

2009 Special Town Meeting

Tuesday, August 31, 2009

MODERATOR: 7:00 pm having arrived it is my distinct honor to call to order the August 31st 2009 Special Town Meeting for the Town of Andover. Thank you all very much for coming out this evening, at the very dead end of summer. We appreciate that very much. As we begin our meeting this evening in lieu of a formal invocation I would like to ask you all please to rise. And I would like to suggest that we have a moment of silence this evening for those who were here with us in May and who are not here with us tonight: a very big friend of this Meeting, Jerry Silverman; a lifetime teacher and member of the finance committee, Robert King; and for those of you who are inclined for Senator Kennedy, if we could just have a moment of silence.

MOMENT OF SILENCE

MODERATOR: Thank you very much. Ah, Mr. Vispoli if you could remain standing you could lead us in the Pledge of Allegiance, please.

PLEDGE OF ALLEGIANCE

MODERATOR: Thank you, please be seated. For those of you who don't know, please allow me to introduce myself. My name is Sheila Doherty. You have elected me for the Town Moderator of this meeting and I thank you for that privilege. Mr. Urbelis, could you ask us to admit the non-voters.

URBELIS: Madam Moderator, I move that Jack Petkus, Steve Bucuzzo, Michael Mansfield and other non-voters may enter the hall, after being admitted some of whom may be speaking.

MODERATOR: All those in favor of admitting the non-admitted, non-voting members to this Meeting please raise one hand. Those opposed. The ayes have it. The motion carries. Thank you very much. I would ask you please to turn off your cell phones. If you would. And I know that's a hard thing to do, but if you could please put them on vibrate. No smoking food or drink in the auditorium. The rest rooms are located in the hallways where you came in,

if you need to use those. Mr. Mod-ah, Mr. Urbelis could you please refer to waive return of service.

URBELIS: Madam Moderator, I move to waive the return of service and to allow the Moderator to refer to a warrant article by number and subject matter.

MODERATOR: All those in favor of referring to the warrant articles by number and subject matter, please raise one hand. Those opposed. The ayes have it, motion carries. Thank you. Are voting sections tonight will be as follows: 1, 2, 3, 4, 5, 6, and if we need them 7 and 8 up there in the, in the back of the auditorium. I doubt if we need those but if we do they're there.

I'd like to introduce to you this evening the participants up here on the stage. To my right, your left, is the Board of Selectmen, the Town Manager, and the Director of Finance. To my left, your right, members of the Finance Committee, Town Counsel, and the Town Clerk. There is an Ombudsman...there will be an Ombudsman over here, if you want to amend an article in any way and you need help with the language. If you make an amendment to an article we need three copies of it. He will the three-part copies, three-part forms for you to fill out and you can see if he will be there by the...press box? By the press box, press box, excuse me, press table. Thank you. Okay, um, when we vote everyone needs to be seated in order to have your vote counted. If you are not seated your vote will not be counted. So please be at a designated seat in one of the voting areas. Now, when we're in the field house, it's much easier to have pro and con mics. And I would like to try as best we can to have pro and con mics so we can have a balance of what is being said. So what I'd like to do is use mic number one, which is up here, and mic number two as the pro mics, if you want to speak in favor of an article if you could get to yourself either to this mic or the one in the back. The con mics if you'd like to speak against an article if you could be at article-mic four or three, three is in the back and four is up here. If you have a handicap or it would be a difficult task for you to get to one side or the other, please let me know and I will certainly, I will certainly accommodate that in the queuing process. And we do have hand mics available if it's impossible for you to get out into the aisles so we will try to accommodate that. All questions that come before the meeting should be directed to the Moderator, who will then direct them to

individuals to speak. If you are looking to amend an article, I don't know that that will be the case with two articles, but maybe it will, if we're going to have any amendments to the article, someone will make an amendment, we will vote on the amendment first. If the amendment passes, that becomes the base of the article. So if someone who-moves to amend an article, we take up that amendment, we vote on that to see if the Meeting will accept that as now the article and then we move on from there. I would like to put before the Meeting, um, a request for time limits as we have done in the past. This is an indication to me to know it is the will of the meeting to have time limits on speakers. And so I would like to know if we would like to impose a three minute limit on speakers and a five limit on presenters to be enforced at the discretion of the Moderator. If that's something you would be interested or would be in favor of doing could you please raise one hand. Thank you. Those opposed. The ayes have it. The motion clearly carries. Thank you. Now, before we start, I just have a few editorial comments to make. And please indulge me if you would. This, this process of...where we are in this economy and at this time in our State and certainly in our community is huge. It's things that we haven't seen before in our lifetime for many of us. The articles that we have before us are revenue generation articles and there are two of them. It is not how we spend money, it is not questioning what the budget is going to be, it is not questioning how we are to spend the money that we've appropriated. We passed a budget in May. And as we all know the revenue side of that budget is too low, or the expense side is too high. But tonight's meeting is a revenue generating set of articles. So consequently the questions and the discussions that we will have will be how are we going to address the articles that are before us. There will be subsequent meetings to this with the Board of Selectmen, with the School Committee, with the Finance Committee. I'm sure there will be tri-board meetings. And the October 7th meeting is the tear-apart, nitty gritty, roll up our sleeves, figure out what we're gonna cut and what we're gonna keep. So those discussions are not pertinent to this meeting tonight. So I will rule out of order questions that are specific to how we're going to cut and how we're going to spend. Okay. So with that I would ask Mr. Vispoli if you could please move the first article.

VISPOLI: Yes, Madam Moderator. I move that the Town vote to accept Massachusetts General Laws Chapter 641L, Section 2(a) to impose a local meals, a local meals excise tax.

MODERATOR: Thank you. It's been moved and seconded. Mr. um, Stapczynski could you please give a presentation.

STAPZCYNKI: Yes, Miss Moderator. Thank you very much. I want to add my voice to Miss Moderator's voice thanking people for coming out the end of August. We're here because at the end of the Annual Town Meeting last year, for those of you who were there, I think you recall, that it was stated that it would be likely for us to come back to a Special Town Meeting to adjust the budget. And as Sheila mentioned that the Special Town Meeting is going to be held in the Collins Field House on October 7th at 7 pm. And the reason we're having it and the reason we're here tonight is because at this moment we have a deficit estimated to be \$2,086,697. It's made up of four points and if you would just direct your attention to the screen behind me, you'll see that at the end of Town Meeting we were \$500,000 over our estimated revenues at that time. The State aid, our local aid, came in \$661,000 less than we had originally anticipated. We used the Governor's numbers, when I presented my budget in February and as the budget year progressed those numbers came down to a vote of \$661,000 for the Town of Andover. We received that word in, at the end of July. Our local revenues are down by \$525,000. We had estimated when my budget came out in February, up one level, we adjusted it downward knowing that our interest income and other accounts were not trending to budget, but that was short of what we needed. We needed, we still need to reduce our local revenues by \$525,000 in order to have our budget approved by the Department of Revenue. They use prior years' actuals for fiscal 10. So we have to be very cognizant of our FY09 actuals. And as I said they were \$525,000 less than we had anticipated. And then our new growth, the property tax growth, we need to reduce that by \$400,000. Andover has been the envy of the Merrimack Valley. Over our last 10-12 years our new growth has been estimating, has been coming in at an actual \$1.9 million a year. Several years ago we ratcheted that down to \$1.5. For fiscal 10 we ratcheted down to a million. But it looks like this year we're only going to be able to use \$600,000, so our estimate of \$600,000 versus our budget of 1 million means we have to bring our estimate down by \$400,000. These four categories together total the \$2,086,697 that's on the

