

Amesbury Municipal Council Minutes
Tuesday, March 10, 2009
Town Hall Auditorium

Call to Order – 7:04PM

Pledge of Allegiance

Roll Call – Robert Gilday, Robert Lavoie, Joseph McMilleon, Allen Neale, Jonathan Sherwood, Mary Chatigny Anne Ferguson, Roger Benson

Act on Minutes – January 13, 2009

Councilor Neale motioned to accept, Councilor Ferguson second.

Voted – 8 Yes, 1 not present (Dunford)

Councilor Dunford arrived at 7:15

Licenses and Permits

2009-024 Bennie's Catering – Common Victualler License, Town Ways

Mr. Peter Bushold states he has a mobile catering truck with only one stop in Amesbury at Shea's Concrete.

Councilor Ferguson motions to accept 2009-024 as submitted per the usual stipulations, Councilor McMilleon second.

Voted - Unanimous

2009-025 General Business License – Hive, 14 Cedar St.

Erika Didrikson, 4 Old Portsmouth Rd. – Ms. Didrikson states she has a single chair hair studio at the 14 Ceder Street building.

Councilor Sherwood motioned to approve 2009-025 per the usual stipulations, Councilor McMilleon second.

Voted - Unanimous

2009-026 General Business License – Soleil Hair Designs, 24 School St.

Carol Churchill, 60 Lincoln Ave, Portsmouth NH – Ms. Churchill states Soleil is a two chair hair salon that has been in existence for eight years.

Councilor Sherwood motioned to approve 2009-026 with the usual stipulations, Councilor McMilleon second.

Voted - Unanimous

2009-030 Common Victualler License – Davis Jack's Inc., 36 Main St.

Kenneth Pinette, 7 Castlegate Rd. – Mr. Pinette states he is opening a sandwich shop with 32 seats.

Councilor Neale motioned to accept 2009-030 with the usual stipulations, Councilor Sherwood second.

Voted - Unanimous

Mayor Kezer gave an update on the current financial situation and provided details of actions that have been taken since the last Municipal Council meeting. For this fiscal year and next his best expectations are that revenues are going to be flat if not less that what we have had. In addition, the cost of delivering municipal services has been increasing at a rate of 3-4% a year. The town has to change the way it has been doing business in order to have fiscal stability over the long term. The town is obligated to end the year with a balanced budget. For this fiscal year which ends June 30th an \$800,000 deficit is expected. The components of the \$800,000 deficit include local aide cut \$236,000, snow & ice \$260,000, veteran services \$100,000, investment income dropping \$100,000, legal expenses \$50,000 and other miscellaneous accounts. Actions have been taken to close the deficit.

Spending freezes, transfers, lower than anticipated employee benefits costs and some new lower contracts. While developing the budget, estimates are made in regard to health care costs and this year the town realized a savings. There was also a savings with the new trash/recycling contract for a combined savings around \$170,000. For FY09 there will be about \$180,000 savings through staff reductions. Three firefighters were laid off and one vacant position will not be filled. In addition both the mechanic and fire alarm stipend were eliminated. Six laborers were laid off in the Department of Public Works and the DPW Deputy Director position was eliminated. Three Administration Assistants were eliminated from the Library, Health Department and Council on Aging. The Health Nurse, Health Agent and 2 Head Clerks in the Assessors Office and Treasurers Office were also eliminated. The Project Coordinator and Permit Coordinator were eliminated in Economic Development. The Mayor is anticipating for FY10 a 1.2 million dollar deficit based on the current assumptions of revenues and expenses. The actions taken and the staff reductions come to a savings of about \$900,000 towards next year's budget. Additional savings will come from joining with the Regional Transportation Authority for the transportation of our seniors. Some other actions that have been done is having a chase car go with the ambulance and reducing the number of engines that go out on alarms when possible. The town has started bulk purchasing and storage of diesel at a significant savings based on the market price. In regard to the Health Services a memo was passed out detailing the plan (attached).

Councilor McMilleon asked what the 1.2 million dollar deficit for FY10 is made up of. Mayor Kezer answered a large amount of it is the cut in local aide, just under a half million. The investment incomes are down; excise tax is down \$161,000, the states contribution to the Quinn Bill is down \$29,000 as well as our own revenues. The only revenue increase is the 2 1/2% in property tax.

Councilor McMilleon asked if the Mayor will have to consider layoffs in the schools. Mayor Kezer states the school is working on a level funded budget. The schools have been laying off over the past four, five years. Right now no one is assuming they will receive stimulus money when building the budget.

