

CITY OF NEWTON

BOARD OF ALDERMEN

PROGRAMS AND SERVICES COMMITTEE AGENDA

WEDNESDAY, OCTOBER 15, 2008

7:45PM – ROOM 222

Chairman's Note: The Public Facilities Committee will be meeting jointly with the Programs & Services Committee to discuss items #357-08 and #329-08 in Room 209.

ITEMS SCHEDULED FOR DISCUSSION:

- ☐291-08 ALD. BAKER ☐ ALBRIGHT recommending the appointment of Gerald Tischler as a member of the Dogs Off-Leash Advisory Committee to replace Kate Wissel pursuant to 3-30(c) of Ordinance Z-11. [08-08-08 ☐ 9:10 AM]
- ☐337-08 ALD. JOHNSON, LINSKY AND ALBRIGHT requesting an assessment of the accuracy of the present voter rolls maintained by the Election Commission in light of reported instances relating to the failure to list voters who were presumably registered during the recently conducted primary election. [09-19-08 ☐ 9:29 AM]

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

- ☐357-08 HIS HONOR THE MAYOR requesting authorization to appropriate and expend twenty-five thousand dollars (\$25,000) from Budget Reserve for additional design options for the City properties at Crystal Lake. [09-30-08 ☐ 4:16 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]
- ☐329-05(2) ALD. PARKER ☐ JOHNSON 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]

- 293-08 ALD. BRANDEL, SANGIOLO, YATES □ GENTILE requesting a discussion with the Library Director and Library Trustees regarding the financial information they used in evaluating the branch libraries during the FY09 budget process and how that information factored into their decision to close the branches in the aftermath of the override referendum failure. [07-25-08 □ 2:54 PM]

- 338-08 ALD. HESS-MAHAN, FISCHMAN, SCHNIPPER, VANCE, BAKER, ALBRIGHT □ DANBERG proposing a RESOLUTION opposing Ballot Question 1: A proposed law to eliminate the personal state income tax. [09-20-08 □ 2:41 PM]

ITEMS NOT YET SCHEDULED FOR DISCUSSION:

- #306-08 ALD. BAKER, DANBERG, MANSFIELD □ PARKER requesting discussion of how swimming at Crystal Lake might be lawfully and safely extended beyond mid-August. [08-26-08 □ 5:03 PM]

- #305-08 HIS HONOR THE MAYOR requesting that Sections 27-22 and 27-23 of the Senior Citizen Volunteer Program of the City of Newton Revised Ordinances, 2007, be amended by replacing the □commissioner of health and human services□with the □director of senior services.□[08-26-08 □ 3:45 PM]

REFERRED TO PROG. & SERV. AND PUBLIC FACILITIES COMMITTEES

- 294-08 SUPERINTENDENT YOUNG requesting a vote of the Board of Aldermen to complement the vote of the School Committee to instruct him to submit a statement to the Massachusetts School Building Authority confirming the City's top three priority elementary schools: Angier, Cabot and Zervas, with Angier being the first priority, by September 15, 2008. [07-24-08 □ 2:21 PM]

- 292-08 ALD. YATES requesting that His Honor the Mayor appoint a Branch Library Preservation Task Force to develop a model plan of operations to enable any branch library to remain as a public-private partnership with a neighborhood-based organization and the Newton Free Library to provide uses of the branches with access to the Newton Free Library Collection and to the services of the Minuteman Library System. (07-14-08 □ 11:32 PM]

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 ALD. JOHNSON 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 ALD. SANGIOLO 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]

- 224-08 HIS HONOR THE MAYOR requesting to submit Home Rule Legislation to establish a permanent fund for the maintenance of artificial turf fields at Newton South High School. [06-10-08 □ 5:12 PM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- 207-08 ALD. BRANDEL AND SANGIOLO 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 □ 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 ALD. JOHNSON 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 ALD. JOHNSON 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]

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

- 397-07 ALD. JOHNSON AND COLETTI requesting to increase the fee for dogs being off-leash except where dogs are legally able to be off-leash.
[12-04-07 □ 12:22 AM]
HELD 1/23/08
- 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]

REFERRED TO LAND USE & PROGRAMS AND SERVICES COMMITTEES

- 274-07 ALD. SANGIOLO proposing that Article X of the Rules □ Orders of the Board relative to Special Permit and Site Plan Approval Petitions be amended to require the applicant to post on the subject property a notice that would include but not be limited to identifying the subject matter and the date and time of the public hearing.
LAND USE APPROVED 7-0 on 2-12-08
- 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]

REFERRED TO PROGRAMS AND 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]

□82-07 ALD. YATES 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]

□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]

□422-06 ALD. HESS-MAHAN requesting creation of an ordinance prohibiting the use of portable gasoline-powered leaf blowers within the City limits. **PROGRAMS & SERVICES APPROVED AS AMENDED 4-2-2 (Brandel, Sangiolo opposed; Baker, Merrill abstaining) on 3/19/08 RECOMMITTED TO PROGRAMS & SERVICES ON 4-22-08 HELD 07-09-08**

□370-06 ALD. SANGIOLO, PARKER, MANSFIELD 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 PROGRAMS AND SERVICES AND FINANCE COMMITTEES

□264-03(3) ALD. JOHNSON AND BAKER 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 FINANCE AND PROGRAMS AND SERVICES COMMITTEES

□245-06 ALD. JOHNSON AND HESS-MAHAN 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,

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 4/23/08

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

- 309-01 ALD. PARKER requesting increase in the income eligibility level of the 30□ water/sewer discount for low-income senior citizens.

- 346-99 ALD. SANGIOLO requesting creation of an ordinance that would prohibit dogs (leashed or unleashed) from all elementary school playgrounds.

Respectfully Submitted,

Marcia Johnson, Chairman

SPECIAL INSTRUCTIONS: Return IMMEDIATELY.

' COMPLIANCE with this State requirement provides proof of residence to protect voting rights, veteran's bonus, housing for the elderly and related benefits as well as providing information for selection of jurors. This form DOES NOT register you as a voter.

GENERAL INSTRUCTIONS: Please Print

1. Verify and/or complete all information listed on the form.
List ALL family or household members whose legal address is the same. Include any member of the family in Military Service, away at school or confined to a rest home whose legal residence is the same.
3. Make all changes on the SHADED LINE below the printed line.
4. If a NEW MEMBER has been added to the family or household, enter the name and information on the blank line at the end of this form.
5. Put a line through the name of any resident no longer residing at this address and list his/her new address.
6. MOVED/DECEASED - Enter "M" or "D" if appropriate.
7. MAIL TO - Designates the person in your household to whom mail should be addressed. If you wish to change enter an "X" next to that individuals name.
8. OCCUPATION: Enter occupation not place of employment.
9. NATIONALITY - Enter only if not U.S. citizen.
10. VETERAN: Check if you are a U.S. Veteran.
11. To return this form, tri-fold form and insert into return envelope provided and mail.

Thank you for your cooperation.

The General Laws of Massachusetts

PART I. ADMINISTRATION OF THE GOVERNMENT**TITLE VIII. ELECTIONS**

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CHAPTER 51. VOTERS

LISTING OF PERSONS SEVENTEEN YEARS OF AGE OR OVER

Chapter 51: Section 4. Making of lists by registrars or boards

Section 4. (a) Registrars, assistant registrars, or boards having similar duties under any general or special law, except in the city of Boston, shall annually in January or February visit or communicate with the residents of each building in their respective cities and towns and, after diligent inquiry, shall make true lists containing, as nearly as they can ascertain, the name, date of birth, occupation, veteran status, nationality, if not a citizen of the United States, and residence on January 1 of the preceding year and the current year, of each person three years of age or older residing in their respective cities and towns. The police department of a city or town shall, upon request, have access to the lists. A list of all persons 3 to 21 years of age, inclusive, shall be transmitted by the board of registrars to the respective school committee not later than April 1 of each year. The list shall contain the name, residence and age or date of birth of each such person; but the names of persons 3 to 16 years of age, inclusive, shall not be disclosed to any person other than the respective school committee or board of trustees of a county agricultural school or a police department. That proportion of any expenses incurred by the registrars under this section, equal to the proportion that the number of persons under 17 years of age bears to the total number of persons listed thereunder, shall be carried as an item in the school committee budget.

