

SPECIAL MEETING OF THE CITY COUNCIL

December 14, 2023

The meeting was called to order by Acting President McGiverin 6:09 PM.

Motion was made and seconded to take a roll call vote that for the purposes of this meeting would be applicable to all motions to remove items from the table, place items on the table, package items together, or suspend the rules, unless there is an objection.

Acting President Acting President McGiverin called the roll. Absent members: 0 Present Members in person 8 (Bartley, Jourdain, McGiverin, Murphy-Romboletti, Puello, Rivera_J, Tallman, Vacon). Present Members on Zoom 5 (Anderson-Burgos, Givner, Maldonado Velez, McGee, Rivera_I).

The Pledge of Allegiance was recited.

Motion was made and seconded to remove item 1 from the table.

The Committee on Finance to whom was referred an order that the City Council subsidize the revenue of the sewer budget from the tax levy in FY2024 by \$1,039,680 (one million thirty nine thousand six hundred eighty dollars and 00/100) and remainder funded by sewer receipts.

Have considered the same and Recommended that the order be adopted.

Committee Members:

Joseph McGiverin
Kevin A Jourdain
Will Puello
Juan Anderson-Burgos
Peter Tallman

UNDER DISCUSSION:

Acting President McGiverin stated that DLS and the outside auditor identified this as a needed subsidy to support the enterprise fund budget for fiscal year 2024. He added that if the city failed to vote on this, DLS would not allow the city's tax rate to go forward.

Councilor Jourdain stated that he was in favor of this as the right thing to do. He then stated that while the mayor's letter had a lot of correct points, he questioned the narrative that the sewer fund was radically underfunded and the taxpayers were subsidizing the ratepayers. He then explained that with regard to street sweeping, everyone should agree that it had nothing to do with sewer operations. He then emphasized that \$600,000 in annual expenses had been put

into the sewer fund, artificially causing it to be in a deficit. He then suggested that if those funds were put into the DPW budget, the \$1 million appropriation needed this year would be \$600,000 less. He further suggested that over the past ten years, that would have meant an extra \$6 million in the sewer fund. He suggested that it was actually the ratepayers subsidizing the taxpayers just on this item alone. He added that the other reason this was short was because they were not collecting all bills, noting that 10% of the people were not paying their bills, adding up to over \$700,000 a year. He then stated increasing that to 97% would bring in another \$500,000 a year. He then questioned having the 90% who pay their bills make of that difference. He also noted that expenses from private capitalization were buried into this bill from years ago. He further stated that a one time fix of \$750,000 was not a reoccurring expense and should need to be in the budget estimate. He also emphasized many other expenses such as culvert repair had nothing to do with sewer operations and should be pulled out. He suggested that when new bonding began to be taken on, there may be a need for an eventual sewer rate increase, but not now. He also noted that this figure was based on an estimate, adding that it was only halfway through the current fiscal year.

Councilor Vacon stated that it was good to finally get figured on street sweeping that the Council had been seeking for months.

Councilor Bartley stated that the only reason there was 90% collections was due to the Council passing an ordinance to pressure homeowners and commercial owners to pay their bill or their water would be shut off. He recalled that it had been controversial at the time. He then questioned the implication by some that \$20 here or \$40 there wasn't a big deal, adding that willful ignorance was not helpful to the city. He also emphasized that there was a recent commercial payment of \$345,000 that the Council would not have been informed about if not for Councilor Jourdain asking about it. He also noted that the two brand new councilors joining in the next term had been attending meetings and coming in with some knowledge. He then expressed frustration that the previous Council had not done the same.

Councilor Rivera_I emphasized that he had only been on the Council for two years and much of what the city was facing had been going on for much longer than that. He then noted that with regard to collection rates, he's had many constituents call him with complaints that their water had been cut off when they had paid their bills. He questioned how those constituents were being served when the poorest in the community pay their rent but don't directly pay into the sewage because they don't own the property. He then suggested that the city needed to do things in a preventative way instead of in a reactionary way. He emphasized that the sewer issue was going on for decades and was now being addressed because there was now a mayor working in collaboration with the Council. He then questioned how some councilors can say they want lower taxes while advocating for more trash barrels that would cost the city more money.

