#### CITY OF NEWTON

#### BOARD OF ALDERMEN

#### PROGRAMS AND SERVICES COMMITTEE AGENDA

WEDNESDAY, FEBRUARY 4, 2009

#### 7:45PM – ROOM 222

#### ITEMS SCHEDULED FOR DISCUSSION:

#82-07 <u>ALD. YATES</u> requesting that the City of Newton take all possible steps to persuade the General Court to allow the cities and towns to tax all telecommunications facilities in the City (which would yield at least \$1.6 million per year for Newton). [02-27-07 @ 10:21 PM]

#### REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #83-07

  ALD. YATES requesting that the City of Newton take all possible steps to persuade the General Court to adopt the proportion of Governors Municipal Partnership that would allow the City to reduce employee health insurance costs by joining the Group Insurance Commission.

  [02-27-07 @ 10:21 PM]
- #52-07

  ALD. PARKER, SANGIOLO, MANSFIELD, HARNEY, DANBERG, VANCE, LINSKY, HESS-MAHAN, BURG, ALBRIGHT & JOHNSON requesting an ordinance amendment to create a health care advisory committee whose function would be to recommend measures to control the rate of increase of health insurance costs, as recommended by the Newton Finance & Management Working Group in 2005 and the Blue Ribbon Commission on the Municipal Budget in 2007. [02-09-07 @ 12:36 PM]

## REFERRED TO PROG. & SERV., PUB. FAC., AND LAND USE COMMITTEES

#329-08

ALD. JOHNSON, ALBRIGHT & LINSKY requesting amendment to \$20-13, *Noise Ordinance*, of the City of Newton Ordinances to prohibit the City from exceeding the parameters of time and decibel restrictions unless it receives approval from the Land Use Committee of the Board of Aldermen. [09-02-08 @ 12:00 PM]

#### ITEMS NOT YET SCHEDULED FOR DISCUSSION:

#33-09 <u>ALD. LAPPIN</u> requesting an amendment to the Rules of the Board of Aldermen so that appointments requiring confirmation to the Farm Commission be referred to the Committee on Community Preservation. [01/22/09 @ 9:03 AM]

#### REFERRED TO PUBLIC FACILITIES AND PROGRAMS & SERVICES

#8-09 <u>ALD. HESS-MAHAN LINSKY, ALBRIGHT, FREEDMAN,</u>
<u>MANSFIELD, JOHNSON, HARNEY & VANCE</u> proposing an ordinance requiring that the installation of synthetic in-filled turf athletic fields on city-owned property shall use sustainable, recyclable, lead-free, non-toxic products to the maximum extent feasible. [12-30-08 @9:55 AM]

# REFERRED TO LAND USE AND PROGRAMS & SERVICES COMMITTEES

#474-08(2) <u>ALD. HESS-MAHAN & VANCE</u> proposing that Article X of the Rules & Orders of the Board of Aldermen be amended to conform with a proposed amendment to Chapter 30 re transfer of the special permit granting authority to the Zoning Board of Appeals and/or the Planning & Development Board for projects that are not classified as Major Projects pursuant to Article X.

#### REFERRED TO PS&T AND PROGRAMS & SERVICES COMMITTEES

- #391-08 HIS HONOR THE MAYOR requesting Board of Aldermen approval to (#122-92(3)) petition the General Court for an amendment to the legislation that governs the appointment of a Police Chief in the City of Newton in order to add two members to the committee: an additional representative of the Newton Superior Officers Association and an additional citizen member. [11-4-08 @12:31 PM]
- #306-08 <u>ALD. BAKER, DANBERG, MANSFIELD & PARKER</u> requesting discussion of how swimming at Crystal Lake might be lawfully and safely extended beyond mid-August. [08-26-08 @ 5:03 PM]
- #292-08(2) PROGRAMS AND SERVICES COMMITTEE requesting that His Honor the Mayor develop a written policy of standards and processes that could be uniformly followed by community groups for the use of the branch library buildings. [11-07-08 @ 11:11 AM]

#### REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#274-08

ALD. JOHNSON AND SANGIOLO proposing a RESOLUTION to His Honor the Mayor requesting that he create a plan to move the Child Care Commission to a self-sustaining model for FY2010.

