

BOARD OF MAYOR AND ALDERMEN

May 07, 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 called Chief Mara and Captain Kelley forward. Captain Kelley is retiring after 25 years of dedicated service to the City of Manchester. I figured the chief wanted him to get out this year so he didn't have to cover severance next year. I know that he is dedicated to the City and the officers who work under him and every constituent here in the City. I want to thank him for his dedication and I am sure you must be off to something else.

Mr. Kevin Kelley, Police Captain, replied yes, starting next Monday I will be working at Southern New Hampshire University.

Mayor Gatsas responded your wife told me you were going to be cutting the lawn and painting windows. Anyway, let me give you this Resolution:

The City of Manchester, a Resolution:

Be it known that the Office of the Mayor extends its gratitude to Captain Kevin Kelley in recognition of over 25 years of dedicated service to the City of Manchester.

Be it further known that the Office of the Mayor extends its best wishes for continued success and that this resolution be duly signed by the mayor of Manchester.

Mr. David Mara, Chief of Police, stated on behalf of the Police Department, I want to thank Captain Kelley as well for his 25 years of dedicated service to the Manchester Police and to the citizens of Manchester. He worked patrols, juvenile division, S.W.A.T. team, and detectives. He has also run a drug unit and has spent countless hours away from his family. Thank you.

Mr. Kelley stated in all seriousness, when I made this decision a couple of weeks ago I reflected on it and was trying to think if I would have done anything different and the answer is no. It was a great 25 years. My soul is still out here in the streets of Manchester. It is part of me and it always will be. Relationships and the people I have met professionally and personally are second to none. I put the Manchester Police Department above anyone else as far as professionalism and the talent that is there. I would like to thank the board and the mayor, especially for the grant funds. It was appreciated from the bottom of my heart.

3. Bright Ideas award presentation.

Mayor Gatsas called Fred McNeil and John Baron forward and stated we have a program called Bright Ideas and it is really run by employees and has nothing to do with management. They bring forward ideas and the committee looks at them and if they think they are worthy they present them with checks and the bright ideas that I have seen so far really have saved the City some money. We have one here today and there are two programs that John qualified for so he gets two checks. One is a program that will save over \$26,000 for EPD and the other one was a cost savings on a per year basis of \$4,500. With that, we are awarding him with a check for \$500 for each one of those ideas and I thank him for coming up with a savings for the City of Manchester. Congratulations and thank you.

Mr. Fred McNeill, EPD Director, stated John has been an asset since he joined us at EPD from Traffic four or five years ago. His reward for good work is more work. Now he is working on a peak energy savings program for us to try to save us more money. Thank you, John, for your efforts.

Mayor Gatsas stated we have one more group. This is another exciting program that we have in the City and it is called Youth Leadership Academy. The Police Department puts it on and students go in and learn that police officers are their friends and if they need help they will be there to help them. They also teach them a lot of other things but I will leave it up to the chief to talk to you about the program. Nabil is here to call your names off. Maybe we can have all of the students come up and stand in front of the aldermen.

Mr. Mara stated the Youth Leadership Academy is actually an offshoot of the Manchester Police Community Advisory Board. We meet once a month and we have been doing it for four years now. The Community Advisory Board is people from all over the City and all walks of life and all ethnic backgrounds. We get together and talk

about issues that are facing the City. This is an offshoot from that. This is actually Nabil's brainchild. He came up with this idea. It is kind of a take-off on how the Chamber of Commerce has the Leadership Manchester program. This is for kids where we try to expose them to how City politics work and how the court system works. They went to court and had Alderman Long address them. They had Senator D'Allesandro address them. They went and spoke to a judge and a prosecutor. They went to Channel 9 and got a tour. They had John Clayton come in and give a lecture on the history of Manchester. I don't think I am telling you everything that they did but this is the second group we had. The program is getting refined. It is a great group of kids and I want to just publicly acknowledge Nabil and Eva. They are the ones who came up with this idea but I also want to talk about Captain Richard Riley and the enthusiasm he puts into this program with the kids. It is incredible and I just want to thank him for that. What really makes this program is the kids. We get to see them and we learn a lot about what is going on in their lives and they learn about what we do. This is the second group and we hope to keep on doing it.

Mr. Nabil Migalli, Youth Leadership Academy, called the names: Anjana Maidali, Anurag Ghimirey, Bao Dang, Chandra Basnet, Damanti Bhandari, Geeta Khanal, Hemanta Ghimirey, Jasna Maidali, Mandhira Chhetri, Manisha Chhetri, Nisha Bhujel, Niru Chhetri, Pabitra Basnet, Purni Basnet, Rebecca St. Croix, Sean Fitzmaurice, Yanu Pokhrel, and Yashoda Basnet.

Ms. Eva Castillo-Turgeon, Youth Leadership Academy, stated I just want to thank you for supporting everything that we asked you to do. That means a lot to us and I want to thank the kids and Captain Riley and the Police Department for propagating positive encounters between the youth and the police. They are here to serve us and they have done a fantastic job making us all feel welcome here in the City. I encourage all of you to refer any kids who you know who might be interested to our next session that will be starting in September. Thank you.

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.

Accept BMA Minutes

5. Minutes from meetings held October 2, 2012 BMA, February 5, 2013 BMA, March 19, 2013 Public Participation, March 19, 2013 BMA, and April 2, 2013 BMA.

Information to be Received and Filed

8. Communication from Comcast regarding July 1, 2013 price adjustments.
9. Minutes from the April 17, 2013 Mayor's Utility Coordinating Committee meeting submitted by the Highway Department.

REFERRALS TO COMMITTEES

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

10. Communication from Leon LaFreniere, Director of Planning & Community Development, requesting amendments to the building code by increasing the minimum fee for permits and modifying the method by which plumbing permit fees are calculated.
11. Communication from Leon LaFreniere, requesting an Ordinance amendment transferring the purpose and duties of the Millyard Design Review Committee to the Heritage Commission.

COMMITTEE ON FINANCE

12. Resolution:

"Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2013."

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

13. Advising that it has accepted the review of the draft FY2012 Comprehensive Annual Financial Report.
(Unanimous vote)
14. Advising that it has accepted the following Finance Department reports:
 - Accounts Receivable over 90 days
 - Aging Report
 - Outstanding Receivables*(Unanimous vote)*

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

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

COMMITTEE ON COMMUNITY IMPROVEMENT

21. Recommending that the recommendation for a sewer abatement request submitted by Fred McNeill, Chief Engineer, for 112 Oak Street be accepted.
(Unanimous vote with the exception of Alderman Gamache was absent)
Note: This approved request was inadvertently left off the 2/19/2013 committee report and therefore did not receive proper BMA acceptance.

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

Ratify and Confirm Phone Poll

6. On a vote conducted via phone poll on April 23, 2013, it was voted to support SB 15 relative to naming a portion of route 101 after the 101st Airborne Division Screaming Eagles.

Alderman Long stated I think it would be more transparent if we voted on this in public so people know we did vote on this.

Alderman Long moved to support SB 15 relative to naming a portion of route 101 after the 101st Airborne Division Screaming Eagles. Alderman Roy duly seconded the motion. Mayor Gatsas called for a vote, there being none opposed, the motion carried.

Information to be Received and Filed

7. Healthcare for the Homeless Annual Report submitted by Timothy Soucy, Public Health Director.

Alderman Long stated I spoke with Mr. Soucy so I really don't need him up here but I needed to explain some of the homeless efforts that Manchester has been doing. I spoke with Mr. Soucy with respect to his report and there is roughly \$500,000 that it cost for this report through federal funding. Also CMC and Dartmouth Hitchcock give free service. CMC will do lab work free and Dartmouth Hitchcock will do specialty doctors

and specialty services for free for the homeless. It is over \$500,000. Of the repeats, there were 1,002 served in 2012 and I asked him if we got 1,002 more coming in plus more and the answer was no. It is 50/50. So we get 50% of that 1,002 that are coming in and 50% that are not. We can just guess as to why they are not coming in and I would think that some of that is because we successfully got them the help they needed not to be homeless anymore. The consortium of care has over 30 organizations that spend over \$2 million to serve Manchester's homeless and, by the way, these are all case managed by the Day Center, Child & Family Services, New Horizons, the Health Department, etc. We want to identify how many homeless people we have and we have to offer them programs to get them out of homelessness and this consortium does that. Once we get that settled we have another issue with the substance abuse people who don't go to these programs because they are not accepted because they are either drinking or on drugs. It is fruitless to try to help them without addressing their substance abuse problems. That is something else we have to work on. We are looking at over \$3 million to help the homeless in Manchester and I think that we are making a dent in it. Granted there are other towns and cities who send people here. We know that and it is tough to get our hands around that because nobody keeps that data. I am trying to get them to keep that data because we need that. If there is \$10 million going to the state it goes out per capita and I am saying that we should get 25% over our per capita because we have other towns and cities sending us their people. I can't argue that if I don't have that data. One other note, the Welfare Department is a last resort. The Welfare Department is not set up for homeless people. It is a last resort for helping people with rent or medical or fuel or food. The Welfare Department isn't really set up to help with homelessness. I thought it was important to bring this up. We don't bring that out in public enough that there are a lot of organizations working with us and there is over \$3 million going out to address the homeless problem in Manchester and we are taking a bite out of it. We have a ten year plan and we are in year five. I personally think that it is working. For example, the Day Center had 1,800 people that went through there. This report that Mr. Soucy gave us has 102 people. I just applaud the work that they are doing and I want the public to know that we are addressing this issue.

Alderman Levasseur stated you bring up a very relevant point. Do we keep data at the soup kitchen? Do they do intake interviews as to where the people are from?

Mayor Gatsas responded I don't believe they ask for addresses.

Alderman Levasseur stated if Mr. Martineau could come up I would like to ask him if they do any kind of data regarding people who aren't from Manchester. Do you have to be from Manchester to get help? I guess he isn't here. Does anybody know how that works?

Mayor Gatsas responded I believe you have to be a Manchester resident and show some sort of proof like a rent receipt or utility bill.

Alderman Levasseur asked with the consortium that you are talking about, Alderman Long, do you have any residency requirements or are we just morally or legally obligated to take every single homeless person and administer services to them?

Alderman Long answered as far as morally, that is our own issue. We are not legally obligated. It better serves Manchester to address our homeless. I met with five Canadiens on Monday or Tuesday and they walked from the Radisson down here and the first question they asked me was where are your homeless. We have a Day Center and a shelter so that is helping and this consortium is helping that. If somebody comes from Chicago and they are homeless, we have to address it. I don't know what the statute is on residency. Maybe it is 24 hours or something like that.

Alderman Levasseur asked would it be possible mayor for you to invite Mr. Sherman here for a conversation on what is going on at New Horizons? I think there are a lot of questions this board would like to pose to him as far as numbers and whether they have increased or decreased.

Mayor Gatsas answered the numbers have increased; there is no question. He is feeding 200 plus people a day and obviously it is summer time so he is not sheltering that many people but his numbers are up. I was at the Food Bank today for that "Can of Nothing" drive and they collected about \$143,000 which is going to help a lot of families that don't have food and there will be a lot of people in Manchester helped. Everything that we do with regards to homelessness and how do we give them a hand up is something that we have to try and do.

Alderman Greazzo stated speaking of the homeless we had a speaker this evening talk about a homeless program and some church that wanted to feed people in the park for free. I don't know if that is something that we could consider. Is Mr. Capano here?

Mayor Gatsas stated I think that is with the Board of Health and the Parks Division. If you want to send it to a committee we can have a discussion in the committee but I think that is probably the place to talk about it.

Alderman Greazzo stated I wouldn't have a problem sending that to committee. If we are legitimately looking to help people who are homeless and hungry, it wouldn't be a bad idea if people wanted to feed them for free to find a place for them to do that.

Mayor Gatsas replied well that is the place because the ordinances right now don't allow it to happen. If you want to make a motion... We have a motion on the floor so let's deal with that first.

On motion of Alderman Long, duly seconded by Alderman Roy, it was voted to receive and file the Healthcare for the Homeless Annual Report.

Alderman O'Neil stated the letter that I saw from Mr. Capano said nothing about ordinances. Where is it indicated that there is an ordinance issue?

Alderman Levasseur replied I believe he wasn't given a permit, but he had been doing it before.

Mayor Gatsas asked is Mr. Capano here? Is Tim Soucy here? Can you come up, Tim? I am probably calling you up and I shouldn't be but my understanding is....

Mr. Timothy Soucy, Public Health Director, interjected I believe it is a Parks issue. We have regulated it in the past when it was in the park but I believe the questions came up on the Parks side of it.

