

# Report on Municipal Revenue

Citizen Advisory Group  
City of Newton

# Introduction

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- No Magic Bullets



# Introduction

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- No Free Lunches



# Introduction

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- No More All You Can Eat Buffets



# Summary

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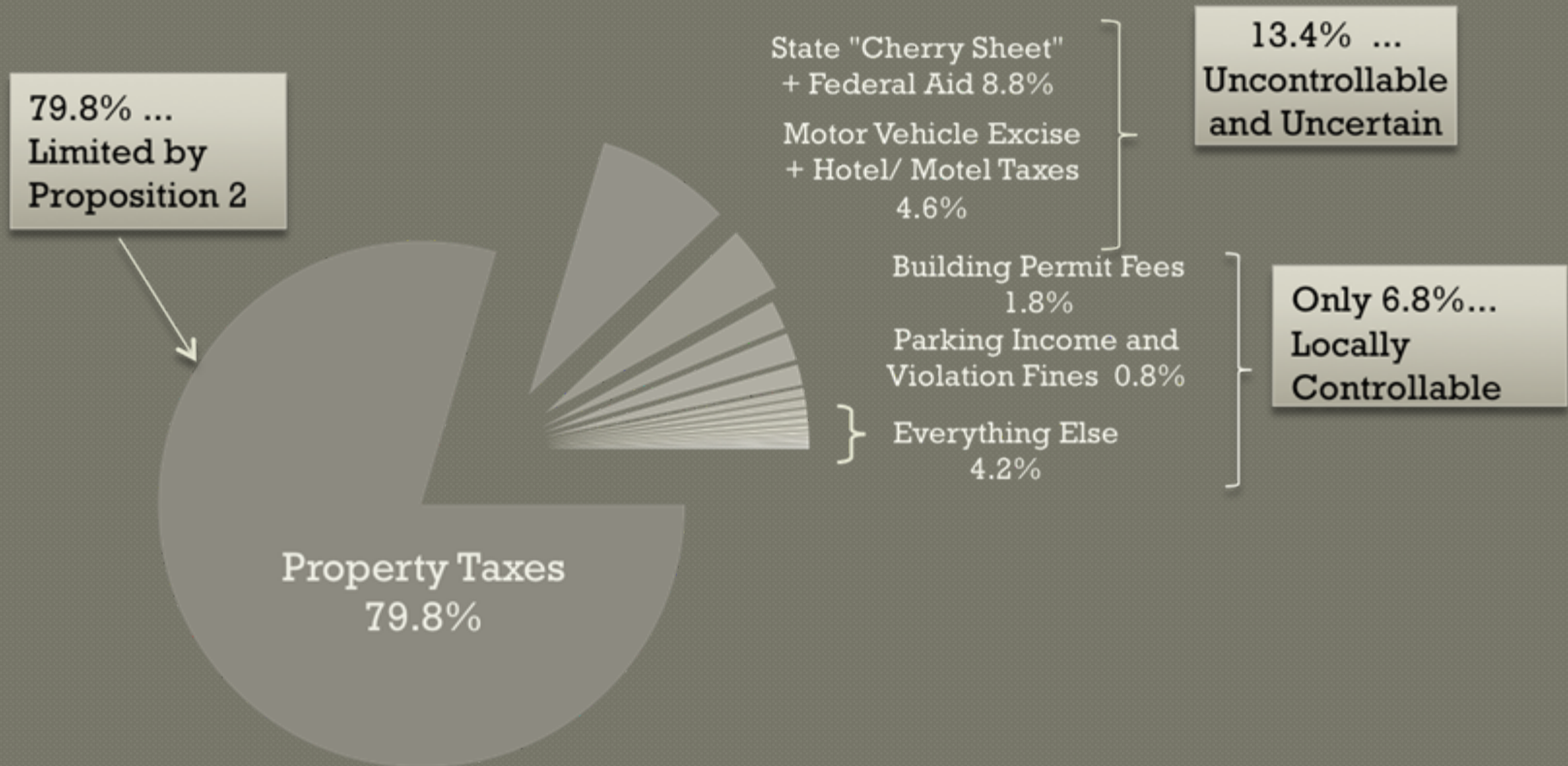
- \$2 million to \$10 million annual revenue increases possible
- But **only 1% to 4%** of Newton's annual budget
- Not enough to fill the gap between anticipated rising expenses and existing revenue sources

