

METHUEN CITY COUNCIL REGULAR MEETING
MONDAY, November 20, 2006 – 7:00 p.m.
GREAT HALL, SEARLES BUILDING

Chairman Zanni called the regular meeting, scheduled for Monday, November 27, 2006, at 7:00 p.m. with all members present.

ACCEPTANCE OF THE AGENDA

MOTION BY: Councilor Giordano, seconded by Councilor Andrew to accept the agenda. UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Leone, seconded by Councilor Giordano to amend to include under New Business: TR-06-73 Resolution Providing for the Adoption of the Fiscal Year 2007 School Department Budget (EPA REQUESTED); TR-06-74 Resolution Providing for the Adoption of the Fiscal Year 2007 General Government Budget (EPA REQUESTED); TR-06-75 Resolution Increasing the Exemption Amount Under Clause 41C Senior Exemption Options (EPA REQUESTED) (Req. of Clr. Leone) and accept as amended. UPON VOTE: UNANIMOUS.

Invocation

Reverend Tropini gave the Invocation for the evening. Everyone remained standing for the Pledge of Allegiance.

ACCEPTANCE OF THE MINUTES

MOTION BY: Councilor Cronin, seconded by Councilor Willette to waive the reading and accept the minutes of November 6, 2006, regular minutes.
UPON VOTE: UNANIMOUS.

CORRESPONDENCE/PROCLAMATION

Mayor Manzi congratulated and recognized Councilor Larry Giordano for the prestigious Golden Life Achievement Award for Life Long Commitment to Martial Arts. The Golden Life Award is only awarded to those individuals who have dedicated forty years of their lives to the teaching of martial arts in an exemplary manner. This is a rare and accomplished achievement in martial arts and this award is presented by one of the largest and most elite martial arts grandmasters/masters' council in the world. Beyond just being an instructor, we see the children here today. The award goes beyond that recognition. Many parents in Methuen hold Councilor Giordano in high esteem for the values that he's imparted to their children over and beyond the teaching of martial arts. He's teaching them a value system, a system of self-respect, a system of honoring authority and you hear when there was a little disruption, Councilor Giordano, with one quick word, drew silence from the crowd. The values that Councilor Giordano and his family imparts in his martial arts studio have been a great, great plus to the City of Methuen and to all of the children that have practiced there. Mayor Manzi presented a Citation to Councilor Giordano in honor of his achievements.

Councilor Giordano invited his students to come forward for a martial arts demonstration.

Chairman Zanni declared a brief recess.

The Clerk read a letter from Joseph J. Bevilacqua, President of the Merrimack Valley Chamber of Commerce, dated November 20, 2006, requesting that the City of Methuen reduce the business and industry tax classification rate downward from the current rate. (copy attached)

PUBLIC PARTICIPATION – None

PUBLIC SERVICE:

Grants: None

Licenses: Special Excavation – Newport Street

MOTION BY: Councilor Cronin, seconded by Councilor Willette to approve.

UPON VOTE: UNANIMOUS.

Contracts: None

TR-06-73 Resolution Providing for the Adoption of the Fiscal year 2007 School Department Budget (EPA REQUESTED)

Mayor Manzi explained that at the time of the budget adoption, it was our understanding that the DOE figure was, using rough numbers, a half of a million dollars below what ultimately came to pass. This is strictly a state formula for us and we are mandated by law to send it to the School Department. It is part of net school spending. This is not an increase in appropriation that is a discretionary item. Its simply part of a formula that changed after July 1st.

Councilor Corey Rahme questioned the need for an EPA.

Mr. Kelly explained that it is more of a timing problem with the Department of Revenue. Once these resolutions are passed, we can start the tax recapitulation sheet. DOR asks that we start this process in November because they get swamped with other cities and towns. Last year we put this together around this time last year and they didn't certify the tax rate until Christmas Eve, which only gives the Assessor and the Treasurer a week to get the bills out. It is more of a timing issue that the state has placed upon us.

Mayor Manzi said it is important for the City to be able to get the bill out in a timely fashion. This would be a big help to ensuring that the bill would go out in a timely manner. That is important for us.

Councilor Lahey asked if the Council is discussing the Emergency or the amendment.

Chairman Zanni said Council is discussing the amendment to the School Budget with an EPA requested.

Councilor Lahey asked if we are adding this \$500,000 to the budget.