screen. Now, the reason we're here today is to take advantage of an opportunity that the Legislature gave us when they passed the budget this last June. They allowed municipalities to raise revenue by way of two methods: one is the sales, meals tax, meals excise tax; and the other is the hotel or room occupancy tax. At this moment that, that municipalities cannot raise anything on the um, on the meals excise tax [gavel] except by way of the—

MODERATOR: Excuse me. I'm so sorry to interrupt you. I understand there's a backlog of people in the hallway trying to come in. And I think I would like to give another couple of minutes if you, if you would indulge me. Because I think for people not to hear this presentation and to get in here barely for the vote, or to not to be able to get in here in time for a vote would be significant. So if we could take maybe a—I'm sorry to interrupt you—I just think it's important that people hear what you have to present and we should give another couple of minutes. Which we will do. So talk among yourselves for just a couple minutes.

[laughter] [break in tape]

MODERATOR: Thank you very much. Thank you very much. There're plenty of seats, as they say in church, in the front. By all means come on down. No collection, it'll be good. Okay thank you very, thank you all very much. Go ahead. Mr. Stapczynski.

STAPZCYNKI: Okay. Madam Moderator, where did I leave off?

MODERATOR: At the good part!

STAPZCYNKI: At the good part. I was in the last chapter? All right. This slide represents. All right. Perhaps I should go back a slide, Miss Moderator? Is that okay? Yes?

[No! from the floor]

No? All right Steve would you do the next slide please. Thank you. All right. The um, the deficit that I was talking about before the break for fiscal 10 is estimated to be \$2,086,697, and the legislature has given us the opportunity when they passed the State budget last year to, um, to have, local option taxes, two local option taxes. Meals tax would allow us to raise a .75% on um, on a hundred dollars and that estimated by the Department of

Revenue would be \$275,818. The second article we'll consider tonight is the room occupancy tax and that, just by way of explanation...In 1986 the Town Meeting voted a room occupancy tax for the Town of Andover of 4%. It's been 4% for these oh, so many years and the legislature has given us the opportunity to raise it another 2%, so this would bring it up from 4% to 6%. Both of these together are approximately \$600,000. The purpose of our Meeting tonight is to consider these two warrant articles. Why tonight? Tonight because if we vote it tonight we will be able to use, if we vote it by 8:31 end of business, end of the day, today 11:59 pm, we will be able to count that \$600,000 for eight months of this, uh, fiscal year. If we wait until tomorrow, we'd only be able to use it for six months of the uh, fiscal year. So, my recommendation to the Selectmen was to call the Meeting for tonight so that we would have the opportunity to have the \$600,000 for the eight months of this fiscal year. If they both are approved tonight, as you see our net deficit would be not the \$2 million but it would be the \$1,490,000. \$1,490,000 would be the net deficit. The um, to move to the next article—excuse me—next slide, Article 1 proposes the acceptance of a new State Statute allowing the adoption of a local option meals tax of .75% on sales of meals served by restaurants in Andover. If Town Meeting approves tonight, this tax would go into effect on October 1st for the second the quarter of Fiscal 2010. The Department of Revenue estimates that eight months of collection of this tax would total \$275,000. The next slide please. The local option meals tax as you probably have read in the newspaper, or have heard from watching Selectmen's meetings, it's a non-regressive, a user based tax, it's really based on the level of sales for the, um, for the restaurants in our community. It's a sustainable source of revenue. The receipts stay in Andover. It helps to diversify our revenue mix. The individual impacts are small. And it will help to improve our bond rating. Ah, Moody's is always looking for municipalities to see what they're doing to raise funds other than the property tax. The next slide please. This shows you the 23 municipalities that have approved the meals tax as we know it, as of the end of business today. You can see that municipalities starting, started approving it as soon as they had the authority, the end of June right up onto Somerville, this past Thursday night. So with that, I think, the Moderator, that's my explanation, the Moderator will now entertain discussion.

MODERATOR: No she won't. She's going to ask for a Finance Committee report. Mr. Stumpf.

STUMPF: Thank you, Madam Moderator. Good evening, ladies and gentlemen. The Finance Committee does not recommend approval of Article 1 for the following four reasons. First, quite simply, our Town is spending more than it can afford. And has been for years. The fundamental problem with our budget is the basic cost structure cannot be sustained. By passing more taxes it is not addressing the real issue of cost containment. Secondly, salaries, benefits and work rules must be addressed to significantly lower our cost structure. With over 70% of the Town's budget related to salaries, we must address that issue before burdening our Town residents with more taxes. Certain individuals in unions have stepped forward and worked with Town leaders to reduce the cost of their contracts. We'd like to thank those who have stepped forward and publicly recognize them. We thank the Town Manager and the School Superintendent. We thank the Town Department Heads and School Principals, Police Officers, Lieutenants and Sergeants, Town and School administrative service personnel and independents, public safety communicators and school custodians. [applause] We thank you and appreciate your working with Town leaders to curtail our costs. We ask those unions not mentioned to step forward and help the Town reduce its overall structure. [applause] Third, now is the time, while economic recessions are never pleasant, they do provide the opportunity to step back and reflect on spending habits that may have spiraled out of control in years of prosperity. For years our Town has spent more than it could afford and relied upon new growth, local revenue, use of free cash and use of other revenues to fund the growing operating expenses. With today's economic recession at hand, our financial reserves are sinking and we must lower our operating expenses now. We must address the salary, benefit and work rules that have grown beyond our ability to pay for them and raising new taxes will not accomplish that. [applause] Fourth, and my final point. There is no basis for the local meals excise tax. The restaurant industry has not changed, has not required an increase in the services they receive from the Town. To the contrary, local residents, local restaurants are an asset for our community. They make Andover a desirable place to live and visit. They provide fine dining while paying property taxes and fees, provide employment opportunities and attract

visitors who dine and shop within our Town. An additional tax on top of the increased sales tax and alcohol tax will increase the cost of a meal, inhibit the growth of restaurants, and may cause struggling restaurants to close. The Finance Committee recommends disapproval of Article 1.

