

Municipal Council Meeting Minutes  
Town Hall Auditorium  
January 13, 2004 7:00PM

Meeting was called to order at 7:05PM

Pledge of Allegiance – Christopher Lawrence

Members Present: Roger Benson, James D. Chandler, Ann Connolly King, Esther F. Headley, Anne C. Larnard, Christopher G. Lawrence, Mario J. Pinierio, Robert D. Woodsom and Joseph W. McMilleon

Councilor Benson moves to accept minutes of December 9, 2003 and January 5, 2004. Councilor Woodsom seconded

### **PUBLIC COMMENT**

Mayor Hildt – Thank you Mr. President, members of the Council, we are here as Council President McMilleon requested last December 9<sup>th</sup> to respond to questions regarding taxes and property values. We are happy to do that. The Council members have received a packet of information that we prepared. I would like to call upon our CFO, Michael Basque to over that with you and answer any questions that you might have.

Michael Basque - What I tried to do is prepare a number of different items here to respond to some questions you have provided us. First, we put together the average single family tax bill for the entire Essex County. There are 34 communities and we listed the FY03 just so we can see where we stand. We don't have full data from FY04 yet. These come out of the Department of Revenue. The next page is the same listing for FY02. We have noted that out of the 34 communities some have different tax rates for different classifications. The next page is titled FY04 budgets submitted versus approved. Under the submitted column, that was the budget that we originally submitted to the council on May 1<sup>st</sup>. The approved column is the budget that was adopted with amendments made right until December 9<sup>th</sup>. The approved budget is the budget which the tax rate was set on. The submitted is what was originally submitted. We provided not only the budget but the different revenue areas for the council. Then I took the approved budget and tried to compare it with the FY03 budget so you could see the differences between the FY03 and FY04 budgets. Then I supplied the tax levy, the total taxes for the town going from 2001 right through to fiscal 2004. Then, this is confusing maybe but, this is the tax levy by class. This is some of the discussion we had about different classes of property, residential increasing greater than commercial and industrial. The first upper left hand section you can see that it is FY04 and the different classifications. Then for FY 04 the class levy for those classes and then you can see the increase or decrease for those classifications. You can see what happened this year is the residential values increased at a greater rate than the industrial and personal properties. In fact, the tax levy for your industrial properties went down \$81,000 this year. I gave you that for FY04,03,02 and 01 so you can have a four year comparison for what has been going on. The final page is a summary of these classes so you can see from FY01 the total residential values was 81.4% and you can see how over the years that has increased. FY04 it is up to 84.6% obviously if you carry that through your commercial, industrial and personal properties you will see that those classes have gone down. I think those were the areas you were looking at, to see what the budget was versus what was presented. What it looked like versus the year before and then where those increases occurred and what is going on with those different classes of property. Any questions?

Councilor King – Part of the issues in the community and I know it is an issue in district 3, is that residents are concerned that the assessment process is not performed in a fair and equitable manner. I was wondering what the possibility would be to bring in an independent assessor to review and handle a percentage of the abatements that come into the town. I am concerned of the perception in the community that it is not done in a fair manner. I am hoping there is something we can do as a town to dispel that or if there is a concern to bring to light.

Mike Basque – First, I don't think there is a legal avenue to do that by. The assessment laws and regulations are set by Massachusetts General Laws. They have been the same for years and years. We have a 3 person Board of Assessors. What the past practice has been is that one of the members of the board has also been the full time assessor. I know that there are times when people would say this is the person who is coming up with the value of my house and he is one of the three voting members; which was true, it was always the case in Amesbury. What the Mayor has done with the retirement of the Chief Assessor is there will be a three member board, however; the full time assessor will not be a member of that board. That is something that is pretty common in most communities so that you will have a full time staff person who is actually doing the appraising then if someone is not happy with that they will file for an abatement and go to the board of assessors and the individual would present their justifications for the values and the staff person present their justification for the values. Then the three member board would make a decision. As far as bringing in someone from the outside, I don't think there is any provision to do that nor would I recommend that. I think the process in place, and obviously has been tested many times not only in Amesbury but in every community, when residents are unhappy with their valuation they have a right to file an abatement within a specific time period. It is reviewed locally and if that resident is not happy with that decision they have the right to appeal to the States Appellate Board. That is where your independent voice comes in. Some other communities don't have a board of assessors. Newburyport has one person assessor. He goes out does the appraisals, makes that decision, that decision is final and if the residents aren't happy they appeal to the State level. There are different ways to do it. Your values are certified by the Dept. of Revenue every year. All of our values have to be certified; new growth has to be certified.

Councilor King – I just want to make sure you know what I meant. I know other towns bring in private companies to do the assessments.

Mike Basque – To do the revaluation, which is something that we do here also.

Councilor King - Right. Would it be problematic to bring in someone the look at some of the abatements?

Mike Basque – I have never heard of that.

Councilor Pinierio – On the commercial, industrial and personal, going back to FY01, 02 and 03 there was an increase on the year FY04, industrial and personal decreased in valuation. How does the assessor come up with a decrease?

Mike Basque – What we are looking at so you are clear. That is the actual taxes for those classifications, so it was an actual decrease in tax dollar not a decrease in value. What I am showing you there is actual dollars amounts of the taxes. The \$81,000 decrease that you are looking at means if you add all the tax bills up for all the commercial property in town, the total of their bills collectively, decreased by 81,000 dollars. The reason that you are hearing about that, is in most communities

they are in a situation that residential properties are increasing in value greater than commercial properties. This is happening through out the commonwealth. If we were to classify, which we don't do and when I say classify I mean we could, and the council votes on this once a year we call it a classification hearing, the council votes whether all of these groups will be taxed one tax rate or whether commercial and industrial will be taxed at a higher rate than residential. If you vote to do that it is called classifying. There is a limit on how much you can shift. What has happened in some of the larger cities is that they have reached that match. This year because the residential values have increased so fast they have filed legislation to allow that to increase, to make it a larger classification. It is a thing that has just happened to all cities and towns.

