

## **REGULAR MEETING OF THE AGAWAM CITY COUNCIL**

**December 6, 2010**

**President Rheault** – Good evening ladies and gentlemen. Welcome to the December 6<sup>th</sup> City Council meeting.

### **Item 1. Citizen's Speak Time**

**President Rheault** – We have a few citizens wishing to address the Council who have addressed the Council before so they are familiar with the rules, the first being Paul Cavallo.

**Paul Cavallo** – Thank you. My name is Paul Cavallo. I live at 6D Castle Hill Road in Agawam, Massachusetts and I'm here tonight not to go into any detail regarding your busy Agenda this evening – especially the tax factor – but I think hopefully at the beginning of the meeting you'll dispel some of the rumors that are around town because a lot of people think you are cutting a budget tonight. Of course, obviously you're not, you're dealing with a budget that's already been established and of course, you have that task of trying to determine where most of that burden of that tax liability will fall – either with the homeowner or with the business owner. But I'm not here to talk about that specifically, I'm here to talk about the future, and particularly the upcoming budget which would be the Fiscal 2012 budget and I think we have to look at and be a little bit more creative when we start looking at budgets and how we can cut budgets and I'm not saying that this is your job but you certainly approve the final budget that's created by the Mayor and his group and also by Dr. Czajkowski and the School Committee and I think some of these suggestions that I make you may want to consider asking Department Heads when you deliberate the budget with them. For example, how much has the town done when preparing the budget and how much have they collaborated with other departments, not only just in the town departments but also the school departments. Let me give you an example, I'm not sure and I have not looked up the facts to see if for example we use the same vendor for copy machines and if we're not using the same vendor, that is the School Department is using a different vendor and the town is using a different vendor, it would make sense that we would collaborate with them and possibly get a better deal on the cost for utilizing these copiers. Collaboration is not being very creative. A lot of towns are doing it. As a matter of fact in the educational field, many of you are familiar with the Lower Pioneer Valley Education Collaborative in which our students are able to become involved in programs that the Town of Agawam's school system could not afford to offer to our students because we collaborate with eight or nine other towns and provide programs like graphic arts and cosmetology, etc. Also, there could be a thought to of collaborating with other towns for example, the Town of West Springfield and the Town of Agawam, maybe providing similar services to their community and sometimes if they are doing that then they may be purchasing also similar goods and that would be an opportunity also to maybe save some money. So collaboration would be questions that you might want to ask the Department Heads when you discuss the budgets with them. The other point I wanted to make was the, when you

begin your deliberation with the budget, you ask them – have you ever thought about how it would look if you came in with a budget that was 5% less or that's level-funded? Because I can recall a year ago when I was on the Council and I was on the School Budget Sub-Committee and there was a question of whether we were gonna get enough stimulus, federal stimulus money, from Obama, obviously from Deval Patrick because it's funneled through him, to support our school budget and many of you were on the Council then when we had that talk and at the meeting, the Superintendent presented three scenarios and one of the scenarios she presented was well I think we can save probably over \$100,000.00 if we decided to do away with the stipends for Department Heads and I'm not advocating firing people, replacing people, etc. but when you look at \$100,000.00 and you're told that this would not significantly impact a student's education if we did that for a year, then that's a sizeable amount of money to think in terms of paring from the School Department budget. I think this is important that we start to, not use a hatchet, but we start to look at a budget and we start peeling away a little bit. Can we become more involved for example in doing job sharing? When a person retires is it necessary to fill that job or is it something that we could share with another Department those same duties?

**Clerk** – One minute please.

**Paul Cavallo** – I'll sum it up quickly. I had more but I wanted to mention to all of you that last night if you watched 60 Minutes, Ben Bernacki of course as a federal reserve chairman stated that it's gonna be another four years before we see a 6% unemployment rate which usually is about average in any good year. We're looking at a tax hike obviously as the Mayor indicated in the paper four or five weeks ago of over \$200 for an average home in the Town of Agawam. I don't know how exact that is but consider this for a moment if you will – we're dealing with people in the Town of Agawam who are on fixed incomes, people who are receiving Social Security who do not get a pay raise this coming January, we're looking at people on fixed incomes who have not certainly reaped the rewards of their investments namely CD's paying one percent, where of course years ago when they retired they expected a five percent return on their investments.

**Clerk** – Time.

**Paul Cavallo** – I do hope that you consider that. I wish I had five more minutes to talk to you but I think you know where I'm coming from. I think the Council it behooves the Council for this coming budget year, that you look very seriously at both the School Department budget and the Town budget and certainly do not be afraid if you feel it's in the best interests of the town to pare some of the money that's being spent by this Town by all means you should do it. Thank you.

**President Rheault** – Thank you. CeCe Calabrese?

**Cecelia Calabrese** – Good evening. Cecelia Calabrese, 75 Wagon Wheel Drive in Feeding Hills. I am actually addressing the people at home and the people that are here that are paying attention to the setting of this tax factor. As Mr. Cavallo said, the folks up

here are really presented with a Hobson's choice of how to shift the burden in order to pay for the levy of the taxes and the budget that has already by passed. What I would like to encourage every tax payer in the Town of Agawam to do is to begin paying attention not only this evening but starting in January to the budget formulation process and that is when you can have a genuine substantive impact on your tax bill in the coming year. Ask questions, attend the budget meetings. We do have public hearings on these budgets. Meetings are open. You're free to present your particular concerns directly to the elected officials that work for you so don't be a passive participant. Be active. Let your voice be heard not only beginning tonight but through the budget formulation process so that when we have another budget passed for the coming fiscal year in June, you know exactly where every dollar is going and that you are at peace with what our public officials are doing with our tax dollars. Thank you.

**President Rheault** – Thank you. Alan Griffin?

**Alan Griffin** – Hi. My name is Alan Griffin. I live at 104 North Street in Agawam. I'm here about the taxes and all that stuff. You know I feel that we should have, it should be decreased not increased, you know? I mean there's other things that we look at that's in this town that's going on like our roads are being paved, little short pieces, I mean you're grinding out short pieces but you're creating bigger nuisances than we got in this town because number one water goes in the cracks where you stop paving and so forth. It causes potholes, tears up the road, cars running back and forth over it, you got a puddle coming underneath and it's picking that asphalt up and it's creating a heck of a mess. Well that's absolutely money that we're spending out for nothing – absolutely for nothing. Well, you know, why don't we do something about it? Instead of paving just a half of road, pave the whole road. That's the proper way of doing things in this town; this is what we did in the old days. We never had all kinds of potholes like we have now. Now we're creating our own problems, we're creating our own mess, you know, you oughta feel ashamed on it, you know? I mean it's something that can be straightened out, you know? Pave the whole road and do things right if we're gonna do things. You know my father brought me up in this world to be smart and use my head and use what God gives me. For crying out loud, where are your's? Seriously. You know, you think about it. Now we gotta do something right about this so instead of highering the taxes and so forth go down on the taxes. There's other little things that we look at, different things, how your gas is spent, how your oil's spent, your fuel's spent in this town, all kinds of stuff. You know we still have guys out there driving around the town burning up our gas. We got nothing to show where the guys are. We oughta have GPS units in the trucks so we know what the heck's going on in this town. Where are they, huh? Oh, that's, we don't have enough money in the budget but if we put it in the budget, our taxes wouldn't be so freakin' high next year. Our taxes are gonna come down. Things are gonna come into place and so forth so you think about it. I mean it's money that's blowing out the window. We got guys standing around you know supposed to be doing jobs, they're standing around a hole with a shovel holding the shovel supporting their weight around. Well we gotta get guys that's gonna get out there and work. We oughta rig up some kind of a audit team to check up on these guys that drive around and check up on these guys. Put one guy on. So we gotta pay a whole week's pay or something

like that to one guy but we know what's going on in the town but we don't want to hire anybody in this town that knows somebody. We gotta go out of town. We gotta get somebody outta town to come to this town. You know we can't have somebody as friendships in this town because when you have friendships in this town, everything's spoiled so you know you think about it, you know? I mean this is gonna cut a lot of stuff back, it's gonna save the town a lot of money, it's gonna save you people a lot of money and all that stuff. We have a Mayor in this town which I think he's doing one fantastic job you know but I think the Mayor should have a little more authority about deciding things so I think he's doing a good job and I just wanted to let you know that you know but I think the Mayor should have a little bit more power so why don't we give him a little bit more power? Let this man show what he can do cuz the man's a pretty highly intelligent young man. You know that and I know that and you people know that. I know the Mayor's here. He's hearing every word I say. He's a gentleman, you know and so forth and I think very highly of him. Hey, he beat me. He beat me like a man you know but I give the man credit for that so you think about it. Right, Mr. Mayor? I see the big smile on your face. So hey, I want to thank you all for listening to me and so forth but like I said there's a lot of ways and a lot of cutbacks that we can do so all we gotta do is think and use them. So it's up to you. Thank you very much and have a fine day.

**President Rheault** – Thank you.

**Item 2. Roll Call**

**President Rheault** – Barbara, would you please call the roll?

**ROLL CALL – 10 PRESENT, 1 ABSENT (Councilor Perry)**

**President Rheault** – Ten present, one absent, we have a quorum. Councilor Perry called just before I left and he's still recovering from minor surgery but doing very well and he said he'd be watching so hi Dennis.

