

METHUEN CITY COUNCIL SPECIAL MEETING
MONDAY, SEPTEMBER 24, 2007 – 8:30 P.M.
GREAT HALL, SEARLES BUILDING

Chairman Zanni called the Special Meeting of September 24, 2007, to order at 9:05 p.m. with all members present.

ACCEPTANCE OF THE AGENDA

MOTION BY: Councilor Leone, seconded by Councilor Cronin to accept the agenda, waives the City Council rule to include TR-07-81 A Resolution Supporting Certain Employees and Official of the City of Methuen (Req. of Clr. Leone).

UPON VOTE: UNANIMOUS.

Councilor Leone read Resolution TR-07-81.

TR-07-57 Resolution Establishing Fiscal Year 2008 Water Charges as Proposed by the Department of Public Works

TR-07-58 Resolution Establishing Fiscal Year 2008 Sewer User Charges as Proposed by the Department of Public Works

MOTION BY: Councilor Cronin, seconded by Councilor Giordano that the City Council form a Legislative Task Force consisting of nine members, one of each who shall be appointed by each member of the City Council to look at and review all proposals of the Sewer and Water Rates and come back with a finding within 60 days.

Chairman Zanni said a motion has been made and seconded to appoint a committee made up of nine members of citizens appointed by each member, one member from each member of the Council, and to have a report back in 60 days.

Councilor Cronin said at that time, he would be fully prepared to set a water rate and sewer rate.

Councilor Leone asked Councilor Cronin to wait until Council deals with the agenda items and if they can't reach a consensus then Council will entertain the motion.

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Councilor Cronin said he is not voting for a water rate. He is not satisfied with a lot of things. With the flat rate, everybody is going to be charged a service fee and a flat \$40 discount to a senior citizen, which means they're going to lose their discount altogether. There are so many inequities in these proposals. Speaking for himself, he said he would vote one way or another to support some sort of a water rate if the Task Force will report to Council within 60 days.

Councilor Lahey asked Councilor Cronin if he understood him correctly, that he would vote on some type of water rate with the stipulation there was a Task Force to follow up on it.

Councilor Cronin said that's correct.

Councilor Lahey said that's fine and he has no problem with that. Council should vote on that before the water rate.

Councilor Corey Rahme asked Councilor Cronin if he just said he's not going to vote on anything tonight.

Councilor Cronin reiterated that he is not voting on setting a water rate tonight.

Councilor Lahey said Councilor Cronin said no.

Chairman Zanni said Councilor Cronin wants to have a commission established and not vote on the water rate and come back in 60 days with a recommendation.

Councilor Lahey said he understood Councilor Cronin to say that he would vote on something tonight with that stipulation.

Councilor Cronin said he didn't want to do that (that would be putting the cart before the horse)

Councilor Quinn asked Councilor Lahey if his committee started meeting in December.

Councilor Lahey said yes.

Councilor Quinn said the committee started this process in December. Although she likes the idea of Task Force, she supports setting a rate tonight and a provision to establish a Task Force. Council has to do what's right for the city and get something done. She doesn't like the idea of layoffs and is prepared to do something for the city at this time and eliminate a layoff. If Council doesn't like it (rates), they can revisit it and change it. "We've waited fifteen years and cannot wait anymore."

Councilor Andrew said if Council sets a rate tonight, either rate, it would be three years before a profit is seen, without the use of retained earnings.

Frank Russo agreed.

Councilor Andrew questioned why there would be no layoffs if Council set a rate tonight, given the fact that there would be a deficit for two years. He asked how the City is going to be able to keep these people employed if we are in a deficit for the first two years if we are not making any money.

Mayor Manzi said the assumption is incorrect. What they are suggesting to the Council is that in year one the expenses of the system, including labor, will be 5.1 million dollars. The suggestion to Council is that they pass a rate that raises sufficient revenue to cover all the expenses. The rates suggested will do that, hence keep the people employed and keep the system fully funded. However, should Council chose to authorize less revenue through the rate process than what the system currently needs to sustain itself, then the system has to contract.

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Councilor Andrew said he understands the Mayor's point but looking at the numbers: year one (2008) there is a deficit, year two (2009) a deficit (not as great as 2008) and there would be a profit in the year 2010 (3rd year).