Mayor Manzi said Council is doing two things; adding to the budget (mandated by the state formula) and you are also adding it to the overall tax burden of the community.

Councilor Lahey asked if the school is requesting an additional \$500,000 or did we miss because we're not getting the money we thought we were going to get.

Mayor Manzi explained we are doing it because the state comes up with a formula called the education formula that mandates how much you send over and how much the state gives every year to your school department. That number was somewhat in fluxed and, in fact, the DOE website had our number at a certain level. We trusted that number, went with it and now after July 1st, we are being told that the number is higher. We adopted it in good faith and as it turns out the local share is up by that amount of dollars. They will get additional revenue.

Councilor Lahey asked if the other cities and towns are going through this.

City Auditor Thomas Kelly said we couldn't say 100% all cities and towns. He noted that when he went out to the website to put the budget together for the Mayor, during the whole process, January 25th, 2006, it had their next school spending number at \$60,022,000. And then as we were preparing the tax rate, looking at reports, he noticed that July 8th, 2006, after the budget was adopted, they changed the formula to reflect \$60,543,000, an increase of \$521,000, that the state changed the formula and said you had to give them that amount of money.

Councilor Lahey so Methuen's not the only city or town getting hit with this.

Mr. Kelly said off the record, he'd probably say every city and town could be affected, but he'd have to go look at it. It all depends on the formula.

Mayor Manzi noted that we are all governed by the same formula but it impacts each city differently.

Councilor Lahey said we are adding \$500,000 onto the budget that we didn't anticipate.

Mr. Kelly said that while the budget was being adopted, there was no mention of a change, until after the fact in July; they did change their number.

MOTION BY: Councilor Leone, seconded by Councilor Corey Rahme to adopt an emergency preamble for the good and welfare of the community.

UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Leone, seconded by Councilor Quinn to adopt TR-06-73, Resolution Providing for the Adoption of the Fiscal Year 2007 School Department Budget. UPON VOTE: UNANIMOUS.

TR-06-74 Resolution Providing for the Adoption of the Fiscal Year 2007 General Government Budget (EPA REQUESTED)

Mayor Manzi said, additionally to the Schools, he provided the Council with a spread sheet that shows that there are some changes, none as severe as the addition to the schools, but we have an additional \$100,000 in fire overtime and some court judgments also increased approximately \$60,000, all of which will be reflected in the classification factor that Council would vote tonight.

Councilor Lahey asked how much these changes would cost, on average, as opposed what it would have been without these expenditures.

Mayor Manzi said the incremental difference would probably be approximately \$25, based on the average.

Chairman Zanni – point of information – based on \$100,000 it is roughly \$6 on the tax rate.

Mr. Kelly stated it is \$5.30.

Councilor Lahey said, based on \$100,000, and we're doing \$600,000, so we are talking \$30.

Mayor Manzi agreed, \$30, in that area.

Councilor Lahey said, not counting what the increase would have been before this.

Mayor Manzi said it would be that much less, without these increases, on the average burden.

Chairman Zanni said it would be a little less than \$30, if this was not in the budget.

Councilor Corey Rahme asked Mr. Kelly if the court judgments are where we are now or is that subject to change again.

Mr. Kelly said that is where we are right now, decisions that have been handed down from a court from a judge against the city for its liabilities. That is where we are right now.

Councilor Cronin asked if the city received any mitigation money from the Zambino property project.

Mayor Manzi responded, no. As of today, they have not filed their sub-division plan with us. When they file that, the quantity of money will remain the same but the terms will be worked out with the planning board in terms of when they would have to produce the money, i.e., upon the issuance of a foundation permit, building permit, or the like. But they've done nothing yet. His understanding is that they are coming in but the marketing conditions may have slowed them down a little bit.

Councilor Cronin asked if there are any time parameters regarding payment.

Mayor Manzi responded, not as of yet. Payment won't come until after filing of a sub-division plan.

Councilor Cronin asked if there is a time parameter regarding the Special Permit granted.

Mayor Manzi said he didn't believe a Special Permit was granted. We approved a zoning change and that zoning change would remain constant.

Councilor Cronin asked if there is any mitigation money from Target.

Mayor Manzi said Target has taken a foundation permit and he believes Council will have an acceptance resolution before them at the next City Council meeting, which would be mitigation money.

Councilor Cronin said it is a one-time revenue and he doesn't want to use it to offset the tax rate. He would like to see something done with this revenue for the Marston Corner intersection.