Alderman O'Neil stated I would just be curious to know what the ordinance issue is.

Mayor Gatsas stated I don't know if there is one, but obviously there must be something or some reason why Parks is not able to do this.

Alderman Greazzo stated I think it is something we should look into and vet and figure out a way for it to function.

Alderman O'Neil stated I agree.

On motion of Alderman Greazzo, duly seconded by Alderman Levasseur, it was voted to refer this item to the Committee on Administration/Information Systems.

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

15. Recommending that the fiscal year 2013 third quarter write off list for the accounts receivable module be written off.
(Unanimous vote)

Alderman Greazzo stated I was looking at the write off list for the third quarter and I am curious as to what determines that we write things off. I am looking at the write off history on page 15-3 and I can see some of them were quite hefty but there were contractual reasons. One in 2011 with Corcoran and one in 2012 with Independence Air at the airport. Maybe the solicitor or finance director can give me some indication as to what we use for determination in writing off someone's debt to the City.

Mr. William Sanders, Finance Director, stated speaking for the Finance Department, we send monthly statements that are 90 days or more past due and we have a collection agency that we submit the bills to at about 120 days or so. We have some success normally, but if after six to eight months the collection agency is comfortable in their own mind, and they have an incentive to collect and they get a fee for a collection or partial collection, but if they take it off their ledger our next step is to submit to the Solicitor's Office for any legal action that we may be able to take. Typically we probably collect somewhere between 30 and 45% of our past due receivables through just the collection agency and our own efforts and then the solicitor makes the final ruling whether there is legal action we can take or whether there are assets available to collect. His advice is the final step in whether or not we recommend the write off to the Committee on Administration/Information Systems.

Alderman Long stated on page 15-3 I am not sure if you saw but it gives you history and the recommendation. All of these are being done because all efforts have been exhausted.

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

17. Recommending that Ordinance Amendment:

"Amending Section 70.55 (D)(2) Residential Parking Permit Zone #2 by not allowing residents to park on Elm Street."

is properly enrolled.
(*Unanimous vote*)

Alderman Greazzo asked is this a permit parking set up for Elm Street or is this something that is going to migrate to other areas of the City?

Alderman Roy stated this is actually changing from having permit parking on Elm Street because there are going to be meters there and there is a new building going on. It is not going to be permit parking anymore. There was previously. They still have permit parking down in the Gaslight district.

Alderman Levasseur stated that is for residents, correct?

Alderman Roy replied correct.

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

18. Recommending that Ordinance Amendment:

"Amending Section 33.080(A) Military Service of the Code of Ordinances of the City of Manchester by increasing the number of paid military leave days from ten to twenty days and deleting 33.080(A)(I) related to attendance at military funerals."

is properly enrolled.

Alderman Levasseur asked Chief Mara to come forward. The last time this came up we were looking at what the cost was going to be. Did you have a chance to determine what the cost of this would be for your department?

Mr. Mara replied the number we were discussing before was \$28,000 and that number, in talking to the HR director, is if you take the amount of hours that are given for leave time and you apply the person's rate of pay. That is how she came up with that number. That doesn't come out to our actual cost and I don't want to put words into her mouth but she called it lost work hours that she assesses that price to. It is not actually \$28,000 that comes out of our budget.

Alderman Levasseur asked are you prepared to absorb it in your budget? This is not something that you are going to need extra money for correct?

Mr. Mara answered correct.

Alderman Shea moved to accept the report and adopt its recommendation. Alderman Greazzo duly seconded the motion. Mayor Gatsas called for a vote. The motion carried with Aldermen Levasseur and Shaw being duly recorded in opposition.

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

- 20.** Recommending that the City dissolve its membership with the Business and Industry Association.
(Unanimous vote)

Alderman Arnold stated I am trying to get some background on where this proposal came from. I see the clerk stamp showing that it was referred to the Committee on Administration/Information Systems on March 19th. Can you help me out?

Mayor Gatsas replied this is an item that was on the budget and I just sent it to the board to see if it was something they wanted to participate in or not.

Alderman Arnold stated page 20-3 has an invoice from the Business and Industry Association and I am wondering if this is the total cost for membership or if it is more than this.

Alderman Greazzo stated it appears to be the total cost for membership for a year. A lot of these things that they provide to us we already do on our own with our legislative analyst so it seems like a duplication. It is an inconsequential amount of money but what is the point of spending the money if we don't need the service.

Alderman Arnold asked just out of curiosity, how long have we been a member?

Alderman Greazzo answered I don't know.

Mayor Gatsas stated it has been awhile. We were members of the Municipal Association too and the board decided not to be members of that.

Alderman Arnold responded to be perfectly honest this is what that reminded me of and I thought being a member of the League of Cities probably brought some good benefits to this board in terms of ideas and facing the same challenges as other cities around the country are facing and this board no longer has that opportunity through the League of Cities. I was just looking for background on terminating this relationship. I guess the Manchester Economic Development Office was a member?

Mayor Gatsas replied no, the City of Manchester was.

Alderman Arnold stated Alderman Greazzo said that it was the Economic Development Office.

Alderman Greazzo stated well I see Chris Wellington's name on here.

Mayor Gatsas stated that is who the bill came to.

Alderman Arnold stated well, based on the invoice amount I presume they were looking at just that office being a member based on the charges.

Alderman Levasseur asked for being in this BIA, do they send out newsletters or magazines on a monthly basis? Does anyone have any information on what they actually provide? I get a lot of magazines at the restaurant and every once in awhile I find something that makes me glad I opened it up. I just don't know if this group produces a quarterly magazine that tells us what is going on statewide. Am I right to say that it is \$263 for the year?

Mayor Gatsas asked do you have the invoice in front of you?

Alderman Levasseur answered yes, it says \$263.

Mayor Gatsas replied that is what it is.

Alderman Greazzo stated if you look on page 20-2, it is an outline from the BIA of what we actually get for that \$263 – effective advocacy with the state legislature and regulatory departments, business networking events, opinions, policies, and committees. It is not necessarily structured particularly for Manchester. It is a general political action committee. Are we going to join other political action committees as well? I don't think the City needs to be part of a political action committee.

Alderman Levasseur responded I am just wondering... We have the Restaurant and Lodging Association in the state that lobbies on behalf of restaurants. I am not so much interested in what they lobby for but I am interested in what they have to tell me on a quarterly basis regarding other restaurants and economic development, etc. Those things are really integral. It is kind of like having a membership to the *Union Leader*. You get your information from there and there is a lot of relevant information in there and I hate to lose the information we are going to be getting but if we are not going to be reopening our Economic Development Office... Are we planning on hiring an economic development department head at some point?

Mayor Gatsas responded I think we have a question in front of us about whether we want to remain members of the BIA. If this board wants to stay a member, they can stay a member.

Alderman Levasseur replied well I would like to stay a member.

Alderman Roy stated I think we joined this in my first year here, which was five years ago. I think the discussion we are having right now speaks volumes. None of us have ever seen anything from this group and we don't even know what is going on. I am saying... I don't remember ever seeing anything from this group so I don't think we need to spend the money.

Alderman Greazzo moved to accept the report and adopt its recommendation. Alderman Roy duly seconded the motion. Mayor Gatsas called for a vote. The motion carried with Aldermen Arnold and Levasseur being duly recorded in opposition.

COMMITTEE ON LANDS AND BUILDINGS

22. Recommending that the communication from the Water Works Director requesting approval to purchase a parcel of land in Hooksett be approved.
(*Unanimous vote*)

Alderman Greazzo asked Mr. Paris to come forward. Looking at your proposal, is buying this parcel in Hooksett going to be for pulling water from the Merrimack river?

Mr. David Paris, Water Works Director, answered yes.

Alderman Greazzo asked do you plan on halting people from swimming in the Merrimack River?

Mr. Paris answered no.

Alderman Greazzo stated I think you know where I am going with this.

Mr. Paris replied yes, I think I do. This would actually take water from beneath the river beds in the Merrimack River. The approach that we have on paper here, and we have done quite a bit of consulting to determine the best way to tap the Merrimack River, is to actually drag horizontal wells below the river bed. The river bed then acts as a screen or a pre-filter for the water prior to getting closer to the intakes. Not that that totally answers your question about swimming, but we are taking this approach because it is essentially a very good pre-treatment for the water.

Alderman Greazzo responded I completely agree, but then I question why there is no swimming in the public area of Massabesic Lake, which is nowhere near the pump station.

Mr. Paris stated that is the most frequently asked question that I have had to answer in my ten years with Water Works. The answer to it is that Massabesic is a very sensitive lake. It is a fragile ecosystem. The use rate that it gets now it can tolerate and sustain. We are afraid that if swimming were opened up, the use rate would go up considerably and that use rate would then raise the potential for contamination of that water supply. Although we have treatment, our treatment is not perfect and to be protective of the health and welfare of the citizens, precluding swimming keeps the use rate down as well as insuring that there are no human pathogens transferred into the water.

Alderman Greazzo asked when it comes to use rate, is there any way to limit the amount of use at the lake and make it permissible? I just don't see how you can have a boat in there with gasoline and oil and birds doing their thing and fish and moose but you can't dip a toe in the water.

Mr. Paris answered it is a question that I have answered this way, if we could make rules... You have to understand that Massabesic Lake is zoned by the state and the citizens of the state. The rules governing its use are legislated in Concord. If we were setting those standards or if I were setting those standards there would be no power boats in Massabesic and/or there would be no two stroke engines in Massabesic. I don't get to

make those rules. I get to work with the state legislature to try to balance the use of Massabesic against the public health concerns that we have and this is where we are.

Alderman Greazzo asked so we will still be able to swim in the Merrimack river?

Mr. Paris answered yes.

Alderman Greazzo moved to accept the report and adopt its recommendation. Alderman Shea duly seconded the motion.

Alderman Corriveau stated Mr. Paris I have two questions for you. Who negotiated this acquisition? Was it counsel or was it a realtor? I was just curious because it is \$50,000 over it's appraised value.

Mr. Paris responded it was negotiated by myself and our Water Supply Deputy Director, Dave Miller. We sat down with the land owner and developer, which is West River Road LLC. They were familiar to us because we had asked for permission to do drilling and prospecting on this property over the last few years in the development of a plan and location of property. They were originally looking in excess of \$600,000 and we persuaded them to come to this amount. The fact that we looked at this property and they were aware of our interest in it is probably the rationale here. We weren't holding any cards if you will.

Alderman Corriveau asked my second question is what will Water Works be paying for taxes on this parcel?

Mr. Paris answered this is water supply property and it won't be taxed.

Alderman Levasseur asked is it illegal to swim in Massabesic Lake?

Mr. Paris answered yes.

Mayor Gatsas called for a vote on the motion. There being none opposed, the motion carried.

REGULAR BUSINESS

- 23.** Communication from Lyn Gelinas advising the board of her resignation from the Planning Board.

On motion of Alderman O'Neil, duly seconded by Alderman Greazzo, it was voted to accept the resignation with regret.

- 24.** Nomination(s) to be presented by Mayor Gatsas, if available.

Rob Campbell to succeed himself as a member of the Planning Board, term to expire May 1, 2016

Eric Kizak to succeed Mike Landry (term limited) as a member of the Planning Board, term to expire May 1, 2016

Guy Guerra to succeed Lyn Gelinas (resignation), as a member of the Planning Board, term to expire May 1, 2015

Matthew O'Brien to succeed Eric Kizak (moved to full member), as an alternate member of the Planning Board, term to expire May 1, 2015

Mayor Gatsas stated these nominations will lay over until the next meeting of the board pursuant to Rule 20 of the Board of Mayor and Aldermen.

- 25.** Budget projections to be submitted by William Sanders, Finance Officer, if available.

Mr. Sanders stated I have passed out the budget projections to the aldermen. You have in front of you the most current general fund operating surplus statement for FY13. We are now projecting a surplus of \$1,689,500. The surplus is comprised of a revenue surplus of \$1,182,500 and an expenditure surplus of \$507,000. The forecasted expenditure surplus includes \$914,000 remaining in the contingency account and a current projected deficit in the severance line of \$830,000. Through April 30th the severance line was over spent by \$553,000. Departments are currently projecting eight additional retirements before the close of the fiscal year and we have accounted for that in the expected deficit of \$830,000. The only remaining earmarked amount in contingency is \$150,000 from the Fleet Management facility that was earmarked by the aldermen when the budget was prepared. It should be noted that the mayor's budget includes a surplus of \$750,000 and this leaves a remaining unallocated amount of \$939,500. If you turn to the second page you can see on the forecast that there have been modest improvements in the expenditure line, the category at the far right of the page.