Mayor Manzi said the three year proposal reflects roughly 1.2 - 1.3 million in retained earnings to subsidize the rate because the initial proposal was a one year proposal that Council said they didn't like and much of what the administration heard was that the increase should be buffered by spreading it over multiple years rather than doing so in one year. The Mayor further explained that the city would use those retained earnings (a certain percentage of them) toward the revenue for the year so as to satisfy the expenses.

Councilor Andrew said he can see what the Mayor's done but he doesn't understand why the retained earnings can't be used to solve our problem for the first year.

Mayor Manzi said they are not using all of them in the first year.

Councilor Andrew suggested using some retained earnings to solve our problem for 60 days and set the rate in 60 days.

Mayor Manzi said it doesn't work that way. At the end of the year ((using retained earnings or not) the city needs to have sufficient revenue to cover our expenses. Under Councilor Andrew's proposal it would not. If the Council waits 60 days, they would not raise 5.1 million dollars.

Councilor Lahey clarified that the motion on the floor is to establish a Task Force.

Chairman Zanni stated that the motion and second is to establish a Task Force to report back to Council in 60 days (made up of nine citizens) and make a recommendation.

Councilor Corey Rahme said she is in favor of a Task Force but would not vote for it without Council establishing some kind of rate tonight. She will not vote for a Task Force as a way of stalling the vote on the rates. If it doesn't include setting a rate, she will not support it.

Chairman Zanni clarified that the motion right now is to establish a Task Force without setting a rate. He stated that his belief is that Council should set a rate this evening in order to continue to fund this enterprise and have the Task Force afterwards as was stated by Councilor Corey Rahme.

UPON ROLL CALL VOTE (to establish a Task Force) 5 no, 4 yes (Clr. Willette, Clr. Andrew, Clr. Cronin, Clr. Giordano)

TR-07-57 Resolution Establishing Fiscal Year 2008 Water Charges as Proposed by the Department of Public Works (amended)

TR-07-58 Resolution Establishing Fiscal year 2008 Sewer User Charges as Proposed by the Department of Public Works (amended)

MOTION BY: Councilor Leone, seconded by Councilor Lahey to adopt the above flat rates.

Councilor Leone said many people came to the podium tonight and used the word subsidizes. The lower end of the scale shouldn't be subsidizing the upper users. But they're asking the upper rate users – the higher volume users – to subsidize them. There should be no subsidy for anybody. Everyone should pay an amount that's equal to what

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it costs us to produce the product. We can't risk setting our commercial and irrigation rate too high because then we chase the commercial user away. Where would we be if all of the high users, i.e., Merrimack Golf Course, Columbo Yogurt, etc. all decide to bypass our system or move out of town and get water someplace a lot cheaper, perhaps someplace where they could put in their own wells. He said he never had a problem with a tiered rate previously but he has a problem with this tiered rate because its been skewed to benefit just a few people. Referencing discussions on percentages, a person whose water bill is currently \$10 and will go up to \$20 is suffering a 100% increase in their bill. A resident who's bill is now \$400 – there are many – that gets a 25% increase and is paying a \$100 more. There's no comparison between somebody that gets a \$10 bill and somebody that gets a \$100 bill other than the amount. One cannot compare percentages. If the administration's desire is to set rates that reduce consumption comes to pass, there will be layoffs because they'll lose a shift at the water plant. If Council sets rates that are so high now that there's a rebellion out there amongst the taxpayers and we're forced to make reductions in the water and sewer budget next year, we'll still lose people. Whether its now, next year, or three years from now because all of the plans that revolve around this system involve people getting laid off either because of reduced consumption or because we cut the budget next year. A flat rate with a surcharge for irrigation and commercial gives the city the money it needs to operate. Last June Council accepted the water and sewer enterprise fund and now have to provide the money to operate the system under that budget. Previous Councils did not shirk their responsibility to set a rate. They were never asked nor had an opportunity to adjust the rates, as it was not offered to them. In the meantime 13 million dollars from our reserves is being depleted. But, the department can't spend any more money than was approved by Council in June. If they raise 10 million dollars they can't spend it without a supplementary budget. Next May and June, Council looks at the budget and if they find the rates are too high, he'd be the first one to suggest reducing them. He's been an advocate for a flat rate all along. Even at the flat rate proposed by the administration, most ratepayers will not be paying an amount equal to the cost of producing the product. It costs the city \$2.65 to deliver 100 cu. ft. and the ratepayer will pay \$2.25. He would be perfectly willing to insert a caveat that Council revisits the rate next spring before they approve the budget. He would be willing to go as far as to have a permanent Water and Sewer Rate Commission to advise the Council so they don't have this problem again.