Councilor Gilday asked why the town is spending legal funds on the Meadow Brook project. Mayor Kezer explains it is a 40B project before the Planning Board and there is a difference between what the Planning Board accepts as the number of units and what the developer wants. The developer appealed to the Housing Appeals Committee and the decision was not favorable to the city. The town further appealed to Superior Court and therefore a lot of legal costs were associated with that.

Councilor Gilday asked for an explanation of the increased veteran's benefits. Mayor Kezer stated they are supplemental benefits to give veterans some source of money to transition into other programs of assistance. In addition there is heating oil assistance. The city has to front the money from the budget and the following year it is reimbursed at 75%. The number of veterans applying has increased.

Councilor Gilday asked for an explanation of the Group Insurance Commission (GIC). Mayor Kezer explained it is the insurance plan for state employees. Municipal Governments can now opt into the state plan. For a city to join it has to receive approval of 70% of the unions. Amesbury did not get the votes. As Chairman of the Merrimac Valley Mayors Coalition he is talking with other Mayor Coalitions to try to change the laws in Massachusetts giving management the rights to make changes needed in healthcare plans to save money. A couple of weeks ago they had a meeting with the Speaker of the House to press upon him the urgency of these changes. Mayors from across the State are now

signing a statement telling the state and legislatures that we absolutely need management control over healthcare. If done right it will generate savings for the city and savings for the employees. In Amesbury if there are no changes in the healthcare plans next year it will cost the employees a little over \$500.00. If co-pays are changed the cost increase would be next to zero. If the town was able to enter into the tier plan through MIIA there would be a significant savings in healthcare cost for the city and the employees.

Councilor Sherwood asked how many communities participate in the GIC. Mayor Kezer believes there are about 30 different agencies. Most of the original entities got in through special exemptions because of financial dire straights. Councilor Sherwood asked if alternatives were discussed other than staff reductions. Mayor Kezer stated the process is dictated with the collective bargaining agreements, MGL Ch 150E, MGL Ch 31 Civil Service. Each union was given notice of the positions being eliminated. They are then given a time frame to develop counter proposals. The alternatives that were offered did not add up to \$900,000 in savings.

Councilor Chatigny reiterated her desire to have the Mayor and the Unions look at eliminating automatic longevity and restructuring the pay structure.

Councilor Neale summarizes saying the Mayor was confronted with this year's deficit of \$800,000 as well as how to meet next years estimated 1.2 million dollar deficit based on current assumptions. If the economic times are not as kind as the state anticipates it could be worse. A local aide cut could again be made during the next fiscal year. He agrees with the Mayor that he does need to cut further than he thinks he does to give himself some room for any additional local aide cuts next year which could result in more layoffs. Going forward for next year, more work needs to be done with Fire and Police to see what cuts they can make because there is still a minimum \$300,000 deficit to meet the 1.2 million deficits. There has to be room for some flexibility in order to take care of the unknown like snow storms. Mayor Kezer states two things that he has no plans to do are. Any consideration of any overrides this year, next year or the conceivable future or touching stabilization funds. The town needs to change the way it operates for the foreseeable future. The stabilization funds are to address some of the one time cost challenges such as facilities. Also until there is some further information he has no consideration for the stimulus funds that the town may or may not receive.

Public Comment

Councilor McMillen motioned to suspend the rules on public comment to allow those that want to speak on public hearings issues, Councilor Ferguson second. – Voted Unanimous

Mario Pinierio, Gardner Street – Mr. Pinierio does not believe employees should be able to drive town owned vehicles home. He wants to know if legal fee are being spent on Baileys Pond. He would like to know what the town spent on contractors to plow the March 9th snow storm.

Mike Jewell, 57 Thompson Street – Mr. Jewell does not believe revenues will stay flat for the next 12 to 18 months he believes they will go down. The town will have to budget for less revenue and an increase in expenses. He believes the Health Services should have been spared and should be reinstated. Mr. Jewell states the town of Amesbury and the State of Massachusetts need to find a way to deal with the unions.

Bill Ford, 11 Riverview Heights – Mr. Ford stated he purchased his house in Merrimac Landing with the understanding the roads would be accepted by the Town. He asks the Council to accept all three

streets Riverfront Drive, Riverview Heights and Cabot Court based on the Planning Board recommendations that the developer has met.

Barbara Bell, 37 Millyard – Ms. Bell does not believe the Health Nurse in Newburyport, who works 18 hours, will be able to cover all three towns. She doesn't believe mandatory health insurance will relieve the public health need. She also believes recycling is highly under used in Amesbury. With the new recycling contract there is an opportunity to earn a lot of money.

James Thivierge, 106 Friend Street – Mr. Thivierge feels the town could be run better and more efficient and believes the layoffs were a result of poor management. He hopes the Mayor reconsiders outsourcing public health.