Councilor Givner noted that \$100,000 had just been appropriated for a study of this which was to be completed in May of 2024. She then suggested that the willful ignorance comment was inappropriate. She then questioned the implication that these issues were the fault of the last two years of councilors when the city was in year 18 of a 20 year contract.

Acting President McGiverin noted that incoming councilor-elect, Meg Magrath-Smith, was in chambers.

---> Report of Committee passed two readings and Adopted on a call of the roll of the yeas and nays--Yeas 13--Nays 0--Absent 0.

Approved by the Mayor.

(21:50)

MCGEE, MCGIVERIN — Order that the City Council vote to set a MRF for (FY24) tax classification.

Acting President McGiverin noted that tax classification allowed communities in Massachusetts to shift a single tax rate from residential to commercial and vice versa. He then explained that it was a majority vote of the City Council. He further explained that each round of voting would have 3 motions, with the last motion being voted on first according to parliamentary procedure.

Councilor Tallman made a motion to set the CIP shift to 1.6970, which would provide a residential rate of \$18.91 and a commercial rate of \$40.37. Motion failed for lack of a second.

Councilor Givner made a motion to set the CIP shift to 1.6790, which would provide a residential rate of \$19.04 and a commercial rate of \$39.95. Councilor Murphy-Romboletti seconded the motion.

Councilor Jourdain a motion to set the CIP shift to 1.7000, which would provide a residential rate of \$18.89 and a commercial rate of \$40.45. Councilor Vacon seconded the motion.

Councilor Bartley a motion to set the CIP shift to 1.6990, which would provide a residential rate of \$18.90 and a commercial rate of \$40.42. Councilor Vacon seconded the motion.

Councilor Jourdain stated that most rates would be going up on both, no matter what the Council does. He then explained that in looking at overall valuations, everything went up roughly the same between commercial and residential. He then suggested that the community's problem was that the city was wildly higher than surrounding cities when considering the competitiveness of the city, all 25-30% less than Holyoke. He also noted that the city's levy was massively less than those communities. He added that many of them were spending much less of many of their city departments, allowing them to put more into savings. He also emphasized that those cities were also putting free cash onto their tax levies while Holyoke did not have that as an option because free cash was not yet certified. He then explained that his proposed rate was about splitting the burden between residential and commercial taxpayers. He also stated that he could not support the mayor's request that the commercial be kept below \$40, noting that it did not really make a difference when surrounding communities were several dollars below that. He also emphasized that the residential rate very uncompetitive compared to other communities, many that were much more affluent than Holyoke. He further emphasized that residential tax bills would be increasing an average of over \$200 due to values also increasing.

He noted that Boston was the only other city in Massachusetts where values and rates were both going up.

Councilor Rivera_I stated that it was not fair to compare when the city was facing a lot more issues than other communities. He added that the values of the homes in those other communities was much higher, making it easier for them to keep their rates down. He then emphasized that he was not seeking an extreme increase to the residential rate, noting that he pays taxes and would hurt him too. He then stated that while keeping the commercial rate under \$40 may just be a matter of pennies, it was about striving for a larger goal and thinking about the future.

Councilor Givner stated that the city was not the same as its neighbors and should not be compared to them. She then suggested that she did not hear about a lot of people moving for tax rates but were more focused on homes or communities that were appealing. She then suggested that businesses may move for tax rates. She then stated that with the loss of tax revenue from the mall, the city needed to do more to attract other businesses, many of which may open downtown.

Councilor Vacon emphasized that the majority of the Council tried to give an opportunity to citizens to vote a tax decrease which would have lowered the commercial rate below \$40, but it was blocked by the mayor. She noted that most of the people arguing for a lower business rate now had voted against that ballot question to lower a tax surcharge. She then expressed a hope that the Council in the next year would keep their promise by putting that question on the ballot.