[07-17-08 @ 9:53 AM]

# REFERRED TO PROG. & SERV., ZONING & PLANNING, PUB. FACIL., PUB. SAFETY AND FINANCE COMMITTEES

#273-08

ALD. JOHNSON proposing a RESOLUTION to His Honor the Mayor requesting that the Executive and Human Resources Departments develop a comprehensive human capital strategy for the city to include: performance management, talent development, succession planning, and compensation. [07-17-08 @ 9:53 AM]

## REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#272-08 <u>ALD. JOHNSON</u> proposing a RESOLUTION to His Honor the Mayor that he work with the Board of Aldermen, School Department, and School Committee in order to determine the most effective and efficient way to organize the Human Resources Departments. [07-17-08 @ 9:53 AM]

# REFERRED TO PROG. & SERV. AND PUBLIC FACILITIES COMMITTEES

#271-08

ALD. JOHNSON proposing a RESOLUTION to His Honor the Mayor requesting that he work with the Board of Aldermen, the Parks and Recreation Department, and the Department of Public Works in order to determine the most effective and efficient way to organize the work of managing our public resources. [07-17-08 @ 9:53 AM]

## REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#270-08

ALD. JOHNSON proposing a RESOLUTION to His Honor the Mayor requesting that he work with the Board of Aldermen, School Department, and School Committee in order to determine the most effective and efficient way to organize the Information Technology Departments.

[07-17-08 @ 9:53 AM]

#### REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#261-08 <u>ALD. SANGIOLO</u> requesting discussion with the Executive Department regarding moving the Director of Arts in the Parks' salary to the Arts in the Parks revolving account. [07-08-08 @ 1:29 PM]

#### REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#259-08

ALD. SANGIOLO requesting discussion with the Executive Department regarding moving the salaries of the Parks & Recreation Commissioner and the Recreation Programs Director to the revolving accounts for various programs.

[07-08-08 @ 1:28 PM]

#### REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#258-08

ALD. SANGIOLO requesting discussion with the Executive Department regarding reorganization of senior transportation services and establishment of intra-village transportation systems. [07-08-08 @ 1:29 PM]

#### REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #207-08 <u>ALD. BRANDEL AND SANGIOLO</u> proposing that the following question be put before the Newton voters:
  - "Shall the City of Newton be allowed to exempt from the provisions of Proposition 2 ½ the amounts required to pay for the bond issuance in order to fund Newton North High School?" [05-21-08 @ 12:58 PM]
- #154-08 <u>ALD. JOHNSON</u> requesting to establish a definition and appropriate usage of the Committee of the Whole of the Board of Aldermen as are all committees of the Board. [4-10-08 @9:09 AM]
- #153-08 <u>ALD. JOHNSON</u> requesting to establish a definition and appropriate usage of the Long Range Planning Committee of the Board of Aldermen as are all committees of the Board. [4-10-08 @9:09AM]
- #130-08

  ALD JOHNSON, SANGIOLO AND BRANDEL requesting establishment of a new Rule of Board of Aldermen requiring that referral of any and all new business, communications, petitions and orders docketed before the Board of Aldermen be restricted to one or more of the standing committees of the Board of Aldermen: Land Use, Programs and Services, Public Safety and Transportation, Zoning and Planning, Finance, Real Property Reuse, Post Audit and Oversight, Public Facilities and Committee on Community Preservation. [03-24-08 @ 9:11 AM]
- #129-08

  ALD. JOHNSON, SANGIOLO AND BRANDEL requesting establishment of a new Rule of Board of Aldermen stating that any new item submitted but not yet approved or accepted by the Full Board of Aldermen is prohibited from any formal or informal discussion by any formal, informal or special committee of the Board. [03-24-08 @ 9:11 AM]
- #111-08(2) ALD. JOHNSON and PARKER requesting regularly scheduled updates and discussion each month in regard to the offering of a RESOLUTION to the Mayor, President of the Board of Aldermen, and Chair of the School Committee that they, during the budget development and review process, identify short term tactics to improve the City's operational efficiency and effectiveness. In addition, they establish a citizen advisory group to assist in planning for additional tactics and strategies to improve the City's operational efficiency and effectiveness in future fiscal years, and report progress to the Board of Aldermen, School Committee and the public before any vote is taken by the citizens of Newton for any operational override. [04-01-08 @ 11:22 AM]

## REFERRED TO PROG. & SERV., PUB.FAC. AND FINANCE COMMITTEES

#89-08 ALD. PARKER requesting the following:

