

MINUTES OF THE MEETING
OF THE LAWRENCE CITY COUNCIL

DATE: Saturday, December 16, 2006

A **SPECIAL MEETING** of the City Council was held on **Saturday, December 16, 2006** at 9:05 a.m. in the City Council Chamber with all Members present, except for Councilor Silva. [Councilor Alvarez-Rodriguez arrived at 9:25 a.m.] Council President Blanchette presided over the meeting.

Approximately Twenty Five [25] persons were present.

A Moment of Silence was held.

The Pledge of Allegiance was recited.

I. ACCEPTANCE OF MINUTES: - None

II. PUBLIC PARTICIPATION:

Council President Blanchette requested those who wished to provide public input and participation to present themselves and address the City Council. Upon the invitation of Council President Blanchette, the following individuals addressed the City Council:

Scott Clegg (no address provided) of Lawrence, MA stated that he was appalled two Councilors were absent from such an important meeting. He stated that any tax increase is exorbitant and the Council should not have approved the FY2007 Budget.

Joseph D'Amico 11 Lorenzo Road, Lawrence, MA stated that he reviewed the City Budget and believed that there were line item cuts that could be implemented. He stated that there are not enough line Police Officers or Firemen in the City of Lawrence and that both Departments have too many officers. He stated that for every four Police Officers there is one Supervisor. He cited the number of police vehicles allotted and other items are indicative of excessive spending.

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Lindy Galland, 196 West Street, Lawrence, MA stated that she does not want the City Councilors to become the grinch who stole Christmas by raising taxes. She commended the Councilors who voted against the proposed budget increase on December 12, 2006. Ms. Galland stated that taxes should not be increased by the City Council.

John Lydon, 9 Monroe Street, Lawrence, MA stated that all he wants for Christmas is a 30 day Budget.

Mary Beth LaFlamme, 49 Lenox St., Lawrence, MA stated that she is disappointed with all the City Council Members except Councilor Parolisi. She stated that the proposed tax increase is small and necessary to retain City services

[Councilor Alvarez-Rodriguez arrived to the meeting at 9:25 a.m.]

Fernando Landor 362 Essex St., Lawrence, MA stated that his family cannot afford a tax increase and spoke against raising taxes.

III. PUBLIC HEARINGS: - None

IV: COMMUNICATIONS FROM MAYOR, CITY OFFICIALS & CITY ATTORNEY:

Doc. 365/06: Mayor's Proposed Budget Cuts – Discussion – Council President Blanchette-Discussed

Council President Blanchette introduced the item and discussed the importance of the issue of taxes and explained that the proposed budget included a modest increase in taxes and that he was prepared to vote in favor of the increase. However, the Mayor submitted a \$1.4 million increase at 4:30 p.m. on December 12, 2006 just prior to the City Council Meeting scheduled for that that evening. He stated that the extra amount together with water rate

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increase recently approved by the City Council along with other proposed fees and expected increases are simply too much.

Council President Blanchette stated that he is appalled that the administration is not present today. He stated that the Mayor's tactic of laying-off City parking attendants is deplorable because it is a ploy using the lowest paid City employees as pawns. Council President Blanchette stated that the \$1.4 million increase in taxes is the issue and that it is his hope that the City Council Meeting being held today will serve to assure the public that all Members of the City Council are unified against this increase. [Council President Blanchette then read a memo from Mayor Sullivan dated December 15, 2006.]

Council President Blanchette stated that lay-offs and termination of employees have never once been mentioned in prior budget discussions between the Mayor and the City Council.

Upon being granted the floor, Councilor Frechette stated he wished to explain to the public how the City Council arrived upon the figures that are now being discussed.

[Councilor Frechette proceeded to the center of the Council Chamber and illustrated his comments on a easel and paper as he spoke].

He stated that the FY 2005-2006 property taxes were \$33.4 million and New Growth was calculated at approximately \$828,000.00 resulting in \$34.3 million in property taxes. In FY 2006-2007, the Administration presented a budget of \$36.2 million in property taxes and New Growth of about \$828,000.00 which equals \$37 million in revenue.

Councilor Frechette stated that the input from the Department of Revenue [hereinafter "DOR"] is a serious and important factor in preparing and approving any budget. He stated that the requirements of DOR must be considered by the Administration and the City Council

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during the process because any budget that may be presented and approved must meet the requirements established by DOR. He commented that anyone who prefers DOR taking over the finances of the City of Lawrence will find that the DOR will only raise taxes to the levy limit which is exactly what the City Council has been working hard to prevent. He stated that the public should understand that the only body protecting the public from the highest possible increase in taxes is the City Council.

