



**Town of West Boylston  
Joint meeting of Selectmen,  
FinCom, School Committee  
January 28, 2009**

**7:00 p.m. @ Middle/High School Media Center**

**Agenda**

- 1) Welcome and roll call**
- 2) Brief update of fiscal condition (FY09 & FY10)**
- 3) Presentation on complete list of:**
  - Efficiency Enhancements**
  - Expenditure/Budget Cut**
  - Revenue Enhancements**
- 4) Discussion of possible scenarios**
- 5) Adjournment**

**Leon Gaumond**

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From: Geoff Beckwith [gbeckwith@mma.org]  
Sent: Tuesday, January 13, 2009 5:53 PM  
To: Geoffrey Beckwith  
Subject: MMA Budget Alert - Further \$1.1 Billion FY 2009 State Deficit Announced  
Attachments: Jan122009MessageToLeg.pdf; Jan52009MessageToGov.pdf

## **MMA Budget Alert**

Tuesday, January 13, 2009

### **Patrick Administration Announces \$1.1 Billion Deficit for Fiscal 2009**

A&F Secretary Certifies \$1.1B Shortfall, Governor to Act to Close Deficit Within 15 Days  
Legislative Action on Expanded 9C Bill Expected on Wednesday, Jan. 14

### **Please Keep Calling Your Legislators and Local Media**

Leslie Kirwan, the Secretary of Administration and Finance, today announced that the state is facing a \$1.1 billion deficit for the remainder of fiscal year 2009, due to plummeting state tax revenues and other budget pressures. The state now projects a further revenue decline of \$952 million this year, along with \$150 million in other spending and non-tax revenue exposures. This shortfall is the direct result of the national recession, as the economic downturn has eroded capital gains revenues, income tax collections, sales tax collections, and more.

Sec. Kirwan has officially notified the Governor of the \$1.1 billion deficit, triggering a 15-day period for the Administration to develop plans on closing the shortfall. That deadline will now fall on January 28, the day that the Governor must also submit his fiscal 2010 budget.

Today's announcement means that state tax revenues have fallen \$2 billion below the original fiscal 2009 prediction (from \$21.4 billion to \$19.45 billion). In addition, the Patrick Administration and legislative leaders announced today that their consensus revenue estimate for fiscal 2010 is \$19.53 billion, showing virtually no growth at all, creating a structural budget deficit for the Commonwealth of between \$2.5 billion to \$3 billion next year.

The Governor has petitioned the Legislature to grant him "expanded 9C" budget-cutting authority, which would allow him to make mid-year reductions in fiscal 2009 funding levels beyond the executive agencies under his control, including local aid accounts. The Legislature is expected to enact the measure tomorrow, on Wednesday, Jan. 14, at the Governor's request, as the House and Senate have scheduled formal sessions for that purpose. The next day (Jan. 15), Gov. Patrick will deliver his State of the State Address. The Governor is not expected to announce any specific action this week or next, as he has until the end of the month before he must outline his plans. The bill to grant the Governor emergency budget authority would expand his ability to implement mid-year reductions beyond executive branch agencies, including local aid accounts. In October, legislative leaders said that they would pass the bill in January if revenues continued to decline, and the state budget deficit grew.

The MMA is calling on state leaders and the public to recognize that local aid cuts would have a deep, painful and immediate impact on cities and towns, triggering reductions in vital services that are important to our economy. Education, public safety and public works would all suffer immediate cuts, and this would lengthen and deepen the recession here in Massachusetts. The MMA is pressing for major reforms to give cities and

towns the tools and resources to navigate the recession, protect services and reduce reliance on the property tax. Those tools include local option meals and lodging revenues, closing the telecommunications property tax loopholes, giving municipalities control over health insurance plan design and other personnel matters, and fixing the flawed charter school funding system. However, none of those tools would be available to offset mid-year local aid cuts, which is why the state should avoid such cuts if at all possible.