- A) review of the maintenance practices for buildings, parks and other properties owned by the City (including School Department facilities and grounds)
- B) development of a comprehensive maintenance plan that includes regular schedules for preventive maintenance for each specific site or facility
- C) a RESOLUTION requesting that implementation of said maintenance plan be funded using operating budget funds. [02-13-08 @ 12:07 PM]
- #287-07(2) ALD. PARKER requesting a discussion with Parks and Recreation
  Department in regards to an appropriate marker or plaque to honor and
  recognize Olympic figure skater and Newton resident Tenley Albright and
  her skating exhibition at the Crystal Lake upon her return from the 1956
  Olympic Games where she won a gold medal. [09-20-07 @ 1:22 PM]
- #262-07

  ALD. VANCE AND HESS-MAHAN seeking approval by the Board of Aldermen of a home rule petition to the General Court that would authorize an amendment to the charter of the City of Newton that would change the length of terms of the members of the Board of Aldermen to three years and would provide for electing one-third of the aldermen, one from each ward, every year. [08-22-07 @ 3:53 PM]
- #422-06(2) <u>ALD. HESS-MAHAN</u> requesting that a task force be established to meet and prepare a report and recommendations regarding the regulation of noise, air pollution and best practices with respect to the operation of power equipment used in landscaping, property and yard maintenance, including, without limitation, leaf blowers. [01/27/09 @ 3:47 PM]
- #370-06 <u>ALD. SANGIOLO, PARKER, MANSFIELD</u> requesting home rule legislation to allow advisory questions to be asked in a Newton special election.

#### REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#267-06(3) ALD. PARKER, BURG, LINSKY, FISCHMAN, HESS-MAHAN, VANCE, HARNEY, JOHNSON, & DANBERG proposing Home Rule Legislation authorizing the City of Newton to apply the ordinance proposed in item #267-06(2) to assets held by the City's retirement system.

#### REFERRED TO FINANCE AND PROGRAMS AND SERVICES COMMITTEES

#245-06 <u>ALD. JOHNSON AND HESS-MAHAN</u> requesting an amendment to the City Charter to require the Mayor annually to prepare and submit to the Board of Aldermen a long-term financial forecast of anticipated revenue,

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expenditures and the general financial condition of the City, including, but not limited to identification of any factors which will affect the financial condition of the City; projected revenue and expenditure trends; potential sources of new or expanded revenues; anticipated municipal needs likely to require major expenditures; and a strategic plan for meeting anticipated municipal needs, to include, but not be limited to, any long or short-term actions that may be taken to enhance the financial condition of the City. **HELD 5/7/08** 

#329-05(2) <u>ALD. PARKER & JOHNSON</u> requesting further amendment to the noise ordinance to: improve enforceability and effectiveness of the ordinance; remove the source-based exemption for noise generated by birds, and; address the differential treatment of construction noise on weekends. [08-26-08 @ 3:15 PM]

## REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

#264-03(3) <u>ALD. JOHNSON AND BAKER</u> requesting update on the work of the Taxation Aid Committee established by the Board of Aldermen in March 2004 in administering aid to the elderly taxation fund.

# REFERRED TO PROGRAMS & SERVICES, PUBLIC FACILITIES AND FINANCE COMMITTEES

- #309-01 <u>ALD. PARKER</u> requesting increase in the income eligibility level of the 30% water/sewer discount for low-income senior citizens.
- #346-99 <u>ALD. SANGIOLO</u> requesting creation of an ordinance that would prohibit dogs (leashed or unleashed) from all elementary school playgrounds.

Respectfully Submitted,

Marcia Johnson, Chairman

# 1. Municipal Partnership Represents Cooperation Between State and Local Government

- Strengthening the partnership between local governments and state government will improve the health of each municipality and improve the Commonwealth as a whole. The Commonwealth is home to 351 cities and towns, each having individual and specific needs.
- Among the provisions of the legislation are plans to help lower property taxes, allow cities and towns to participate in the state's health insurance program, address underperforming municipal pension funds, and close a telecommunications tax loophole.

#### 2. Local Meals and Hotel Taxes

- Diversifying a community's revenue base diminishes its reliance on the property tax. Nationally, municipal revenue structures are more diversified. For example, most major American cities have local taxing authority over restaurant meals and other local activities.
- Homeowners bore the greatest tax increase in the last four years. Property taxes paid by homeowners increased by \$1.4 billion.
- Cities and towns may adopt a hotel tax of up to 5% and a meals tax of up to 2% of gross receipts.