**Item 3. Moment of Silence and the Pledge of Allegiance**

**President Rheault** – Please rise for a moment of silence and Pledge of Allegiance.

**Item 4. Minutes**

**Regular Council Meeting – November 15, 2010**

**President Rheault** – Moved by Councilor Simpson, seconded by Councilor Walsh. Any corrections or additions? If not, voice vote is sufficient. All those in favor? Opposed? Councilors Letellier and Messick abstain.

**Item 5. Declaration from Council President**

None.

**Item 6. Presentation of Petitions, Memorials & Remonstrances**

**(a) Resolutions**

- 1. TR-2010-47 - A Resolution Accepting a Gift in the Amount of Three Thousand (\$3,000.00) Dollars from the Brian Simpson Skate Park Memorial Fund Pursuant to Massachusetts General Laws Chapter 44, Section 53A for the Agawam Skate Park (Councilor Simpson)**

**President Rheault** – Moved by Councilor Simpson, seconded by several councilors. I would like to read into record the resolution.

***A RESOLUTION ACCEPTING A GIFT IN THE AMOUNT OF THREE THOUSAND (\$3000) DOLLARS FROM THE BRIAN SIMPSON SKATE PARK MEMORIAL FUND PURSUANT TO MASSACHUSETTS GENERAL LAWS CHAPTER 44, SECTION 53A FOR THE AGAWAM SKATE PARK***

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*WHEREAS, the Brian Simpson Skate Park Memorial Fund was created by David, Jill and Jeffery Simpson in the memory of Brian Simpson and his love of the Agawam Skate Park;*

*WHEREAS, the Brian Simpson Skate Park Memorial Fund has generously donated the sum of three thousand dollars (\$3,000) to the Agawam Skate Park;*

*WHEREAS, the Town is grateful for the generous donation from the Brian Simpson Skate Park Memorial Fund created by the Simpson family;*

*WHEREAS, it is in the best interests of the Town of Agawam to accept the gift from the Brian Simpson Skate Park Memorial Fund in the amount of three thousand (\$3,000) dollars to the Agawam Skate Park; and*

*NOW THEREFORE, the Agawam City Council hereby resolves pursuant to M.G.L. c. 44, §53A to accept the gift of the Brian Simpson Skate Park Memorial Fund created by the Simpson family in the amount of three thousand (\$3,000) dollars to the Agawam Skate Park. The Council further resolves to publicly acknowledge and thank the Simpson Family for their generous gift.*

**President Rheault** – Councilor Simpson?

**Councilor Simpson** – Thank you. I'd just like to take this opportunity to thank the many people that donated to the Memorial Fund in Brian's memory. It was about ten years ago when the Skate Park started to come to fruition and I actually worked on the committee to help create it and get it going. It was probably one of the first things in town that we had that gave a lot of children an alternative recreational use other than the soccer and baseball and football fields that we have. The park has been in existence I think it now is a little bit over ten years. Brian was in Junior High and my other son Jeff I think was in Middle School and it was just a great opportunity for kids to be able to skate and ride bikes there and it's still going strong. My husband and I were over there just the other day and huge amount of kids there and even a cold day, they were there and it was just great to see. There's a bench there already, a sitting wall, in memory of Brian that was also taken from donations from the Memorial Fund. I'd like to thank the local landscaper, Chris Wargo, for the labor on creating the sitting wall and also a local resident, Laurie Fay, who did the engraving on the stone for Brian. I'd also like to make

an amendment to this. We have another five hundred dollars to go into this so I'd like to amend that where it says "three thousand dollars" to change it to "three thousand five hundred dollars"?

**President Rheault** – Move to amend the number to \$3,500? Moved by Councilor Simpson, seconded by Councilors Rossi, Magovern, Walsh and myself. All those in favor of the amendment? Opposed? All right. Any one else? Main motion as accepted to read \$3500.00 instead of \$3000, Barbara, will you please call the roll?

**ROLL CALL – 10 YES, 0 NO, 1 ABSENT (Councilor Perry)**

**President Rheault** – Ten yes, one absent, you have approved the motion as amended to \$3500.00. Thank you very much Councilor Simpson.

**Item 7. Report of Council Committees**

None.

**Item 8. Elections**

1. **TE-2010-5 - Election of a member of the Agawam Board of Appeals with a Term Expiring January 1, 2014 (Council)**

**President Rheault** – Council's been in receipt of one applicant. Actually we had two and one withdrew. The name of James Marmo as the full time member. Moved by Councilor Rossi, seconded by Councilor Mineo. Any other names? Move to close nominations? Moved and seconded by Councilor Mineo and Councilor Rossi. So the record will show who supported, Barbara, will you please call the roll?

**ROLL CALL – 9 JAMES MARMO, 1 ABSENT (Councilor Perry), and 1 ABSTENTION (Councilor Messick)**

**President Rheault** – Nine for Mr. Marmo, one absent and one abstention. You have been re-elected. Congratulations.

2. **TE-2010-6 - Election of an alternate member of the Agawam Board of Appeals with a Term Expiring January 1, 2014 (Council)**

**President Rheault** – Council has received a letter from Gary Suffriti that his interest remains to be re-elected. I'll entertain a motion to the floor? Moved by Councilor Rossi, seconded by Councilor Mineo. Any other names? If not, I'll entertain a motion to close nominations. Moved by Councilor Rossi, seconded by Councilor Magovern. And again, Barbara, will you please call the roll for the record?

**ROLL CALL – 9 JAMES MARMO, 1 ABSENT (Councilor Perry), and 1 ABSTENTION (Councilor Messick)**

**President Rheault** – Nine for Mr. Suffriti, one absent and one abstention. You have unanimously approved, well, you have approved Mr. Suffriti. Congratulations to both. They are both sitting in the audience.

**Item 9. Public Hearings**

1. **PH-2010-9 - ( TR-2010-46) A Resolution Adopting a Residential Factor of .823121 Pursuant to Massachusetts General Laws, Chapter 40, Section 56 (Referred to Finance Committee) (Mayor)**

**President Rheault** – I now declare the public hearing open and the proponent – are you prepared to offer anything to the Council? State your name and address for the record if you would please.

**Kevin Baldini** – Kevin Baldini, 32 Park Avenue, South Hadley, MA. Good Evening Councilors and thank you for inviting me to speak tonight. Each year, the City Council of Agawam must decide at the public hearing on classification how to allocate the tax levy between the residential and business classes of property. The proposed tax levy for the town for FY 2011 is approximately \$45,614,000. After reviewing the information prepared by the Assessors' Office, Mayor Cohen is recommending a shift of 1.68 for FY 2011, which results in a residential factor of .823121. At this shift the proposed residential tax rate would be \$13.96 and the proposed business rate would be \$28.49 per thousand dollars of valuation. The proposed tax levy to the residential class would be about \$29.8 million and the proposed tax levy to the Business class would be about \$15.8 million. In comparison to other cities and towns in the area, the average residential tax bill in Agawam is very competitive with similar surrounding communities. According to information provided by the State Department of Revenue, Agawam's average single family tax bill of **\$2,935** for FY 2010 ranked **#262** out of 337 communities reporting. Westfield's average bill of **\$3,478** and West Springfield's average bill of **\$3,583** placed them much higher in the rating scale at **#190** and **#178** respectively. Longmeadow, which is almost exclusively residential in character, had an average residential tax bill of **\$6,394**, which placed it at **#44** in the state out of reporting communities. The **Comparative Tax Effect** spreadsheet contained in the booklet is the best indicator of the effect this shift will have on residential, commercial and industrial property in Agawam for FY 2011. For the typical commercial property, which is valued at \$538,000 the estimated tax increase from FY 2010 would be about **\$204**. For the industrial property valued at \$832,900 the estimated tax increase would be about **\$316**. For the single-family home valued at \$217,700, the estimated tax increase would be about **\$93**. Based on the criteria of property value, the tax increase for each type of property is relatively proportionate at the proposed 1.68 shift. In other words, the commercial property value is approximately 2.5 times greater than the value of the single-family home, and the tax increase of \$204 is proportionately similar to the tax increase of about \$93 on the house. The same relative proportionality applies to the industrial property, as the value is about 3.75 times greater than the value of the house, and the tax increase of \$316 constitutes a similar ratio to the tax increase of \$93 on the residence. Moving away from the 1.68 shift increases the disproportion between the tax increase on the properties and the value relationship of the properties. For example, at a 1.75 shift, the tax increase for the

commercial property is \$844, which is about 34 times higher than the \$25 increase that the single family house would pay. The value for the commercial property is still only 2.5 times higher than the residence. For the industrial property, the tax increase of \$1,308 at the full shift would be about 52 times higher than the \$25 increase that the home would pay. The value would still only be 3.75 times higher than the house. Conversely, at a 1.65 shift, the typical commercial and industrial property would each show a small reduction in taxes from the previous year while the typical homeowner would see a tax increase of about \$121. The proposed shift strikes a fair balance between the residential and business properties in the town of Agawam. In closing, the three properties in the spreadsheet are representative of the majority of properties in town for each class, so this tax effect would apply to most of the properties in town. I thank you for your time and would be glad to answer any questions that have for me.

**President Rheault** – Any questions from the Council at this time? Councilor Rossi?

**Councilor Rossi** – Yea, I would like to touch on this \$93 increase for residents here and \$316 and \$204 respectfully. I understand how you got that figure but I'd like to have you explain it so it makes sense to me perhaps and maybe someone else that may not fully understand it. Last year we had an evaluation of \$227,700 which was the average home that was sold in the Pioneer Valley, I'm assuming? Is that it?