**Please see the attached letters that the MMA has delivered to the Legislature and the Governor for details on these reform and management tools, and ask you legislators to commit to all of the MMA's reform priorities.**

To close the \$1.1 billion state budget deficit, state officials are actively considering a combination of four possible actions: 1) a second round of very deep mid-year cuts; 2) increased withdrawals from the state's rapidly shrinking rainy day fund; 3) use of federal budget assistance that may be included in the economic stimulus package being developed by President-elect Obama and Congress, although delays in Washington will complicate this option; and 4) the outside possibility of a significant increase in the gas tax (larger than what is necessitated to address the Turnpike Authority deficit). The Governor has stated that budget cuts will likely dominate this mix.

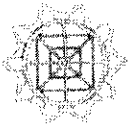
When the Governor addresses the state deficit in late January, and submits his fiscal 2010 budget, his actions will include a combination of these steps, and perhaps others. Until that time, there will be many more questions than answers.

**Please Keep Calling Your Legislators and Local Media Today and Tell Them the Following:**

- Mid-year local aid cuts would damage cities and towns, and force widespread layoffs in education, public safety and public works personnel. Explain how local aid cuts would impact your community.
- Mid-year local aid cuts would damage local services that are vital to our economy. Cuts in education, public safety and public works would force cities and towns to reduce services that are necessary to keep families and business investment here. If local aid is reduced, Massachusetts will suffer a deeper and longer recession.
- Mid-year local aid cuts would create deeper budget woes in fiscal years 2009 and 2010, and will force higher property tax increases. Cities and towns already rely far too much on the property tax, and local aid reductions will make matters much worse.
- Ask your legislators to give you a commitment to support the revenues and management tools you need to manage during the economic crisis. The state needs to take immediate action to pass the following: a 1-3% local option meals tax and a 1-2% increase in the local hotel-motel tax; an end to the telecommunications property tax loopholes that give nearly \$80 million to the telephone companies at the expense of local taxpayers; giving municipalities control over their health insurance costs by letting local officials update municipal health plans (by changing co-pays and deductibles and making other cost-saving changes) outside of collective bargaining; and fixing the flawed charter school funding system.

If you have any questions, please do not hesitate to contact the MMA immediately. David Baier, our legislative director, can be reached at [dbaier@mma.org](mailto:dbaier@mma.org) and 617-426-7272 ext. 120, and John Robertson, our deputy legislative director, can be reached at [jrobertson@mma.org](mailto:jrobertson@mma.org) and 617-426-7272 ext. 122. Please check the MMA's website <http://www.mma.org> for updates and late-breaking information.

Thank you.



# MASSACHUSETTS MUNICIPAL ASSOCIATION

ONE WINTHROP SQUARE, BOSTON, MA 02110  
617-426-7272 • 800-882-1498 • fax 617-695-1314 • [www.mma.org](http://www.mma.org)

January 12, 2009

The Honorable Members of the House of Representatives  
The Honorable Members of the Senate  
State House  
Boston, MA 02133

Dear Legislator,

City and town officials are on the front lines of our economy, and know first-hand the negative impact of the fiscal crisis that has gripped the Commonwealth and the nation.

During the last recession, local aid was cut up to 20 percent for most cities and towns. The impact is still being felt, as local aid and education funding for dozens of municipalities is still below fiscal 2002 levels. In fact, when adjusting for inflation, local aid is still \$566 million *below* fiscal 2002 amounts. Cities and towns have been in fiscal distress for the past seven years, curtailing services and increasing reliance on regressive property taxes. The current economic downturn promises to make a bad situation much worse.