[applause]

MODERATOR: Mr., Mr. Vispoli.

VISPOLI: Yes, Madam Moderator. The Board of Selectmen recommends a unanimously disapproval of this Article.

MODERATOR: All right, the School—could you please hold your—[gavel]. I appreciate there are emotions either way on this Article. If you could please hold your applause I would appreciate that. School Committee report please. Well hold on one second we can't hear you. Can we have mic number 1 on please.

SILBERSTEIN: Debbie Silberstein on behalf of the School Committee. We recommended approval on that Article by a three-one vote.

MODERATOR: Thank you. Okay, is there anyone who would like to address this Article? Are you ready to vote? All those in favor please raise one hand. Are you looking to sp—I'm sorry I didn't see you. Go ahead. Quickly please. If you want to speak go right ahead, sir. While we're waiting for him to get in place, if you're going to vote you must be seated.

ZIPETO: Madam Moderator.

MODERATOR: Okay identify who you are and where you live please. You can identify who you are and where you live.

ZIPETO: Madam Moderator my name is John Zipeto, 14 Canterbury Street Andover.

MODERATOR: Thank you.

ZIPETO: Um, just to, I think reiterate briefly what the Town Manager has, has stated that this is an opportunity for the Town of Andover to make an effort to offset the loss of revenue. As we've seen already on the Town Manager's chart the Town has lost over \$600,000 for this

fiscal year. And it is not a one year as I understand right now, it is not a one year situation that we are seeing. That the reduction in State revenue will go on at least for the next year and beyond that I really can't say, I'm not going to speculate. So that the effort here, although the terms raising taxes are used, which is true, the point here is to try to stabilize the amount of revenue that the Town of Andover sees on a year to year basis. And with the uncertainty as we go forward in uncertain economic times it is I think an opportunity to help stabilize and safe guard that revenue that we have. The other point that I would like to make regarding the revenue side is that during this economic downturn as we all know property values in this Town have diminished and what that means is that we're going to see potentially a reduction in, in the revenue that the Town of Andover receives from property taxes. Now...and again as you all probably well know the percentage of our local revenues significantly comes from property taxes, about 70%, I believe, or 71% according to the most recent Finance Committee report. So even though we look at this and say I don't want to raise my taxes, the point here as I see it is that we are trying to stabilize the local revenue so that we don't see a reduction in local revenue in order to know how we're going to go ahead. Um, the difference between \$2 million to deal with in October to \$1.5 is significant. This is an opportunity for the Town to stabilize and not see the loss of revenue in order for the Town to receive the services that it wishes to receive.

MODERATOR: Thank you, sir. Okay, someone up there.
[inaudible]

MAJOR: Just to clarify the point, ah, Mr. Zipeto made the point that assessed values are going down across the Town, and that will lead to a reduction in property tax revenue for the Town. That is absolutely incorrect. The amount of property tax that we collect as a Town never goes down. [applause and laughter.] Because of proposition 2 and $\frac{1}{2}$ the amount of revenue that we collect automatically goes up $2\frac{1}{2}$ percent per year—or the amount that we can collect goes up by $2\frac{1}{2}$ percent per year. If all assessed values go down, the exact same amount your taxes don't go change, or the go up equally the same. So the amount of tax revenue will not go down as far as property tax, it will go up.

MODERATOR: Yes, sir. Mic number 3.

MULLER: Yes, Paul Graf Muller, 16 Granli Drive. I want to start off by thanking the Finance Committee for publicly speaking out first--

MODERATOR: Excuse me, can you pull your mic down just a little bit, we can't hear you. Thank you.

MULLER: Can you hear me okay?

MODERATOR: That's better.

MULLER: Okay, so I just wanted to thank the Finance Committee for coming out publicly against this Article. I think there's a bigger picture here and I think the Finance Committee hits the nail right on the head. We cannot sustain the expenditures that this Town has had over the last number of years. And I again I echo their thanks for the folks in Town and in the unions that have taken pay cuts and made other sacrifices. I'm sure everybody in this Town appreciates that very much. We're all needing to make sacrifices in this economy. No one likes it. No one likes to uh, make some of the difficult decisions that need to be made, but they need to be made. And I'm a parent, a father of two children, have two kids in the school system and I think they do a great job. We need to make some difficult decisions moving forward. So...The second point that they made around the impact on the businesses I think is also spot on. Andover is a desirable place to come and enjoy and it puts an unnecessary burden, and although less than \$300,000 is not a lot of money in the grand scheme of things, it puts an undo burden on the wrong place. We really need to work on reducing the expenditures. The fixed expenses comprise almost 25% of the overall budget. We need to address those things because longer term they're not sustainable. We can solve the problem near term, but those longer term problems aren't going to go away if we pass this Article. Thank you.

MODERATOR: Thank you, sir. Yes up there at mic number 2.

MCCARRON: Diane McCarron, 1 Napier Road. I just want to make sure that everybody understand that um, these taxes that we're talking about are really taxes on the people that have not the people that have not. [boos]

MODERATOR: Whoa, whoa, whoa. [gavel] Go ahead.

MCCARRON: You have a \$100 restaurant tab this is gonna add \$0.75 to your bill and I don't think that's going to change anyone's mind on whether or not they go out to dinner that night. It's also not going to change the restaurant menu. Those prices will remain the same. When you get your bill at the end of the meal there will be an additional \$0.75 for each \$100 that you spend. Um, also with the hotels tax-

MODERATOR: We're only on Article 1 now please.

MCCARRON: Okay. So I, mean I would almost invite anyone that decides not to go out to dinner because there's going to be an extra \$0.75 on their \$100 bill to stop by my house and I'll pay them the \$0.75. [applause and shouts] I'm also kind of disappointed with the Finance Committee in taking a position on this Article. This is a revenue enhancement situation here, it has nothing to do with the finances of Andover. To take a position is kind of a political statement. I can understand that with the Board of Selectmen; if you're looking to get elected raising taxes is always an issue, but I can not think of a Finance Committee reason to take a position on this Article. Um, we're, it's not just the Town of Andover that's overspending. It's the State of Massachusetts, it's every state in this nation, it's the Federal Government. The Federal Government has seen fit to raise taxes on the wealthy, the State of Massachusetts has---

MODERATOR: [gavel] Excuse me, excuse me. I'm going to interrupt you. We're on Article 1, please address the meals tax. Thank you.

MCCARRON: Yes, the meals tax, is an opportunity to raise in a very, very small way a tax to increase revenues for the Town of Andover. Just as the State of Massachusetts has done, as most states in this nation has done, and as the Federal Government has done. And I hate, I would hate to see the Town of Andover to miss another opportunity to bring in revenues that we sorely need. Thank you.

