

**MINUTES OF THE SPECIAL MEETING
OF THE LAWRENCE CITY COUNCIL**

DATE: Thursday, September 14, 2006

A **SPECIAL MEETING** of the City Council was held on **Thursday, September 14, 2006** at 7:15 p.m. in the City Council Chamber. All Council Members were present except Councilor DiMarca, Councilor Gonzalez, and Councilor Parolisi. [NB: Councilor Gonzalez arrived at 7:35 p.m. and Councilor DiMarca arrived at 8:30 p.m.].

Approximately twelve [12] persons were present at the commencement of the meeting with Council President Blanchette presiding.

A Moment of Silence was held.

The Pledge of Allegiance was recited.

Council President Blanchette called the Special Meeting of the City Council to order and proceeded with the agenda for the evening.

I. TABLED MATTERS:

Doc. 163/06 FY 2007 Budget – Budget and Finance Comm. & hearing to be ordered – Ref. back to Mayor Sullivan – removed from table – approved

Councilor Alvarez-Rodriguez presented a motion to remove the item from the “table” which was seconded by Councilor Kolofoles and unanimously approved by the Council Members present [6-0].

At the request of Council President Blanchette, Chief of Staff Myles Burke presented an overview of the FY 2007 Budget to the Council Members present and resubmitted the matter for their consideration.

Upon the conclusion of Mr. Burke’s presentation, Council President Blanchette invited comment from members of the public.

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Upon being recognized, John Lydon of 9 Monroe Street, Lawrence, MA stated that he wished that Mayor Sullivan and the Members of the City Council would compromise on matters of disagreement to pass a budget for FY 2007.

Upon no comment offered by any other member of the public, Council President Blanchette closed the public comment portion of the proceedings and invited comment and discussion from the Council Members present.

Upon being recognized, Councilor Silva apologized for an inaccurate comment concerning the Lawrence Police Department stated at a prior meeting. Councilor Silva continued by discussing comparable rates with other Cities and Towns and noted that the City of Lawrence is very different than other Cities in the Commonwealth. Councilor Silva suggested that the City Council create an oversight committee to report monthly to address the financial issues that may arise to properly manage the City's financial affairs.

[Councilor Gonzalez arrived at 7:35 p.m.]

Upon inquiry, Mayor Sullivan stated that he believes that the City of Lawrence should be more efficient in collecting past due taxes and obligations as well as administration of services. Councilor Silva stated that the failure to pass the FY 2007 Budget is shared by the City Council and the Administration. She also discussed the comparative utility rates charged by the City of Lawrence with other Cities and Towns.

Upon being recognized, Councilor Alvarez-Rodriguez asked Mayor Sullivan if he intended to continue to follow the Somerville budget program or if there were other methods under consideration. Mayor Sullivan pointed out the positive aspects of the Somerville program and that other methods could be used if they were as productive. Councilor

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Alvarez-Rodriguez read a letter from the Budget Campaign Committee into the record [copy filed with the City Clerk]. In response, Mayor Sullivan discussed the implementation of City Services and the practical use of services on a cost/pay basis. Councilor Alvarez-Rodriguez discussed the report of the “Municipal Finance Tax Force” with proposals and recommendations regarding how municipalities could raise revenues while reducing taxpayer obligations. Mayor Sullivan stated that there has been significant progress in new growth recently experienced by the City of Lawrence. He commented that growth in Lawrence is in the old mill complexes being converted to condominiums and apartments. He informed the Council Members present that loss revenues resulting from the lack of appropriate increases in the water rates though past administrations were being corrected and that health insurance costs were being addressed. Councilor Alvarez-Rodriguez stated that the City of Lawrence needs to address its weaknesses while celebrating its successes and that there is little time for debate on the FY 2007 Budget which needs to be passed.

Upon being recognized, Councilor Kolofoles discussed the budget process from 1992 through 1996 and stated that the financial condition of the City of Lawrence has deteriorated since 1999 after the oversight review board was disbanded. He asked Budget and Finance Director John Griffin questions about the ongoing contract negotiations with the Fire Chief and both discussed the expiration of the Fire and Police Chief contracts in June of 2006. Councilor Kolofoles expressed his concerns for future budget hearings and negotiations that may result in delay in passing the FY 2007 Budget. Councilor Kolofoles asked Mayor Sullivan if the Administration submitted the Annual Review for review and approval by the City Council.