(b) In the city of Boston, the registrars, assistant registrars or boards having similar duties under any general or special law, shall annually in January or February visit or communicate with the residents of each building in said city and, after diligent inquiry, shall make true lists containing, as nearly as they can ascertain, the name, date of birth, occupation, veteran status, nationality if not a citizen of the United States, and residence on January 1 of the preceding year and the current year, of each person 17 years of age or older residing in said city. The Boston police department shall, upon request, have access to the lists.

(c) In any city or town which communicates with residents by mail for the purpose of obtaining such information, the communication shall state in boldface type on the postcard, envelope and printed material contained in such communication the following statement: "Warning - failure to respond to this mailing shall result in removal from the active voting list and may result in removal from the voter registration rolls.". Registrars, assistant registrars or boards in such cities or towns communicating with residents by mail for the purpose of obtaining such information may require a response under the penalties of perjury.

(d) The name and address of any person who provides the registrars with a copy of a court order granting protection, or evidence of residence in a protective shelter, or an affidavit signed by a chief of police or his designee that said person is entitled to have certain information withheld from the public under section 24C of chapter 265, shall not appear on the street list and such names shall not be disclosed to any person. The information collected under this section regarding a person's status as a

sone

veteran shall not be a public record and shall only be disclosed to the adjutant general.

(e) The name and address of any law enforcement or public safety personnel who so requests shall not appear on the street list and such names shall not be disclosed to any person.

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See rctl.the.LaWs

The General Laws of Massachusetts:

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PART I. ADMINISTRATION OF THE GOVERNMENT**TITLE VIII. ELECTIONS****CHAPTER 51. VOTERS**

LISTING OF PERSONS SEVENTEEN YEARS OF AGE OR OVER

Chapter 51: Section 6. Street lists

Section 6. Except in any city or town as to which it is otherwise provided by special law, the registrars on or before April fifteenth in each year, shall prepare lists containing the names and addresses of all persons seventeen years of age or older listed by them under section four for the current year. Such lists shall be arranged in cities by streets, and in towns by streets or alphabetically by the names of the persons listed, and in cities and in towns of over five thousand inhabitants according to the latest national census, by the smallest subdivision of the city or town for the purpose of voting. On or before June fifteenth in each year, the registrars in all cities and towns shall cause a sufficient number of such lists to be printed, typed or mimeographed so as to furnish, free of charge, such lists, upon request, to all duly organized political committees and to all political candidates of the various districts in which the city or town is located. Such lists shall be made available by the registrars to business organizations and other nonpolitical committees and organizations at a fee to be determined by said registrars, and any such person or authorized representative of an organization or committee obtaining such list shall sign a log, maintained by the city or town clerk, placing in such log their names and addresses.



David B. Cohen
Mayor

City of Newton, Massachusetts
Office of the Mayor

41-57tp
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(617) 796-1100
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(617) 796-1113
TDD
(617) 796-1089
E-mail
dcollen@newtonma.gov

September 29, 2008

Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to appropriate twenty-five thousand dollars (\$25,000) from budget reserve for additional design options for the city property at Crystal Lake. This additional work will incorporate both the properties on Rogers Street and Lake Ave, which is in addition to the original scope of the study. This change to the scope of the work is the recommendation of the Crystal Lake Task Force.

Thank you for your consideration of this matter.

Very truly yours,

David B. Cohen

David B. Cohen
Mayor

DB C : srb

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.ci.newton.ma.us

DEDICATED TO COMMUNITY EXCELLENCE



PUBLIC BUILDINGS DEPARTMENT

A. NICHOLAS PARNELL, MA, COMMISSIONER

Telephone (617) 796-1600

FAX (617) 796-1601

52 ELLIOT STREET

NEWTON HIGHLANDS, MA 02461-1605

David B. Cohen
Mayor

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September 23, 2008

Mayor David B. Cohen
Newton City Hall
1000 Commonwealth Avenue
Newton , MA 02459

RE: Crystal Lake Master Plan Additional Funding Request

Dear Mayor Cohen:

In accordance with a recommendation from the Crystal Lake Task Force, the Public Buildings Department respectfully requests the sum of \$25,000.00 for additional Master Plan design options, cost estimating and phasing plans.. This additional request would incorporate the city-owned parcel of land on the lake in front of 230 Lake Avenue, which was not within the original scope of services provided by the firm of Raymond Design Associates, Inc. in conjunction with Pressley Associates. This funding will also include the cost of additional meetings and public presentations.

A copy of the additional funding proposal from Raymond Design Associates is attached.

Should you have any questions regarding the above, please do not hesitate to contact my office.

Sincerely,

A. Nicholas Parnell, AIA
Public Buildings Commissioner

ANP:dla

CC: Susan Burstein, Chief Budget Officer
David C. Wilkinson, Comptroller
Amy Yuhasz, Community Development Program Manager
Fran Towle, Commissioner of Parks and Recreation

351, oe



Raymond Design Associates, Inc.
222 North Street, Hingham, Massachusetts 02043
Telephone 781-749-5530

08 SEP 30 PM 4 10
CITY CLERK
NEWTON, MA 02459

August 28, 2008

Mr. Nicholas Parnell, MA
Public Buildings Commissioner
Department of Public Buildings
51 Elliot Street
Newton, MA 02459

Re: Additional Services Proposal
Crystal Lake Master Plan

Dear Nick:

Raymond Design Associates, in conjunction with Pressley Associates, has prepared an Additional Services Proposal for the Crystal Lake Master Plan Project. As you may know, we are nearing the end of our current scope of work on the contract, and the City and the Crystal Lake Task Force are eager for additional design options which will require not only time to develop, but 4 additional meetings and 2 additional public presentations. In addition; the city has recently added the 230 Lake Avenue acquisition to our scope, and there have been specific requests in regard to additional cost estimating and phasing plans involving this parcel.

Our next scheduled Task Force meeting is scheduled to take place on September 10. Because this upcoming meeting is covered under the attached Additional Services Proposal, we would appreciate a verbal response as soon as possible.

Please contact me if you have questions, require changes to the Proposal or if there are other procedural requirements that must be met. I can be reached at 781-561-5270.

Sincerely Yours,
Raymond Design Associates, Inc.

A handwritten signature in black ink, appearing to read "Gene S. Raymond Jr.", with a small dot at the end.