**Kevin Baldini** – No. Last year's average was the average for the community. It's the average assessed value for Agawam.

**Councilor Rossi** – That's what that is?

**Kevin Baldini** – Last year's, yes.

**Councilor Rossi** – So if you look at it this year here, we're looking at \$217,000 which is the average assessed value for Agawam?

**Kevin Baldini** – Yes, for a single family.

**Councilor Rossi** – For single family, okay.

**Kevin Baldini** – Yup.

**Councilor Rossi** – Now, that's a reduction of about \$10,000 per unit, correct?

**Kevin Baldini** – It's about four percent - \$10,000.00.

**Councilor Rossi** – So about \$10,000 of equity was lost in a single-family unit, correct?

**Kevin Baldini** – Well, I don't know if equity was lost, but value was lost, yes.

**Councilor Rossi** – Well, I would assume equity was lost if you had any.

**Kevin Baldini** – Okay.

**Councilor Rossi** – If they didn't, they'd wind up with a negative loss.

**Kevin Baldini** – Right, okay.

**Councilor Rossi** – So that being said, I look at the tax factor of last year of 12.94 and this year of 13.96 using the numbers you've given here equates to a lot more than a \$93.00 increase assuming that the \$227,000 home assessed last year is not gonna be decreased by \$10,000.00 this year. Is that correct?

**Kevin Baldini** – No, the \$227,000 home will be decreased by \$10,000.

**Councilor Rossi** – So that means, that \$227,000 home last year will be decreased by \$10,000?

**Kevin Baldini** – It will be assessed at \$217,700.

**Councilor Rossi** – So everyone in the Town of Agawam will see a \$10,000 reduction in their homes?

**Kevin Baldini** – No. That's the average. That's the average.

I'm talking about the person out there who's got a \$400,000 home.

**Kevin Baldini** – That's a different value. So they'll have a higher increase but their value's higher. It's the only way I can explain it. That's the average.

**Councilor Rossi** – So the average person in Agawam is not gonna see a \$93 increase, they're gonna probably see a \$200.00 increase.

**Kevin Baldini** – No. The average person is gonna see a \$93.00 increase.

**Councilor Rossi** – We're talking about a dollar on the tax rate going up, correct?

**Kevin Baldini** – Yes, \$1.02 but the value –

**Councilor Rossi** – \$1.02 on the tax rate has gone up which means we're talking about \$1.00 per thousand per house, correct?

**Kevin Baldini** – But the value went down.

**Councilor Rossi** – I understand that.

**Kevin Baldini** – There's two - you can't just look at the tax rate. You have to look at the values of the properties too. The values dropped so that increased – there's some inflation in that tax rate because the values declined.

**Councilor Rossi** – Well, what I'm looking at is realistically in reality what I'm gonna be paying next year and what I am going to be paying is not gonna be \$93.00.

**Kevin Baldini** – If you had a \$227,000 last year, your house will be valued at \$217,700 – right around there – and you'll have a \$93.00 tax increase.

**Councilor Rossi** – So when I get my tax bill it will show \$217,000?

**Kevin Baldini** – If that's what the value of your house is, yes.

**Councilor Rossi** – And if it's not?

**Kevin Baldini** – It will be whatever it is. If you have a \$200,000 house Bob and it goes down four percent, you're gonna be valued at \$192,000. So you will see a drop in your value. Not every house is gonna come in at \$217,700, that's the average of all the houses in town. It's just a mathematical average. It's just trying to explain it and if you look at all the values in town, the majority, not the majority but most of the houses in town are around this average. That's the 'average'. There's 7600 houses in town and that's the average value of all the properties so it's most reflective of what the average taxpayer is gonna pay. It's not saying that on Juniper Ridge or some of the other \$400,000 houses – they're gonna pay more but there are some houses that are assessed for \$160,000 and \$170,000. They're gonna pay less. They'll pay \$75.00 but this is the average. That's the only way I can explain it.

**Councilor Rossi** – Well I don't know if people will be happy with that but I guess that's what it's gonna be. All I can see is I'm looking at a figure of \$1.00 per thousand and if your house is valued at \$300,000, that's a \$300 increase to me. That's what it means to me.

**Kevin Baldini** – But you have to look at the value for last year too.

**Councilor Rossi** – Well I'm looking at last year's. I'm looking at last year it was 12.94. This year it's 13.96.

**Kevin Baldini** – Not just the tax. You have to look at the value dropped. If the values didn't change, then that would be true but the values dropped so since the values dropped –

**Councilor Rossi** – My value hasn't dropped and the homeowner's value hasn't dropped out there – maybe that's the average of what the houses are worth today but if you're looking at what the houses are worth today, they've lost \$10,000 in value.

**Kevin Baldini** – That's the assessed value has decreased, yes.

**Councilor Rossi** – But the property's gonna be increased.

**Kevin Baldini** – The property values decreased from last year to this year. I'm just trying to explain it the only way I can.

**Councilor Rossi** – It's, thank you very much.

**President Rheault** – Councilor Magovern?

**Councilor Magovern** – You may not be the one that wants to answer this question but the question that I've got is that when we passed the budget, we passed what I thought was gonna be a level-funded budget. Now if we had a level-funded budget that would have meant that we wouldn't have had that much of an increase but that was before all the union contracts got settled so that there's roughly and I think Councilor Rossi has the exact figures, it's a million dollars or so more than it was last year.

**Kevin Baldini** – The tax levy?

**Councilor Magovern** – No I'm talking about the budget right now and then we'll get into the tax levy. So we've got a million dollars more in taxes even though we supposedly had a level-funded budget which would have kept basically the taxes the same as they were last year. I mean everybody says death and taxes are the only thing that you can count on in this life well it seems like every year our taxes go up and up and up. Now what I'd like to ask for a question is that for the last several years, we've had a million dollars or so left over in the budget which is our Free Cash.

**Kevin Baldini** – Yea, you're probably getting out of an area that – go ahead, I'm sorry.

**Councilor Magovern** – Well, that's why I said maybe somebody else could answer the question but we've had close to a million dollars a year left over in Free Cash which means we've got three to four million dollars in Free Cash. I'd like to know why some of this Free Cash couldn't be used to keep our taxes down and use that to fund or balance the budget rather than just going back to the public trying to raise the taxes. I mean we've got union contracts that are being settled right now where we're giving an extra week's vacation – we're giving seven weeks vacation to some of the town workers. You know I think that when we're expecting the average tax payer in this town to pay \$200 or more per year in taxes and we're giving out extra vacations, I think that this is wrong. I got a telephone call from one of the residents of our town that said her husband's salary has gone down because in his particular plant he's getting paid piecework, which means his income is down. This particular woman has had a seven year frozen salary and her income has not gone up. Her insurance next month or starting January 1<sup>st</sup> is going up \$45.00 a week. This town is suffering tremendously as far as their tax, as far as their income is concerned and the taxes just keep going up and up and up and I'm not saying that we don't have to raise our taxes but my question to somebody is why can't we use

some of this four million dollars to reduce our taxes this year so we don't have to go up as high in our tax factor?

**Kevin Baldini** – I guess I'm not the person to answer that question. That would be more of a financial question.

**President Rheault** – Who do you want to direct the question to?

**Councilor Magovern** – Whoever wants to answer it?

**Cheryl St. John** – We currently have 4.8 million in Free Cash and we're using 2 million of that to reduce the levy at this point. Do you want me to repeat that? We currently have 4.8 million in our Free Cash and we're using two million of that 4.8 million to reduce the levy at this point.

**Councilor Magovern** – And there's still two million dollars left over in the Free Cash?

**Cheryl St. John** – Well, you have to be careful because next year, we're gonna need two million again otherwise there'll be a two million dollar gap that we will need to raise taxes next year so you have to be very cautious about using Free Cash for operating. It's not really wise to do that. Free Cash should be used for one-time uses and currently we do use it for operating so we do have to be very cautious about that.

**Councilor Magovern** – Well my point is that I know we're gonna have problems next year and I know that that two million dollars might be necessary next year but I think that we've got to do something and next year's budget as Mr. Cavallo mentioned is something where we've got to really look at it and we're gonna be in some deep hurt if we don't go in and cut, cut, cut and this is why I'm saying every contract should be looked at very, very closely and we've got a contract now where we're giving seven weeks vacation. Is this true? They get an extra week's vacation this year?

**Cheryl St. John** – In the Admin contract – it's not final yet.

**Councilor Magovern** – Well I hope it won't be final but right now it looks like it's finalized with a seven week vacation. We're giving an extra week's vacation in economic times like this when we're expecting our homeowners to be paying \$200 more for taxes when their income is getting slashed.

**Cheryl St. John** – I believe that contract will be coming to the Council for a vote so you have an opportunity at that time to vote on the contract.

**Councilor Magovern** – Well I'd just like everybody to be aware of what's happening and this is why next year, we're gonna really have to look very tightly at our budgets and do what we can to make sure that things are cut a lot more than they were for this year.

**Cheryl St. John** – Yes.

**President Rheault** – Councilor Simpson?

**Councilor Simpson** – Actually my question was for Kevin since he was up there. All right? Thanks. I might have missed it in the paperwork but do you have a percentage of how many houses in town actually their values decreased? I mean was it a large percentage overall in the community – a decrease of the assessed value?

