

COMMITTEE ON NEWTON'S REVENUE STRUCTURE

Scope of Work

This committee seeks to identify and quantify short-, medium- and long-term revenue solutions for the City of Newton. More specifically, we hope to identify sustainable and politically acceptable revenue sources that will allow the City to meet and adequately fund future, agreed-upon civic needs.

In our initial work, we have tried to quantify and understand existing City revenue sources and their growth potential, as well as to hypothesize and brainstorm about new revenue sources. We have noted Newton's current dependency on the property tax. Fully 80% of revenues come from locally assessed property tax. Therefore, it is necessary and logical for us to understand and consider potential property tax growth. Property tax related revenue strategies might include, but are not limited to: (a) better management of property tax receipts, (b) more accurate commercial appraisal, (c) aggressive negotiation of PILOTs, (d) more effective Proposition 2 1/2 override or debt exclusion strategies, and (e) streamlined approval processes to encourage smart, transit-oriented physical development that would enlarge the City's commercial and residential tax base.

Only 20% of Newton's revenues come from sources other than the property tax. About half of this 20% comes from State or Federal aid (over which the City has no control) and the remainder comes from local fees and services. Fee- and services-related revenue strategies may include (a) parking meter increases, (b) parking privatization or the creation of a municipal parking authority, (c) increased inspectional services fees, (d) trash automation, or (e) conversion to a so-called "Pay As You Throw" trash collection regime, just to name a few.

Method

During the coming months, committee members will gather data to support or reject various revenue hypotheses. In particular, committee members will:

- Interview knowledgeable public officials, including key city staff members and aldermanic committee chairs,
- Review public information with an eye toward benchmarking Newton's revenue sources and identifying best practices with local and national cities and towns within our peer group,
- Solicit public opinion broadly through interactive small meetings with citizens and , possibly, a "town hall"- style forum,
- Synthesize findings concisely and rationally and make recommendations to the full Citizen's Advisory Group.