

BOARD OF MAYOR AND ALDERMEN

February 05, 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

3. Update from the ERP Steering Committee.
(Note: Additional informational from the committee will be forwarded prior to the meeting, if available.)

Mr. William Sanders, Finance Officer, stated good evening. Thank you for giving me the time to present to you this evening. First, let me start off with a couple of comments and then we can get into the material that I believe you are now in possession of. The first thing that I wanted to do was make sure you know who was on the steering committee. It was myself, Matt Normand, Jane Gile, Jennie Angell, Tim Soucy, Leon LaFreniere, Dave Paris and Kevin Sheppard. The BMA directed this committee to review the three options for the City's ERP project at the last meeting. We discussed the options amongst ourselves and also with Harris and SunGard and report our findings to the BMA. The committee has met frequently over the past 15 business days and our discussions have been frank, lively and driven in order to make a recommendation in the best interest to the City of Manchester. The material and recommendations that we have provided to you tonight have the unanimous approval of the committee. As part of the material that you can see, a significant portion of it is the questions that we asked of each of the vendors. These questions were developed by the committee in advance and provided to the vendors in advance in order to allow the conversation to be more

worthwhile. We held these conversations on Monday, January 28, 2013. I would say that the committee was very impressed with the responsiveness and candor of both Harris and SunGard in responding to these questions and providing additional information. The committee would not be here tonight without their professional input and cooperation of both Harris and SunGard. Last, and certainly not least, we appreciate the Board of Mayor and Aldermen's confidence to permit the committee to address these issues without anyway influencing or directing our process or conclusions. Thank you. In the end, the assessment of this information and the development of our recommendations are the sole responsibility of the committee and as I said, we are unanimous in our conclusions. With that said, I would direct you to page two of the material so I might review the committee's recommendations. The committee basically has four recommendations, the first of which is to authorize the steering committee to negotiate a mutually agreeable termination to the current Harris contract with an effective date of not later than July 1, 2013. Second, we request your authorization for the steering committee to negotiate a transfer of the current Navaline system maintenance contract to SunGard, effective no later than July 1, 2013. Third, we would request authorization from the Board of Mayor and Aldermen for the steering committee to go out for a request for proposal for project management services for the development of our comprehensive requirements. These three recommendations, we hope you will act on them this evening. There is also a fourth recommendation that does not require your explicit vote, but I hope your concurrence anyways that the Board of Mayor and Aldermen defer any decision on a RFP for a new system until the aforementioned recommendations have been authorized and completed by the committee and brought back to the Board of Mayor and Aldermen for their approval. We would expect in the near future that we will bring back a Harris contract to terminate and we would request your approval at that time. You will have an opportunity to review the contract and see what we agreed to as we will bring back the SunGard agreement that will eventually be negotiated and we will most definitely come back to the Board of Mayor and Aldermen or if you direct us to a committee of the Board of Mayor and Aldermen for the selection of a project manager for our comprehensive

requirements. With those opening remarks and review, we would be glad to answer any of your questions.

Alderman Levasseur asked can we go out for a RFP before we make any decisions on burning any bridges? In other words, if we go out for RFP and we look at what our options are, based on what you have given me here and the expense is so great or they can't meet the deadlines, could we... It looks like we have a contract with them until July 1st anyways until we get a RFP in the next couple of months and decide that we want to change the channel or stick with what we have. I don't know, if we go out for a RFP if we are breaching the contract with them. I don't know what that would entail.

Mr. Sanders replied as of this moment we are under contract with Harris for the implementation of the Innoprise platform. That said, the most important thing that the City of Manchester and the committee and all of the employees of the City of Manchester need to work on over the next six months is a detailed commonly understood list of requirements that we are looking for in the new system. That does not just include department heads, but it ultimately includes the aldermen and what your specifications are. Today we do not have such a document and for us to RFP anything or to proceed with a contract, even with Harris, without that document and without a clear understanding as to what we are attempting to accomplish and the means by which we intent to accomplish it, we should not be engaged in any RFP with any vendor at this point. We need to do that, get this requirements documentation.

Alderman Levasseur stated I think I read in the paper on Sunday that there was a discussion by the person who used to own the company who worked on the HTE system. Have we reached out to that person or is he barred by a non-compete clause in his contract to not come in and work with us? Could he come in and work with the system we have and maybe upgrade it? He seemed like he was really unhappy that this company took over his project and his business. I want to be delicate here, but it seemed like they

didn't do what he expected them to do. Is there a way to reach out to him to ask? It seemed like he felt bad for the particular situation that we are in. Could we reach out to him and see if there are some ideas that he could present to us or if there was a way that he could upgrade the system that we have, if we could bring him on as a consultant of some sort and help up through this process.

Mayor Gatsas stated this board has asked this steering committee to oversee this whole thing and that is where it is at right now.

Mr. Sanders stated Mr. Harwood sold the Innoprise contract to Harris company. He sold our contract and he didn't ask for our approval before he assigned it to Harris. He has no involvement, to my knowledge, with the Harris company any further. They are managing this contract on their own and have been for the past year and a half. Without getting too in depth with the past, by virtue of going with Innoprise, they were sued by SunGard for various violation of source code information of SunGard product. He put the City in a very tenuous situation. In committee we did not discuss Mr. Harwood. I don't think he has any future in this project.

Alderman Roy stated first of all, I want to thank the committee for the all work that you have done. I know all of us appreciate it. With that, Your Honor, I would like to accept the committee's recommendation.

***Alderman Roy** moved that the recommendations made by the ERP Steering Committee be approved. The motion was duly seconded by **Alderman Osborne**. *

Alderman O'Neil stated just two points. I too echo Alderman Roy's comments in support. There are two steps with the RFP and we talked about doing a RFQ just to make your life a little easier. First is developing that operations document, which is the list of City requirements. That would be the first task. The second task would be the option, in

whatever direction we move forward, to keep that firm on board to serve as our project manager. Is that correct?

Mr. Sanders replied that would certainly be our expectation when we make the selection, that they are going to be part of our team all the way through.

Mayor Gatsas stated I think, Alderman O'Neil, as they go through this whole process, once they are done with the first step, come forward and tell us about it and then move on to the next step.

Alderman Arnold asked Bill, who on the steering committee will be reaching out?

Mr. Sanders replied it will be myself with the assistance of Mr. Normand to Harris and to SunGard.

Mayor Gatsas called for a vote on the motion that the recommendations made by the ERP Steering Committee be approved. There being none opposed, the motion carried.

Mayor Gatsas stated before we get to the consent agenda, I forgot that there are a couple of congratulations that are due to Alderman Corriveau for his engagement a week ago. Congratulations. And Alderman Arnold's wedding. Congratulations.

CONSENT AGENDA (ITEMS 4-18)

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.

Accept BMA Minutes

5. Minutes from a meeting held April 17, 2012 (BMA), November 20, 2012 (BMA), December 4, 2012, (BMA & Public Participation) and December 18, 2012, (Public Participation).

Approve under supervision of the Department of Highways

6. Pole Petitions:

11-1399 (1) Litchfield Lane
11-1400 (8) Lowell/Jane Street
11-1404 (1) W. Shore Avenue
11-1405 (1) Old Brown Avenue

Information to be Received and Filed

7. Approved minutes from the MTA Commission meeting held November 27, 2012, November 2012 Financial Report, and November and December 2012 Ridership Reports submitted by Michael Whitten, Executive Director MTA.
8. Communication from Xfinity submitting their annual customer notices.

REFERRALS TO COMMITTEES

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

9. Agreement between the County Sherriff's Office and the City deputation of certain Police Department officers.

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

10. Advising that the department travel/conference summary reports have been accepted.
(Unanimous vote)

11. Advising that it has accepted the following Finance Department reports:
 - Accounts Receivable over 90 days
 - Aging Report
 - Outstanding Receivables*(Unanimous vote)*

12. Advising that it has accepted the City's Monthly Financial Reports (unaudited) for the first six months of fiscal year 2013.
(Unanimous vote)

13. Recommending that Ordinance Amendments:

 "Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester; 70.06 by amending the definitions for Commercial Motor Vehicle and Trailer."