**Kevin Baldini** - Yes. Overall almost all property values declined in Agawam.

**Councilor Simpson** –Okay, so even anywhere from the high end to the –

**Kevin Baldini** - Yes, yes, there were some I mean it's not just completely a blanket, I mean a couple of types of property that didn't or didn't go down as much but most went down about four percent. That was the general average, about four percent.

**Councilor Simpson** –That was a majority of them – 4 %, okay.

**Kevin Baldini** - A vast majority.

**Councilor Simpson** –Okay thanks Kevin.

**President Rheault** – Councilor Letellier?

**Councilor Letellier** – Yes, thank you. If the Auditor could come back up. Cheryl? I wouldn't go too far though Kevin, no I'm just kidding. There are councilors up here asking questions about the Free Cash but the Free Cash figure of two million dollars was in the budget that we debated and passed. Correct?

**Cheryl St. John** - Yes it was.

**Councilor Letellier** – And we put Free Cash in the budget every year, right?

**Cheryl St. John** - Yes we do.

**Councilor Letellier** – So it shouldn't be a big surprise to people who have been on the Council for a while that there's Free Cash in the budget?

**Cheryl St. John** - No.

**Councilor Letellier** – Okay, thank you.

**President Rheault** – Thank you. Anyone else who would like to come forward on the town's behalf to support the budget?

**Councilor Bitzas** – I've got a question for Kevin.

**President Rheault** – Did you want to speak, Councilor Bitzas?

**Councilor Bitzas** – Yes, thank you Mr. President. Kevin, we're here today of course to decide how much money the homeowners will pay and how much the business and industrial will pay okay? We're not here to cut taxes or increase taxes so I just make clear that tonight is not to discuss the budget, what eleven of us vote in favor but the new budget will be another time we have a serious discussion about how to cut the budget and to tie up old bills...but today it's here to say how much we shift to the homeowners or to the businesses and I'll ask you a plain and very simple question, make it very plain for the people who are watching us, some they understand but maybe some they have a question about it – the administration of course you and the Mayor, Treasurer they recommend that 1.68. Is that correct?

**Kevin Baldini** – Yes.

**Councilor Bitzas** – Okay, so the Council has the choice to vote for that or we can vote one farther down 1.69 or we can vote 1.66, whatever we want to do.

**Kevin Baldini** – Whatever shift you choose.

**Councilor Bitzas** – Can you take one step and explain to us, if we go to we're not going to vote for 1.66 first of all tell us the benefits of 1.68 and then go one farther down – 1.69 and 1.67 – exactly what to be? Thank you.

**Kevin Baldini** – Okay, the current shift right now is 1.68 and that would, again for the typical commercial property, would be an increase of \$204.00, industrial property would be \$316.00 and the residential property would be \$93.00. If you went to 1.69 the typical commercial property would go to \$295.00 an increase and then the typical industrial property would increase \$458.00 and the typical residential property would increase \$84.00 and if you went on the other side of that – 1.67 – the typical commercial property would increase \$112.00, typical industrial property would increase \$175.00 and the typical residential property would increase \$101.00.

**Councilor Bitzas** – Thank you.

**President Rheault** – Thank you. All right. Thank you Kevin.

**Kevin Baldini** – Thank you.

**Mayor Cohen** – Good evening. The following budget highlights were achieved despite the drastic reduction in state aid over the past two years. The School Committee budget decreased by \$80,500.00 with no layoffs or programs cuts or user fees or cuts in extracurricular or athletic programs. Most town departments were level-funded with the exception of Police and Fire as we certainly don't want our police not out patrolling and we certainly don't want our fire not to be available if there was a fire as we witnessed a

couple of weeks ago. All critical town and school services have been retained, principal and interest costs have all been funded for all of our projects and everything that this Council and I have been able to achieve over the last few years and what I'm very also proud of as in the past there was absolutely no utilization of the Stabilization Fund used and a half a million dollars less in Free Cash. We still have several vacancies that have been left open as part of the budget process that the councilors were aware of – in the Clerk's office, the Treasurer's office, Inspection Services, the Animal Control Officer what Mr. Cavallo was talking about – sharing – we are sharing that. We're trying that. It's had its ups and downs but it is working, it's getting better. We also, when we do bidding, as Mr. Cavallo says, every department bids and we do it collectively and we do look at it and our rates for copiers and everything are always the lowest possible bid that's most functional for our community thus keeping our budgets low. So I thank Mr. Cavallo for that. And the DPW also has one less person in their office. The proposed shift of 1.68 I believe to be the most fair to both the homeowner and it still encourages businesses to invest in our community. We have had fourteen ribbon cuttings of small businesses and I know Cecelia you've been at many of them with me as many of the councilors have, so small business in economic times are certainly coming to our community because of our tax rate that compared to other communities with split rates is much lower. People want to do business here. We think that's great and the opening of the new Home Source Warehouse. The average residential tax bill will increase approximately \$93.00. Based on an average FY2011 value of \$217,700.00 which is a reduction in value from FY2010 of about 4%, that's the reduction is about four percent across the board for commercial, industrial and personal property. This \$93.00 is a decrease of \$18.00 from the average tax bill increase of \$111.00 last year in FY10. Considering the state of the economy, the severe cuts, the local aid to cities and towns, the FY2011 budget is not only responsible to the taxpayers in the community but still maintains the services that make Agawam a great place to live and work. I have a copy of the Council's meeting of the Agawam City Council June 21, 2010 and I've taken quotes right from the minutes and I agree with Councilor Letellier when she says we debated this on June 21<sup>st</sup> – you all had the budget and as I said then, I never said it was a level-funded budget. To quote June 21<sup>st</sup> minutes of the City Council “The entire budget went up 1.2% with the increase in insurance, maintains all of our services and I'm pleased that if you read about surrounding communities closing schools, adding user fees, laying people off we have been able to avoid that and produce the budget that continues to be in the best interest and I know all of you as Councilor Perry always asks “with this budget we set the tax rate” – That's Richard A. Cohen Mayor, straight from your minutes. No surprises. “I think that Mayor Cohen has done a phenomenal job with this budget. We've sat through many sub-committee meetings and there were questions and answers and I felt they were done perfectly.” – that's quoting right from the minutes Robert Magovern, Councilor. And then I have “and our sub-committee quickly voted unanimously to approve the budget as it was, no cuts necessary so that's what I would like to say and that's the other thing I would like to say on behalf of this year, as bad as things are, this is the good news. The bad news is coming next year and I think as the Mayor just eluded to from the questions I just asked, the federal stimulus money is not gonna come back next year and we've got ¾ million dollars balancing our budget with that. We're also balancing our budget with Retained Earnings. That budget, now I'm

gonna vote for the budget this year because I got some assurances from pretty good people that I trust and respect a great deal including the Mayor here and I'm gonna go along with the budget this year." – Councilor Robert Rossi. So I listened to the debate. I listened to the banter. I took those quotes from your minutes and I appreciate and my reason for bringing it, I wanted to thank you for supporting the budget. I wanted to thank you for passing it. I wanted to thank you for your kind comments when you set the budget, you set the tax rate. Tonight, as Councilor Bitzas said, you set the shift based upon the budget you approved and that budget only went up 1.2% and we all should be proud of the good job that we have done collectively for our citizens.

**President Rheault** – Thank you, Councilor Rossi?

**Councilor Rossi** – Mr. Mayor? If you would please, seeing as how you quoted me directly in the minutes of the meeting, I'd like to respond to that if you would.

**Mayor Cohen** - I have a copy of the minutes.

**Councilor Rossi** – Oh, I'm not questioning that at all.

**Mayor Cohen** - You voted to approve the minutes.

**Councilor Rossi** – I absolutely did, yes I did and I'm not questioning that whatsoever. I'm not questioning the fact that I made that statement but I would like to say this about that statement. At the time I put my faith and trust in what was said to me here at that meeting and I think that faith and trust was somehow, I was a little disillusioned by that as things turned out over the few months and one is that as you know, and I think that most everybody here and within the sound of my voice would know that I was severely attacked with this robo-call system over here because I suggested that we forego the step increases of this \$430,000.00 and try to come to some sort of a term by way of an addendum with the unions to set that thing back and had we done that instead of having a \$1.3 million increase in our levy, we would only have a \$600,000.00 increase in our levy. But I took you at your word and the word of the School Department that said it was a contractual thing. The union did not want to go with that, they wanted their step increases but I just recently read an article in the paper that said that the union did agree to forego those step increases and they did agree that everyone in the entire system that's working in the union would take \$1063.00 increase in their base salary – not a stipend – but an increase in their salary. Now, that to me is a little lost faith. That to me is telling me that what I was being told at the time this budget was passed, didn't actually turn out that way. In addition to all of this I find out that there are contracts that we haven't yet seen but preliminarily we get the word out that we're offering people legitimate time off, paid time off, where we should be talking about perhaps furloughs but we're not doing that we're giving a paid time off, we're talking about bonus incentives for early retirements –

**Mayor Cohen** – Well I'm not gonna discuss personnel issues but I do want to say -

**Councilor Rossi** – Well the only reason why I'm discussing this is cuz you brought it up-

**Mayor Cohen** - But I do want to say is you're going into territory –

**Councilor Rossi** – Mr. Mayor, you brought this thing up.

**President Rheault** – Councilor Rossi has the floor. Councilor Rossi has the floor.

**Councilor Rossi** – Mr. Mayor you brought this thing up and I'm responding to it and yes I did say that. Yes I did place my faith and trust in you but these are things that happened. These chain of events happened over that period of time which tells me –

**Mayor Cohen** – That \$400,000, Councilor Rossi -

**Councilor Rossi** – that as good as we're doing, we could've done better.

**Mayor Cohen** – The \$400,000.00 was discussed at your meeting –

**President Rheault** – Mr. Mayor, Mr. Rossi has the floor. When he's finished you have every right to respond. I don't want any interruptions.

