



*City of Cambridge*  
*P.O. Box 255*  
*Cambridge, Maryland 21613*

EXECUTIVE DEPARTMENT

**RESOLUTION NO. 21-12**

TELEPHONE (410) 228-4020  
MD RELAY (V/TTY) 711 OR 1-800-735-2258

**A RESOLUTION OF THE COMMISSIONERS OF CAMBRIDGE, MARYLAND REQUESTING THE ASSISTANCE OF THE MARYLAND MUNICIPAL ASSOCIATION IN SECURING LEGISLATIVE SUPPORT FOR THE ADOPTION OF ENABLING LEGISLATION DESIGNED TO PROVIDE CITY LEADERS ALTERNATIVE REVENUE OPTIONS TO MAINTAIN LOCAL PUBLIC SAFETY SERVICES.**

**WHEREAS**, the City of Cambridge (the “City”) has the need to sustain millions of dollars in fire safety service apparatus; and

**WHEREAS**, the Commissioners of Cambridge want to sustain a quality, high level police force in Cambridge; and

**WHEREAS**, the Commissioners of Cambridge want to retain quality police officers in a competitive labor environment; and

**WHEREAS**, the Commissioners of Cambridge hereby adopt this Resolution to formally support the adoption of state enabling legislation allowing local governments the option to establish service fees on local utilities to generate funds for the acquisition of fire apparatus and the adoption of a police service fee to generate additional funds for police services.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF CAMBRIDGE**, that the Commissioners of Cambridge endorses the attached legislative proposals and requests the full support of the Maryland Municipal League in working toward the passage of said enabling legislation by the Maryland Legislature.

**AND BE IT FURTHER RESOLVED**, this Resolution’s effective date shall be June 14, 2021.

ATTEST:

THE COMMISSIONERS OF CAMBRIDGE

\_\_\_\_\_  
Patrick C. Comiskey  
City Manager

BY: \_\_\_\_\_  
Andrew Bradshaw  
Mayor

**Adopted the 14<sup>th</sup> day of June, 2021**  
**Effective the 14<sup>th</sup> day of June, 2021**

## Proposal to Add a New Revenue Source for Fire Truck Replacements

### Possible Name: Fire Truck Replacement Fee (FTRF)

**Challenge:** The city needs an ongoing funding mechanism for replacing Fire Trucks. The Fire Service Company has a total of six (6) fire trucks with the provided replacement cost estimate.

1. Ladder Truck, one (1) truck	\$1,500,000 x 1 = \$1,500,000
2. Engine Truck, four (4) trucks	\$ 650,000 x 4 = 2,600,000
3. Rescue Truck, one (1) truck	\$1,000,000 x 1 = 1,000,000
4. Rescue Boat, one (1) boat	\$ 400,000 x 1 = 400,000

Total Replacement Cost Estimate	<u>\$ 5,500,000</u>
New Truck Life Estimate of 30 years	30 years

Estimated Minimum Annual Revenue Need	\$ 183,334/year
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**Note:** This is the optimal; however, two trucks are over 25 years of age. We will need to start with a more realistic annual revenue number of \$313,538.

**Proposed Solution:** Set up a Fire Truck Replacement Fee (FTRF) assigned as percentage of the water sales charges, sewer sales charges, and septic waste sales charges. The proposed initial percentage rate will be 5%. The FTRF will be added to every water and sewer bill both inside and outside the city limits. The revenues collected from the FTRF will be restricted to a separate account within the city general fund for the sole purpose of purchasing fire trucks.

### Revenue Collections based on the following 2020 Revenue Estimates

Water Sales	\$2,163,692
Sewer Revenue	3,577,313
Sanitary #4	103,234
Sanitary #1	213,000
Sanitary #3	32,691
Sanitary # 7	108,345
Horn Point	20,500
Septic Receipts	52,000

<b>Total</b>	<b>\$6,270,775 x .05 = \$313,538</b>
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**Logic:** All business and residents utilizing water and sewer services of the city are also benefiting from the presence and availability of the Fire Service Company fire trucks.

## Proposal to Add a New Revenue Source for Police Officer Wage Costs

### Possible Name: Police Service Fee (PSF)

**Challenge:** Police officer wages are growing around the region and the city needs to find a way to sustain competitive wages. The Property Tax is the major source for additional resources. In 2019, the city increased property taxes by five (5) cents in order to meet the demands of rising police wages. We want to find another revenue source to support officer pay increases.

**Proposed Solution:** Set up a Police Service Fee (PSF) on every dwelling and business in the community. The PSF would be added to the monthly utility bill sent to utility customers inside the city limits. The revenues collected from the PSF will be restricted to a separate account within the city general fund for the sole purpose of paying police officer salaries/wages, wage taxes, and benefits.

**Police Service Fee (PSF):** Possible service fee structure and an example of how much revenue might be generated.

**Note:** These figures are estimates for how the service fee structure might work.

One thought is to apply a square foot charge for commercial customers. The commercial fees per month show what would be generated if an average commercial fee was \$25 per month. We might have an alternative rate for manufacturing customers.

### Police Service Fee

	# of Accounts	Fee per Month	# of Months	
Inside City Limits				
Residential Accounts	4,197	\$5	12	\$ 251,820
*Commercial	578	\$25	12	173,400
*Manufacturing	13	\$100	12	15,600
Municipal	60	\$0	12	
Total				440,820
2020 Projected Police Wages (Only)				\$ 2,568,511

**Note:** \* Estimates based on the average size of the building

For example: Walmart would pay more than the Dollar Store

**Logic:** The city is limited in revenue options. A service fee provides an added option.