Councilor Bartley offered a summary of the points made by Councilor Givner and Councilor Rivera_I by stating their intent was to raise the rate for residential taxpayers and lower it for commercial. He then noted that the Zoning Board of Appeals would be voting the following night on whether to allow an investment on Whiting Farms Road which had been denied by the inspector in the Building Commission. He emphasized that this would help expand the tax base. He then advocated for a balanced approach, emphasizing that the current commercial rate was not keeping people from coming to the city and investing in development.

Councilor Jourdain stated that the conversation needed to start with a budget that needed a lot of work. He noted that the city was losing off of ARPA money, emphasizing the difficult budget conversations there would have been without it. He then questioned how some who characterize their service as progressive were advocating for trickle-down economics. He suggested that there was 30 years of evidence that it did not work. He then stated that when people look to buy a home in Holyoke, the city would be competing against surrounding cities. He suggested that it wouldn't be fair to shift it all one direction either way. He also stated that the state needed to invest more into communities where the need for resources was even greater, emphasizing that they record coffers of sales taxes and state income taxes.

Motion was made and seconded to suspend the necessary rules to allow the chair to enter into debate.

Acting President McGiverin suggested that property taxes were the most unfair way to force communities to pay for services to residents, a scheme that was dictated by the Commonwealth of Massachusetts. He then pointed out that if he were to move to a city like Agawam, his rate may go down, but his assessed value would increase as well as his property tax bill. He added that it was true that rates and values both went up in some communities. He then suggested that it was near impossible to make it completely fair to everyone. He then explained that when considering his vote on the tax rate, he believed it was important to look at new construction. He then stated that the city needed to find ways to attract new businesses, emphasizing that Holyoke was an industrial city. He also noted that there while the city was land-poor, there was potential to rehab, some new commercial construction, and to make that part of the community healthy again. He added that he was focused on a commercial rate that would promote new business and keep existing business in the city.

---> Motion to set the CIP shift to 1.6990 was received and denied on a call of the roll of the yeas and nays--Yeas 6 (Bartley, Jourdain, McGee, Puello, Tallman, Vacon)--Nays 6 (Anderson-Burgos, Givner, Maldonado Velez, McGiverin, Murphy-Romboletti, Rivera_J)-- Absent 1 (Rivera_I).

Councilor Jourdain noted that this was a difference of pennies from the previous proposal and asked that anyone who voted yes before would vote yes on the next one. He also asked anyone else to reconsider and avoid loading it all on the residents with the option after this one.

---> Motion to set the CIP shift to 1.7000 was received and denied on a call of the roll of the yeas and nays--Yeas 5 (Bartley, Jourdain, Puello, Tallman, Vacon)--Nays 7-- Absent 1 (Rivera_I).

Councilor Jourdain asked to clarify that if this was defeated, there would potentially be other options.

Acting President McGiverin stated that was correct. He added that another 3 amendments could be taken up in order after this.

---> Motion to set the CIP shift to 1.6790 was received and denied on a call of the roll of the yeas and nays--Yeas 5 (Anderson-Burgos, Givner, McGiverin, Murphy-Romboletti, Rivera_J)-- Nays 7-- Absent 1 (Rivera_I).

Councilor Tallman made a motion to set the CIP shift to 1.6940, which would provide a residential rate of \$18.93 and a commercial rate of \$40.30. Councilor Jourdain seconded the motion.

Councilor Vacon made a motion to set the CIP shift to 1.6960, which would provide a residential rate of \$18.92 and a commercial rate of \$40.35. Councilor Bartley seconded the motion.

Councilor Anderson-Burgos made a motion to set the CIP shift to 1.6820, which would provide a residential rate of \$19.01 and a commercial rate of \$40.02. Councilor Rivera_J seconded the motion.

Councilor Jourdain asked that one of the more middle of the road options be approved.

Councilor Vacon urged colleagues to consider the need to share the burden relative to the size of the budget and the issues the city was dealing with.