Chairman Zanni said he agreed with some of the excellent points made by Councilor Leone. The question is which rate Councilors favor. His feeling is that if Council sets a rate tonight, they can establish a committee to review it and Council could set a new rate. Council also would be able to determine whether it should be a tiered rate or a flat rate. He asked Councilor Leone if the flat rate is for one year or three.

Councilor Leone said he doesn't have a problem with the administration's proposal for three years but there has to be some opportunity for Council to revisit the rates as soon as they get their budget next year. The same questions Council asked about the tax rate have to be asked about the water rate and he agrees with Councilor Cronin and Councilor Giordano that there is a need for some type of oversight. Council cannot just go with this blindly every October. It's just not going to work. Council needs to have some commitment from the administration that they can put a Task Force in place and discuss whether or not it can be permanent and if we are going to do three years. If

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the administration makes a commitment to Council tonight that they can revisit it, then he'll leave it at three years.

Chairman Zanni repeated the question if it is a flat rate for three years.

Councilor Leone said it is for three years. He is looking for input from the administration as to whether or not they'll put something on the table for Council at budget time so they can look at it.

Mayor Manzi said every year we look at a budget and though there is some complaining relative to rate setting and timing of rate setting, your budgetary amounts are generally known as we go into the budget cycle so that its very easy to ask the auditor or the engineer whether anticipated revenues at the close of the year would be surplus, deficit, nor neutral. In any case, as everyone knows, we are basing our revenues on a forecast. If the forecast is off either way, certainly they'll revisit it. He's been doing this a couple of years and if the City Council doesn't like a second year rate based on the numbers they've seen in the first year, Council can simply withhold support for the budget until they force the administration to come back. The administration would be willing to come back, look at the rates, revenues and the expenses to see where we are and to see how that would impact the rates in years two and three and beyond.

Councilor Giordano asked the Mayor if he would support a Task Force.

Mayor Manzi said if the rate is set tonight, he has no problems with a Task Force. We had a Task Force of the City Council. The administration is willing to co-operate but they are asking Council to set a rate tonight, in whatever form the City Council would like to take.

Chairman Zanni asked the Mayor if a rate were set this evening would he approve of a Task Force.

Mayor Manzi responded, yes.

Councilor Corey Rahme said she is very frightened about the flat rate because she doesn't think that it's as equitable as it seems. The tier rate is the way to go for one year until Council gets the numbers again for the budget. At that point, she would embrace a Task Force. She is speaking for at least twenty people who called her that want the tiered rate.

UPON VOTE: (flat rate for three years as outlined and submitted) 8 no, 1 yes (Clr. Leone)

MOTION BY: Councilor Lahey, seconded by Councilor Quinn to adopt the tier rate for one year for both Water and Sewer as proposed.

Councilor Leone said the tier rate is inequitable. There are rate categories here where people who are now paying a \$1.89 are going to pay \$1.50. There are three rate categories, three groups of users, who are not going to have any increase at all. They'll have a reduction. If not for the \$10 service charge, they'd get a break. The lower rates do not represent our true cost of production and the upper rates are punitive. If the administration wants to make some adjustment in the highest and lowest rates, then he'd be on board with it.

Chairman Zanni said, looking at the tier rate, Councilor Leone would go along with it if the top rate was brought down a little bit and the bottom number increased.

Councilor Corey Rahme asked if Councilor Leone had a plan.

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Councilor Leone said we've got a group of users at the 1500 cu. ft. level. The top 500 cu. ft. of that 1500 are presently paying \$1.57.

Frank Russo agreed.

Councilor Leone said under the proposal they (1500 cu. ft users) are now going to be paying a \$1.50; 2,000 cu. ft, they're paying a \$1.57 now. It's going to go down to \$1.50. Going up to the 3,000 cu. ft. user, he's paying a \$1.89 now and it's going to go down to \$1.50.

Mr. Russo noted plus the \$10 fee.

Councilor Leone said everybody's paying the \$10 fee, not just them. The \$1.50 rate is ridiculously low and the \$4.00 rate is ridiculously high. He is okay with the \$3.00 in the middle.

