

BOARD OF MAYOR AND ALDERMEN

January 15, 2013

7:30 p.m.

Mayor Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Craig, Ludwig, Long, Roy, Osborne, Corriveau, O'Neil,
Levasseur, Shea, Katsiantonis, Shaw, Greazzo, Gamache, Arnold

Mayor Gatsas recessed the meeting to allow the Public Participation meeting to continue.

Mayor Gatsas called the meeting back to order.

Presentation by representatives from BerryDunn regarding the Innoprise project.

Mr. Doug Rowe, BerryDunn, stated we have been before you before on previous occasions to provide updates regarding the status of the ERP system for the City of Manchester. I just want to verify that you have the handouts for today's presentation. Today we wanted to take a little bit of time and provide an update regarding our activities related to the ERP system, acquisition and deployment here at the City. Our agenda looks long but it isn't. There are eight elements to our agenda and I will quickly go through some of these items. I would prefer to spend some substantive time focused on a few of the slides in this presentation. I want to start by briefly introducing BerryDunn. As a reminder to the board, BerryDunn was engaged a few months ago, early in the fall, to conduct a readiness

assessment regarding the status of the ERP system deployment. We made some recommendations regarding that deployment. Then subsequently we were engaged by the City to develop a comprehensive project management plan by which the ERP system could then move forward and be implemented. The primary reason I am here today is to provide you with a status regarding that project management plan. On page 4, I provide, for those who require it and I am not suggesting that all of you require it, but a bit of a primer on what ERP is. As a reminder, ERP is Enterprise Resource Planning. It is an enterprise level computer system that covers a number of areas that the City requires. It covers financials, human resources, payroll, community development and work orders. This diagram is primarily to be used as a take away for those who maybe want to go away and study it a bit and understand a little bit more about what ERP is all about. This slide, by the way, does represent the category areas of the City, the existing current practices of the City. The scope of our project with the City was to develop a project management plan. That was one of the elements that was uncovered during the readiness assessment last fall as being somewhat lacking; a project management plan as well as a robust series of requirements to determine whether or not an ERP system has been adequately implemented. This phase right here was for the project management plan. We conducted a number of interviews with the steering committee members and directors here in the City. We conducted some investigative research to then build a comprehensive project management plan. We determined whether or not a project management plan existed and if so at what level. We took whatever was available to us and built that into the plan. Our plan has subsequently been provided to the City a couple of times; once for preliminary review and the second time as a final draft of the plan. For those who have not seen the plan, I believe it is on file in the Mayor's Office and it is quite lengthy. The reason I bring this before you is just to have you acknowledge that the implementation of a system such as this is no small matter. It is a very huge undertaking. This document is what we use on a regular basis

when we implement ERP systems in other jurisdictions like Manchester. So this is representative of the work that the vendor and the staff of the City would undertake to implement an ERP system in the City. One final note on this slide is that we also reached out to the current ERP vendor, Innoprise, who many of you are familiar with to discuss with them this new approach to managing this ERP project and I will talk a little bit later about that conversation as we get into the presentation. Just a brief chronology of the activities that we undertook: We began in October and conducted a number of interviews. We came on site a couple of times to do that and we held a number of phone interviews and the result being this final project management plan that you see before you. This project management plan has a number of elements associated with it and if you look on the next slide which kind of looks like an organizational chart for a City department it really isn't. What this is intended to be is an organization of this project management plan and how the various components of this plan relate to one another. You can see here there are roughly a dozen or so components. Some are larger than others and some are more comprehensive or more complicated than others. At the very top of this chart you will notice a box that says project charter. The project charter is a critical element to the project management plan. The City should not undertake any larger project like this without a project charter. Many of you probably already know what a project charter is or you understand the notion of a charter. In effect, it sanctions or provides approval for a governance structure for a project like this and it also provides approval for the funding for a project like this. Without that very important document, the rest of these documents are irrelevant. We will talk a little bit more about that project charter in just a moment. I also thought it was relevant here to speak a little bit about the cost and the effort associated with implementing an ERP system. In speaking with some of the directors even just as recently as a few days ago, it was clear to me that the understanding of how to implement an ERP system was inconsistent within the view of the directors and the steering committee members, as well as

potentially here with the board of aldermen. These two elements are really critical and what I provide here in this chart describes the industry and what the industry measures are for implementation of a large ERP system such as this. The first element is cost. Typically you would purchase an ERP system for some dollar value. Based on that dollar value you should assume that the implementation of that system will cost another two to four times that. If I was to use an arbitrary number like \$1 million, if you were to acquire an ERP system for \$1 million, you could expect to spend anywhere between another \$2 to \$4 million with a vendor to implement that system. So that is above and beyond the software and hardware costs. I am just trying to lay the groundwork and set some expectations regarding how large this initiative is. The second element is effort. Cost is one, which is real dollars. Effort is the other and what I really want to call out here is the effort expended by City staff. So you have your ERP vendor who would obviously spent some effort implementing the ERP system for the City. Over and above that you have the City effort and if you see this chart, the City effort is at minimum 1.15 times the vendor's effort to implement this system. So if the vendor effort is... I give an example of nearly 10,000 hours then the City staff effort would be closer to 11,000+ hours. That is a conservative effort. Again, I only provide this for context so that the board of aldermen understands the effort associated with implementing a large enterprise level system such as this. So where are we now with this project management plan and the overall ERP project? The project management plan, as I mentioned before, is complete. It is here and you have access to it. You have access to it electronically as well as in a paper format that you can review. I don't expect that you would necessarily read 300 or 400 pages of this document but just understand how very, very large this is. In our discussions with Innoprise regarding this, and by the way I will say that during the development of this through guidance by the directors here at the City we developed this being ERP system agnostic. What I mean by that is we made no assumptions about what ERP system should be implemented when we were

developing this project management plan. It could be used to move forward with the existing system if the City chose to do that or it could be used if you move forward and develop and RFI or RFP or other alternative. It did not presuppose Innoprise and it did not presuppose that you were going to issue a RFP for another ERP system. However, we did reach out to Innoprise because we thought it made sense to do so to help us understand their perspective on this planning process and their willingness to participate in a project that may be managed in a discipline such as this. Although they indicated that it was a departure from their original approach, which it was, they did indicate a willingness to continue should the City decide to do so using this methodology and this set of guidelines for implementing an Innoprise resource planning project. The original Innoprise implementation plan, which they call enablement, and by the way I am not going to be able to speak to Innoprise necessarily but I can speak to this particular piece because contractually they entered into an agreement where they would implement this enablement methodology by which the vast majority of this effort is borne by the City. So the funding and the cost associated with the current implementation of the Innoprise model... You saw the effort slide and it is much more than 1.15% because the cost of the implementation portion or the project management portion, is very, very significant using that existing methodology. However, they did indicate a willingness to discuss with the City the option of having them continue the implementation of the Innoprise solution using this project management methodology. We also asked them to what extent would they be willing to take on some additional responsibility in managing the project and they indicated a willingness to do that as well. They thought it might take half of a full-time person to play the role of the project manager on their side to take on some of this responsibility although they were clear with us that they would not take on this entire responsibility nor did they believe it was their role to do so and I encourage the City to enter into additional discussions with Innoprise to clarify that and understand what role they would be willing to take on versus those that would be

borne by the City. So what does all of this mean? I think we mentioned early on in the original readiness assessment that the current implementation process is likely more difficult than the current City staff might have skill sets for or capabilities to conduct the entire thing or even the capacity for in terms of balancing their existing workload with also managing this very large ERP system. We strongly believe that to be successful, regardless of whether you implement Innoprise or some other ERP system, you must use a disciplined project management approach. We also strongly believe that this being a standard approach, a proven approach, you should take this and use it for your implementation regardless of whether it is Innoprise or some other solution. The board would find it valuable, I think, to consider funding. I understand the history of this project and the funding history of this project and the genesis of this project born basically by a zero based budget moving forward. I encourage the board to take a strong look at the funding required to implement a system like this, whether that be in discussions with Innoprise or with the issuance of a RFP to discover through the marketplace what other ERP systems might be out there and how much they may cost. Now in doing that I am going to jump to bullet five here for a second. Before you do either of those things you must have a comprehensive list of requirements. You can't issue a RFP or have a substantive conversation with Innoprise about what the scope of this project is without really understanding what it is that you want to implement in the City. It is like trying to build a house without really understanding the specs and not really the specs but just understanding whether you want a cape or a ranch. I was talking to Sam the other day and the analogy here would be an infrastructure project. This is like building a road or a bridge or a new building here within the city and trying to understand from the ground up what is it that we need and what function does that piece need to service, i.e. how long should it be in place, what is the funding source for it, what is the project plan for it, and how much City staff is going to be involved versus how much vendor staff is going to be involved with the implementation of

that. So that is the summary of where we are. I have documented six next steps here that we recommend the City take. I tried to provide these in a priority sequence although I would say that numbers one, two and three are very parallel and probably should be done in parallel. You must have a list of requirements and you must have a charter. Without a charter you really don't have a project because like I said before with the charter you then approve a governance structure, which I will talk about on my list slide and you also approve the expenditure of funds to implement the ERP system. We strongly believe that you must engage a professional project manager who understands how to implement ERP systems and has done it before. I want to make sure that the aldermen know that this is not a self-serving statement. You know that we have done this before but I am not suggesting that BerryDunn do this work. I am suggesting that you have a professional ERP project manager to assist the City in doing this work and you can do that in a number of different ways. One would be simply to engage somebody to jump start the project and jump in at points in time and check in and see how you are doing and provide additional guidance to make sure the project is not going off the rails. Another one may be to simply hire a part-time consulting resource that would come in and sit side by side with the City on a 50% basis ongoing throughout the implementation of the project. Another may be to simply hire a full-time project manager through the duration of this project, which would likely be between 12 and 24 months, and to implement the project and be the City's project manager. That project manager role would be to sit across the table from the vendor and their project manager and ensure that the vendor is implementing the software and the project the way that the contract promised that it would. Number four is to discuss options with Innoprise. Like I said before, when we built this project management plan we didn't build it with any preconception of whether or not it was Innoprise or another ERP system that was being implemented. However, we encourage that the City hold discussions with Innoprise and fully understand what Innoprise's position is relative to leveraging