Councilor Pinierio – I understand that but, in Fy03 you had a \$24,000 increase and in one year you had a \$81,000 decrease which gives you a \$105,000 less that you are collecting. Why such a big drop. Does the industrial and personal property value go down that much.

Mike Basque – Like I said the value hasn't gone down but the increase in value is not as great as residential.

Councilor Pinierio – I understand that but, why wouldn't it be the same as FY03. \$105,000 is a lot of money that we are not collecting. I also heard that they went up 1% and residential went up 12-15%. That is why everyone is outraged. My property has gone up \$130,000 in valuation in three years.

President McMilleon – To follow up on that, if you went from FY03 with a tax rate of \$17.20 and went down to \$15.80 this year and the value of commercial didn't go up you are not going to collect as much.

Councilor Chandler – I understand that the industrial climate has been tough and maybe we don't see appreciation but, I don't think that is the case with commercial. If we look at commercial assessments they have gone up maybe 1.5%. I can't help but think that businesses along Rt110 have appreciated in value just as much as our houses have. I think we would find that out if they ever wanted to take one by eminent domain. I don't understand why they haven't kept paced. Certainly the properties downtown are worth a lot more money right now. I can see the industrial but I don't understand the commercial.

Mike Basque – You would have to look at each one individually.

Councilor Benson – I think what happened is that industrial hasn't increase in value as quickly as residential so next time we do the classification we may want to look at a split rate. Their share of the tax burden is going down and assessments are market driven so we really don't have any control over them. The only real solution to this problem is to classify they rate.

Mike Basque – What we have almost seen when you look at these from FY01, 02 and 03 is almost a reverse classification.

Councilor Benson – The burden is going down for commercial and industrial.

Mike Basque – Projecting out I don't think you are going to see values increasing as much as they did over the last 2 years either.

Councilor Larnard – I know in Boston they always have a split rate and they are going to go up to a higher percentage. How many communities the size of Amesbury have a split rate.

Mike Basque – When you look at what we listed on Essex County in FY03, if you look at all the lowest rates they are all classified. They have large commercial and industrial bases; you would expect that they would be classified to the max. The problem is and I think what the assessors have always said in the past is that our commercial and industrial base is not that large so in order to shift it and to feel a real impact on a residential bill, the commercial and industrial pair is going to see a tremendous increase to offset that. When you figure 84% of the levy is residential, for everyone to see a \$50 reduction every business would see a \$10,000 increase. I'm just throwing numbers around because I don't know what it would be exactly but, that is the type of problem you run into. That is what the assessors do during that classification hearing to give you examples if we went to that.

Mayor Hildt – It's not advisable to go to a classified tax rate when you are trying to grow business. As Mike pointed out our commercial and industrial base is around 14-16%. I want to go a little further on this to point out that last year the state reduced our aid by \$1.8 million dollars and we continued to cut our expenses. Our costs continued to increase in areas like health so we are caught in this bind and I believe that a good part of this has do with our state government's continuing tendency to shift the burden of paying for our essential services on local communities. It is done in an unfair and regressive way, it does put the burden on property owners. This is a problem that every single municipality in the commonwealth and beyond. That is something that has to enter into the mix.

Councilor Lawrence – I would like to get back to where we started, Councilor King suggested bringing in an independent assessor. A lot of people here tonight have questions on how there properties are assessed. You mentioned that it is something that we wouldn't want to do. Why?

Mike Basque – Are we looking at it to say the values are incorrect and haven't been assessed properly? Is that what we are looking to say? Those are the numbers.

Councilor Pinierio – How does the assessor figure the increase on the valuation on everybody's property in town? Is it based on the selling price?

Mike Basque – The law says the assessors have to value at 100% of market value. The market dictates it, so it is up to them to interpret it which is a difficult job. They are making those interpretations based on sales and depreciation schedules, based on a whole number of things.

President McMilleon – I would like to go back to Councilor Lawrence's question; do you want to specifically respond to that?

Mike Basque – I don't know that there is a legal avenue to do that. You're saying to bring in an assessor who would make decisions on abatements, is that what you are saying?

Councilor Lawrence – No, just take a look at how we assess property the past couple years. There have been questions, this is not the first year it has been brought up.

President McMilleon – You are asking for an audit?

Councilor Lawrence – Yes

President McMilleon – We don't know the answer to that question tonight but, it is certainly something that we can look at and see if it can be done and see if it would make sense to do it. We could then introduce a petition to get that done, if that is something the council wanted to do. I want to make sure

we don't get off the focus of what the intent was of my request to have the Mayor here and Mike. It is basically to try to get some clarification about why taxes went up. I know there is going to be a lot of questions from everyone around on the issue of assessment. I will try to let everyone speak. None of us here are experts on the formula and the process that is required to assess property. It is complicated and involved, it is market driven. There is an appeal process, if you feel that you have been unfairly assessed in terms of the value of your property. I understand there is going to be a information secession tomorrow night with Henry Fournier.

Councilor Larnard – If the assessed values in town went up an average 17% – 18% did the tax rate then come down that equal percent? It seems that everybody's tax bills increased by a large amount.

Mike Basque – I think the residential went up an average 16%.

