



CITY OF MANCHESTER

Theodore L. Gatsas

Mayor

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Mayor Ted Gatsas Presents FY2016 Budget

Mayor Gatsas provides all additional available revenue in city budget to Manchester School District, makes significant investment in roads and acknowledges the success of businesses in the city

MANCHESTER, NH - - This evening Manchester Mayor Ted Gatsas delivered his FY2016 budget address before a special meeting of the Board of Mayor and Aldermen. Gatsas began, "this evening I stand before you full of pride. Full of pride for a city that accomplishes so much in different ways every single day. In the past year alone so much has happened in this city, so much pride we have to share and more importantly we have seen Manchester lead the way."

Mayor Gatsas highlighted recent accomplishments at the Manchester School District including the implementation of full-day Kindergarten within the District, the start of the S.T.E.A.M. Ahead (Science, Technology, Engineering, Arts and Mathematics) program at West High School, the FIRST Jr. S.T.E.A.M. Ahead pilot program at three Manchester Elementary Schools and the ongoing success at the Manchester School of Technology. "In the budget before you this evening these programs will continue and Manchester will continue to unlock the potential of all of our students and lead in this regard," stated Gatsas.

In accordance with the Manchester City Charter section 6.15 relative to the tax cap Mayor Gatsas' budget proposal includes a 1.33% tax increase which represents approximately \$2.6 million in additional spending over the previous fiscal year. "In this 2016 budget before you this evening every single additional dollar of revenue raised under the tax cap, and more, has been put towards education in the city of Manchester. A true fact of this budget is that more dollars have gone to the Manchester school district than raised by the tax cap. A true fact of this budget is that expenditures at the school district have increased while the expenditures in the city have decreased," explained Gatsas.

Mayor Gatsas highlighted the impending conversion of the cities street lighting system to LED, "at a time in our economy when the costs of electricity keeps rising - here in Manchester we will see a 40% decrease. We are the first community in the State of New Hampshire to make this conversion and now cities and towns across the state are looking to follow."

For road reconstruction and resurfacing Mayor Gatsas' FY2016 budget proposes \$18 million dollars in road reconstruction bonding over 5 years. "This program includes \$3 million per year for each of the five years but in the first year, in 2016, we have doubled the funding to \$6 million. Combined with the additional \$2 million in the current FY2015 budget a total of \$8 million in funding will be spent on the reconstruction of roads in the next fourteen months," explained Gatsas.

Using the recently completed pavement condition assessment the Department of Public Works is working to develop a comprehensive paving plan. Gatsas added, "While it is important to address our worst streets first, we have learned that maintaining our good streets before they deteriorate further is also a priority. Spending a \$1 today on preventative work to keep our good streets good can save us from spending \$4 to reconstruct the same street in the future."

Mayor Gatsas highlighted the success the Queen City has realized relative to economic development; 300 high-end apartment living units have been added in the downtown area by Brady Sullivan and currently approximately 250,000 square feet of taxable, revenue generating development is being constructed in the retail district off South Willow Street.

In his FY2016 budget proposal the Mayor gave thanks to the Manchester small business community, "Given the recession that we are rebounding from this is remarkable and this is a direct result of the staying power of small businesses. They deserve a pat on that back because they have helped carry the Queen City through. In the budget before you this evening we will provide them with an opportunity for investment so they can continue to grow right here in Manchester." In his budget Gatsas has provided \$50,000 in seed funding for the Small Business Assistance Program. This is a matching grant program to assist small businesses with growth and improvements that will be run through the Manchester Economic Development Office (MEDO).

Mayor Gatsas also highlighted the recent success of the data-driven policing methods being used by the Manchester Police Department. "We have seen officer based activity go up while crime has gone down. We have also added more police officers to our streets so that our citizens and all those that visit our city feel safe," noted Mayor Gatsas.

For the municipal side of the city budget in the Mayor's FY2016 proposed budget every city department is funded with the same appropriation from FY2015. This appropriation will allow each city department to operate at their current staffing level with no layoffs.

This evening Mayor Gatsas also presented his FY2016 Community Improvement Program (CIP) budget to the Board of Aldermen. Funding in the CIP budget comes from entitlement funds received by the city. In FY2016 the city will continue to make allocations towards municipal infrastructure projects and continued support of non-profit programming for over 20 agencies serving the Manchester community.

For capital expenditures for deferred maintenance Mayor Gatsas proposed just over \$1 million in projects including upgrades to buildings at the Manchester Fire Department, City Hall and the Carpenter Library.

The Mayor also continues funding for the Motorized Equipment Replacement Program (M.E.R.) to replace aging city equipment including an allocation for a refuse truck, "I would propose that this truck be a truck with a mechanical arm just like the trucks being used to collect city recycling. This will begin the process of streamlining trash collection in the city," added Gatsas.