this project management plan to continue their project, the resources they may require and the cost that may be borne by the City as they increase their presence and their services to the City. Number five goes a bit hand in glove with number two, which is the charter. The final ERP approach in the budget really is implemented inside the charter. The charter is the kick off document and then the budget is approved on an ongoing basis and the final ERP approach is developed and then finalized. This is only a draft by the way. This is 85% there. Once you identify which ERP system you decide to go forward with then your project manager will take this to the 100% level. I can't stress this enough but without an approved governance structure, a governance structure that is approved by this board to be a decision making body for the implementation of this ERP system, then the project is implemented at a very high risk. A governance structure may look significantly similar to what is on our final slide here, which is a proposed recommended ERP project structure. You will notice that this project structure includes a sponsor and our recommendation is that there be co-sponsors; a sponsor being the mayor and a representative from this board of aldermen being the other sponsor. The co-sponsors are the definitive decision makers for the entire project. If decisions are not allowed to be made at a lower level or if they are indecisive at a lower level there is an escalation process by which those sponsors then make the final decisions on projects. You will notice that the board of aldermen as a whole is represented on this chart as supporting the two sponsors, the co-sponsors for this project. You will notice just below the co-sponsors an executive steering committee. You likely know that we have in place today a steering committee which is comprised largely of directors of the various departments here in the City. However, it is my understanding in talking with those directors that it is not a formally sanctioned, formally approved, decision-making body for this project. I think it is very important, even if it remains the same players on that committee, that it be formally approved by this body as a decision-making group. That group plays a reasonably active role in the implementation of an ERP. They are not

configuring the system but they are making a lot of decisions and they are asking a lot of questions and helping guide the direction of the ERP system. Under that you will see the City project manager. You will see that there is what we call a change control board. There are bound to be changes requested of the City regardless of which vendor is selected to implement your ERP system and when those changes are requested by the City some changes have no dollar value associated with them and can be easily approved but others may have significant dollar value and when they do this change control the board takes a first stab at prioritizing those changes and working with the steering committee to determine whether or not funding should be made available for those changes. Without that change control board, no changes should be made to an ERP system or any other large system implementation such as this. You will notice here also as we go down the chart and I am not going to talk to the rest of it now but effectively you now have your vendor and you have a communications team and you have members of the City staff playing roles throughout the project. You don't have members playing roles at every point in the project but they come in and out of the project as needed as subject matter expertise is needed throughout the project. That concludes my formal remarks about the status of the project and I am here to take questions.

Alderman Long stated I am clear if we are going to move forward with this project that a project manager is going to be needed. However, the sense I am getting is that we are at square one. From what I understand, the departments' needs aren't even determined yet. Is that correct?

Mr. Rowe replied there is no formal comprehensive list of requirements that has been developed. Yes, that is something I know that the departments are working on.

Alderman Long stated so we would first have to get that. I did review the charter and also the project management plan and there are no responsibilities. Those are yet to be determined. Personally, I think the City department heads don't have the time to work on this. I think this manager should be meeting with them and if it is at an hour a time then it is at an hour a time. The problem I am having is getting my hands around what is the City going to be responsible for. If it is a higher level than I am anticipating then I am not in favor of that. What responsibilities will the project manager have? I have not seen what their responsibilities are. Those are yet to be determined and also we don't even know if Innoprise can meet the requirements of the departments; we don't even know if they can meet those. Also, are you familiar with the code access? There is a May 2014 deadline for which we lose access to the code unless we reup the negotiations. Are you familiar with that?

Mr. Rowe replied I am familiar with that. You are talking about maintenance and support for your existing Legacy ERP system, which is called HTE.

Alderman Long asked how critical is that date of May 2014? Do you know that?

Mr. Rowe answered the maintenance and support of your Legacy system until a new system is implemented is critical. So the current model has Innoprise maintaining that system on behalf of the City so the City is paying some fee to Innoprise today for that. Innoprise is doing two things, maintaining your existing Legacy system and it has been implementing the Innoprise ERP system. My understanding is that date of late spring 2014... Let me back up. As I understand it, Innoprise has a contractual agreement with the vendor that has supplied the HTE system and that vendor is Sungard. Sungard has provided Innoprise the opportunity to maintain the HTE system for some number of their customers. I believe the number is 25 but I am not positive. That agreement expires in the

spring of 2014. I have not reviewed that contract between Sungard and Innoprise in detail but that is my current understanding. During the development of this project we also reached out to Sungard because we saw that as an exposure as well. Sungard has expressed an interest and a desire to have a conversation with the City and may have already begun the process to reassume that responsibility or assume that responsibility out in May 2014 so the City is not exposed should the implementation of a new ERP system extend beyond that deadline. Does that make sense?

Alderman Long replied yes, it does. Is there a price tag for the project manager?

Mr. Rowe responded I can say to you that BerryDunn has provided a proposal to the City that has a few different options with three different price tags and the mayor has that information.

Mayor Gatsas stated the whole board has that. They presented that probably three or four meetings ago.

Alderman Long stated right and I think it gave us a Phase 2 of \$200,000 plus but I am wondering how we could come up with that price if we don't know what the responsibilities are yet.

Mr. Rowe stated the price was based on some assumptions that we documented in the proposal based on the duration of an ERP system for cities of similar size to Manchester. There were three different options.

Alderman Long stated again, I think regarding this project management plan there are a few things we need to address first before even considering this. First, can Innoprise do what our departments are looking for; and number two, can we

meet whatever deadlines and if that is all a-go, in my opinion, we certainly need a project manager but I would like to define the role of that project manager and the roles of City staff. I would like most of the responsibilities put on the project manager.

Mayor Gatsas stated back in September there was a document that was given to everybody. There are two numbers. One is a part-time project manager and that was \$240,000 and then a full time was \$504,000.

Alderman O'Neil asked was that for the duration of the project or per year?

Mr. Rowe answered that was for the duration of the project.

Alderman Arnold stated Mr. Rowe, thank you for coming before us and thank you for the work that BerryDunn has completed to help us understand exactly what this project is. Alderman Long asked about the price tag for a project manager but I am actually interested in the price tag for the entire thing. The PowerPoint presentation that the aldermen have in front of them is informative but didn't really have any budget or financial information. I noted that what is available in the City Clerk's Office does have a proposed budget and I scribbled down some notes when I consulted that and that is what I want to talk to you about if I can. In that document, the project budget summary, you have a number of things broken out. You have consulting and project management at \$636,000 and change, capital assets at \$398,900 and change, software at roughly \$1.3 million, implementation services at \$1.69 million and then internal costs at \$115,000 bringing the grand total I think to just under \$4 million.

Mr. Rowe responded I am sorry if I don't know the document you are referring to.

Alderman Arnold stated according to my notes it is page 15 of the executive summary of that binder you were holding up.

Mr. Rowe stated that is not part of the project management plan.

Alderman Arnold responded well whatever the City Clerk's Office has in a binder. Can I get some clarification from the clerk?

Ms. Heather Freeman, Assistant City Clerk, stated that was provided by the Mayor's Office.

Mr. Rowe stated to my knowledge this doesn't have any financial information in it. The project management plan document that we provided as no financial information in it. I don't know what you are looking at.

Alderman Arnold asked can someone give me clarification as to what the project budgets are? What is the project summary that is in the binder that is on file with the Clerk's Office?

Mr. Rowe replied the document you are looking at is a template for a bi-weekly status report. These numbers are fictitious.

Alderman Arnold responded perfect. Thank you for that clarification. Let me ask you this. What are the real numbers as best as they can be estimated?

Mr. Rowe answered I don't want to deflect the question, but without fully understanding the requirements and without a detailed discussion between Innoprise and the City or without a full RFP, it would be impossible for me to tell

you that. I can give you a range. We typically see a range of \$1.5 to \$2.5 million for implementation of this plan.

Alderman Arnold asked and that is in addition to the cost spent on the software?

Mr. Rowe responded that would be the cost spent on the software.

Alderman Arnold asked so just the cost of the software is somewhere between \$1.5 and \$2 million?

Mr. Rowe answered yes, cost and vendor implementation. It wouldn't include the City staff implementation.

Alderman Arnold asked can the finance director or the mayor tell me how much we have spent already?

Mr. William Sanders, Finance Officer, stated we are currently paying one fee to Innoprise, which comprises of both the implementation of the new software as well as the maintenance of the old HTE and I believe it is somewhere around \$150,000 per year. I am looking at the IT director to verify that number.

Ms. Jennie Angell, Information Systems Director, stated it is approximately \$220,000 a year, which is in line with what we had been paying Sungard for maintenance alone. We have made three annual payments at this point.

Alderman Arnold asked absent us having a better grasp of what specifically the City's needs are, you are saying that you can't possibly estimate beyond what you just provided?

Mr. Rowe responded I wouldn't feel comfortable estimating that in any level of detail.

Alderman Arnold stated I thank you for that answer. I think it is an honest answer. It still troubles me very much because it troubles me that we have invested what we have invested and we have gotten this far in the process without a plan, which necessitated bringing on BerryDunn to come before us and tell us that we should have had a plan. That is very troubling to me and I am sure it is very troubling to a lot of people at home who are following the development of this project.

Alderman Shea stated I have a question. On your next step I understand pretty much where two, three and four, but number one kind of got my attention in terms of the first article, which is the comprehensive requirements list. Could you give me a little insight into what that means?

Mr. Rowe responded the requirements are basically the daily activities that are performed by a particular functional area. Let's take the finance team for example. If you really analyzed what the finance team did on a daily basis, monthly basis, quarterly basis and annual basis based on reporting and the functions performed at each of those junctures you would start to develop a list of activities that could be automated. It might be something that a human does today or it could be something that HTE does today but maybe not well that a new system might be able to do better. In the marketplace when you look at ERP systems, the first thing that the vendor will say is it does this and this and this. It is much like a television advertisement. You want to be able to compare what your needs are to what that system can provide to you. In many cases, ERP systems are reasonably mature. They have a set of functionalities that meet standard requirements that finance or HR might need like issuing checks and

running payroll and managing inventory and managing employee benefits and things like that. There are typically hundreds and in some cases thousands of individual requirements that you develop a list of and once you develop that list then you can make a comparison to the systems that you are about to acquire to determine what is the fit of that system to the business of the City.