Mayor Manzi said he is hopeful that the money will be used to mitigate traffic in that neighborhood.

MOTION BY: Councilor Leone, seconded by Councilor Corey Rahme to adopt the emergency preamble for the good and welfare of the community. UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Leone, seconded by Councilor Corey Rahme to adopt TR-06-74 Resolution Providing for the Adoption of the Fiscal Year 2007 General Government Budget.

Councilor Leone apologized for the short notice regarding the resolution he distributed this evening. He said he was not aware that the Council would be dealing with budget amendments and actually setting a tax rate tonight. Consequently his resolution is two components and the first component is...

Chairman Zanni interrupted Councilor Leone noting Council is still on TR-06-74.

Councilor Leone said he needs to make a motion to amend the budget resolution to include the \$48,750, that will be the result of the passage of the following resolution, TR-06-75. He said the information distributed requires a change in the Overlay amount from \$500,000 to \$548,750, as a result of passage of TR-06-75.

Chairman Zanni suggested tabling TR-06-74.

Attorney McQuillan agreed and noted that under the state statute, the amendment and the incorporation of that particular item into the main resolution will require a formal approval of the Mayor, also. (It would require approval of both the City Council and the Mayor.)

Councilor Cronin said Council couldn't increase the budget. They can only decrease it.

Attorney McQuillan said the Council can increase the budget, at any time, but for this particular exemption, this particular item, particularly under this statute, also requires approval of the Mayor.

Councilor Leone said Council could ask the Mayor at the appropriate time.

MOTION BY: Councilor Cronin, seconded by Councilor Quinn to table TR-06-74. UPON VOTE: UNANIMOUS.

TR-06-75 Resolution Increasing the Exemption Amount Under Clause 41C Senior Exemption Options (EPA REQUESTED)

MOTION BY: Councilor Leone, seconded by Councilor Quinn to adopt an emergency preamble for the good and welfare of the community.

UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Leone to adopt TR-06-75.

Councilor Leone said this is something he's been waiting to file and apologized for not being aware until about 2:00 p.m. this afternoon that Council was doing to deal with this tonight. Due to the time limits imposed upon by the Department of Revenue, we have to deal with it tonight or it will not be effective for this fiscal year. We have a procedure under which certain elderly homeowners receive a \$500 per year exemption or abatement on their property taxes. It does not apply to all seniors who own homes. It only applies to approximately 195 of our poorest elderly homeowners. The amount of \$500 is the minimum allowed under State law and has not been changed for over ten years. He thought Council should take the opportunity tonight to increase that to \$750., which is not the maximum allowed. Under the State law, the maximum would have been \$1,000. He thought to move from \$500 to \$1,000 all at one time would be excessive and he is proposing to move it to \$750.00. The net result is one cent on the tax rate and approximately \$2.61 on the average tax bill. We currently give certain exemptions and abatements to our veterans, well deserved and that has been recently increased from \$500 to \$750.00. He said he is proposing this to bring the 195 of our most needy elderly homeowners in line with what our veterans receive and what we can certainly afford to give them.

Councilor Giordano asked how we determine who is eligible.

Mayor Manzi said they are means tested.

John Cena, Assessor, said the first thing the City Council adopted under the previous administration was to drop the age requirement to 65 and now what Council is doing is the minimum requirements under State Statute are for income and assets. The request tonight is to take the \$500 exemption and the 195 people that Councilor Leone is referring to, those numbers come from the Assessor's office. Mr. Cena further explained that they keep the number of applications that come in each year. Right now, we are at 195. It could go to 200 or 225, because we are not finished taking applications. They must meet requirements in terms for a single homeowner or a married couple in terms of income. Hypothetically, \$13,000 for lets say single. They'd have to meet that guideline. Assets can't exceed \$32,000. Married couple it is up around \$40,000. The income goes to \$18,500. They have to meet certain criteria. Although it has happened, this is not set up so anyone can walk through the door and say, "I'm 65 years old, I'd like to apply for the exemption".

Councilor Giordano asked who sets the criteria.

John Cena explained that the State sets the criteria and his department reviews each application individually.

Councilor Lahey commended Councilor Leone for bringing this forward. If brought forward he would support the maximum of \$1,000. The income is minimal and it is nice to give someone a break.

Councilor Quinn asked if this could be increased from \$500 to \$1,000 with little impact.