# Local Taxes on Meals Selected Major Cities

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<u>State</u>	City	Other Local**	<u>Total</u>
5.00%	2.50%	2.75%	10.25%
0.00%	10.00%	0.00%	10.00%
6.50%	0.85%	1.95%	9.30%
4.00%	2.50%	2.50%	9.00%
4.25%	4.125%	0.25%	8.63%
6.25%	2.25%	0.00%	8.50%
6.25%	1.00%	1.00%	8.25%
4.00%	1.00%	3.00%	8.00%
2.90%	4.00%	0.80%	7 <b>.70</b> %
6.00%	1.00%	0.00%	7.00%
5.00%	1.00%	0.00%	6.00%
	5.00% 0.00% 6.50% 4.00% 4.25% 6.25% 6.25% 4.00% 2.90% 6.00%	5.00%         2.50%           0.00%         10.00%           6.50%         0.85%           4.00%         2.50%           4.25%         4.125%           6.25%         2.25%           6.25%         1.00%           4.00%         1.00%           6.00%         1.00%	5.00%         2.50%         2.75%           0.00%         10.00%         0.00%           6.50%         0.85%         1.95%           4.00%         2.50%         2.50%           4.25%         4.125%         0.25%           6.25%         2.25%         0.00%           6.25%         1.00%         1.00%           4.00%         1.00%         3.00%           2.90%         4.00%         0.80%           6.00%         1.00%         0.00%

<sup>\*\*</sup> County, Transit authority districts, or other taxing authorities. Compiled by Office of Budget Management, City of Boston

- o If all cities and towns in Massachusetts adopted a 1% meals tax, more than \$120M is estimated to be available to cities and towns in Massachusetts.
- o 25% percent of new revenue would be deposited into the Municipal Property Tax Exemption Reimbursement Fund and reimbursed across cities and towns for property tax exemptions for qualifying senior citizens.
- O The remaining balances will be returned to the originating city or town.

# 3. Telecommunications Tax Loophole

- Massachusetts has an outdated telecommunications property tax law that exempts above ground poles and wires from property taxation. This law, passed in 1915, was designed to bring the telephone to all areas of Massachusetts. That goal was achieved. Now, it is time for telecommunications companies to pay their fair share of the property tax.
  - Overall, the telecommunications industry in Massachusetts is avoiding an estimated \$78 million in annual property taxes.
  - o This \$78 million could be used for **property tax reduction**, education, road construction and maintenance, or any other municipal expense.
- Electric companies and wireless companies are required to pay property taxes on their equipment. Currently, if a pole is jointly owned, the electric company owes property tax on its half, while the telecommunications company does not.
- Requiring telecommunication companies to pay their tax obligation will not translate into higher telephone bills.

- O Verizon's tax bill declined by 53%, or nearly \$50 million, from 2003-2005 while the average monthly bill rose 27.4%.
- Of all the states in which Verizon does business, Massachusetts has the 4th lowest total tax burden while Verizon customers in Massachusetts have the 5th highest monthly bill. There is absolutely NO correlation between tax burden and monthly bills.
- o The monthly bill in Massachusetts is 23% above the national average, while Verizon's Massachusetts state and local tax bill is 60% below the national average.

# 4. Group Insurance Commission Participation

- Rapidly escalating health insurance costs have put cities and towns across the Commonwealth in the untenable position of either cutting municipal services or increasing already high property taxes.
  - O The cost of health coverage to municipal employees has skyrocketed by an average of 63 percent from 2001 through 2005, a growth rate nearly double the rate of increase for health coverage of state government employees over the same period.
- Cities and towns may choose to participate in the Group Insurance Commission. Decisions to participate would be made by agreement between the municipality and a public employee committee which would include representatives from each collective bargaining unit.