Councilor Larnard – So did the tax rate come down so that their bill would be the same?

Mike Basque – The tax rate went from \$17.20 to \$15.76.

Councilor Larnard – It seems that everybody's tax bill went way up.

Mike Basque – I don't think it was everybody. We obviously hear more from the ones that do than the ones that don't. Especially it seems homes that were at or below the average, I think you saw large increases there, it seems to be.

President McMilleon – I would like to respond to that because Mike and I had a conversation about this. If you look at 2003 we had to raise \$23,744, 731 in property taxes that is really like a plug figure. If we look at expenditures and revenues that we are getting from the state and everywhere else and we come down and we have to balance our budgets so we say in order to meet these expenditures we have this revenue from the state and other sources, what do we have to raise through property taxes in order to balance the budget. I said in 2003 we had to raise \$23.7 million. In 2004 we had to raise \$25.3 million that was an increase of 6.5%; it was an increase in dollars of 1.5 million dollars. The average tax bill in 2003 was \$4,102, the average tax bill in 2004 is \$4,416, that is an increase of \$314 or a 7.6% increase. If you look at the increase and what we had to raise in 2003 to 2004, 6.5% and then look at the average tax bill that went up 7.6% we are off a little bit about 1% in terms of what the average tax payer is paying. If you look at the fact that we've had a reduction in industrial and personal property taxes and less money from the state that can explain the 1% difference. We lost income from the state in the last budget and that is what happens. The state is making decisions; they are cutting at the local level. The local level has no where to go except for property taxes. That is our primary source of revenue as everyone knows. They're mandating programs and they are cutting us and we have to make up the difference. The only other way to do it is cut expenses. If you're expenses are 80% salaries, then you have to start cutting people and programs. I basically put this request in to compare 2003 to 2004 and see where the money is going and how it gets delineated.

Councilor Benson – I'm just remembering back to when we were doing the budget and the council was making its cuts and getting raked over the coals for doing so. I seem to remember the results of our cuts was supposed to be a slight increase. That is what I was told by your office. Obviously we misgauged our estimated revenue, which seems to be the problem here. How did that happen?

Mike Basque – If you look at the page that compares the FY04 budget submitted verses voted and you look at the first column submitted, that was the document that was submitted to the council. If you look at revenues you can see we submitted at \$25,051,408 then the end result come in at an

increase which was \$249,157. Under general government you can see the results of the cuts that the council made under the difference column. Then in December we cut another \$383,800, the insurance and Whittier reductions. So the budget that was originally submitted to the council, what was actually voted in the end was a reduction of (\$944,402.00). The reason we had to get it down to that was because we looked at the tax levy, our other revenues – they are up \$250,000 than what we originally projected. The Cherry Sheet from what we originally submitted and said it was the Governors numbers and we knew we were going to have differences and we didn't get those until July the state aid came in at 1.6 million less than we had projected which was already \$200,000 less than the year before. We absorbed a 1.6 million dollar reduction there. Our local revenues such as motor vehicle and what we called estimated receipts we had an increase of 220,000 dollars which we didn't project. We then came back and did another 200,000 dollars in free cash which brought us down to \$944,402.

Councilor Benson – But how could we have been so far off. When we voted the budget we had to put faith in the numbers that we got from your office.

Mike Basque – Yes, and they were good numbers. We weren't off, we told you. The one place we were off and we knew we were off, because we didn't have numbers, was in state aid. We all said we will go with the Governor's numbers right now and we will come back and make the adjustment. The only number we missed was the tax levy by \$249,000. When you voted the budget you knew that the levy was going to go up at least 1.3 million at that time, it ended up 1.5 million.

Councilor Benson – I can remember when Mike and Steve came in they talked about the difference between the Governor's numbers and the legislators numbers and one of the differences was that there were other areas that were going to have to be expenses that the revenue would be lower from the state by we had expenses to offset them.

Mike Basque – That was the Whittier vote that we said we would make that reduction which we did.

Councilor Benson – I am just having a hard time understanding how they did not offset each other.

Mike Basque – Because the state reduction in local aid was much greater than we had projected, than anybody had projected.

President McMilleon – We had to have this budget submitted, and we really didn't know the State numbers until after the fiscal year had started. So could we have cut further and then if we got more state aid than we had anticipated, then we could have restored some programs.

Mike Basque – You can always do that. You could have cut more and then have the Mayor resubmit for additional appropriations. But, the other point I want to make is the budget that was finally adopted is \$900,000 less than what was originally submitted.

Councilor Benson – I remember getting memos and being told several times that we should be bracing ourselves for a possible cut as high as 10%. Did we brace ourselves for that?

Mike Basque – Yes, I think we did. The proof is in the numbers. What we presented to you from beginning to end, like I said the difference between what we originally showed you in projected levy and what actually came out is \$250,000. None of us knew how that increase would hit different classifications such as residential. If you go back to that original budget document that we submitted

to you, and it showed the projected levy it shows \$25, 051,408. I don't think the amount of the levy increase was a surprise, I think how it affected the tax bills was the biggest surprise.

Councilor Benson – I am still having a difficult time grasping how we braced ourselves for a 10% cut yet still increased the budget by a million dollars. I just don't understand what is happening. I see the numbers here but I am remembering back and I think we knew about this and I just think we should have made deeper cuts. I feel like we are sort of passing the buck here and blaming the State when really, I think we should be looking in the mirror and talking about how we didn't go far enough.

Councilor Pinierio – When you guys submitted the budget to the Council last year how much did you project that you were going to get cut by the State.

Mike Basque – What you see as submitted that is what we submitted. If you remember the Governor came out with a financial aid package and said this is what it is going to be. We went with those numbers then they went back and made large reductions afterwards.