Gene S. Raymond Jr., MA
President

Additional Services - Crystal Lake Park Master Plan - Newton, Massachusetts

August 27, 2008

NEWTON CITY

RAYMOND DESIGN ASSOCIATES FEE DETAIL

Extended Architectural Design Schedule	Prtn JPM	Lump sum	Tptei Hrscp
Conference calls + client coordination	3		3
Revised and additional options -	32		32
Cost Estimates for a Additional Options & Phasing.		\$500	
Coordination With Pressley-	5		5
Pre-Task Force Meetings w/ City Departments (2)	8		8
Task Force Meetings (2) - includes presentation preparation time	16		16
Total Hours:	61.00		61
Hourly Rate:	\$135.00		
Total Fees:	\$8,236.00	\$500	8 7:3

RDA Reimbursable Expenses	
Travel mileage allowance	\$100.00
Printing allowance	\$230.00
Total	\$330.00

PRESSLEY ASSOCIATES FEE DETAIL

Extended Landscape Design Schedul	a	PM	LA	Total Hrs
Conference calls + client coordination	a	3		6
Revised and additional options, sections, and cost estimates (incl. phasing)	6	38	44	88
230 Lake Avenue Property site access design'	2	8	8	18
coordination with RDA	1	4		5
Pre-Task Force Meetings w/ City Departments (2)		6		6
Task Force Meetings (2) - includes presentation preparation time	a	8	8	24
Total Hours:	17.0	64.00	60.00	141
Hourly Rate:	\$225.00	\$90.00	\$75.00	
Total Fees:	\$1,825.00	\$5,760.00	\$4,600.00	14485.9i

With the acquisition of 230 Lake Avenue conservation areas, pedestrian access from this new property will be explored (once topo surveys from the City of Newton are obtained)

Travel mileage allowance	\$50.00
Printing allowance	\$300.00
Total	\$350.00

Vote NO on Question 1

It's a reckless idea. VoteNoQuestion1.com



Estimated cuts for Newton

State aid to...

Your kids' schools
FY09 state aid
<input type="checkbox"/> 23,824,361
Estimated cut
<input type="checkbox"/> 20,498,293
Percent of state aid
86 <input type="checkbox"/>

Your city
FY09 state aid
<input type="checkbox"/> 10,139,643
Estimated cut
<input type="checkbox"/> 6,562,848
Percent of state aid
65 <input type="checkbox"/>

Events in your region

- Outreach/Clipboarding Opportunity Event
- Organzing Meeting

- Phone Bank Event
- Campaign Kick Off

September 30, Tuesday



Somerville

When: 9/30/2008 6:00 PM
Where: Somerville Community Corporation
Contact: Danny LeBlanc dleblanc@somervillecdc.org
Info: 617-776-5931 Ext. 223

October 7, Tuesday



Newton

When: 10/7/2008 7:00 PM
Where: Newton Senior Center, 345 Walnut St
Contact: Mark Lindsey mrk.lindsey@gmail.com
Info: 617-378-5341

Tax repeal would trigger fiscal crisis

By MMA Deputy Legislative Director John Robertson
Wednesday, September 03 2008

A proposal to repeal the state income tax would push the state into a deep fiscal crisis and could result in local aid cuts of more than \$3 billion.

Voter approval this fall of a state ballot proposal to repeal the state income tax would push the state into a deep fiscal crisis and could result in local aid cuts of more than \$3 billion, dramatically increasing reliance on the property tax, according to an analysis by the MMA.

Question 1 would reduce the income tax rate from 5.3 percent to 2.65 percent on Jan. 1, 2009 (midway through fiscal 2009), and eliminate the income tax altogether beginning in January 2010, ultimately reducing state revenue by 40 percent, or nearly \$13 billion per year.

The loss of such a significant revenue source could result in local aid cuts of \$2.5 billion, or about 40 percent, according to an MMA simulation of the impact of Question 1. An additional half a billion dollars could be lost due to cuts to state-sponsored capital programs, such as school building assistance, Chapter 90 local road construction, library construction, and water and sewer assistance.

While it is impossible to predict with certainty how the governor and the Legislature might impose spending cuts to offset the loss of revenue, the MMA simulation is based on a series of straight-forward assumptions, worked out with state officials, about how extraordinary cuts might be allocated in light of legal obligations that the state cannot readily avoid and a need to make cuts in a way that doesn't worsen the state revenue situation.

The simulation assumes that spending cuts would be allocated across the board to all accounts unless there is a compelling legal or revenue reason for different treatment. The simulation does not try to anticipate future decisions about the relative policy importance of state budget items, or what a revisited fiscal 2009 budget or the fiscal 2010 budget might look like.

The basic assumptions are that the state would continue to meet its debt service obligations, but would issue little or no new debt for new capital spending at the state and local levels. Debt-related spending would be cut by about a quarter.

State funding for Medicaid and Transitional Aid to Families With Dependent Children would be reduced to the minimum amount necessary to maintain any federal revenue contributions. Cuts to these programs would total about \$3.4 billion.

Pension funding would be reduced by more than \$1 billion as the state is forced to abandon its reform-inspired funding schedule and move to a "pay as you go" system.

Cuts in the Chapter 70 school aid program, intended to meet the state's constitutional obligations to ensure minimum school funding, would be limited to about \$1.1 billion statewide (27 percent), although many districts would lose all school aid.

After making the basic assumptions, all other accounts would be subject to an "across the board" cut of about 63 percent, according to the MMA simulation. This includes two main municipal aid accounts — Additional Assistance and Lottery distributions — which together would be cut by \$822 million.

Similar cuts would also be imposed on reimbursements for property tax exemptions, veterans benefits, the police incentive pay program, library aid, payments in lieu of taxes, and other municipal programs.

On the school side, the simulation indicates across-the-board cuts in school transportation, the special education "circuit breaker" program, reimbursements for charter school-related losses (though funding for charter schools themselves would be unaffected), and a wide array of school grant programs.

State contributions to municipal and school capital projects would also be sharply curtailed or eliminated, at least in the near term, as a moratorium on new state bond authorizations would be expected.

The simulation projects a halt to the \$150 million annual Chapter 90 road construction program and to funding of new school projects by the Massachusetts School Building Authority.

Cities and towns, already depending heavily on property tax revenues and fees to pay for municipal and school services, would find reliance on local revenues climbing quickly as excess capacity is tapped and overrides and exclusions are used to offset at least some of the local aid losses.

• Link to Vote No on Question 1 Web site

• Full text of initiative petition to end the income tax (144K PDF)

Summary of Question 1, from the Attorney General's Office

This proposed law would reduce the state personal income tax rate to 2.65 percent for all categories of taxable income for the tax year beginning on or after Jan. 1, 2009, and would eliminate the tax for all tax years beginning on or after Jan. 1, 2010.

The personal income tax applies to income received or gain realized by individuals and married couples, by estates of deceased persons, by certain trustees and other fiduciaries, by persons who are partners in and receive income from partnerships, by corporate trusts, and by persons who receive income as shareholders of "S corporations" as defined under federal tax law. The proposed law would not affect the tax due on income or gain realized in a tax year beginning before Jan. 1, 2009.

The proposed law states that if any of its parts were declared invalid, the other parts would stay in effect.

Local leaders speak out on Question 1

By MMA Senior Legislative Analyst Tom Philbin
Wednesday, September 24 2008

Municipal leaders across the state are talking about the potentially devastating impact of a proposal to repeal the state income tax.

Municipal leaders across the state are talking about the potentially devastating impact that a repeal of the state income tax could have on municipal governments.

If approved by voters statewide on Nov. 4, Question 1 would halve the state income tax rate on Jan. 1, 2009 and from 5.3 percent to 2.65 percent and eliminate it on Jan. 1, 2010, resulting in a 40 percent cut in state revenues.

A similar proposal in 2002 and also sponsored by Libertarian Carla Howell and the Committee for Small Government and gained 45 percent of the vote statewide.

Voter approval of this year's ballot proposal would push the state into a deep fiscal crisis and could slice local aid by more than \$3 billion statewide, according to an MMA analysis released last month.

Westwood Town Administrator Michael Jaillet told the Walpole Times that the elimination of the state income tax "would be devastating on all local communities," especially as communities already face escalating energy and health insurance costs.