Alderman Shea asked when a system is developed can you adapt this system to something you don't anticipate as a comprehensive type of requirement that you might have or once that system is implemented is it sort of implemented to the extent that you cannot do anything beyond a certain point? If a certain need comes up two years from the time you begin to subscribe to this can you then add a component?

Mr. Rowe responded what you are describing is what they call extensibility and scalability. Extensibility might be that you build a house and you later decide that you need an in-law apartment so you build an in-law apartment and that is extending the capabilities of your system. In this case if you implemented finance and HR and some core functionality and then you decided that you wanted to add the Police Department and integrate with their dispatch and records management system, which might not have been a requirement initially, then you would extend that system. Many commercial off-the-shelf readily available systems provide the capability to extend the systems through configurability meaning you can configure the system. You don't need a programmer to do that. Depending on how customized that requirement is, you may need a programmer to do that. You may buy your cabinets from Home Depot or you may need a custom cabinet builder depending on your requirements for those cabinets.

Alderman Shea stated in the City we ran into a problem a few years back because the school department could not implement the type of information they wanted to be processed. If this particular system were to be adapted and the City were to subscribe to it, could the School District, if they were to choose the system they have now, but in time decide to change over, could that be rolled into this type of a situation as well? That would be another distinct component; not an existing department that has comprehensive requirements but an entirely new department?

Mr. Rowe responded most ERP systems are modular so you can decide to implement one or a few modules or many modules. Again, finance might be a module and HR might be a module and payroll might be a module. There are many cities where the school department is a department within the city and not a separate district and many ERP systems include the capability or include a module to manage school districts. If you implemented an ERP system that included that modularity, you could decide to implement that module later and not necessarily have to implement it sooner.

Alderman Craig stated you have done a lot of work and I want to thank you. I would like to ask for your recommendation in terms of how you feel we should proceed.

Mr. Rowe replied well really I tried to outline it in this next slide, which would be six steps. The very first thing you need to do is identify if there is a requirement. Before you engage with Innoprise and before you issue a RFP you need to understand what the City needs in an ERP system.

Alderman Craig responded we knew that prior to hiring you to do this report. You mentioned whether or not we would move forward with Innoprise or another system. What would your recommendation be?

Mr. Rowe answered without the City having a conversation with Innoprise regarding their participation and how they may want to step up and participate in this project using this project management template, I truly can't answer that question.

Alderman Craig stated I think that you are the expert here and we have hired you and we need you to help us move forward.

Mr. Rowe stated the only thing I would say is the scope of the project that we were engaged in these past few months was the development of the project management plan, which was one of the large gaps that was identified through the readiness assessment last fall. We are not in a position to make a recommendation as to whether or not to move forward with Innoprise or to issue a RFP for an alternate system.

Alderman Craig responded the project management plan that you put together, I thought it was going to be a little bit more detailed in terms of project schedule and integrating Innoprise and the data conversion plan and testing. In looking at it, there is a lot of information but a lot of it is redundant though when you look at the sections. You mentioned that you are going to be giving us more information. Is that part of what you are going to be giving us in this draft plan? Are you going to be giving us an implementation...

Mr. Rowe interjected no, this is the final plan. As I mentioned before, the guidance provided to us by the directors when we conducted the initial interviews in the development of this plan was to develop it without regard to which ERP system was to be implemented. The ERP that is to be implemented needs to be taken into consideration when building this plan out beyond where it is today to its

full capacity. If you decided to move forward with Innoprise then we would sit down with Innoprise and build this out with a schedule, data conversation plan, test plan, training plan, etc. They would be built out specific to the Innoprise application. If the City decided to go out with a RFP and acquire a different system, then the project manager would use this plan and build it out based on the ERP system that you acquire.

Mayor Gatsas stated I think what he is talking about is the other 15%. I think he said that management tool is about 85% complete and then somebody would pick it up to conclude it.

Alderman Craig stated in a letter that we received from you on October 16 it is pretty specific in terms of what would go into the development of a draft project management plan and I don't see a lot of what you listed in this letter in that document. I just want to make the board aware of that. You talk here about a project schedule and then in parentheses you say developed in conjunction with Innoprise and the City. That is not there. That was an expectation. Can you tell us why that is not included?

Mr. Rowe answered the original intent was to include Innoprise's schedule in this and then the guidance later by the directors was don't assume any ERP system as we were developing this plan. Now should Innoprise be the system that you choose to move forward with then the project manager would then build the schedule out based on the Innoprise solution. I would say that the scope changed early on in the process. Where we had originally intended to reach out to Innoprise and include their detailed information, the guidance from the steering committee was don't make that assumption.

Alderman Craig stated well that wasn't communicated to this board. Again, the training strategy was supposed to be with Innoprise. You coming forward this evening stating that we are not sure if we should proceed with Innoprise was news to me. I guess that is it.

Alderman O'Neil stated I guess what I thought your primary charge was... You mentioned the project management plan is at about 85%. I thought you were going to report back and I think we gave you a little bit of extra time because originally it was supposed to be sometime in mid-December and we gave you an extra four weeks but the basic question for me is can Innoprise meet the project management plan that is 85% complete? That was a charge. Has that question been answered yet?

Mr. Rowe asked can you repeat that?

Alderman O'Neil answered what I believe one of the charges to BerryDunn was was to go to Innoprise with the project management plan that you say is 85% complete and the simple question to them is can they meet the project management plan. Was there an answer that yes, they can or no, they cannot?

Mr. Rowe replied I think I mentioned earlier that we asked them if they were willing to adjust their project management approach moving away from their enablement methodology, where most of the work was borne by the City and adopt this project management plan and their response was yes.

Alderman O'Neil stated I wrote down the word willingness and to me there is no willingness by Innoprise. We are their customer and they are not serving us. I honestly don't believe there has to be a willingness by them. So is your answer

yes, they can meet the project plan and if they can, what is the cost for us to do that?

Mr. Rowe responded I think that is one of the next steps that I defined here, which was for the City to engage in discussions with Innoprise.

Alderman O'Neil replied so the answer today is we don't know if they can meet the project management plan then without conditions that they are going to set. As the project is defined today, can they meet the project management plan?

Mr. Rowe answered I am not sure I understand that question.

Alderman O'Neil stated well there was a project management plan that was to be developed by BerryDunn and you have done that and it is 85% done. To the best of my recollection, that project management plan was to be taken to Innoprise and they were to be asked could they meet that project management plan as outlined by BerryDunn. That is what I remember was supposed to be a next step in reporting back to us. I think we have to make a decision do we continue... We can't stay in the middle with Innoprise. We are either staying with them or getting rid of them and moving in another direction and I thought it was all based on can they meet this project management plan. If it didn't get asked I am disappointed because that to me was the number one question.

Mr. Rowe responded we did ask them if they would adopt this project management plan as the plan moving forward and they said yes.

Alderman O'Neil replied they said yes, but they put some conditions with it correct?

Mr. Rowe answered there is a financial condition and that is the discussion that the City has to have with Innoprise.

Alderman O'Neil asked but if we proceeded in the enablement effort was there a cost with that as well?

Mr. Rowe answered that is a discussion that the City will have to have with Innoprise.

Alderman O'Neil stated I appreciate you laying out the plan components and the government structure and project status. If there is a part-time project manager I guess whether it is a City employee or a contracted person that would be borne by us is that correct?

Mr. Rowe responded that part-time project manager is Innoprise suggesting that they would provide a part-time project manager to take on some of this responsibility that is in this project management plan and there is a fee associated with that.

Alderman O'Neil asked do we know what that fee is?

Mr. Rowe answered that fee has been communicated by me.

Mayor Gatsas stated it is half an FTE.

Alderman O'Neil asked what is the dollar amount? If it is not handy then it is something...

Mayor Gatsas interjected he has the answer for you.

Mr. Rowe stated they provided an hourly rate for that project manager at \$165 per hour.

Alderman O'Neil asked and if we had to guess how many hours are we talking about?

Mr. Rowe replied it was an indefinite period of time. They were clear with us that they needed to talk with the City to define the scope and when they said scope they meant the number of hours required by that project manager.

Alderman O'Neil stated I hope I am not sounding confrontational with you because I appreciate your efforts but this is a very... I personally think we should move in another direction away from Innoprise. I was interested in your conversation with Alderman Long about our options moving forward with maybe HTE Sungard continuing at least to service the existing system post May 2014 because I think our big concern was being up against that timeline. If we have an out with that, that may give us a chance to catch our breath. I think one of the important bullets you had was on page ten "current requirements list not comprehensive" and I just want to make sure I understand this. Before we either continue with Innoprise or put out a new RFP we need to define what that list of current requirements is, correct?

Mr. Rowe responded correct.

Alderman O'Neil asked and we are looking at, no matter what, an implementation period of 12 to 24 months?

Mr. Rowe answered a lot of that depends on the modules you implement and the phases in which you implement those modules.

Alderman O'Neil replied finally on the project structure would you be able to provide, on some of these boxes like executive steering committee and down through, some examples of who could or should be involved in that? If it is a time consuming task I guess I cannot ask you to do it if you are pushing your fee but if it is something you might have readily available I would be interested in who could make up filling in some of those slots. You mentioned on the project sponsors the mayor and aldermen and having a representative and if I understood you right giving those two people the ultimate decision-making power on the project. Did I understand you right?

Mr. Rowe responded correct.

Alderman O'Neil stated so that would actually take a vote of this board to give the mayor and that alderman...

Mayor Gatsas interjected I don't want that responsibility because I don't know enough about IT to possibly think that I could sit there and make a decision and I don't want to interrupt you so I will let you continue and then I have Alderman Arnold who wants to speak and then I will make some comments.

Alderman O'Neil stated I understand the concept and the importance of that it is just that I don't know if we have ever given two people the power. Usually if we are going to get to that level we could have a committee of the board do that but just below that, who should make up the various boxes if you want to use some examples from some past clients.

Mr. Rowe replied we documented that in our ERP project management plan starting on page 14.

Alderman O'Neil stated well I am not going to read 300 or 400 pages, but I expected something a little more detailed than this. Are you able to put some supporting documents with these slides? For instance, slide 12 you just mention some examples. Can you put that together?

Mr. Rowe stated it is documented and you do have it.