John Cena said the law allows Council, as Councilor Leone referred to; Council has the option to increase the \$500 exemption to 100% of that number, which would bring you to \$1,000. Mr. Cena reminded the Council that the State only reimburses the city the amount of \$500.

Councilor Quinn asked Mr. Kelly how much a \$1,000 would impact the taxes.

Mr. Kelly said the average tax bill increase is \$5.30 per \$100,000. It would go up by two cents.

Councilor Quinn questioned why Council would not go to the maximum amount of \$1,000.

Councilor Giordano asked the Mayor to comment.

Mayor Manzi said his recommendation would be that it be done incrementally over a period of time, and will support the amount of money and make a recommendation to increase the Overlay for the amount specified in resolution TR-06-75. He is not prepared to make any recommendations beyond that.

Councilor Leone said he agrees with both the Mayor and Councilor Quinn, let's increase it to \$750 and keep this in mind to increase it next year, earlier in the year during the budget process, depending upon the financial condition of the city at the time. He'd like to increase it to \$750 now. There's been no adjustment in years. Even the \$750 doesn't bring them up to where they would have been if they kept pace with the tax increases.

Councilor Giordano seconded Councilor Leone's motion to adopt.

UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Leone, seconded by Councilor Andrew to remove TR-06-74 from the table. UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Andrew, seconded by Councilor Leone to adopt an emergency preamble for the good and welfare of the community. UPON VOTE: UNANIMOUS.

MOTION BY: Councilor Leone, seconded by Councilor Cronin to amend and adopt TR-06-74 to change the amount of \$500,000 Overlay to \$548,750. Mayor Manzi said he would recommend that number to the City Council.

Councilor Giordano asked the Mayor why the Council is increasing the School Budget.

Mayor Manzi explained that this increase is by formula, under the Education Reform Act. The State has a formula that governs all cities and towns and we are governed by it and it dictates what the local share of what the education budget would be. As of the time we passed our budget the local share figure proved to be that much smaller. After July 8th our number changed and consequently our requirement changed.

Councilor Giordano asked if we are receiving any more money on the Cherry Sheet.

Mayor Manzi said he believes this is entirely the local share. We did get more money this fiscal year from the State. This is how the formula affects what we need to send over in property tax dollars.

VOTE: UNANIMOUS.

Vote: Tax Classifications

Mr. Kelly explained the recommendation before Council (designated on the summary sheet) - A commercial shift of 165% and a residential factor of 90.7030 in order to calculate out what the tax rate would be for commercial and residential. (2007 Tax Rate Residential \$9.64 Commercial \$17.54)

Mayor Manzi said in the past Council has voted not to grant the 20% of the average assessed valuation of residential and not to grant an exemption of up to 25% for all property that may be classified as Class I I – Open Space

A residential exemption of up to 20% of the average assessed valuation of residential property.

MOTION BY: Councilor Willette, seconded by Councilor Leone not to grant a residential exemption of up to 20% of the average assessed valuation of residential property. UPON VOTE: UNANIMOUS.

An exemption of up to 25% for all property that may be classified as Class II – Open Space

MOTION BY: Councilor Giordano, seconded by Councilor Willette not to grant an exemption of up to 25% for all property that may be classified as Class II- Open Space.

UPON VOTE: UNANIMOUS.

A determination of the percentage of the Tax Levy to be borne by each class of property in Fiscal Year 2007

MOTION BY: Councilor Leone, seconded by Councilor Quinn to approve 165% Shift to Commercial with a residential factor set at 90.703% as recommended by the Mayor (copy of summary sheet attached) (2007 Tax Rate Residential \$9.64 and Commercial \$17.54)

UPON VOTE: UNANIMOUS.

OTHER CITY OFFICERS AND COMMITTEE REPORTS – None

OLD BUSINESS

TR-06-69 Resolution Accepting Continuation of MDU Deployment Grant, Commonwealth of Massachusetts, Executive Offices of Health & Human Services

MOTION BY: Councilor Giordano, seconded by Councilor Leone to adopt.
UPON VOTE: UNANIMOUS.

Ordinances: None

Consideration of Appointments

MOTION BY: Councilor Cronin, seconded by Councilor Leone to approve the following appointments:

Historical Commission	Term to Expire
*Ernest Mack, 620 Prospect Street, Methuen	12/31/08
*Gene White, 9 Pleasant St., Methuen	12/31/08
Dan Gagnon, 1 Edgeworth Ave, Methuen	12/31/08

Councilors commented on their appreciation for all the members who serve on this commission, particularly Ernest Mack for his knowledge and dedication to the community.