Walpole Town Administrator Michael Boynton told the Times that his town could lose \$8 million in local aid, citing an analysis prepared by the MMA. Last year the town received \$11 million from sources such as Chapter 70 and Lottery proceeds, Boynton said.

"I don't believe any department would be spared the effects of such a massive cut," he said. "That's just mind-boggling to contemplate."

Boynton believes Question 1 arises from voter frustration with governmental operations "primarily at the state level" and not the local level.

"You can understand that people get frustrated," he said, but media reports about state spending "are not indicative of what happens here in Walpole at the local level."

Jaillet said local leaders "always have to be sympathetic" to voter concern about whether taxes are being spent responsibly. He pointed out, however, that Proposition 2 ½ already forces town governments to be "efficient, thoughtful and creative." He said repealing the income tax would be "like taking an ax to things when (they) only need a little trimming."

Boynton said it would be "irresponsible" to not do his best to provide as much information as possible about the potential local impact of Question 1.

The Franklin County Selectmen's Association recently voted overwhelmingly to oppose Question 1. The vote followed a presentation by Massachusetts Taxpayers Foundation President Michael Widmer, who discussed a financial analysis of the proposal and warned local leaders of possible cuts of 40 percent or more in local aid accounts.

He said local aid cuts could even reach 50 to 60 percent, due to state obligations for debt payments, the Massachusetts Bay Transportation Authority, and the school building assistance program, according to the Greenfield Recorder.

"It would be devastating to the towns," Northfield Finance Committee Chair Lois Stearns told the Recorder. "It would push everything back onto the property tax, which bears too much of a burden now. Local government is bare bones."

Of the nine states without an income tax, four or five have "strategic assets" to help compensate, Widmer said, such as heavy tourism in Florida, oil revenues in Alaska, gas and oil revenues in Texas, mineral revenues in Wyoming, and gaming in Nevada. New Hampshire, meanwhile, has the third highest property tax in the country, and Washington State has the nation's highest sales tax, along with high service taxes and high local taxes. Tennessee has the nation's second highest sales tax, he said.

Of the 45 states with a sales tax, Massachusetts has the lowest, according to Widmer.

The independent, nonpartisan Massachusetts Taxpayers Foundation plans to release its final Question 1 analysis later in the month.

The local No on One organizing team held a rally on the City Hall steps in Northampton on Sept. 17.

Northampton Mayor Mary Clare Higgins called the income tax question "a reckless proposal that will have severe and immediate consequences for all of us . . . driving up local property taxes and leading to drastic cuts in services."

"Our communities will suffer sweeping education cuts, steep reductions in public safety personnel, and further deterioration of roads and bridges," she said. "Times are hard enough. Let's not make them worse."

Linda Dunlavy, executive director of the Franklin Regional Council of Governments, told the county's selectmen that lower- and middle-income residents would bear the brunt of the effects of Question 1 because the income tax is progressive, unlike other taxes that might have to be raised to replace the lost revenue.



*The Enormous Consequences
of Question 1*

OCTOBER 2008

MTF

I. INTRODUCTION

The personal income tax produced \$12.5 billion in revenues in fiscal 2008. That is approximately 60 percent of total tax revenues and 40 percent of state spending (see Table 1).¹

Table 1: Income Tax as Percentage of Revenue and Spending
(Fiscal 2008 - \$ millions)

	Total	Personal Income Tax	% of Total
Tax Revenue	20,888	12,493	59.8%
Spending²	31,808	12,493	39.3%

Question 1 would eliminate the income tax in two phases – cutting it in half (from 5.3 percent to 2.65 percent) on January 1, 2009 and ending it altogether on January 1, 2010. Given the two-phased reduction and the fact that the phases would take effect in the middle of fiscal years, the revenue impact would be approximately as follows:

Fiscal 2009 (January-June) - \$3 billion
 Fiscal 2010 - \$9 billion
 Fiscal 2011 - \$12.5 billion

Passage of Question 1 would have a profound impact on citizens of the Commonwealth and the broad range of services provided by state government. The purpose of this report is to describe that impact. The report is divided into four areas:

- Who pays the income tax and who would benefit most from its repeal;
- What would be the consequences on the operating budget;
- What would be the impact on capital spending;
- How do the nine states without a state income tax raise the revenues they require.

¹ In addition to tax revenue, the state budget is also supported by non-tax revenue sources, principally federal reimbursements, but also the state Lottery and a wide range of fees such as for vehicle registrations and drivers' licenses.

² The \$31.8 billion in spending includes the General Appropriation Act and all subsequent supplemental spending plans for fiscal 2008, as well as certain "off-budget" authorizations for health care, pensions, the MBTA and school building assistance. Final fiscal 2008 expenditures, including unspent reversions, will not be certified by the state Comptroller until the end of October.

II. WHO PAYS THE INCOME TAX?

Proponents of Question 1 assert that the average taxpayer would save \$3,700 annually if the income tax is repealed. While true as an average, the \$3,700 figure is overstated by nearly \$3,000 for 65 percent of Massachusetts taxpayers, with higher income taxpayers receiving a much larger reduction.

In Table 2, the number of income tax filers and the total taxes paid are broken down by six income groups using 2005 data.³ To make the numbers current, both the total taxes and the average amount paid by each group were inflated by 30.6 percent to reflect the \$12.5 billion in total income taxes paid in 2008 compared to \$9.6 billion in 2005. With substantial increases in capital gains taxes from 2005 to 2008, the table likely understates the amount of taxes paid by those making more than \$100,000 annually.

The average income tax payment for the 2.15 million taxpayers with incomes below \$50,000 is less than \$850. Filers with incomes below \$10,000, comprising 21 percent, pay \$53; another 20 percent with incomes between \$10,000 and \$25,000 pay \$577; the 24 percent with incomes from \$25,000 to \$50,000 pay \$1,773.

Table 2 – Income Tax Payments by Personal Income Levels

Filers Income	under \$10,000	\$10,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$75,000	\$75,001 - \$100,000	\$100,001 and higher
Number of filers	696,332	668,782	789,993	450,165	275,214	480,031
Total tax paid in millions - 2005	\$28	\$296	\$1,073	\$1,147	\$1,034	\$5,991
□ Total tax paid - adjusted 2008	\$37	\$386	\$1,401	\$1,498	\$1,349	\$7,822
Average tax paid per filer - 2005	\$41	\$442	\$1,358	\$2,549	\$3,756	\$12,481
□ Average tax paid - adjusted 2008	\$53	\$577	\$1,773	\$3,328	\$4,903	\$16,295
Percent of filers	21%	20%	24%	13%	8%	14%
Percent of total income tax	0.3□	3.1□	11.2□	12.0□	10.8□	62.6□

In contrast, tax filers with incomes in excess of \$100,000 pay an average of \$16,295, nearly 20 times more per filer than the 65 percent of taxpayers who have incomes less than \$50,000. The 14 percent of filers with incomes greater than \$100,000 pay nearly 63 percent of all state income taxes. Clearly, a small fraction of wealthier taxpayers would receive the greatest cuts from passage of Question 1, a fact that is clouded by the average tax figures used by proponents.

In addition, as we discuss below, the large cuts in state aid to cities and towns would lead to much higher property taxes. As a result, the lower income taxpayers who would receive the smallest savings from repealing the income tax would in the end likely see an increase in their overall tax burden, the jump in property taxes more than offsetting the income tax savings.

³ 2007 Comprehensive Annual Finance Report, p. 166.

III. OPERATING BUDGET

Obviously, there is no way to predict what actions the Governor and Legislature would take if Question 1 were approved by the voters. There are literally thousands of possible permutations to cut \$12.5 billion out of a \$32 billion budget.⁴ Nevertheless, the scale of the cuts is so dramatic that one can describe the impact in a meaningful way, which is the purpose of this report.