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As a point of information, Council President Blanchette informed the Council Members present that the City Council is provided a copy of the report but that approval by the City Council is not required.

In response to questions posed by Councilor Kolofoles, Mayor Sullivan stated that the Administration welcomes any and all suggestions concerning methods of collecting revenue due to the City of Lawrence. Mayor Sullivan also explained his reasons for supporting the TIF program stating that it has provided a benefit to the City of Lawrence. He stated that he is unaware if any TIF applications are presently before the Planning Department.

[Councilor DiMarca arrived at 8:30 p.m.]

In response to questions posed by Councilor Kolofoles, Budget and Finance Director Griffin stated that the estimated commercial/industrial increases were less than residential increases based upon analysis of valuation. He stated further that he was unsure of the Department of Revenue would approve the proposed compromise budget. Councilor Kolofoles outlined several scenarios that may result of the Department of Revenue rejects the proposed budget compromise. In response, Mayor Sullivan indicated that the budgetary problems of the past year were worse than prior years.

Upon being recognized, Councilor Frechette stated that a memo from the Department of Revenue dated August 3, 2006 indicates that the City of Lawrence would be permitted to use the school reserve fund as a revenue source. A discussion among the Council Members present ensued about the practicality of obtaining access and use of the school reserve fund.

Councilor Kolofoles concluded his inquiry and stated that spending waste and unjustified wage increases must be eliminated from the proposed budget and into the future.

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Upon being recognized, Councilor Gosselin asked Director Griffin how it was determined who got raises and how the amount of each raise was calculated. Director Griffin explained the method of determining and implementing union and non-union raises. Councilor Gosselin stated that a moratorium on all raises should be imposed in light of an expected 1.6 million dollar budget deficit. She asked Director Griffin if consultants hired by the City of Lawrence had termination dates built into their contracts. Director Griffin stated that each contract rests on its terms and may depend upon the service being provided. He stated that on-going service contracts are typically annual agreements and time limits are set by their term while specific project consulting contracts may extend over the life the project with time limits that may be set within the agreement.

In conclusion, Councilor Gosselin stated that she would like to propose an ordinance that requires funding for positions that remain unfilled for six months be returned to the general fund of the City. A discussion ensued between Councilor Gosselin and Director Griffin that such an ordinance would have and how it would impact personnel operations throughout the City.

Upon being recognized, Councilor Frechette stated that he was upset with the way the method which the budget was prepared and upset about the manner in which it was presented to the City Council. He discussed his concerns about proposed cuts to Police and Fire services and personnel and the use of the school reserve fund in accord with the Department of Revenue memorandum. In response to questions posed by Councilor Frechette, Director Griffin informed the Council Members that the levy limit is 41 million dollars and he explained the manner of calculating this amount. Director Griffin stated that a tax increase is

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inevitable under the current circumstances and that revenues are expected to be raised only through property taxes. He stated further that the projected increase include real property, personal property, and new growth totaling approximately 39 million dollars resulting in 3 million dollars being derived from taxes.

A discussion between Councilor Frechette and Director Griffin about the method of calculating the levy limit amount and individual budget line items ensued. Councilor Frechette concluded by reiterating that he is very upset about the manner in which the budget was configured and indicated that there were many items appearing in the budget that should be analyzed and reviewed.

Upon being recognized, Councilor Alvarez-Rodriguez asked Director Griffin why the Teacher Retirement funding appear on the City budget rather than in the School Department Budget. Director Griffin explained the reasons for attributing this item to the overall City Budget as opposed to the School Department Budget. He stated further that he was aware of the 20 year repayment requirement based upon notice from the Department of Revenue but that this requirement was not contained in any regulation known to him.

Upon being recognized, Councilor DiMarca stated that he was opposed to a tax increase which could not be sustained based upon the low income of Lawrencians. He stated that he believes the City of Lawrence does not operate in a “cost effective” manner and that cuts in spending were not properly considered or applied before conclusions were reached to impose a tax increase. Councilor DiMarca concluded that he would not vote in favor of the proposed budget compromise because it is based on a tax increase.