MODERATOR: Thank you, very much. Ah, microphone number 3 please, and then we'll go to 1, then we'll go to 4.

MOSCA: Okay, my name is Mike Mosca. 44 Pleasant Street. Madam Moderator, to paraphrase Ronald Reagan, we don't have a \$2 million deficit because we haven't taxed enough, we have a \$2 million deficit because we spend too much.

[applause] Andover restaurants and hotels provide needed services to both residents and our business community. They are innocent bystanders in a troubled economy, in a Town and in a State that for years has spent well beyond its means. They are innocent bystanders in a State that has passed local option taxes to provide cover for their enormous local aid cuts and for their unfunded mandates. They are innocent bystanders in a Town that caved to unsupportable union contract increases last year even though it was clear that we were entering or that we were already in a recession. During these extraordinary economic times there are many possible, unintended consequences for additional local option taxes. The proposed taxes could very well force closure of an existing restaurant, it could increase hotel vacancy rates. Additionally, as you may have read or even observed yourselves there has been a massive exodus of Mass residents to New Hampshire to avoid our recent sales tax increases. Consequently it should be no surprise to imagine the same behavior from Andover patrons who would abandon our Town for adjacent cities and Towns that have wisely opted not to impose these regressive taxes. Even more critically or crucially however that these two Articles are approved, Andover will gain a reputation as a Town that is indifferent to the needs of the business community. Our a, our a, ongoing structural budget spending problems will not be resolved by imposing taxes on our restaurants and hotels. Moreover, it would be unconscionable for voters to single out and impose these additional punitive tax measures on our restaurants and hotels because of our Town government's inability to control spending. Let's provide our support to our Town business community by giving them the same consideration that we would expect if our situations were reversed. Please vote no on these Articles.

MODERATOR: Okay, thank you. Thank you, sir. Number 1, mic, mic number 1.

CARL: Paula Carl, Cheever Circle. I just want to say a couple of things. I think that it's not so much a problem of spending too much. I think the Town has been reluctant to see that we need to grow and change and so I don't think it's about needing to contain costs. I think we need to begin to realize and accept that we need to grow and change and sometimes that means spending more money. I also feel I think the tax, taxes are a way we take care of each other in a community, um, that's how it works. It doesn't have to

be a dirty word. And also I just wanted to say, um, I sort of, I'm not happy with the scape goating of the unions in particular the teachers' union. I don't think that's fair. Teachers work hard, they're professionals and they're finally making a living wage, and I don't think it's fair to beat up on them. They're not the reason for the problem. And also, I somewhat resented getting the Finance Committee report in the mail. I felt like it was from a political action committee. That didn't feel right to me. So, that's what I have to say. Thank you.

MODERATOR: Okay, thank you. Over here please, number 4.

DOBBELAAR: Hi, my name is Roy Dobbelaar, I'm at 8 Moreland Ave. Ah, I want to thank the Finance Committee for their gutsy report, for standing up for the realities, the fiscal reality that we are spending more than we can afford to spend. We need to face the problem of wanting to spend too much and not having money to pay for it. But I don't think it's an oppor—it's a much of a gift for the government to give us the opportunity to raise taxes. How generous of them. That's their solution for everything. How about not raising taxes and cutting the costs. [applause] I think my government's responsibility to me is to be fiscally responsible and to find out ways of doing what we need to have done for less money than they're charging now. We can't constantly be raising taxes. So sure I can afford the \$0.75 or \$1.50 more, or whatever it is, but that's not the point. We've got to stop raising taxes and start living within our means. I'd love to be able to vote myself a raise but I don't think anybody's listening. So, and I very much want to thank Mr. Major for his honesty. We all had a good laugh about the property taxes never going down, but I think that in reality that's kind of repulsive. If the values are going down our taxes should go down. [applause]

MODERATOR: Okay. Thank you, sir. Um, I would just like to remind those of you waiting in line to speak, if you have something new to add to the discussion we'd love to hear it, if not, if what you're looking to say has already been said we could, if we could move on. I'll do again the same rotation: 1, 2, 3, 4. Okay. So if we could go to mic number 2.

JAMES: Thank you, Madam Moderator. My name is Tony James, 3 Wethersfield Drive. I've listened carefully over the last several weeks and read carefully the various opinions about

these taxes. And I frankly reminded of the passengers on the Titanic who as the Titanic was slipping into the ocean they sat in the ballroom um, listening to the orchestra, smoking cigars, and drinking port and talking about anything except their impending doom. I need to remind everybody, we have a major financial crisis in this country the like of which we have not seen since the 1920's and that spreads throughout the world. State revenues have plummeted and are forecast to plummet even more next year. And of course, state aid to local communities has also fallen as the Town Manager demonstrated a little while ago. We simply have to look at that dire situation and figure out what to do about it. We have complained for many years that we've had an over dependence on property taxes as our, as our major source of revenue. These two Articles give us an opportunity of diversifying our tax base and over, or for many fiscal years, every fiscal year would generate the order of a million dollars of additional revenue that doesn't come out of the pockets of Andover property owners. It seems to me that we would be short sighted to, to overlook that fact. Um, there are two main themes that I hear. One that we're going to ruin every restaurant in the whole of Andover by imposing a three-quarter percent increase in meals tax. Let's look at the facts. If I take my wife out for lunch and we spend \$25 the additional tax burden is \$0.19, even if I add to it the recent increase in sales tax, it's \$0.50. \$0.50 in \$25. If in turn I take my whole family out for a really nice meal for \$100, I spend \$0.75 more cents in meals tax and the combined increase in meals tax and recent sales tax increase would be \$2.00. It is absurd to suggest that that would either persuade or dissuade people from going to restaurants. If you can afford the \$25 bucks you'll go. You won't even notice the incremental amount of money you'll pay. If you can't afford it you won't. The other popular idea here, it seems, is we need to teach the unions a lesson. And my, frankly the time to address the issue of cost of our union contracts isn't in this room, isn't sending a message to them via Town Meeting, not voting for a tax increase, but sitting around the negotiating table in the coming months and ensuring we then have contracts that address the current economic reality not the past economic reality. [applause]

MODERATOR: Thank you, thank you. Okay over here on mic number 3. If you could identify yourself please.

PRUNEAU: My name is Richard Pruneau. I'm the owner of Park Street Pub in Andover.

MODERATOR: And where do you live please, sir.

PRUNEAU: I live in North Andover. I lived in Andover over 35 years, but now I'm the owner of Park Street Pub.

MODERATOR: Okay, thank you.