A significant share of state spending is required by the state constitution, federal requirements or legal obligations. As a result, if Question 1 passes, discretionary spending would have to be cut by a much larger amount than the income tax's 40 percent share of the state budget. Table 3 summarizes these obligations which are described below. They total \$12.48 billion, approximately 40 percent of the state budget.

Table 3: Constitutional and Legal Obligations
(\$ millions)

Program	FY08 Spending	Obligations
Medicaid	\$8,681	\$6,322
Chapter 70	\$3,725	\$2,704
Debt Service		\$2,066
MBTA		\$756
MSBA		\$635
TOTAL		\$12,483

Medicaid

Accounting for almost one-third of state spending, Medicaid provides subsidized health care to 1.1 million children and families, disabled individuals and low-income seniors at a cost of \$8.7 billion in fiscal 2008. Health care for senior citizens, including nursing homes, makes up about \$2.3 billion, or 26 percent, of the total. As a general matter, the Medicaid program is reimbursed 50 percent by the federal government.⁵

Under federal law, if Massachusetts is to remain in the Medicaid program and receive the 50 percent federal match, it must provide coverage to residents who are categorically eligible if they meet any of the following: 1) over 65 years of age; 2) eligible for institutional care; 3) disabled; 4) children up to 150 percent of the federal poverty level; 5) have breast or cervical cancer up to 200 percent of the federal poverty level; or 6) pregnant up to 200 percent of the federal poverty level.

⁴ The \$47 billion in state spending frequently referred to by the [Committee for Small Government] sponsors of Question 1 [includes fund transfers, federal grants, gross lottery receipts, fiduciary revenue, and capital items, thereby inflating actual spending.

⁵ SCHIP (State Children's Health Insurance Program) is part of the Medicaid program but is federally reimbursed at 65 percent.

In fiscal 2008, spending on these groups totaled approximately \$6.3 billion, the minimum amount required to be spent on the Medicaid program (see Table 3).

K-12 Education

Approximately \$3.7 billion of the \$4.3 billion in state support for elementary and secondary education consists of so-called Chapter 70 aid to local schools. A large fraction of the Chapter 70 aid is necessary to meet the state constitutional requirement that every child receive an adequate education, which is reflected in the 1993 education reform legislation establishing a minimum, or foundation, level of per pupil spending in each community.

In determining the foundation level amount, or minimum funding necessary to ensure an adequate education, the state uses a statutory formula based on student enrollment, inflation, and a municipality's aggregate property values among other components. The state must make up the difference between a community's required local contribution and the foundation budget.

Based on the state's analysis, the Commonwealth would need to fund Chapter 70 aid at \$2.704 billion, 71.1 percent of its 2008 level of \$3.725 billion (see Table 3).

Debt Service

Each year the state borrows money by selling bonds in the credit markets to pay for the construction of major capital projects with long-term life such as roads and bridges, college buildings, prisons, courthouses, state parks and many other important infrastructure investments throughout the state. The repayment terms on these bonds are typically 20- and 30-year notes whose annual cost, the debt service, combines the principal and interest needed to repay the notes, not unlike the mortgage on a house.

Debt service costs, which are based on the Commonwealth's \$18.7 billion in outstanding bonds, were \$2.066 billion in fiscal 2008.

Holding debt service payments constant does not suggest that the state's capital spending can continue unaffected. In fact, with the elimination of the income tax there would be a drastic impact on the state's ability to pay for capital projects for the next decade. For a discussion of this impact, see section on capital spending on page 10.

State Employees

In fiscal 2008 the total cost of wages and health care benefits for the 67,729 state employees was approximately \$5.3 billion □ \$4.3 billion in wages and salaries and \$1 billion in health insurance and employee expenses.

The elimination of all state judges, nurses, mental health workers, prison guards, state troopers, park rangers, college professors and every other state employee would save less than half of the \$12.5 billion in lost revenues from repealing the income tax.

MBTA

As part of the 2000 legislation reforming the MBTA's financial structure, known as "forward funding," the Authority receives 20 percent of the state's sales tax receipts,⁶ with a guarantee that the state's contribution will never decline from the previous year. For 2008 the MBTA received \$756 million from the state yet faces large and growing budget deficits.

MSBA

A portion of sales tax revenues is also earmarked to the Massachusetts School Building Authority (MSBA) to assist cities and towns with school construction costs. The 2004 legislation creating the MSBA established a phased-in schedule of funding from the sales tax, culminating in 20 percent of sales tax receipts going to the Authority in 2011. In fiscal 2008 the amount was \$635 million.

Table 4: Impact of Eliminating the Income Tax
(\$ millions)

2008 Total Spending	\$31,808
Legal Obligations (Table 3)	<u>(\$12,483)</u>
Balance	<u>\$19,325</u>
Income Tax Loss	(\$12,493)
Federal Revenue Loss	(\$1,250)
Total Revenue Impact	<u>(\$13,743)</u>
Final Balance	<u>\$5,582</u>
<u>Across-the-Board Cuts of 71.1%</u>	

Impact of Income Tax Elimination

As Table 4 shows, after subtracting the \$12.48 billion for these five obligations, there is a balance of \$19.3 billion to support the broad array of state programs and responsibilities. These encompass state and county prisons, the entire court system, the wide range of human services programs, state parks and environmental programs, support for the University of Massachusetts and state and community colleges, state employee pensions and health benefits, and the Department of Revenue and Registry of Motor Vehicles, as well as many other programs and services. A more detailed listing of these programs is provided in Appendix A.

That \$19.3 billion would be cut by \$12.5 billion if Question 1 is approved by the voters. In addition, the reduced spending stemming from the elimination of the income tax would have a further revenue impact — the loss of some fraction of federal reimbursements. For example, the \$2.4 billion in Medicaid spending that is not legally required would be cut by a large amount,

⁶ Excluding the 5 percent sales tax imposed on meals.

and the federal matching funds would consequently disappear. Similarly, the reduction in spending on health reform would result in fewer federal dollars.

According to the Foundation’s calculations, the cuts in spending would reduce federal reimbursements by at least \$1.25 billion, which is included in Table 4.

As a result, as Table 4 shows, the state would have only \$5.6 billion to spend on all the rest of state government, rather than the \$19.3 billion that was actually spent in fiscal 2008. This translates into a 71.1 percent reduction for every agency and program of state government outside of the five legal obligations described above. Table 5 summarizes the impact of that reduction for each of the broad categories of spending.

Even this drastic result understates the fiscal consequences since the state is already contending with a deficit of at least \$1.5 billion in fiscal 2009 which will require major cuts in programs and services this fiscal year and next.

Table 5: Across-the-Board Cuts of 71.1 Percent
(\$ millions)

Program	FY08 Spending	Cut	Balance
Non-Obligatory Medicaid □	2,359	1,680	679
Non-Obligatory Chapter 70 □	1,021	726	295
Non-Chapter 70 Education Aid	571	406	165
Municipal Aid	1,521	1,081	440
Health Reform	1,046	744	302
Human Services	5,160	3,669	1,491
Transportation	203	144	59
Labor □ Workforce Development	73	52	21
Business Development	123	87	36
Environment	233	166	67
State Employee □ Retiree Benefits	2,638	1,876	762
General Services	259	184	75
Higher Education	1,049	746	303
Public Safety	2,255	1,603	652
Other	814	579	235
TOTAL	19,325	13,743	5,582

□The non-obligatory expenditures for Medicaid and Chapter 70 are the difference between 2008 spending and the minimum amount necessary to ensure compliance with federal and constitutional requirements. These expenditures would be subject to cuts of 71.1 percent.

