

**Town of Natick
Revenue Enhancement Task Force
Preliminary Report**

August 6, 2008

1. Background

The Revenue Enhancement Task Force was established by the Natick Board of Selectmen on January 28, 2008 for the purpose of identifying and exploring opportunities to enhance revenues for the Town of Natick. Its membership includes one member each of the Board of Selectmen, School Committee and Finance Committee, and five citizens at large. The Committee was to provide a progress report to the Board of Selectmen in about four months.

The Task Force was appointed in March 2008, and held its first meeting on April 1, 2008. The members of the Task Force include:

Joshua Ostroff	Board of Selectmen
Stephen Meyler	School Committee
Rich Sidney	Finance Committee
Todd Fleisher	Citizen at Large
Michael Foilb	Citizen at Large
Scott Laughlin	Citizen at Large
Paul Joseph	Citizen at Large
Gary Shilman	Citizen at Large
Anne Blanchard	Alternate School Committee Member

The impetus for this Task Force is the increasing difficulty in maintaining Town services within existing budget constraints. In conjunction with a parallel effort to control costs, it is hoped that this effort will diversify Natick's revenues to minimize the need for future increases in property tax rates.

2. Process

The Task Force set out to classify the areas of potential revenue enhancement, and identified the following categories:

- A. Sales of services: Extend existing services to new customers when profitable
- B. Grants: pursue foundation and other funding sources to support new or existing services
- C. Sponsorship/Advertising: leverage Town assets to businesses or organizations
- D. Taxes: ensure tax enforcement and new tax revenue
- E. Fees: ensure that fees are competitive and cover the cost of services
- F. Fines: ensure that fines for civil infractions are appropriate and properly enforced
- G. Economic Development: promote new revenue through targeted development
- H. Use of Town Assets: profitably lease or rent town assets

A member of the task force was assigned to each area and developed initial ideas, which were expanded in a Task Force meeting. As part of the initial brainstorming, all ideas were welcome, whether from the committee or from members of the public.

Several suggestions were contributed by Town Meeting Members and members of the public, who were invited to submit input to both Task Forces. These ideas are listed in Appendix A.

The Task Force will review elaborate on and prioritize the ideas in this report, and will solicit recommendations from Town Administration, Selectmen, School Committee, Finance Committee and other interested parties to identify priorities for additional exploration and estimates of feasibility, potential revenues and offsetting costs.

Throughout this process, some ideas will have short term potential while others are more long term. Potential revenue enhancement programs will be reviewed based on the following criteria:

- Legality
- Potential net revenue
- Staffing and logistics
- Time to implement
- Impact on town services
- Public acceptance
- Approval by appropriate authority

3. Initial Revenue Suggestions and recommendations

A. Sales of existing services: Extend or establish profitable services to new customers

- *The task force has identified a range of services that may represent new revenue opportunities and a potential benefit to residents and local businesses. The Task Force recognizes the following opportunities but does not have a specific recommendation*
 1. Parking program: the town may expand the parking spaces and facilities for which it receives revenue, and/or explore alternative metering and collection systems
 2. Extend trash pickup and/or recycling: provide town or outsourced trash/recycling pickup to condos/rentals/businesses
 3. Mulch: resell mulch to private property owners
 4. Municipal energy: support state legislation that would allow the Town to establish municipal electric utility
 5. Wireless communications and cell towers: lease land for wireless transmission towers and infrastructure
 6. GPS tracking services: resell GPS services to local fleet owners
 7. Leverage Town buying power: resell Town efficiencies to private business and individuals

B. Grants: pursue foundation and other funding sources to support new or existing services

- *The task force recommends collaboration among departments and development of expertise to pursue grants that do not obligate the Town to future unfunded obligations. This process should be formalized where appropriate.*
 1. Professional grant writing: hire a grant writer to identify and pursue grants across all town departments
 2. Grant writing training: develop grant writing skills within town government
 3. External resource for grants: utilize grants online or similar resources
 4. MetroWest Community Health Care Foundation: increase applications to MWCHCF
 5. Existing non-Town grants to PTOs, NEF, Friends of the Morse, etc.: learn from experience of NGOs who are successful in obtaining grant funding
 6. Explore potential grants to Community Farm, Recreation and Parks, Public Safety, Open Space; infrastructure maintenance and improvements; historical preservation and cultural programs