PRUNEAU: I've been in business here for over 23 years. The Pub for 17 years and other businesses in Town for 5 more years. I looked the Town as I see it today, we as businesses pay extra heavy taxes compared to the homeowners. We don't say anything about that, we do it. Automatically. But to raise, keep raising taxes on the businesses in Town is absurd if you take a look at what's happening in downtown Andover. All you see is open storefronts and I can tell you now the future is very bleak for downtown Andover. As an owner of a business I know what is happening in downtown in Andover. You're gonna see another four or five businesses close within the next three months. Probably more in January. The high tax rate for the rent and putting all these other burdens. You know I heard somebody say the "haves" and the "have nots." Well I've seen a lot of "have nots" around my bar in the last couple of months. They don't have jobs, they don't have this and they don't have that. And they can't afford another nickel. Everybody says it's only \$0.05, \$0.10, \$0.15, it doesn't mean anything. It does mean something. Every additional dime that you charge people means something. [applause] It's coming out of people's pockets. We're not asking for a free ride. We pay our way here in Town. But you're devastating the community. You're devastating the downtown. I've been in this Town for over 45 years. And I've seen again the downtown being devastated and if you want a ghost town, if you want a Town full of hair salons and nail places and banks that's all you're gonna have. And even some of the banks probably won't be here much longer. You know. I'm also known as Santa. So please make Santa happy, okay. And vote no on this. [applause] I'll be in that truck come December and I'll wave at all of you. Have a good night.

MODERATOR: Thank you, sir. Over here. Please.

BABSON: Thank you, Madam Moderator. My name is Mike Babson, 5 Island Way. What I mostly have is a question. Did the Town while they were coming up with this Article consider any other alternative sources of raising revenues? And if not, why not. Thank you.

MODERATOR: Are there any other sources of revenue that have been, that have been considered. Is that your question, sir? Okay. Someone want to handle that?

STAPZCYNski: Yes, the um, part of the challenge that the Town faces, Town and School, I'll speak for the School, perhaps Claudia will add, is that when we do our budgets we look at what available revenues are out there. Every single department does that. And over the last five years we have increased, for instance the building permit fee, over the last five years we've increased the fee for a building without a building permit, a fine so to speak. The, the, we've increased fees for passports, we've increased fees for the um, parking, for parking violations. So, just about every department that you can think of has kicked over the rocks, looked at every way of raising their own fees and revenues. And I'd say they've been pretty effective at it, as distasteful as some of them may have been to people with parking tickets and that sort of thing. Claudia, I don't know if you want to add from the schools perspective.

BACH: Yea. As the Town Manager has said we have done a number of revenue..measures, as well. And, but I wanted to start with a list of some of the things we've done to cut back, because I think that's, that's what the community wants to hear, and should hear. We have a hiring freeze right now. We have a CIP expenditure freeze for our technology-

MODERATOR: Okay, excuse me. Excuse me, Dr. Bach. The question was what have we done to raise-to generate revenue. So, I think you've answered the question and let's move on to some other comments that people have.

BACH: Well only people all around me are saying what have we done to cut and I won't make the list but I do want to say that that's our responsibility as well to raise revenues and to also make very serious hard cuts, which we've been working very hard to do.

MODERATOR: I understand. Thank you, ma'am. Yes, sir.

BERGER: Neil Berger, 22 Stinson Road. We've had a fulsome debate, this evening. I think all sides have been heard and I would be very surprised if at this stage anyone is going to change their mind. I move that we vote the Article.
[applause]

MODERATOR: Okay, are you ready to vote. All those in favor of closing discussion and moving the question, please raise one hand. Those opposed. Thank you. The ayes, clearly have it. We need to have anyone who---Oh, I'm sorry, could we do that again, 'cause I have to declare it a two-thirds vote. I'm sorry. All those in favor of ending discussion and closing the discussion, please raise one hand. Those opposed. Thank you. The ayes have it the motion carries by more than a two-thirds vote, unless someone has an objection and would like to challenge that vote. You know from May to August, I just forget that part, I'm sorry. You must be seated in a seat here in one of the sections. So if you could please let people know where there is a seat so they can be counted. There are a number of seats up here in section four. But you must be seated in order to vote.

UNIDENTIFIED VOICE: Madam Moderator. Question.

MODERATOR: Go ahead.

UNIDENTIFIED VOICE: Is it possible to amend these Articles so that they are temporary and not permanent.

MODERATOR: No, it's not at this point. There's been, there's been a vote to uh, close the discussion. Thank you.

PASQUALE: Madam Moderator. Point of information.

MODERATOR: Yes, sir.

PASQUALE: John Pasquale, 47B Whittier Street.

MODERATOR: Where have you been! It's ten minutes of 8.

[laughter]

PASQUALE: I've been walking around the streets of Andover picking up trash. They call me Mr. Clean.

MODERATOR: Okay, what's your point of information because the Meeting has voted to close..

PASQUALE: There was, there was a lot of residents that came in after 7:00, after you clearly, told where the post stations, so I would like a reiteration. Because some people are gonna look at each other and say are we in four or are we in six.

MODERATOR: I'll be glad to do that. Thank you, sir. That's a good point. Those of you who came in after the very opening of the meeting the voting sections are section 1, 2, 3, 4, 5, 6. Again you must be sitting in one of those sections to vote. If you would like to, um...if you are not sitting, if you're not sitting in one of those sections we cannot count your vote. As the counter, counts your row, please sit down, so they get a clear view of the next row behind them. Okay. Everybody got a seat? Oh, we're supposed to do a hand vote. Alright, let's try a hand vote and see what we do. It's a majority vote. All those in favor of Article 1 please raise one hand. Those opposed. Oh, let's take a count. Okay, it's, it's very close. If the counters could please get in place and then we will do that.

PERRY: The counters are working in the front of the section so when you stand and they make eye contact with you, sit so they can get to the next row.

MODERATOR: Okay, all those in favor of Article 1 please stand.

HANSON: Cal, Cal. Don't forget the stage. Don't forget the stage.

MODERATOR: Section six, would you please. All those in favor in section six, right up here, would you please stand again. Those in section six. All those in favor, if you would please stand one more time.

Are we clear on section six there. Would the gentleman up at the top who's counting section six, could you both do section six again. It seems that it's not...who's this one...

HANSON: Section 6 goes from M to the end. And A through L, I guess is section 3.

MODERATOR: All those in favor of the Article -could you stop, stop counting for one minute please. Sir, stop-Jerry, stop counting for one minute. All those in section 6 who

are, I'm very sorry to do this, I can see there's confusion. All those in favor in section 6 please stand. Okay. Section 6 starts at the divider, doesn't it? From row M up is section 6. Yes if you would please.

PERRY: Your counter is to your right in section 6, look at him and then sit when he gets that row counted.

MODERATOR: Okay, let's do section 3 also which goes from A to L. So all those in favor in this section through row L if you would stand please. Thank you.

DOWNS: Point of order, Miss Moderator.

MODERATOR: Just tell me the number of the mic you're at, please. Can you wait until we at least finish the counting and then I will be happy to entertain your point of order.

DOWNS: I want the point of order now.