Alderman O'Neil replied we don't have that plan.

Mayor Gatsas stated you do have it. We are not going to print it for everybody but it is here. We can get you to the website so that you can see it on the website. Then there is a hard copy.

Alderman O'Neil stated I would like our consultant to provide the back up. It can only be a couple of pages for some of this stuff and I would like the consultant to provide that.

Mayor Gatsas responded okay. The pages you have in that management agreement, if you can just provide them to us in a bullet point so that you can fulfill that request.

Mr. Rowe replied sure.

Alderman O'Neil stated I want the back-up that matches up to the slides he presented here this evening.

Alderman Arnold stated Mr. Rowe, Chairman O'Neil said it very well when he said that he hopes not to come across as confrontational. I appreciate the work you put into a draft management plan, but in my opinion, you left out the biggest part, which is the cost aspect. I don't know how this board can be expected to make a decision as to whether we should continue to invest in this where it is a dollar sign with a question mark next to it or do we pull the plug and figure something else out. How are we supposed to do that without dollar numbers in front of us? In Nashua, I think they had a similar experience when they tried to implement a system like this and they brought a consultant in and then they ultimately decided to pull the plug. Is that correct, mayor?

Mayor Gatsas responded I don't know. I think we have heard from BerryDunn when they were in here previously. Did you work with Nashua on their project? I think that is where we heard the discussion. I believe they looked at something and then went elsewhere because it wasn't fitting their bill. I can't give you an answer. I have not talked to the mayor in Nashua about it.

Alderman Arnold stated my follow-up question is, how can any assessment be made as to how to move forward without the financial figures?

Mayor Gatsas replied this is a very difficult project first to understand, second to get your arms around and I think it was said well tonight that this is kind of like infrastructure but it is not because you can't touch it and you can't feel it. We have a lot of people who are on our City staff who can move forward but I can tell you that we have not given the ad hoc committee... It is only ad hoc and we haven't really given them the full balance of moving forward. When you take a look at it I don't believe that we have the expertise ourselves to carry this forward. After you read some of the things that are in the reports that are before us, to sit here and say that the mayor and some other designee on this board, and I respect

every one of you sitting here with me but I don't think any of us have the capabilities... It is not like I could look at one of you and say gee, you know what it is, Alderman Long, because you are the geek with computers and you know it all. It is a very difficult thing and I am not saying that you wouldn't be up for the task but there is no expert sitting here who can say yes or no. I understand what my parameters are and I can't sit here and tell anybody anything except this is the button you push to turn off the computer and this is the button you push to delete e-mail. So I look at this and say let's find an expert and we have an expert before us. I know they came forward with two presentations: \$240,000 if it was on one level and that was an unnegotiated number or \$504,000 if they were all in with us. I think that the two things I would recommend is one... I believe that this isn't an IT project. I don't believe it is. I believe that this starts with Finance and ends with Finance because those are the places that are most sensitive. I watched it at the state level and nobody really paid attention until somebody said we have a problem with payroll. Nobody said anything until the state treasurer said I am not too sure I feel comfortable with the testing that has been provided. BerryDunn I am sure if you asked them could give you a list of a number of things because they oversaw the state project and they were there for three years and that was a \$60 million project or somewhere in that vicinity. So I would first look at this and say we need an expert. I don't know whether it is BerryDunn or our accountants or who else who may be to sit with us and say okay guess what. You have to depend on me to make the final decisions because to come back to this board every time I don't know if any of us can identify whether it is red, white or blue. They may tell us and we may tell them to go forward but I don't think we can give them an opinion on what they are doing. So whether it is BerryDunn or somebody else, we need somebody if we are going to continue, and I suggest that maybe we sit with BerryDunn and say okay, you need to talk to Innoprise. They know the talk and they know the walk. We don't know that. If we are going to engage them to bring them in and talk to Sungard. Let's remember that the three payments that we

made for this project are no different than if we would have stayed where we were and made those same payments because they were maintaining it. It is not like we are out dollars and there is nothing in place. I don't know how this board wants to proceed but we need to identify the formal project management structure that we want and hire an outside project manager and develop a budget in what we want to do. We have to formalize the governance model. That is probably the most important. The steering committee to this date is only ad hoc and they have to step up and take a look at it and make the decision because as I said, I don't think this is an IT project. It is an infrastructure project. I wish I could tell you that what we did at the municipal complex was something different. Yes, there was a committee that oversaw it but we spent \$43 million and I don't know of anybody that told us that we made a mistake in the project and did something wrong and that is because we had some experts who have done some projects for the City and Kevin Sheppard and Tim Clougherty, along with Kevin O'Maley who paid attention to the project. Yes, they did report to the board and say we have extra money so do you want to build another garage, but I don't see people who have done this kind of a project before. That is what I would suggest but certainly I will go along with whatever this board wants to do.

Alderman O'Neil stated I agree with what you said about the project structure and that has to happen no matter what direction we go in. I think we have three options – stay with Innoprise 100% and move forward and work through the hurdles or get rid of them and move in a new direction or we are in limbo and we may not know today if we can stay with them. In all three cases we need some help. I don't know if BerryDunn's proposal previously is structured to assist us in any one of those three directions. I don't believe it is. Not because they provided incorrect information because that is what we all knew at the time and it may not be the direction we are going in so we may need to get a proposal from them if we go in any one of those three directions. Running a parallel course, we can start to

set-up project sponsors, formally adopt an executive steering committee, etc. If they can provide some examples of who we may want on those committees that would be helpful. I am not ready tonight to say we are going to move forward with Innoprise. To be honest, I probably have less faith in Innoprise tonight than I did two months ago. It may be in our best interest, especially if we can work out a deal with Sungard beyond May 2014 to maybe just revisit this whole thing and catch our breath and maybe go back out with a new RFP. I know we have spent some money to date but we have a responsibility.

Mayor Gatsas stated just for your understanding, I have not met with Innoprise because I didn't think it was convenient to meet with them. Jennie has asked me three or four times to meet with them. I thought until we got this information from BerryDunn in front of us it wasn't a good idea. I wanted to know where we were at. I would certainly look now to engage in a discussion with Innoprise.

Alderman O'Neil responded to be honest with you, I don't know where we are at because the basic question for me was not answered – can Innoprise meet this agreement? I am not convinced they can.

Mayor Gatsas replied and I can't give you that until somebody sits down and we ask them the question correctly.

Alderman O'Neil stated I would like to bring Innoprise in here. I will ask them that question.

Mayor Gatsas stated I am sure you would. I would like the board to allow me to have a conversation with Sungard and BerryDunn and a few members of the ad hoc steering committee so that somebody can get the discussion going on this fear date of May 2014. What would it cost to go back to them and have what none of

us want because HTE doesn't do what you have been looking for them to do for the last four years, which is who owes us money and how are we giving out permits. I think that has to be there. I think Innoprise has to be there and I think BerryDunn has to be engaged, whether it is for another two weeks to be there as the expert in the room to have conversation with these two companies because... I look at Bill Sanders and he is looking down. We all have respect for our department heads but I think there have to be people sitting at the table who can poke somebody and say no, mayor it is not the white question you want to ask it is the red question you want to ask and none of us have that. Bill Sanders has his hand up so I will let him speak.

Mr. Sanders stated I wasn't asked to comment but being one of the ad hoc steering committee members and unclear as to what our objectives are I just wanted to give you the benefit of the conversation that the steering committee had today when we saw this presentation and worked through it. It may be of use or it may not be of use and many different people said these things and they are free to come to a microphone if the mayor wants to acknowledge them but I will say it in summary. We agreed that there were three options and it wasn't laid out by BerryDunn but in the end the options are the responsibility of the City and the steering committee. We thought there were three options: 1) we could continue with Innoprise; 2) return to HTE; or 3) send out a new RFP and start all over. If we pick the Innoprise or RFP options we need this requirements list. We need to go through that effort. That is probably six to nine months of work. The Innoprise RFP option definitely requires a permanent project manager. Likely even going to HTE requires some part-time or interim project management activity. We need a detailed budget and a timeline. Even working with assumptions and estimates, at some time the aldermen have to have some idea of what this is going to cost the City and how we are going to pay for it. This is a bondable project. In 1995, the City issued a \$2.9 million bond to pay for HTE. We can bond the cost of the

software and the fee of the consultant and project manager. All of these costs are bondable just like with the municipal complex, which is a perfectly good example of what we are talking about here. We are going to be living with this for 20 years and it is going to cost more than a dime. We need to come to grips with that and the steering committee needs to give you a budget estimate of that working with BerryDunn. I am now using them as the poster child for a consultant. Even a return to HTE needs some sort of risk assessment of what that is. That may feel like a safe harbor, but it might not be, two years from now, a really comfortable place for us to be in. At the end of the day, with all due respect to the mayor and everything you do for the City and your skills in negotiating, I think that the steering committee and BerryDunn for their replacement need to meet with Innoprise and Sungard.

Mayor Gatsas stated I have no problem with that.

Mr. Sanders replied I didn't think you would. I apologize to every other steering committee member who I just volunteered to meet with these two companies but I think you need to stay back and make a judgment and the steering committee we either have confidence that they know how to run this project or they are going to figure out how to run a very complicated thing and we are not sure that we can. We are pretty sure that we are kind of confused too but with BerryDunn or whoever else you want to hire we do need to meet with Innoprise and with HTE and we need to meet with them before this requirements list is even done.'

Mayor Gatsas stated let me see if I can get a motion from Alderman O'Neil first to change the ad hoc committee to a direct steering committee and Mr. Sanders will be the chairman of that committee.

Mr. Sanders responded well that wasn't talked about at the meeting.

Alderman O'Neil stated before we do that it would be good if Bill could just put what he said in writing for us. I asked this some time ago. The committee is made up exclusively of department heads, correct?

Mr. Sanders answered that is correct.

Alderman O'Neil stated I don't know that every... There may be talent like a police captain or a finance guy at Highway who is very good at this. I think we need to look at who is on it. I guess it was self-appointed with department heads. That is not a shot. We need to get the best people in City government involved in this no matter what direction we go in. It may not be exclusively department heads. There is talent scattered in a lot of different levels in City government.