## 5. Municipal Pension Funds

- There are currently 106 different public pension systems in Massachusetts. The State system handles all state employees, while the State Teachers system handles all state teachers. Those two systems alone have over \$37 billion invested in the state Pension Reserve Investment Trust (PRIT). The remaining 104 systems total under \$20 billion, and are individually invested by the local pension board.
- The Patrick Administration supports the mandate that individual pension boards are the best vehicle for administering pension benefits to retirees. This legislation does not change that authority.
- Pension Boards have been able to invest their assets with PRIT since 1985. **Because of the size of the Trust, PRIT can diversify assets for maximum possible return.** Currently, 28 systems are fully invested with PRIT. An additional 40 systems are partially invested in the various asset classes that PRIT offers.
- Over the last 21 years, **PRIT** has averaged an 11.27% return, making it one of the best pension systems in the country. By choosing to not invest with PRIT, local systems have squandered the opportunity to increase their portfolios by over \$2.6 billion in the last eight years alone. This money could have been used for the myriad of municipal obligations.
- This legislation would force the lowest performing systems to invest their assets with PRIT. The Administration proposed that those systems that are under-funded and have had a 5-year return that is a certain percentage less than the same period for PRIT would invest their assets with PRIT.



THIS STORY HAS BEEN FORMATTED FOR EASY PRINTING

# Debate renewed on local taxes

The Boston Globe

# Opposition may be softening in the Legislature

By Matt Viser, Globe Staff | January 22, 2009

House and Senate lawmakers appear to be softening their opposition to giving cities and towns the ability to levy new taxes for meals, hotels, and telephone poles, plans that could give municipal officials long-coveted powers to raise new revenue.

As Governor Deval Patrick prepares to plug a \$1.1 billion gap in the current year's budget by making drastic cuts to local aid, there is a growing sentiment among legislative leaders that municipalities will need alternative sources of money.

Two years ago, Patrick raised the idea of giving local communities the option of increasing taxes in their communities, but state lawmakers did not act on his proposals. Patrick's plan also met stiff resistance from restaurant trade groups, business groups, and telephone companies that argued that they were being unfairly singled out.

"Given the climate and what we're up against, a lot of the political walls fall, and you have to start embracing solutions you might not have during good times," said Senator Steven C. Panagiotakos, chairman of the Senate Committee on Ways and Means.

The proposals could allow communities to impose a meals tax of up to 2 percent and increase the local hotel tax by 1 percentage point. The Massachusetts Municipal Association has estimated that the proposals would bring in more than \$250 million each year.

Ending a property tax exemption for telecommunications companies, which now do not pay taxes on their telephone poles, would bring in more than \$50 million statewide, according to administration estimates.

"I think it's imperative that we take up giving the cities and towns some other tools to make up some of the lost revenue," Representative Robert A. DeLeo, chairman of the House Committee on Ways and Means, said last week. "We have to take a fresh look on all of those items, whether it's the meals tax, whether it's the telecom tax, whether it's the hotel-motel tax. Those have to be on the table front and center and relatively soon."

For several weeks, a legislative commission has been reviewing proposals for municipal relief, and the panel plans to make recommendations soon.

"We're very close," said Senator Stanley C. Rosenberg, a Northampton Democrat and cochairman of the commission. "Everybody understands that we have to be very open-minded and do something significant, or the communities are going to be in very, very serious trouble."

The top legislative leaders appeared to be hanging back yesterday and waiting for Patrick to announce how dire the cuts to local aid will be, something Patrick may announce as early as tomorrow, when he delivers an address to the Massachusetts Municipal Association. Once local officials see how deep the cuts are, state lawmakers could focus on passing a relief package.

Senate President Therese Murray declined to comment yesterday. House Speaker Salvatore F. DiMasi also declined requests for comment.

"Everything must be on the table, given the depth and breadth of this fiscal crisis," said DiMasi's spokesman, David Guarino.

**#82-07**, **#83-07**  $^{\text{Page 2}}$  of 2

DiMasi is also pushing a proposal to allow municipalities to join the state's health insurance program without union approval, which could collectively save cities and towns up to \$2.5 billion over 10 years.

While lawmakers appear more amenable to local taxes, raising broad-based taxes, such as increasing income or sales taxes, have been a political third rail, particularly as state lawmakers push for an increase in the state's gasoline tax to pay for transportation problems.

The state could face a \$3.1 billion budget gap in next year's budget, according to a report that will be released today by the Massachusetts Budget and Policy Center.

Part of the shortfall is because for years the state has budgeted costs that it cannot pay with ongoing revenues. In normal years, the state can use reserves to make up the difference, but with declining revenues the state's reserves are needed to avoid deeper cuts.

There are also a number of increases that are almost unavoidable, such as Medicaid costs, pension payments, and debt service payments.

Administration officials will not say how much of a shortfall they are building into their estimates, but state budget writers will have to either find more areas to make cuts or find ways to raise revenue.