 "Amending Chapter 70 Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by clarifying the definition of a commercial vehicle in section §70.36(C) Stopping, Standing or Parking Prohibited."

are properly enrolled.
(Unanimous vote)

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

15. Advising that the denial of the taxicab license be upheld.
(Unanimous vote)

COMMITTEE ON LANDS AND BUILDINGS

16. Recommending that the communication from Mayor Gatsas requesting that the baseball field at Memorial High School be named in honor of Mike Flanagan be approved, contingent on the approval of the Board of School Committee.
(Unanimous vote with the exception of Alderman Levasseur who voted in opposition)
17. Recommending that the City and James DeStefano, XMV Project Coordinator, be authorized to start the process of a lease agreement.
(Unanimous vote)
18. Recommending that the Water Works be given approval to proceed with a Request for Proposals regarding watershed land.
(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.

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

14. Recommending that the amendment to the Wellington Hill Purchase and Sale Agreement submitted by Attorney Susan Manchester, Sheehan, Phinney, Bass & Green, be approved.
(Unanimous vote with the exception of Alderman O'Neil who voted in opposition)

Alderman Ludwig stated I spoke to this in committee, but for those who weren't present and missed my eloquent speech I am going to try to make it again. This is the property up on the bypass, between Edward Roy Drive and Smyth Road on the other side of Mammoth Road and a little section known as the taverns or Rayburn Drive. This particular parcel, it has been no secret that I have been opposed to the City selling its portion of this property from day one. I made that clear to the developer early on, about a year ago, maybe not two, but close. That has been my position. I also want to say that I have nothing against the developer. I certainly know that the dioceses of Manchester is extremely eager to get his deal done and over with. They have had long time involvement with this and I probably can't adequately sense their frustration. It has been long. I do think the City has been upfront all the way. However, I continue to listen to things in the interim. When a year, year and a half, two years go by, a lot of other things come up. Not only does this project add a huge amount of homes to an area that is already overloaded with places kids, and I'm for children—always have been, always will be. I don't think there is a real vision for us when we try to build out the City and we can't accommodate them adequately. I hear it again and again and again about the school department and we just keep putting our hands up and allowing more building to take place. When are we going to say enough is enough? I just heard the superintendent say in his redistricting plan that he feels like he is squeezing a balloon and if he squeeze here something pops over there. Redistricting is probably the right way to go someday. I know the mayor has been advocating for it for a long time, but there doesn't seem to be any support in the community to do it so if anybody on this board or the School Board wants to be an advocate for redistricting they should step up and get a plan done. I just don't see it happening. We keep talking about it and going around in circles. In the meantime we keep trying to look for more property. We don't have any. Trust me, years ago I looked for property in the south end of Manchester for some recreational space for that long tail that goes down. We own all the wetlands. The private developers of the world own all the buildable property. He we are, 38.4% owner of the property, and we are selling it again. For \$1 million we could own 60 acres. Maybe we will never build

anything there. I think we might be able to sell it at some point. Along comes Mr. Martel and he makes a good businessman approach and does a lot of hard work. I give him all the credit in the world. It was a lot of hard work that went into pulling this deal together on behalf of a realtor that was involved and Mr. Martel. It was huge, but it was so long ago that things have changed. You could look at this in terms of a master plan and master plans are working documents and things have changed in the City in the length of time when we offered this out as a unified deal with the owners. Here we are, almost two years later, and we are going to sit here and probably approve another year and a half, potentially, to allow this developer to tie up this property. How many people would allow their house to be sold over a two and a half year period? I ask you. Here we are, we are taking another vote because no one is willing to step up to the plate saying that this is an area that we should step into so we can figure out what we are going to do with restricting, what we are going to do with schools in this City. What are we going to do? Move kids from Beech Street School and tell them they have to go to Webster? They don't want to go there. It is not happening. This board should either take a vote to do redistricting or tell the School Board to do their job or we should start looking at places where we just may need a piece of property. This will go by the boards. That is fine too, but I'm not going to vote for it. To ask us now, and this isn't against Mr. Martel and I'm sorry because I don't dislike the man but this is a year and a half of more time. There are a lot of hoops to jump through, but they have had since December 2011. They were told this was going to be a R1A project, 12,500 square foot lots. That was 14 months ago and they did nothing. I don't want to say they did nothing because that would be putting words in his mouth, but they did very little in terms of what could be done to move this project forward. Now we are giving them another year and a half. We don't really need \$650,000 if we are willing to wait another year and a half. I say that if he really wants to do the project and he is really sincere about doing it under the R1A then maybe the end of the year is enough. I would like to see the mayor be able to include the \$650,000 in his budget. I guess we really need it. We are going to wait another year and a half for it. If we are going to wait another year and a half for it I

would suggest that the price go up, the houses might go up in value. It is a great advantage that we give these developers. We did it at Hackett Hill and for the fire station and now we are doing it here. It is a good thing we are not in the real estate business because we would certainly fall on our schnooker. We are not very good at it. Again, no offense to Martel and Sterling. I hear only good things about the product they put out and I apologize to the dioceses for dragging this out, but I was up front with them from day one on my position. This is my position. It is not this board's position. We continue to squander small pieces of property. What we will do is think about a piece of park land. We give away more park land. A developer told me that we have a real knack for building schools into hillsides, like Hillside, like Northwest, and that is because we don't have any planning on where to put them. I go to other communities like Bedford or Gorham and all I see are beautifully laid out schools. We didn't have that advantage. This is not to blame any past mayors or aldermen or planning people, it is just that we didn't get it right. We can't keep going on and building properties and building more apartments and building more things and we don't have places to put the kids. I'll leave it at that. I apologize to all the people out there listening. Sorry for my rant. It is just my position. I think there are some people out there in the listening audience who might agree.

Alderman Craig stated I have two comments regarding the amendment in front of us. I did go to the committee meeting and I thought Alderman Ludwig's comments regarding the timing were valid. One thing that Mr. Normand passed out was the permitting time line. I spoke to Attorney Manchester and asked her to put together some of the details in terms of the work that they needed to do to substantiate the timing that they provided to us. I did forward that to the Planning Department because they are the experts in terms of how much time is necessary. Basically the Planning Department is pretty much saying that from the perspective of the City that they need about six months to do what they need to get done. They can't comment on anything outside of the City, but from the City's perspective, six months would be a relevant timeframe. I wanted to make sure that

we all had that. I feel that the time within this amendment is too long and if it were six months I would be more amendable to that. The second portion of the amendment that I had a problem with was in item 8 regarding contingency. It says that they will be having a development containing no less than 85 single-family lots. To me, from the City's perspective, I don't believe that we should be locking ourselves into a number of lots. We have not seen any conceptual plans. I think that they could potentially find out that they could only build 85 homes and they could get out of this contract and I don't believe that is in the best interest of the City. If it says something more like they could build the number of homes consistent with the zoning then I would be more comfortable with it, but I do not feel comfortable approving a contract that stipulates no less than 85 homes when we have not seen conceptual plans.

Alderman Osborne stated I was in opposition to this from the beginning. I guess there were a few of us. I wasn't the only one. There were a few others, Aldermen O'Neil and Corriveau. It was a very close vote if I remember at the time. I feel the same way. It was come to a point... I don't know the builder very well. I don't have anything against any builder. I have felt this way for many years where the City of Manchester was going too fast too quick with all the building. We need more schools, we need more teachers. We can't even support ourselves here in Manchester and here we are taking on more. I have lived in this city all my life. We have to put our foot down at some point. We have too much population for schooling, infrastructure, police, fire and we keep on going. I guess we have to put a stop on this at some point. I was in opposition to this from the beginning. I have the sentiments of Alderman Ludwig also. I hate to reiterate this, but I feel the same way also.

Alderman Corriveau stated I wholeheartedly agree with Aldermen Ludwig and Craig's comments. Alderman Osborne is right. This has been a long, drawn out process. It has been a lot of close votes, reconsiderations, all kinds of things. As I said, I agree with Alderman Ludwig's point that this many homes in the Wellington Hill area is going to

have a significant impact on our public schools and our City operations. I think those of us who voted against it, that was in large measure why so many of us voted against it. I just would like to bring up one point that I did not bring up in the committee process, but rereading this amendment it sort of jumped out at me. It appears to me, my reading of this, of the permitting contingency section is that the developer wanted additional time, the developer could get more time, he could get six more months by giving \$25,000. Instead, we are being asked to give them 18 months and get nothing. I believe, Attorney Manchester, when the developer said that he was doing his due diligence, but we are being asked to give and give and give in this process and now we are being asked to give up to another year and a half, but what do we get? I think it is great that we are a developer friendly city, but I don't want us to be pushovers. If there was any indication that it was a good deal for the City of Manchester we should go for it, we should all be in favor. Reread the original section and reread the amendment. What is good about this for the City of Manchester? What is good about this for the people on Wellington Hill? What is good about this for our City budget? For our operating expenses? I don't see that we get anything out of this. I don't see a benefit to the City of Manchester. I see us being asked to do more and more and more, but for what? Should this be a precedent for every developer to come back to us and say I need more time, whoever's fault it is, but we are doing what we can, give us more time. I don't like that as a precedent. That is not good business. That is not good for the City. We are being asked to give and give and give and get nothing in return. I am going to join in opposition to this letter.