Councilor Pinierio – So the bottom line here is \$1,857,524 that we are in the hole just from state aid. So basically it is the State that really hurt the cities and towns.

Mike Basque – Absolutely, it is our largest revenue source outside of taxes. But that being said, unfortunately the result is the taxes go up. We haven't solved that problem. I am not blaming them, I'm just saying that's a fact, we got 2 million dollars less than we usually get.

Councilor Pinierio – So, if we had gotten the almost 2 million dollars then everybody's tax bill would have gone down.

Mike Basque – If we got level funded everybody's bill would have stayed the same. Now I am not making an excuse for that but, that is just a reality. If the budget was voted the way it was and state aid was level funded then there would have been no tax increase. But that is not a good reason why everybody's bills are up.

President McMilleon – But, Councilor Benson's point, if we anticipated we were going to have less from the state; doesn't matter the amount, had we cut our budget by that amount we wouldn't have had the tax increase. We could have cut more.

Councilor Chandler – I have heard through the grapevine that we have done a horrible job on collecting the personal property tax on boats. There are many boats in Amesbury that are not property of Amesbury owners and that could be a source of revenue. I know I always fill out my personal property tax and send in my assessment for my boat. Henry has said we can't take the expense of chasing down that money. I don't know why we can't have some sort of sticker that when you pay your personal property tax you put a sticker on your boat and if it is not there you get a hefty fine.

Mike Basque – The boat tax is a definite problem everywhere. Just so you know boat tax is not in the personal property tax it is in the estimated receipts. I think we collect something like \$20,000 a year. The way the law is set up it is pretty hard to enforce because it has to do where they house the boat, there is a lot of issued. You are right it is an area that we need to work on.

Councilor Benson – What was the difference between state aid last year and this year.

Mike Basque – The difference was 1.8 million. The Cherry Sheet in 2003 was \$13,580,000 then we actually got a revision with a reduction of \$200,000 in the middle of the fiscal year so that knocked it down to \$13,325,000. This year is \$11,722,000 so the reduction from \$13,326,000 which was the revised number comes out to 1.6 million the reduction from the original was \$1.8 million. We all knew this was going to happen, none of us knew what it was going to be. We talked week after week on it. They come out with a preliminary cherry sheet traditionally and that is what the Governor did. If you remember that is when the House and Senate got together and wrote a letter and said throw that thing away don't even listen to it but, we don't know what we are going to do. We said; what are we going to do. We said lets keep the Governor's numbers, knowing that we are going to have to come back and cut and we will see where we will cut after that, and we did. I think we are all on the same page and I don't think there was a surprise there.

President McMilleon – I am coming up with a 13.5 reduction, is that too high. Did we plan on just a 10% reduction?

Mike Basque – We went with the Governors actual numbers.

President McMilleon – Didn't we anticipate that it was going to impact Amesbury by about 10%?

Mike Basque – A couple hundred grand, 2 or 3 hundred thousand as I remember.

Councilor Benson – I remember our Rep telling us to brace for a 10% cut and I don't think we did.

President McMilleon – I know we have a number of people that want to make comments so let's move to that. Greg Noyes

Greg Noyes, 8 Clarks Road – Concerned more about the future, FY04 is pretty much in the books. Want to know what percent of the School and Municipal budget is personnel and how many people took early retirement. Thinks the town should be very circumspect in filling those positions in case layoffs are ahead. In the general budget from FY03 to Fy04 there was a decrease of \$672,000 and wants to know if it was debt exclusion.

Mike Basque – Actually it went down \$672,000 and the school department went up \$740,000, if you remember we transferred \$750,000 of employee benefits that use to be carried in general government for teachers health insurance, to the school budget. We transferred \$750,000 out into the school. So, considering that it was level funded.

Greg Noyes – Want to know if there are any surprise in the upcoming year.

Mike Basque – I don't think we are going to see local aid reduced. We lost 1.6 to 1.8 million. We need to control growth. If we control our growth the bottom numbers won't be as drastic as last year because we had to cover that reduction. You are going to see another \$300,000 come off of the debt exclusion.

Greg Noyes – To maintain same staffing at school and general government you are looking at \$1.5 million to stay the same. Good luck

John McCarthy , 7 Pennycook Way – Hand out attached. In terms of fairness concerned about grading and depreciation.

David McClure, 24 Paige Farm Road – The assessing is not fair. Tax bill has tripled in last five years. Abatements have been denied. The town spending habits need to be controlled. Most people can't afford to go to the new establishment downtown.

Tyler Hooper, 13 Spindletree Road – Has lived in Amesbury for 2 ½ year and has been very frustrated wondering where all the money goes noticing all the new houses and revenue. Tax levy went up 20% in three years and if you take 2 1/2% compounded over 3 years is 10%. Why can't we cut some of the spending? What are the debt exclusions and what is left?

Mike Basque – The debt exclusions that we have for FY04 is \$337,000 left on the Farm, Middle school \$293,000 and High School \$35,000. The farm will disappear this year but, as we all know over the next several years the High School is going to hit and that all depends on their schedule. After this year we will have the Middle School and High School.