The department budgets are better by about \$77,000 from the last report. The biggest was the Economic Development Office and in this report I have used all of our projected surplus that we anticipate there. You can see down below on the far right column the severance line that is about \$185,000 worse than we were last month. The eight retirements that seemed to go away reappeared. As you can see when you look at the analysis, the surplus is two-thirds created by revenue surplus and not by expenditure surpluses. The two biggest drivers in that if you look are the tax collector who currently has \$580,000 that is comprised of \$400,000 from auto registrations and about \$160,000 for interest on various liens that the City has on past due property taxes. The other department that has a significant revenue surplus is the Highway Department at \$475,000. That is being generated in large measure from work they are doing for enterprise funds, most significantly the work they are doing for Water Works. We have a nearly \$1.2 million surplus in the revenues and about \$500,000 in the expenditure side. On page three you have the monthly report on the overtime through the end of April. That concludes my comments.

Alderman Shea stated in looking at the Highway Department surplus is it possible to use that money for road paving because we don't have any money for that this year and I am getting a lot of complaints in that regard because the streets in Ward 7 could certainly use paving as I am sure other wards could. I am asking you mayor or Mr. Sanders if it is possible to use that money for paving.

Mr. Sanders answered in the end it will be up to the aldermen as to how they want to use the surplus and whether they want to go through a process with City retirement to get the money into next year and it could be allocated to roads next year if that is what the aldermen wanted to do. I would defer to the Public Works Department in some regards in terms of being able to contract for additional work this late in the fiscal year although that may be possible. It could be used for roads. The simple answer to your question is yes, it could be if that is what the aldermen wanted.

Alderman Shea stated I know the School District used to have a surplus and Mr. McLaughlin used to use that to order books for the following year. That was a resource that was helpful in that regard. If we don't have any money to pave roads then it makes sense to use that money in the place that it is coming from and not use it for other purposes. That would be what I think we should consider as a board.

Alderman Levasseur asked are you expecting any changes between now and June?

Mr. Sanders replied yes. I know that we are not perfect and we don't know what will come to be. There are a few months left in the fiscal year. I would anticipate that the auto registration number could move up or down. It is a very unpredictable number. It can move as it did last year in a very big margin late in the year. On the other hand, I think the departments have been pretty stable on the expenditure side and I think you can see that we are really not generating much more surplus there. I took out MEDO and the department's forecast and the aggregate only changed by about \$45,000. I don't think there is much there. I don't think it will be significantly different. I don't think it will be \$500,000 different or anything like that.

Alderman Levasseur asked do you know what the comparison is to last year as far as the increase you saw in the month of May last year?

Mr. Sanders answered actually we saw quite a bit of change in May last year primarily in the auto registration line. It is the tax collector's view that we have already seen a fair amount of fleet registrations through the end of April; rental car registrations last year they were back ended to the end of the year and we weren't really sure what they were doing or thinking. They started coming in earlier this year. The answer to your question is last year had a big move in auto registrations in the month of May. I think it might have been \$500,000. I don't think, based on where we are at right now, that it would move that much. There are fleet registration dollars already in here.

Alderman Levasseur asked will you give us another update at our next meeting?

Mr. Sanders replied certainly.

Mayor Gatsas stated I would ask the board in your deliberations... Obviously we have had discussions about severance and I was talking to Mr. Sanders today and I think it might be wise to take a look and see if we could set up a severance account that is off budget to be used during the course of the year like our medical trust fund so that if during the course of the year we don't use all of the revenues that are in the severance account it would stay there and not go to surplus. It would build up and be there for us to be able to use. I just throw that out for you folks to think about. If we could save it and not roll it over in a given year we would be able to use it in the following year for severance.

Alderman Greazzo stated last night in CIP we actually had a list of accounts, and some of them actually go back to 2004. I asked Mr. LaFreniere to get me information regarding those but I think we should get a list City wide of where we have money and in what departments. There is a lot of money sitting in some of these accounts from 2009.

Mayor Gatsas asked are you talking about the South Willow project?

Alderman Greazzo answered no, this one is a placeholder for a Homeland Security Grant for the Fire Department from 2009 for \$245,000. Is that still sitting there? Is it inactive? When was the last time that account was utilized? I would like to see an audit of all City accounts. I would like to see a list of every department that has an account.

Mayor Gatsas stated I find it almost impossible to believe that \$245,000 would be laying around since 2009 and the chief hasn't found a way to spend it.

Alderman O'Neil stated I think we finally after ten years wiped out that Engine 3 project that kept us going for awhile.

Mr. James Burkush, Fire Chief, stated no, we don't have \$245,000. Those are placeholder accounts so that when we do get grants in we have a CIP project to reference. There is no money in those accounts. They are strictly reimbursement accounts.

Alderman Greazzo stated well, there are three sheets of accounts with money and you are saying none of them exist? What is the point of having a dollar amount in the account if there is nothing in it?

Mayor Gatsas asked why wouldn't we just open up a new CIP account instead of having something hanging around since 2009?

Mr. Leon LaFreniere, Planning & Community Development Director, responded in many cases these are start ups and projects that have been underway for some time. They are either placeholders or they represent projects for which we haven't received funding meaning they haven't been backfilled either from federal grants or state funding that was anticipated when the projects were underway. For almost every one of those older projects there is a story that goes along with it.

Alderman Greazzo stated I would like to get a report from each department for what they have for projects and how much money they hold.

Mr. LaFreniere replied it is our intent to provide that for the next CIP meeting.

Alderman Greazzo asked will that be a list of accounts City wide?

Mr. LaFreniere answered the only accounts I can respond to are the CIP accounts.

Alderman Shea stated you mentioned the severance account. How would you want that to be set up? You didn't elaborate too much and I am not sure if this is the time and place but could you provide more information?

Mayor Gatsas responded sure. Obviously we know that there are no funds in the severance account. I would suggest that we set an account up that would be dedicated strictly to severance and that is what would be drawn down on in the course of a year. Let's assume we put \$1 million in it and it draws down to a \$300,000 balance. That balance would stay in that account until next year and if we were to put more in because we are anticipating more retirements then we would put it into that account and it would carry forward.

Alderman Shea asked where would we get the initial \$1 million to put into it?

Mayor Gatsas answered well, I already used \$750,000 of the \$1.6 million that is here so it leaves you somewhere in the vicinity of \$900,000. That is a number you could use for the severance account.

Alderman Roy stated I am definitely one of the guys on this board who you don't need to convince about having a severance account but in the discussion here it almost sounds like we used that severance account for something other than severance and we haven't. It has always been used for severance and I don't see the value of having an account like that when we have never had extra money left. We have always underfunded it. I am open to listen to it because I think severance is very important but I don't see why we need a separate account because there is never any money left.

Mayor Gatsas responded I think the year before the year that we are in now there was a surplus. I could be wrong. All I am saying is it would stay there if we didn't use it.

Alderman O'Neil asked as we are in our budget deliberations would you be willing to produce some pros and cons? I honestly can't think of the advantage of doing it but I am certainly willing to listen. If you could put something together for us that would be good.

Mayor Gatsas replied I will try to get something in writing to present to you. We have a surplus and I know the board is going to be... We have \$750,000 that we are prepaying for retirement that I already have in my budget and I don't know what the board is going to do with theirs. Let's for a second assume that you take \$900,000 and put it into severance and you reduce retirement and prepay retirement with these dollars again. That means next year before we do anything, before we come out to even look at a budget we have to find \$1.6 million already in the budget just to make up for the retirement line item. That is the first thing. So if you do simple math and say \$140 million at 2%, that is \$2.8 million and the first \$1.6 million has to come in to the retirement line item. That leaves you a balance of about \$1.2 million. If memory serves me right since the COLAs and steps are about \$1.3 million...

Alderman O'Neil interjected I don't think we are in a budget discussion.

Alderman Shea asked would the department still be responsible initially for paying out of their own budget for severance if, in fact, we establish a severance fund?

Mayor Gatsas answered if the board put \$1 million in severance then no, they wouldn't be responsible for the severance line account but that is up to you folks.

Alderman Levasseur stated my understanding is there is no money in the severance account in your budget. Right?

Mayor Gatsas responded that is correct.

Alderman Levasseur asked when you put your budget together the decision was made in your budget that each department would have to pay for severance out of their own budget?

Mayor Gatsas answered that is correct.

Alderman Levasseur asked did you inflate any of their numbers or add anything extra in their budgets when you were thinking about them having to eat their own severance?

Mayor Gatsas responded let's understand that where this discussion is coming from is based on the analysis we had on February 19th we had a surplus of \$780,000. I took \$750,000 and prepaid retirement and that is where we were and there was no money left to put in severance. You have now accumulated another \$900,000 during these last two

months and this board can use it to fund whatever they want to fund. My choice was that before I laid off employees to fund severance...

Alderman Levasseur interjected I am not being critical. I am just confused because you funded something and I am not sure if that line item was put in there to reduce the number. We have gone over this before but was any of that going to be applied to the severance at all or was there nothing applied to it?

Mayor Gatsas answered no.

Alderman Levasseur asked so you are looking for us to try to bank roll some of that severance ahead of time?

Mayor Gatsas responded that would be up to this board. I would hope that that would be the common understanding that we have come to that there would be some severance that would be put in by the surplus that is here. If I had this surplus on February 19th then yes, I would have funded severance to that balance.

Alderman Levasseur replied would you have put it in a separate line item for severance or would you have just given them more in their budgets based on their projected retirements?

Mayor Gatsas answered there would have been a line item for severance.

Alderman Roy stated I think the answer to Alderman Levasseur's question is if you don't prepay the retirement it has to be divided in half; the surplus has to be divided in half. Half goes to reducing the tax rate and half goes into the rainy day fund.

Alderman Levasseur asked is that true mayor?

Mayor Gatsas answered yes, that is correct.

Alderman Levasseur asked so you can't use it to apply to next year's budget?

Alderman Roy stated if you prepay the retirement then it reduces the retirement number next year and then it gives you more money to use next year.

- 27.** 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 #4, 2012.

On motion of Alderman Osborne, duly seconded by Alderman Long, it was voted to commit the warrant to the Tax Collector in the amount of \$354,070.61.

Mayor Gatsas asked does anyone know what that has grown to? Do we know what the balance was previously? I think we were pretty close to \$1.2 million the last time we had that discussion.

Alderman Greazzo moved that the aldermen get a copy of all accounts City wide, including the School District.

Mayor Gatsas asked you want the balances that are in them correct?

Alderman Greazzo answered yes. Any pertinent information. I want to know how much is in it and how long it has been inactive and what the money could be used for. I would just like to see first a list of accounts from all City departments including the School District.

Mayor Gatsas responded they are not a department so you can't ask them.

Alderman Greazzo stated well I guess they can't ask for any extra money in their budget then. I want to see what they have and what they can do with it.

Mr. Sanders stated I have a question. The word account to an accountant is just about everything. It is accounts receivable and inventory and fixed assets? I presume you mean cash accounts?

Alderman Greazzo responded yes. I would like a copy of all department's cash accounts and totals therein.

Mr. Sanders stated on the City side and there might be one exception, but we don't have cash accounts in departments. They are all within the Finance Department and I sign the checks and that sort of thing. There may be one or two exceptions with enterprises but we will go through the cash balances and do that. I don't think there will be many outside of what Leon has in CIP accounts.

Alderman Greazzo replied he has already committed to getting me his. I would like to see yours and it would be great if we could get a copy of the School District's.

Mayor Gatsas stated I think we can send a letter to the School Board and ask if they will do it.

Alderman Greazzo responded I would love to include that in my motion; that we send a letter to the School Board asking for a list of their cash accounts.

Alderman Long duly seconded the motion that the aldermen get a copy of all accounts City wide, including the School District. Mayor Gatsas called for a vote. There being none opposed, the motion carried.

26. Update from William Sanders, Finance Officer, on the parking demand study.

Mr. Sanders stated there was included in your original agenda a preliminary letter from our parking consultant, Mr. Flotz from the Lansing Melbourne Group, and we have handed out tonight a more current letter dated May 3rd. Mr. Flotz has completed, with the assistance of Denise Boutillier, the manager of the Parking Division, a fairly extensive parking demand study in the millyard area meeting with businesses and property owners and others who have an interest in the development of the millyard over the last month. He has prepared a draft report and he is prepared to come to Manchester for the June 4th meeting to review that final report with you. What we are here this evening to ask for is approval to do some additional work in the millyard area specifically as it relates, as you will learn from Mr. Flotz in June, there definitely is demand for additional parking in the millyard both from business owners and property owners. What that project will lead to we are not saying tonight but it will be reviewed with you in June and there will probably be additional work at that time and we will come back to the aldermen about what might be built and what it will cost and how it will be financed and all of those things. Specifically, the piece of work that we want to do is do various geotechnical and environmental testing in two areas of the millyard to make sure that we have identified places where parking garages and other structures may be put up and what they might look like. What we are really talking about here is drilling to determine what is under the asphalt at the Bedford lot and at Arms Park. Obviously buildings were there previously and were demolished and the ground underneath could be all bricks and other refuse and debris that was just pushed in there to fill out the ground and obviously contractors and builders need to understand, along with our consultant, what might be possible there. We have also learned there are quite a bit of very large water pipes and sewer pipes that run

under the Bedford lot and likely into portions of Arms Park. We sent out an RFP to three firms with the assistance of the public works director who was very helpful to us and GeoInsight is a company that has made the lowest bid. They are a Manchester company and they have done work with the Highway Department previously on many different projects and the public works director spoke highly of them. We would like authority to establish a budget of \$30,000 to do this additional work at Arms Park and the Bedford Street lot. We are asking for your approval this evening so that it can be part of the report back to you on June 4th, which will talk about the demand down there and hopefully will identify a site that may be suitable for an enhanced parking situation. I would also ask that the aldermen authorize the \$30,000 if that is required. There is a contingency component there in the event that more borings and additional work needs to be done but in any event that the \$30,000 would be funded by the special revenue account. There is \$3.6 million in that account as of the end of April and the Parking Division has paid the cost for Mr. Flotz up to this point but I really believe that we are moving into a potential economic development project here and I prefer that it come out of the special revenue account to solidify our budget for this year and preserve the surplus that we are showing in the Finance Department. Those are my comments and I would be happy to answer any questions.

Alderman Roy stated Mr. Sanders, it sounds to me like you are saying we are going to pay to do our own site characterization. Is that correct? Where I am going with this is doesn't the developer usually do that when he wants to build? He does a site characterization to find out what is there? I would think that is the developer's responsibility and not ours.

Mr. Sanders responded at the present time we don't know if there will be a developer or if it will be a City development or business/property owners in the millyard and the issue associated with millyard property generally if it was going to be a multi-purpose site like a hotel and movie theatre or some other combination with a parking garage we need to understand what we can build there and how much weight we can put there and how it might be structured. The City is probably going to have some role although it is the aldermen's choice ultimately whether to proceed with a project. There are a fair amount of unknowns in the millyard and at the Bedford Street lot and our intent was to try to remove that particular area of concern before we got too far down the road with the project.

Alderman Shea asked do we own the property that we are going to explore?

Mr. Sanders answered in the main it is City property. Arms Park is City property and the Bedford Street lot, with a couple of minor exceptions because there are some easements to the state for the Notre Dame bridge and a small participation by PSNH for some switching gear that sits there but by and large we own the Bedford Street lot as well.

Alderman Shea asked so if we find that there is available parking at those two sites then we would reap the benefits of those parking areas?

Mr. Sanders responded the Bedford Street lot is paved today and we park approximately 40 vehicles there each day under permits. We need to develop, I think as you will see in June, and I don't want to say need, but the future demand would say that we need to get from 300 to 500 additional parking spaces in the millyard probably at a minimum and over the next 18 months. We need to build up. We need a garage that has some levels on it. The additional surface lots are not going to suffice in the reasonably short-term and we are trying to come forward with a presentation to the aldermen that candidly discusses the parking situation in the millyard and also identifies potential options. If the aldermen want us to go forward with a structure and encourage private participation or that sort of thing, we need to know what these lots look like underneath a lot more than we do right now.

Alderman Shea asked if we were to do this how long would it be before we would begin to see the resources be beneficial to the City? Should I ask the guy who is coming to speak?

Mr. Sanders answered I think Mr. Flotz could probably answer that best. Our hope is that it would be on the outside a year to 16 months and that we could be aggressive, particularly if we can get some outside participation from a financial point of view.

***Alderman Shea** moved to approve the expenditure of \$30,000 from the special revenue account for geotechnical and environmental testing at Arms Park and the Bedford Street lot.*

Alderman Levasseur stated I am looking at the letter from LMG dated April 29th. There are two numbers in here - \$34,133 for a fee to retain a special subcontractor and then the incremental fee to add that research is \$24,000. Are those mutually inclusive or exclusive numbers and the real number is \$58,000 or is this something different?

Mr. Sanders responded the letter that was handed out this evening by the clerk is dated May 3rd. The original letter...

Alderman Levasseur interjected this was attached to our original agenda. Is there an update?

Mr. Sanders replied yes. In my opening remarks I mentioned that we didn't have all of the bids in last Tuesday or Wednesday when they wrote that letter. We have the final bids in and there was a two page letter handed out stating that we now have a company that can do it for \$30,000 leaving \$3,000 or \$4,000 for contingency.

Alderman Levasseur asked is this the same property that we voted... I think there was a vote to spend \$12,000 to do something?

Mayor Gatsas answered yes, it is the same property.

Alderman Levasseur asked what was the \$12,000 for?

Mayor Gatsas replied it was to go out and meet with the stakeholders in the millyard to do a parking assessment to see if we needed a garage and parking.

Alderman Levasseur asked where is that report?

Mr. Sanders answered as he mentions in his letter he is ready to come and meet with the board on June 4th and we were hoping to have some of this environmental and geotechnical information completed before June 4th so he could report that to you and answer your questions on building demand in the millyard as well as the next question of what options do the aldermen have.

Alderman Levasseur stated I think the mayor led the charge many years ago to get rid of all of the City owned parking garages.

Mayor Gatsas responded no, the mayor didn't lead that; he voted against it.

Alderman Levasseur replied I apologize. You wanted to keep the parking garages? I thought we wanted to get rid of those things and get them on the tax rolls. So you want to build a parking garage downtown?

Mayor Gatsas stated I think this board voted to have a parking study done.

Alderman Levasseur responded I don't believe it was phrased as particularly a parking study.

Alderman O'Neil stated it was to do a parking demand study.

Alderman Levasseur stated you would have to be stupid to not know you need more parking down there. We have all known that we need parking down there but now we are going to spend \$30,000 to dig into the ground to find out whether or not it is bad land. I mean, why are we going to do the digging? I have a feeling that somebody already has a plan. I remember sitting here one time as an alderman saying if there is going to be a baseball field down there why don't you just tell us. They were like no, there are no plans for a baseball field down there and a year later there was a baseball field. If there is a plan for something why don't you just tell us so that I will be able to get on board with a project instead of doing preliminary things and being surprised later. Is there a project that is specifically intended to go on that site and that is why we want to dig?

Mayor Gatsas responded don't ask me. Ask the Committee on Public Safety, Health and Traffic because they moved the parking study.

Alderman Roy stated you are right in one thing. It doesn't take a rocket scientist to figure out that we need more parking down there. This study not only looked at the need but they were looking at where the best places would be. They did the research on what businesses were going to be where and what the demand would be and what would best fit in down there. It wasn't just do we need parking. We all knew that. It was to determine where we could do it to best suit not only the City but the businesses down in the millyard. That is why we did it. It was definitely a study for a parking demand and the demand part is where the businesses are and where all those employees are. We don't need to build a parking lot at the south end of Commercial Street if all of the people are at the north end. We need someone to figure all of that out instead of us just going out there helter skelter. That is how it went down.

Alderman Long stated to respond to Alderman Levasseur, the parking study was not for parking demand. It was to see the interest in... I for one as an alderman am not going to vote to build a parking garage. They questioned all of the stakeholders in that area to see if they were interested and we got some bites. We own the property and maybe we could

work out a deal but I for one wouldn't be voting to appropriate X amount of dollars for a parking garage. That is what this is about. It is an economic development tool. It would be better if we had something over that garage instead of just a garage. It would be to our benefit so we needed to see if there was interest in that and there is. Task I presentation was going to be on May 21st but on June 4th you are saying that Mr. Flotz will present and hopefully or you think it will definitely include the boring results?

Mr. Sanders responded it is my understanding at the present time that that information will be available by June 4th. They haven't drilled any holes yet and we don't know what we will find but it is important.

Alderman Long asked are we looking at past borings in those areas? Does the Highway Department have any past borings that may have been there or does Water Works or EPD? Do we know if there are past borings that were done down there?

Mr. Sanders answered nobody has mentioned any.

Alderman Long asked when did they cover the Arms lot?

Mayor Gatsas responded a long time ago. It was before I was an alderman.

Alderman Long asked so we don't have the history of what was in there?

Mr. Sanders stated I am not aware that we have any history on either site.

Alderman Long stated I would hope that we would look at that also and include that if we have some history.

Alderman Levasseur stated if we find there is Anthrax down there like there was down at the ballpark, what are we going to do? Are we going to clean it up or are we just going to sit on it? My understanding is you send it out for an RFP and if somebody is interested in the property they do their own test kit. We are actually spending the money to find out if anybody is interested and then we are going to go and do the test kit. It seems backwards.

Mr. Sanders responded I want to clarify a couple of things from the point of view of the Parking Division. This parking demand study is important for a couple of reasons. One, we are not interested in building a parking garage that is just going to cannobolize the

existing parking down there; that we spend X millions of dollars to build a parking garage and all that happens is people that are parking on the lots move into the garage and the Parking Division and the City are hurt financially by that. So this parking demand study needs to demonstrate that there is a high likelihood, and nobody can guarantee anything, but that there is going to be parking demand down there. That is one thing and that is not just a question of a layman like myself walking down there and saying well, it seems pretty crowded so we probably ought to build a parking garage. It needs in-depth conversations with property owners and business owners. The second thing is that we just don't want people saying sure build another parking garage. We want financial participation from people who are going to encourage us to build this parking garage, if we build a parking garage. We are a long way off. There is no parking garage in my world and I have heard of no plan. There is definitely not a plan. If somebody had a plan all you would have to do is look at the Bedford lot and see some of the building challenges already that exist there. You have a bridge going across the top and you have water pipes and 72" sewer pipes running underneath it. There aren't many places to choose from down there and we need a current geotechnical engineer to give us... And more importantly, construction and whomever but starting with the aldermen some confidence as to whether we even have a project. We can talk about building a garage all we want but if we don't have a site and we don't have some common understanding as to what can or cannot go there we will make a mistake. I don't want to be part of that and I know none of the aldermen do and neither does the mayor. I think this study is important over the next couple of weeks to get a better understanding of what is in the millyard.

Alderman Levasseur responded my understanding is when we sold the property at Bridge and Elm Streets we put a for sale sign on it and somebody came to us and said we want to put a project there but we would like some financial assistance with the garage, which I believe the board approved at that time so I don't understand why we are not doing the same thing with this project. There is a piece of land down there...

Mr. Sanders interjected we have never received a payment for the parking garage at Bridge and Elm Streets. That was all City money and they are not making a profit on it so we are paying for it.

Alderman Levasseur replied I understand, but we had a piece of land and we put it up for sale and somebody came in and did all the advance work to decide if a project would go there. We are doing the advance work for somebody and I would assume that if we are going to do that we are going to retain ownership. If we are not going to retain

ownership... I just don't know if this board understands where we are going to go with these steps. We are doing studies so why don't we just put it up for sale and see what the interest is and let somebody decide whether they want to put a building on it. They can come to us and say... I think somebody called me yesterday about a public/private possibility down in the millyard. Why not that same mentality? What makes this different than any other piece of land that we own in the City?

Mr. Sanders answered well, we do have a Parking Enterprise in the City and I think you will hear Mr. Flotz and others talking about it being in the City's best interest to maintain some kind of control and ownership of the parking utilization in the City to keep rates level and to keep an organized process. Making money in parking is a difficult thing; especially with garages. We sent this lot out to an RFP four years ago and received no responses from anyone to build a garage or anything there. No one wanted it. I am not suggesting that we will build anything eventually but there is going to be a demand challenge in the millyard in parking that could have an economic effect on the City if we don't address it in the coming months. We are not making that decision tonight or asking you to make the decision a month from now even but only to see the results of the report and be aware of what options may or may not exist. It will be months and months that there would be any plan.

Alderman Levasseur stated I think I found my economic development guy right here. I think you can take over that department too, Mr. Sanders.

Alderman O'Neil duly seconded the motion to approve the expenditure of \$30,000 from the special revenue account for geotechnical and environmental testing at Arms Park and the Bedford Street lot. Mayor Gatsas called for a vote. The motion carried with Aldermen Greazzo and Levasseur duly recorded in opposition.

28. Motion for reconsideration made by Alderman Greazzo on a vote to accept the report of the Committee on Lands and Buildings authorizing the Manchester Community Grange to create a garden in the city.

Alderman Greazzo moved for reconsideration. Alderman Long duly seconded the motion.

Alderman Greazzo stated following the process, what happened at our last meeting was this was reported out the same night and voted on by us probably around 1 a.m. The neighbors didn't have the opportunity to have public input, although they did get some

communication from the grange. Residents who came here tonight came here at my request to be able to tell the City they are working on the issue but obviously there is some tension down there and I think it would be best for it to go back to committee to resolve those issues.

Mayor Gatsas called for a vote on the motion to reconsider. There being none opposed, the motion carried.

Alderman Greazzo moved to refer the report authorizing the Manchester Community Grante to create a garden in the City back to the Committee on Lands and Buildings. Alderman O'Neil duly seconded the motion. Mayor Gatsas called for a vote. There being none opposed, the motion carried.

Alderman Levasseur asked is there a process we can go through now to send out some sort of notification to the abutters of the property so that when we get it to committee we won't have to do it at that time? If we are going back to committee and we have it scheduled we could send out notification to the abutters of the property and I believe when we were in committee we were under the impression that the neighbors had been notified but we found out they hadn't.

Mayor Gatsas stated with due respect to Ms. Weist, she attempted to do that. She didn't have \$20 to send certified letters but she made an attempt to send it to the abutters. I have the list here of who she sent the information to and I will get it to the committee. Certainly the committee is welcome to send letters out to the abutters if they so wish. That will be up to the committee once it gets there.

Alderman Levasseur moved to send letters to the abutters of the grange project before the next Lands and Buildings meeting.

Mayor Gatsas responded well, I can tell you it is going to set an awful precedent because every time there is an issue in a neighborhood somebody is going to say...

Alderman Levasseur interjected well, this one was already voted on and approved. That is why I am suggesting it. No big deal. You don't have to accept the motion. We can wait until we get to committee. I am not trying to look for a big deal here. I was just trying to be efficient.

Mayor Gatsas stated efficient means that any time there is an issue...

Alderman Levasseur interjected I am not talking about next time; I am talking about now but I don't want to argue.

29. Report(s) of the Committee on Bills on Second Reading, if available.

There were no reports.

30. Report of the Committee on Community Improvement

Advising, after due and careful consideration, that the request from the Health Department to enter into a contract with the State of New Hampshire and accept grant funds in the amount of \$915,560 for regional public health services be approved.

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

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

There were no reports.

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

There were no reports.

On motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to recess the meeting to allow the Committee on Finance to meet.

Mayor Gatsas called the meeting back to order.

35. Report of the Committee on Finance

The Committee on Finance duly recommends, after due and careful consideration, that Resolution:

“Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2013”

ought to pass and be Enrolled.

On motion of Alderman Long, duly seconded by Alderman O'Neil, it was voted to accept the report and adopt its recommendation.

36. Ordinances:

"Amending Section 70.55 (D)(2) Residential Parking Permit Zone #2 by not allowing residents to park on Elm Street."

"Amending Section 33.080 (A) Military Service of the Code of Ordinances of the City of Manchester by increasing the number of paid military leave days from ten to twenty days and deleting 33.080 (A)(1) related to attendance at military funerals."

On motion of Alderman Roy, duly seconded by Alderman O'Neil, it was voted to waive reading by titles only.

Alderman O'Neil moved that these ordinances, having had their second reading, be Ordained. Alderman Roy duly seconded the motion. Mayor Gatsas called for a vote. The motion carried with Alderman Levasseur being duly recorded in opposition to the ordinance regarding military leave.

37. Resolution:

"Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2013."

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

On motion of Alderman Roy, duly seconded by Alderman Shea, it was voted that the Resolution ought to pass and be Enrolled.

38. Bond Resolutions:

"Authorizing Bonds, Notes or Lease Purchases in the amount of Three Million Dollars (\$3,000,000) for the 2013 CIP 711513 - Phase II Energy and Deferred Maintenance Program."

"Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million, Eight Hundred Thousand Dollars (\$2,800,000) for the 2013 CIP 310413 - City Schools Technology Upgrades Project."

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

Alderman Roy moved that the Bond Resolutions out to pass and be enrolled. **Alderman Shea** duly seconded the motion.

Alderman Craig stated I am going to reference the second item, which is the bond for technology. There is no doubt that the School District needs to update technology. My issue all along with this has been that I believe that the critical need is teachers in the classrooms and I do still believe that. From the get go I have had issues with this bond. It started with how it was developed where we took an amount of money, the \$240,000, and said what can we do with that instead of coming up with a plan and figuring out what we needed to fund that plan. We also didn't get a plan until we voiced concern about it and it came forward. When we got the plan, I had issues with it. The implementation initially was three to four years and when I voiced my concern now the implementation is next year. The content of the plan I had issues with. For example, a big chunk of this is replacing computers in the library and in the high schools. Right now we have Velax computers and they are sitting idle. I do have questions and there were questions about funding. When we got into the discussion we learned that there were grants available to fund these things yet the amount of the bond did not change. With that, this is a very tough decision for me and I don't feel good one way or the other voting on this but I am going to support it because I feel that a little progress is better than no progress and eight of the aldermen did vote in favor of this. I don't feel comfortable holding up the bond. I do believe that if the School Board does change their mind and want to spend the money on teachers they have an opportunity to come forward to this board as they did with the book loan. I wish you good luck and I hope that what you told us works.

Alderman Shea I was in favor of this bonding from day one. I think it is very important that we give the teachers and the people who are in the technology department... You heard from a teacher this evening who uses this program at all levels. I think we have held up this bonding too long for reasons I can't understand but people who were advocating them could understand. I think the sooner we allow the School District to get this \$2.8 million bond and put it into effect, the better it will be for all; the librarians, the teachers, the principals and the school administration. I hope that everyone on the board will support this bond.

Alderman Shaw stated I won't repeat what Alderman Shea said but I agree with him. I want to add that the bandwidth and wi-fi upgrades are crucial. They are needed now. There is definitely not enough. The teachers have issues when three or four of them are on the same program at the same time and things freeze. They need these upgrades. I

certainly support it and I think it is time and I look forward to seeing this movement to put our schools back in the running for the 21st century.

Alderman Long asked can I make a motion?

Mayor Gatsas answered there is a motion on the floor now.

Alderman Long stated well there is a motion I want to make. I am still up in the air with this. I am confident that there is \$1.5 million that I believe may be on track for getting the students testing on the computers. There is \$1.3 million that I question. Bonding \$1.5 million for seven years would give the... In the second year bonding the \$1.3 million when you need the tablets would save \$200,000 a year and that would be \$400,000 which could be used for teachers. I wanted to make a motion and I will make a motion later on that we cancel the book loan and give the school committee the option to make that decision. It is very easy for the school committee to come here and say we need \$2.8 million for bonding and we need \$2.1 million for teachers. How serious are those? I know they are both very serious, however, by cancelling this book loan they have \$425,000 that they can figure out and if they bond the \$1.5 million to get the wi-fi and hardlines and the testing for the children on the computers there is \$1.3 million left to buy tablets. If you need that the following year because from what I understand these bonds aren't going out until 2015...

Mayor Gatsas interjected the payments don't start until 2015 but they will be going out next year.

Alderman Long stated well, they will have \$200,000 left in 2014 and \$200,000 left in 2015 or however long they need for those tablets. At the appropriate time I am going to move that we can cancel this loan because what we are doing in actuality is there is \$200,000 or more of added money to the School District with this 1% because we waived it for eight years. So eight years they have to pay 1% and then on the ninth year they are paying 1% and we added eight years onto the loan to which they are going to add another 1%. So we are taking money from the right pocket and putting it in the left pocket. Thinking of the taxpayers, I don't think... As a board member, I don't want to add another \$200,000 plus to our School District.

Alderman Corriveau stated strangely enough I have heard from more people asking us to either table this or shoot it down than are in favor of it. The only people who have approached me at all who are in favor of it other than the school administration are the

librarians. I haven't been hearing from parents in terms of this issue. I believe that there is a smarter way to do this bond. I would be all in favor of separating some of the components from one another; the security from the technology or the wireless infrastructure from the professional development. I think this can be done more effectively and efficiently in stages, very similar to what I think Alderman Long just discussed. I will be voting in opposition of this bond, but like Alderman Craig, I don't support the funding mechanism of this bond. That book loan money, that \$430,000 is 10-12 teaching positions and I believe right now, considering the funding crisis and perspective deficits facing the Manchester School District, even prospective ones from Hooksett and Candia our top priority as a City has to be getting every single available teacher we can into our classrooms. I appreciate the merits of this bond and where it is going. I have no argument on the merits. My argument is, as I said, within the funding mechanism and my belief that it can be done in a better way. I just don't want this City to take our eye off the ball. I believe we have a real shortage of teachers in our classrooms. I, for one, am committed to addressing that problem first and foremost before moving on to issues like professional development and laptops and tablets and iPads. If different proposals come forward separating the different components or finding different mechanisms I would absolutely support it because I like the merits of the proposal but I just can't vote for it at this time.

Alderman Greazzo stated I had the same trepidations on this plan early on in the committee process. I am glad to see that Alderman Craig has the same thought process that I had after changing my vote. This is more than just about the computers and I am glad to see that the plan has tightened up. It is also about school safety and communications within the schools themselves. As far as the book loan goes, they are paying it back to us because it is our money anyway. I don't really see what the point is for holding them up on that. They are going to pay it back to us one way or the other so to me that was part of it that didn't necessarily bother me. It is going to benefit the schools. I really wish I had a copy of their accounts and it might help me in my decision-making process and it doesn't seem like a difficult thing to ask for us to obey the book loan while they pay off this technology infrastructure upgrade. It is still going to be paid off and it is still going to get money back to the City after they are done paying off the balance on their loan. That is what changed my vote and I will be voting in favor of it and when it comes to it, Your Honor, I would ask for a roll call.

Alderman Katsiantonis asked Mr. Sanders, can we cancel the book loan or not?

Mr. Sanders replied yes. It is in the purview of the board of aldermen to cancel the book loan if they so desire.

Alderman Shea stated of course we heard discussion from committee members but I would like to ask Superintendent Brennan and Karen DeFrancis to please come forward. We heard discussions about how important it is for different expenditures to be sent to different line items. Would you elaborate in terms of whether or not this \$2.8 million outweighs any other line item consideration in your judgement? In other words, is this bonding important for the School District to proceed with? Is it a one-time situation where we couldn't separate the amount of money here and use part of it for one line item and the rest for another? Could you educate everyone listening?

Dr. Thomas Brennan, Superintendent of Schools, replied I think it is one of the most critical decisions to be made in terms of the School District as I have said in the past when I talked about technology and how far behind we have fallen not only in the type of equipment that we have but the training that our teachers don't have and that our students will have when they come here to school. That is number one. When asked whether or not is a number one priority, my answer would be no, because teachers should be. However, unless this board is willing to give \$2.8 million for teachers then this is the number one project. It is a trade-off. It is that clear to me.

Alderman Shea asked but can this \$2.8 million be used for teacher's salaries?

Dr. Brennan answered no, it cannot. If it is a bond it cannot be used for teacher salaries. Is that not correct?

Mayor Gatsas replied that is correct.

Alderman Shea responded so if we don't use the \$2.8 million in bonding we can't take that money and use it and divide it up and put it in a line item to something else like teacher salaries correct?

Dr. Brennan answered that is my understanding and if I am mistaken I would like someone to tell me why. I have been told that from the beginning; that we cannot use this \$2.8 million to provide the support for the infrastructure. It is not bondable.

Alderman Shea asked what happens if we don't approve this \$2.8 million? What is the result? We keep discussing this and we have been kicking it around for at least two months. What is the ultimate conclusion here?

Dr. Brennan replied in my opinion, the ultimate conclusion is that we, as a district, will fall further and further behind and that when we ask for that infrastructure to take place it will probably cost us a little more to do that. My most significant concern is the training, believe it or not, of our teachers. We continually send our teachers off to professional development or professional growth activities and they go and they learn all about this great technology and then they come back and they try to use it and they can't because they don't have the equipment configured correctly or current enough and if they do and they all decide to do it at the same time it doesn't work. To me, the most critical part of this discussion... Can we subdivide and say do this, do that and do phases or whatever? We could, but I am not comfortable that those dollars would become available in the future.

Alderman Shea stated Karen, there has been discussion about the School District transferring the amount of money that they were paying for books and keeping it on the books but ultimately repaying that after a seven year period. Could you explain the dynamics of that and why the School Board agreed to do that in this case?

Ms. Karen DeFrancis, School District Finance Officer, responded the initial budget that was presented by the superintendent for the school approval budget was actually \$160.3 million. When the School Board decided to take a vote on the \$2.8 million for the technology bond, in doing that assuming that the first payment would not be due until fiscal year 2015, we took the \$428,000 for the textbook loan out of the budget. Also assuming that the bond would be approved, we took out the \$400,000 for the technology equipment that was in our \$160.3 million budget. So the two budgets that were submitted to the Board of Mayor and Aldermen, one was \$159.5 million and that doesn't have the textbook loan in it. If the technology bond is not approved, we would have to add back \$428,000 for the textbook loan and the \$400,000 that we had on the equipment line for technology.

Alderman Shea asked when you removed that, did that help you out in terms of getting teachers?

Ms. DeFrancis answered it lowered the amount of money that we sent forward to the Board of Mayor and Aldermen. If we were going to have those two line items in there, we would have asked for \$160 million for the school approval budget. It actually reduced the request that we sent forward to the aldermen.

Alderman O'Neil stated just to clarify this issue, I think Dr. Brennan talked about the bond and yes, you are correct that you can't use the bond to pay for teachers but if the board votes to suspend the school book loan of \$428,000 that money could be used for teachers.

Dr. Brennan responded it is not in our budget.

Alderman O'Neil replied we could put it in there and it could be in future years. I don't know if it is semantics but the \$428,000 could be used to pay for teachers. You are correct that you can't use a bond to pay for teachers but that money, if the board voted to suspend the school book loan, which in fact if we vote for this bond that is what we are doing, it will be eight years of no book loan repayment. Let me go to my points. Number one, nothing I have read has indicated how... I changed my mind on this but the the School District and the presentation the mayor made on this backed into a number in February. I see no documentation that shows through the fall that there was talk about this \$2.8 million. The earliest was the mayor's February 19th communication asking if the school book loan was suspended, what would \$428,000 a year buy and that is a bond of \$2.8 million. If someone can show me documentation preceeding this discussion in February, it might change my mind but I haven't seen anything to date.

Dr. Brennan stated we have been discussing the infrastructure needed for this district for several years and in depth since Mr. Delangie joined us. If you wanted a real number to meet our needs from a technology standpoint, it would be closer to ten times the amount or not quite ten times but closer to \$20 million. As far as backing into things, I think that is the nature of the beast as far as I am concerned. Most people do that. I look at the adequacy development at the state level. They wanted to spend \$800 million and then they defined adequacy based on the \$800 million. I don't know what is unique about this approach other than the fact that it was giving us some direction and some hope to meet the basic needs of our district. We could give you notes from a couple of years ago in terms of what our needs were. I believe in one school we need approximately \$1.3 million to make it work.

Alderman O'Neil responded my only counter on that is when we approve other bonds on the City side it is usually what the needs are and how much do we need for that. I am not going to debate you on it but we built a fire station and we ask what do we need to bond. We don't say well we can only afford this amount of money, and therefore, that leads us to a certain amount of bond issue and that is what we are building. We do planning; this is what the facility needs, the EPD project or Water Works project, etc. Dr. Brennan, I can't talk with great knowledge about the school side. I have been supportive of it but it is not as... It is a different approach than what we take on City projects. Point number two for me is the plan continues to be fluid. I learned in the past week or two that there is a library component to this. That is from staff from the School District sending e-mails and a letter and even making phone calls. I have gone through all the documentation that has been presented to us and I don't see anything in it that references the library.

Dr. Brennan stated it is on page eight, third paragraph, of our plan.

Alderman O'Neil replied well I didn't see it and the first time I heard library come up was when library staff was contacting us. Regarding school safety, I appreciate the first step that Dr. Brennan has taken in meeting with Health Director Tim Soucy, Chief Burkush and Chief Mara. Mr. Delangie in his letter of May 6th indicates on page two "safety officials who contributed to the communications functional specification" were those three individuals. I don't know how they contributed to it when Dr. Brennan just met with the last week. I think they had a discussion and I have had a brief discussion with each one of them. I don't know, Mr. Delangie, if it is fair to say that they helped develop your communication plan. I am the king of Google and I have tried to come up with some ideas on what they are doing in other places. One of the things I came up with was the National School Safety and Security Services. One of their articles was ten practical things parents can do to assess school security and crisis preparedness. As you know the safety component has been my issue and I won't go through them all but number four is find out if your school has policies and procedures on security emergency preparedness. Item five is determine if your school has a living school safety team/safety plan ongoing process, as well as school crisis team and school emergency crisis preparation guidelines. Inquire with school and public safety officials as to whether school officials use internal security specialists or outside public safety resources to develop safety plans and crisis guidelines. I can go on and on. Item two, which was post Sandy Hook, states grammar school ten point security checklist written by a gentleman named, believe it or not, Daniel O'Neil, who is a retired captain in the Army Rangers Harvard Business School and is a security expert who works all over the country. His checklist is to review emergency response plans, evaluate security policies and

procedures, check physical security systems, assemble a threat assessment and management team. Again, I can go on and on. Maybe the most important one that I found was from the National School Board Association, again post Sandy Hook, and I believe this was written in January. It says “the National School Board Association encourages local school boards to recognize that prevention preparedness mitigation and emergency response and recovery plans are critical to protect the safety and health of students, employees and all who visit schools. Such plans should be developed and maintained in coordination with appropriate local, state and federal agencies including local health, police, fire departments, transit authorities and other agencies and first responders and should address environmental, health and safety risks and potential security breaches. Such plans will be communicated to students, staff, families and other stakeholders with exercises and updates as appropriate.” My point in reading all of this and Mr. Delangie, I have tried giving you the benefit of the doubt but I haven’t found one thing that shows this phone system. Again, I googled words and phrases that would bring it up. I spent a few hours doing this. The word I see that comes up regularly is planning, not a phone system. We are still missing that comprehensive planning component with this. I don’t know what we know differently here in Manchester, New Hampshire, that across the country... I don’t know if our school board belongs to the National School Board Association but everything talks about planning. There is no planning in what you proposed on the safety side.

Mr. Jeff Delangie, Information Technology Specialist, replied in your understanding of safety preparedness, how is a plan to be developed without an infrastructure? Do you not need the infrastructure first?

Alderman O’Neil responded no, it starts with a plan first. I think this is backwards. We are building it before we have a plan. I don’t think that is how government should operate and we are talking about taxpayer dollars here; \$2.8 million of taxpayer dollars. I want to make sure it is spent the best way possible. I just think that without the planning that needs to be involved... I mentioned last time that a police officer told me that at the school he is in the safety plan is ten years old and hasn’t been updated. How we can be talking about spending this money for safety without a plan I have no idea.

Alderman Long stated we heard that the school is paying us back because it is our money. I don’t know what “our” is but it is taxpayer dollars whether it is on the school side or the City side. It is not our money or their money. It is taxpayer money. Just a couple of questions. Dr. Brennan, would you be in favor of cancelling the book loan?

Dr. Brennan responded yes.

Alderman Long asked with respect to the school committee, in your opinion do you think they would be in favor of cancelling the book loan?

Dr. Brennan answered I won't speak for the board of school committee.

Alderman Long asked so you don't have an opinion?

Dr. Brennan responded I have no opinion about the board of school committee's opinion.

Alderman Long stated this is what bothers me; the answers I get. I am asking for an opinion and we have two minutes left and you can't give me an opinion.

Dr. Brennan asked would I say that they would do that if they got the money? Sure. I get in trouble when I give my opinion.

Alderman Long replied I am not saying that they would, but in your opinion you think they would be in favor of that?

Dr. Brennan responded yes.

Alderman Long stated I give everybody the benefit of the doubt on \$1.5 million which includes the \$200,000 for the computers up to where the children are qualified. That includes all of the safety stuff and the hard wires and wi-fi and the \$300,000 for development. The issue I have is the \$1.3 million on tablets and computers for bring your own device. When is that \$1.3 million going to be spent on those tablets?

Dr. Brennan answered FY15.

Alderman Long asked so it is not going to be spent in FY14 but when in FY15? September? June?

Dr. Brennan replied we don't have a definite timeframe yet.

Alderman Long stated if it is June we are really talking about FY16. If it is September you could use it for FY15.

Mr. Delangie stated the purpose of this whole plan is to start Manchester speaking strategically.

Alderman Long responded I understand that completely. I know this \$2 million is critical. I want to be assured... I am bringing it to the \$1.8 million. What is also critical here are teachers in the classroom. So if they were to bond \$1.5 million, which brings you up to the children being able to test on computers and the teacher development and all of that, that would be about \$200,000 a year for seven years in bond debt. That is \$200,000 in FY14 and FY15 and I could say FY16 because we don't know when we are going to buy these. That is \$400,000 and if I am sitting on the school committee I am thinking if I can wait two years to bond the \$1.3 million when we are ready to implement that I have \$400,000 I can...

Mayor Gatsas interjected no, you only have \$200,000 a year. That hires three teachers.

Alderman Long responded \$200,000 a year is \$400,000.

Mayor Gatsas replied it is \$200,000 for the year to pay for three teachers this year and another \$200,000 to pay for teachers next year. So all you are getting is \$200,000.

Alderman Long stated well \$200,000 is a big number. Would we be better off with three more teachers, Dr. Brennan?

Dr. Brennan replied in the overall scheme of things, no.

Alderman Long asked in the scheme of things what number would be a good number for teachers?

Dr. Brennan answered about \$4 million.

Alderman Long asked how many teachers is that?

Dr. Brennan replied 84.

Alderman Long asked so anything under 84 teachers wouldn't be worth it?

Dr. Brennan answered anything closer to 84 would be worth it. Two or four or six in my opinion would not be worth it. We would not meet school approval. That is what I have been trying to say and people are nickle and diming this.

Alderman Long responded I understand that but it is an improvement. Three more teachers is an improvement. To say that it is not an improvement, I don't get. You are the expert and I respect you and I will accept that answer because I am not going to argue with you. You have way more experience than I do when it comes to education. That is my scenario. My scenario is an opportunity to cancel this book loan and give them \$428,000 a year and they can decide what to do with it. If they want to spend it on a \$2.8 million bond that is fine. If they want to spend it on \$1.5 million and save the other \$1.3 million let them do that.

Mayor Gatsas stated with all due respect, Alderman Long, that is exactly what the School Board did. That is exactly where they are at. There is no question that they have made that decision.

Alderman Long responded I understand that but they made that decision not knowing that they had control of that \$428,000.

Mayor Gatsas replied that is not true. They did understand that.

Alderman Long stated if we cancel the book loan they have \$428,000 a year that they don't have to send to us that is in their pocket.

Mayor Gatsas stated I want to address where Alderman Long is. That is exactly what the School Board did. It was a unanimous vote. I don't have to tell you that there are few things that are unanimous. I agree with what you are saying. We can postpone the bonding for a year but we are going to go right back out and bond it. Now whether that makes sense because once we do that I don't know what we do with those teachers. We may have to lay them off because we used the money to do the bonding and we are now telling them let's bond again so the \$200,000 is gone. So those three teachers may be gone too. We are all using the hypotheticals and we can all look for whatever data we want to look for when we look for it. Backing into the deal? Sure. I asked the questions. They have been working on an IT deal for two years. What was I going to say to them what is your IT deal, \$5 million, let me see how I can bond \$5 million? I did the simple thing. We forgave their book loan last year and I took the \$420,000 and I went to Mr. Sanders and did what a businessman would do. I asked the question about what we are

spending and what we can buy for those dollars. That is what any business would do. Everybody can have a chance to speak. I know this is an important issue but I want to go back to where Alderman Long was. I don't disagree with you but there is nothing that says we can't postpone that loan for seven years. Forgiving it does nothing and I know that you are very excited about talking about the taxpayer. Well let's let a board make that decision in seven years. If the economy is better then maybe we forgive that loan but it should be put there because we did an arm's length transaction with the school district. We said to them three years ago you need \$3 million in books and this board voted unanimously... Well not this board but the board that was here voted unanimously to give them \$3 million for books with the understanding that it would be 1% over a seven year period. That is what we did. I hear what you are saying but again when you start looking at numbers we can move them around anyway we want and 200 tablets... I don't know how we say 200 tablets are enough tablets to test kids. I don't know where that comes from. It is not like we are only testing 200 kids. If we are going to move tablets from school to school, that doesn't make sense. I am just saying that there is a bond above it for \$3 million for the Phase II Energy and Deferred Maintenance Program. Where is the plan? How did we back into that one? Where is the plan?

Alderman Craig replied I have it.

Mayor Gatsas asked are we micromanaging that plan?

Alderman Craig answered we have done it before.

Mayor Gatsas asked have we micromanaged that plan? Have we said to somebody no, you shouldn't fix the furnace at Weston, you should put a new heating system in Southside? No, we didn't do that. We haven't asked one question about \$3 million because the School District is bonding it and they are paying for it and we allowed them to do their work.

Alderman Craig responded there is not cost for it. The savings pay for the bond. It is totally different and it has been done before.

Mayor Gatsas replied that is an assumption.

Alderman Craig responded no, it's not.

Mayor Gatsas stated yes, it is. It is an assumption that our Facilities Department said if you do these projects you will pay for the bond. If they are wrong and the price of gas goes up or the price of oil goes up then they don't work. That is a fact. They are based on assumptions and nothing but assumptions.

Alderman Levasseur asked last year at Beech Street Sschool when one of the ramps on the portable classroom broke was that ever fixed and is that classroom being used?

Dr. Brennan answered yes. We replaced all of the ramps and took two portable classrooms out of service.

Alderman Levasseur asked is that because we didn't have enough money to fix the ramps on those two?

Dr. Brennan replied no, it is because we felt that those portables weren't... We didn't want to put that kind of money into them because within a short period of time they would be unusable.

Alderman Levasseur asked can I ask you what the life span of the tablets is going to be?

Mr. Delangie answered five years.

Alderman Levasseur asked how come the bond says "it is hereby declared that the public works and improvements to be financed by said bond, notes or lease purchases have a useful life in excess of seven years"? In order to bond does it need to have a life expectancy of seven years or more?

Mayor Gatsas answered well, we have computers in the School District that are 20 years old.

Alderman Levasseur stated my questions aren't made for the simple point. There is a longer point in all of this so you have to give me a little leeway on some of these questions. It says here that the aggregate principle amount is \$2,800,000. I think you said to Alderman O'Neil that there was a list of where that money would be spent but on the bond it doesn't talk about being able to go out and pay for professional development and it doesn't say anything about wireless structure or any of these issues. Are you able to do what you want once you get the money? Are you able to do what you want once you get the money? If you get \$2.8 million do they just send you a check to put in a bank

and then you write checks from that? I guess that question would be for Ms. DeFrancis. Is that how it works? Can you just appropriate the money? Do you have control over that?

Mayor Gatsas stated it is kind of like the \$3 million bond above it.

Alderman Levasseur responded I really don't want to talk about that right now. I want to focus on this please.

Ms. DeFrancis stated the \$2.8 million would be bonded by the City and we would pay the debt service back to the City.

Alderman Levasseur replied I want to wrap my head around the debt service. I understand there is a book loan out there and I know people want to forgive the loan but it has been deferred for the next seven years, correct, so you know that you can plan for not having that in your budget for the next seven years, correct?

Ms. DeFrancis stated until this board votes on that... We have taken it out.

Alderman Levasseur stated I think this board voted that we were not going to...

Mayor Gatsas interjected no, that was my proposal. That has not been voted on as of yet.

Alderman Levasseur asked didn't we vote on that last year?

Mayor Gatsas answered no, we delayed it for one year last year.

Alderman Levasseur stated well it can be delayed instead of forgiven. What is the cost of this bond? Is it a seven year bond?

Ms. DeFrancis replied I would defer to Mr. Sanders but it is my understanding that it would be seven year bond at about \$400,000 per year.

Alderman Levasseur asked so when you take on this money you are expecting to have to pay \$400,000 for the next seven years or when we get to next year are you going to expect us to delay or forgive this loan too?

Mayor Gatsas stated you can't forgive this one.

Alderman Levasseur asked why?

Mayor Gatsas stated the book loan was our money and it came out of the reserve account. It was not a bond. It was cash.

Alderman Levasseur replied well, that makes sense. I think Alderman Corriveau makes a good point. I would definitely be in favor of the \$1.6 million of the bond for the security issues because I think that is obviously and upgrade that we need but what I am concerned about is the computers. I don't want the impression that people seem to be getting and I did get an e-mail and a letter from the librarians and they seem to think all of this money is going to computers, but it is really not. Can you answer that for me, Mr. Delangie? Is it \$200,000 for computers?

Mr. Delangie stated the \$1.5 million in FY14 is allocated to infrastructure and computers. Those are the computers in the libraries and labs that have reached the end of their useful life and keep in mind that when we purchase computers... You know I am talking about useful life and that is the standard useful life, not the Manchester School District's useful life.

Alderman Levasseur replied the last time you were here you said that we had computers that were 15 years old. I would assume that the first thing we would want to do is replace the 15 year old ones.

Mr. Delangie responded absolutely.

Alderman Levasseur stated so when we are replacing the 15 year old ones we are going to be updating what we already have. Are we going to be able to create areas that will have newer computers in different schools at different levels as far as fourth grade and third grade or are we not even going to be able to get to that number because it is going to be more expensive? The reason I am asking that is I don't think \$2.8 million is going to get us where we need to get and I don't understand... I understand the number and that you were backed into it, which is fine if that is how it was done. The reason I ask you is because that \$2.8 million number and the \$400,000 is the number you had to have to stay within the cap. If it is not relevant to the cap I don't understand why we couldn't bond more to get us to where we need to get. In other words it seems like we are stuck at \$2.8 million but we are not getting what we want for the \$2.8 million.

Mayor Gatsas stated let me try to answer that. If you are going to give them \$5.6 million it is going to cost the School District another \$400,000. They don't have that in their budget to pay for the bond.

Alderman Levasseur responded right but we are good at forgiving loans and bonds.

Mayor Gatsas replied you can't forgive it; it is a bond. Somebody is going to lend us the money.

Alderman Levasseur asked so this \$2.8 million is nice and it is election year touchy-feely. Two hundred thousand dollars is going to computers and \$1.6 million is going to safety. I think every person on this board would agree that \$1.6 million is very important. I just want to make sure that I know what the numbers are. The \$2.8 million, if it was broken down... I don't have a list where the prices are broken down but the safety issues with telephone and intercom what is that? Is it \$1.6 million?

Mr. Delangie answered no. That is a small component of about \$700,000.

Alderman Levasseur asked what about wireless infrastructure?

Mr. Delangie answered \$475,000.

Alderman Levasseur asked and professional development is \$300,000?

Mr. Delangie responded we have \$500,000.

Alderman Levasseur asked so these numbers are not going to be applied in FY14 but they are going to be spread out correct? This money isn't going to be all used up next year or am I wrong?

Mr. Delangie responded we plan to spend \$250,000 of it next year.

Mayor Gatsas stated they are planning on spending the entire \$475,000 and the \$700,000 and the \$250,000.

Mr. Delangie replied correct.

Alderman Levasseur asked and for the instructional technology in the classroom equipment for students, could you break that out for me as to exactly what that is?

Mr. Delangie answered sure and by the way, there is a spreadsheet at the end of the original packet that we handed out that outlines all of that. If you like, I can go through each line item.

Alderman Levasseur asked are you going to get matching grants that is going to increase the amount of money you have on top of this \$2.8 million?

Mr. Delangie stated we always have alternate sources of funding. They are not for sure and there is always a potential that we have grants and federal money available.

Alderman Levasseur asked Ms. DeFrancis are you comfortable with... Well obviously there has been a lot of fighting for this \$2.8 million and I know you all came to this meeting to answer questions but are you comfortable taking on additional debt if there is more bonding capacity for critical needs? I could ask Dr. Brennan. Give us a little bit of an idea of where you think we should be going with this. Is \$400,000 more going to make a difference on computers for you? I am not stuck with \$2.8 million. I just want to make sure that what we are purchasing is going to be purchased. I went through this before in 2001 when we gave you guys \$1 million and then half of it ended up going... It was supposed to be to fix the schools and half of it went to salaries. I am a little bit worried about whether or not there are contracts in place and if RFPs have been put out, etc. You talk about being in a rush to do this.

Mayor Gatsas stated let me see if I can address your question because I was here when that \$1 million was supposed to go to the School District for them to use it to paint and do some repairs. I voted against it because they didn't put it in the line item. The difference is that there is a bond. They can't move bond money to do anything else other than the things that they have allocated and show to this board because this board needs to then, if they are looking to move it... If they have a surplus at the end and let's say end up doing this project for \$2.6 million and there is \$200,000 left they have to come back to this board to move those dollars anywhere else.

Alderman Levasseur asked can Dr. Brennan please answer my question about the \$2.8 million? Are you comfortable going to \$3.2 million and gaining some major advantage there or is it too early to ask that? I only ask because I am not against the bond and I did vote against it last time but it came at us and I had no idea what it was and I wanted to

have some of my questions answered and Alderman O'Neil's question about the security issues answered. Do we have a plan and are we going to implement it right away? These are big concerns if we are going to put you guys into this \$450,000 debt right now. Maybe we delay it for one more year and you don't have that \$400,000 debt and you get to hire more teachers. Strategically I am wondering, Dr. Brennan, if you think that is the right way to go or if there are other alternatives you want to add?

Dr. Brennan responded I believe, as I said to Alderman Long about the four or five more teachers, that the economy of scale is that what we are trying to accomplish will meet the basic needs of nearly 17,000 people because we count our students and our staff. It will help lay the foundation for that. I don't think an additional \$800,000 or another \$1 million would help with the bonding because I think for our next step it would be closer to \$10 million and we can't afford that. I would much rather say this is what we need and I agree and depending on how you define a plan, the proposal that was submitted outlined all of those things. I think as we look at the future we may see a reduction in some of those prices so we may be able to get more but we do need this. I do believe the \$2.8 million is an appropriate amount and I would not want to go beyond that at this time because of the obligations that we already outlined.

Alderman Roy stated I would like to respond to a few of the comments and ask some questions. I apologize for taking a long time because I know we have been at this already for too long. First I heard about backing into a number and I will tell you folks that I don't have a problem doing that because that is how I operate at home. If I want to go out and buy a new car, I figure out what I can spend and back into that number. I don't go out and get a model that is twice as expensive. I am going to treat the taxpayers money the same way that I treat my money. Let me ask you this, Dr. Brennan. In reality how much money do you need to do the technology so that you are up and running; to do it all right now?

Dr. Brennan responded about \$20 million.

Alderman Roy stated well I guess we aren't going to pull that out of a bond. I hear more talk about using the book loan to finance teachers and I had a problem with that last year and I still have a problem with it because it is just like me with my car at home. I go out and I take out a seven year loan, which is what the book loan was, and I know I am going to have that car at the end of seven years but I don't throw gas into it for the first year because that gas is gone by the time I am still paying on that loan and that is the same thing as using that loan for the teachers. Believe me, I understand that we need more

teachers. I have been in safety during my career and I developed safety plans. In the last two weeks I have talked to safety professionals and one of the most important things when everything goes wrong is you have to be able to communicate with everybody in the building. We can't do that right now can we?

Dr. Brennan responded nom, sir.

Alderman Roy stated also, the way I developed plans and the way the professionals who I talked to recently developed plans, everything like all of the infrastructure and hardware has to be in place before you can develop a plan, correct?

Dr. Brennan responded before you can define a plan, yes, sir.

Alderman Roy stated right, you have to know who all the players are and what all of the parts are.

Dr. Brennan replied in my opinion, yes.

Alderman Roy asked when you do this you are going forward with developing the plan as soon as possible once these things are in place, correct?

Dr. Brennan answered yes, actually we are doing that now.

Alderman Roy asked in the past when you have developed these plans you developed them yourselves, correct? That is the way I remember it. You didn't have, and no offense to fire and police and everybody else, but they weren't brought in until you developed your plan and brought it to them and said do you agree with this and did we miss anything. Is that correct?

Dr. Brennan responded yes.

Alderman Roy asked so this is the same MO that you have had all along?

Dr. Brennan answered I believe it is.

Alderman Roy stated one thing I want to clarify in my mind is you said you were putting off the purchase of some computers until FY15 because you don't want those to be like the gas in my car, right. You want them to still be viable when you are paying on the

loan, correct? You could buy them this year but you don't want to have units that are going to be out of warranty before the loan is paid off?

Dr. Brennan responded correct and there is one other piece to that too and that is the fact that we don't want everyone to have a computer in front of them without our teachers having the ability to work with them and that is a critical piece of this plan.