Jane Snow, 44 Fern Ave. – Ms. Snow believes the Health Department should be reinstated and feels the money could be found in the budget if certain line items were scrutinized such as cell phones, land lines, uniform allowance and consulting fees to name a few. She would like to see the Council rescind the pay raises for the Council and the Mayor. She wants to know what happened to the vehicles some of the laid off employees were using and if the town is going to be hiring a new Assistant Superintendent.

Alison Lindstrom, Wells Ave. – Ms. Lindstrom listed where the Town of Amesbury ranks statewide in various categories having to do with taxes, foreclosures and real estate. She feels it would be all right if the Mayor used some of the stabilization fund.

Angus Bruce, 428 Lafayette Rd., Hampton NH – Mr. Bruce is the developer for Merrimac Landing. He states he has provided most if not all required for approval from the Planning Board. He believes the only question left the Mayor may have is whether Riverview Heights is a town road or a condominium road. It was approved as a town road and that is how he sold the parcels.

Patrick Fernstrom – 4 Cabot Ct. – Mr. Fernstrom states Merrimac Landing combined pays approximately \$350,000 in taxes a year. He is working with Angus Bruce on a day to day basis to get this completed. He hopes to go before the Planning Board on April 4th to receive a recommendation that all three roads can be accepted.

Barbara Hathaway, 9 Swetts Hill – Ms. Hathaway a former member of the Board of Health would like to see the Health Department reinstated. She wished a plan was in place before the jobs were eliminated because there are many issues that need attention. She heard of regional purchasing in the past but has never seen it implemented.

Joanne Sullivan, 31 Fern Ave. – Ms. Sullivan is not clear how the decision was made to close the Health Department. She asked the Municipal Council if they gave counsel to the Mayor regarding eliminating the Health Department and as the Finance Committee did they give a recommendation to eliminate the Health Department.

Mike Greaney, 51 Orchard St. – Mr. Greaney wants to know how much the Mayor is saving by outsourcing the Health Department. He thinks the Chief of Police should retire.

Council Response to Public Comment

Councilor Ferguson states she was completely uninformed about specific layoffs. She knew there needed to be layoffs. Because of union rules she was not able to be told until after the layoffs. From the bottom of her heart she feels very sad for the people and their families. She has had phone calls and people walking up to her on the streets yelling at her as though she personally cut their life line. In June she voted for a budget that paid for all the jobs that were laid off. She did not expect that cut to occur. She appreciates the work that was done by all the people laid off. She agrees with what Mayor Kezer did. The cuts were needed and very difficult; something he did not want to do. It is not the job of the Council to make to make specific HR decisions, they vote for the budget.

Councilor Sherwood stated in terms of the reserve and stabilization funds about half of the \$900,000 are funds received as revenue for very particular purposes primarily in connection with the 43D and 40R zone. Those monies are earmarked for purposes specifically related to those developments. The reserve funds totaling about \$450,000 and are for long term costs. In terms of forecasting for the next year the forecast is already financially conservative and likely not conservative enough. Last year at budget time he does not believe anyone could have predicted what was to come. He recalls revenue projections for FY09 were already trending downward. In terms of the Board of Health, he has had a lot of communications with the Board of Health, other employees in town and the Charitable Trust about it. He thinks from where the process stands now it's in a good position. The Board of Health is directed by State statute for a wide variety of obligations and if they are unable to perform all the duties themselves they can appoint agents. The Mayor has taken a particular approach of how those responsibilities are met. He is relying on the Board of Health as to what is adequate and what is not. They have empowered agents through the end of the year. The Health Department issue will not come before the Council until the FY10 budget. This is clearly between the Mayor and the Board of Health. His final comment regarding the different revenues shortfalls and cuts from the state. From the Council's prospective his first question would be; do those shortfalls indicate concerns in the management. Reviewing them, lost interest income, he does not think the Mayor is responsible for the crash of the stock market. Two local aide reductions; he is not responsible for that. Increase in Veterans benefits and snow and ice; going forward that line item will have to be looked at and possibly funded differently not following the usual budget practice. Legal has also been consistently under budgeted and will need to be looked at because all of the flexibility in the budget is gone. All things considered he does not feel we are done with cuts.

Councilor Neale, in regards to eliminating the Health Department states he asked the Board of Health for the statistics on all the services it provides. With out those statistics it will be hard to see if there will be savings. He states the town can not afford to pay a premium for any service. If the Mayors plan is going to cost the town more money then it is not the right decision.