Impact on Local Communities

In fiscal 2008 the state provided approximately \$1.5 billion in non-education aid to local communities, including \$1.3 billion in categorical assistance through the Lottery and additional assistance. The balance supported public libraries, police grants, veterans' benefits, property tax exemptions, water and sewer relief, and payments in lieu of property taxes for state-owned land (see Table 6).

With across-the-board reductions of 71.1 percent, this non-education aid would be cut by more than \$1 billion. Lottery support would drop from \$935 million to \$270 million. While present law stipulates that Lottery profits be distributed to cities and towns, the state has a history of diverting these funds during fiscal crises. Appendix B details the impact of the across-the-board cuts to Lottery and additional assistance for all 351 cities and towns.

Table 6: Non-Educational Municipal Aid Cuts of 71.1 Percent
(\$ millions)

	FY08 Spending	Cut	Balance
Lottery	\$935	\$665	\$270
Additional Assistance	\$380	\$270	\$110
PILOT	\$28	\$20	\$8
Libraries	\$31	\$22	\$9
Police Grants	\$74	\$53	\$21
Veterans' Benefits	\$18	\$13	\$5
Water & Sewer Rate Relief	\$23	\$16	\$7
Racing Share & Underground Storage Tank Reimbursement	\$3	\$2	\$1
Property Tax Exemptions	\$29	\$21	\$8
TOTAL	\$1,521	\$1,081	\$440

Table 7: Education Aid Cuts of 71.1 Percent
(\$ millions)

	FY08 Spending	71.1 % Cut	Balance
Non-Obligatory Chapter 70	1,021	726	295
Non-Chapter 70 Education Aid	571	406	165
Special Education	220	156	64
Charter School Reimbursements	78	55	23
Regional Public Transportation	58	41	17
Kindergarten Expansion Grants	34	24	10
Other	180	128	52
TOTAL	1,592	1,132	460

There would be a similar impact on education aid that is not required to support the foundation level of spending, as shown in Table 7. The 2008 spending total of \$1.6 billion would be cut by more than \$1.1 billion. Non-obligatory Chapter 70 aid would be reduced from \$1 billion to \$295 million.

The large cuts in education and non-education aid would have a devastating impact on cities and towns that are already facing serious fiscal problems. The result would be major cuts in services in almost all communities and ever higher property taxes that would fall more heavily on low and moderate income taxpayers.

IV. CAPITAL SPENDING

Each year the state develops a capital budget, separate from the operating budget, for investments in assets that last longer than a year such as roads, bridges, buildings, and equipment (see Table 9 for a breakdown of these investments by category). Capital spending is funded through the sale of 20- and 30-year bonds; the principal and interest on the bonds is paid from the operating budget as debt service.

Last August the administration unveiled its five-year capital investment plan for fiscal 2008 – 2012. As part of the plan the administration developed a debt affordability analysis designed to allow expansion in capital spending in a fiscally responsible fashion by limiting growth in borrowing to growth in state revenues. To calculate the amount the state could afford to borrow and to control its future rate of growth, the administration imposed a cap to ensure that debt service payments did not exceed 8 percent of annual budgeted revenues.

Based on this analysis, the administration increased the state's borrowing limit or bond cap from \$1.25 billion in 2007 to \$1.5 billion in 2008, with planned increases of \$125 million a year up to \$2 billion in 2012 as long as state revenues grow 3 percent annually. However, the present economic and fiscal problems will place some limit on the growth in capital spending.

Passage of Question 1 would have two major consequences for the state's capital program:

- The state would not be able to finance any capital spending for the next seven years.
- The Commonwealth's bond rating would likely plummet.

As a result of the loss of \$13.74 billion in revenues if Question 1 passes (see Table 4), debt service costs would jump to 12.2 percent of budgeted revenues in 2009, forcing the state to cease borrowing funds for capital spending until debt service returned to less than 8 percent of budgeted revenues. As shown in Table 8, debt service would exceed 8 percent of budgeted revenues until 2016, assuming annual revenue growth of 3 percent after fiscal 2009.

Table 8 – Debt Service as a Percent of Revenues
(\$ millions)

	Budgeted Revenues*	Existing Debt Service	Debt Service as a Percent of Revenues
2008	31,807	2,066	6.5%
2009	18,065	2,207	12.2%
2010	18,607	2,156	11.6%
2011	19,165	2,165	11.3%
2012	19,740	1,996	10.1%
2013	20,332	1,996	9.8%
2014	20,942	1,907	9.1%
2015	21,571	1,854	8.6%
2016	22,218	1,562	7.0%
2017	22,884	1,431	6.3%
2018	23,571	1,195	5.1%

*Assumes 3 percent annual revenue growth beginning in 2010

The impact would be dramatic – an estimated loss of \$20 billion in capital investments between 2009 and 2015 (including \$13 billion in state borrowing, \$4.5 billion in anticipated federal matching funds, and \$2.9 billion under the recently approved bridge repair bill). Table 9 shows an estimated breakdown by category of planned capital spending for 2009 – 2015 which would be foregone if Question 1 passes.

Table 9 – Estimated Capital Spending 2009 - 2015⁷
(\$ millions)

Higher Education	1,300
Transportation	11,200
Economic Development	2,000
Housing	1,400
Energy and Environment	1,100
Public Safety	700
Information Technology	850
Health and Human Services	600
State Facilities	350
Courts	650
Building Maintenance	250
TOTAL	20,400

⁷ FY 2008 – 2012 Five-Year Capital Investment Plan and documents provided by Administration and Finance.

The Commonwealth is already facing a capital funding crisis with widespread deterioration in the state's infrastructure, from transportation and public higher education to state parks and courthouses. Even the \$20 billion in planned capital investments will fall well short of the state's needs.

The transportation system is in particularly desperate shape. The Transportation Finance Commission projected a \$20 billion shortfall in funding for roads, bridges and public transit over the next 20 years. The loss of another \$11 billion in transportation funds would drive the system into collapse. For example, there would be no funds for the recently passed \$2.9 billion bridge bill to repair 250 structurally deficient bridges.

The loss of \$2 billion in economic development investments, including \$500 million for life sciences, as well as \$1.3 billion for public higher education would take a large economic toll.

A second consequence of the loss of \$12.5 billion in income tax revenues is the almost inevitable downgrading of Commonwealth bonds to junk grade which would raise interest rates by 3 to 4 percent on any short-term borrowing. In addition to roughly \$1.5 billion in auction-rate and variable rate bonds, which are regularly restructured in the credit market, the state may borrow as much as \$1 billion during the fiscal year to manage cash flow needs. Lower bond ratings could add tens of millions of dollars in increased interest costs.

Should the state have to forego \$20 billion in public capital investments over the next seven years and suffer a substantial downgrade in the Commonwealth's bond rating, businesses would face enormous disincentives to invest in Massachusetts.

V. STATES WITHOUT AN INCOME TAX

There are nine states operating without a broad-based personal income tax. How do they do it?

Our analysis shows that there are three principal answers to this question:⁸

- Several of the nine states have a strategic asset such as oil in Alaska, minerals in Wyoming, gaming resorts in Nevada or tourism in Florida which raise large amounts of money.
- Five of the states rely heavily on state and local sales taxes □ Florida, Nevada, South Dakota, Tennessee and Washington all rank among the top 11 states in terms of their sales tax burden whether measured per capita or adjusted for income. Alternatively, New Hampshire ranks third in the nation in the burden of state and local property taxes.
- Eight of the nine states rely substantially more on taxes generated at the local level than Massachusetts does, as displayed in Table 10. In Florida, Tennessee and Texas, well over half of total revenues are from local sources while Nevada, New Hampshire, South Dakota and Washington are at or close to 50 percent, compared to 39 percent in Massachusetts.