---> Motion to set the CIP shift to 1.6820 was received and denied on a call of the roll of the yeas and nays--Yeas 5 (Anderson-Burgos, Maldonado Velez, McGiverin, Murphy-Romboletti, Rivera_J)--Nays 7-- Absent 1 (Rivera_I).

---> Motion to set the CIP shift to 1.6960 was received and denied on a call of the roll of the yeas and nays--Yeas 6 (Bartley, Jourdain, McGee, Puello, Tallman, Vacon)--Nays 6 (Anderson-Burgos, Givner, Maldonado Velez, McGiverin, Murphy-Romboletti, Rivera_J)-- Absent 1 (Rivera_I).

Councilor Jourdain stated that he did not want to vote for this but would as a compromise.

Councilor Tallman stated that he believed this was fair, a little more than he would like for residential but would provide a fair rate for businesses.

Councilor Bartley stated that he would support this, noting that his preference would have been for 1.7. He then stated that this while this was \$18.92, rates had often gone down a few cents in the past from the vote. He then clarified that in regard to his earlier point on the investment on Whiting Farms Road, if that did pass the ZBA, it would be a \$1 million investment in a building that was assessed for \$300,000 which would be new growth. He also emphasized that new growth had also come in at the old Geriatric Authority as well as Mira Vista located at the old Providence Hospital. He emphasized that the Council had repeatedly pushed for new housing development at the property at St Vincent without any updates from OPED.

Councilor Vacon noted that while she did not like this residential rate, she would support it in the spirit of compromise.

---> Motion to set the CIP shift to 1.6940 was received and denied on a call of the roll of the yeas and nays-- Yeas 6 (Bartley, Jourdain, McGee, Puello, Tallman, Vacon)--Nays 6 (Anderson-Burgos, Givner, Maldonado Velez, McGiverin, Murphy-Romboletti , Rivera_J)-- Absent 1 (Rivera_I).

Councilor Jourdain made a motion to set the CIP shift to 1.6920, which would provide a residential rate of \$18.94 and a commercial rate of \$40.26. Councilor Tallman seconded the motion.

Councilor Bartley made a motion to set the CIP shift to 1.6930, which would provide a residential rate of \$18.94 and a commercial rate of \$40.28. Councilor Vacon seconded the motion.

Councilor Murphy-Romboletti made a motion to set the CIP shift to 1.6850, which would provide a residential rate of \$18.99 and a commercial rate of \$40.09. Councilor Rivera_J seconded the motion.

Councilor Tallman noted that on some of the shifts, the residential was the same while the commercial changed a few cents. He then asked if that was an error.

Councilor Jourdain suggested that it was probably a rounding out.

Acting President McGiverin stated that the scale could be broadened or narrowed more. He then observed that this was one of the larger scales he had seen. He then relayed an update from Admin Asst Councilor Anderson-Burgos that the Assessors had had shifts in tenths instead of quarters.

---> Motion to set the CIP shift to 1.6850 was received and denied on a call of the roll of the yeas and nays--Yeas 6 (Anderson-Burgos, Givner, Maldonado Velez, McGiverin, Murphy-Romboletti, Rivera_J)--Nays 6 (Bartley, Jourdain, McGee, Puello, Tallman, Vacon)--Absent 1 (Rivera_I).

---> Motion to set the CIP shift to 1.6930 was received and denied on a call of the roll of the yeas and nays--Yeas 6 (Bartley, Jourdain, McGee, Puello, Tallman, Vacon)--Nays 6 (Anderson-Burgos, Givner, Maldonado Velez, McGiverin, Murphy-Romboletti, Rivera_J) -- Absent 1 (Rivera_I).

---> Motion to set the CIP shift to 1.6920 was received and adopted on a call of the roll of the yeas and nays--Yeas 10--Nays 2 (Givner, Maldonado Velez)--Absent 1 (Rivera_I).

Councilor Bartley asked if something had to be signed.

Acting President McGiverin stated that something on the state level changed and therefore nothing had to be signed, adding that the vote would be given to the state for certification.

Adjourned at 7:28 PM.