Councilor Lavoie states layoffs are difficult especially in a close knit town like Amesbury. These are times that no one expected to see and have not been seen since the depression. The Mayor has the total administration function and direction of Human Resources. The Council's job is budgeting and oversight. The Council has to careful not to over step their oversight function. The Mayor is holder of the executive power to run the city. He states the council can't propose budgets or increases they can only comment on what is put before them by the Mayor. In regards to Riverview Drive he stated he received a letter today from the engineer working with the developer outlining the background of how the Planning Board in 2001 looked at the road acceptance issue. He will be looking into it to find out as much as he can about the issue.

President Benson wants it to be clear that the layoffs were the Mayor's decisions not the Council. Amesbury was the first community to have layoffs because we acted in a proactive way. He believes the Mayor should be commended for being ahead of the ball on taking care of all this now instead of later.

Recess 9:15 – 9:27

Mayoral Appointments – None at this time

Second Readings

2009-020 Accept \$11,400 grant from Executive Office of Public Safety for Traffic enforcement – Mayor Kezer sponsor cont.

President Benson read 2009-020 into the record.

Councilor Neale read the recommendation of the Finance Committee to adopt 2009-020 with a 20% in kind match.

Councilor Lavoie moved that 2009-020 be accepted with the recognition that there is a 20% in kind match that is already being met by the Police Department, Councilor McMilleon second.

Roll Call Vote – Unanimous

Public Hearings

2008-061 A Request to accept Riverfront Drive and Cabot Court for Ownership by the Public as a Public Way – Mayor Kezer sponsor cont.

Councilor Lavoie motioned the public hearing be continued to April 14th, Councilor McMilleon second.

Voted – Unanimous

2009-022 A Request that the Municipal Council vote to accept Riverview Heights for ownership by the public as a public way – Councilor Gilday sponsor cont.

Councilor Gilday motioned to withdraw 2009-022, Councilor Lavoie second.

Councilors Lavoie, Sherwood and McMilleon all agree 2009-061 and 2009-022 should stay as they are and they will not support Councilor Gildays late file 2009-031.

Councilor Gilday motioned to withdraw his motion.

Councilor Sherwood motioned to continue the public hearing on 2009-022 until April 14th, Councilor Neale second.

Voted – 8 Yes, 1 not voted (Dunford)

Councilor Gilday withdrew his late file 2009-031.

2008-106 Amend Zoning By-Law to create a priority development overlay district – Mayor Kezer sponsor cont.

President read 2008-106 into the record.

Bruce Keller, Economic Development Coordinator for Community and Economic Development – Mr. Keller was hired as part of a \$120,000 grant the city was awarded in order to implement a coordinated and expedited permitting process for development projects in Amesbury specifically for the 100 acre site known as the golden triangle. Part of the grant work requirements was creating the bylaw 2008-106. This bylaw lays out the administrative process and procedures for handling development projects going forward in the golden triangle. This bylaw as it is written only deals with the processing of the priority development projects. It does not change existing zoning requirements such as the land uses that are allowed.

Nipun Jain outlined the revisions made by the Ordinance Committee and the Planning Board to date (memo attached).

Councilor Lavoie thanked all the staff members that worked so hard on bill 2008-106. He stated that there has been no change in the land uses; this is just a process road map. It will position Amesbury to be more competitive against other towns that don't have an expedited permitting process in place.

Councilor Lavoie motioned to continue the public hearing on 2008-106 to the April 14th meeting, Councilor Neale second.

Voted - Unanimous

First Readings

2009-027 A Request the Municipal Council vote to declare surplus Woodshop equipment from Amesbury High School – Mayor Kezer sponsor

President Benson read 2009-027 into the record.

Councilor Sherwood motioned to refer 2009-027 to the Finance Committee, Councilor McMilleon second.

Voted - Unanimous

2009-028 An Order to transfer \$80,000 from Refuse/Recycling to Veterans Benefits – Mayor Kezer sponsor

President Benson read 2009-028 into the record.

Councilor Ferguson motioned to send 2009-028 to the Finance Committee, Councilor Dunford second.

Voted - Unanimous

2009-029 An Order to transfer \$40,000 from Reserve for Unforeseen to Legal Services – Mayor Kezer sponsor

President Benson read 2009-029 into the record.

Councilor Neale motioned to refer 2009-029 to the Finance Committee, Councilor Ferguson second.

Voted - Unanimous

Correspondence

a. President/Vice President Communications

b. Communication from Elected Officials, Boards and Commissions

Councilor Neale read that Deb Bibeau extended an invitation to all the Councilors to attend the School Boards meeting of their budget next Tuesday, March 17th at 7:00PM.

c. Council Communications, Announcements and Committee Reports

Councilor McMilleon motioned to adjourn, Councilor Ferguson second.

Voted – Unanimous 10:07PM

Respectfully Submitted,
Assistant Town Clerk