MODERATOR: Before we announce the numbers or take the numbers I will address your point of order if you could please.

DOWNS: Point of order takes precedence.

MODERATOR: One second please sir. Wait a minute. What's your point of order please sir. If you could identify yourself.

DOWNS: My name is Bill Downs, 147 Elm Street.

MODERATOR: Oh, Bill, I'm sorry I didn't recognize you. Go ahead.

DOWNS: My point of order is the fact that this is so confusing that I don't think, I think you should have a recount, a revote on this.

[some applause]

MODERATOR: [gavel] Is it the feeling of the Meeting that there needs to be an additional, another count? Okay. Could I have hands, a show of hands, please. Those who think we should have a count again please raise one hand. Those who do not feel it's necessary. Thank you. Go ahead resume with the count please.

PERRY: Section 1:

DOW: Ah Madam Moderator, there is a problem with section 1, there's a confusion on the handicapped.

MODERATOR: Okay, then let's do another vote. I'm so sorry to ask you to do that but I think it's important that we get it right. I know throw your hands to the sky, but it's important. Alright, all those in favor of the Article. Those who are in section 1, it is row A through L. So do not sit down. Who's in L up there, please raise your hand, man at the end of L or the woman at the end of L. Okay. So A through L is section 1. Section 2 here goes from A to L, Section 3 goes from A to L. Section 4 goes from M to V. Section 4 goes from M to V. And section 6 goes from M to V. Do the counters all have that straight? A to L in the front sections. M to V, M as in "Mary" to V on the, on the back ones. Would you please have a seat if you wish to vote. If you're standing in the back your vote will not be counted. Yes, sir.

RIGBY: Madam Moderator, I like to make a motion...

MODERATOR: I would like you please to identify yourself.

RIGBY: Oh. Greg Rigby, 131 Rattlesnake Hill Road. I'd like to make a motion that we do it with a written ballot please so we get a fair count. [groans]

MODERATOR: Uh, we're in the middle of voting, I, I will not entertain that point of order at this time. Thank you.

All those in favor, oh, if you'd wait just one minute, of Article 1, which is voting for the meals tax. If you are for the meals tax, wait just one second - yes we're gonna do the whole vote again. And there are people still standing who need to find a seat please. Okay. If you want to be voted please sit down. And if you could please make room for someone looking for a seat...Okay. All those in favor of Article 1, which is in favor of the meal tax, please stand. Thank you so much for your patience.

PERRY: Section 1--

MODERATOR: If you could please pay attention to the vote as it's read so that it can be heard. Thank you.

Section 1: 48; Section 2: 66; Section 3: 74---

MODERATOR: No! Section 3 is over here please.

Section 3: 59; Section 4: 45; Section 5: 56; Section 6: 74;
Stage: 7; Lobby: 3.

MODERATOR: Okay if you want, everyone needs to be seated please. All those opposed to Article 1, against the meals tax, please stand.

Section 1: 31; Section 2: 55; Section 3: 41; Section 4: 73;
Section 5: 77; Section 6: 71; Stage: 11; Lobby: 7.

MODERATOR: All right, Article 1 those voting in the affirmative 358. Those opposed 366. The motion does not carry. [applause] Okay, Article 2, Mr. Vispoli.

VISPOLI: Yes, Madam Moderator. Yes, yes, Madam Moderator.

MODERATOR: Could we have a mic on down here, please.

VISPOLI: Yes, Madam Moderator. Article 2. Article 2. I move that the Town move to amend its local room occupancy tax under Massachusetts General Law Chapter 64G, Section 3A to the rate of six percent.

MODERATOR: Thank you. Article 2 has been moved and seconded. Mr. Stapczynski.

STAPZCZYNSKI: Yes. Thank you, Miss Moderator. Article 2 proposes the acceptance of a new State statute permitting an increase in the local option hotel motel room occupancy excise tax from the current 4% which was voted in 1986 to 6%. If Town Meeting votes approval by tonight this increase would take effect October 1st for the second quarter of the fiscal year. Department of Revenue estimates that eight months of collections on this increase would yield the Town \$320,588 for this fiscal year, that is FY10. As stated in the previous presentation the local option room occupancy tax is a non-regressive, user based tax based upon the level of sales in each of the six or seven hotel motels we have in Town. It's a sustainable source of revenue for the Town. The receipts in fact, stay in Andover. It helps diversify our revenue mix. The individual impacts to this tax are relatively small and will help improve our bond

rating, that is to say Moody's investor service looks for other ways, rather than the property tax, that a municipality is using to raise revenue to sustain itself. The next slide shows that as of today the Department of Revenue reports that 27 municipalities across the Commonwealth have adopted the hotel motel tax as recent as again Thursday night with the City of Somerville. Ah, Miss Moderator for recommendations, that's my presentation.

MODERATOR: Thank you, sir. The Finance Committee report please, Mr. Stumpf.

STUMPF: Thank you, Madam Moderator. The Finance Committee discussed this Article at great length. We weighed the pros and cons and in the end did not come up with a definitive recommendation as our vote was a tie four to four. A tie vote within the Finance Committee is very unusual, but reflects the difficult decision before us tonight. I would like to share some of the discussions the Finance Committee had in considering this Article. Similar to the previous Article, first and foremost it does not address the key issue that we're spending more than we can afford. We need to lower our expenses to significantly reduce our cost structure. There was consensus on this point. But since this was a revenue article there was mixed views on whether approval of this article would help or hinder contract negotiations and other cost cutting issues. There was agreement that raising taxes this year would help this year's deficit, but is it simply putting off difficult choices that must be made for Andover to continue providing an acceptable level of services given the new economic realities? Secondly, there was much discussion about who would actually pay for this tax. Would it be the visitors from out of Town, would it be individuals who live in Town, will it be the local businesses whom these individuals are visiting, or will it be out of Town businesses? Again much discussion, but no clear conclusion. Thirdly, there was discussion on the impact a tax increase would have on an industry already struggling. How would it impact the current hotels? Would people traveling stay in a nearby community that does not have as high a tax? Would it have a negative impact on attracting future growth of hotels in the Town? Fourth, there was a discussion about the level of services provided to the local hotel and motels. Some felt there was no basis for increasing the tax; that the hotel industry has not changed, has not required an increase in the service they receive from the Town; that the local

hotels continue to pay personal property taxes, attract visitors who stay in local hotels, visit local shops, restaurants, and business, and spend money within the Town of Andover—all good things for the Town. Others felt the hotels required the use of significant Town resources especially Public Safety and an increase is justified especially since other communities are adopting the increased tax. Since there was discussion on the message, there was discussion on message we will be sending to our State Legislator. The Legislator approved this local option tax in part to offset reduced State aid. There was discussion whether the State Legislature is reducing their cost structure significantly? How would our vote on this issue effect future state aid? Again, much discussion with no definitive results. In summary the Finance Committee was divided on this issue. Historically a tie vote has been viewed as not supporting an Article so the Finance Committee does not recommend approval of Article 2.