Mark Deschenes, 1 Highland Street – First, I come looking forward not backwards. Reading from Daily News nearly 29% of families in town live on less than \$30,000 per year. About 18% earn between \$30,000 and \$45,000. Those populations are known as the low and moderate income families and make up nearly 3,000 of the towns \$6,200 households, that's about 47%. At some point we need this council and the Finance committee to start analyzing the impact of taking on projects. We need to look at demographics and the impact of the spending on people with low incomes. My second request would be the Council entertains the idea of inviting non council members to be on the finance committee. It is very confusing having the same members on the council and the finance committee. If we had non council members it would help define it and maybe they wouldn't feel quite so much pressure from a constituent and maybe they would be more daring and ask for more information. Also drawing from the general population you can get a different perspective on the spending. There is only one way to lower the tax bill and that is to decrease the spending. It doesn't matter what the value of your house is you still have to raise they levy. We need some analysis on what this type of tax bill does to a community where 47% of the 6,200 household earn less that \$50,000 that is striking. Our average tax bill is 10% of that 47.

Kevin Murphy, 131 Pleasant Valley Road – Talks about dual tax rate. Mr. Basque and the Mayor said it would hurt the town when we are trying to grow industry. As we are trying to grow industry we are driving out a lot families that have lived in Amesbury their whole lives. The dual tax rate is not to gouge the businesses so the homeowner's tax will go down it is so there is an equal balance. Mr. Murphy refers to a chart that he prepared to demonstrate. As far as abatements go it can take years to go through the process but in order to be able to go through the process you have to pay your tax bill on time.

Mike Greaney , 50 Orchard Street – Tells the audience that the responsibility falls on them to attend these meetings and ask the questions about spending. Believes there is an inequity in the tax system in town and wants to know where the money is being spent. With so many grants being awarded to Amesbury to fix up properties wants to know when we will start recouping some taxes.

Councilor Benson – I wasn't going to read this but, I have changed my mind. I am very frustrated because I felt like we did our job last year with the budget and we were given quite a hard time about it and met with quite a lot of resistance and people lost elections over it. Now we are left with our hands in the air saying how did that happen? Councilor Benson reads attached letter.

Mayor Hildt – First of all Councilor Benson I take exception to your remarks about being political in my assessment of what the council was doing. As was said earlier tonight, my job is to propose a budget

based on the best possible efforts we make to trim costs, to look at every single line item and to confer with every department head exhaustively to come up with a budget that provides essential services that the town needs and requires. I have always expressed a willingness to work with the council. I have invited you on several occasions to sit down and air our differences and have not heard from you. I am certainly willing to meet with you at any time as I am with any councilor here. I want to say as I said a week ago; we are going to get through this process together. I don't think we did a very good job of it last year. I take some of the blame for that but, I am very hopeful that this council will come forward as I propose so that we can cut this rhetoric and we can talk about what is real and where we are going to go. I think this is the only way to do this. You choose to make your statements in the press and before TV cameras lets talk about this in public forum, let's talk about it where ever I don't care but I will not take sole blame for this. It shouldn't be a question of blame at this point. It should be a question of determining what the essential services are and what we are willing to do to preserve them. That is something that everyone one of us has the responsibility to do. It is something that all of the citizens should feel an obligation to contribute as many of you do. That is the democratic process. I think a lot of us have learned a lot in the last year or two. May we continue to learn more but, let's do this together and let's not develop camps and go at it that way. I don't think that the public wants us to do this. Thank you.

President McMilleon – If there are no more comments for the public comment period and move on to Licenses and Permits. I do want to take this moment to thank the Mayor and Mike Basque for coming tonight and providing us with all the information.

#### **2004-1 Pole Hearing – Mass electric/Verizon New England – Old County Road**

President McMilleon – reads 2004-1 into the record. There are no representatives present from Mass Electric. Russell Guilmett an abutter asks to speak.

Russell Guilmette, 21 Old County Road – The pole that they want to put in is right in front of my house, my house sits down from the road. If they put the pole on the corner and if someone hits the pole it will land right on my house. I am not saying I don't want to reroute the power I just want to position the pole so that if anything happens it won't hit my house.

President McMilleon – if there are no more comments I will close the public hearing.

Councilor Headley – I want to know where on Old County Road he lives. There is nobody here tonight and I don't think they should be allowed to do anything until they have been before us. I want to make sure that happens. They seem to be doing things when they feel like it and calling meetings when they feel like it.

Councilor Benson – I move we continue this to our February 10th meeting.

Councilor Woodsom – seconded

Voted – Unanimous

#### **2004-2 Automatic Amusement License – Tanya's Pizza (New)**

President McMilleon – reads 2004-2 into the record. He asks for a representative from Tanya's Pizza, seeing that there is no one asks for a motion.

Councilor Benson – I move that we continue this to our February 10<sup>th</sup> meeting.

Councilor Pinierio – seconded

Voted – Unanimous

### **2004-3 Dine, Dance & Entertainment License – Scandia Restaurant**

President McMilleon – reads 2004-3 into the record and asks for a representative from Scandia.

Mary Breidenback – We want an entertainment license in the event that we might want to have a Jazz on a Sunday afternoon or we might just want to have someone come in and play.

Councilor Headley – Is this a regular thing or just for special occasions?

Mary Breidenback – Special occasions, we're not sure; certainly not every day of the week. We are not sure. One or two days a week if they like it or if we have a wedding. We would just like to have it in case we need it.

Councilor Woodsom – Motion that we accept 2004-3 as submitted.

Councilor Lawrence – second

Voted – Unanimous

### **NEW BUSINESS**

#### **2004-4 An Order to request the Municipal Council accept a \$1,200.00 grant from the Mass Emergency Management Agency – Mayor Hildt sponsor**

President McMilleon – reads 2004-4 into the record

Councilor Benson – I move that we schedule a Finance Committee meeting for Wednesday, January 28 and put 2004-4 for a public hearing.