The plain fact is that local aid reductions will translate into drastic cuts in municipal services and even deeper fiscal hardship, distress and pain. Cutting local aid means cutting money that funds teachers, police officers, firefighters, public works employees, librarians and many more critical workers. Cities and towns will be forced to eliminate positions and layoff key workers, and vital public safety, municipal and school services will decline while local reliance on property taxes will spike. Leading economists are calling on our federal and state governments to increase investment in local government for a reason – cities and towns deliver the essential services that are vital to our economic competitiveness, business growth, and the state's long-term prosperity. We support your leadership efforts to secure major federal relief, and it is imperative that all levels of government work together as partners to help Massachusetts withstand the coming economic storm.

Cities and towns need powerful tools and resources to reduce the recession's impact on municipal services, ensure that municipal personnel levels are adequate to deliver these services, and protect local taxpayers from even more increases in the overburdened property tax.

As we said in our detailed letter of January 5, before acting on legislation that would expand 9C budget-cutting powers to Section 3 of the General Appropriations Act, local officials throughout Massachusetts call on our state government to commit to immediate passage of strong and effective reforms that will be meaningful enough to protect services, minimize layoffs, and avoid higher property taxes. **THE MMA IS CALLING FOR LEGISLATIVE ACTION TO IMMEDIATELY ENACT ALL FOUR OF THESE MAJOR REFORMS:**

- 1] **Immediately closing the telecommunications tax loopholes** that give the telephone companies a tax break of nearly \$80 million at the expense of cities and towns and local taxpayers;
- 2] **Empowering cities and towns to modernize their health insurance plans outside of collective bargaining** – this would simply give local officials the same power the state has to update health plans, and would save more money, more quickly and more efficiently than any other option (including joining the state plan, which doesn't work for many municipalities);
- 3] **Fixing the flawed charter school funding scheme** that harms school districts all across the state – in the short-term, the state must at least provide a circuit-breaker to ensure that future losses to charter schools will not consume a greater percentage of the Chapter 70 aid a city or town now receives; and
- 4] **Allowing local option taxes**, including a local meals tax and an increase in the local hotel-motel tax, so that communities would have an additional local revenue source beyond the property tax.

**All of these reforms are necessary and essential to protect cities and towns during the extraordinarily difficult days ahead.** There is no one-size-fits-all solution, which is why *all* of these reforms are necessary to give municipalities the management authority and resources they need to navigate through the recession. Without these reforms, communities will experience greater hardship, vital municipal and education services will suffer, the property tax burden will skyrocket, and our overall economy will be weaker.

The time has come to bring reform and change to Massachusetts, reform that is necessary to protect cities and towns and local taxpayers from great harm during the hard times that loom ahead.

Thank you for your consideration and your swift action on these reform priorities.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Beckwith", written in a cursive style.

Geoffrey C. Beckwith  
Executive Director

[www.chicagotribune.com/business/sns-ap-meltdown-city-sponsorships,0,1314811.story](http://www.chicagotribune.com/business/sns-ap-meltdown-city-sponsorships,0,1314811.story)

**chicagotribune.com**

## Colorado Springs joins cities seeking to raise revenue with corporate sponsorships

By ALYSIA PATTERSON

Associated Press Writer

11:13 PM CST, January 14, 2009

DENVER (AP) — Imagine: Red Rock Canyon, brought to you by REI. Or Duracell — the official battery of the Colorado Springs Police Department.

These are just some ideas being tossed around as Colorado Springs joins a growing list of cities seeking creative ways to raise revenue.

The city council gave the go-ahead this week to award a \$50,000 contract to The Active Network Inc., a San Diego-based marketing firm, to find corporate sponsors for certain city property.

"You know these are tough economic times, but certainly for municipal governments that rely so much on revenue from sales tax," said Paul Butcher, city director of parks, recreation and cultural services.

Colorado Springs' fiscal year 2009 budget faces a \$41 million deficit, Butcher said. Officials hope to offset some of that through corporate sponsors.