C. Sponsorship/Advertising: leverage Town assets to businesses or organizations

- *The task force recommends implementing a program to explore revenue opportunities related to branding, sponsorship and advertising.*
 1. Affinity credit card: establish a relationship with a bank for a credit card that generates a percentage of sales to the town
 2. Sponsorships: offer naming rights on town property and roads
 3. Advertising: sell ads on assets such as fields, buildings, fleet, recycling bins, trash bags, bricks on new/renovated buildings, etc.,
 4. Ads in Town publications: sell advertising on Town newsletters, web sites, inserts in Town mailings, etc.
 5. Licensing of names and trademarks: offer official Natick-branded gear

D. Taxes: ensure tax collection and generate new tax revenue

- *The Town's high collection rate (approximately 98%) leaves very little room for improvement. While some small or home-based businesses may not register and pay personal property taxes, these would generate very little revenue relative to the work required. The task force supports advocacy for local option taxes through passage of state legislation. While a split tax rate would not generate additional revenue, this issue should be explored to address taxpayer concerns.*
 1. Collection: ensure all businesses are registered and pay taxes
 2. Local option taxes: advocate for greater flexibility in assessing local option taxes
 3. Split taxes: quantify possible effects of split tax rates (which do not directly increase revenue)

4. Explore establishment of a Business Improvement District to encourage targeted revenue in Natick Center or other zones
5. Explore a District Improvement Financing program to dedicate incremental tax revenue in Natick Center for specific infrastructure improvements

E. Fees: ensure that fees are competitive and cover the cost of services

- *The task force awaits a pending independent Fee Study to identify opportunities to match fees with the cost of services, to ensure fairness and to provide comparisons to other communities. The School Department is undertaking a more comprehensive fee analysis with community participation.*
 1. Fee Study: ensure that fees are appropriate, competitive and cover costs (study underway)
 2. Police details: increase administrative fees charged to utilities
 3. Enforcement: ensure that fees are properly collected and tracked

F. Fines: ensure that fines for civil infractions are appropriate and properly enforced

- *The task force suggests that appropriate boards and departments review fines amounts and enforcement procedures to ensure that we receive appropriate revenue consistent with the objectives in each area*
 1. Health
 2. Building permits
 3. Traffic and parking
 4. Other

G. Economic Development: promote new revenue through targeted development

- *The task force recommends a coordinated effort to attract favorable industries to specific districts.*
 1. Establish Economic Development function to promote beneficial growth
 2. Establish a Sister City program with opportunities for collaboration and cross-investment; coordinate with one or more major Natick businesses
 3. Leverage Town assets (e.g. history, nature, retail, downtown, arts, sports, tourism)
 4. Natick Center: promote investment/visits/development/transportation

H. Use of Town Assets: profitably lease, rent or sell town assets

- *The task force acknowledges the need for balance between revenue generation and community access to town buildings for meetings and activities. Current policy in most departments is to provide a sliding scale of rental charges to cover variable costs while providing affordable access to Town, community and non-profit organizations.*

1. Revolving funds: summarize activity of revolving funds at the Library, Senior Center and other Town facilities
2. Communicate School facilities rental policy
3. Design future facilities to allow for future revenue opportunities
4. Sell fixtures and artifacts from surplus property
5. Other Town assets: ensure the town gets appropriate income from assets, including
 - Community Farm
 - Golf Course
 - Eliot School
 - East School
 - Hunnewell Town Forest
 - Mary Bunker Community Park

4. Priority Revenue Opportunities

Based on Task Force research and discussions with Town Administration, the following priority areas are recommended for exploration and development of revenue opportunities:

- Economic Development
- Sponsorship/Advertising
- Equitable fee opportunities, pending fee study report

Other revenue areas have potential but are not likely to generate significant revenue, in the view of the Task Force.

Appendix A. Citizen Input

Suggestions were requested from Town Meeting members and the general public. The following is a list of revenue suggestions provided to the Task Force.

- Start enforcing fees/fines on building alarms, both burglar and fire where multiple responses occur and no effort is made to fix the system
- explore local option meals tax
- explore local sales tax
- evaluate fees assessed to town sports groups
- evaluate potential for PILOT fees from Walnut Hill School, National Guard, Natick Labs
- Sell the golf course
- Sell the Community Farm
- Tax classification (won't add revenue but makes it easier for residents to pay for overrides and debt exclusions)
- State funding for Special Education mandates
- More mitigation funds from Natick Collection
- increase state aid to Natick
- Have every Town department establish user fees
- Increase all business license fees, or increase business property taxes
- All sports related activities programs should fundraise privately so that all playing fields and courts are self supporting
- Vending machines in Town buildings
- Sponsorship/advertising on Town assets including recycling bins
- Library charges for video rentals
- Backflow testing fees for irrigation meters
- Review PAYT bag fees
- Review parking sticker/tag fees
- Review recycling center fees
- Amnesty program for homeowners who did not obtain building permits