Matt Viser can be reached at maviser@globe.com. ■

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# Office of the Governor



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DEVAL L. PATRICK GOVERNOR

TIMOTHY P. MURRAY LIEUTENANT GOVERNOR

Contact:

Kyle Sullivan Cyndi Roy Becky Deusser 617-725-4025

July 25, 2007 - For immediate release:

# GOVERNOR PATRICK SIGNS KEY PARTS OF MUNICIPAL PARTNERSHIP ACT INTO LAW

#### Administration's Plan to Relieve Property Tax Moves Forward

BOSTON—Wednesday, July 25, 2007— Joined by legislative leaders and local officials, Governor Deval Patrick today signed into law two key pieces of his proposed Municipal Partnership Act that will provide communities with the tools to help relieve the pressure on property taxes by allowing them to join the state health insurance plan and by merging underperforming local pension funds with the state's high-performing system.

"We need to relieve the pressure to raise local property taxes. The Municipal Partnership Act gives cities and towns more options to save money and increase revenue, and I am proud to sign key parts into law today," said Governor Deval Patrick. "By permitting municipalities to join cheaper state-run systems, we foster just the kind of engaged partnership we need between state and local government to move Massachusetts forward."

"Cities and towns have been grappling with budgetary challenges that affect their ability to stabilize their property tax rates and provide essential services" said Lieutenant Governor Tim Murray. "This new law will empower our municipalities and continue to build a long-lasting partnership between them and the state."

"I am happy to see the Governor sign this bill," Senate President Therese Murray said. "It's an important day for Massachusetts. This new law gives municipalities options they never had before and improves their access to affordable, quality health care. It's a valuable tool that helps cities and towns control their health care costs and free up valuable resources to address other needs such as education and public safety. This is a great benefit for the citizens of the Commonwealth."

"These two new laws give cities and towns the tools to save millions of dollars each year – money they can use to cut property taxes or invest in local priorities," said House Speaker Salvatore F. DiMasi. "These bold reforms, combined with significant local aid and Lottery fund increases, show the Legislature's continued commitment to putting cities and towns first and I hope they are quickly embraced by communities across the Commonwealth."

#### **Group Insurance Commission**

Part of the new law will help municipalities lower skyrocketing health care costs by giving them the option to join the state's Group Insurance Commission (GIC). Increasingly high health insurance costs

have forced cities and towns to cut municipal services and increase property taxes. A recent Massachusetts Taxpayers Foundation report found the growth rate for health insurance costs in municipalities is nearly double the rate of increase for health coverage of state government employees over the same time period.

Regional councils, regional planning districts, non-unionized educational collaboratives and Commonwealth charter schools will also be allowed to participate in the GIC.

The measure calls for the appointment of four additional members to the Commission to reflect a broader constituency, including a representative of management and of labor. Another two municipal members will be appointed after 45,000 municipal subscribers are added to the GIC. The bill also includes a \$1 million appropriation to cover additional GIC costs.

#### **Pension Reform**

The new law both identifies and requires the state's lowest-performing pension systems to invest with the state Pension Reserve Investment Trust (PRIT). The criteria are based on the funding level and the average rate of return, as compared to PRIT, over the last 10 years.

The Patrick Administration supports keeping local pension decisions with local pension boards, and the new legislation does not change that authority. Pension boards have been able to invest with PRIT since 1985, allowing them to diversify their assets for maximum possible return and increase local revenue.

"This landmark legislation will bring significant financial relief from the fiscal spiral facing so many of our cities and towns" said Representative Rachel Kaprielian, D-Watertown. "Massachusetts is giving new meaning to the words state/local partnership and helping stem the exorbitant cost of providing health insurance for municipal workers."

With this legislation we have achieved our goal to provide local communities tools to control their health care costs and improve their financial situations," said Sen. Richard T. Moore, D-Uxbridge. "The coalition of legislative leaders, municipal officials, public employee union representatives and retiree representatives deserve the gratitude of every municipality for the funds that will be saved in the long term, and the respect of all residents for their work in providing affordable and quality health insurance for thousands of local employees."

"Under these laws, communities will continue to provide high-quality health insurance and a secure retirement, without relying on exorbitant property tax increases. They are truly examples of how we can make government work better for our taxpayers, our communities, and our retirees and public employees," stated Sen. Benjamin B. Downing, D-Pittsfield, chairman of the Joint Committee on Public Service.