Mr. Russo said there are approximately 74% users in that 3,000 cu. ft. average. Referencing the chart, at the very end, now it's a \$1.51. As it works out, even though your numbers are 1.10, 1.36, and 1.57, for the 3,000 cu. ft. Under the proposal that would go from \$1.51 to a \$1.83. There are some users that use less than 1,000 cu. ft.

Councilor Leone said looking at the first 500 cu. ft. user, the annual increase is \$48, that's including the \$10 fee (Mr. Russo agreed) the 1,000 cu. ft. user increase is \$50, the \$1500 cu. ft user \$49, the 2,000 cu. ft. user \$48, the 2500 cu. ft. user \$46 and the 3,000 cu. ft. user \$38. Going up the scale of users, the cost increase is going down. It doesn't work.

Mr. Russo said there are some people in the audience who use 1,000 cu. ft. per quarter. Right now their bill is \$11.42. Under the tier proposal it would go to \$14.00. Under the flat fee, it would go to \$21.00. Its 23%.

Councilor Leone said the \$14 doesn't include the \$10 service fee.

Mr. Russo stated that is because that person is elderly.

Councilor Leone noted that Mr. Russo couldn't pick one example and use that to sell it.

Mr. Russo said it would then go to \$24, the percentage at 46%.

Councilor Leone said Council needs to set a rate. If no one's interested in a flat rate, he is willing to compromise on a tiered rate but not this tiered rate. He would do it if they want to raise the bottom rate to \$1.75 and decrease the top rate down to \$3.50.

Mr. Russo said it is impossible for him to tell Council what the numbers are tonight. They've gone through scenarios

Councilor Leone noted that Mr. Russo couldn't forecast consumption either.

Mr. Russo agreed, noting this whole analysis is based upon last year's consumption. That's all he has is last year.

Councilor Leone said if the rate is adjusted twenty-five cents on this and fifty cents on that end, and revenues come up short or over, Council would have to address that next spring when you do the budget.

Mayor Manzi said, with all due respect, they've given scenario after scenario after scenario and he'd like to get a rate set tonight. To him, the underpinnings of Councilor Leone's argument don't add up and he is not going to ask the engineer to change those numbers because the supposition that if we come up short or we miscalculate based on coming up with a number on the fly, we'll fix it later. He further stated we've been at this for some number of months. He understands Councilor Leone's point of view,

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accepts it, but they are not going to be able to tweak those numbers tonight at the eleventh hour.

Chairman Zanni - point of information - if Council looks at the percentages of people in our community, 72% of the 3,000 users affects most of the people.

Mr. Russo agreed.

Chairman Zanni said 72% is going to be fair and equitable across the board.

Mr. Russo agreed.

Chairman Zanni said then there are smaller percentages going up depending upon irrigation or whatever. Looking at on an 100% of users, we're looking at almost 85 to 90% of people – it's going to be fair and equitable across the board.

Mr. Russo said that is correct on the first two rates.

Chairman Zanni said if Council forms the task force immediately, as a couple of Councilors have said, then revisit that in the spring, it could be adjusted at that point.

Councilor Lahey said he is in favor of the tiered rate and the Task Force of impartial people. He would like to see it on a continuing basis, and let them revisit some of the things that they're concerned with, be it indirect costs, be it the commercial use, whatever its going to be. He also favors this being done for one year until Council can see how the figures add up. Council depends on staff for their information and he will take them at their word. And a year from now or based on what the Task Force should happen to say, then those figures will be revisited.

Chairman Zanni said he respects all his colleagues and they have to vote what they feel is right.

Councilor Lahey agreed.