Councilor Pinierio – second

Voted – unanimous

### **MAYORAL CORRESPONDENCE AND APPOINTMENTS**

#### **2004-5 Appointment of Mindy Moore – member of the Cultural Council for a term to expire June 30, 2006**

President McMilleon – reads 2004-5 into the record

Mindy Moore – We moved to Amesbury about a year ago and we wanted to get involved in the community. I have a life long involvement in the Arts; I also have 20 plus years in event planning and marketing experience. I had an opportunity to help plan the Studio Tour and through that got an opportunity to join the Cultural Council. I think Amesbury has a wonderful face for the Arts and I think

it is something that we can use to bring more people into the community and more tourism. I also recently accepted a Directorship as a volunteer for the Children's Museum for the Arts. Through that I think that my involvement with the Cultural Council would be very important.

Council Pinierio – motion to approve

Councilor Benson – second

Voted – Unanimous

**2004-6 Appointment of John Maneikis – member of the Parks & Recreation Commission for a term to expire June 30, 2005**

President McMilleon – reads 2004-6 into the record.

John Maneikis , 4 Whitehall Road – I moved into town last May and basically want to get involved with the town. This is a great town with a lot of resources. The reason for the Parks and Recreation, I grew up in sports and I realize the value of sports and athletics in youth growing up. I use Woodsom Farm and Battis Farm once a day and just want to improve the community however possible.

Councilor Benson – I move for approval

Councilor Pinierio – seconded

Voted – Unanimous

**2004-7 Appointment of Mary Schuberth – member of the Parks & Recreation commission for an unexpired term to expire on June 30, 2005**

President McMilleon – reads 2004-7 into the record and asks Mary Schuberth speak.

Mary Schuberth – I have been a resident of Amesbury for 9 years. I have been involved with the Lake Gardner Improvement Association for several years and a member of the trails committee in the town since it was formed last year. Through the urging of Cathy Crowley, that I decided to become involved and put an application for the Parks & Recreation.

Councilor Chandler – I move we accept the appointment

Councilor Pinierio – seconded.

Voted – Unanimous

Councilor Pinierio – I would like to thank you people who have come forward to donate your services to the town. I'm sure you will get a lot out of it. I have done a lot of volunteer work myself and it was something that you learn and gain and can't get from any place else. Good Luck and thank you for serving the town of Amesbury.

**Urban Self-help Grant – Mr. Orlando Pacheco**

Orlando Pacheco – The town continues the Upper Millyard Project, one of the things we are looking to do is refurbish and replace some green space and beautify the area. One of the things we are doing is applying for a grant of close to \$500,000 from the Urban-self Help Grant which is part of the Executive Office of Environmental Affairs. We are writing letters of support to the Secretary of Commonwealth Development to try to release some of that funding. We are asking the Municipal Council to write a letter of support as well. I have Joe Fahey here to give you a more over view of the project and what we expect it to look like when it is complete.

Joseph Fahey – What we are attempting to do is improvements for the Upper Millyard. Specifically, what you have heard of in the past and what was included in the approvals in the past is the recreation and reconstruction of what we call the upper park and the linkage of that into the upper mill yard where the Carriage Museum is to be and this public space is to be created. We had earmarked approx. \$300,000 from our Community Development Block grant fund to assist in that work. At the same time there is the Urban-self Help Grant which does require a match but, it allows us to use the CDBG funds as that match. The USHP is the program which originally built the amphitheatre in the upper park some many years ago. So we were able to approach them and recognize that we could use that \$300,000 as a match and expand the focus of the project which allows us now to look at redoing the walkway all along the other side of the river, dealing with the drainage. There is a lot of erosion of the river bank, drainage problems on the walk way. We also want to go and improve the area coming up from the arch way. This would propose the use of a brick walkway up into that area. Reconfigure the upper park and actually expand the upper park up further around the dam and towards mill #1 and potentially have an overview area in there. We also have had some problems with the lighting in that area and we would be utilizing the grant to re-due the lighting in that area. Many years ago when it was installed we were going to put Christmas lighting in the trees but the panel no longer can support that. We want to re-due that whole electrical system in that area. So at this point we are hoping to get the council's approval and support and send it to the Administration. The representatives of the USHP came down and were very excited about what is happening and what has been done. Certainly they are supportive of the combination of the Millyard project that funded initially. That is the request that we are making initially.

President McMilleon – Net cost to the city, if you are using CDBG as a match there is no cost and this is just to submit the application.

Joseph Fahey – The application has been submitted and we are looking for as much assistance as we can to get the state to release the funds. The state is being very tight on certain grant programs.

Councilor Lawrence – Does this include any of the Fish properties that we gave an easement to.

Joseph Fahey – No, these would be the properties that Fish gave us back to create the park. I would also mention that in this particular area around his property the easement required that a sprinkler system be installed and they are responsible for that part of the park.

Councilor Headley – I want to make it known now that anything that comes in with a brick sidewalk I am all against it. It is very dangerous. I had a brother that had a brace and had to stop going to Newburyport because he fell twice and the towns do not pay no matter if the person is hurt or not because you take your own responsibility when you walk on town brick sidewalks. Every time a brick sidewalk is built it is in conflict with the people that are disabled. A wheel chair does not go over brick without problems. An electric wheel chair is now junk with the brick side walks. The rest of it I can see but anywhere where there is a brick sidewalk, no.

Joseph Fahey – We have actually heard comment on that. It has been taken into consideration especially if there are other elements that we can utilize. If you notice the walk way going down towards Scandia, it is very steep some people have expressed concern what would happen if that was done. We are looking at other elements that could give us that look but are more comfortable to walk on. Plus it is expensive and we have to keep within this budget.