Council Frechette stated the Council approved a tax plan that included \$36.2 million dollars in revenue plus the \$800,000 in New Growth in September 2006. Based on these figures, The Administration presented a budget of approximately \$39 million dollars and requested The City Council to approval a tax factor which, if passed, would allow the Administration to raise taxes to the levy limit [which is approximately \$42 million dollars]. This is the first year that The City Council did not approve the recapitulation amount requested due to the last minute proposed increase in taxes.

Councilor Frechette informed the public and the Council Members that since September 2006, the Administration realized a \$1.4 million dollar short fall in the amount of revenue necessary to fulfill the approved budgetary obligations. He stated that it appears that the Administration intends to borrow approximately \$1.6 million from the School Building Reserve funds which DOR did not approve even before the Administration prepared and presented its proposed spending plan to the City Council. In short, the Administration knew before submitting the budget to the City Council for approval that the tactic of borrowing funds from the School Building fund to supplement budgetary spending would not be met with approval by the Department of Revenue. [A discussion among City Council ensued

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regarding whether the proposed \$1.4 million dollars and the \$1.6 million dollars are cumulative amounts]. Councilor Frechette stated that later in the day on Tuesday [December 12, 2006] the Administration submitted a memo to the City Council requesting the approval of the tax factor and informed the Council Members that an additional \$1.4 million dollars was necessary which could not be borrowed from the debt reserve. [A discussion regarding the \$14. million dollar amount requested ensued among the Council Members]. Councilor Frechette stated that the additional amount brought the budget to \$42 million dollars from the original amount of \$33 million dollars. He stated that the City Council originally voted to disapprove the \$42 million dollar budget and reached a compromise with the Administration through negotiations. Councilor Frechette stated that he is offended by comments attributing “layoffs” and “firings” to the City Council Members because these options were never part of budget discussions. He concluded by stating he could probably agree with a proposed budget of about \$39 million dollars but he will not agree with the increase submitted.

Upon being granted the floor, Councilor DiMarca stated that the City Council Members are representatives of the people of Lawrence and are elected for that purpose. He stated that the people of Lawrence are being subjected to tax, fee, and cost increases that pose serious financial difficulties. He stated that the City of Lawrence needs to consolidate departments and positions in order to reduce duplication of effort. He suggested that a two percent reduction in School Department expenditures alone would result in a four million dollar savings. He stated that freezing new hires through attrition would result in significant savings to the City as well. A fifty percent reduction of the unmarked police vehicles used would save the City between \$90,000.00 and \$100,000.00. A review of the police

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department budget reveals that it is “top heavy” when compared to other Cities and Towns in the area. He stated that he doesn’t believe in the rhetorical opinion that a reduction in the police department will jeopardize the safety of the public. He stated that he did not support the original budget proposed by the Administration and does not support the additional taxes being requested and that unless specific cost reduction measures are taken he would not vote to approve the proposed tax factor.

Upon being granted the floor, Councilor Parolisi stated that he was absent from the September vote approving the FY2007 budget. He stated that the DOR has been demanding the City property tax reach the levy limit. Councilor Parolisi discussed the prior meetings of the City Council where the intention was to approve a tax factor of 1.83. Councilor Parolisi stated he voted to approve the tax factor at the prior meeting because the Mayor agreed to make up the \$1.4 million dollars.

Upon being recognized Councilor Frechette discussed how the Mayor’s first response to the Council’s disapproval of the tax factor was to threaten lay-offs.

Councilor Parolisi stated that it was his understanding that the approved budget would result in some “layoffs”.

Upon being recognized Councilor DiMarca clarified that he never discussed or recommended “layoffs” of personnel in the cost saving measures he proposed.

Continuing Councilor Parolisi discussed the current budget amounts sought by the proposed plan submitted by the Mayor. He stated that the only way to balance the budget is to either raise taxes or reduce spending. Councilor Parolisi explained that the approval of the budget by the City Council in September was a result of cutting about \$4 million dollars from

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the proposed FY 2007 budget. He stated that this amount was further compromised to \$3 million. He stated that he expects a tax increase to occur and anticipates that tax bills will be sent out late again this year. He concluded by stating that the main issue concerning the proposed 1.4 million dollars should be resolved and the tax factor should be approved when it is resolved.

Upon being recognized, Councilor Kolofoles discussed the Mayor's proposed increase presented on December 12, 2006 and stated he doesn't see any difference between the initial proposal and the proposal presented in the memo of December 15, 2006. [A discussion ensued between Councilor Kolofoles and Council President Blanchette concerning cuts and reductions being proposed by the Mayor].