Councilor Willette said he can't see how it can be equitable when we are penalizing large families, penalizing people who have sprinkler systems, irrigation systems, people who wash their cars, wash their boats. If Council implements a tiered system and then low and behold consumption goes down because of conservation measures. Our rates will go up higher. The high-end people who have the irrigation systems, the sprinkler systems, have large families, the boats the cars, whatever you want to use the water for. Once they get that first billing statement, they're going to engage in conservation measures as any person would. They're going to realize that they have to cut back on water consumption. Consumptions will go down and the city has to boost the rates again. He doesn't understand why we are penalizing people for using water when we are trying to expand our capacity anyway. It doesn't make sense. He stated it has to be a one-year proposal and he can't support a three-year proposal. Between a tiered rate and a flat rate, to him a tiered rate penalizes the people for using water the most. He asked "Why did we expand the system if all of a sudden we're going to have draconian conservation measures?" The average consumption rate for the City of Methuen, its about 4.5 million gallons on average. We have surplus capacity. We sell water to Salem, New Hampshire on an emergency basis but not on a consistent basis and sell a miniscule amount of water to Dracut. The city has all these commercial businesses on line: the Loop, Malden Mills is back, the Industrial park, Chapter 40B projects, residential growth, the schools, all this consumption and still have the surplus and yet we're going to expand the capacity. He's been asking questions all along regarding that and people really can't

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answer his questions on it. If the city has a tiered system, be prepared for serious reductions in people's water usage and we'll be back at square one.

Councilor Andrew said the tiered system is inequitable for two reasons. (1) A large family is not going to conserve. They've got kids that take showers, baths, whatever it has to be, and are not going to conserve. They can't conserve and are going to be penalized. If someone has a sprinkler system on his or her lawn, they probably have a five or six or seven hundred thousand-dollar house and really don't care and are going to sprinkle the lawn anyway. He said he doesn't think a whole lot of people will conserve in that situation. Some will conserve, but he doesn't think it'll be a mass shut off of the sprinkler system. Penalizing and charging larger families more for their water is not the way to go and he will vote no on the tier system way.

Chairman Zanni said the more consumption of water; the better it's going to be for the system.

Councilor Andrew said he understands that.

Councilor Leone said the worst thing that can happen to us is to set rates that cause people to reduce their consumption because the city has a plant that's going to produce fifteen million gallons a day and we only use five. We better find a customer for those ten million gallons a day extra surplus pretty soon.

Chairman Zanni said if Council sets the rate, we have all the winter months to form this Task Force, etc. and can revisit this as soon as Councilors want.

Councilor Leone clarified that he voted for the budget voted for the water and sewer budget and will recognize his responsibility to provide the funding. He doesn't like the system we're using and has no intention of allowing this to go another year before Council revisits it again. It's got to be done at budget time next year. He'll be looking at the amount of indirect costs put onto the system, looking at the surplus or deficit, looking at it very closely from now until that time. He recognizes his responsibility to provide the funding that they've already committed to spend.

Councilor Willette said his estimation is that it has to be a one-year plan.

Chairman Zanni indicated that's what it is.

Councilor Willette said there has to be a Task Force formed, within 60 days report back. There has to be a permanent structure of having a board of Water and Sewer Commissioners who will report back directly to the City Councilors. Council needs to have legislation filed on that because they've been operating in a vacuum for all these years. Councilors were not given information properly by the prior administration.

Chairman Zanni commended the Mayor and thanked him for bringing these issues forward.

Chairman Zanni stated there was a motion made and seconded for the tier rate for one year with forming a committee to establish water and sewer rates, that can be formed immediately or the next meeting as Councilor Willette said and coming back whether it be a surplus or not within the year and determining if this is the best way to go.

UPON ROLL CALL VOTE: 5 yes, 4 no (Willette, Andrew, Cronin, Giordano)

Chairman Zanni stated for the record that Council needed six votes to pass the rates and only had five votes.

Councilor Leone asked if someone would reconsider his original motion on the flat rate.

Councilor Willette said he would not reconsider for three years.

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Councilor Leone said he would change it.

Councilor Willette said if Councilor Leone wanted a flat rate for one year, with the Task Force to report back to Council, with the permanent language for the Board of Water and Sewer Commissioners, he would second that motion.

Chairman Zanni said someone from the prevailing side has to make the motion.

MOTION BY: Councilor Willette, seconded by Councilor Quinn to reconsider and adopt a one-year flat rate with a Task Force committee, report back to Council, within 60 days and there will be legislation filed and have a permanent board of Water and Sewer Commissioners.

Councilor Quinn said she has to do the job she was elected to do and has to say yes. (She would prefer an adjusted tier rate)

Chairman Zanni said the motion has been made and seconded for a Flat rate for one year, based on this, with a Task Force being formed, within 60 days report back to Council and with permanent legislation to be filed to have a permanent board of water and sewer commissioners.

Mayor Manzi asked for clarification.