**Councilor Rossi** – That money was given to those people, Mr. Mayor, and it was suggested that that money be put back in to the General Funds, put back in to defray the cost of the levy but that didn't happen over here because we were told here that the union didn't want to go with it, it was a contractual agreement that had to be met, well in fact it didn't have to be met and in fact it wasn't met.

**Mayor Cohen** – Mr. Rossi you are 100% incorrect. That step raises, contractually, are obligated and that's what that money added up to. The bargaining union can decide how they split that money but that money cannot be taken out. If you took that \$440,000.00 as was explained to you in the sub-committee meeting which you all agreed to at the sub-committee meeting, it was brought up – it's no secret – the union decided that they would take that money and split it amongst their entire group collectively. It still had to be paid. How they divide it up is up to the union. We can't take collective money, collective step raises, legally out of a contract. Go back and read your unfair labor law books. You can't do that. You have great sound bites but those are your opinions. Those aren't facts.

**Councilor Rossi** – Mr. Mayor –

**Mayor Cohen** -You're welcome to your own opinion – please I hope you're gonna allow me to finish, Council President?

**Councilor Rossi** – Go ahead.

**Mayor Cohen** – You're entitled to your own opinion but you're not entitled to your facts of law. It was very clear. That \$440,000.00 could not be cut. The union was not gonna

cut that \$440,000.00 out and they decided to vote to divide it amongst everybody but you were given all the information. You passed the budget. You agreed with the budget, nothing has changed since the budget except your opinions. You are entitled to your opinions. You are not entitled to your own facts and that's all I have to say. I'm not gonna debate it with you. I think collectively we did a good job on the budget. I thank you all for it. I think everybody has worked hard but your sound bites are just sound bites.

**President Rheault** – Any other discussion? Laurel? No shouting (laughter)

**Laurel Placzek** – Okay. Laurel Placzek. I'm the Treasurer/Collector for the Town of Agawam. I am here to speak in favor of a tax factor because we all know my priority is to mail the tax bills to everyone for their New Year's gift. I reviewed the information with Kevin and the Mayor on the 1.68 and I think it strikes a fair balance between the commercial, industrial and residential taxpayer but I do just encourage you to pass one tonight. Thank you. Any questions?

**President Rheault** – Are you getting those bills out tonight?

**Laurel Placzek** –No but I'll start working on them tomorrow if I have a tax factor.

**President Rheault** – Any questions? Anyone else who would like to come on behalf of the budget? Are you coming on behalf of it or in opposition? Anyone in opposition please come forward. You already spoke Mr. Cavallo.

During Citizen's Speak Time

**President Rheault** – Oh, I'm sorry, you're right, I'm sorry.

**Paul Cavallo** – No the only question I have and it's very confusing to me and I'm surprised one of the councilors have not asked this question of the Tax Assessor, how do you arrive at a \$10,000 decrease in value of my home and secondly if you're decreasing the value of my home by \$10,000 and I go to sell it, I've got a problem. No one came to my house and inspected my house. How do you just pick \$10,000 out of the air? I'm sure every taxpayer in this town would like an answer to that question, to me, and if you can answer that question for me, I would appreciate it or if someone, don't they usually come to your home to reassess your home?

**President Rheault** – Kevin is right behind you.

**Councilor Mineo** - Doesn't it go by sales?

**President Rheault** – So the general public will have an answer –

**Kevin Baldini** – It's done like an appraiser would do if you hired an appraiser to appraise your house, it's done by comparative sales analysis. What we did is we took the

evaluation date for FY2011 which is the current year, is values at of January 1, 2010. To arrive at that value, we analyze sales of all properties but mostly single family properties during calendar year 2009. Whatever those sales tell us, that is where we adjust our property values. You don't have to inspect a property to judge it's value so to speak because it's already on record as having –

(Mr. Cavallo off microphone)

**Councilor Letellier** – I don't believe the people in the audience have the floor, this is getting a little out of control.

**President Rheault** – Just directly answer the question.

**Kevin Baldini** – You want me to just talk to the Council, okay, and once we do that sales analysis, for instance if our sales are telling us for ranches that our values are three or four percent to high, we adjust them down. If in a good market, the values go up, but right now the values are coming down and I don't want to predict the future but we seem to be leveling off a little bit right now in Agawam. I haven't done an analysis for next year but just based on what I've seen. Each year is it's own year and you look at the sales for that given year and adjust them based on the current assessments. So if our current assessments are telling us that a, if assessments are \$225,000 but that type of house is selling for \$215,000, we're gonna adjust it down to \$215,000. Not just that house but all ranches, all capes, all colonials to come into what's called a median value that the Department of Revenue will say is assessed at fair market value. It's not that every house will sell for what we have it assessed for but it should be close. It should be within a statistical range of value and that's how you do that and we do it every year and then we do a triennial update every three years that's more involved where you are really looking at the properties much more closely, looking at values much more closely. So that's how they went down four percent. It wasn't picked out of the sky. It was done through analysis which is certified by the Department of Revenue and they take a close look.

**President Rheault** – Thank you. Anyone who would like to speak in opposition? Please come to the microphone.

**Dale Mazanec** – Thank you and good evening. My name is Dale Mazanec and I am the Chairman of the West of the River Chamber of Commerce which serves 250 businesses in Agawam and West Springfield. Thank you for your time tonight. The Chamber continues to enjoy a working partnership with local government and is committed to continuing that partnership for the benefit of both the residents and the businesses in the Town of Agawam. We have several board members who have worked closely with the Agawam town government for many years as is done every time around this time of year, tonight the Council is likely to set the tax shift between the portion of overall taxes paid by the residents and that paid by businesses. As we all know, these continue to be difficult economic times for all and many employees have experienced reduced hours or even lay-offs and employers are making hard decisions, tightening their belts until they

can recover back to revenue levels of past years and local governments are being asked to make tough decisions involving the fine line between raising taxes and lowering and reducing services. Although I am not a business owner myself, through my position as a commercial loan officer at a local bank with offices here in town, I have several clients who are local business owners and as you would expect very few of my clients are in expansion mode. Most are reducing expenses wherever they can in order to survive. In this unusually difficult economy unfortunately employees are typically the necessary expense reduction needed to allow companies to survive. These continue to be unusual and perhaps historic times and the lengthening of the recession places renewed emphasis on the setting of the tax shift again this year. The Chamber of Commerce advises me that 70% of businesses have twenty employees or less and that about 40% of town residents work here in town and therefore we are all affected by excessive taxes on businesses. The West of the River Chamber and before that the Agawam Chamber has had a representative speak every year on behalf of our members concerning the tax shift. Given that there are thousands of residents and only hundreds of businesses we understand that the incentive to shift taxes from residents to business is expected and we ask that the Mayor and Council to continue to provide a balance that is fair and equitable. The growth and support of local businesses both large and small is a benefit to the community as a whole. A vital and healthy business community will recover and add to the employment base of the local residents and help that tax burden on all. Since 2004, the difference between the percent of the town's value made up of businesses and the percent of overall taxes paid by those businesses has grown from 10% to its current level of 15%. In other words, a business carries an extra 15% in tax burden over what would be paid if everyone had the same tax rate. This is basically a subsidy of the residential rate. We do believe that the Mayor's recommendation for a tax shift of 1.68 has been well thought out and proposed as a rate that would be fair to all however, based on the financial stress faced by many of our business owner members, we are recommending a tax shift of 1.66 which results in a slightly smaller tax burden gap for businesses between 14.66 down to 13.66%. On your charts I believe that equates to rates of 14.05 for residents and 28.16 for businesses, still a business rate doubles that of residential – nearly doubles that of residential. In closing, on behalf of the WRC – West of the River Chamber – I would like to thank all of you for your time and consideration in what are obviously very difficult decisions and I would also like to make note of the fact that several letters in support of the reduction of the tax gap have been handed out to the Councilors previously. Again, we thank the Councilors and the Mayor for their efforts and their consideration. Thank you.

**President Rheault** – Thank you. Anyone else who would like to speak? Mr. Griffin?

**Alan Griffin** – Well you people all know who I am and so forth. The only reason I came up here is to ask you a question. What do you do on a land that's part farmland and it's part residential? Now my taxes should come down instead of going up. This is what I'm trying to say to you and this is the point that I'm trying to bring across to you right now. My taxes should come way down because the back of my land is part farmland. Yea, I think the taxes should come down because I can't use it as farmland cuz you guys are preventing me not to use it as farmland, you know? I can't understand why you can't

bring goats over residential to get to my farmland and that's right in the back of my backyard and I can't use it? That's a little bit ridiculous and I'm paying taxes on it? Now what are we gonna do about this? Something's gotta be done about this. This is wrong with what they are doing. So you think about that. Thank you.