Councilor Pinierio – The grant is for how much?

Joseph Fahey – The Urban-self Help is for \$476,000 and the CDBG \$300,000.

Councilor Pinierio – The CDBG, we already have that in place?

Joe Fahey – The application has gone in but we are an entitlement community which assures funding for a period of 3 or 4 years.

Councilor Pinierio – So you are talking \$700,000 to do that work and it won't cost the town one penny.

Joe Fahey – No

Councilor Pinierio – Is that going to be in writing, a guarantee? I don't want to spend any money. We are in a tight budget now.

Joe Fahey – Actually what this allows us to do quite frankly is, we had the \$300,000 and could have gone with the minimal project. That \$300,000 allows us to go for the additional \$476,000 and deal with some of the problems that we have specifically the drainage. We are hoping we are going to use the grant to get another grant to get the work done that the town was going to have to face doing.

Councilor Pinierio – And how long will this project take, start to finish.

Joe Fahey – It probably won't start until April of this year and go into the next construction season.

Councilor Pinierio – I just don't want to go 18-20 months down the road and say well we don't have enough money because construction cost went up and we need \$50,000. I don't want that to happen.

Joe Fahey – What we do is, and that's where I mentioned in response about the brick and so forth, we normally put these out once we have done the pricing on them. We usually put these out with a number of add alternates so we can get the base project and then if it comes in and we have a little extra money we can add certain elements to it.

Councilor Woodsom – If we get this grant, we have to accept to expend it anyway. So we can review it at that point.

Joe Fahey – correct

Orlando Pacheco - Once we know we are getting the Urban-self Help we will share the documents and the full scope of the project.

Councilor Lawrence - Is the town doing anything to set aside money for the future to maintain these areas.

Joe Fahey – When we complete a project we usually try to get a maintenance program for the project with a cost estimate which we will then forward to Public Works if that is the case. In this case where we have a split, we are trying to get the developer to take care of a certain amount of the project. Where there is maintenance required by the town in the design we try to find as much as we can that requires minimal maintenance. In many cases ground covers as opposed to lawns and that type of thing so we can minimize those costs. I would be less than honest to say there are no costs. As we did with the downtown project, we sat down with public works and have a monthly program that they undertake for the project whether it is the trees or the grates that type of thing.

Councilor Pinierio – There again you are saying it is going to end up costing us some money once it goes in thru the DPW budget. There going to have to put in money for that budget. Another thing is, we are putting a strain on the DPW. These guys's do a fabulous job snow plowing. I know a lot of people say you see them here and there. How much can they do? They can do the town park, they've got this here, you have the other project on over there, and this is going to be with the DPW. It is still going end up costing the town money. No matter what you put in for a project whether it is here in the millyard or what you did on the other part it is still costing us money. I don't want to spend any money, maybe yes it will look good but is there anyway you could estimate a rough idea how much it will take to maintain that property?

Joe Fahey – I'm sure we can come up with an estimate on that. I would also mention that DPW is constantly going in there replacing light poles and having to replace underground conduits that runs the lights in there. They are always in there trying to replace that walkway that comes in off of Pond Street that keeps getting washed out. So, in many cases we are hoping to alleviate some of those problems.

Councilor Chandler – I understand Fish gave this land back to the town, who owns the actual land that is going to incorporate this park?

Joe Fahey - This will be owned by the town, deeded as a permanent public park with a development restriction on it and maintained by the Condo Association in the upper millyard. We are not building any of the parking lot, just the park area.

Councilor Chandler – So I guess as we look down the road we can say this building is going to be assessed at a higher rate because it is going to have a nice park in front of it.

Joe Fahey – Yes, you have a project that is estimated to be worth \$6 to \$8 million upon completion. I would add briefly that I spoke with Mr. Fish and he extends an invitation for a tour of the project.

Councilor Pinierio – Also in that area, is there any room for parking for the park?

Joe Fahey – No, the parking for the park will remain on Friend Street.

Councilor Pinierio – So this is strictly for the public.

Joe Fahey – Yes

Councilor Chandler – Is there parking for the actual condos?

Joe Fahey – Yes, there is parking for the condo association and also some public parking that will go to the Carriage Museum.

Mark Deschenes – I have an issue with this. We don't pay taxes to ourselves. So it is not generating any tax revenue. You brought up a point, beautification of the neighborhood. I would say we could have held them to beautify it and then tax them on it. Then deeding it back to us so that they don't have to pay taxes on it, this is craziness. As far as maintaining the little parks in town, we don't do it now folks. Step right out side this door you will see a little stone thing with flowers and it is up kept by who? The Alliance, Morrill Electric, Jack Sanborn, and the funeral homes we are not taking care of them now. Wishful thinking that we are going to take care of this one, someone is going to have to volunteer to do it.

Councilor Pinierio – That was my point exactly. It goes to DPW and they are going to have to increase their budget in order to have a man to pay for it. My point exactly.

Orland Pacheco – I understand where Mr. Deschenes is coming from; if we inherit it we don't tax it. I mean there are only certain parcels that the town owns.

Councilor Pinierio – My question is why did he deed that back to the town and if he did that why did we accept it? We own more property in town than anybody.

Joe Fahey – The intent in the redoing of the project in the original upper millyard plan was to make certain that we created public space and that that didn't become a restricted condo association area, we also wanted to extend the upper park to meet the public usage that is going to happen in the bottom of building 14. When we purchased the property we turned over all those aspects of the project that would be the condos responsibility and kept that area that we felt should remain public with public access to the property with the restriction that the developer maintain that park in that area. The rest of the money that we are looking for now is going to areas that we currently have, currently responsible for and we are hoping by utilizing these funds we can upgrade them and diminish the continuous maintenance costs that we have right now.