Mayor Gatsas stated I don't disagree with you but at some point and not that time is a big thing but time is of the essence. I think that having the steering committee that we have now with BerryDunn to have conversations with Sungard or HTE and also with Innoprise...

Alderman O'Neil interjected I will move on that. Is BerryDunn already compensated to have those discussions?

Mayor Gatsas responded no, but let's get the motion first.

***Alderman O'Neil** moved to have the steering committee and BerryDunn meet with Innoprise and Sungard. **Alderman Long** duly seconded the motion.*

Alderman Long stated there are preliminary discussions that need to be done prior to hiring any expert that we may need. The point you made earlier, Your Honor... From what I understand if we decide to go back to HTE there is a \$600,000 back payment or something that we owe.

Mayor Gatsas responded I don't know that.

Alderman Long stated well those are questions that should be asked when they have those conversations.

Mayor Gatsas responded I agree.

Alderman Arnold stated we don't know how much this is going to cost. I understand the short-term but we don't know how much this is going to cost.

Mayor Gatsas replied I totally understand and can appreciate that but until we get direct answers from two people, one the company we are engaged with now and somebody from THE, and until somebody says we can do these two things or we can't do any of it or we don't agree to anything and if you want to do it, it is \$5 million, I don't think anyone can give you that number until somebody sits with them and asks the right questions to get you the answers. I think the other alternative is pull the plug and say we are going to stay with HTE and May is coming and let's worry about what is going to happen then.

Alderman Arnold stated I am in favor of pulling the plug. There is a cost and I hear what you are saying and what the IT director is saying in terms of the payment that we make to Innoprise is comparable to what we paid to Sungard for HTE. BerryDunn didn't do the evaluation that they are here presenting tonight for

free and there is a reason that they had to come in and tell us that the City isn't capable of doing this by itself.

Mayor Gatsas stated I am looking at a letter that was sent to the board dated September 16. It had proposed costs and the overview of proposed cost for the project deliverable. That was a \$12,000 number. It had 'presentation to the Board of Mayor and Aldermen' at \$1,185. It had another number on here for fact finding interviews with vendor and research and that was \$4,600. I don't know if you have the ability to speak for BerryDunn but I would assume that if we could collectively get the steering committee in a room on a given day and schedule something with Sungard and also with Innoprise whether it is by phone or having them come in, I would think that your number would be somewhere in here to be able to sit with us as our expert.

Mr. Rowe replied I can't really represent the numbers for BerryDunn.

Mayor Gatsas stated then I would request the board that if it cost them \$2,500 to sit at the table with the steering committee for the day to do the interviews we do that. At some point somebody has to be able to sit there and ask the questions of Innoprise and Sungard okay, where are we going? You know where we are at because we stopped the project for nine months or ten months or whatever the number is and we are going to move forward one way or the other so tell us what you can do and what you propose.

Alderman Arnold asked where do you intend on taking that money from?

Mayor Gatsas answered that is a good question.

Mr. Sanders stated well if it is \$2,500 we could probably find it in someone's budget. There are departments that have surpluses and the Finance Department is one of them. If it turns out to be that we go forward it could be bonded.

Mayor Gatsas stated we have a surplus in the Mayor's office and I don't have a problem using that.

Alderman O'Neil stated the two conversations should happen the same day and they should happen back to back. City staff doesn't cost us any money and there is a minimum fee to have BerryDunn at the table. That needs to happen and then that is it and they can report back to the board.

Mayor Gatsas stated I would like to get this done before the next board meeting so there can be a report back at the next meeting.

Alderman Levasseur stated I want to go down the alley that Alderman Arnold was going down. I was sitting in my office reading this whole thing and I said to myself do we need to go with this system. I would like to know, Mr. Sanders, if you have this answer readily available. How much do we have in and how much is this going to cost us and is this item a necessity that we have to go forward with? How much money are we going to spend going forward? I don't know if you know that off the top of your head but we have some seriously pressing issues, obviously school issues, coming up in the next budget. What are the savings of not going forward with this or do we have to go forward?

Mayor Gatsas replied all we know is one thing. In 2014 there is not going to be anybody, supposedly from what we have been told, to maintain the system. That is what we have been told.

Alderman Levasseur responded but we are changing the system from HTE to another software system. What is wrong with just staying with the HTE system?

Mayor Gatsas answered nobody will be able to maintain the system we are on now.

Alderman Levasseur asked our own IT department can't maintain HTE?

Mayor Gatsas answered I wish it was that simple but it is not. Sungard has to maintain it because they have the language in the system, that talks to why Bill Sanders had a glitch in his payroll checks and where is he going to find it.

Alderman Levasseur asked so basically we have to go forward with this plan?

Alderman O'Neil replied in some direction.

Alderman Roy stated I just wanted to make this comment: during your presentation you said that you never interviewed Innoprise, right?

Mr. Rowe replied no, we did. We had discussions with Innoprise and during those discussions they agreed to this project management plan.

Alderman Roy asked I thought you were told by the committee to not go forward with the Innoprise aspect. I misunderstood. That was assuming they were involved.

Mr. Rowe stated right.

Alderman Roy stated thank you.

Alderman Craig stated just following up on what Alderman Roy said, I had a question. Within what we had signed off on, the scope of work that you were going to do, it did include work associated with Innoprise and scheduling. So, since you haven't done that work, do you have time available where you can do this call with Sungard and Innoprise? I would think that you would from what I read because you haven't finished the project that we asked to do and you can go back and ask the question.

Mr. Rowe stated I will go back and ask that question.

Alderman Craig asked we talked about this last time when we were talking about this issue of whether the City was responsible, for the large part, for the delays that we have been having, whether it was not having staff or the staff not having expertise, but in everything that we have talked about tonight, we haven't really addressed that other than hearing that we don't know what our requirements are of should be. How are we going to get over that obstacle? I want to make sure that we cover that prior to deciding which system we are going to move forward with because we are going to run into that same issue again.

Mayor Gatsas stated I think it is important that first we get the answers from Innoprise and Sungard through BerryDunn and report back to us and then we can talk about the shortfalls of why we were late or if we were late. Maybe we say it is all forgotten about and we hug and makeup and let's move forward with one of them and maybe that is something that comes back after the steering committee has its discussions.

Alderman Craig stated I agree that we need a project manager, we need an expert running this, but if our departments do not have staff or do not have expertise to guide the project manager or the expert in what our requirements are, then we are still in trouble no matter who we move forward with.

Mayor Gatsas stated I think we address that with the steering committee. Again, at the State level that was the biggest problem. Everyone, when we first started this, said, yes, we are 100% supportive of this, we are ready to go and the State said the same thing but when they found out the number of hours that the employees in those offices had to do versus some of their regular work everyday, it was a difficult thing.

Alderman Craig stated I agree.

Mayor Gatsas stated I can't give you that answer until someone comes in and says from what we have see and what they have projected, the 1.15% of the folks coming in verses the employees who have to participate, the 9,600 hours that have to be done by the company and then the 11,000 hours that have to come back from the employees. I think that is the information that he is telling us and I think that is a question we need to ask of the departments, do you have x amount of hours available in your budget so people can move forward with this because you are right, we don't know whose fault it was. Until we get a conversation going with them and the steering committee, I don't think we can answer that.

Alderman O'Neil stated the motion is that the steering committee, along with BerryDunn, has a conversation with Innoprise and separately with HTE/Sungard and follow up on the questions Mr. Sanders had asked. I would ask that we get a copy of Mr. Sanders's notes.

Mayor Gatsas stated and allow them to spend up to \$2,500 with BerryDunn.

Alderman O'Neil stated that is fine. And report back, positively, absolutely, but the next board meeting. I think we would like a report handed out before the night of the meeting so we can actually read it.

Mayor Gatsas called for a vote on the motion to have the steering committee and BerryDunn meet with Innoprise and Sungard. The motion carried with Aldermen Levasseur and Arnold voting in opposition.

Mayor Gatsas stated you can leave. I will have Bill Sanders communicate with you. I guess the ad hoc committee. It is not the steering committee.

Alderman O'Neil stated interim steering committee.

Mayor Gatsas stated I would look for that interim steering committee to have a supervisor or a chairman and I would hope that someone would set up.

Alderman O'Neil stated the solicitor pointed out that the two co-chairs may be back there.

Mayor Gatsas asked will you make that a motion?

Alderman O'Neil replied I will. I'll move on that.

On motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted that the city clerk and the finance officer would be the co-chairs of the ERP steering committee.

Mayor Gatsas stated with all due respect to the board, if I can take care of Tom Bowen before it gets too late here. I know he is excited, after 42 years, to retire. Come on up, Tom. I can tell you that I have know Tom Bowen for an awful long time. He was the first experience I had in the City being on the water commission and meeting Tom Bowen as a department head. You talk about people and their dedication and we all take that sometimes with a grain of salt. He has been through many changes on this board, 42 years. I'm not too sure he is old enough to have been here 42 years. It may have been child labor that we were enforcing. I can tell you that no one has ever stood up for their department, and I know we have a lot of great department heads and they defend their departments, Tom Bowen, for as long as he has been the director, has never allowed any one to say that we don't have the best water in the world and if he could figure out a way to bottle it and sell it, he would probably convince us all that we should do that as a revenue source because the Manchester water is the best around. I can tell you that with all the successes that Water Works has accomplished, I applaud him for that. The one biggest thing that I can give .. How long have you been having those water contests?

Mr. Tom Bowen, Water Works Director, replied 17 or 18 years.

Mayor Gatsas stated in those 17 or 18 years where the kids participate in those water contests, I can tell you that it is unbelievable. I should be something that should be done in every single one of our schools in the city because when you go and see them you sit there and look at these kids and say how did they come up with that thought and that idea. Again, that is the one accomplishment that Tom was a big push on to get the kids involved. Tom, we have a resolution for you.

The City of Manchester, a Resolution:

Be it known that the Office of the Mayor extends its gratitude to Thomas Bowen in recognition of over 42 years of dedicated service to the City of Manchester; and

Be it further known t that the Office of the Mayor extends its best wishes for continued success.

Duly signed by the Mayor of Manchester, Theodore Gatsas

Mayor Gatsas stated congratulations and thank you.