MODERATOR: Okay, Mr. Vispoli.

VISPOLI: Yes, Madam Moderator. The Board of Selectmen on a three to two majority vote, voted to recommend approval of Article 2.

MODERATOR: Thank you. And School Committee, please. Mrs. Silberstein.

SILBERSTEIN: School Committee recommended approval of this Article.

MODERATOR: Thank you. Any discussion or comments from anyone? Yes, sir.

SCHRADER: Paul Schrader, 8 Black Birch Way. I wanted to raise the point based upon one of the last discussions and this is in regards to the hotel tax. One of the last respondents saw fit to take a \$600,000 saving and round it off to \$1 million. So I think there is an issue here about just being accurate and I really wonder if anybody on the dais has any sense of how accurate the \$327,000 savings is. Business travel is down considerably and I wonder if that's not drawn off of a period when there actually was more travel going on and therefore the estimate may be on the high side.

MODERATOR: Is that a question, or...? Where we got that estimate? Is your question sir, if I can just clarify, your question is where does that estimate come from what these revenues will generate.?

SCHRADER: [inaudible]..and whether it was from a period of time when the travel reflect what's really going on right now.

STAPZCYNYSKI: I did a snapshot, what I think is a real time look. A year ago our hotel motel tax, again at 4%, the revenue was about \$900,000. This past year for the hotel motel tax, again, it was, it ran at \$820,000. So one year it was, you know, about \$220-\$230,000 per percentage point. For Fiscal 09 it was \$215 per percentage point. So you know I heard your point about business travel being down, but our revenues weren't down dramatically, they were down a little bit but I wouldn't say they were as dramatic as some people would want to represent.

MODERATOR: Yes, sir. Mic number 4.

PENNINGTON: Bill Pennington, 46 Clark Road. With the potential vote not being accepted on this one and facing a \$2 million deficit in October, um, and having gone under severe cuts to both Town and School side I would like the Manger of the Town and the Superintendent of the Schools to go into as much detail as possible what will be cut and reduced from the Town and School side or how will we raise fees on the students [groans from the floor]

MODERATOR: [gavel] Okay, okay. Go ahead, finish your question, sir.

PENNINGTON: or will class sizes increase? What will the impact be?

MODERATOR: I appreciate that that is a concern for all. That's not within the confines of the Article that we're looking at. Certainly, a vote up or down will have ramifications across the Town one way or another, but this Meeting before us now is to determine whether or not this will be a source of revenue generation. There will, there will be long term effects and short term effects that will be discussed at the October meeting.

PENNINGTON: With all due respect I think we have to know the impact of what you're gonna vote on, before you vote on it.

MODERATOR: I understand, I understand that's a concern. It's not, it's not an area that I will allow us to go into, because it's not within the confines of the Article. Is there someone else in the pro? Up, up...oh, I'm so very sorry. There you are.

INDISTINGUISHABLE NAME: John [inaudible] Inwood Lane. I was actually almost gonna make the exact same point basically we're being asked on one side to just, you know, if you don't pass this tax it's gonna send a message and we start to cut things. There is no quantifying of that. From the side of passing the tax at least there as a quantifiable value associated with it. And in the absence of that I have to second the man's motion it's, it's unfair to be asked to vote up or down when one side's quantifiable and one side's not.

MODERATOR: I appreciate your concern. I do. However, we passed a budget in May, we passed a budget in May. We're not going to rehash that budget tonight. That budget has, it has a short fall of revenue and there will be, the elected officials, the Finance Committee and Superintendent and the Manager will be back to us in October with the ramifications but that is now what is before us tonight. So we are looking to use a method to generate or to sustain a budget that's already been passed. But we will not, we will not rehash that budget tonight. Thank you, sir. Yes, I'm so sorry...I think he was ahead then we'll come over here then down. Go ahead.

MULLER: Yes, Paul Graf Muller, 16 Granli Drive. I'd like to thank the voters in taking the first step in sending a message to our local officials to lower the cost structure for the way we do business here in the Town of Andover. This again I think is a big picture issue. Let's take a step back again and the \$200,000 some odd dollars and the roughly \$300,000 of this Article it's not a lot of money and I commend the effort to try and deflect it from the individual property owners within Andover. But again this is not gonna solve the long-term issue of the cost structure being too high in the Town of Andover. If we take a step back and look at the big picture there's been a lot of stimulus money coming at us from the Federal Government

that trickles down to the State and the Local Governments. And regardless of your political leanings that money is gonna run out. The State of Massachusetts has spent virtually all of the money that has come to it from the Federal Government. So the money that is coming from other sources is diminishing and so if we still have a high cost structure and we burn through that money it's not gonna be a pretty picture when the rest of the \$700 billion in stimulus money runs out. A month or so ago I heard a number of somewhere around 10 or 15% of that most recent \$700 billion is already hitting the economy. The real test is gonna be at some point in the future whenever that \$700 billion runs out, whether or not the businesses, big business, small business, businesses in general can sustain themselves moving forward without being propped up with other money coming elsewhere. So again this is a bigger picture issue, this is not the here and now \$200,000, \$300,000. We need to take a step back and look at the big picture because this money is running out. I urge you to vote no.

MODERATOR: Okay. Thank you. Yes, sir.

COOK: Richard Cook, Florence Street. I wish to bring this back to what you said at 7:02, which was we're gonna talk about this motion the revenue side not about the cost side. I voted against the first motion and I'm in favor of this motion. There's a difference in the competition, competitive effect of these two motions. As you saw on that list when it comes to the hotels you saw that Woburn, you saw that Chelmsford has already voted in favor. So speaking of losing revenue as a result of passing this tax, I don't see that happening. We're just gonna play, leveling the playing field with people coming in staying in hotel rooms. I hate to say it, it's almost free, but it's almost free, this tax is already collected, it's already collected at four percent, so we're not creating a new tax, we're just increasing the tax to play level with every other Town. So there's almost, like a said, a free source of revenue and it's revenue that we need. Thank you.

MODERATOR: Thank you, sir. Over here, please. Number four. Then we'll come to number one.

CURTIS: Hi, Jim Curtis, from Orchard Street. I have a couple of clarifications.

MODERATOR: I'm sorry, could you identify yourself one more time.

CURTIS: Yes. Jim Curtis, Orchard Street.

MODERATOR: Yes. Go right ahead.

CURTIS: The measure says the increase would take effect on October 1st it would be eight months of revenue seems like it would be nine months of revenue, is that a typo? Or is there something...

STAPZCYNISKI: No. It in fact, the Department of Revenue would notify the businesses October 1st and they would start collecting it November 1st.

