



Town of Arlington, Massachusetts
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03/15/2012 Minutes

V2020 FISCAL RESOURCES TASK GROUP

Meeting Minutes 3/15/12

ATTENDEES: Gordon Jamieson (Chair), David Garbarino, Heather Remoff, Scott Lever, Joel Rothstein, Orian Greene, Pete Howard (Secretary), Maggie Garbarino (observer)

INTRODUCTIONS: Gordon welcomed Orian. He described Vision 2020 and some of the projects that the FRTG has carried out.

MEETING W/ TOWN MANAGER:

Gordon reported that he had a positive meeting with Adam Chapdelaine and the Town's GIS (Geographic Information System) expert Adam Kurowski. Chapdelaine will have My Tax Dollars for FY11 mounted on the Town's website when he receives it. Gordon wants to review it again and will ask Joan Roman, the webmaster, how to lock the Excel spreadsheet. He will then prepare the FY12 version.

They also discussed a means of estimating how much growth is needed to overcome our structural deficit (\$2m to \$3m in new tax revenue per year which equates to ca. 160M to 240M in new growth per year). Kurowski will use GIS tools to determine the level of growth along Mass Ave in Arlington. These will be compared to the level of growth observed over the past 5, 7 or 10 years on Mass Ave in North Cambridge. The goal is to find out what we can realistically gain from promoting redevelopment to reduce our structural deficit. Gordon's educated guess is that such development would help but would not wipe out the structural deficit, perhaps reducing it by 50% at most.

PROJECT DISCUSSIONS

Economic Development

Land Value Tax (LVT): Heather has become convinced, based on discussions at the Lincoln Institute, that a pure LVT is impractical in MA because state legislation would be needed. Home Rule legislation won't work. Consequently she plans to revise some of her essays. She asked the Director of Assessments for comment on the original essays but has not heard back. Her plan is still to submit them to the Advocate after the local election, April 10. Heather believes that much of the land in Arlington is under valued. If this could be corrected, some of the advertized benefits of the LVT might be realized. Heather needs a website to direct interested readers for comments and to volunteer. Gordon will arrange..

Mass Ave: See discussion above.

My Tax Dollars: Gordon has some work to do (see above).

W/S Billing Joel reported on discussions he has had with Town employees (Ref1). He has gained a good understanding of the billing process and the dollars involved. He developed a cash flow model for both quarterly and biannual billing. He asked how the one time windfall would occur. Gordon said it would happen because the payment grace period would be shortened as part of the conversion from biannual to quarterly billing. Some attendees understood this explanation. Scott has begun the presentation of the billing change option. His audiences are the Treasurer, Town Manager & BoS. Gordon had circulated models (Ref 2) of how an estimated \$3m capital gain from shortening the billing cycle could be used to stabilize the W/S rate.

NEW BUSINESS

Scott proposed a new topic for future meetings:

Solar-voltaic power generation

David suggested

Wind powere generation

Unpaid kintergarten assessment

NEXT MEETINGS .. 3rd Thursdays of the month Town Hall Annex

Ref 1 Feasibility to increase the number of water billings per year

Ref 2 W/S Collections & Working Capital

W/S Collections and Working Capital

\$12M - W/S Revenue Base (excludes debt shift)

Potential advantage of shortening collection period and moving to quarterly billing
25% (3 month) working capital gain
\$ 3,000,000 Working capital gain
\$ (50,000) 50K reading, collections & postage
\$ (600,000) 5% rate stabilization
\$ 2,350,000 Net
\$ 3,000,000
\$ (50,000) 50K reading, collections & postage
\$ (1,200,000) 5% rate stabilization
\$ 1,750,000 Net
\$ 3,000,000
\$ (50,000) 50K reading, collections & postage
\$ (1,800,000) 5% rate stabilization
\$ 1,150,000 Net
Additional advantage - Additional opportunities to communicate with residents/tax payers