Mr. Bowen stated the Water Works has been a great place to work. I couldn't have asked for a better place. There are great people there. It was just large enough so that you could manage the department. There was great leadership in the early years, when you think about some of the decisions that were made by our predecessors at the Water Works to choose Lake Massabesic as our supply of water when there weren't 100 customers of the Water Works, when all they were serving was the downtown area of Manchester, the construction of all the facilities that are for the most part still in active use, the reservoirs that date back to the 1870s and the early 1930s. There has been great leadership there and just the small part that I have played in continuing to promote the rationale of promoting our system and providing good quality drinking water to our customers has been a pleasure to me. I thank the board for all their support over the years. We have had great relationships with the Board of Mayor and Aldermen and we have had excellent commissioners. We have excellent employees, hard working people. Unfortunately as you have seen in recent weeks, we have had a lot of our great employees out working on Elm Street and Hooksett Road and Wellington Road out at two or three o'clock in the morning fixing leaks. I am very pleased that we have a plan in place for moving ahead in maintaining our infrastructure and I think that probably in addition to having a great water treatment plant are the two things

that I am most proud of. Thank you very much and I do appreciate it. It has been a great 42 years.

Mayor Gatsas stated the other thing I would like to thank Tom for was that for many years at the Water Works they have been on a different budget cycle. They have been on a calendar budget cycle and this year, with some great discussions, they have come to the same schedule that the City is on. I applaud them for that and I thank them for that.

CONSENT AGENDA (ITEMS 4-22)

Mayor Gatsas advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

6. Resolutions:

“Amending the FY 2013 Community Improvement Program, authorizing and appropriating funds in the amount of Four Thousand Dollars (\$4,000) for the FY 2013 CIP 214013 Medical Reserve Corps. Program.”

“Amending the FY 2013 Community Improvement Program, authorizing and appropriating funds in the amount of Five Thousand Seven Hundred Ninety Two Dollars (\$5,792) for the FY 2013 CIP 411713 Domestic Violence Prosecutor.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the FY 2011 CIP 612611 2010 Lead Hazard Reduction Demonstration Grant Program.”

“Authorizing the Finance Officer to effect a transfer of Six Hundred Ninety Four Thousand Seven Hundred Thirty Four Dollars (\$694,734) for the 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

“Authorizing the Finance Officer to effect a transfer of Ninety One Thousand Eight Hundred Thirty Three Dollars and Sixty Eight Cents (\$91,833.68) for the 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

“Amending the FY 2009 and 2010 Community Improvement Programs, transferring, authorizing and appropriating funds in the amount of Eight Hundred Twenty Thousand Five Hundred Twenty One Dollars (\$820,521) for the FY 2010 CIP 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

REPORTS OF COMMITTEES

COMMITTEE ON COMMUNITY IMPROVEMENT

7. Recommending that the update on the Airport’s 5-year CIP has been accepted.
(Unanimous vote)
8. Recommending that the request from Jennifer Rounds for the City to sign a Subordination Agreement for property located at 1552 Belmont Street be approved subject to the review and approval of the City Solicitor.
(Unanimous vote)
9. Recommending that the request from Cookson Stephens Corporation for the City to sign a subordination agreement be approved, subject to the review and approval of the City Solicitor.
(Unanimous vote)

Ms. Heather Freeman, Assistant City Clerk, stated Your Honor, if I could just make a clarification on items eight and nine. There was an addendum handed out and I just wanted to make sure that was included. There were some revisions after committee and they were included in an addendum.

- 10.** Recommending that the request from the Fleet Services Director to issue an RFP and for the City to enter into contracts to purchase, before the start of the fiscal year, two vehicles that are scheduled to be replaced in fiscal year 2013/2014 be approved.
(Unanimous vote)
- 11.** Recommending that the request from the Fleet Services Director to purchase a replacement van for the Parking Division be approved.
(Unanimous vote)
- 12.** Recommending that the request from the City Solicitor to accept funds in the amount of \$5,792 from the State of New Hampshire for CIP project #411713 Domestic Violence Prosecutor be approved.
(Unanimous vote)
- 13.** Recommending that the request to change a project name and description for CIP project #710613 – WWTP Odor Control to WWTP Infrastructure Upgrades to more accurately describe the proposed upgrades to be carried out with the remainder of project funding be approved.
(Unanimous vote)
- 14.** Recommending that Amending Resolution and budget authorization providing for acceptance and expenditure of \$4,000 for CIP project #214013 – Medical Reserve Corp. Program be approved.
(Unanimous vote)
- 15.** Recommending that Amending Resolution and budget authorization for the match contribution for CIP project #612611 – 2010 Lead Hazard Reduction Demonstration Grant Program be approved.
(Unanimous vote)
- 16.** Recommending that the request from the Chief Engineer for a transfer of funds from two FY2009 projects completed under budget, to CIP project #710510 – Cohas Brook Phase III Contract #2 Design and Construction be approved.
(Unanimous vote)

17. Recommending that the request from the owner of 302 Prospect Street for subordination of a City lien totaling \$28,490 be approved.
(Unanimous vote)

18. Advising that the amending resolution and budget authorization providing for acceptance and expenditure of \$10,000 for CIP project #510413 – Gen. John Stark Gravesite Restoration Project has been received and filed.
(Unanimous vote)

COMMITTEE ON PUBLIC SAFETY, HEALTH & TRAFFIC

19. Recommending that the following regulations governing standing, stopping, parking and operation of vehicles, be adopted pursuant to Chapter 70 of the Code of Ordinances of the City of Manchester and put into effect when duly advertised and the districts affected thereby duly posted as required by the provisions of that Chapter and Chapter 335 of the Sessions Laws of 1951.

RESCIND 10 HOUR METERS 8AM-8PM – EMERGENCY ORDINANCE:

On Bedford Street, east side, from a point 54 feet north of Pleasant Street to a point 125 feet north (Ord. 9364)

On Bedford Street, east side, from a point 160 feet north of Pleasant Street to a point 557 feet north (Ord. 9366)

Alderman Long

RESCIND NO PARKING ANYTIME – EMERGENCY ORDINANCE:

On Bedford Street, east side, from a point 771 feet north of Pleasant Street to a point 855 feet north (Ord. 9369)

On Bedford Street, east side, from a point 983 feet north of Pleasant Street to a point 1096 feet north (Ord. 9371)

Alderman Long

10 HOUR METERS – 8AM - 8PM – MONDAY – FRIDAY – EMERGENCY ORDINANCE:

On Bedford Street, east side, from a point 54 feet north of Pleasant Street to a point 72 feet north

On Bedford Street, east side, from a point 164 feet north of Pleasant Street to a point 384 feet north

On Bedford Street, east side, from a point 548 feet north of Pleasant Street to a point 475 feet north

Alderman Long

NO PARKING ANYTIME – EMERGENCY ORDINANCE:

On Bedford Street, east side, from a point 126 feet north of Pleasant Street to a point 38 feet north

On Bedford Street, east side, from a point 1023 feet north of Pleasant Street to a point 70 feet north

Alderman Long

NO PARKING ANYTIME:

On Trenton Street, south side, from Chestnut Street to a point 95 feet west
Alderman Craig

On Putnam Street, north side, from Cumberland Street to a point 80 feet east
Alderman Gamache

On Merrimack Street, north side, from a point 85 feet east of Maple Street to a point 60 feet east

Alderman Roy

RESCIND NO PARKING ANYTIME:

On Knowlton Street, east side, from Hayward Street to a point 150 feet south
Alderman Shea

RESCIND ONE HOUR PARKING – 11:00 AM – 10:00 PM:

On West Street, west side, from a point 20 feet south of Conant Street to a point 66 feet south (Ord.10010)

Alderman Gamache

On Conant Street, south side, from a point 20 feet west of West Street to a point 40 feet west (Ord. 10009)

Alderman Gamache

NO PARKING LOADING ZONE:

On West Street, west side, from a point 20 feet south of Conant Street to a point 26 feet south

Alderman Gamache

On Conant Street, south side, from a point 20 feet west of West Street to a point 20 feet west

Alderman Gamache

PARK 30 MINUTES – 11:00 AM – 10 PM:

On West Street, west side, from a point 46 feet south of Conant Street to a point 40 feet south

Alderman Gamache

On Conant Street, south side, from a point 40 feet west of West Street to a point 20 feet west

Alderman Gamache

RESCIND TWO HOUR PARKING:

On West North Street, north side, from Elm Street to River Road
(Ord.6323)

Alderman Long
(*Unanimous vote*)

20. Recommending that the communication from the Parking Manager requesting a change in enforcement times of parking meters on various streets be approved.
(*Unanimous vote*)

21. Recommending that the communication from the Parking Manager requesting that City Ordinance section 70.55 (D) (2) (c) Residential Parking Permit Zone #2 be amended by not allowing residents to park on Elm Street be approved and forwarded to the Committee on Bills on Second Reading for technical review.
(*Unanimous vote*)

22. Recommending that the communication from Representative Will Infantine requesting a three-way stop at the intersection of Megan Drive and Aaron Drive has been received and filed.
(*Unanimous vote*)

*HAVING DULY READ THE CONSENT AGENDA, ON MOTION OF
ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN ROY, IT WAS
VOTED THAT THE CONSENT AGENDA BE APPROVED.*

Information to be Received and Filed

5. Manchester Conservation Commission 2012 Year End Report.

Alderman Arnold asked there are six vacancies on the conservation commission?
How many members sit on the commission?

Mayor Gatsas replied I can't tell you the number. It is not the real fan fair commissions, but there is another one on here...

Alderman Arnold stated the heritage commission.

Mayor Gatsas no, the personnel appeals board. There are four and three of them are vacant. There are supposed to be five, but there are going to be four openings because two of them are done and we have an employee who is coming to the board looking for an answer and we only have one person who can hear it. I would ask anyone out there, there is the arts commission, the building board of appeals, the conversation commission the conduct board, the heritage commission, the millyard design review, personnel appeals board, the planning board, the safety review board. If any one out there has someone who is a citizen of Manchester and they want to serve on a board I have given everyone a list so let's see if we can get them filled.

Alderman Craig asked is there a brief description of what these boards are? Typically, if you speak to someone they ask what is the time commitment and what is the role. Is there anything online?

Mayor Gatsas asked I don't know. Matt, is there anything online that gives that?

Alderman Craig asked or how frequent are the meetings.

