



CITY OF MANCHESTER

Theodore L. Gatsas
Mayor

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Manchester Mayor Ted Gatsas Presents Responsible Budget

*Budget Makes Hard Choices to Address the
Rising Costs of City Services*

MANCHESTER, NH - - This evening Manchester Mayor Theodore L. Gatsas presented his FY2012 budget proposal for the City of Manchester.

Mayor Gatsas began by highlighting recent achievements of the Board of Aldermen, "When we took our oath of office we made a commitment to improve the infrastructure and services of this city, and to improve our financial foundation. Very willingly each one of you supported this mission and I thank you for your commitment."

These accomplishments include: the building of the Manchester Municipal Complex, the building of the Hackett Hill Fire Station, the beginning of the new single-stream recycling program and the completion of the permanent home of the Manchester School District Offices.

Mayor Gatsas reported that the City of Manchester will generate a \$500,000 surplus in FY 2011. "My proposal for this surplus is to allocate \$400,000 toward pre-paying the cost of city retirement, \$50,000 to the rainy-day fund and \$50,000 to be used towards reducing taxes. This is a very significant step in the right direction," continued Gatsas.

In FY2012 the City of Manchester has contractual obligations in cost of living and merit increases, health insurance increases, retirement increases and the loss of federal stimulus funding that will collectively add up to a 12.75% tax increase. As an alternative the Mayor proposed a 3.37% tax increase in FY2012. "It's the elephant in the room and I will not shy away from it. I learned from my father that if you are up front and honest one of two things will happen: they will either understand or appreciate your honesty," added Gatsas.

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To meet the budgetary obligations the Mayor highlighted the following in his address:

- ✓ City Departments will be level funding or receive a decreased appropriation;
- ✓ 50 layoffs;
- ✓ Maintaining and defunding 81 vacancies;
- ✓ A reorganization of the Office of the City Clerk for a \$140,000 cost savings;
- ✓ A reorganization of the City Welfare Office for a \$70,000 cost savings;
- ✓ A \$250,000 reduction to the Library resulting in the potential closure of the West Side Library;
- ✓ Health insurance contribution increases, including co-pay and deductibles, for the Mayor, Aldermen, School Board Members, the Superintendent, an Assistant Superintendent and any non-affiliated employees making \$90,000 or above in the City and School District resulting in a total savings of \$300,000.

When addressing the cuts the Mayor stated, “Even with a 3.37% tax increase the cuts are still this deep.”

Mayor Gatsas again proposed his \$150,200,000 appropriation for the Manchester School District. In addition to a \$1.9 million allocation of surplus for a total spend of \$152.1 million. “For two years the Manchester School District has used stimulus funding to fill the gaps. This was one time money with strings attached and everyone knew it. But, like districts all across the country, we took it – and today, like those other districts, we face a major challenge,” Mayor Gatsas said.

In closing Mayor Gatsas remarked, “A successful outcome to our challenges will require compromise and sacrifice. It will require us to work together and reject the traditional tactic of pitting one group against another. Most importantly, it will require us to stay unified in our shared objective to build a better Manchester.”

A public hearing for the Mayor’s proposed FY2012 budget has been scheduled for Wednesday, April 6, 2011 beginning at 6:00pm in the Auditorium at Manchester Memorial High School.

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Please Note: A complete set of budget documents presented this evening are available on the homepage of www.manchesternh.gov in the “Message from the Mayor” box.

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