The Mayor concluded his budget address by thanking the citizens of the Queen City stating, "I hope that I have provided you with some clarity this evening on where we stand as a city, where we are going and how much we have to be proud of. Thank you for doing your part in reminding us why we are here, and what we are here for. But most importantly thank you for the pride and belief you show the Queen City everyday in all you do."

-30-

Mayor's FY2016 Budget Highlight:

Relative to the Tax Cap:

- ✓ 1.33% increase – amount allowed under tax cap set forth in City Charter;
- ✓ 1.33% generates approximately \$2.6 million.

Relative to the Manchester School District:

- ✓ Total school spend is \$161,062,680. This is not inclusive of additional federal monies received by the Manchester School District;
- ✓ Every additional dollar of monies raised by the tax cap is allocated to the Manchester School District;
- ✓ More dollars have gone to the Manchester School District than raised by the tax cap;
- ✓ Expenditures at the Manchester School District have increased while expenditures in the city have decreased.

Relative to the City of Manchester Municipal Spending:

- ✓ Total city spend is: \$143,516,337. This represents a decrease in municipal spending over FY2015;
- ✓ All city departments are flat funded. This allows city departments to maintain current staffing levels with no layoffs;
- ✓ The Manchester Transit Authority has received an additional \$45,000 appropriation that will allow them to maintain current service levels;
- ✓ Makes up \$1.58 million in fund balance surplus used in the Alderman's FY2015 budget through savings generated in the following line items: healthcare, severance, street lighting and savings in the cost of debt service;
- ✓ City healthcare is tracking better than expected and will see a potential \$1.5 million surplus;
- ✓ The Mayor proposes increasing current reserve levels by following city ordinance and placing surplus generated from the current operating budget and health insurance savings in appropriate reserves to maintain current rating by bond agencies.

Relative to Economic Development:

- ✓ Proposed \$50,000 in seed funding for the Small Business Assistance Program to be run through MEDO;
- ✓ The Small Business Assistance Program is a revolving loan program that will help business grow, succeed and become code compliant;
- ✓ Approximately 250,000 square feet of new taxable, revenue generating space is currently being constricted in the retail district off South Willow Street;
- ✓ 300 new high-end living units have been added to the downtown area by Brady Sullivan;
- ✓ ESPN will move from Nashua to downtown Manchester at the old Ted Hebert's location in the coming months;

- ✓ *Anthem has completed their move downtown and downtown businesses have seen an increase in activity;*
- ✓ *INTOWN Manchester will receive additional funding for their SummerFest program through a re-allocation in civic contributions;*
- ✓ *The additional funding to INTOWN SummerFest program will allow for additional upgraded programming;*
- ✓ *The benefits of the INTOWN SummerFest are numerous: it promotes economic development downtown, it keeps our parks active which helps keep our parks a safe and attractive destination; it brings visitors from other communities to the downtown.*

Relative to the Capital Budget including Road Reconstruction & Deferred Building Maintenance:

- ✓ *Proposes \$18 million investment in roads through the establishment of the Annual Road Replacement Fund (A.R.R.F.)*
- ✓ *A.R.R.F. is a proposed five-year road reconstruction and maintenance plan. In FY2016 \$6 million is allocated and \$3million in each of the years following;*
- ✓ *In the next fourteen months \$8million will be spent on roads in the City of Manchester - \$2 million left over from FY2015 and \$6 million proposed A.R.R.F. funding;*
- ✓ *Continues \$3 million for Motorized Equipment Replacement Program (M.E.R.);*
- ✓ *M.E.R. includes funding for public safety agencies including the Manchester Fire Department and the Manchester Police Department;*
- ✓ *Just over \$1 million proposed deferred maintenance projects at the Fire Dept., City Hall and the Library;*
- ✓ *\$500,0000 allocated for state mandated city-wide revaluation.*

Relative to the Community Improvement Program:

- ✓ *Community Improvement Proposal (C.I.P) continues to fund municipal infrastructure projects and over 20 local area non-profit agencies;*
- ✓ *Continues city partnership with the Manchester Community Resource Program (MCRC) following the redevelopment of the Odd Fellows Building;*
- ✓ *Continues funding or the City Year Whole City, Whole Child program;*
- ✓ *Increased funding for the Meals on Wheels program in t he City of Manchester;*
- ✓ *Funds a new splash pad at DuPont pool on the West Side;*
- ✓ *Adds additional code enforcement officers at the Planning & Community Development Department to address sub-standard housing issues;*
- ✓ *Fully funds Teen Night to align with the Manchester Health Department Neighborhood Improvement Strategy.*

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 along with the full text of the Mayor's FY2015 Budget Address.*