Mayor Gatsas stated the last person I put on one of these commissions I told him he wouldn't have to worry about time because they really don't meet, but in the last two weeks they have met twice.

City Clerk Matthew Normand stated there is some discussion in the ordinances, but primarily we would advise people to speak with the department heads or the departments that are affiliated with those boards and commissions.

Mayor Gatsas asked on this list I have here, can you add the department head so we can get it out?

City Clerk Normand replied sure.

Alderman Arnold stated I extend my thanks to the people who serve on these commissions. I'll be sure to get you some names.

On motion of Alderman Arnold, duly seconded by Alderman Long, it was voted to receive and file this item.

REGULAR BUSINESS

23. Nomination(s) to be presented by Mayor Gatsas, if available.

Mayor Gatsas stated pursuant to section 3.14 (b) of the City Charter, please find the following nomination:

Arts Commission

Cindy O'Rourke to fulfill a vacancy as an alternate member, term to expire December 1, 2015.

Mayor Gatsas stated this nomination will layover until the next meeting of the board, pursuant to Rule 20 of the Board of Mayor and Aldermen.

- 24.** Confirmations to be presented by Mayor Gatsas:
- Board of Trustees of Trust Funds**
Attorney S. William Dahar to fulfill a vacancy as a member, term to expire
January 1, 2016
- Office of Youth Services Advisory Board**
Bonnie St. Jean to succeed herself as a member, term to expire
January 1, 2016
Gary Hunter to succeed himself as a member, term to expire
January 1, 2016
- Senior Services Commission**
Pat Schoch to succeed herself as a member, term to expire January 1, 2016

On motion of Alderman Ludwig, duly seconded by Alderman Arnold, it was voted to confirm the nominations.

- 25.** Warrant to be committed to the Tax Collector for collection under the Hand and Seal of the Board of Mayor and Aldermen for the collection of sewer charges for period #3, 2012.
(Note: Clerk to present amount at the meeting)

Ms. Freeman stated the amount is \$330,671.74.

Mayor Gatsas asked did everyone hear that? There are over \$300,000 in sewer charges that are unpaid. You wonder why I want to tie the sewer bill to the water bill? Tom left already. I was going to ask him how much is outstanding on water bills. Probably zero.

Alderman Levasseur asked would you like us to take that item up right now? I know I would vote for your proposal. I think it makes sense.

Mayor Gatsas stated we need to get clarification from the city solicitor.

Alderman Levasseur asked is it still in committee?

Mayor Gatsas replied yes, it is still in committee.

On motion of Alderman Ludwig, duly seconded by Alderman Long, it was voted to commit the warrant to the tax collector for collection.

On motion of Alderman Craig, duly seconded by Alderman Ludwig, it was voted to recess the meeting to allow the Committee on Finance to meet.

Mayor Gatsas called the meeting back to order.

28. Report(s) of the Committee on Finance, if available.

On motion of Alderman Roy, duly seconded by Alderman Long, it was voted to waive readings by titles only.

The Committee on Finance respectfully recommends, after due and careful consideration, that Resolutions:

“Amending the FY 2013 Community Improvement Program, authorizing and appropriating funds in the amount of Four Thousand Dollars (\$4,000) for the FY 2013 CIP 214013 Medical Reserve Corps. Program.”

“Amending the FY 2013 Community Improvement Program, authorizing and appropriating funds in the amount of Five Thousand Seven Hundred Ninety Two Dollars (\$5,792) for the FY 2013 CIP 411713 Domestic Violence Prosecutor.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the FY 2011 CIP 612611 2010 Lead Hazard Reduction Demonstration Grant Program.”

“Authorizing the Finance Officer to effect a transfer of Six Hundred Ninety Four Thousand Seven Hundred Thirty Four Dollars (\$694,734) for the 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

“Authorizing the Finance Officer to effect a transfer of Ninety One Thousand Eight Hundred Thirty Three Dollars and Sixty Eight Cents (\$91,833.68) for the 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

“Amending the FY 2009 and 2010 Community Improvement Programs, transferring, authorizing and appropriating funds in the amount of Eight Hundred Twenty Thousand Five Hundred Twenty One Dollars (\$820,521) for the FY 2010 CIP 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

ought to pass and be enrolled.
(Unanimous vote)

On motion of Alderman Roy, duly seconded by Alderman Ludwig, it was voted to accept the report of committee and adopt its recommendations.

29. Report(s) of the Committee on Accounts, Enrollment & Revenue Administration, if available.

The Committee on Accounts, Enrollment and Revenue Administration respectfully recommends, after due and careful consideration, that the communication from Mayor Gatsas requesting approval of the attached travel schedule/itinerary for the Airport Director and airport staff through 2014 be approved.
(Unanimous vote)

Alderman Levasseur stated I decided to take a very close look at the calendar going forward and to be honest with you, I was amazed at the trips. There is one

to Vancouver, there is one to Hawaii, there is one to Ireland and I thought to myself what if I had that job with two boys? How in the world could I go anywhere for 60 days and leave my kids or wife at home? I looked at the amount of days for each one and I remember that as an attorney, when you go to one of these events they give you an itinerary. The itinerary is that on the first day you arrive, get settled at the hotel, hang out; the second day you go to a meeting; the third day you go to a meeting; the fourth day you wind down. When you make these plans, you have to make plans deciding on which are the more important days to be there. I would like, before this board votes on this, to see the itinerary for each and every single trip that is planned to see if there are any days that can be cut from the travel days. I can't imagine that nine days in Hawaii they are in meetings on every single one of those days or every single one of those meetings are important. You look at 60 days out of the State of New Hampshire, out of the airport, not there watching over the airport and manning the place, it really is a cause for concern. I can understand why the mayor felt the concern that he did. I would request that we get an itinerary from the actual places they are going to go. There is a nine-day trip to Hawaii. Is every single one of those days important and is every day filled up from 8:00 a.m. to 5:00 p.m. Sixty days is incredible. That is a long time to be away from your family. I guess I could ask Mr. Brewer, are you allowed to bring your family to these events?

Mr. Mark Brewer, Airport Director, replied certainly, if I register them as a guest to the conference, yes. A number of the conferences that you mentioned are during my year as chairman of the association. One of my obligations as chairman is to attend the chapter conferences and that is why you see them in Vancouver and other locations.

Alderman Levasseur stated some of the trips that you are taking, and I don't have it readily available in my hands, but why can't, if there are meetings with some airlines like Delta, why can't you just talk to them on the phone about what their plans are?

Mr. Brewer replied those face to face meetings are invaluable. If you look at some of those trips, they are two-day trips. I will fly down to Dallas to meet with Southwest or down to Arizona to meet with US Airways. I'll fly down to Atlanta on a Tuesday, meet with them for dinner on Tuesday evening, have an early morning meeting on Wednesday and fly back on Wednesday.

Alderman Levasseur asked do you represent just the City of Manchester in your position as the chairman of that organization or do you represent all the airports in a region of the country?

Mr. Brewer replied there are 5,000 members in this national association. It is the largest association of airport executives in the US. I have been a member of the association for many years and I have worked my way through and now I am in the executive committee and in May I will be elected as chairman for the association for one year. The travel obligations for that one year are significantly more than they were.

Alderman Levasseur asked when you are acting in that capacity, are you acting as the chairman for the 5,000 or are you acting in that capacity as the designee or ambassador or representative of Manchester itself?

Mr. Brewer replied all of the above. I will tell you that I met with the administrator of the TSA talking about the real id issue, the requirement of the federal government having a compliant driver's license. New Hampshire is one of the states that would not have a real id compliant driver's license. The impact on New Hampshire and on Manchester Boston Regional Airport would be significant if there was not some alternative method to declare someone satisfactory to fly through our transportation system without a driver's license that is real id approved. I had that conversation representing the Manchester Airport, representing New Hampshire and all of its citizens for the implications. It is not just out of this airport that you or I, but anyone flying, with a non-id compliant driver's license would be stopped and considered to be non-compliant to fly the transportation system, unless the real id program is delayed. Fortunately, the real id program passed the January 15th deadline and there was additional time for states to become compliant.

Mayor Gatsas asked when do states have to become compliant?

Mr. Brewer replied the extension went from January 15th. I don't have the latest date. It has been extended.

Alderman Levasseur asked if you are in Hawaii for nine days, is the first day travel? Are there actually nine days of meetings or five days of meetings?

Mr. Brewer stated it took me about 30 hours to get there with stops in Philadelphia and Los Angeles and then on to Hawaii. This conference already happened by the way. It was last week. I got there two days early because I am on the executive committee and we had an executive committee meeting the first day, we had a full board of directors meeting where I ran part of the meeting as

first vice chair. The third day, I was on a security panel taking about security issues. There are conference meetings during the course of the conference. I met with American Airlines, who by the way, on our list is not a trip and he recommended that I go down and meet with the American Airlines flight and route development people because of the potential merger for US Air and American Airways. I have already met with US related to that. US Airways is under the impression that they will merge with American and all of the main management functions would remain with US Air. We have very good working relationships with them. The United Airways, their government affairs person, Dale Morris, thought that American Airlines team would be taking the management role and he felt that it was important for a major station such as Manchester to get to know the people down in Dallas from American Airlines. That is not on the list. Regardless of what we agree to do or not to do with my travel and who approves it or who doesn't approve it, most likely they will be coming to whoever the authority is, requesting an additional trip above and beyond what you already see to go down to Dallas to meet with the airlines.

Alderman Levasseur asked do you have the itineraries for each one of your trips in advance?

Mr. Brewer replied I do not, at this point. The mayor asked me for that list, to not only go out for the rest of this fiscal year, but the expected travel as my year as chairman. On that graph that I gave you, on the right hand side you will see a number that gives you all the meetings that I will be doing as chair so I identified those. On the left hand side, you will see an asterisk of all the conferences that are paid by the association. They understand and accept that my leadership role on a national basis could be a burden to the City, could be a burden to any airport and the association pays for the travel. The Hawaii trip that I just went on, the thing

that the airport paid for was my salary and time out of the office. All of the other expenses, meals, hotel, airfare, was covered by the association.

On motion of Alderman O'Neil, duly seconded by Alderman Long, it was voted that the report of committee be accepted and its recommendations adopted. The motion carried with Alderman Levasseur voting in opposition.