# Methodology

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- Analyzed historic revenue streams, current revenue budgets, and forecasts
- Studied public information to benchmark Newton's revenue sources with local and national peers and identifying best practices
- Reviewed prior and pending revenue proposals made by citizens and elected officials
- Solicited new ideas from the public through interactive small meetings with concerned citizens, web blogs, and "town-hall" style forums
- Interviewed knowledgeable public officials and private citizens, including the Mayor, key City and school administrators, Aldermen and School Committee members

# Sources of Revenue



Source: FY 2007 Actual, Mayor's Recommended FY 2009 Operating Budget, City of Newton

# Choices

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- “Big Choices” currently facing Newton are more profound than simply increasing revenues or reducing costs
- We must consider reductions in the historic scope and scale of both municipal and educational services
- What kind of city do we want?
- What kind of city are we willing to pay for or able to afford?



# Recommendation...#1

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## ● Implement PAYT Trash Program

- Up to \$6.8 mm annual revenue impact
- Residents pay only for trash discarded
  - About \$2 a bag or \$250 per year for the average HH
  - All recycling is free
- 59% of MA municipalities have PAYT
- Pros: Fairness, Increased Recycling and Waste Reduction, Environmental Friendliness
- Cons: Not tax deductible, increased illegal dumping concerns
- ... and automation would save \$1 mm annually

# Recommendation...#2

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## ● Increase Parking Revenue

- Up to \$1 mm annual revenue impact
  - Increase meter rates by \$0.25 per hour
  - Install 20 - 25% more meters (300 -400 new locations)
  - Lengthen hours of operation
  - Implement “pay on foot” automation
  - Increase \$25 max fine by home rule petition
  - Increase overnight fines from \$5 to cover costs
  - Adjust employee & commuter parking pricing

# Recommendation...#3

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## ● Raise Building Permit Fees

- Up to \$500,000 annual revenue impact
- Increase fees by 7.5% to \$20 per \$1000
- Continue auditing and enforcement efforts to minimize under-reporting

# Recommendation...#4

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- **Boost User Fees for Recreation, Community Ed and Cultural Programs**
  - **Up to \$500,000 annual revenue impact**
  - **Raises philosophical questions about appropriateness of taxes vs. fees**
  - **Utilize scholarships to ensure access for low-income residents**
  - **Example:**
    - **Gath Pool / Crystal Lake fees (\$45 per adult/ \$20 per child) are less than 65% of direct costs**

# Recommendation...#5

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## ● Augment Cell Tower Rentals

- Up to \$175,000 annual revenue impact
- One already studied site could raise \$100-\$150K
- Other potential sites exist as well
- Needs Aldermanic approval to proceed

# Recommendation...#6

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- **Enhance Grants, Individual Giving, and Foundations**
  - **Up to \$500,000 annual revenue impact**
  - **Increased charitable giving to City organizations**
  - **Increased State and Federal Grants**
  - **Create Newton Community Foundation?**

# Recommendation...#7

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- **Sell or Lease Underutilized Municipal Properties**
  - **Annual Revenue Impact To Be Determined**
  - **Non-essential or underdeveloped city-owned properties should be leased and redeveloped privately**
  - **Not only creates lease and tax revenue but ensures the vitality of the City's villages and meets social goals**
  - **Two Examples:**
    - **Austin Street, Newtonville**
    - **Newton Centre Fire Station**

# Recommendation...#8

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- **Increase Payments In Lieu of Taxes (PILOTs)**
  - **Annual Revenue Impact is Indeterminate**
  - Non-profit institutions pay no taxes
  - Yet use municipal services like police and fire safety
  - Visibility, economic stature, and service use suggests voluntary PILOTs
  - Example:
    - BC has contributed \$100K plus services annually since mid '80s but no attempt to quantify value of services received or build relationship
    - Difficult, long-term relationship building needed to clarify inexorable linkage between institutions and fiscal health of host city



# Considered but not Recommended

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- A word about other ideas ...
  - Streamlined zoning approvals
  - Mass Pike air rights development
  - Municipal re-selling of electricity
  - Voluntary city sales tax

# Summary

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- \$2 million to \$10 million revenue increases possible
- But only 1% to 4% of Newton's annual budget
- **Not enough to fill the gap between anticipated rising expenses and existing revenue sources**

# Conclusion

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- No magic bullets, free lunches or all you can eat buffets
- Modest one-time revenue gains possible
- Necessary but not sufficient to solve Newton's structural deficit
- **We must consider reductions in the historic scope and scale of both municipal and educational services**