Councilor Leone said the motion to reconsider is first, and then Council can debate.

Chairman Zanni stated there is a motion and a second to reconsider.

Mayor Manzi asked for clarification on the motion as to whether or not Council during discussion of a flat rate, was discussing a completely flat, or flat with the commercial irrigation rate, as proposed.

Councilor Leone responded, as proposed.

Councilor Willette said he'd make that as a motion.

Chairman Zanni first Council has to vote on the motion made and seconded to reconsider.

UPON ROLL CALL VOTE: 6 yes, 3 no (Clr Andrew, Cronin, Giordano,)

MOTION BY: Councilor Leone, seconded by Councilor Quinn to adopt a flat rate for one year with a Task Force being formed to report back to this Council within 60 days

Councilor Cronin asked that the motion be repeated.

Chairman Zanni stated that the motion is to pass a water and sewer flat rate for one year and within 60 days have a Task Force formed with findings, (Clr. Willette added one year proposal flat rate with a permanent structure of a board of water and sewer commissioners)

Councilor Cronin asked what happens in sixty days, nothing, other than to form a committee within sixty days.

Chairman Zanni added and they submit a recommendation.

Councilor Cronin said and not to report back for another year.

Councilor Willette said after 60 days we're going to have the same conclusion anyways or will Council vote on this after 60 days.

Councilor Cronin said the motion made would adopt the rate for one year.

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Councilor Willette said Council has to do something on an immediate basis. He's not happy with the tiered system that's why he voted against. He supports the flat rate system; but Council has to have a structure in place right. This is part of the compromise process and he's not entirely happy with the proposal either. We have three different groups. One group wanted a tiered system. Another group wanted one vs. three years and another group wanted flat rate. Three distinct groups and Council needs six votes. He's trying to come with a proposal, in the mean time, for one year and have that permanent structure of a board of water and sewer commissioners and also have a Task Force that reports directly to the City Council.

Chairman Zanni added that it would be made up of citizens.

Councilor Willette agreed, noting that all he is trying to do is compromise.

Councilor Andrew asked if the Council is going to set the rate for one year.

Chairman Zanni responded yes.

Councilor Andrew said it is a flat rate for one year, as proposed, and to have a Task Force. Councilor Andrew asked "At what point is the Task Force going to be named? How are we going to name the Task Force?" Council is going to have to form legislation, which means they're not going to start it until October 2nd for the first meeting. At that point, if the Task Force comes back with recommendations, will Council amend the rate or live it with it for a year and amend it at the end of the year?

Councilor Cronin said it would be for a year.

Councilor Andrew said it is for one year, why is the Council forming the Task Force for 60 days?

Councilor Willette stated "as a compromise".

Councilor Andrew noted there is no compromise there.

Councilor Leone said Council has to recognize the responsibility that they have to fund the budget they've already approved. If Council does this for one year they have to look at it in May when they're approving the budget, not next September.

Councilor Andrew said the only way this would work is to amend the water and sewer rate to be for sixty days and the Task Force recommendation at that time be allowed to change that rate.

Councilor Leone said he didn't think the Task Force can do this in 60 days.

Councilor Andrew questioned why Council would form the committee, if it can't be done.

Councilor Leone said Council needs them to give advice for the next budget.

Councilor Andrew stated that compromise doesn't work.

Councilor Cronin - Point of Information - one of the problems he has is that during the budget process and discussions about the water treatment plant, he specifically asked the question if building that plant was going to affect our rates and he was told "No" and now we're here. He specifically asked that question.

Chairman Zanni said Council realizes that and he understands. There is a compromise and hopefully Council can come to a consensus and move forward. "A motion has been made and seconded."

Councilor Willette reiterated that he is not happy with his proposal. Some Councilors wanted the tiered rate vs. a flat rate; some wanted a one-year proposal vs. a three year proposal and some people wanted a Task Force immediately, report back to the Council in 60 days. Again, three distinct groups and six votes required.

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Councilor Lahey referred to Councilor Andrew's statement as to why it has to wait if the Task Force does come up with alternatives in 60 days. He asked why Council could not adjust it at that point

Chairman Zanni said Council could adjust it, whether it is 60 days or 90 days, Council could revisit it.

Councilor Lahey he was just told it is set until next year.

Chairman Zanni said there's a compromise to get the rate set for the year and in fact in 60 days or however long, Council can revisit.

