

**CITY OF WOBURN
AUGUST 26, 2009 - 7:00 P.M.
SPECIAL MEETING OF THE CITY COUNCIL**

Roll Call

Denaro	Gonsalves
Drapeau	Mercer-Bruen
Galvin - Absent	Raymond
Gately	Wall
Doherty	

VOTED to dispense with the reading of the previous meeting's Journal and to APPROVE, all in favor, 8-0-1 (Galvin absent).

Pursuant to Title III, Section 12 of the Charter of the City of Woburn, His Honor the Mayor has called a SPECIAL MEETING of the City Council to be held in the City Council Chambers, Woburn City Hall, 10 Common Street, Woburn on Wednesday, August 26, 2009 at 7:00 p.m. for the purpose of acting on the Order to amend the local room occupancy excise under G.L. c. 64G, §3A and for no other purpose.

On the Order to amend the local room occupancy excise tax. At its Regular Meeting on August 11, 2009, the City Council voted to continue the public hearing on the matter to the Special Meeting of the City Council called for this matter.

ORDERED That the city of Woburn amend its local room occupancy excise under G.L. c. 64G, §3A to the rate of six (6) percent.

s/Alderman Gately

PUBLIC HEARING: Mayor Thomas L. McLaughlin stated that this proposal will generate revenues of over \$500,000.00 for the city, that the funds would go to the General Fund and support the reduction of residential and business taxes, and that he supports the Order. Alderman Drapeau stated that he struggled with this Order, that he does not support the meals tax, that the local room occupancy tax will not affect Woburn residents however voting for a new tax that anyone from in or out of the city is to pay is not something that he can support, and that he is against new taxes. Alderman Raymond stated that he took a pledge not to increase taxes or the tax burden on people on fixed incomes, and that this \$500,000.00 in revenue may go towards avoiding increased taxes for the residents. Alderman Mercer-Bruen stated that she has not struggled with this proposal, that she will not support a tax increase, and that she is concerned that companies such as the film industry may not continue coming to Woburn if the room

taxes are increased. Alderman Denaro stated that he would not support the meals tax, that the additional tax revenue from the local room occupancy tax can assist the city in meeting its obligations with less impact on the taxpayers of Woburn, that the State budget is over \$200,000,000.00 in deficit, and that this is an easy revenue stream for the city. Alderman Gonsalves stated that there is no outcry from the hotels saying this will hurt their business or result in a vacancy, and that unless serious objections are presented from that sector she will support the Order at this meeting. Paul Meaney, Executive Director, Woburn Business Association, Ten Tower Office Park stated that he supports the tax with some reservations, that he would not support the meals tax, that he spoke to six of nine hotel managers, that the majority of the hotel managers were of the opinion that they could survive the proposed 2% increase, that the rate will be lower than Boston, that Woburn gets spin off from Boston because of the lower rates, that this money might be earmarked in a way that innkeepers can be told how this helped the city such as a senior center van or park equipment, that the percentage total for the occupancy tax will be 11.7%, that this is 5.7% for the State occupancy tax plus the current 4% local occupancy tax and an additional 2% local occupancy tax, and that if both the meals tax and the hotel/motel occupancy tax were proposed he would be against this proposal, and that he does not believe that this proposal would harm visitors. Alderman Drapeau stated that he is fundamentally opposed to increasing taxes, that ways can be found to rationalize why the increase is good because the proposal would take money from out of town and give to people in town but to support any tax increase will compromise his principals, that this new revenue was not anticipated in the budget deliberations, that the city did not anticipate the increased sales tax with a benefit to local aid, and that the sales tax also has a detrimental effect as consumers will go out of State to make purchases. Mr. Meaney stated that the City Council increased the tax per \$1,000.00 of value for businesses when it set the tax rate last year, that if this proposal would have a great impact he would not support the proposal, that hotels are "cash cows" and take nothing from the city, that the average room rate is \$119.00 to \$135.00, that the city has nine hotels plus two suite hotels, and that the city of Medford has one hotel. Alderman Mercer-Bruen stated that she voted against the tax increase for the businesses and the residents. Mayor McLaughlin stated that by voting for the local occupancy tax will serve to decrease Woburn residential property taxes, and that Woburn residential property taxes will decrease approximately \$15.00 to \$25.00 per average residential household. Alderman Drapeau stated that the residential tax bill did decrease for many homeowners last year. Mayor McLaughlin stated that it is remarkable that there was any tax decrease at all given the state of the economy. City Auditor Gerald Surette stated that the local occupancy tax is currently 4%, that the State occupancy tax is 5.7%, that increasing the local occupancy to 6% would increase the total room occupancy tax to 11.7%, and that the total room occupancy tax is currently 9.7%. President Doherty stated that he is against taxes as well but the State is unwilling to take action at their level, that the only options that the State is providing is to force communities to raise taxes at the local level, that the city had a \$2,500,000.00 cut in local aid, that local revenues are coming in at lower levels than in the past, that he is against the meals tax, that businesses choose to locate in Woburn for many reasons, that 630 hotel rooms are booked every night in Woburn, that the hotel guests use the city's services such as roads, and that there should be a better way to do this but the city must do what can be done to protect the interests of the residents of the

city. Alderman Mercer-Bruen stated that businesses will continue to come to the city, and that she wants to know how the city will guarantee that the additional funds will be used appropriately. President Doherty stated that the revenue will go into the General Fund. Motion made and 2nd to close the public hearing, all in favor, 8-0-1 (Galvin absent). Motion made and 2nd that the ORDER be ADOPTED, ROLL CALL: Denaro – Yes, Drapeau – No, Galvin – Absent, Gately – Yes, Gonsalves – Yes, Mercer-Bruen – Yes, Raymond – Yes, Wall – Yes, Doherty – Yes, MOTION PASSES.
Presented to the Mayor: August 28, 2009 s/Thomas L. McLaughlin August 28, 2009

Motion made and 2nd to ADJOURN, all in favor, 8-0-1 (Galvin absent). Meeting adjourned at 7:44 p.m.

A TRUE RECORD ATTEST:

William C. Campbell
City Clerk and Clerk of the City Council