Table 10 – State and Local Revenues⁹

	Revenues		Total State and Local	Percent Local
	State	Local		
Alaska	6,780	2,121	8,901	24□
Florida	46,580	60,886	107,466	57□
Massachusetts	27,889	17,562	45,452	39□
Nevada	7,604	7,610	15,214	50□
New Hampshire	3,469	3,059	6,528	47□
South Dakota	1,968	1,694	3,663	46□
Tennessee	15,442	19,685	35,127	56□
Texas	54,762	68,127	122,889	55□
Washington	21,555	20,822	42,377	49□
Wyoming	2,888	2,233	5,121	44□

⁸ There is also the issue of the level of public services provided in Massachusetts compared to the other states, which we have not attempted to measure.

⁹ U.S. Census Bureau, State and Local Government Finances by Level of Government and by State: 2005 □ 06. State and local revenues include all taxes, charges for services, and water, electric, gas and transit utility revenue. Intergovernmental transfers and insurance trust revenues are not included.

Individual State Data¹⁰

Massachusetts¹⁰

Massachusetts relies particularly heavily on the personal income tax. However, the state's sales tax burden is near the bottom (45th) of the 50 states, and local taxes are significantly lower than in states without an income tax. Only 39% of total revenues come from local sources.

Massachusetts			
Population	6,449,755		
	Rate	in millions	% of Total
Income	5.3%	11,399	57%
General sales	5.0%	4,076	20%
Selective sales		1,920	10%
Other		2,610	13%
Total State Tax Revenue		20,005	

Alaska

Oil accounts for over 80% of state revenues from severance taxes and petroleum corporate income taxes. Adjusting for Alaska's population, oil revenues alone produce more than Massachusetts raises from all state taxes.

Alaska			
Population	683,478		
	Rate	in millions	% of Total
Oil revenue		2,811	82%
Selective sales		220	6%
Other		413	12%
Total State Tax Revenue		3,443	

Florida

With 82 million visitors in 2007, tourism alone produces as much sales tax revenue as Massachusetts. Florida ranks ninth in sales tax burden due to a 6% sales tax rate, county sales surtaxes, and a broad base including services such as amusements, automotive and repairs. Although Florida has three times the population, it collects five times more in sales taxes than Massachusetts. Local revenues account for 57% of total revenues.

Florida			
Population	18,251,243		
	Rate	in millions	% of Total
General sales	6.0%	21,749	61%
Tourist sales tax		4,000	11%
Selective sales		5,786	16%
Other		8,203	23%
Total State Tax Revenue		35,738	

Nevada

As a tourist and gaming destination, 50 million annual visitors generate billions in sales tax revenues and another billion in gaming taxes. Nevada has a 6.5% sales tax rate and ranks sixth in sales taxes per capita and ninth adjusted for personal income.

Nevada			
Population	2,565,382		
	Rate	in millions	% of Total
General sales	6.5%	3,213	51%
Selective sales		1,913	30%
Gaming		1,089	17%
Other		90	1%
Total State Tax Revenue		6,305	

New Hampshire

With no broad based income or sales tax, New Hampshire relies heavily on state and local property taxes, ranking third in the country in property tax burden. Unlike most states, property taxes support a significant portion of state government spending. Only Vermont has a higher dependence on property taxes for total state tax revenues.

New Hampshire			
Population	1,315,828		
	Rate	in millions	% of Total
Selective sales		735	34%
Corp. tax		596	27%
Property		385	18%
Other		456	21%
Total State Tax Revenue		2,172	

¹⁰ U.S. Census Bureau, State Government Tax Collections: 2007

South Dakota

Ranking last in total state tax revenues but 11th in overall sales tax burden, South Dakota has an extremely broad sales tax base including food, clothing and more than 100 services. Adjusted for its population, South Dakota collects twice as much in sales tax revenue as Massachusetts.

South Dakota			
Population	796,214		
	<u>Rate</u>	<u>in millions</u>	<u>% of Total</u>
General sales	4.0%	711	57%
Selective sales		307	24%
Other		238	19%
Total State Tax Revenue		1,256	

Tennessee

With a sales tax rate of 5.5% on food and 7% on merchandise, clothing and services including software, automotive, amusements and repairs, Tennessee ranks fifth in sales taxes per capita and seventh per personal income. Local sales taxes range from 1.5% to 2.75%, raising \$1.9 billion in 2007. Local revenues account for 56% of all revenues.

Tennessee			
Population	6,156,719		
	<u>Rate</u>	<u>in millions</u>	<u>% of Total</u>
General sales	7%	6,764	60%
Food	5.5%	865	8%
Selective sales		1,592	14%
Corp income		1,120	10%
Other		1,869	16%
Total State Tax Revenue		11,345	

Texas

Texas has a state sales tax rate of 6.25% and a broad based sales tax on services including insurance, construction, software, security and amusements as well as local sales taxes up to 2%. Gas and oil taxes on production generated nearly \$3 billion in 2007. Local revenues account for 55% of all revenues.

Texas			
Population	23,904,380		
	<u>Rate</u>	<u>in millions</u>	<u>% of Total</u>
General sales	6.25%	20,435	51%
Selective sales		11,377	28%
Gas & oil		2,763	7%
Other		5,740	14%
Total State Tax Revenue		40,315	

Washington

In addition to a 6.5% sales tax rate, Washington taxes a broad base of services at rates ranging from 0.5% to 6.5% including construction, transportation, insurance, software and amusements. Washington ranks first in sales tax burden, collecting double what Massachusetts does with virtually the same population.

Washington			
Population	6,468,424		
	<u>Rate</u>	<u>in millions</u>	<u>% of Total</u>
General sales	6.5%	10,654	60%
Selective sales		2,991	17%
Property		1,689	10%
Other		2,359	13%
Total State Tax Revenue		17,693	

Wyoming

The least populated state, Wyoming receives 40% of state revenues from severance taxes on minerals and another 40% from general and selective sales taxes. Adjusted for its population, Wyoming collects twice as much in general sales tax revenue as Massachusetts.

Wyoming			
Population	522,830		
	<u>Rate</u>	<u>in millions</u>	<u>% of Total</u>
General sales	4.0%	698	34%
Selective sales		128	6%
Minerals		804	40%
Other		395	20%
Total State Tax Revenue		2,025	

351 Municipalities	Non-education Local Aid (Fiscal 2008)	After 71.1% Cut
MILLVILLE	484,446	140,005
MILTON	5,021,739	1,451,283
MONROE	31,374	9,067
MONSON	1,782,021	515,004
MONTAGUE	1,785,396	515,979
MONTEREY	197,318	57,025
MONTGOMERY	117,595	33,985
MOUNT WASHINGTON	206,517	59,683
NAHANT	534,684	154,524
NANTUCKET	536,094	154,931
NATICK	5,339,074	1,542,992
NEEDHAM	2,411,550	696,938
NEW ASHFORD	36,160	10,450
NEW BEDFORD	30,842,805	8,913,571
NEW BRAINTREE	208,178	60,163
NEW MARLBOROUGH	173,537	50,152
NEW SALEM	139,140	40,211
NEWBURY	844,325	244,010
NEWBURYPORT	3,696,409	1,068,262
NEWTON	8,426,267	2,435,191
NORFOLK	1,526,370	441,121
NORTH ADAMS	5,697,188	1,646,487
NORTH ANDOVER	3,111,899	899,339
NORTH ATTLEBOROUGH	3,882,613	1,122,075
NORTH BROOKFIELD	1,055,243	304,965
NORTH READING	2,511,835	725,920
NORTHAMPTON	6,054,771	1,749,829
NORTHBOROUGH	1,642,782	474,764
NORTHBRIDGE	2,864,161	827,743
NORTHFIELD	454,425	131,329
NORTON	2,851,687	824,138
NORWELL	1,460,745	422,155
NORWOOD	6,263,625	1,810,188
OAK BLUFFS	299,403	86,527
OAKHAM	293,621	84,856
ORANGE	2,147,734	620,695
ORLEANS	355,541	102,751
OTIS	126,964	36,693
OXFORD	2,731,559	789,421
PALMER	2,753,426	795,740
PAXTON	713,753	206,275
PEABODY	9,738,726	2,814,492
PELHAM	243,533	70,381
PEMBROKE	2,204,434	637,081
PEPPERELL	1,667,997	482,051
PERU	199,412	57,630
PETERSHAM	201,125	58,125
PHILLIPSTON	270,509	78,177