UPON VOTE: UNANIMOUS.

NEW BUSINESS

Resolutions:

TR-06-72 Resolution Establishing the CPI Increase of an Exemption under Clause 17D, Section 5, Chapter 59, Massachusetts General Laws.

John Cena, Assessor, explained that Clause 17D is for the individuals who do not qualify for the 40D because of perhaps assets or income and the city allows them to step down from the \$500 to whatever it will be this year, \$251.00. Last year it was \$243.00. If Council wants them to receive the \$251.00, the DOR sets the COLA (cost of living adjustment) this year the DOR has suggested we go from 2.80% to 3.30%. If Council doesn't adopt the resolution the amount stays at \$243.00.

MOTION BY: Councilor Giordano, seconded by Councilor Cronin to adopt.

UPON VOTE: UNANIMOUS.

Ordinances: None

REQUEST OF COUNCILORS

Councilor Giordano reported that two streetlights in Methuen Square, in front of the Masons Hall, one on each corner were out and it is pitch dark.

Mayor Manzi said he would take care of it.

Councilor Leone pointed out that there was a story in the Boston Globe a few weeks ago comparing the increase in Methuen tax bills and some of our sister communities. It was pointed out that Methuen tax burden, tax bill, increased 27% from 2000 to 2006. That sounded reasonable to him. He did a little research and found that the average selling price of homes in Methuen from June of 2000 to June of 2006 actually increased from 207,000 to \$348,000, which is a 68% increase in value of the homes that we tax. It is commendable, in so far as the way the city is run, for the tax rate, tax burden to only increase by 27%. We could be doing a lot worse for our citizens and its something that should be pointed out. The Mayor managed to keep things on an even keel in that increases have run far less than they could have.

Councilor Quinn thanked the Mayor, Fire Chief, and everyone involved for his or her efforts with the Santa Parade. It was wonderful.

Councilor Willette said Jill Stacklin and her crew did an excellent job. He commended the Mayor, noting the parade was an outstanding event on a beautiful day with a great deal of people in attendance. He said he agrees with Councilor Cronin's comments that the Target mitigation money should be slated for improvements at the Marston Corner. He commended the Mayor for joining that effort to make sure that the mitigation money, unlike in the past, will be used to mitigate the traffic in that area.

Councilor Andrew thanked the Mayor for his response regarding the defibrillators. He is unsure how they will be financed but hopes we don't have to wait eight months to get that done. He also suggested that fire extinguishers be placed in this building. He doesn't believe there are any.

Mayor Manzi said the entire building is being evaluated relative to safety and some other emergency management issues. We've taken your request and added to it for the Fire Department. Council won't have to wait eight months as he will provide information at the next meeting and outline a schedule and also include training.

Councilor Andrew said the only reason he mentioned the fire extinguishers is if you have a small fire you can get it put out real quick. It could prevent a terrible disaster. He said he appreciates the Mayor's help in getting this done.

Councilor Corey Rahme commended everyone for his or her efforts with the Santa Parade, particularly the Methuen Youth Corp. She also thanked the police for being involved in the various neighborhood meetings. Their support is appreciated by the neighborhood. She welcomed Stephanie, the new eagle tribune reporter, to city hall.

Mayor Manzi, on behalf of his office, extended his thanks and gratitude to Jill Stacklin, Dennis Marcello and everybody that worked to make the parade a success. A lot of hard work goes into organizing and raising the money that enables to do something that successfully.

Councilor Corey Rahme reminded everyone to attend the Festival of Trees. It is a wonderful benefactor to our city and our historical preservation.

Chairman Zanni thanked resident Jack Burke for his suggestion to hyperlink the resolution and ordinances to the agenda on the website. He wished everyone a very Happy Thanksgiving.

Mayor Manzi announced the Tree Lighting on December 1st, Friday, at 5:30 p.m. at the Osgood Street Park. He wished everyone a very Happy Thanksgiving.

Councilor Giordano said he would be having surgery before the next Council meeting and may not be in attendance.

ADJOURN

MOTION BY: Councilor Leone, seconded by Councilor Quinn to adjourn.
UPON VOTE: UNANIMOUS.

The meeting adjourned at 8:00 p.m.

COUNCIL CLERK