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Upon taking the floor, Council President Blanchette discussed the issues raised by Councilor Frechette and stated that the compromise is favorable because it foregoes “hitting the taxpayer” with the full levy limit. He stated that the budget compromise provides no room for future budgets which may have a greater financial impact on the taxpayers of Lawrence in subsequent years. He stated that the City of Lawrence cannot continue to address financial issues in a reactive manner and that a better financial plan has to be presented if the City is to survive financially in the future.

[10:00 p.m. – Upon the motion of Councilor Silva, seconded by Councilor Alvarez Rodriguez, the Council Members present voted unanimously to conduct proceedings past 10:00 p.m.]

Councilor Blanchette continued by discussing the various fees charged by the City of Lawrence and stated that it is belief that many of the fees currently charged are much lower than area Cities and Towns. He suggested that Mayor Sullivan may wish to conduct a survey of City Departments to obtain a comparative analysis of all fees charged throughout the City.

Upon being granted the floor, Councilor Kolofoles stated that he was concerned about the manner which the tax levy limit was calculated by the Office of Budget and Finance. In response to questioning by Councilor Kolofoles, Fire Chief Takvorian stated that his budget requested that the City Council approve funding for a Confidential Secretary and an Administrative Assistant. Chief Takvorian emphasized that these two positions allow him the ability to properly administer to the tasks that must be performed by the Fire Chief. He stated further that if these positions remain unfunded that certain “office related” tasks will suffer in trade for performing his public safety duties.

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A discussion ensued between Councilor Kolofoles and Budget Director Griffin concerning the method used to calculate proposed expenditures for the City of Lawrence.

Upon being recognized, Councilor Alvarez-Rodriguez asked Director Griffin how the tax incentive programs impact new growth calculations. Director Griffin explained how the TIF programs impact on new growth. In response to questions posed by Councilor Alvarez-Rodriguez, Director Griffin explained the impact the approval of the "Menino Bill" has had upon the financial condition of the City of Lawrence and stated that he believes that commercial values and income needs to be increased. Councilor Alvarez-Rodriguez concluded by stating that there appear to be inconsistencies resulting from financial decision being made.

Upon being recognized, Councilor Silva stated that she believes the figures provided to the Council Members need to be more detailed to allow for reasonable evaluation of expenditures. She stated concerns that budgetary expenditures that may not appear in the current budget cannot be evaluated properly and may be in violation of State law. Councilor Silva asked Assistant City Attorney D'Agostino if he could provide cite and discuss the applicable provisions of the City Charter regarding the budget approval process and if he could provide an opinion concerning a possible violation of the City Charter for failing to abide by the proper budget approval process. Attorney D'Agostino asked Councilor Silva to clarify her question by providing him with more information concerning the goal or intention of the requested opinion. Councilor Silva asked if it is permissible to implement cuts from specific expenditures and whether or not the implementation of proposed individual cuts could be achieved through the budget process. Attorney D'Agostino stated that it is his

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opinion that the City Council Members are not permitted to impose “line item cuts” or “veto” budget items as it may improperly encroach upon a function reserved to the Executive Office. Councilor Silva stated that she believes that the budget approval process before the City Council is a waste of time if the City Council Members are only permitted to approve or disapprove the entire budget.

Upon being recognized, Councilor Gonzalez commented that he believes the innocent people of Lawrence will be hurt by public safety cuts.

As a point of information, Councilor Alvarez-Rodriguez informed the Council Members present that increases that have occurred concerning increases in the public school expenditures.

Upon no further comment or discussion regarding the item, the Council Members present voted to approve the FY 2007 Budget as follows: YES = 6; NO = 2;

ABSENT = 1:

Councilor Gosselin – Yes
Councilor Gonzalez – No
Councilor Parolisi – ABSENT
Councilor DiMarca – No
Councilor Kolofoles – Yes
Councilor Alvarez-Rodriguez – Yes
Councilor Silva – Yes
Councilor Frechette – Yes
Councilor Blanchette – Yes

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II. ADJOURNMENT:

Upon Motion of Councilor Gosselin as seconded by Councilor Kolofoles, the Council Members present voted unanimously to Adjourn.

**ADJOURNED
(10:55 p.m.)**

Attest:

William J. Maloney
City Clerk