**President Rheault** – Thank you. Anyone else who would like to speak in opposition? Any who would like to be recorded in name only in favor? Anyone who would like to be recorded in name only against? If not, any further questions from the Council at this point? I now declare the public hearing closed. The item of Agenda – I'll entertain a motion? Moved by Councilor Simpson, seconded by and I'll read the Resolution as soon as I find it.

*A Resolution Adopting a Residential Factor Of .823121 pursuant to Massachusetts General Laws, Chapter 40, Section 56.*

*WHEREAS, beginning in Fiscal Year 1989 the Agawam City Council began adopting residential factors of less than one (1) pursuant to Massachusetts General Laws, Chapter 40, Section 56; and*

*WHEREAS, it is in the best interests of the residential taxpayers of Agawam to adopt a residential factor of less than one (1); and*

*WHEREAS, it is in the best interests of the Town of Agawam to adopt a residential factor of .823121;*

*NOW THEREFORE, the Agawam City Council hereby resolves after conducting a public hearing to adopt a residential factor of .823121 pursuant to Massachusetts General Laws, Chapter 40, Section 56.*

**President Rheault** – I have a motion on the floor to accept from Councilor Simpson and I don't have a second. Seconded by Councilor Messick, any discussion by the Council? Councilor Bitzas?

**Councilor Bitzas** - I want to hear the committee first and then I will discuss it – the committee report?

**President Rheault** – I'm sorry. The Finance Committee's report?

**Councilor Walsh** – Yes, the Finance Committee met on November 8<sup>th</sup>. Present were myself as chair, Councilors Robert Rossi, Gina Letellier, and Joseph Mineo, committee members Dennis Perry was absent. Also in attendance were Councilors George Bitzas, James Cichetti, Council President Donald Rheault, Mayor Richard Cohen, Auditor Cheryl St. John, Treasurer Laurel Placzek and Assessor Kevin Baldini. Meeting was called to order at 5:03 in the Auditor's conference room at the Town Hall. This was TR-2010-46 - a Resolution Adopting a Residential Factor Of .823121 pursuant to Massachusetts General Laws, Chapter 40, Section 56. Mayor Cohen started the discussion by emphasizing we were there to recommend the shift in the tax factor and not to set the tax rate was effectively done when the budget was approved. Assessor Baldini discussed the merits of the recommended tax

factor of 1.68 which kept the tax increases relative to the average assessed value in each category. The residential average assessed valuation is \$217,700.00 and the proposed annual tax increase is \$93.00. The commercial average assessed valuation is \$538,000.00 and the proposed annual tax increase is \$204.00. The industrial average assessed valuation was \$832,900.00 and the proposed annual tax increase is \$316.00. Kevin Baldini also mentioned that in calculating the average assessed valuation and corresponding average increase in the annual tax that Six Flags and Berkshire Power have been removed from the averages because they distort the averages. This differs from last year as they were included in the averages at that time. Discussion amongst the committee members suggested the range of the shift in the tax factor was between 1.67 and 1.69. Committee Chair Walsh thought consideration should be given to the tax factor of 1.66. Committee member Letellier thought a shift to a factor of 1.69 was a little bit extreme. After further discussion committee members Rossi and Letellier felt the additional increase to a tax factor of 1.69 was not unnecessarily burdensome to the commercial and industrial payers. There was a motion recommended to recommend approval to the Council by Councilor Rossi and seconded by Councilor Letellier to shift the tax factor to 1.69. The vote was 3-1 in favor with John Walsh casting the negative vote. The meeting was adjourned at 5:40pm.

**President Rheault** – Thank you very much Councilor. Now is there any further discussion by the Council? Councilor Bitzas?

**Councilor Bitzas** – Yes, Mr. President. I was at the meeting of the Finance Committee. I had a couple of meetings with Kevin and the Treasurer and I went over this shift and it is exactly a balancing act for us and we have to have fair balance. I believe the, I do not agree with the committee 1.69 but I could not speak at the meeting because was a quorum and I was not a member but the reason I did not agree with that is because the shift be as Councilor Letellier said at the meeting a little more extreme because we're only \$3 per quarter be more for the homeowners - \$3 per quarter extra increase – but for the businesses it would be doubled. So actually we are hurting the businesses and in this economic climate we have to be very careful to attract businesses and be more business friendly. If that was a big difference I would support the homeowners but the 1.68 it, I think it's fair. For \$3 every three months agrees it's not much but for the businesses to be doubled, it is a lot and I think for the record I think the representative of Chamber of Commerce spoke to us but I think he spoke under opposition but should not be opposed but should actually speak in favor at the public hearing because he supports the resolution which is 1.68 so actually was a miss – I don't think I miss anything but I think he supported 1.68 I believe but I – incorrectly – I don't know, maybe I didn't heard exactly but I do still no matter what the businesses believe I think it's good for the businesses and the increase of the 20 – what is it about 28.49 compared to the other cities and towns it's still very low and about, almost 13.96 it's pretty fair for the homeowners. I hope the committee reconsiders and I hope you support 1.68. Thank you.

**President Rheault** – Councilor Letellier?

**Councilor Letellier** – I think in some of the drama the public might be losing what we're here for tonight. The tax rate – the tax shift – is all about how we raise the money for the budget we've already passed. The shift has to do with how much of a percent increase or decrease goes to the businesses and to the homeowners. So I think Kevin did a nice job explaining how the \$93.00 was averaged for a single family house. As an attorney that

does real estate closings I can tell you that the number of closings has gone way down. Houses are on the market much, much longer. People are getting much lower prices and they're giving a lot of concessions. So even if you're selling your house for a price, you may be selling it below your assessment and giving like \$6000.00 in concessions so to say that Agawam's only lost an average of \$10,000 on a single family home I think places us in a luckier range than a lot of other communities. So when we're talking about the factor, but rather how we're gonna raise it, how we're gonna shift it because in Agawam the businesses and the homes don't pay the same rate. So I'm not sure, I think how we got to the figure got explained but I'm not sure what the difference in the shifts has to do. As a member of the committee I did say that I would support any range from 1.67 to 1.69 and I still feel that even though as a committee we recommended 1.69 I think it is important to set the factor tonight and I'm telling you that I would still support anything from 1.67 to the proposed 1.68 and even the proposed 1.69. I completely respect the Chamber of Commerce and we got a letter from the asking us for a 1.66 factor and I know that's what you said tonight even though maybe it wasn't heard, I know that that's what you recommended and I can't support that but if the majority of the Council wants to do 1.67 or 1.68 I can certainly live with that and as I said at the meeting, I think 1.68, 1.67, 1.69 I think are all fair ranges for the town, businesses and residences and I pay taxes as a homeowner and as a business. I may not own real estate but I do pay personal property taxes on every piece of furniture and book and computer and everything I have in my office so I'm paying both levels and as someone who's paying both levels, I think that anything from that 1.67 to 1.69 is fair. Thank you.

**President Rheault** – Thank you. Councilor Walsh?

**Councilor Walsh** – Yes as I had mentioned I had favored the factor of 1.66 but realistically I don't think that I'm going to get support from my fellow councilors at that rate. I am probably leaning now toward the factor of 1.67 and as we look at that we would see that the typical commercial property, their tax increase would go from \$204 as proposed under 1.68, it would go to \$112.00 under 1.67. This is a pretty decent shift of basically \$92.00 off of their bill. The industrial property would go from \$316.00 down to \$175.00 using that factor of 1.67 and that would be \$125 - \$141 decrease in their tax bill. A typical residential would go up from \$93 to \$101 which would be a basically \$8 increase. Now in looking at the whole scenario we have to look at also since day one we were in 1989 we had a factor of 1 meaning that the commercial, industrial, residential paid the same rate and we've now gotten up to the 1.68 factor so even at 1.67 the shift or the increase in tax if you will or the increase in the tax rate still favors the residential but not quite as much as it did under 1.68. I think we have to always keep in mind the businesses that are in Agawam look to other communities as to if they're going to increase their business, do they want to relocate there or do they want to stay in Agawam as well as new businesses looking around Western Massachusetts look at Agawam and other communities to decide where they're gonna go and obviously the tax rate and the shift in the tax factor is of critical importance. If we're able to keep the business and the commercial and industrial a little lower we might save somebody's job in Agawam, might keep a business in Agawam, it might invite a new business to come in so I think

that it's an investment by all of us but I believe a shift to factor 1.67 would make the most sense. Thank you.