Alderman Levasseur stated I think the reason why it has taken so long to get to this point is because they tried to maximize the number of lots. I know there was a vote a couple of months ago. They wanted to build 125 homes. They are trying to maximize the amount of money that was turned down by this board. I don't know if people realize how grueling it can be to actually go through the process. You have to submit all your plans to the planning board, they have to go planning to get approvals, there are going to be people who come out to speak for or against the project and that is a good length of

time and then it has to go to zoning then there are motions for reconsideration, motions for reconsideration takes another 30 days. This goes on and on and on. These are natural and normal delays. They are not caused by the people involved. Obviously they are asking for 18 months because they are putting up a lot of money and putting forth a great deal of their own time and experience. I agree that seems to be a good length of time, but when you look at all the things they have to do to get all the approvals going forward and the once they have all the approvals they need to go out and start making deals on purchasing, all the materials that are involved, all the project labor management that is involved. I don't think that we should be hung up on the point of the one and a half years for them to put this whole plan together. We have a very busy building department. They have to approve all this. We are just one step here. Once we get done here they may not even get through the planning board. There are so many things that they are going to want to amend and maybe it won't be palatable to them on what the planning board tries to make changes to so it is a normal process that is going on. If we weren't involved in this there is a normal process that they would go through. I know some of the projects that have been put forth in the City have taken sometimes two years to get the building into the ground. As far as more children coming into the City of Manchester, I can only hope and pray that we get more people who will move into this City with children. That special group that was put together by Mr. Connolly and his group have done a real number on our School District and our reputation around the City of Manchester, whether it is deserved or not. I don't feel it is deserved. I only hear about people who want to move out of the city and move their kids to other districts. I don't see an issue of overcrowding. In my discussions and from hearing from Dr. Brennan, we don't have the bubble with the elementary schools being an overcrowding issue in the Smyth Road or Weston School area. It doesn't seem like the classes are overextended in the Smyth Road School. If there is going to be a districting issue, it is going to be between Weston and Smyth and that area. I don't see that as a problem. We had this massive discussion with the last thing that we voted on was whether or not we were going to take a two acre spot and put nine units on it. Now we are having an argument of

whether we are going to put a unit with two kids or 1.7 kids or whatever the statistics are and now we don't want to do that. We are sending seriously mixed issues. We're not going to build multifamilies because they bring too many children in, we're not going to build these because it is going to bring in children. I have said this before. Children are what make this community great. The more children we bring in the better. If I were a teacher I would want more children coming in because it is securing my job. It makes out schools more viable. There is a big huge acreage that makes these houses pretty. There is a beautiful community up there. It seems to be a very safe area of the City. I really think we should move forward with a project like this because it does exactly what many of the aldermen who are nervous about building mutlifamilies... If people don't want to build multifamilies, then let's build some multifamilies now that we have a contractor ready to do it. I don't have a problem with them being very careful and asking for a longer period of time because of the difficulty of getting through planning and zoning. That's not to say that's a bad that. That is a good thing that we have planning and zoning boards that make sure these things are done right. I would like to see our tax base grow with the addition of 85 new homes. Not every single person who buys that home is going to have children going right into the School District that day. New families will be having new children and they will be paying into the system for five or six years, building up that nest egg for when their children do get in there. I look at this as a very positive for this City. For these people to want to come out, in this economy, obviously, it sends a message that maybe the economy is doing a lot better if they feel confident that they can build and sell 85 homes. I will support this, Mayor.

Alderman Shea I would like to divide the discussion into four parts. Those people who are opposed to this certainly have their arguments and their reasoning. I respect that. However, certain people indicated that they were opposed to this from its conception so naturally there is, beyond that point, no discussion about what their position might be. Certainly, we began with the premise about a year ago that there would be multifamilies and I voted against that. I didn't feel as if that was proper. In this day in age we are

talking about home ownership which means that the American dream is to own your own home. I'm not sure how expensive the ownership would be, but I'm assuming that the ownership of property in this particular area would certainly allow certain middle class families to buy into this. We have had an influx, in my opinion, of condominium buildings. When one builds a condominium they naturally get condominium fees from that. Recently, this board, which I did not support, had a choice between 24 units or 45 units on the west side of Manchester. What was the result? It was voted for the 45 even though five of the residents directly impacted by that were opposed by that. I would rather see homeownership rather than condominium ownership with fees. The third has to do, as was listed by my colleague, about education. Certainly there are plans in my recollection viewing the School Board there is a certain amount of redistricting being discussed which means that families that would have to transfer children from one area to another. Naturally the focus was on middle school, but I guess there were certain areas of the city, particularly the inner city, where there are crowded conditions. Why do we allow a family with moderate amounts of resources to be able to relocate to a different section? Again, I would say that they like to do that. Obviously there were discussions earlier on the aldermanic board about the relocation of a prison and where was the discussion focused? Don't put it in a certain area of the city, but it is okay if it was put in another section of the city. That certainly impacted my colleague on my right, myself and my colleague a little bit beyond that area. I would say that I am definitely, at this time, in favor of this proposal. Naturally when we take a vote as one of the aldermen said, it was close before and it will go down like the Super Bowl went down. So, Your Honor, I would like to move the question.

Alderman O'Neil stated I was taught in this business when I was elected many years ago that you attempted to support your colleague and his or her particular vote in any particular ward. The operative word is attempted. The alderman who represents this ward is opposed to this deal. He has been opposed since early on. When Attorney Robinson, who is a friend of mine and we serve on a board together, called me when he

got involved recently with this project, the first thing I did was suggest that he reach out to Alderman Ludwig and I believe he did. This is not a good deal for anyone, I don't believe. Mr. Harrington who works for the dioceses was given an absolutely awful assignment many years ago by the diocese when he was told to get rid of all the property that they own around the State of New Hampshire. It has not been very popular and it has caused some hard feelings, especially in this city. Probably the person I feel most for in this is Mr. Martel. He has a great reputation. My neighbor who is very friendly with Keith speaks very highly of him. I don't really know him. I know his father a little bit. Since this whole thing started his father doesn't speak to me anymore over a lousy land deal. He recently lost or is losing his lead engineer on this project. I bet, looking back, many months ago or years ago he probably wishes he never got involved in this project because it hasn't been easy for him and it has cost him quite a bit of money. I would like to get on the record, we talked about the dollar amount and where the money is going. I don't know who wants to answer the question, if anyone from Mr. Martel's team or anyone from the City wants to attempt to answer it. If this deals go through the total amount involved is \$1.7 million?

Alderman Ludwig stated roughly, I think.

Alderman O'Neil stated I'm looking for some clarification exactly for that reason. The numbers have changed. We ended the last meeting, I think it was Attorney Callaghan, Attorney Robinson's predecessor, who said it doesn't include this and who is paying for that. I just want to get on the record who is getting what amount of money. Attorney Manchester, are you going to attempt to answer that?

Ms. Susan Manchester, Attorney representing Mr. Martel, replied I am.

Alderman O'Neil stated if this deal goes through, what is the total amount?

Ms. Manchester replied I am pulling out the original purchase and sale agreement and the purchase price is \$1.7 million.

Alderman O'Neil stated Attorney Callaghan the last time we talked about this, I'm going to use the term soft costs, that may not be the correct term, but he said when we talked about money goes to Saint Joe's Parish that that doesn't include soft costs. Is that coming off just Saint Joe's Parish's amount or is it coming off before the percentages get spread out?

Ms. Manchester replied I'm looking at the purchase and sale agreement and I don't see any reference to soft costs. My interpretation would be that... The commission... There is a real estate commission which would come off the top. I don't know what that is. Then, of course, the tax stamps, I don't think the City would have to pay so if I were doing the closing statement, I may want to prorate the taxes and then that gives you what is due to the seller. There might be some recording fees because there are defects in the title so the title clearing documents would be the responsibility of the seller. We are not charging the City for the petition of quiet title. He is retaining us to do that so that is saving the City probably not money, but resources. Then when we get that net price then the City has 38.4%. I don't think tax stamps would be payable by the City. The dioceses get 37.8%, but they would have to pay their share of transfer stamps.

