

METHUEN CITY COUNCIL SPECIAL MEETING
TUESDAY, JUNE 15, 2010 – 5:30 P.M.

Chairman Cronin called the Special meeting, scheduled for Tuesday, June 15, 2010 at 5:30 p.m. to order with all members present.

TR-10-45 Resolution Authorizing the Borrowing for the Renovation of the Methuen High School

MOTION BY: Councilor Hajjar, seconded by Councilor Kannan to adopt

Councilor Hajjar explained that the reason he called for this special meeting is because Council voted 8 to 1 for first read and with the upcoming budget, Council needs to focus their efforts on the budget. He believes there is confusion with workers thinking Council is choosing between a high school and the 2011 budget. There is no truth to that. Council needs to pass this, give it to the Mayor, so he can go to the committee and move forward with the state on this project, separate from this budget. Councilor Hajjar stated that when he was asked if he would call the meeting, he called two other Councilors who agreed that it was in the best interest to just get this vote done quickly and focus on our budget.

Councilor Kannan echoed Councilor Hajjar's sentiments. She asked as a courtesy if Council would delay the vote until Councilor Zanni arrives.

Councilor Lahey asked if the city side received the money from school department yet.

Mayor Manzi responded, no, he's waiting to make a general ledger adjustment, which he will make upon passage of the resolution and a deduction from transportation. It is a general ledger change, an accounting change that will transfer the money from the schools to the city side and it will be a cut in their transportation line item that he can effectuate. Neither one of those is going to happen until the resolution is passed.

Councilor Lahey said his understanding when he called the accountant's office to ask if the money was in the stabilization, the Auditor said he was waiting for a letter from the School Committee.

Mayor Manzi said the School Committee voted to approve the concept. Now, its up to him to do two things, a cut to the transportation account in the amount that they agreed to and a general ledger change to reflect the fact that they're going to move the money from the school side to the city side. Both of those would be done under his authority and through his signature. Neither one will be done until the resolution is passed by the City Council. They have an agreement. The \$500,000 will go into the city's high school stabilization account. The money will be there. The School Committee took an affirmative vote to allow the transfers.

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Councilor Lahey said the Chair signs paperwork when the Council takes a vote. He asked if there is any documentation that the School Committee signed.

Mayor Manzi said he is stating that he has the authority right now through a general ledger change and through a cut in the transportation account, to transfer per the agreement. But he's chosen not to until the bond resolution is passed. As soon as the resolution is passed, he will make a general ledger change. \$500,000 will be moved immediately.

Councilor Lahey said he would prefer the money be transferred before the vote.

Mayor Manzi reiterated that if the resolution is passed tonight, he would make the transfers tomorrow.

Councilor Lahey said he was under the impression that the money would be there before Council voted on the resolution.

Mayor Manzi said the City Auditor has certified that the money is available. It is a procedural issue, the Mayor's signature. He's telling the Council the money will be there. The Mayor urged the Council to get the bond resolution done, allows the Building Committee to do its job, and allow the 100 million dollar project to be on schedule and on budget and move forward.

Councilor Lahey commented that the city is ahead of schedule. They have 120 days to pass this.

Mayor Manzi disagreed. The time period was scheduled to be six months but has turned into substantially longer time frame (because of MSBA regulations). There is an agreement in principle that everybody agreed to – if there's a half million-dollar transfer, we vote the resolution. Now, it is a matter of the Building Committee being able to do their job. Engineers and architects are ready to go and cannot work until we at least start the process here. The Mayor further explained that he could not execute the final MSBA financial agreement until he has the bond resolution in hand. They had an agreement. He did what was asked of him and is asking Councilors to do what they said they would do, which is to pass this bond resolution.

Councilor Lahey asked what the difference is if the resolution passes tonight or at the first regular meeting in July and if it has a financial impact.

Mayor Manzi said if Council waited until July, that means after the bureau cry at the MSBA is done, he wouldn't have a binding agreement done with them until August. He needs to get this project moving. This is a phased project. That means at the tail end of the construction of the project, he has to be ready to move kids. We're on a schedule that means we want to be under construction at a certain point in time. We have an ambitious schedule of design. We're saying nine months and that is highly ambitious. We need to start this design process now. Conversely, he asked "What's the harm if the resolution is passed tonight and not in July?" He asked all councilors who agreed to vote, to do so and move this project forward.

(Councilor Zanni arrived)

Councilor Pappalardo said that is not the agreement she personally understood when she sat in the Mayor's office. The Mayor had no intentions of calling a special meeting. She's given her word to vote on this and is not going to go back on that. She doesn't see the rush to have a special meeting here tonight. Council has enough dealing

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with the budget and so does the Mayor. Council took a vote last Monday night, gave the Mayor their word, and voted for it. Second read was supposed to be at the next regular meeting.