"These two bills represent a major step forward and hold out the promise of even greater returns in the years ahead. It's particularly satisfying that many constituencies and many people of divergent interests were able to come together around these important goals," said Representative Jay Kaufman, D-Lexington, chairman of the Joint Committee on Public Service.

#### **MEMORANDUM**

To: Board of Aldermen

From: Brian Yates

Date: March 19, 2007

Re: Docket #82-07

Taxing Telecommunications

Dear Colleagues,

The new docket accidentally misstated the amount of money that the city could raise per year if we were allowed by state law to tax telecommunications properties as we do the property of other utilities. Unfortunately, the real annual total as estimated by Chief Assessor Elizabeth Dromey is \$1.6 million, not \$16 million. Even so, we can surely use that money which is why I filed this item and hope to use it to gain the active support of our own legislators who are all Chairs or Vice Chairs and can thus have an impact on leadership's treatment of the bill filed by Governor Patrick to allow this. (Senator Creem is chair of the Revenue Committee, which has preliminary jurisdiction over the bill.) We should also reach out to our colleagues in surrounding communities. For instance, the Needham Board of Selectmen might get the attention of Assistant House Majority leader Lida Harkins.

\$1.6 million per year is certainly worth at least this level of effort.

# NEWTON EMPLOYEES INSURANCE ADVISORY COMMITTEE Jay Babcock and Cheryl Turgel, Co-chairs

CITY CLERK

Mr. Lisle Baker President, Board of Aldermen Newton City Hall 1000 Walnut Street Newton, Massachusetts 02459

**RE:** Health Insurance Solution

Coalition Bargaining, MGL 32B, Section 19

#### Dear President Baker:

Town officials, managers and employees are all facing a period of fiscal uncertainty. In addition to state and local budget issues, we are troubled by health insurance costs that are increasing at an alarming rate each and every year.

In Newton, we continue to face increases in health insurance. To hold back these increases the Unions have agreed to increase the amount we pay in co-pays. These increases have caused each Union member to pay more in out-of-pocket costs, and reduced the cost of health insurance for the City.

The Unions agree that health insurance cost increases are staggering, and that proactive measures must be taken to assure that high quality, cost effective health plans are provided to both employees and retirees.

However, Massachusetts General Law (MGL 150E) requires that any change or alteration to the existing plans must be individually bargained with each and every Union. This is a cumbersome, expensive and time consuming process. In addition, no change can be implemented until each Union agrees in bargaining to the change.

This is an inefficient way to manage rising insurance costs. However, relief is provided within MGL 32B, under "Section 19", or *coalition bargaining*. This section of MGL 32B, allows the City to bargain health insurance with a *coalition of Unions*. It streamlines the bargaining process for all parties, and allows employees, retirees and management to address health insurance issues proactively and efficiently.

The Union leaders have voted unanimously to accept MGL 32B, Section 19. To move forward, we need to first gain approval from both the Mayor and the Aldermen and then have this section of the law ratified by each Union.

President Lisle Baker October, 2006 Page 2 of 2

With coalition bargaining, we will save endless hours of collective bargaining health insurance changes, and will have a legitimate process to address the growing health insurance cost crisis in the City.

If you have any questions, we would be happy to arrange a meeting with our union consultant, Susan Noonan-Forster, and Carol Chandor, our health insurance consultant. Both are very familiar with the law.

In addition, we would like to make a formal presentation to the Mayor and Aldermen concerning Section 19. We look forward to discussing this cost-effective alternative to collective bargaining health insurance in the near future.

Sincerely,	
Cheryl B Jungel	Newton Teachers Association
JAY BABGOCK	NewTan Police Assac.
Maic Francolo	Newton Police Superior Officers Asse
angela files	Newton Traffic Supur Parking Cortne
Elisabeth of Lupo	Newton Traffic Super Ricking Cortae Bullon Educational Secretaries asses
Franci Steghar Ennest Pellies	Newton Educational Sec. assoc.
Ennest Pellier	newton Custodiery assoc.
Dardag E Bartle	Newton municipal Employees Assoc.
Pat Sweezey	Newton City Hall Classicates
parge Creeden Kotherma RN.	Mass Nunses Association
Jan Marken	ASFME LOCAL 2448
Jun I lepello	Newton Local 863 Firefighters
Geral J. & Shea	Wenton Engineering Assoc.
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cc: Mayor David Cohen Ms. Susan Noonan-Forster Ms. Carol Chandor