Alderman O'Neil asked Susan, what does the 38.47% equate to in real dollars?

Mayor Gatsas replied it is about \$650,000.

Alderman O'Neil asked that is after all these soft costs have been taken out?

Alderman Ludwig replied maybe not.

Alderman O'Neil stated no matter who votes what way, we need to know the number we are getting. We can't say the City is getting \$650,000 if we are not getting \$650,000.

Mayor Gatsas stated I think the real estate commission is in there.

Ms. Manchester stated the problem that we have, and I apologize because I am obviously not Dan, but the real estate commission is a contract between the City and Mike Reed's company. I don't know what that says. I apologize. If I had been asked sooner I may have been able to find out, but Keith is not a party to that contract so I can't tell you what that soft cost is. I don't know if Dennis knows that. He is fairly new. I don't know if anyone else from the diocese knows or if Tom knows that number. They are trying to figure it out.

Mr. Thomas Arnold, Deputy City Solicitor, stated I believe I have the brokerage agreement in my filing. I don't remember that number off the top of my head.

Ms. Manchester stated what we are asking is that the City approve an amendment to a purchase and sale agreement and I don't want to mislead people. There is not going to be a definite number that I can give you tonight. That is not what we are asking you to approve. We are asking you to approve the amendment to the purchase and sale agreement. I think that is really all I can see to that.

Alderman O'Neil stated Susan, where this came up last time was in a discussion because I had spoken to some parishioners at Saint Joe's Parish and monsignor, I will not get you up here like your predecessor who showed up at a meeting. I think for them it needs to be clear what Saint Joe's Parish is getting in this deal because there has been a lot of... What they think they are getting with the various contracts that we were going to provide them, I don't believe were the same numbers. I don't have the minutes, Attorney

Manchester, I can get them for a future discussion. This thing is so convoluted. This is not the final approval tonight or is it?

Ms. Manchester replied we are certainly looking for final aldermanic approval, yes.

Alderman O'Neil stated so this is our one shot at getting all the information on the record.

Ms. Manchester stated what should be in the record is the purchase and sale agreement. The diocese does have independent counsel and I'm assuming that their counsel is advising them and keeping them apprised.

Alderman O'Neil stated if the purchase and sale is on the record, it is \$1.7 million minus the soft costs. That is your responsibility. What comes out of the \$1.7 million and then is divvied up by the percentages?

Ms. Manchester replied section 5.01 talks about the proration of real estate taxes. It says that the seller, other than the City of Manchester, shall be responsible for half of the transfer taxes. The other soft costs that you talk about this a contract between the City and a third party. Actually, I have it here. Section 13 of the purchase and sale agreement: the parties stipulate that no broker or real estate agent shall be entitled to a commission on this property other than Stebbins Property, Inc. which commission is equal to 3% of the purchase price. If anyone has a calculator, they can take the \$1.7 million...

Mayor Gatsas interjected \$51,000. So that comes off your \$1.7 million so that brings you down to \$1,650,000.

Alderman O'Neil asked is that what gets divvied up? There are other costs in there, correct?

Mayor Gatsas replied the City of Manchester is 38.4%; the cathedral is 37.8%...

Alderman O'Neil interjected I understand all that. There has to be a number for the purchase and sale agreement.

Ms. Manchester stated I cannot give you a finite number today because we have a finite number for the gross purchase price, we have the real estate commission, but I do not know what the recording costs for the City of Manchester will be.

Mayor Gatsas stated we don't pay recording costs.

Ms. Manchester stated you may have to for the petition to quiet title.

Mr. Arnold stated we do not pay transfer taxes, but we pay recording costs. Those are the costs to record deeds, clarification on title documents. I think it is \$10 for the first page and \$2.00 for each page thereafter. I'm relying on my memory.

Ms. Manchester stated if there is a petition to quiet title...

Mr. Arnold interjected it will be a multipage document.

Mayor Gatsas stated the other thing is the real estate taxes that have to be broken out under any statute.

Alderman O'Neil stated my point in all this is that we don't know what the City is going to get, we know what percentages are, but we don't know what the percentages are based on. We have some pretty reputable people here. Attorney Manchester has a great reputation in Manchester and Attorney Robinson has a great reputation. This is just a messed up project.

Ms. Manchester stated with all due respect...

Alderman O'Neil interjected I have the floor. We don't know what that soft cost amount is.

Mayor Gatsas stated but Alderman...

Alderman O'Neil interjected Your Honor, you negotiated this.

Mayor Gatsas asked I negotiated this?

Alderman O'Neil asked you didn't sit down and talk way back about this?

Mayor Gatsas replied when I was in Ward 2, as the aldermen, I supported it.

Alderman O'Neil stated I know the diocese wants to sell it so they can get the money to Saint Joe's. I know Mr. Martel at this point want to try to recoup whatever he can on this thing if he can. I have been here a long time and I have never seen anything as crazy as this. Some pretty reputable people can't answer the questions. We can't answer the questions from our side.

Mayor Gatsas stated I can answer them, they are right here.

Alderman O'Neil stated give me the number. What is the net off of the \$1.7 million?

Mayor Gatsas asked can someone give me what 38.4% of \$1.65 million is?

Alderman O'Neil stated that is not the number. I'm told that it has to come off after the soft costs are all paid.

Mayor Gatsas stated I just took your soft costs and then you said...

Alderman O'Neil interjected what is the total soft cost?

Ms. Manchester stated Your Honor, Mr. Martel will agree to make a further amendment to the purchase and sale agreement to pay for the City of Manchester's recording costs.

Alderman Levasseur moved to accept the amendment to the purchase and sale that Mr. Martel will pay for the City of Manchester's recording costs. The motion was duly seconded by Alderman Shea.

Alderman Corriveau stated I'm pretty sure we are going to want that in writing.

Alderman Levasseur stated we have done it before without it being in writing.

Alderman Corriveau asked we are going to take an oral amendment to a massive land development deal? No, absolutely not. That is terrible business.

Ms. Manchester responded if this amendment gets approved then the document that gets signed will have that in it. The written document will say that the purchaser will pay for the City of Manchester's recording costs.

Alderman Roy stated Alderman O'Neil, have you finished?

Alderman O'Neil replied I don't think it is possible to get answers to because no one knows what the total soft costs are. That is the answer I am looking for: what are the total soft costs that come off the \$1.7 million before the percentages get divvied out. That has not been answered so I guess I'm done because no one can answer it.

Ms. Manchester stated yes, we have answered it. What was it, Tom? What was the total soft costs?

Mr. Arnold replied I don't have the total soft costs. We have enumerated there here, but I have not done the calculation to come up with a specific number. The only point I was going to make that it is typical in a real estate transaction to not know your bottom dollar figure until you close. Even dealing with an ordinary residential sale, you often don't know the check you need to bring to closing until 24 or 48 hours in front of the closing because of calculation the soft costs. The soft costs, what they are are often enumerated as an estimate, but the actual calculation is made on a HUD I form which is produced at a closing or very shortly before.

Alderman O'Neil asked if that is the case, can you sit here tonight and say the City of Manchester is getting \$650,000.

Mr. Arnold replied I cannot say, as I said, that the City of Manchester will get \$650,000.

Alderman O'Neil stated so the bottom line is you can't say that the City of Manchester is going to get \$650,000.

Alderman Arnold stated I can say that we get the \$1.7 million, minus the soft costs, which we enumerated, which have to be calculated. I haven't done the actual calculations. I haven't done a HUD I form to sit down with a calculator and figure out what the 3% of \$1.7 million is. I haven't sat down with a calculator to figure out, up until recently, the document recording costs are going to be. You have no way of knowing that until the documents are prepared and ready to be recorded. That is why you usually don't know that figure until the closing or very shortly before.

Alderman O'Neil stated so, Tom, the answer to my question; are we guaranteed \$650,000? The answer is no.

Mr. Arnold responded the answer is no, you are not guaranteed \$650,000. You are guaranteed something close to it, but not \$650,000.

Alderman Roy stated as this has gone along, I know Mr. Martel has done everything that we have asked of him, including developing conceptals for the other development that he wanted to put in there at his cost even though it is very difficult to do that at that early stage. Just recently I was at a meeting of the Chamber of Commerce that was talking about developing and how we can improve our process to help developers of the City. One of the things that they brought up was that they would like to have an expanded period after the planning board gives them approval to expand the time for them to pull a permit from one year to two years because the industry is changing. It takes more time to go through the banks, it takes more time to go through the state processes and they thought that was a reasonable amount of time. I don't think that 18 months in this case is unreasonable. More importantly, this is a decade's old problem with this board that I sit on. Back in high school one of the jokes around the corridors of Central was that the aldermen were so smart that they thought that Jordan Marsh was a swamp. Back then, if you remember, Jordan Marsh wanted to build in the city and the City fathers said no, you are not going to build here. The perception out there was that the aldermen said that

because they were protecting special interest groups. I don't know if that was true, but that was the perception and perception is reality. We sit here again tonight and once again I am embarrassed and it is not the first time since I have been on the board. I was embarrassed with the Wal-Mart situation. They brought us in front of us and in one night we are going to process this and rezone it. Aldermen Shea, O'Neil and I said wait a minute, this isn't the right thing to do, hold your horses, we need more time. No, we passed it through. Then we were behind the eight ball. What did this board do? They put every obstacle they could in front of Wal-Mart, made it difficult so we are sending out the message, come on down, you are the next developer, spend some money and then we are going to tell you something else. Being on the planning board and being in the construction industry, I am getting comments from developers asking what is going on in Manchester. Then we go to Hackett Hill. We sent out a RFP and one person responded and we say come on down, you are the next developer. Members of this board held it up in committee so that the developer's financing went away and he couldn't do what he had promised to do. Then we went after him. Once again we told him one thing, had him spend money, and then we told him something else. Now we come to Wellington Hill, Mr. Martel came to us and asked are you interested in selling the property in a joint venture? We said yes, sure we are. He also said that night, I'm going to tell you up front that I am going to come back for a rezoning because I want to do cluster housing and save more of the green space and all that kind of stuff. We said okay and when he came back it didn't work. It didn't happen. Once again we told a developer yes, come on down, you are the next developer. We had him spend money and then we changed it. Now we are sitting here tonight discussion whether or not we are going to sell the property. This board has been an impediment to development in this city. Developers have commented to me when they see me and they say why would I ever develop in Manchester? There is a perception that this board is creating problems and witnessing this here tonight, I have to say that they may be right. This thing is embarrassing, it is confusing to me because just a few weeks ago, some of the people who are speaking about the overcrowding in schools in this case voted to approve the project on 3A that is

going to overcrowd the schools over there. I'm not getting the message here. You can't have it both ways. You have to remember that perception is reality and some of these people who are talking to me are telling me that there are certain contractors who develop in this city who get preferential treatment. I don't see that, either on this board or on the planning board, and I don't agree with it, but let's remember that perception is reality. The question tonight is if we want to sell this or not. By the way, it is found money. We didn't spend any money for this property and it is all checker-boarded up there; it is not contiguous, it is not a sellable piece of property because there are vernal pools and all that kind of stuff that has to go in there. I'm going to say, let's say we are going to realize \$500,000 and more importantly we are going to get some buildings that are on the tax rolls. A half a million bucks or whatever it is, is found money and we are going to get the buildings on the tax role and we are not going to be putting in apartment complexes, I say yes. Thank you.

Alderman Craig stated Attorney Manchester, we spoke earlier this week and you know what my issues are with. My issues do pertain only to the amendment here. Are you willing to modify the timing that is written within the document?

Ms. Manchester replied no. I actually was disappointed to here that it was going to take six months because I think our timeline had four months.

Alderman Craig asked okay, then would you consider, in the section that says... The way I read it, it is 12 months for approvals and then an option to extend for another six months with a \$25,000 deposit. Would you consider that being non-refundable?

Ms. Manchester replied that would be fine.

Alderman Craig stated my other issue was with the text that said development containing no less than 85 single family lots and how that is written. I personally do not feel comfortable with that number because I have not seen any plans. Do you have a suggestion or are you set on that?

Ms. Manchester replied I thought about your request and I frankly could not come up with a suggestion. There has to be some minimum amount because without that this project is simply just not doable. Zoning in that zone, if you just took...

Alderman Craig stated there are steep slops and vernal pools.

Ms. Manchester stated exactly, so we are not going to. We don't know what the infrastructure cost is so we cannot, in good conscious, change that provision.

Alderman Craig stated so I can't, in good conscious, from the City's perspective... I totally understand from the developer's perspective, in order to make money, that you need to build a minimum of 85 homes, but from my perspective sitting here, to say that, I can't, but I could approve something that said that I would approve the number of homes that are consistent with the current zoning. I can't approve something that lists the number of homes when I have not seen a plan or anything. Thank you.

Mayor Gatsas stated my understanding was that it was a maximum of 85 homes. That was my understanding, a maximum, not a minimum. It could not exceed 85 homes.

Alderman Craig stated that was with the rezoning, I believe.

Mayor Gatsas stated no. That was my understanding.

Ms. Manchester stated I think that was the case when we were talking about the rezoning, but it is a minimum now because of all the extra infrastructure and cost.

Mayor Gatsas stated I'm not sure that is exactly true. Do you have the minutes there?

Alderman Ludwig stated I'll be brief, Your Honor. I'm not going to address any of the comments that have been made by my colleagues or the comparisons that they have made in terms of different projects that have gone forward. I haven't been a part of this board for some of these projects anyways so that doesn't really matter to me. I want the public to know that this board is not unfriendly to developers. This is a unique situation and I want the public to hear this. We own 40%, 38.4%, of this property for \$650,000 worth of the \$1.7 million. We are not willing to invest, this board is not willing to invest a million dollars by buying out the diocese and the private person who owns 21.9%. We don't have a vision to do that. That is a really sad thing. For \$500,000 or whatever the number is, we don't want to own this property. That is fine, I'm not going to be a part of it. I hope that the homes that are built there are beautiful. I hope that they net out more money with their taxes than it is going to cost us to educate the kids in them. I don't think that it will, but if that is what we want to do, that is what we want to do. I have said my peace. Thank you, Your Honor.

Alderman Osborne stated I don't want to reiterate or take sides. I have said from the beginning that I was against this type of a project, regardless of who the builder was or any of that. The big thing here, or the big question, is \$650,000, the City is not going to get rich on it. The big question is what is it going to cost the City in the long run? This is the thing that we are all losing. We are talking about \$650,000 all night long and it doesn't amount to anything. The big thing is the long run. I'm in here for the tax payers. I'm not in here for developers or anything else, I'm here for the taxpayers. This is the way I feel and this is the way it should be. If I have a business and I am going to be taking in \$4,000 of profit, and I'm just using this as one dwelling, you can smile if you

want, sir, but this is the way it works, you are talking about one dwelling that is going to cost \$200,000 to \$250,000 for that one dwelling and we are going to take in \$4,000 worth of taxes and we have to pay out \$1.7 million to two children, each home, as an approximate so we are paying out, how much, sir? We are paying out \$15,000 to \$20,000 per year for a good 12 years or whatever it might be. Where is the City making money? Can anyone tell me that? Can anyone out there tell me how we are making money on this afterwards, never mind the \$650,000 which is nothing. We are going to pay that out so fast your head will spin. Where is the big thing here? I can't see it and I wouldn't vote for this for a million years. Thank you very much.

Alderman Corriveau stated whether it is Attorney Manchester or the city solicitor, could someone give me the date of execution of the agreement? When was the agreement that we are operating under executed?

Ms. Manchester replied I think it was last signed June 24, 2011.

Alderman Corriveau stated so June of 2011. Under this agreement you had a year so that takes us to June 2012. You could have given us notice in writing and \$25,000, giving you another six months, bringing you all the way to January 2013. Based on the email from Planning, based on your testimony before the Committee on Lands and Buildings, it has been over 18 months since this agreement has been executed. You testified that you have done your due diligence and yet we are being asked for another 18 months. Three years from the date of execution of the document? For 85 homes, the City has to wait three years to do this from the date of execution of the document and that is even before any building takes place, it boggles my mind that the City, instead of taking money or doing whatever, we are being asked to push this out and push it out. I'm sorry—whether you are against it from the beginning or not, whether you like the west side deal or not, can anyone tell me with a straight face how this is good for the City of Manchester? I get why the developer wants to do it, but they will have had three years

from the date that the agreement was executed. That is just way beyond the pail for me. Your Honor, I appreciate you giving me the opportunity.

Alderman Levasseur stated we have been waiting 13 years for Hackett Hill to get developed and nothing has been going on up there so 18 months shouldn't scare you. Plus, they came to us for a reduction in lot sizes so they could get 125 and we rejected that and that is what took so much time there. As far as a fiscal impact, if you just simply take 85 and apply a \$5,000 tax to each house, it is a \$425,000 yearly annual tax payment to the City of Manchester. I would like to clear the record on what an alderman at-large's duty or job is. I will back Alderman Ludwig any day of the week on a stop sign in his ward, but when he comes to projects this big, I think aldermen at-large are supposed to take the view of what is good for the whole City, not specifically what the alderman in that ward does. That is just a different viewpoint than I have with my fellow alderman.

Alderman Shea requested a roll call vote.

Mayor Gatsas stated I have one more question. Will you limit it to 85 houses?

Ms. Manchester replied Keith is willing to agree that he will not build more than 85 lots, but the purchase and sale, and I'm sure we can work with the city solicitor, will still have to, maybe we don't say at least 85, maybe we just say 85 because again, I don't want him to get approval for ten lots and be required to buy the property. He is agreeable to a maximum of 85 lots.

Mayor Gatsas stated you are agreeable to a maximum of 85 and a minimum of 85.

Alderman Craig asked why wouldn't you consider number of homes consistent with zoning up to 85?

Ms. Manchester replied because I don't know what that means, 'what is consistent with zoning'. Is it consistent with the ordinance? Does it mean the planning board?

Alderman Craig replied R1A, the zoning.

Ms. Manchester stated if you are talking about just the ordinance and not what planning might want, then... At this point we don't know enough about what is going to be required. I can tell you that we are not going to go for a variance to get more lots.

Alderman Craig asked you are or are not?

Ms. Manchester replied we're not.

Alderman Craig asked so you are not going after the lot on Smyth Road?

Ms. Manchester replied that is not this property. We are talking about this property.

Mr. Keith Martel, Developer, stated my issue is that the legal definition of 'consistent with zoning' is a very difficult one to wrap your head around. It is not that we plan to be inconsistent ...

Mayor Gatsas interject not to exceed 85, no less than 85.

Ms. Manchester stated 85 does get you there.

Mayor Gatsas stated I think the problem you have is that the Army Corp of Engineers come in and say those vernal pools are another two acres and I don't think he knows that until he goes through this process. For anyone who has ever gone through the process of developing and you look at what is on this permitting timeline, it is probably pretty

aggressive because if you take a look, the wetlands design, concurrent with AOT, they say one month, I say okay, good luck.

Alderman Craig stated we will also include the non-refundable \$25,000 if you have to exceed the 12 months?

Ms. Manchester replied yes, correct, the \$25,000 will be non-refundable.

Mayor Gatsas stated there has been a roll call requested by Alderman Shea. Let's vote on the amendments first. I will ask the clerk to read them back.

City Clerk Matthew Normand stated my understanding of the three amendments currently agreed to by the developer is 1. That the developer will pay for the City of Manchester's recording costs; 2. The P&S be amended to limit the development to 85 single family lots; 3. and I'm not clear on this last one that a non-refundable deposit of \$25,000.

Alderman Craig stated should there be an extension, the \$25,000 would be non-refundable to the City.

Mayor Gatsas stated it is 85 minimum or maximum. It is an 85 number.

***Alderman Shea** called for a roll call vote on the amendments to the purchase and sale agreement: 1. that the developer will pay for the City of Manchester's recording costs; 2. the purchase and sale agreement be amended to limit the development to 85 single family lots; 3. should there be an extension, there would be a \$25,000 non-refundable deposit to the City. Aldermen Shea, Katsiantonis, Greazzo, Gamache, Arnold, Craig, Long, Roy and Levasseur voted yea. Aldermen Ludwig, Osborne, Corriveau and O'Neil voted nay. The motion carried.*

*On motion of **Alderman Shea**, duly seconded by Alderman it was voted to accept the report of the committee as amended and adopt its recommendations. The motion was duly seconded by **Alderman Levasseur**.*

***Alderman Shea** requested a roll call vote. Aldermen Shea, Katsiantonis, Shaw, Greazzo, Gamache, Arnold, Craig, Long, Roy and Levasseur voted yea. Aldermen Ludwig, Osborne, Corriveau and O'Neil voted nay. The motion carried.*

Ms. Manchester stated thank you.

REGULAR BUSINESS

19. 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 below the following nominations:

Sara Beaudry to succeed Brother Paul Crawford (term-limited) as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2016;

Thomas Puthota to succeed himself as an alternate member of the Zoning Board of Adjustment, term to expire March 1, 2016;

Allen Hendershot to succeed himself as an alternative member of the Zoning Board of Adjustment, term to expire March 1, 2016;

Bill Bevelaqua to succeed himself as a member of the Zoning Board of Adjustment, term to expire March 1, 2016;

Michael O'Donoghue to succeed Craig Donais (term-limited) as a member of the Personnel Appeals Board, term to expire March 1, 2016;

Angela Richardson to succeed herself as a member of the Personnel Appeals Board, term to expire March 1, 2016;

Mayor Gatsas stated these nominations will layover until the next meeting of the board, pursuant to Rule 20 of the Board of Mayor and Aldermen. We have an awful lot of positions still open. If we can find people out there to come forward, it would be greatly appreciated.

20. Confirmation(s) to be presented by Mayor Gatsas:

Arts Commission

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

On motion of Alderman Shea, duly seconded by Alderman Long, it was voted that the confirmation be approved.

21. Communication from JoAnn Ferruolo, Assistant City Clerk, advising the board the polling hours need to be set for the special State Primary and General Election for Ward 2.

On motion of Alderman Katsiantonis, duly seconded by Alderman Shea, it was voted to approve the polling hours for the special State Primary and General Election in Ward 2.

22. Communication from the City Solicitor requesting a transfer from contingency of \$50,000 for the cost of the domestic violence prosecutor.

On motion of Alderman Arnold, duly seconded by Alderman Shea, it was voted to approve this item.

- 23.** Communication from Kevin Sheppard, Public Works Director, requesting a transfer of \$55,000 from contingency for expenses at the former police station building.

On motion of Alderman Greazzo, duly seconded by Alderman Gamache, it was voted to approve this item.

Alderman Greazzo asked is that for the entirety of the winter?

Mayor Gatsas replied I think that is for the money that we thought we were going to expend until December.

Mr. Sanders stated for the remainder of the fiscal year.

- 24.** Budget projections submitted by William Sanders, Finance Officer, if available.

Mr. Sanders stated the clerk has handed out to you the most current revenue and expenditure forecast for fiscal year 2013 based on department head forecasts. The current estimated net surplus for the City is \$781,000. It is comprised of a \$545,000 revenue surplus and a \$236,000 of expenditure surplus. As in prior months, the most significant contributor to the forecasted surplus is the \$914,000 balance remaining in the contingency account, which is offset in large measure by the \$705,000 deficit we continue to forecast in the severance line. We can say that that number has remained the same from last month so the retirements are hopefully becoming more predictable and maybe that number will move down a little bit in future months. Through the end of January we have spent \$356,000 and departments are currently anticipating 11 additional retirements through the balance of the year. I would also note that the contingency balance of \$914,000 has already been reduced by the two contingency requests which the aldermen have just approved in this evening's meeting. The only remained earmarked

amount in the contingency is the \$150,000 for the fleet management facility which has not yet been requested by the department, but they are forecasting a shortfall of about \$150,000. If you look at the detailed projections on page two I would note that the auto registrations continue to do very well. We closed the month of January at about \$318,000 above last year and the tax collector is currently forecasting a surplus revenue of about \$350,000 there. That is an increase of about \$150,000 from last month. The Highway Department has also increased their revenue surplus by \$150,000 associated with work that they are doing for the Water Works. On the expenditure side we are in surplus, marginally, at the department level of about \$27,000 at this point in time. The winter is nearly half over and as one more month turns we may have some positive news there. The final page is the overtime report through the end of January and you can note the departments that are in surplus, the Highway Department particularly, as well as the parks and recreation division, so depending on how the remainder of the winter goes, there should be some opportunity there, but the departments are still waiting for the calendar to move. That concludes my remarks.

Mayor Gatsas stated in your severance of \$705,000, you said that there possibly could be 11 more, are they included in that?

Mr. Sanders replied yes, they are.

Mayor Gatsas stated so if that doesn't happen then that number would go down.

Mr. Sanders replied that is correct.

Mayor Gatsas asked do you know by how much?

Mr. Sanders replied about \$350,000.

Alderman Levasseur asked are we going to be cheering for them not to retire?

Mayor Gatsas replied I just asked for a number.

Alderman Levasseur stated you said we realized \$150,000 more in the Highway Department for doing work for Water Works. Were there expenses associated with the \$150,000 worth of work?

Mr. Sanders replied that is what is being charged back to the Water Works by the Highway Department for the labor associated with the work that was done. I'm not sure about the materials, whether those are Highway materials or those are Water Works materials. Mr. Sheppard is using his in-house labor force to do that work. It has already been appropriated. There are no additional expenses.

Alderman Levasseur stated I'm just wondering if that is unanticipated revenue or just not put in their budget by mistake.

Mr. Sanders stated it is unanticipated revenue. We did increase the revenue projection when we did the tax rate by \$150,000 at the Highway Department for that work. It is just that it is bigger than what we had originally anticipated at the beginning of the year.

Alderman Arnold asked Bill, can you clarify the Economic Development Office forecast?

Mr. Sanders replied at the moment we have been operating that department without a director since the middle of November. We had been moving about \$10,000 a month depending on how it continued to operate. I didn't know what the ultimate decisions would be there. If the position were to remain open for the balance of the year, there

would probably be additional monies that will be surplus. At the moment, we are assuming that there would be some replacement at some point in this fiscal year.

Alderman Arnold asked do you are budgeting for \$10,000 for each forecast?

Mr. Sanders replied yes, I have been moving it about \$10,000 a month. As you can see it went up.

Mayor Gatsas stated while we are on the discussion, I was going to bring it up under new business, but there is a letter here from Chris Wellington notifying us that he will be leaving us, effective March 5, 2013, moving on to the State. We wish him the best. He is going to work for DRED for the western part of the State. We will have to address this very quickly because I'm not too sure that we will be able to continue at the pace that we are at.

Alderman Shea stated that is what I was going to bring up. I'm wondering if the human resources director is going to send out a RFP or something to fill that position or whether or not it should be sent to a committee to decide since the office is going to be vacated as of March.

Mayor Gatsas stated there is a document, for everyone's edification... Access Manchester had a meeting last week. There is a gentleman who came in and spoke about economic development. We will forward it on tomorrow. His comments were right on target. I think it is an opportunity for us to take a look at what he said and then come back. I would hope that we could, in the two committees, Administration/Information Systems and Economic Development & Job Creation/Job Retention, I think it is on the table for discussion there. I have been having conversations with Alderman Long with regards to what we should attempt to do. I know we have also had it with the chairman. Hopefully in the next week or so we can come forward with something. The most

amazing thing to me, and maybe some of you have, but in public or in the office I have not gotten a call from one individual who said, Mayor, I would like to come in and talk to you about the position that the City has open. It is incredible that no one has called. I don't know if any of you folks have any one tapping you on the shoulder saying I think I have some interest, I think this is a different way of doing it, how do we do it. Maybe tomorrow morning, because we are saying it tonight, we will get 200 calls about who would like that position. I can only tell you that we are going to try to wrap something up because again, we have Small Business Week that MEDO used to do and we are going to pick that up at the office and we are going to do it out of the Mayor's Office because it has been very successful and the businesses have been very excited about having it. That is scheduled from May 20th to the 24th and we are going to continue to do it. We have all the perspective contributors in place. We just need to line it up. I think you have a copy of the press release that is in here. Those are some thing that as a board I have no problem with. I would hope that some of you would come in and talk to me what your plans are. I don't want to get into a situation where we are out here not having a definite plan and not having discussions that we can come to a common understanding about. My door is open. Come in and let's talk about it so we can develop something going forward.

Alderman Levasseur asked wouldn't that be part of your budget?

Mayor Gatsas replied not necessarily.

Alderman Levasseur stated you put your budget together and if you have a department that is sitting downstairs that is empty and you are going to fund it and if it is funded then we would end up going for a RFP if we agreed with that issue in the budget. I don't know if you want to head it off and get it done before you have to go through the budget because then you know what happens if it doesn't pass.

Mayor Gatsas stated I hear what you are saying, but I think for us to do a realignment of a department it has to be a different sort of discussion. I don't think it can be done during the budget process.

City Clerk Normand stated correct.

Mayor Gatsas stated I would rather have that discussion before I present a budget. I'm not looking to reduce funding in that department. Everyone should understand that. Just because it is empty now I'm not looking to write it to zero and figure out some other way of how we are going to do economic development.

Alderman O'Neil asked Jane, if we are not going to make any changes, but the mayor is going to give authorization to fill the economic development director position, if we use Wes as an example, how long was it between the posting and the day he started.? Do you remember what the period was for Wes Anderson?

Ms. Jane Gile, Human Resources Director, replied I would say a good six weeks to two months. Are you asking in terms of the recruitment process itself?

Alderman O'Neil replied it would probably be even longer than that.

Ms. Gile stated it could be.

Alderman O'Neil stated I think if we are going to make a decision and if we are looking for someone sooner rather than later, we have to get moving on it.

Mayor Gatsas stated I would ask that either I come forward at the next meeting with some sort of option...

Alderman O'Neil stated but then it has to go to committee.

Mayor Gatsas stated I would hope that if I have some option I'll try to get as many of you in so we can talk about to you about it to see if you are in agreement with it. If you are not in agreement with it, then let's charter the HR director to put out an application. I think you should see the report that this gentleman presented to the Chamber.

Alderman Levasseur asked do we have a meeting in two weeks?

Mayor Gatsas replied we have a meeting in two weeks. I believe it's on the 19th.

City Clerk Normand replied it is on the 19th.

Alderman Long stated I think this board was already in agreement that what Mr. Wellington was doing... We agreed that that arm of economic development office would walk companies through the process. I think at the very least that has to be maintained. I would hope that by March 4th someone would be replacing that position. You wouldn't want to have your staff be doing that anyways, so I would hope that there would be someone by March 4th. You are coming to us with a proposal.

Mayor Gatsas stated I would hope that I would have the opportunity to talk to you all about what your expectations are and how do we move forward and what would you like to see.

Alderman Long asked so your proposal doesn't necessarily have to go to a committee. We could move on that proposal. Speaking for myself, I would move on any proposal that had that arm in it so that by March 4th we have someone picking up that ball so businesses aren't dropped in the middle of a process that they have been getting walked through.

Mayor Gatsas stated I can promise this board one thing: that no business will be left out in the dark because we have the list of the people who have been spoken to by MEDO. We will continue to stay in touch with them until someone else comes in. We will continue the process and have those conversations because I think it is imperative that we continue economic development because there are an awful lot of exciting things happening in the City.

Alderman Shea stated between the time that Chris leaves and the time that we are able to get some... Any committee that would discuss this could think of an interim person who would be able to serve for a month or two to get over that and the projects going on and maybe they can oversee them. Again, that is just a thought that I have.

Mayor Gatsas stated there are some things that have to change in the job description and one of them and this board needs to make the decision of whether economic development is going to handle the revolving loan funds and whether they are going to handle collecting the antenna lease payments. I think those are things that should be done with the Finance Office and those are some of the things that are in the job description. I would think that those are some of the things that shouldn't be done down there. That is up to the board.

Alderman Shea stated any committee should decide as to what the function of that particular office should be, not the overall, but preliminary thoughts going into it, organizationally, or objectives or things like that so that the person coming in doesn't decide what they are doing, they already have some sort of a guideline as to what we are looking for in terms of that. Certainly, that should be done.

Mayor Gatsas stated Mr. Sanders, I know that this board voted for Mr. Buckley to start an audit. Do you know if that has been started?

Mr. Sanders replied I do not know, Your Honor. I'm not aware that it has. He reports to the solicitor, not to me.

Mayor Gatsas asked can we get some idea when Mr. Buckley is going to start or if he has started?

Mr. Arnold replied certainly.

Mayor Gatsas stated and get that correspondence out to the board tomorrow.

Mr. Arnold responded certainly.

Alderman Arnold asked to clarify, your office is going to provide us with a copy of the presentation made to the Chamber?

