

**Override Study Committee - Revenue Subcommittee**  
**Executive Summary of Findings and Implications to Date**  
**June 17, 2014**

Brookline's budgetary difficulties may be addressed by increasing property taxes through an override or debt exclusion, reducing costs, which often entails cutting services impacting residents and the schools, and/or by increasing other revenues. The Revenue Subcommittee is charged with addressing the last of these. In a few cases we also propose changes to revenues that would appear as reduced costs in the town's budget.

Perhaps the most important message is that revenues are highly unpredictable. While, as a community, we are somewhat cautious, our projections of property taxes have been within about 5% of the actual figures even five years ahead. On the other hand, our projections of state aid have been fairly consistently optimistic. Free cash is also difficult to predict although Brookline has addressed this by allocating free cash to undertakings for which we have more year-to-year flexibility. Overall, there is a good chance that revenues in FY2018 will be substantially higher than currently projected, but there are plausible scenarios under which it will be lower than projected.

The Revenue Subcommittee believes that all the potential revenue increases identified below should be given consideration. Revenue sources impact constituents differently. Each proposal ought to be considered not just in isolation but as part of a package. While some revenue increases have not previously been considered, others have been considered but not adopted. Nevertheless, the Revenue Subcommittee believes that they, too, merit serious consideration.

We have identified revenue generation (or spending reduction) options and grouped them in the following categories:

- A. **Easily Implementable Options** – These options require an approval by the Board of Selectmen and/or some other Board/Committee with oversight. While some or all may be considered politically difficult, they are actionable, fair / balanced, and in line with charges in comparable towns and cities. In aggregate, these options can generate revenue (and/or savings) between \$1.8 million and \$3.6 million.<sup>1</sup>
- B. **Longer Term Implementable Options** – These options, one of which is the Community Preservation Act,<sup>2</sup> require additional planning or consideration and may require voter

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<sup>1</sup> The estimated figures do not consider the revenue impact from the new solid waste contract approved by the Board of Selectmen in July 2014 and the potential change in solid waste pick-up.

<sup>2</sup> Brookline currently spends or plans to spend an average of \$3 million per year on items eligible for expenditure from funds that are raised through the Community Preservation Act ("CPA"). Since CPA funds are matched in part by the state, paying for these items through a CPA property tax surcharge is less costly to residents and businesses than paying for them through the regular property tax. A 1.5% surcharge with exemptions for the first \$100,000 of property value and for low income and low/moderate income senior housing would raise roughly \$2.4 million. We anticipate a state match of roughly 25%, bringing the total to \$3 million. (Note: footnote continues on next page)

approval. These options tend to have greater dollar impact, but also require careful strategic planning. In aggregate, these options can generate revenue between \$ 2.7 million and \$4.4 million.

- C. **Hard-to-Forecast Option** – This option has impacts that are hard to quantify at this time but are clearly desirable.
- D. **School Related Options for Consideration** – These options are related to the School Subcommittee whose members are working on other School Department specific revenue generation options.
- E. **Other Options Meriting Further Investigation** – These options require further research and consideration. Some of these options may be considered radical. However, the Revenue Subcommittee feels that they merit consideration and vetting.

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Despite the obvious advantage of the state match, there are some disadvantages of using the CPA:

- 1) The determination of spending under the CPA imperfectly parallels the usual process; and
- 2) Because spending on CPA projects is irregular, coordinating the spending with the CIP in order to reduce the magnitude of a debt exclusion will be difficult. Coordinating with the operating budget to provide immediate relief and reduce the magnitude of a general override would require some creativity and notable changes to our capital policies.

Despite these concerns, the Override Study Committee has previously voted to recommend that the Board of Selectmen give consideration to including the CPA in its strategy for addressing the budget shortfall.

