

The fifth exhibit is a history of the Brockton 21st Century Corporation's payments under these arrangements. The corporation has always made the principal payments on the loan.

In conclusion, I'd like to reiterate a couple of my points from the discussion of Monday night. First, the city does not budget any revenues from the hotel/motel tax. These revenues are thereby allowed to help avoid any deficit in budgeted revenues, and to hopefully create a revenue budget surplus, thereby contributing to Free Cash. This surplus is certified by the Department of Revenue during the fiscal year after it is created, and typically it is appropriated by the city in the budget year after it has been certified by the DOR. So, an increase in the hotel/motel tax would result in an increase in revenues available to that Free Cash appropriation. Second, the city does budget revenues to be paid to the city from the Brockton 21st Century Corporation, at the rate of \$250,000 per year. These are general fund revenues and are not specifically reserved for a particular appropriation.

It strikes me that that the city's finances clearly would benefit from the hotel/motel tax increase, that there would not be a significant impact on the city's lodging facilities, and that most of the added cost would be borne by non-residents of Brockton. I urge that you approve the increase.

JAC/amw

Attachments

[21" info for CC]

XC: James E. Harrington, Mayor
Anthony Zeoli, City Clerk
Donald Walsh, President, Brockton 21st Century Corp.