- 30.** Report(s) of the Committee on Administration/Information Systems, if available.

The Committee on Administration/Information Systems respectfully recommends, after due and careful consideration, that the Chief of Police be authorized to amend the towing contract to reflect the increases recommended by the Police Department subject to the review and approval of the City Solicitor.

(Unanimous vote)

On motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted that the report of committee be accepted and its recommendations adopted.

- 31.** Report(s) of the Committee on Lands and Buildings, if available.

There were no reports.

- 32.** Resolutions:

On motion of Alderman Roy, duly seconded by Alderman Long, it was voted to waive readings by titles only.

“Amending the FY 2013 Community Improvement Program, authorizing and appropriating funds in the amount of Four Thousand Dollars (\$4,000) for the FY 2013 CIP 214013 Medical Reserve Corps. Program.”

“Amending the FY 2013 Community Improvement Program, authorizing and appropriating funds in the amount of Five Thousand Seven Hundred Ninety Two Dollars (\$5,792) for the FY 2013 CIP 411713 Domestic Violence Prosecutor.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the FY 2011 CIP 612611 2010 Lead Hazard Reduction Demonstration Grant Program.”

“Authorizing the Finance Officer to effect a transfer of Six Hundred Ninety Four Thousand Seven Hundred Thirty Four Dollars (\$694,734) for the 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

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“Amending the FY 2009 and 2010 Community Improvement Programs, transferring, authorizing and appropriating funds in the amount of Eight Hundred Twenty Thousand Five Hundred Twenty One Dollars (\$820,521) for the FY 2010 CIP 710510 Cohas Brook Phase III Contract #2 Design and Construction.”

On motion of Alderman Roy, duly seconded by Alderman Long, it was voted that the resolutions ought to pass and be enrolled.

- 33. A motion is in order to recess the meeting to discuss strategy or negotiations with respect to collective bargaining pursuant to the provisions of RSA 91-A:2 I(a).**

Mayor Gatsas stated I don't think there is any reason to recess. Alderman O'Neil has there been any progress with where they are going with those two open unions?

Alderman O'Neil replied from my last conversation with the human resources director, the city solicitor and the finance officer they were each doing some work on it. I know Jane has been very active in trying to gather options for the Board of Mayor and Aldermen to hire a negotiator in limited scope for those two contracts. If I recall, from the solicitor, we are in compliance contractually. We sent a letter to the Teamsters and we have to send a letter to the Steelworkers, Water Works employees 60 days before the contract expires. We are complaint now. If the board wishes I can meet with the three departments and maybe have something for the first February to consider. Jane has done an awful lot of work in trying to track down potential negotiators for us. Jane, do we have everything we need at this point? Why don't I try to meet with the three department heads and present something to the board at the next meeting?

NEW BUSINESS

Mayor Gatsas stated let me go over what I have here. In your pink packets there is a refugee update. Also, a communication from the Manchester School District regarding gate receipts. Southern New Hampshire Planning Commission is asking to look at the ten year plan and if we have any communication about it. I believe that is what is before us. The last one is the United Kingdom delegation, the Chamber has set up a meet and greet and I think they are here for three days for the board to meet with them. We will get you a complete schedule of events of them being here, but they are looking to increase the export market and using Manchester companies to do that and they are looking for a meet and greet on

Monday, February 11th from 9:00 a.m. to 10:15 a.m. in city hall in the aldermanic chambers to welcome them to Manchester. Whatever board members could make it I would appreciate it. You can report to my office that you will be here so we can move forward.

Alderman O'Neil asked on this athletic communication, should we send that to one of our committees?

Mayor Gatsas replied we can.

Alderman O'Neil stated I'm not even sure what our responsibility is with it, but they seem to need our approval.

Mayor Gatsas stated they sent it here. Maybe Alderman Craig could explain.

Alderman Craig stated I believe the belief is that the money is coming to the City, but it is my understanding that it is not. We can send it to committee.

Mayor Gatsas stated I haven't plugged it into my budget yet.

Alderman Katsiantonis stated in the past, I'm pretty sure I'm correct, the City used to take the money because when I was on the board, we voted to get the money from the aldermen, but it was voted down. We voted it up a few years ago.

Mayor Gatsas stated let's send it to the Committee on Accounts, Enrollment and Revenue Administration. I don't believe that the revenue is coming into the City. I'm looking at Bill Sanders and he is shaking his head no.

Mr. Sanders stated I am not aware that it comes to the City. I thought it was collected by the School District. We can look into it and report to the Committee on Accounts, Enrollment and Revenue Administration.

On motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to refer the letter from the School District regarding gate receipts to the Committee on Accounts, Enrollment and Revenue Administration.

On motion of Alderman O'Neil, duly seconded by Alderman Roy, it was voted to refer the letter from Southern New Hampshire Planning Commission on the ten-year plan to the Committee on Community Improvement.

Alderman O'Neil stated I wanted to make sure that I didn't miss Mr. Sanders' report.

Alderman Corriveau stated I just wanted to make an announcement that in conjunction with President Obama's inauguration on Monday, this Saturday will be a national day of service in all 50 states, throughout our state, and there are a number of community service projects that are going to be undertaken in the City of Manchester in commemoration of Dr. Martin Luther King's vision of community service. As I said, it is going to be this Saturday. Most of the events are in the afternoon. The events include Big Brothers Big Sisters, a food drive, donating blood to the Red Cross, helping Easter Seals, the Salvation Army and I think it is also a really great event with helping veterans at The Way Home on Spruce Street. Anyone interested, there are people working these events and organizing them. It is completely non-partisan. As I said, it is a national day of

service. Anyone who would like information on these events, please feel free to give me a call at 603-6241-6850 or you can go to the website, 2013pic.org. I hope everyone will pitch in. Thank you, Your Honor.

Mayor Gatsas stated we had an opportunity to have an awful lot of police officers in here this evening and I can tell you that as mayor I am very proud of the police officers who serve us every single day. They go beyond the call on many issues and not only that department, but every other department and the employees that we have in this great City. It is a difficult time. I want to make sure that the discussions that we had are behind us. Let me give you an example of how they go beyond and certainly Officer Doherty is one example and a good one. Last week when I was leaving this meeting there was a cruiser parked next to my car. At the time I was joking to Alderman O'Neil that I had never driven a cruiser and just as I said that there was a dog in the back seat letting me know that I wasn't getting into that cruiser so I proceeded to come back into city hall. There was an officer with a young lady in the Clerk's Office that Luis, our security guard, had brought in and called the Manchester Police Department because the girl was 18, five months pregnant, freezing and had no place to go. When I came in Officer O'Leary was talking to her trying to get some housing at New Horizons and they said they needed to clear her. I proceeded to call Charlie Sherman to get the clearance to get her in there. Because the dog was in the car, he called another officer to take her over to Angie's Place so she had an opportunity to stay there overnight. I can tell you that I have respect for the Police Department. I have respect for every one of the officers. I respect the chief. We may not always agree, but I can tell you that if I am in a bind, I know he is going to be here and he is going to be there for every citizen in the City of Manchester. I'll apologize because I think everyone of you do a great job in the City of Manchester. If you have been offended in any way, I just want to make sure that you have my apology and the apology from the citizens of Manchester. I thank you for your service.

Mr. Sanders stated attached is the general fund expenditure and revenues based on department head estimates. We are projecting an operating fund surplus for fiscal year 2013 of \$565,000 made up of a revenue surplus of \$210,000 and an expenditure surplus of \$355,000. As in prior months, the most significant contributor is the contingency account which remains at \$1,011,000. We are currently forecasting a severance deficit of \$700,000 which is slightly lower than the forecast from a month ago so there is about \$50,000 of improvement there. Also noted in the letter are the three times that the aldermen provided for in contingency that have not yet been drawn down, the fleet management at \$150,000, police station expenses after January 1, at \$55,000 and the domestic violence prosecutor at \$50,000. If you turn to the second page I would note that the Clerk's Office still isn't; showing any surplus in revenue or expenses, but you can see various departments and how they are coming out. The departments are approximately \$50,000 in surplus. As we mentioned there is the contingency surplus to look at as well. Auto registrations continue to be constant in December so we are showing a \$200,000 surplus overall. The forecast is better by about \$75,000 than last month. The severance was stabilized in December so I think it is a better forecast. We are a month into the winter and hopefully that will be helpful to us. The third page is the overtime report. You can see the Fire Department is close to exhausting their full overtime budget. They are still reporting a balanced budget with no deficit requirements. That concludes my report.

Alderman Levasseur stated I have noticed in the Committee on Accounts, Enrollment and Revenue Administration, that we are losing revenue in a lot of different areas like fire or police, that don't get paid. Do we account for that when you are making the budget? When you come forward with your first budget do you say we can expect a 10% loss in revenues or is that a number that surprises

you at the end of the budget term? It seems to me that the numbers were pretty big.

Mr. Sanders responded the comparisons in the Committee on Accounts, Enrollment and Revenue Administration are on the prior year, not on the budget. I comment right now in Accounts, Enrollment and Revenue Administration how we are tracking our budget. Where we do have some non-receipts, that is normally always a timing issue. I work with Karen DeFrancis and there is no issue there. We work on what the fees will be and what work will be done and be paid for it. Most of the prior year comparisons we knew coming into the budget and that is more information than anything.

Alderman Levasseur asked do you calculate that for revenues?

Mayor Gatsas replied you will either see revenues go down or up based on what departments tell us.

Alderman Levasseur stated you base it on last year's number.

Mayor Gatsas stated we base it on what the department tell us.

Mr. Sanders stated what the department thinks for 2014.

Alderman Levasseur stated they can weigh their average and what they get for uncollectables.

Mr. Sanders stated the big items are the auto registrations, the building permits. I know that Leon and Pat do quite a bit of work on those.

TABLED ITEM

34. Petition to release and discharge a portion of Hayward North Back Street.

(Note: Tabled 4/03/2012)

This item remained on the table.

ADJOURNMENT

There being no further business, on motion of Alderman Greazzo, duly seconded by Alderman Katsiantonis it was voted to adjourn.

A True Record. Attest.

A handwritten signature in black ink that reads "Heather Freeman". The signature is written in a cursive, flowing style.

City Clerk