Councilor Lahey said he is just trying to understand about the Task Force and the impact they could have for this water rate.

Chairman Zanni said and it could be changed at that time, that's correct.

Councilor Quinn said revisit the issue in 60 days.

Councilor Leone said 60 days isn't enough time. They've been working on it for 120 days.

Councilor Andrew suggested an amendment to the motion that the water rate be set through the second quarter or 2008 which would be ending in December. At that time if you chose to have the tiered rate tonight, you'll have the tiered rate for the end of the second quarter, at that time it would be revisited by the Council and Task Force to set a rate comfortable for the people.

Councilor Lahey clarified that Council is discussing the flat rate not tiered.

Councilor Leone said, with all due respect, Council can't do this every three months.

Councilor Andrew said Council shouldn't have to do this every three months. At that point, Council sets the rate for the balance of the year and then addresses it at the next budget.

Chairman Zanni asked if there is second to the motion.

Councilor Lahey seconded, noting that Councilor Andrew wants to get a water rate set and the opportunity to revisit it. "What's the harm?" If they come back in three months and don't come back with some kind of upgraded solution, then you just continue it.

Chairman Zanni said right now we have a motion on the floor for a flat fee for the year.

Councilor Andrew said he's talking about the flat rate. The step rate has been defeated.

Chairman Zanni said the step rate has been defeated now Council is back to the flat rate, which is as a compromise.

Chairman Zanni declared a brief recess.

Chairman Zanni called the meeting back to order.

Councilor Willette stated he is withdrawing his motion.

Councilor Quinn said she didn't understand what Councilor Willette is doing.

Councilor Willette reiterated that he is withdrawing his motion.

Councilor Quinn asked, "to set a flat rate?"

Councilor Leone asked what the Council is voting on.

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The Clerk read, “To adopt a flat for (one year) as proposed with a Task Force established”

Councilor Willette stated he motion was a compromise.

Councilor Quinn said she agreed with that. (A flat rate, one year, Task Force, revisit it.)

Chairman Zanni before Council votes on that there’s an amendment on the floor.

Councilor Leone asked Councilor Willette if his intent of the Task Force is to give Council a report within a certain period of time as to the appropriateness of the rates set tonight or for the next cycle.

Councilor Willette said if Council could compromise what Councilor Andrew is saying and come back. He doesn’t know when the next billing cycle is and doesn’t know if it is possible or if that a report could come back enabling Council to vote on that recommendation before the next billing statement.

Councilor Leone suggested December.

Chairman Zanni said he thought it was January.

Mr. Russo said the next bill comes out in November, the second week in November.

Chairman Zanni that’s not going to give you 60 days

Councilor Leone said we need to go to the next quarter

Mr. Russo said the bill after that will be in February

Chairman Zanni said Council could revisit at that point.

Councilor Leone said the Task Force’s purpose is going to be to advise Council as to whether or not the rates they’re setting now are appropriate.

Councilor Willette “if people want a compromise”.

Councilor Leone asked Councilor Andrew if his intent is that the Task Force advise Council as to appropriateness of the rates they set now.

Councilor Andrew said he doesn’t want to see either one of them and wants to see this handled like Councilor Cronin did, with the Task Force. He asked if Council voted on that motion first.

Chairman Zanni stated it was voted down 5 to 4 vote.

Councilor Corey Rahme said it was because the motion stood by itself

Councilor Andrew said his motion; his amendment is that Council has the Task Force. The Task Force will make recommendations within 60 days and those recommendations would be adhered to, hopefully, at the next billing cycle. He’s not going to go along with Councilor Willette because he’s not going to allow the rate for a full year.

Chairman Zanni asked if he approved of the flat rate at this.

Councilor Andrew said that is the only rate before Council.

Councilor Giordano asked “for one year?”

Councilor Andrew said no, until the recommendation of the second quarter

Chairman Zanni said the next billing cycle would be in February.

Councilor Quinn said as long as Council passes something

Councilor Lahey noted it has to be proven documentation that they have (the Task Force). It can’t be just an idea off the top of their head.

Councilor Andrew asked how the Task Force would be set up.

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Chairman Zanni said right now Council has time to think, vote on it tonight and have time between now and next meeting, next Monday, to come up with an idea of how to set it up.