**President Rheault** – Councilor Rossi?

**Councilor Rossi** – Thank you. I have to respectfully disagree with some of the comments here and I'm leaning more towards the residential people here and I'll tell you why. That 80% of the levy is funded by the residents and only 20% by commercial and industrial properties. The industrial people are getting hit very, very hard and they don't have that real recovery that they once had, the potential earning power is way down, they're not going out as much as they used to, I think our businesses are suffering but suffering because the people just don't have that free cash to spend anymore to go out and support our businesses, restaurants and other small businesses are gonna suffer for that. If we go ahead and increase the residents more and shift more towards the commercial and I'm not saying that the commercial and industrial people don't deserve a break, I certainly think that they do, but I think the greater harm is going after the people who have limited potential earnings. I think commercial properties and industrial properties can recover. They can put some of this cost into their way of doing business, their goods and services and they have that potential to recover where the homeowners do not. There are many, many more people that are unemployed today. There are many, many more people that are making choices about whether they're gonna buy their medicines or put food on their table and I think that everyone will agree to the fact that no one is going out and spending that free cash anymore because there just isn't any around and as a result of that if we tax and choke these taxpayers anymore, they're gonna go out even less and I think the businesses will suffer even more. So I think the greater danger here is to go after the taxpayers, the single resident taxpayers. I don't see it changing here over the next couple of years. I know over this last budget time, I did, I did make some statements over here and I agree with the Mayor in what he said earlier was that I would go along and I would trust their judgment this time over here but we have to be very careful about next year. I don't see that happening here. I think we got some real dangers approaching us. I think we all can understand that we've got some great shortfalls coming next year. I don't know how we're gonna recover from that and believe me, it's not my opinion, it's what I read in the newspapers. Now I've read in the newspapers that the teachers over here and that's where I got the information about this \$430,000.00 that they divided amongst themselves. That was supposedly earmarked for step increases. It was earmarked to be chopped up as a salary increase. It was supposed to be given to those people who had entitled step raise increase. That's what it was supposed to go for. It wasn't supposed to go for everyone including those who did not have a step raise. It was supposed to go for step raises. That's what we were told. Well, in fact, that didn't happen over here. Not only that that didn't happen over here, I read in the paper that over the next two years, we're committed to almost a million dollars in salary increases on that school side – according to the paper – the figure was \$900,000.00. That's going to be added to our levy next year. I think we have to start looking right now at ways, as Mr. Cavallo said, of paring things back. I don't think we should go in there with hatchets. I don't think it's time to be alarmed but I think it's time to be cognizant of the fact that we're gonna be in some deep, deep trouble if we don't

start setting our priorities straight here and I think we're gonna have to start now by giving a little bit of an advantage. We can't do anything with this budget. The budget is passed. We can't reduce it but I think what we can do is we can give a little bit of a break for those people who are suffering the most and I think if we do that, maybe you could possibly free up some free cash for them to go out and maybe go to some restaurants, go to support some smaller businesses and get back out and start doing some shopping and buying some things that maybe they would like to have rather than what they need to have. I think that's really what we need to focus on. That is my opinion. That's not fact but that is my opinion. So my position over here is I would like to see it go back to at least the 1.69 that is a reduction of eleven cents for the residents. It's only an increase of 23 cents to the commercial. Idealistically, I would like to see it go to 1.72 but I don't think this committee will go to 1.72. I think that would decrease the factor to \$53.00 according to the figures over here and that would be a reduction of some 40 cents on the tax rate and that would increase the commercial property by let me see .50 about .65 - .70 cents on a thousand. So I don't think that that's really out of whack either and that would certainly offer the residents quite a bit of a break and I don't think that would be an undo burden on the industrial and commercial property but so my range if I can make a comparison to what Councilor Letellier said, my range would be anywhere from 1.69 to 1.72.

**President Rheault** – Councilor Simpson?

**Councilor Simpson** – Thank you. I'm gonna be short and sweet here because Councilor Walsh said quite a few things that I was already thinking so there's no point in being redundant but I'm in favor of the 1.67. I think the amounts are good. I know it does put a little bit more money on towards the residential but I also look at it too that if we don't make it somewhat desirable for businesses whether they be commercial or industrial to either come into the community or stay in the community, if we don't get them in or we leave, the residential rate is gonna skyrocket - if you look at communities that have very little business or very little commercial or industrial business - how much their residential tax factor so I would be in favor of either the, I would prefer the 1.66 or I would go to the 1.68. Thank you.

**President Rheault** – Councilor Magovern?

**Councilor Magovern** – I've got to agree with Councilor Rossi in that the residents are the ones that are really suffering. I mean they're locked in not only to a stable income in many cases but a decreasing income, unemployment and as far as, the health care which is also affecting the Mayor and I do appreciate the constraints that our Mayor is under with the increase going up all the time on health care, the co-payments are going up, insurance costs are going up for the residents so I'd like to see as much of a lenient increase as we can possibly give, although I don't like any increase at all to the residents, but on that I would also like to see the Chamber of Commerce and all the residents have a campaign to support Agawam business, I mean eat in Agawam, get your cars fixed in Agawam, buy your gas in Agawam, try to deal with the Agawam business. If the Agawam business is helping you keep your taxes down a little bit I think that there

should be an emphasis on trying to support Agawam businesses. Go to some of these new stores that are opening up. You know that Mayor is right. We've had fourteen new businesses. Find out where these fourteen new businesses are and try to go out and support them so I don't want to see any increase in taxes. I wish that we could have used more of the Free Cash and kept the taxes down. I mean that's a mute question at this point. We can't do it but I don't want to see an increase in the residential tax factor or if we have to, keep it down to the minimal that we can have it. Thank you.

**President Rheault** – Councilor Bitzas?

**Councilor Bitzas** – Yes, I know some of you they like 1.67, some of you like 1.69. Why don't you compromise and go to the middle? So be its fair because Councilor Rossi said, Councilor Magovern, they like to help the businesses and of course the homeowners – 1.69 it is the perfect solution. Not to penalize the residents like some, not penalize, to be a little bit more money to the residents, some would like 1.67 and other to be a lot more for the businesses or 1.69 because very make it clear councilors, it's so simple. If you go for 1.68 that's between half and the other half, it's excellent compromise because if you go one step above like Councilor Magovern and Councilor Rossi wants – 1.69 – than from \$95 a year for house, the average house would pay \$105. Twelve dollars for the whole year - \$3 for 3 months – that's the difference but for the businesses they go from \$316...up to \$630 if we go the way that Councilor Magovern and Councilor Rossi wants. It's not even at all just for a little point like this so it makes sense, common sense, to go not high, not low; just right and I believe that a compromise 1.68 would be perfect. Thank you.

**President Rheault** – Any further discussion? Just to remind the Council on what the motion is in front of you. It's .823121. Oh, I'm sorry. Councilor Walsh?

**Councilor Walsh** – Yes, I'd like to amend the motion and instead of a tax factor of .823121, I would like to amend it to .825722 which is the tax factor of 1.67.

**President Rheault** – Moved and seconded to change that factor to .825722. If you are in favor of the amendment vote yes, if not, vote no. Barbara, would you please call the roll?

**ROLL CALL – 6 YES (Councilors Cichetti, Letellier, Magovern, Messick, Simpson and Walsh), 4 NO (Councilors Bitzas, Mineo, Rheault and Rossi), 1 ABSENT (Councilor Perry)**

**President Rheault** – Six yes, four no, you've approved the amendment. Main motion as amended. Any further discussion? Councilor Messick? You're light's on. Main motion as amended. Barbara, please call the roll.

**ROLL CALL – 6 YES (Councilors Cichetti, Letellier, Magovern, Messick, Simpson and Walsh), 4 NO (Councilors Bitzas, Mineo, Rheault and Rossi), 1 ABSENT (Councilor Perry)**

**President Rheault** – Six yes, four no, one absent, you’ve approved the new tax factor of .825722.

**Item 10. Old Business**

**1. TO-2010-46 - An Order Granting or Renewing a LICENSE for Class II Dealer – Elmwood – D& J Auto Sales, 521 River Road, Agawam, MA. (Tabled 11/15/10) (Referred to License Committee) (Clerk)**

**President Rheault** – Move to take it off the table. Moved by Councilor Rossi, seconded by Councilor Simpson. All those in favor? Opposed? Item is off the table. Councilor Rossi, a report from the committee?

**Councilor Rossi** – Yes, thank you. The Committee met this evening just before the Council meeting and Elmwood d/b/a D&J Auto Sales at 521 River Road in Agawam was tabled last week for a non-payment, apparently an oversight in their taxes and have since paid and it was recommended that we grant and renew their license as a Class II Dealer to Elmwood, D&J Auto, 521 River Road, Agawam.

**President Rheault** – Thank you. Any further discussion? If not, Barbara, would you call the roll on that one, please?

**ROLL CALL – 10 YES, 0 NO, 1 ABSENT (Councilor Perry)**

**President Rheault** – Ten yes, one absent, you’ve approved the license.

**2. TO-2010-51 - An Order Granting or Renewing a LICENSE for a Class II Dealer – Balfour Motors, 1801 Main Street, Agawam, MA. (Referred to License Committee) (Clerk)**

**President Rheault** – I’ll entertain a motion to put it on the floor? Moved by Councilor Rossi, seconded by Councilor Simpson. All those in favor? The item’s on the floor. Councilor Rossi?

**Councilor Rossi** – Yes, thank you, again the License Sub-Committee met prior to this evening’s meeting and we voted unanimously to make a recommendation to positively recommend the licenses be renewed and if I would, at the Council’s pleasure, like to consolidate TO-2010-51 - An Order Granting or Renewing a LICENSE for a Class II Dealer – Balfour Motors, 1801 Main Street, Agawam; TO-2010-52- An Order Granting or Renewing a LICENSE for a Class II Dealer – LaFleur Auto Exchange, 374 Main Street, Agawam; TO-2010-53- An Order Granting or Renewing a LICENSE for a Class II Dealer – RNK Auto Sales, 204 Garden Street, Feeding Hills.

**President Rheault** – Motion on the floor to concise all three licenses, seconded by Councilor Cichetti. All those in favor? Opposed? Barbara, call the roll for the granting of the three licenses.

**ROLL CALL – 10 YES, 0 NO, 1 ABSENT (Councilor Perry)**

**President Rheault** – Ten yes, one absent, you’ve approved the three licenses.

**3. TO-2010-52 - An Order Granting or Renewing a LICENSE for a Class II Dealer – LaFleur Auto Exchange, 374 Main Street, Agawam, MA. (Referred to License Committee) (Clerk)**

**President Rheault** – See Item 2 above.

**4. TO-2010-53 - An Order Granting or Renewing a LICENSE for a Class II Dealer – RNK Auto Sales, 204 Garden Street, Feeding Hills, MA. (Referred to License Committee) (Clerk)**

**President Rheault** – See Item 2 above.

**5. TO-2010-54 - An Order Granting or Renewing a LICENSE for an Automatic Amusement Device(s) – Scoreboard Bar & Restaurant, 15 King Street, Agawam, MA. (Referred to License Committee) (Clerk)**

**President Rheault** – Moved by Councilor Rossi, seconded by Councilor Simpson, all those in favor? It’s on the floor. Report from –

**Councilor Rossi** – Yes, again, the Committee met and voted unanimously to send a positive recommendation for renewal and again at the Council’s pleasure, I’d like to consolidate TO-2010-54 - An Order Granting or Renewing a LICENSE for an Automatic Amusement Device(s) – Scoreboard Bar & Restaurant, 15 King Street, Agawam and TO-2010-55 - An Order Granting or Renewing a LICENSE for an Automatic Amusement Device(s) – The Main Street Still, Inc., 858 Suffield Street, Agawam.

**President Rheault** – Moved by I’m sorry, Councilor Letellier? Councilor Letellier, seconded by Councilor Simpson to combine the two. All those in favor of combining the two? Opposed? Barbara, call the roll for the granting of the licenses.

**ROLL CALL – 10 YES, 0 NO, 1 ABSENT (Councilor Perry)**

**President Rheault** – Ten yes, one absent, you’ve approved the granting of both licenses.

**6. TO-2010-55 - An Order Granting or Renewing a LICENSE for an Automatic Amusement Device(s) – The Main Street Still, Inc., 858 Suffield Street, Agawam, MA. (Referred to License Committee) (Clerk)**

**President Rheault** – See Item 5 above.

**Item 11. New Business**

1. **TR-2010-48 - Suggest a Public Hearing date of January 18, 2011 (PH-2011-1) for a Resolution in the Matter of a Petition of Western Massachusetts Electric Company (Mayor)**

**President Rheault** – Anyone have a problem with that date? No? Okay. Barbara, could you take care of that please?

2. **TO-2010-56 - An Order Granting or Renewing a LICENSE for an Automatic Amusement Device(s) – Home Plate Sports Bar, 827 Springfield Street, Feeding Hills, MA (Clerk)**

**President Rheault** – Next Agenda. These are referred to the License Committee and I think that WMECO should be referred to your committee Joe.

3. **TO-2010-57 - An Order Granting or Renewing a LICENSE for a Class I or II Dealer – Sarat Ford Sales, Inc., 243-249 Springfield Street, Agawam, MA. (Clerk)**

**President Rheault** – Over to the License Committee and next Agenda.

4. **TO-2010-58 - An Order Granting or Renewing a LICENSE for a Class I or II Dealer – Sarat Ford Sales, Inc., 250 Springfield Street, Agawam, MA. (Clerk)**

**President Rheault** – Also to the License Committee, next Agenda.

5. **TO-2010-59 - An Order Granting or Renewing a LICENSE for a Class I or II Dealer – Malkoon Motors, 1039 Springfield Street, Agawam, MA. (Clerk)**

**President Rheault** – Over to the next Agenda and to the License Committee.

6. **TO-2010-60 - An Order Granting or Renewing a LICENSE for a Class I or II Dealer – Richard Conlon d/b/a Motor City Car Co., 91 Ramah Circle, Agawam, MA. (Clerk)**

**President Rheault** – Over to the next Agenda and to the License Committee.

**Item 12. Any other matter that may legally come before the City Council.**

**President Rheault** – I believe that Councilor Bitzas should start this evening.

**Councilor Bitzas** – I'll pass.

**President Rheault** – Nothing? Councilor Magovern?

**Councilor Magovern** – I have two items I'd like to mention. Number one is a reminder that tomorrow is December 7<sup>th</sup> and for those that are veterans again and non-veterans, I hope we can appreciate the fact that December 7<sup>th</sup> is a day that we should remember. That was the bombing of Pearl Harbor. That has a close significance for my wife because her brother was killed at Pearl Harbor on December 7<sup>th</sup> and I think we should remember our veterans and also on the same vein, on December 20<sup>th</sup>, a little bit happier, we are having an old-fashioned carol sing on the Veterans' Green and I would like to have as many people as possible. I'm sorry it's Sunday, I have another party on the 20<sup>th</sup>, but it's Sunday, December 19<sup>th</sup>, 5:00 on the green, we will have an old-fashioned carol sing. It will be supported by the Congregational Church, the Baptist Church, St. John's and all the churches in town that wish to participate. After the carol sing, there will be a reception down at St. John's Parish Hall and as many people in town that could possibly make it. I'd love to have you come. Candle lights and a lot of good remembering of Christmas carols. Thank you.

**President Rheault** – I need your signature back, Bob. Councilor Mineo?

**Councilor Mineo** – Yes, just one thing tonight. My wife is a member of the Agawam Jr. Women's Club and they're doing a fundraiser right now. There's 34 families in Agawam that are in need of help this Christmas which would be any type of cash donation, or clothing, you could contact my wife at my house. My phone is 789-4356 but we have 34 families that are living in Agawam that are in need of your cash donation for presents or clothing or just food to put on their table this Christmas so again, you could contact my wife if you'd like to give any donation. I certainly will match anybody up here or even double it if you would give anything. If you gave \$20 I would give \$40 so but anyways there is 34 families that need some help in Agawam this Christmas. Thank you.

**Councilor Magovern** – Is that combined? You'll match everybody?

**Councilor Mineo** – I will, no I said if anybody gave \$20 I will double it or if somebody gave more than \$20, I will double the highest contribution, how's that?

**President Rheault** – Fair enough, very generous. Councilor Rossi?

**Councilor Rossi** – Count me in.

**President Rheault** – Councilor Walsh?

**Councilor Walsh** – After the sing-along on the 19<sup>th</sup>, if you are tired of singing and would rather listen on the 20<sup>th</sup>, the Agawam Rotary Club is hosting Richie Mitnik and his group up at the Agawam Junior High School and I don't have the detail on the times but I think Gina could probably help me out on that one.

**President Rheault** – Councilor Cichetti?

**Councilor Cichetti** – Count me in also, Joe.

**President Rheault** – Councilor Messick?

**Councilor Messick** – Count me in, Joe.

**President Rheault** – Councilor Letellier?

**Councilor Letellier** – Count me in Joe but I do have a couple of, I noticed in our packet that we had entered into a contract with BMI Music Publishing for a music license? Why would the town need a license for music? I'm curious as to what that contract is for.

**President Rheault** – I honestly don't know but I'm a little familiar with licenses on music that any time if it's used over the airways you have to have a -

**Councilor Letellier** – Right. So is the town making a commercial, I mean, why does the town need a license for music and how much is it?

**President Rheault** – Maybe we're gonna put out a robo-call, no I will -

**Councilor Letellier** – Well, nonetheless, I'd like to find out how much it is. If it's some ridiculous amount what's the big deal, but you know, why are we doing this? And -

**President Rheault** – Well, BMI is a licensing company.

**Councilor Letellier** – I know they are and that's why I'm wondering why.

**President Rheault** – I don't know but I will find out.

**Councilor Walsh** - Could it possibly be for the schools for their music department?

**President Rheault** – It's possible but I don't think that goes over the airways.

**Councilor Letellier** – Eh, and that's never happened, ever, I've never seen a contract for a music license unless somebody just realized that we should be doing that. I don't know.

**President Rheault** – If you would Barbara, remind me in the morning to follow up on that?

**Councilor Mineo** – If I could, they could be using copyrighted music.

**President Rheault** – Well, that's what it is.

**Councilor Letellier** – You mean for a play or something, but I don't remember us ever, unless I never noticed it before, I'm just curious.

**Councilor Mineo** – I haven't either but I've heard of that, that's the reason I say that.

**Councilor Letellier** – Yea, maybe they're putting on a play in the spring where it's not public domain, I don't know but I'm curious.

**President Rheault** – I am too.

**Councilor Letellier** – Cuz these licenses can get expensive, you know? So just curious.

**President Rheault** – Very.

**Councilor Letellier** – And then I also wanted to remind people, we have our meeting on the 20<sup>th</sup>. I believe both our meeting and the concert start at 7:00. I'm not gonna say that the Agenda is not worthwhile, it's very worthwhile to the people who need those licenses but if you're a member of the public and you could go to the Rotary concert and remember to bring a donation to the Parish Cupboard. Thank you.

**President Rheault** – Thank you. I have just one comment. Under, as you may notice, I allow a fair amount of leverage under Public Hearings primarily because a lot of people stop me on the street and say you know we don't know what you guys are talking about up there so I know that some of the dialogue tonight certainly what usually goes on but I think the more informed you can keep the public regarding the manner in which we approve the tax rate, I think the better off it is even though some of it was not certainly germane to the issue but that's why I allowed that extra leverage and I have nothing else other than I will find out on that BMI and I'll entertain a motion to adjourn. Moved by the Council, seconded by the Council. All those in favor? Approved by the Council and good evening and thank you for watching.

**Adjournment**