Councilor Pinierio – The developer got that building at a pretty good price, he had no use for that land so my feeling is he said, I will give it to the town and I won't be responsible. Maybe the developer should have said, I will keep that land, maintain it and let the public use it. Why couldn't you go that way?

Joe Fahey – This went through the entire design review process and the process with the planning board and certainly with my office too. The developer would probably be just as happy not to have that park there restricted as permanent use and just make it entirely parking which I think would definitely take away from the esthetics of the property. They currently have about 400 requests for the 46 units and the developer right now is very much waiting for these public improvements because that is going to significantly increase the value that he can sell those units for and as we heard earlier tonight, that is the basis upon which they will be establishing the values of the units. It does go to the benefit of the condo association it is not exclusively theirs; the town gets the benefit of additional park space in the downtown and ties into some public space where the Carriage Museum is to go. And on top of that with the grant we get a lot of maintenance work we need to do, paid for.

Councilor Pinierio – In negotiation with the developer when they wanted to give it back to you, did you guys say gee, we don't want it? How about if you guys make a park out of it.

Joe Fahey – There was a lot of things that went on in the negotiations and within those negotiations we received approximately 10 units, 7 of which are restricted for local residents, they are affordable

units which are capped at \$130,000 per unit. We tried to balance all of our different desires with all the different benefits that we could possibly get for the community.

Kevin Donahue – What does the \$800,000 go to?

Joe Fahey – explains

Dennis Welcome – Is the Amphitheatre going to be redone?

Joe Fahey – Some of it, we have to be careful as to the amount of money we can put in there because quite frankly USHG already paid for the work in there. We will be able to do some in potential replanting on those wings that come down there.

Dennis Welcome – We have a program going right now with Merritt Nursery, people sponsor these areas. We have the area around the amphitheatre sponsored but, the sponsor will only do it if they put a waterline in and fencing.

Mike Greaney – Developers for cluster developments build their units and then they come back to the town and give back the land and the town receives no taxes. If under the planning commission we have to have so much open land with cluster development, why do we accept a donation from them for 3 or 4 acres of land that was originally set aside as the open land to go along with cluster development. We take it over so the developer and owners of this property don't have to pay taxes. I think we have to start controlling what we do in subdivisions and not accepting this land and start taxing these people. When you take it over you have to start maintaining.

Mark Deschenes – As a taxpayer I am sick and tired of subsidizing the developer's ability to charge more and make more money. I am sick of it.

President McMilleon – This is not an accurate reflection of what is going on, on this project. The way I understand this project is; this is a project that was worked out with the developers and with the community so that we could have control of that project and get some good things going there both from an economic stand point and also from an recreational stand point. We are taking federal money and state grant money and we are putting it together in a package where everybody wins. Does the developer win, yes. Does the community win, yes. We need to be clear about that.

Joe Fahey – That is an accurate assessment. On top of that I would like to bring up the point that having worked for 24 years on the millyard project, to finally see three buildings that had a total assessment to the community that we were receiving for a total of approx \$4 to \$8,000 and in the course of a year and a half or basically two years we are going to have a \$8 million dollar project to assess. I think it is going to go a long way when you are looking at your budget and you see new growth you will see approximately 8 million on that. And just to mention also to the people who are upset about the use of the funds I would also bring up the fact that the work that we did on the downtown, which a majority is paid for by the state, resulted in 104 & 106 Main Street which has a value of about 2 million dollars. We did get a grant and was it for the benefit for the developer, absolutely. The work that got through a grant to help assist doing the old train depot, the old Jacks Auto that is about 1.5 million. We will be doing work in the millyard a that is certainly helpful for the old Boyles building, that is going to be worth about \$1.1 million. So in utilizing grants when we can the office is totaling about \$13 to \$15 million dollars of new growth in the downtown alone. It will show up in a few years when you are looking at your assessments.

President McMilleon – I'm open for a motion on this request

Tyler Hooper – How do we lose 1.8 million in local aid funding and have the state turn around and give us all this money. I am sick of this too. If this were a corporation we would be out of business.

Orlando Pacheco – A lot of state money we get is filtered through the Federal Government.

Councilor Benson – I move that we send this letter

Councilor Chandler – seconded.

Voted – Unanimous

### **COUNCIL CORRESPONDENCE**

President McMilleon - You should have received Municipal Council appointments. That was a rough draft, please look it over, if you have any questions or concerns about it please contact me so we can discuss it. I tried to spread out the experience and the knowledge that we have on this council and give people a fair shot at different committees.

In regard to Council rules I would like to set up a time where we could get together in the next couple weeks sometime. I am looking for dates. So we are changing the Finance Committee to February 4<sup>th</sup>.

Councilor Benson – I move we have the Finance Committee meeting on February 4<sup>th</sup> and a public hearing on 2004-4 followed by the working session on Council Rules.

Councilor King – second

Vote – Unanimous

President McMilleon – I would like to have liaisons in the major departments as we go through the budget process. School 3 Councilors, Police 2, Fire 2 and DPW 1. Put together your choices first, second and third.

The Amesbury Public Library is inviting the Council to a fund raiser on January 23<sup>rd</sup> at 7:00PM.

President McMilleon reads letter from Mayor Hildt apologizing for neglecting to notify the council of the appointment of Catherine Zelano to the Board of Assessors.

Councilor Benson – moves for adjournment

Councilor King – second

Meeting adjourned 9:42PM

Respectfully submitted,

Christine Reed  
Assistant Town Clerk.