OFFICE OF THE ATTORNEY GENERAL

INITIATIVE PETITION INFORMATION SHEET

TITLE OF PETITION: An Initiative Petition for a Law Known as The Small
Government Act to End the Income Tax
(version B)

PETITION NUMBER: 07-04

PROPONENTS' CONTACT PERSON: Carla Howell

RESIDENTIAL ADDRESS: 6 Goodman Lane
Wayland, MA 01778

PHONE:

FAX:

E-MAIL ADDRESS: legal@SmallGovernmentAct.org

BUSINESS ADDRESS:

PHONE:

FAX:

PROPONENTS' ATTORNEY: Peter F. Kuntz

ADDRESS: P.O. Box 2826
Orleans, MA 02653

PHONE: (508) 240-7009

FAX:

E-MAIL ADDRESS:

Will the proponents propose a summary by the Monday 5 days after the petition-filing deadline?
(optional) Yes [X] No []

Will the proponents submit a memo of law by the Friday 9 days after the petition-filing deadline?
(optional) Yes [] No [X]

AG STAFF PERSON RECEIVING PETITION: P. Sacks DATE: 7/31/2007
An Initiative Petition for a Law Known as
The Small Government Act to End the Income Tax

We, the undersigned registered voters of the Commonwealth of Massachusetts, submit this Initiative Petition pursuant to Amendment Article 48 of the Massachusetts Constitution:

Be it enacted by the people, and by their authority:

SECTION 1. This law, to be known as The Small Government Act to End the Income Tax, is enacted upon the following findings and declarations:

The government of the Commonwealth of Massachusetts today is Big Government, and

- (1) Massachusetts Big Government programs do not work; all too often, they do not achieve their stated objectives; all too often they fail in their duties;
- (2) Massachusetts Big Government programs make things worse;
- (3) Massachusetts Big Government programs create new problems;
- (4) Massachusetts Big Government programs squander and waste; and
- (5) Massachusetts Big Government programs divert money and energy from positive and productive uses in the private sector.

Big Government has a harmful impact on those who rely upon it, and

- (1) Big Government promotes irresponsibility;
- (2) Big Government makes people weak and dependent; and
- (3) Big Government saps personal initiative and undermines the work ethic.

Big Government cannot work. It is inherently flawed and unreformable.

High taxes feed and increase the size and scope of Massachusetts Big Government.

High taxes drive jobs out of Massachusetts.

High taxes reduce our standard of living, making more people poor and fewer able to help their friends, families, and communities in need.

Government spending rises to meet government income. To dramatically shrink government spending, we must dramatically shrink government income.

Ending the personal income tax is intended to dramatically shrink the revenue of the Commonwealth of Massachusetts. Ending the personal income tax is designed to be a bold step in making Massachusetts' government small.

Small government leaves us free and unburdened to fashion our own lives, and

- (1) Small government is simple, cheap, and good;
- (2) Small government is thrifty and effective;
- (3) Small government is accountable and responsible;
- (4) There's no place to hide waste and corruption in a small government budget; and
- (5) Small government leaves us with the responsibility and the resources to manage our own lives, educate our children, protect our families, care for our neighbors, and assist those who cannot support themselves.

SECTION 2. Chapter sixty-two of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting at the beginning of Section 3 of said Chapter sixty-two a new paragraph to read:

“No income or other gain realized in a taxable year beginning on or after January 1, 2010 shall be taxable, or subject to tax, under the provisions of this Chapter.”

Said Chapter sixty-two is hereby further amended by inserting the words “Subject to the introductory paragraph at the beginning of Section 3 of this chapter”, followed by a comma, at the beginnings of each of Subsections (f), (g) and (h) of Section 2 of Chapter sixty-two.

SECTION 3. Section 4 of Chapter sixty-two of the General Laws, as appearing in the 2006 Official Edition, is hereby amended, effective January 1, 2009, first, by striking from the introductory paragraph the words “as follows” and the colon that follows them, and replacing same with the words “at the rate of 2.65 per cent”, followed by a period; and second, by striking the subsections.

SECTION 4. Section 4 of Chapter sixty-two B of the General Laws, as appearing in the 2006 Official Edition, is hereby repealed, effective January 1, 2010.

SECTION 5. Chapter sixty-two C of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting at the beginning of Section 6 of said Chapter sixty-two C a new paragraph to read:

“The term ‘taxable year’ as used in this Section or Section 7 of this Chapter, and applied to a natural person or to a partnership consisting only of natural persons, shall not include any period beginning on or after January 1, 2010.

SECTION 6. The Small Government Act to End the Income Tax is not intended to impair the operation of G.L. Chapter sixty-two E. Therefore, Section 2 of G.L. Chapter sixty-two E, as appearing in the 2006 Official Edition, is hereby amended by excising from the first sentence thereof the phrase “required to deduct and withhold taxes upon wages under the provisions of chapter sixty-two B” and the phrase “and any identification number such employer is required to include on a withholding tax return filed pursuant to said chapter sixty-two B”.

SECTION 7. The effect of the Small Government Act to End the Income Tax is prospective, not retroactive. Notwithstanding the provisions of the foregoing sections hereof, this law shall not be construed to impair the collection of moneys due the Commonwealth for income or other gain realized by any person before the start of the taxable year described in Section 2 hereof, nor shall it be construed to affect the responsibility of any person to comply with the requirements of G.L. Chapters sixty-two B or sixty-two C as either pertains to income or other gain realized before the start of the taxable year described in Section 2 hereof or before the date of any repeal or change in the law.

SECTION 8. The provisions of this law are severable, and if any clause, sentence, paragraph or section of this chapter, or an application thereof, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph, section or application adjudged invalid.

We, the undersigned registered voters of the Commonwealth of Massachusetts, have read the full text of the foregoing proposed law, do fully subscribe to its contents and agree to be among the original signers of the Petition.

1. Carla A. Howell 6 Goodman Lane, Wayland
2. Kasia E. Sokalla 590 Prospect St., Methuen

3. Richard P. Aucoin 100 Middlesex Rd. - #4, Waltham
4. Bill Hees 78 Dana St. #1, Cambridge
5. George Greeley Bryant 9 Gale St., Waltham
6. Kim E. Bryant 9 Gale St., Waltham
7. Irwin L. Jungreis 30 Goodman's Hill Rd., Sudbury
8. Thomas David Hudson 23 Myrtle Ave., Westford
9. Barry J. Linton 9 New Meadow Lane, Topsfield
10. Robert H. French 210 South St. #5-1, Boston

[additional signers omitted; names available from Attorney General's Office]