Mayor Manzi stated he never said the next meeting. He didn't say when the vote would be. He asked if Councilors would commit to vote for a bond issue and they said yes. This is second read. This is passing a bond issue. First read doesn't mean anything.

Councilor Pappalardo commented her word means something and it was her impression second read would be at the next meeting.

Mayor Manzi noted it may have been Councilor Pappalardo's impression but that isn't what he said. He reiterated this is passage of a bond issue. He and Building Committee members worked hard on it. The Building Committee, the engineers, and the architects are ready to go now. There is no reason to stop this. Tonight they're meeting to deal with the budget workshop issues. There's no reason why, if everybody is in agreement not to move forward on the basis of the school department sending over a half million dollars to wait until July and endanger our ability to properly phase the project.

Councilor Pappalardo asked to hear the impression from the other three Council members as to how this would be voted.

Councilor Giordano said he could be mistaken but he thought they agreed to vote first reading and this would come up for second reading at the July 12th meeting. Mayor Manzi disagreed. Councilor Giordano said he wished it was said that this would be brought back next week but no one said anything.

Mayor Manzi said he stated to the four Councilors that he wanted a bond issue passed and never talked about what the dates were. They agreed that if the school department sent over half a million dollars, there would be a vote of passage on the bond issue. They didn't agree to first read. It was said they would pass a bond issue. Council is here tonight to pass a bond resolution. The date of July 12th was never discussed.

Councilor Uliano said she, along with three other Councilors, understood that the Mayor wanted to bring this forward. Her understanding was there would be a letter signed by the School Committee, which meant that everyone was in agreement. Once the vote was taken the money was going to be transferred. The letter was never signed and Council received a copy of what the Mayor submitted to the School Committee and then they took a vote. In the past votes have been changed. When she spoke with the Mayor last week, there was no mention of a special meeting. Her understanding is that a first read item automatically goes to the next scheduled meeting (July 12th) for second read. She asked, "What is the urgency?" Councilor Uliano also asked for the signed letter from the school committee. Councilors promised their vote.

Mayor Manzi asked if Council would vote if he had the transfer in hand.

Councilor Uliano responded, yes.

Mayor Manzi said if Councilors would like to table this until tomorrow, there is a special meeting. Based on what was just said, he would provide a certified copy of the transfer from the City Auditor.

Councilor Zanni apologized for being late. His understanding is that three Councilors asked for this meeting tonight and the Council already approved a vote for the renovation project. He asked, "Why wait until July 12th?" The Mayor has the authority to transfer. It's contingent on one piece of paper

Mayor Manzi agreed.

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Councilor Zanni said they're wasting a half hour discussing the timing of a meeting. Three Councilors proposed this meeting to move forward and take this vote.

Councilor Lahey said he called for a special meeting out of a courtesy to Jim Hajjar and Jennifer Kannan to vote on something before he realized that whether the money was in the budget or not. It's important to him to have the money in place before he votes.

Councilor Hajjar explained exactly how he contacted Councilors to schedule this meeting and what was said. He noted no one mentioned about what is being discussed tonight regarding the transfer of money.

MOTION BY: Councilor Giordano to table until Wednesday night.

Mayor Manzi said he would prefer to take the vote tonight but will wait one night as long as everyone agrees there will be a vote taken.

Councilor Campagnone asked the Councilors who met with the Mayor if he told them something that the rest of the Council should know before the vote is taken.

Councilor Pappalardo responded no, just what was said tonight.

Councilor Lahey said he's basing everything on what Tom Kelly said at a hearing yesterday and we're still waiting for a letter from the school before we could get the half million dollars.

Mr. Kelly said he just needs it for documentation to record a journal entry

Mayor Manzi said as the Chairman of the School Committee, he would issue the letter tomorrow.

MOTION BY: Councilor Giordano, seconded by Councilor Campagnone to table TR-10-45 to Wednesday evening June 16, 2010 at 5:30 p.m. (with the understanding that Council will receive the paperwork from the Mayor).

Councilor Hajjar asked if the resolution goes into effect immediately or if there is a 30-day time frame.

Mayor Manzi said the bond issue resolution would probably have to wait the 30 days to become effective. But he's going to need the 30 days to have the Solicitor complete the vetting of the legal documents from MSBA and also CM at Risk, which is another layer of bureaucracy and difficulty.

Councilor Hajjar said he scheduled a second meeting for Wednesday for fear of a charter objection tonight. He asked the Solicitor what happens if someone objects tomorrow night.

Attorney McQuillan noted that if its one Councilor that's objecting, it goes on to either the next regular or special meeting and if two or more object it goes to the next regularly scheduled meeting.

UPON VOTE: 8 yes, 1 no (Clr. Kannan)

ADJOURN

MOTION BY: Councilor Campagnone, seconded by Councilor Giordano to adjourn. UPON VOTE: UNANIMOUS.

The Special Meeting was adjourned at 6:00 p.m.

COUNCIL CLERK