Mayor Gatsas replied yes. She just sent it. If you have nothing to do tonight and I know a lot of you are night owls, you can have an opportunity to look at it.

Alderman Levasseur stated department head would usually come to the mayor and say that he needs someone to fill a position that is under me. There is no department head. Could you just post that job for the second in command or the assistant or are you going to wait?

Mayor Gatsas replied I wouldn't do that.

Alderman Levasseur asked you don't need someone that quickly?

Mayor Gatsas replied I don't think that is the right thing to do. I think that my staff will handle what we need to do and help the transition for Chris to leave and hopefully to handle whatever have to come in in the next few months and until we hire someone to go full head.

Alderman Long stated if I recall, I thought this board moved to have two committees meet. One is the Special Committee on Economic Development & Job Creation/Job Retention and the other was the Committee on Administration/Information Systems to define this role.

Mayor Gatsas stated I think they were waiting for me to report back with some sort of plan that they could look at and then move from there.

Alderman O'Neil asked we did meet at one point, didn't we?

Mayor Gatsas replied yes, you did. That was the evening that the Chamber came in with Amoskeag Industries.

Alderman Arnold asked is that how we can expect to proceed moving forward?

Mayor Gatsas replied I don't have a problem proceeding any way this board wants to proceed. I would hope that we could try to have some conversations and have a plan that we can all agree on so it doesn't take six months of whether it is going to be a department, whether it is not going to be a department, whether there are going to be two people of equal strength in the department. I would think that we would have that conversation so that we could get that behind us and have some kind of agreement on what is in the best interest of the City and how we make sure that economic developers have an opportunity to voice their opinions.

*On motion **Alderman Shea**, duly seconded by **Alderman Gamache**, it was voted to recess the meeting to allow the Committee on Finance to meet.*

Mayor Gatsas called the meeting back to order.

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

There were no reports.

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

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that the arrangement which allows the Catholic Medical Center to receive ventilators and associated equipment from NH DHHS be approved.

(Unanimous vote with the exception of Alderman Gamache who was absent)

*On motion of **Alderman Roy**, duly seconded by **Alderman Long**, it was voted that the report of committee be accepted and its recommendations adopted.*

29. Report(s) of the Committee on Human Resources/Insurance, if available.

There were no reports.

30. Report(s) of the Committee on Public Safety, Health and Traffic, if available.

There were no reports.

NEW BUSINESS

- A. Communications
- B. Aldermen

Mayor Gatsas stated let me finish with the few that I have and then I will go out to the aldermen. Again, coming back to announcing the third annual Manchester Small Business Week. We are opening nominations for the Mayor's small business awards. That I here before you. We have an immigration count before us. It is 68 since October 1st.

Alderman Greazzo asked is your office aware of any legislation, or are any of the state representatives that we have on the board aware, that we had filed previously for a moratorium on refugees in the City of Manchester?

Mayor Gatsas replied I have not heard of any.

Alderman Long replied I know I didn't file any.

Alderman Greazzo asked have any other communities taken any refugees?

Mayor Gatsas replied if this board would like to send a letter to the International Institute to ask them we can. I don't know, to answer your question. I don't think they have. I think they have all come here. If the board would like to request that they send some to other communities, that certainly would be the prerogative of this board.

Alderman Greazzo stated I would like to request that, Your Honor. I don't know if there will be a second.

***Alderman Greazzo** moved that the board send a letter to the International Institute requesting follow up to the request that refugees be sent to other communities. The motion was duly seconded by **Alderman Long**.*

Alderman Arnold asked he wants to send a letter requesting that refugees be resettled somewhere else?

Mayor Gatsas replied no, there are 13 communities in the State of New Hampshire that has been approved as resettlement districts. We happen to be one of them.

Alderman Greazzo stated and we are the only ones who accept refugees.

Mayor Gatsas stated no, the Lutheran Services has refugees in Concord and also in Laconia, but there are other large cities they don't send them to because their office is here. Under federal guidelines, anything within a 50 mile radius is someplace that they can place them.

Alderman Arnold stated you say that there are refugees that get placed in other communities. Lutheran Services places them.

Mayor Gatsas stated Concord and Laconia.

Alderman Arnold asked what is it that we are asking? For more refugees to be resettled somewhere else?

Mayor Gatsas replied I think the motion was to get an answer to will you resettle refugees in other communities rather than just Manchester?

Alderman Arnold stated thank you for the clarification.

Alderman Long stated there was conversation with the institute to do that and they would look into that. I know Lutheran Services has placed Nashua with 25 refugees, but that is Lutheran Services. The institute had said that they would look into placement in Nashua because it is within the 50 mile zone. I don't know where that is at now.

Mayor Gatsas stated I think that was discussion that Senator Barnes had based on the legislation. He got pretty much a guarantee from someone that they would be willing.

Alderman Arnold stated to Alderman Long's comment, what we are doing is following up on an issue that your guys discussed at a meeting at some point? There have been discussions about it?

Alderman Long replied correct.

Alderman Arnold asked may I ask, if everyone is okay with it, that the city clerk draft the letter and say that we are following up?

Mayor Gatsas replied that's fine.

Alderman Arnold stated the reason I say this, mayor, is just because this particular issue, when we have dealt with it in the past, sometimes it gets really bad really quick. That is my suggestion.

Mayor Gatsas called for a vote on the motion moved that the board send a letter to the International Institute requesting follow up to the request that refugees be sent to other communities. There being none opposed, the motion carried.

Mayor Gatsas stated we have Mike Whitten in the audience and I know in a short time he will be an employee of the MTA rather than the company that comes in and does the work. You have another associate who is joining you on the MTA side. Congratulations. I know you are going to do a great job.

Mayor Gatsas stated the Chamber is welcoming folks from the United Kingdom delegation on February 11th for a meet and greet at 9:00 a.m. in the aldermanic chambers. I think that we got an email today with one response. I would hope that we would have a better reception from this group than one or two people. I didn't set it up, Alderman O'Neil, and I know a lot of people work.

Alderman O'Neil stated they have to give us more than a week's notice. That is the problem; a lot of this stuff that we get invited to, they don't give us enough notice. I don't know how to do it, but we all try to work around our personal and work schedules, but we need to know what is going on.

Mayor Gatsas stated I think they put the dates together, alderman, maybe last week. Don't feel bad, at least they are sending it. Sometimes I don't get anything.

Alderman O'Neil stated that's true.

Alderman Shaw I'll be here.

Mayor Gatsas stated the Hillside PTO is having an event Friday night. I plan on being there.

Alderman Craig stated I have tickets if anyone needs tickets.

Mayor Gatsas stated I would hope that the board is there in support.

Alderman Levasseur stated just quickly on the issue with the Teamsters Local 33; how does that affect us going forward? When does their contract expire and is it going to be easy to negotiate it all into one system that we envisioned when we started this?

Mayor Gatsas replied we have been having some conversation with it. We are going to try to have some more conversation about it next week. I don't think it is this board's authority to jump in. I think it is the employees who are there, if they want to unionize, as I said to most of them when we were negotiating the contracts, it doesn't matter to me whether everyone is ASCME or everyone is Teamsters or any other one, but I would suggest that you get together and try to get one force moving forward.

Alderman Levasseur stated but currently, these particular individuals are tied in until 2015 when the contract expires.

Mayor Gatsas stated no, those employees are without contract today. They are part of the police support staff.

Alderman Levasseur stated okay. I thought that they were part of the... That is something to take into account as we go forward with negotiations that we are working with now, I would imagine.

Mayor Gatsas stated I don't know where we are with that. Anything to report on that?

Alderman O'Neil replied I had hoped to meet with the three departments that were working on that, but then when this whole Innoprise thing, two of the three departments, I just made a decision that that is where the effort had to be last week and into this week. I do need to meet with HR, solicitor and finance. We will attempt to have something by the 19th.

Mayor Gatsas asked Matt, could you send everyone copies of the minutes when we put the department together over at facilities? I think there was some discussions about...

Alderman Craig interjected he already did. I think we got them.

City Clerk Normand stated that was part of the attachments.

Mayor Gatsas stated okay. If everyone could take a look at them and read them because I think that we were looking to save jobs and not positions. That is a discussion that we can have on another day.

TABLED ITEMS

- 31.** 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 Ludwig**, duly seconded by **Alderman Shea**, it was voted to adjourn.*

A True Record. Attest.

A handwritten signature in cursive script that reads "Heather Freeman".

Assistant City Clerk