The Clerk read “That a Task Force be made up to make a recommendation within 60 days, these recommendations will be adhered to at the next billing cycle in February, Council is adopting the flat rate as proposed by the Mayor (and that a Task Force be made up within 60days.)”

Councilor Cronin said that’s a motion, not an amendment. It’s a substitute motion

Chairman Zanni said Councilor Andrew made an amendment to the main motion.

Councilor Cronin cautioned Councilors regarding the vote on the amendment, and then a vote on the main motion because it’s going to adopt the main motion, which is for a year. That’s going to have to be a substitute motion, to stand on its on.

Chairman Zanni said Councilor Willette could withdraw the main motion

Councilor Willette said he would withdraw if Councilor Cronin is acceptable to Councilor Andrew’s proposal.

Councilor Cronin said “except for the fact that Council has to determine how the task force is going to be set up”.

Councilor Andrew said that could be done by Monday.

Cronin asked if the Task Force is going to be a legislative Task Force or a Mayoral Task Force.

Chairman Zanni said the wish of this Council is it should come from the Legislative Body.

Councilor Cronin said he just wanted it understood that Council knows where they are going.

Councilor Andrew asked if Councilor Cronin wanted him to add to the motion that the Council shall appoint the Task Force.

Chairman Zanni indicated that could be done, that it would be nine citizens, one appointed by each Councilor

Councilor Cronin asked why someone doesn’t’ make a motion to reconsider his earlier motion.

Councilor Lahey said because that motion didn’t set a rate.

Chairman Zanni said because there is a motion here to pass a flat rate.

Councilor Cronin asked if Council is going to set the rate until the end of December.

Chairman Zanni said through February. The bills come out in February. He asked Mr. Russo if that is correct.

Mr. Russo said the third quarter comes out in February.

Chairman Zanni said Council would have the Task Force all ready with their recommendations at that time, appointed by this Council.

Councilor Willette officially withdrew his main motion - second withdrew as well

The Clerk read Councilor Andrew’s proposed motion (seconded by Clr. Lahey)

“To adopt a flat rate as proposed by the Mayor. There will be a Task Force made up for recommendations. These recommendations will be adhered at the next billing cycle in February (clarified as the 3rd quarter) and the Legislative Body will make up a Task Force of nine citizens, one citizen appointed by each Councilor.”

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Councilor Willette offered a friendly amendment that the Council legislatively files legislation to create a permanent Board of Water and Sewer Commissioners (we can discuss that later). Seconded by Councilor Leone.

UPON VOTE: UNANIMOUS.

Councilor Leone said under Councilor Andrew's motion Council is adopting the flat rate proposed by the administration, going to put a Task Force in place that's going to review that rate.

Chairman Zanni agreed.

Councilor Leone said the rate goes on if the Task Force takes no action or cannot reach a conclusion within the time period.

Councilor Andrew said it would have to.

Chairman Zanni whatever they come back with, and then Council will look at it.

Councilor Cronin said Council has to make sure that when the Task Force asks for information that they have access to the information and the staff. The Mayor is going to have to advise his staff to make time to sit with this Task Force. Everyone has to make a concerted effort.

Councilor Andrew said the water rate Council is setting will sunset if the Task Force makes recommendations and it can be agreed to in February.

Chairman Zanni agreed noting that the Council will make that decision.

MOTION BY: Councilor Quinn, seconded by Councilor Lahey to adopt the water and sewer rates as amended. UPON VOTE: UNANIMOUS.

TR-07-81 Resolution Supporting Certain Employees and Officials of the City of Methuen (Req. of Clr. Leone)

Chairman Zanni passed the gavel to Vice Chair Corey Rahme. Mr. Kelly and Chairman Zanni left the room.

MOTION BY: Councilor Leone, seconded by Councilor Andrew to adopt for first read.

Vice Chair Corey Rahme stated for the record, time and time again, the City Council finds itself being forced to discuss an issue that is not in our realm, regardless of our own individual opinions, tonight Council must stand together as a unified body in order to show solidarity and to protect the citizens of Methuen.

UPON VOTE: UNANIMOUS.

ADJOURN

MOTION BY: Councilor Giordano, seconded by Councilor Lahey to adjourn.

UPON VOTE: UNANIMOUS.

The meeting adjourned at 10:30 p.m.

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COUNCIL CLERK