**Revenue Subcommittee Override Model**

DRAFT as of June 17, 2014 - Amounts Subject to Change

		Check One (x)	Annual Impact (in \$000s)	Implementation Factors						
Recommendations	Options			Time Frame	BOS Approval	Other Approval	Voter Approval	Costs to Achieve	Constituents Impacted	Degree of Change
<b>A. Easily Implementable Recommendations</b>										
1	Parking Meters	a) Do nothing b) Up to \$1.25/hr. c) Up to \$1.25/hr. (peak hours only) d) Up to \$1.50/hr. e) Up to \$1.50/hr. (peak hours only)	0 850 TBD 1,700 TBD							
				FY16	Yes	Trans. Board	No	Minimal	Meter Users	Minimal
				FY16	Yes	Trans. Board	No	Minimal	Meter Users	Minimal
				FY16	Yes	Trans. Board	No	Minimal	Meter Users	Minimal
				FY16	Yes	Trans. Board	No	Minimal	Meter Users	Minimal
2	Refuse Fees (note a)	a) Do nothing b) Increase to \$225 c) Increase to \$250 d) Increase to \$275	0 330 615 900							
				FY16	Yes	No	No	None	Users	None
				FY16	Yes	No	No	None	Users	None
				FY16	Yes	No	No	None	Users	None
3	Parking Fines	a) Do nothing b) Increase fine to state limit c) Increase fine & reduce late fee	0 150 263							
				FY16	Yes	Trans. Board	No	Some	Violators	None
				FY16	Yes	Trans. Board	No	Some	Violators	None
4	Commercial Parking Permits	a) Do nothing b) Increase permit fees (low est.) c) Increase permit fees (high est.)	0 88 138							
				FY16	Yes	Trans. Board	No	Minimal	Biz Users	None
				FY16	Yes	Trans. Board	No	Minimal	Biz Users	None
5	Temp Permits fees	a) Do nothing b) \$1.00 per day fee	0 60							
				FY16	Yes	No	No	Minimal	Biz Users	None
6	Recreation Department Fees	a) Do nothing b) Increase cost recovery to 80% c) Increase cost recovery to 82.5%	0 137 271							
				FY16	Yes	Park & Rec	No	Minimal	Users	None
				FY16	Yes	Park & Rec	No	Minimal	Users	None
7	Credit Card Surcharge	a) Do nothing b) Recover cost (Motor Vehicle Ex)	0 45							
				FY16	Yes	No	No	Minimal	CC Users	None
8	Library Fines	a) Do nothing b) Inc. 5c (books) & 25c (dvds) (low) c) Inc. 5c (books) & 25c (dvds) (high)	0 40 52							
				FY16	Yes	Lib. Trus.	No	None	Violators	None
				FY16	Yes	Lib. Trus.	No	None	Violators	None
9	Library Trust Fund	a) Do nothing b) 4% payout rate (low est) c) 5% payout rate (high est)	0 34 79							
				FY16	Yes	Lib. Trus.	No	None	Fund	Minimum
				FY16	Yes	Lib. Trus.	No	None	Fund	Minimum
10	Cemetery Perpetual Care Fund	a) Do nothing b) Modify 50/50 split to 75/25 c) Modify 50/50 split to 100/0	0 21 42							
				FY16	Yes	Cem. Trus.	No	None	Fund	Minimum
				FY16	Yes	Cem. Trus.	No	None	Fund	Minimum
11	Cemetery Rates (eff. July 2013)	a) Do nothing b) Increase rates by 10% c) Increase rates by 20%	0 16 31							
				FY16	Yes	Cem. Trus.	No	None	Users	Minimum
				FY16	Yes	Cem. Trus.	No	None	Users	Minimum
Subtotal (Easily Implementable)			-							

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			Time Frame	BOS Approval	Other Approval	Voter Approval	Costs to Achieve	Constituents Impacted	Degree of Change
<b>B. Longer Term Implementable Recommendations</b>									
12 Community Preservation Act	a) Do nothing	0							
	b) 25% state match @ 1.0%	1,900	FY16	Yes	No	Yes	Some	All Owners	Tax Increase
	c) 50% state match @ 1.0%	2,300	FY16	Yes	No	Yes	Some	All Owners	Tax Increase
	d) 25% state match @ 1.5%	2,900	FY16	Yes	No	Yes	Some	All Owners	Tax Increase
	e) 50% state match @ 1.5%	3,400	FY16	Yes	No	Yes	Some	All Owners	Tax Increase
13 Real Estate Transfer Tax	a) Do nothing	0							
	b) Tax at 0.1% of Sales Price	800	FY17	Yes	Yes (State)	No	Some	R/E Trans.	Tax Increase
	c) Tax at 0.2% of Sales Price	1,500	FY17	Yes	Yes (State)	No	Some	R/E Trans.	Tax Increase
Subtotal (Longer Term Implementable)		-							
<b>C. Hard-to-Forecast Recommendations</b>									
14 Payment-in-Lieu of Taxes	a) Do nothing	0							
	b) Establish new PILOTS (low)	500	FY16	No	No	No	Some	Non-Profits	Tax Increase
	c) Establish new PILOTS (high)	1,000	FY16	No	No	No	Some	Non-Profits	Tax Increase
Subtotal (Hard-to-Forecast)		-							
<b>D. School Related Options for Consideration</b>									
Recover additional Program Costs (BEEP, etc.) by increasing fees									
Partner with Corporate Sponsors (lower expenditures on supplies)									
Leverage Donation from Alumni of Brookline Schools (generate financial support)									
Establish Capital Campaigns for Schools (generate financial support)									
<b>E. Other Options Meriting Further Investigation</b>									
Establish Naming Opportunities (adopt park, adopt space, etc.)									
Revisit Municipal Impact Fees (new construction / renovation fees)									
Adopt 40R and 40S									
Advocate for increased state aid (e.g., Chapter 70 Funding)									
Consider eminent domain for certain properties (esp. for not for profits)									
Recommend additional zoning changes to facilitate commercial development									
Consider leasing rooftop for photovoltaic related income									
Consider selling Town assets or leasing space									
Consider charging child-care organizations for use of outdoor space									
Establish additional tax rate for medical marijuana dispensaries									
Total Impact (All Recommendations)		-							

Note a: The revenue impact figures do not consider the impact from the new solid waste contract approved by the Board of Selectmen in July 2014 and the potential change in solid waste pick-up.