CURTIS: Okay. Leading into my second question, is this a permanent act? Once it's enacted is it there forever or is there some time of sunset provision that could be put on it?

MODERATOR: The question was is this a permanent tax? If it's approved tonight.

CURTIS: Or could a motion be made to make it good for a certain period of time and then go away.

MODERATOR: Could we have this mic on please? Sir, could we have a mic on down here.

URBELIS: Thank you. Death and taxes. This can be, it can be modified in the future, there are procedures by which it could be repealed.

CURTIS: Could a motion be made from the floor to consider this tax increase just for this fiscal year?

URBELIS: No. No, once you accept it you accept it until you revoke it.

MODERATOR: Over here.

ZAHORIK: Hi, Bonnie Zahorik, Granli Drive. Um, my point is really about the need to diversify revenue. I know some of the points have been made, but between May and now at a number of meetings there's been concern, discussion, angst about what is the State going to do, what about Federal

stimulus money. All things that although as voters we have some minimal control over, we have much less control over than what we are here discussing today. And I feel that having some ability to control our local revenue beyond property tax is important. I also want to make the point that the bond rating has been discussed at length when we talked about not using reserves, you know making sure that all of the bond rating services think highly of the Town, but we seem to be overlooking the implication here, that diversification of revenue can have. I'm not pro tax. I think costs need to be contained. I'm pragmatic and I believe we need to attack the problem from both sides. [applause]

MODERATOR: [inaudible]...mic number three please.

LONGLEY: My name is Jonathan Longley from 22 Cutler. I moved here from Lexington three years ago. I'd like to thank all of you down front for running a great Town, it brought me here. I can also tell you that in Lexington you can look at the history that drove customers away with parking fee increases, and the kind of increases that we're voting on tonight. And the implications by some people here today that was that people don't price shop. Yet everyone here in this room knows different: that some people will be driven away by either one of these taxes. And the person who doesn't come here from a restaurant might not stay in a hotel or vice versa. And the point is they might go to New Hampshire because of lower rates there at the point, at the time. I'm gonna make my message real short but I think you all know the score. We have already had parking fee increases and if we keep piling this up the result will be that our bond ratings will not improve but instead they will be adversely effected by us voting in too many fees and taxes. Thank you.

MODERATOR: Thank you, sir. Yes, sir.

FRIEDENSON: Bob Friedenson, 109 Bellevue Road. I'm glad that some people brought up the aspect of competition because I did an experiment today. I assumed that I was coming here on a business trip in October and went on Hotels.com to see what I would have to pay for a hotel room for two nights. It turns out in Andover the average rate is about \$121 for the seven hotels. And the surrounding communities who have not instituted a hotel tax the average rate is about \$95. So we're in a bad competitive position

to start. If we add this tax people can consider what our competitive position would be then. But it isn't just those who come here on business, when we have a wedding or a family affair, people are deciding are they going to stay in a Holiday Inn in Tewksbury or are they going to stay in Andover. That difference adds up. And I'd hate to see the hotels loose revenue due to a bad competitive position because that in effect reduces the value of those businesses also. Thank you.

MODERATOR: Thank you. Okay. One more and then we'll take a vote. Is that alright? Go right ahead, sir. Right here.

FALVEY: My name is Chris Falvey, 4 Tobey Lane.

MODERATOR: If you could speak right into the mic so that we can hear you. Thank you.

FALVEY: Chris Falvey, 4 Tobey Lane. [inaudible] As someone who works for a large company here in Town. Last year we had over 2500 employees stay in hotels, most of them here in Andover. I can tell you with certainty, from having discussion with the finance director at my place of employment, if this tax goes through, my corporation is going to mandate that employees stay in Towns that do not have this tax: Salem, New Hampshire, is one of them, Tewksbury, Haverhill, Methuen, etc. Not only will this Town not get the extra two percent it's looking for it will also loose the four percent we already get on top of the restaurants that our employees eat at when they are here from out of Town, up on the River Road area, downtown, etc. So it's not just the two percent we're gonna lose, it's the four percent we already have and all the money this Town makes in meals on top of that. Okay. Unlike the public sector where there are contracts and quote, unquote, fixed costs, in the private sector there are no contracts. The private sector is hurting right now and they are looking squeeze every penny they can in savings. So again this isn't about two percent it's about much more than that and everyone in here should be keenly aware of that. And I only speak for one corporation, if we look at all the corporations we have in Town and they all take a similar mindset we're gonna loose one heck of a lot than the two percent we're lookin' for. So everyone should be aware of that and I urge everyone to vote against this. [applause]

MODERATOR: Okay, thank you. Are you ready to vote? Are we ready to vote? Okay. Can we take a motion to, entertain a motion to close discussion. It's been moved and seconded. All those in favor of closing the discussion please raise one hand. Thank you. Those opposed. It's clearly far more than a two-thirds vote, I would declare it such unless someone has an objection. All right. Does everyone understand where there section is? [laughter] You got that down? Okay. If you want to be counted please sit down. Please help out your fellow citizens; if they need a seat let them in. All right. All those in favor of Article 2, which is in favor of the hotel tax increasing to 6 percent please stand.

Section 1: 57; Section 2: 71; Section 3: 64; Section 4: 58; Section 5: 61; Section 6: 80; Stage: 11; Lobby: 2.

MODERATOR: Okay. All those opposed to Article 2—if you are, wait a minute before you stand, wait before you stand. If you are leaving and the vote is challenged your vote will be lost. You might want to wait till it's voted. All those opposed to Article 2, please stand.

Section 1: 22; Section 2: 51; Section 3: 35; Section 4: 60; Section 5: 70; Section 6: 64; Stage: 9; Lobby: 2.

MODERATOR: If you could wait one second until we announce the vote then I'll be happy to take your point of order. We're in the middle of the vote. Okay before I announce the vote I do want to thank all of you for coming out tonight. I know it's the middle of the last week of summer is tough. And I think it attests to the importance of the issues before us. The, on Article 2, those in favor 404. Those opposed 311. The motion carries. Your point of order sir. Could we get a mic up that gentleman, um, Cal? For a point of order. Can you please identify yourself?

[inaudible from the floor]

UNIDENTIFIED SPEAKER: There are 18 people on the podium I remember hearing 11 voting in favor, 9 voting against. Can we go over it, how can there be 20 votes if there are only 18 people sitting there.

MODERATOR: If the counter could explain what...Can you answer his question? [inaudible from the floor] The counters on the stage were included sir. The counters on the stage were

included. So it wasn't just people sitting, okay. Can I entertain a motion? [rustling from the floor] Wait a minute we haven't had a motion to adjourn.

URBELIS: Ready? Madam Moderator I move to dissolve this Town Meeting.

MODERATOR: All those in favor of dissolving this Town Meeting please raise one hand. Those opposed. See you on October 7th. Thank you.