her smooth transition and quick leadership as she has joined the city.

Closing

I've reflected before that the work of the City is done together, and my last two years have only reinforced that belief. It's the City Council staying connected to the community and advocating for diverse interests and making hard decisions and trade-offs. It's City staff doing the daily work, from the

workers who pick up the trash every morning to the budget team keeping our fiscal house in order. It's non-profits and small businesses and large universities that are caring for and investing in a stronger community. And it's each resident who writes an email, makes a phone call, speaks up at public comment, or shows up to a community meeting being engaged in making our City a little stronger and more connected.

Thank you for all you're doing and have a wonderful summer!

Very truly yours,

A handwritten signature in black ink, appearing to read "Yi-An Huang", written in a cursive style. The signature is contained within a thin, light-colored rectangular border.

Yi-An Huang
City Manager