Upon being granted the floor, Councilor Gosselin stated that she doesn't wish to speculate about the serious problems caused by unauthorized spending even though this manner of spending directly impacts the City budget. Councilor Gosselin proceeded to discuss several matters regarding costs and expenditures. She commented that she could not justify voting to approve any tax rate until someone takes responsibility for \$800,000.00 of unauthorized spending. She stated that she does not believe the payment of an additional \$550.00 per week to Director Griffin is for IT consulting services is questionable and must be reviewed and resolved before she can approve any proposed tax rate. Councilor Gosselin commented that she cannot approve a tax increase under these circumstances and that someone has to take responsibility for misappropriation and misuse of funds without authority. Councilor Gosselin stated that the Council Members have made diligent efforts to protect taxpayer funds. She stated that although the Mayor's intentions are honorable, she

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believes he is getting poor advice from individuals around him. She stated that she believes the Mayor needs to get rid of the people who are misadvising him. She cited instance of non-payment of out-standing debts due to individuals and firms providing services to the City and stated that the situation should not exist. In conclusion, Councilor Gosselin stated that she cannot vote to approve a \$3 million dollar increase in taxes.

At the request of Council President Blanchette, Board of Assessors Chairman Joseph Giuffrida stated that the reserve overlay account holds about \$1 million dollars. He explained how the overlay account is established and funded. He also explained how surplus from the reserve account may be accessed to reduce the tax obligation of the City as well as for the payment of approved abatements, court cases, and other tax related costs and expenses.

Upon being recognized, Councilor Parolisi asked Mr. Giuffrida if the \$1 million is in addition to the \$800,000.00 - Mr. Giuffrida answered "yes"

Council President Blanchette explained that use of the overlay account is not to be taken lightly. He stated that the use of these funds might be used to lower the City tax rate.

In conclusion, Council President Blanchette stated that it is not his intention to call an emergency meeting of the City Council. The next meeting of the City Council will take place on Tuesday, December 19, 2006 as usual.

Upon being granted the floor, Councilor Alvarez-Rodriguez discussed the efforts of the Housing Committee to address foreclosures and other serious housing matters facing the homeowners and residents of Lawrence. She stated that continued tax increases will adversely impact the ability of Lawrencians to maintain their homes.

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Councilor Alvarez-Rodriguez stated that she is disappointed that the Council Members have been unable to obtain sufficient financial advice and assistance in order to develop a feasible management plan. She stated that City Council must become more “active” than “reactive” and force the Administration to take measures to prevent future financial crisis. Councilor Alvarez-Rodriguez stated she believes the Council Members properly represented the tax payers through its vote to disapprove the tax factor on Tuesday, December 12th. In conclusion, Councilor Alvarez-Rodriguez stated that if we tax the homeowners out of their homes then there will be no investment strategy that will be able to help the people most affected because they will no longer be in our Community. For the reasons stated, Councilor Alvarez-Rodriguez stated that she could not vote to approve a tax increase.

Upon being granted the floor, Councilor Frechette stated that it is important to recognize that the reason the City Council Members are present today is a result of the newspaper article appearing in the Wednesday, December 13th edition of the Eagle Tribune where the Mayor criticized the City Council for its unfavorable vote and threatened to layoff employees as a result of that action. Councilor Frechette stated that such comments indicate that the Mayor was not sincere about his offer to work “with the Council” on this matter.

Upon being granted the floor, Councilor DiMarca stated that it is his intention to contact the Mayor and take him up on his offer to accept suggestions about how to resolve the financial problems presented.

Upon being recognized, Councilor Parolisi stated that the City Council needs to meet with the Mayor. He stated that he cannot support the proposed increase sought by the Mayor

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as presented and that he believes the Administration must offer more reasonable and legitimate suggestions for consideration.

Councilor Alvarez-Rodriguez stated that it is important to discuss these issues in order to keep the public informed as to the reasons for the actions taken by the Council Members.

Council President Blanchette commented that the purpose of the present meeting is informational and that it does not appear that any other action can or will be taken because the Mayor is not present to submit any additional proposal to the Council Members that may require their attention. He reiterated that the none of the budget proposals with the City Council ever considered or requested personnel lay-offs, work stoppages, or other such drastic measures. Council President Blanchette concluded by stating that he is unaware of any work stoppage and that leafleting activities taking place this past Thursday on Prospect Hill seemed to bear that out.

Mr. Giuffrida again explained how funds are deposited and withdrawn from the reserve overlay account.

V. APPROPRIATIONS-ORDERS-RESOLUTION: - None

VI. COMMITTEE REPORTS: None

VII. WITHDRAWALS: - None

VIII. OLD BUSINESS: - None

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IX. TABLED MATTERS: - None

The following items remained “tabled” without further action:

60/06	Zoning Board of Appeals, Planning Board, Lawrence Redevelopment Authority & Conservation Commission – hearing held
215/06	Good Citizenship Award – Mayor
128/06	Acting Jobs Positions and Consultants – on more than 90 days
257/06	Resolution – Dr. Claire Paradiso

X. NEW BUSINESS: - None

XI. ADJOURNMENT:

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

ADJOURNED
(10:44a.m.)

Attest:

William J. Maloney
City Clerk