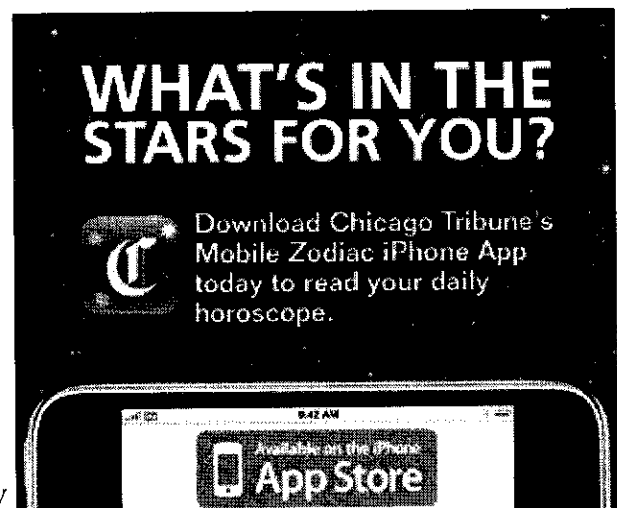
"Marketing firms indicate a city this size might generate \$1.5 million in the first year," Butcher said of the city of 360,000. Ad revenue could top \$5 million in subsequent years, he said.

The Active Network, Inc. sealed its first city-corporate sponsorship deal with Huntington Beach, Calif. in 1999. Nissan now sponsors that city's lifeguard rescue vehicles. Another client, Glendale, Calif., worked out a deal with Viacom to sponsor city bus shelters.

Active Network is also developing corporate deals for Pittsburgh; Arlington, Texas; and the counties of Santa Clara in California, Nassau in New York, and King in Washington.

"We're getting many more inquiries now because these cities are turning around and saying, 'We've got to be creative because of the economic situation,'" said Don Schulte, director of Active Marketing Partnerships, a division of The Active Network. "A lot of these companies are very interested in helping these cities and counties but don't know how."

But do municipal sponsorships help a company's bottom line?



David Wilkinson, president and chief executive of The Wilkinson Group, a San Francisco-based marketing company, says the public sector tends to look at the private sector as a fund raiser and forgets it's about running a business.

"You have to commercialize to get a return. You can't go, 'Give me a million dollars and I'll put a little plaque honoring you in front of city hall,'" he said.

Still, Wilkinson predicts public-private marketing deals will grow in popularity. Local governments hold a lot of equity, offering good opportunities for the private sector, he said.

Some activists, however, are wary of branding public property.

"Nobody wants to go to our city parks to get away from daily pressures and suddenly be inundated with advertisements," said Roger Singer, the Sierra Club's regional representative in Boulder. "Open spaces are not the same as sports stadiums."

"School districts went that route and some of the contracts have actually lapsed because of the public outcry," said Jane Ard-Smith, chair of the Sierra Club chapter in Colorado Springs.

Ard-Smith referred to parental outrage following a 1997 deal to stock Coca-Cola in some Colorado Springs public schools. That contract expired in 2007.

Schulte points out that many cities are careful to avoid advertising that would draw criticism.

"It's not about signage or naming rights," he said. "A lot of companies don't want to spend money in the community to have people get mad at them."

Butcher is excited about the possibilities for Colorado Springs.

"What would be wrong with talking to Evian and giving them exclusive rights to distribute their product in Red Rock?" he said, referring to an open space park known for its rock formations.

Other ideas: Stocking park kiosks with brochures from companies like REI, or negotiating with Purina Pet Food, for example, to sponsor the city's four dog parks, Butcher said.

Colorado Springs wants low-key marketing solutions, like installing a corporate-sponsored webcam at a new skate park so skaters can check out the weather. In exchange, the city would sell ad space on the Web page.

Active Network worked out a similar deal for a Costa Mesa, Calif., skate park with Volcom, a skating apparel company. Volcom pays for park maintenance and design; the company erected a shade shelter and held an art contest among its customers to decorate it.

Ads could start popping up in Colorado Springs later this year. It plans to fund the \$50,000 contract with money from city golf courses, a cemetery and city parking.

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On the Net: