

Sharon Iovanni

From: Randy Perillo [perillo@rcn.com]
Sent: Tuesday, October 27, 2009 1:16 AM
To: Randy Perillo
Subject: 10/26: Special Town Meeting summary

This message goes out to the **690** families of **Stoneham United** and the following non-Stoneham residents:

Public Health Agent/Certified Health Officer (Stoneham Board of Health) **Robert F. Bracey**,
Stoneham Recreation Director **Christine DelRossi**,
State Representative **Jim Dwyer** (30th Middlesex District),
Bob Grover, Director of Public Works,
State Representative **Jason Lewis** (31st Middlesex District),
Boston Globe North reporter **Eric Moskowitz**,
Stoneham Superintendent of Schools **Dr. Les Olson**,
Stoneham Town Administrator **David Ragucci**,
Stoneham Sun editor **Amy Saltzman**

Register to receive State Representative Jason Lewis' newsletter at <http://repjasonlewis.com/signUp.html>. Lewis, along with State Representative James Dwyer, represents Stoneham.

If you received this message as a forward and would like to become a member of Stoneham United please contact me to get on the direct distribution list. (perillo@rcn.com)

Hello, everyone.

I attended Special Town Meeting on October 26, 2009. Here is the article-by-article summary:

Article 1: Local Restaurant Meals Tax of 0.75 percent

FAILED at 7:54 p.m.

Finance & Advisory Board Chairman **John Warren** opened discussion. Warren, a Dean Street resident, submitted the petition for this proposal.

Warren noted that state law allows for cities and towns to add a local restaurant meals tax as a way to make up for lost revenues from state aid.

The Finance & Advisory Board Chairman said that it is a "myth" that restaurants are suffering during the bad economy. Warren explained that the restaurant industry has experienced tremendous growth in the past decade. He noted the increase from one full-service Italian restaurant in Stoneham to four in that span. He also added that Stoneham has seen an increase from one full-service Asian restaurant to four in the last ten years.

Warren also pointed out statistics from the state of Rhode Island that reported a 5 percent increase in restaurant business while also reporting a 13 increase in unemployment. Rhode Island officials, according to Warren, claim that the poor economy has caused people to forego vacations and travel and to dine locally instead.

Warren said that the proposal could lead to more than \$90,000 for Stoneham in fiscal 2010 and more than \$220,000 in fiscal 2011. He added that Stoneham needs the money to fund its public safety and other employees including School Department employees.

Warren noted that Stoneham has failed to pass a Proposition 2 ½ override which would increase the local property tax base, has failed to continue a trash fee to generate revenue, and has failed to develop business locations such as the former Boston Regional Medical Center (BRMC) on Woodland Rd. These failures have prevented the town from increasing its revenues to fund public services. He concluded that Stoneham is “squeezing” its budget to a level that could lead to permanent damage.

Board of Selectmen Chairman **John DePinto** responded to Warren’s points. DePinto, speaking as a Certified Public Accountant (CPA), said he had represented restaurants in the North End of Boston for more than 30 years. He said, “Increased taxes never work.” He noted that Stoneham restaurants are moderately priced establishments that cater to the town’s blue-collar population. He added that the increased tax would lead to increased prices. He said that there are “too many empty stores now” in Stoneham and increased taxes and any failure of businesses due to this tax increase would lead to tax increases in the residential base.

Jim Sinclair of the Finance & Advisory Board said that his board recommended favorable action on this proposal. Sinclair cited the loss of hundreds of thousands of dollars in local aid from the state, reduced reimbursements in Special Education from the state, negative effects from Quinn Bill reductions that fund police personnel throughout the state, and an \$800,000 budget gap the town currently faces for fiscal 2010 as reasons to support a proposal that could add more than \$300,000 to the town budget over the next 18 months.

Sinclair explained that an \$8 meal at Burger King on Main Street would cost 6-cents more with the tax increase. He also added that the tax increase would add such small amounts to bills at other Stoneham restaurants: a \$40 meal at Kyoto on Montvale Avenue would cost 30-cents more, a \$100 meal at Gaetano’s on Main Street would cost an additional 75-cents. He said that people would need to eat out nearly every day to spend a dollar or two more due to the proposed tax. He added that some revenue would come from non-Stoneham residents, yet would benefit Stoneham town services.

Sinclair added that all cities and towns located between Stoneham and Boston had voted to accept this meals tax proposal. He said the Town of Andover initially voted against it and then changed its mind to vote in favor of it. Sinclair concluded that the small increase would not change people’s behavior.

Sharon Iovanni, Executive Director of the Stoneham Chamber of Commerce, said that local businesses such as Stoneham’s restaurants contribute to local non-profit groups. She said that the businesses’ support local organizations despite paying the town a higher commercial property tax percentage and paying licensing fees and permit fees to operate.

Iovanni said that Massachusetts collected less revenue from state sales tax in August 2009 than it did in August 2008. She added that the new sales tax increase in the state presents a negative perception to consumers. She said that consumers choose to shop in places with lower taxes. Iovanni said that the Massachusetts Restaurant Association reports that 75 percent of its members suffered significant decreases in sales during the month of August (since the inception of the higher state sales tax).

Iovanni concluded by saying that the tax proposal targeted a small group of businesses, restaurants only. She also said that Stoneham could attract more dining customers because it could boast of having found a way to get things done without increasing its restaurant meals tax.

Jeanne Craigie, a member of the Finance & Advisory Board, spoke as a private citizen. Craigie spoke against the proposed new tax. She said that her observation leads her to believe that restaurant business is very slow in Stoneham now.

Craigie said that restaurants always donate to Stoneham's non-profit organizations. She wondered if restaurants could continue to be so generous if the meals tax caused business to suffer.

Craigie added, "Every citizen in this town should eat locally." She said that the state should have taken the initiative regarding this tax and not placed the decision on the cities and towns. Craigie said the state should fix the Chapter 70 education aid formula instead of putting towns in a difficult position to vote to increase its meals tax. She said the projected \$222,000 in revenues for fiscal 2011 would be a small amount within the \$52 million town budget.

Resident **Edie Previdi** supported the tax, saying that the town needs the money more than ever. She said the whole town is hurting during the economic downturn and that we all must work together to solve our fiscal problems. Previdi said that the town voted to change bylaws at an earlier town meeting because it could see the benefit of a billboard that provides \$50,000 per year in fees to Stoneham. She said, "I can't believe people think this is not worth it."

Resident **Donna Bertwhistle** said that 75 cents on a bill, by itself, is not a lot, but with other expenses it is a lot. She said, "I don't believe in the meals tax... I already can't go out to eat." She said that the town should do more to develop the BRMC site on Woodland Avenue and ended by saying that we should do things that help business in Stoneham.

Resident **Joe Gresci** said that the \$90,000 and \$220,000 revenue estimates are nothing more than projections. He noted that many projections are far from accurate. He said that growth from businesses leads to more taxes locally, at the state, and at the federal level. He said, "Stop taxing us. Let us grow our own businesses. We'll have a vital economy."

Resident **Darin Leahy** said that local restaurants have always supported local organizations. He recalled that Stoneham Pizza sponsored his Little League baseball team decades ago.

Resident **Don Smith** said that we must support our businesses in every way we can. He added that a no vote on this proposed tax would help Stoneham businesses.

Former Board of Selectmen member **Mary Pecoraro** said that she favored the local tax increase, as that money would go back to Stoneham, not to Boston or Washington, DC. She said that people eat out based on price range, not town location. She added that if new restaurants come to Stoneham, it dilutes the number of customers for the existing ones.

Article 2: Hill Court Easement

PASSED at 8:03 p.m.

This article grants a 150 square foot utility easement on a portion of the Hill Court parking facility and abutting 411 Main Street property (owned by resident **Frank Petrillo**). It authorizes the Board of Selectmen or Town Administrator to take any action necessary to grant this easement of to do anything in relation.

Jeanne Craigie of the Finance & Advisory Board said there is only one interested buyer in this small property. The Board of Assessors would determine the final price.

Attorney **Charles Houghton**, representing Frank Petrillo, said that the land is necessary for his client to place a utility box to service a proposed new building on Main Street.

Resident **Catherine Moore** questioned the town's desire to sell this area of the parking facility, citing the need for more parking in the downtown area.

Houghton responded that his client would build five additional spaces as part of the new project. He also said that the lot is adjacent to his client's building and would not be suitable for parking. Houghton said the sale of land would not effect the existing parking configuration.

Article 3: Hill Court Small Parcel Sale

PASSED at 8:11 p.m.

This article transfers the care, custody, management, and control of a parcel of land (224 square feet) to the Board of Selectmen for sale.

Selectman **Frank Vallarelli** said the property abuts 397 Main Street, a new building that houses Evergreen Florists.

Jeannie Craigie of the Finance & Advisory Board said that the sale of this small parcel eliminates the town's liability for this property.

Citizen Catherine Moore again asked about the effect of public parking on the sale of this land. Resident **Doug Halpin**, the contractor who worked on the 397 Main Street project, said that the town could not use the land for parking. Craigie said there is an "elevated" wall on the property and it is of no value to the town.

Michelle Meagher of the Board of Assessors Office said the town cannot use the land, but the ownership creates a liability. Sale of the land removes the liability.

Moore questioned why Town Meeting voters must make decisions about land parcels without a map provided by the town in the meeting booklet or otherwise at the meeting. Moore added that, as a proponent of the proposed Tri-Community Bike Path, she has seen private entities benefit from use of public land. She said that many speakers at the meeting said that businesses need help, but no one had said that the public needs help in protecting its rights, too.

Article 4: Current Year (Fiscal 2010) Budget Changes

PASSED at 8:22 p.m.

The article lists \$371,353 in budget adjustments for fiscal 2010, the current fiscal year. The Finance & Advisory Board summary (included in the Town Meeting booklet) shows a spending reduction request because state aid is \$697,701 less than the original estimate and local receipts are \$131,307 lower than the budget approved at May Town Meeting.

Details of the budget changes include a revenue reduction of \$828,778 based on the above amounts and others. The changes include a transfer of \$282,425 from surplus revenue (Stabilization), a release of \$175,000 from the Board of Assessors Overlay account, a transfer of \$20,000 from Cemetery Perpetual Income Fund, a \$20,000 reduction of sales of lots & graves. The balance relates to the \$371,353 budget adjustments.

Those adjustments include a \$155,889 reduction to the School Department among other items. School Committee chairman **Joe Viselli** said that, although School Superintendent **Dr. Les Olson** has made recommendations to cut new curriculum development and areas that effect the quality of Stoneham High School athletics, the committee has not officially voted to approve any recommendations. The School Committee meets again on November 12.

Passage of this article creates a balanced budget, but Selectman **Paul Rotondi** said that the state is likely to cut aid to Stoneham by \$500,000 or more in the next few weeks. This would lead to more reductions.

Article 5: General Stabilization Account Deposit

PASSED at 8:24 p.m.

This article transfers \$87,000 from the town’s “free cash” to its Stabilization or Rainy Day account.

Article 6: Capital Stabilization Account Deposit

PASSED at 8:26 p.m.

This article transfers \$87,000 from the town’s “free cash” to its Capital Stabilization account to fund purchase and maintenance of public assets.

Article 7: Capital Plan Funding

PASSED at 8:31 p.m.

Selectman **Richard Gregorio** said it is important to provide needed equipment to town departments and to repair and maintain public assets. He said the town has a long list of needs and this year’s list includes an air conditioning system (\$60,000) at the Senior Center, a bus (\$60,000) for the Senior Center, marked vehicles (\$62,000) for Stoneham Police, Drainage (\$300,000) at Spring Street, a digital fire alarm (\$40,000) for Stoneham Fire, windows (\$15,000) for Stoneham Public Library, and doors (\$20,000) at Stoneham Arena. Total expenditures equal \$557,000.

Capital Stabilization Account funds \$135,000 of this expense. The majority of funding comes from “General Obligation Funds” in the amount of \$300,000.

Article 8: Authorize Sate Money for Town Roads

PASSED at 8:35 p.m.

This article appropriates \$382,269 to the town from the Commonwealth of Massachusetts Chapter 90 local transportation aid funding.

Ben Caggiano of the Finance & Advisory Board said that Chapter 90 funds are the only source of funding to repair Stoneham’s roads and sidewalks.

Resident **Larry Epstein** asked why the town does not always properly repair potholes. He stressed that he does not believe the town is repairing the roads the right way and suggested using the funds for new roads, not just temporary repairs.

Finance & Advisory Board Chairman John Warren said that the funding is not enough to repair all roads in Stoneham. He said there is a priority list in town and Spring Street and East Street are the top priorities. He told Epstein that he could ask the Department of Public Works where any Stoneham street ranks on the priority list.

Thank you for your time,

Randy