Alderman Katsiantonis stated what frustrates me a little bit is we have Dr. Brennan here and the IT director and they are here telling us what the School District needs and we keep giving them a hard time. My question is, I wasn't here but I was on the School Board when some of the aldermen here voted for the book loan. That year when I was a School Board member we still needed teachers and nobody from here asked any questions like we are doing today about this bond. I don't get the point of why we are giving the board such a hard time about this bond. The other bond you gave for the book loan had no questions. It was unanimous and nobody asked why we aren't hiring more teachers. I am in favor of this bond. I believe that we need this badly and I am going to vote yes.

Alderman Craig asked when the School Board voted on this bond what was the motion? To use the \$420,000 for technology?

Dr. Brennan asked in terms of the adjusted budget? Is that what you are saying?

Alderman Craig answered we were told that it was a unanimous vote by the School Board to approve this.

Dr. Brennan stated the \$2.8 million bond, yes.

Alderman Craig asked by using the book loan money?

Dr. Brennan answered I don't remember that coming out. I knew we were going to get a waiver and that part of the \$2.8 million would be deferred for seven years so we could get the \$2.8 million. I think that was part of it but I don't remember a separate conversation in that regard.

Mayor Gatsas stated if the money was put from the book loan extended that allowed them \$420,000 in their budget to pay for the bond.

Alderman Craig asked and that is what they voted for?

Dr. Brennan answered yes.

Alderman Craig asked would they ever asked about doing away with the book loan?
Was that ever voted on?

Dr. Brennan responded I don't believe so.

Alderman Craig asked so when we are talking about a unanimous vote, it is sort of one sided because we have never asked the School Board and up until tonight we have never asked you what the preference would be correct?

Dr. Brennan replied I guess, but it never came up.

Mayor Gatsas asked what reasonable person would say no if you told them don't pay? I am trying to understand that. Who would say no?

Alderman Craig stated I guess what I am getting to and it has been talked about this evening is I obviously still have problems with this but one of the things that is really bothering me this year more than ever is the sending towns and the issues that we are facing. We have the potential of losing multi-million dollars in revenue and wonderful students. What I see you and the board doing is spending more on attorney fees rather than working together and trying to fix the situation. When you were here during the budget presentation, I asked you how much we have spent to date on legal fees for sending towns and I haven't received an answer yet. Can you provide that?

Dr. Brennan responded yes, I apologize.

Alderman Craig asked and can I get a projection going forward also? To me the serious and critical issue today in our School District is not having enough teachers at the high school, middle and elementary school level. That is why I continue to voice my concern about how we are utilizing this bucket of money. Like I said earlier, a little progress is better than none but if we can use it for teachers that is where I want to use it.

Dr. Brennan replied the little isn't going to make the difference that you are trying to make in terms of what is necessary for school approvals.

Alderman Craig responded okay, but we are saying the \$420,000 and the eight teachers that would bring in aren't worth it yet we are going to be taking Hooksett to court because they are not going to be paying \$500,000. That amount of teachers is absolutely critical, the nine, but the eight from the \$420,000 isn't?

Dr. Brennan answered I think the critical number probably immediately is 54.

Alderman Craig stated I understand but...

Dr. Brennan interjected if you simply add 8 or 17 teachers to the mix, it is not sufficient to cause the conversation to stop from Hooksett.

Alderman Craig responded but I think if you ask the parents of the child in a class of 38 it would make a huge difference.

Dr. Brennan replied if we were able to address that class specifically through the eight. I don't know how else to say it and I keep trying to say it and I almost sound like I am anti-teacher and I am not anti-teacher but I am trying to be realistic that in terms of meeting the needs of this district. At a minimum, we need 54 more teachers and close to 80 would be my desired number. Where are we going to put all of those teachers? Let's say we get 17. We need about 14 at the high school. Do we put them all there and continue to have problems at the middle school where we need 17 or at the elementary?

Alderman Craig stated I would leave that up to you. You or whoever takes your place would decide that.

Dr. Brennan stated whoever takes my place I wish them well because it is being talked about taking a need for 54 and handling it with 17.

Alderman Craig stated but you are doing the same thing with the technology.

Dr. Brennan replied no, we are not.

Alderman Craig stated you just said you need from a technology perspective much more than what you are getting but you are going to take this.

Dr. Brennan responded that is a great point; thank you. If we were to get the school approval level that would be equal to what we are trying to do with the \$2.8 million. We would get to the minimum and that is what the \$2.8 million represents in terms of infrastructure, training and the spreading around of new technology. It would be the same thing as getting to 54. Thank you. I never thought about it in those terms but that is exactly what it is. This is the minimum. We need closer to \$164 to \$166 million; \$159 million will get us there as will the \$2.8 million versus \$20 million.

Alderman Craig replied as someone who is looking at the numbers and trying to do what I can for the City side and the school side, I don't see how staying within the tax cap we can get you to 54. Sitting here I would love it if you would use the \$420,000 to help with the teachers to get us even closer. That is where I am coming from so you understand. If Ms. DeFrancis has an answer to how much we have spent on legal...

Ms. DeFrancis interjected I would have to get that to you. I don't have it with me tonight.

Alderman Craig stated I am interested in how much we have spent regarding sending school districts from a legal perspective and what the projection is going forward. If we could get answers to all of the questions during the budget meeting that would be helpful as we are trying to wrap up the budget.

Alderman O'Neil stated it seems to be convenient that there is planning when there needs to be planning and there is not planning... Somehow you know you need 50 or 80 teachers and that is planning in my book. That is what you are projecting you need. You are not just going out and hiring 80 teachers. If you were putting up a school building and you needed a school big enough for 500 students would you build the school for 2,000 students or vice versa? No. You plan and ask yourself what you need. That is not what is happening here and on the safety issue, the Manchester School District... There isn't a school district in the country that is capable of developing in today's world a safety plan internally by themselves to be sent off to fire and police and health for review. It is a different world folks. I can bring up words like Columbine and Newtown. This is a different world. We have to stop thinking about 50 years ago when the School district developed a plan. The world has changed. The Manchester School District is not capable of developing a plan to properly protect our students; no school district is. You need help. I take some exception to those comments. This is about as backwards a way to approach something as I have ever seen.

Alderman Ludwig stated no one wants more teachers than I do and no one wants more teachers than the superintendent. I am sure of that. I am positive of that. We have a superintendent who supports the plan and one IT director who supports the plan and 14 School Board members who support the plan and one mayor who supports the plan. That doesn't always make it right. We have teachers who support the plan and some who have e-mailed us with opposition to the plan. I think we heard from the superintendent that they have have a plan in place and whether we want to call you on the carpet, mayor, for backing them into a number, which I have no problem with doing because you found a way to get to the \$2.8 million. I totally agree with Alderman Craig about putting more teachers in classroom and I totally agree with the superintendent that two or three or eight or ten is not going to make a huge difference in terms of our dealings with Hooksett or anybody else that is coming here. I believe that Mr. Delangie has had a plan together for as much \$20 million in moving IT forward. If somebody came to me and said you can't have \$20 million but you can have \$2.8 million, I would know how to cull out a piece that I could use. I don't know why we think we need a police chief and a fire chief and somebody from Nassau to plan how to fix a clock and an intercom system. Why do we need that? Give me some wire and I can go over and make the clock work. Why do we need this plan? I know we are living in a different world but with all due respect to Alderman O'Neil, these are some broken items that are there now. They don't need to be redesigned. That clock is going to stay the same time twice a day. So why do we need this luxurious plan? With that, I will call the question and I am voting in favor of this.

Mayor Gatsas stated Alderman Shea is the last speaker.

Alderman Shea stated I want to conclude with this. I think that the most important person in Webster School is the school principal. Without any question in my mind that person regulations what goes on. That person tonight appeared before us, a very capable person, and said approve the \$2.8 million because it is going to be beneficial for the children who do not profit by what we have now and if we don't get that, and it is an affluent community and I used to compete with them when I was at Hallsville and we had our little PTO but nevertheless those people at Webster will have to raise funds. I say why don't we, as a board, do what everyone who speaks for the School District says is important? I realize a teacher is the most important person in the classroom but a teacher with 38 children who is competent can manage that classroom very, very well because I had 40 children in a split class at Amoskeag School and taught 12 subjects a day and corrected every paper in that room. I am not saying that you should have 38, but a competent teacher is the most important element in a school and, therefore, I say when you get people on computers and they are working and you get a competent lady who

spoke this evening... I was very much impressed because she was at the most difficult grade, the kindergarten and working with them, I say approve this loan if you have the best interest of the Manchester school system.

Mayor Gatsas stated a roll call vote has been requested on the motion that the Bond Resolution for the \$2.8 million for the School District pass and be enrolled. Alderman Greazzo, Gamache, Craig, Ludwig, Long, Roy, Osborne, Levasseur, Shea, Katsiantonis and Shaw voted yea. Aldermen Arnold, Corriveau, and O'Neil voted nay. The motion carried.

Alderman Levasseur asked when you floated the \$105 million bond for the infrastructure of the schools, who is responsible for those payments?

Mayor Gatsas answered the School District.

Mayor Gatsas called for a vote on the bond for the energy and deferred maintenance program. Alderman Katsiantonis requested a roll call vote. Alderman Katsiantonis, Shaw, Gamache, Arnold, Craig, Ludwig, Long, Roy, Osborne, Corriveau, O'Neil, Levasseur and Shea voted yea. Aldermen Greazzo voted nay.

Mayor Gatsas stated let's do new business before we clear the room and meet in non-public.

NEW BUSINESS

Mayor Gatsas stated before you in your packet is a legislative update. Also there is a CHINS update that we should be very proud of because my understanding is the changes they made in the CHINS law were written and advocated for from the City of Manchester and our Office of Youth Services and I congratulate them because it is certainly something that in this School District has to be addressed and talked about because there are children outside of the service catch basin. Small Business Week is May 20-24th. You have a calendar of events in your packet. The Engine 4 Ribbon Cutting & Community Celebration is May 11th. The Municipal Complex Ribbon Cutting & Community Celebration is June 1st. The senior luncheon is June 12th. Gill Stadium Centennial Celebration and Contribution Request is September 6 & 8th. The employee National Arts Show is also in your packet. I would ask this board if we would consider... We have dollars left in our civic contribution line item and if the board would like to

make a contribution for the centennial celebration at Gill Stadium they are putting on a program and need some funds.

Alderman Ludwig moved to transfer \$5,000 from civic contributions to the Gill Stadium Centennial Celebration. Alderman Roy duly seconded the motion.

Alderman Shea asked does that have to go to committee or can we do it here? I want to make sure that we follow the procedure.

Mayor Gatsas answered well, they are trying to plan this and it is in September.

Alderman Shea stated well I don't mind giving them \$5,000.

Alderman Craig asked are we taking all of the money out of that account?

Mayor Gatsas answered no, I think there is \$33,000 in that account.

Mr. Sanders stated there is definitely more than \$5,000 remaining. I can't remember the exact amount that was left but it would come out of civic contributions and I didn't show any surplus for that.

Alderman Arnold stated I do think this is a worthwhile even for us to support but I was going to wait until it went to committee to ask my questions but I will ask them now. One is what is the event budget? I think you mentioned it but I didn't see it in the materials handed out.

Mayor Gatsas stated I believe it is \$20,000.

Alderman Arnold asked and they have been trying to raise the funds?

Mayor Gatsas responded yes, for the last four months.

Alderman Arnold stated your letter says a private group of citizens. Is it a non-profit?

Mayor Gatsas replied yes, it is. Former Aldermen Lopez and Smith are doing it.

Mayor Gatsas called for a vote on the motion. There being none opposed, the motion carried.

***Alderman Long** moved to cancel the book loan. Alderman Katsiantonis
duly seconded the motion.*

Alderman Long stated if we were to follow the normal course of this book loan, there would have been X amount of dollars that they would have paid of interest. The eight year extension adds \$224,000 to the School District so extending this adds \$244,000 above and beyond what they had anticipated paying in the normal course of the book loan. I, for one, don't want to vote for something that adds an expenditure to our School District. I have a question and I don't know if the solicitor or Mr. Sanders can answer this but after the extension of eight years if we decide to cancel the book loan would they owe the 1% for those eight years?

Mayor Gatsas asked would you accept a friendly amendment? I will give it to you first and then you can tell me if you want to accept it. My understanding is what you want to do is eliminate the 1% interest charge.

Alderman Long replied well, I would like to eliminate the book loan. When we made the book loan I asked to eliminate the 1% and I was told that we weren't allowed to do that.

Mayor Gatsas stated all I am saying is they are putting that book loan at the end of eight and the next board, whoever is here in eight years, can make the decision on what they want to do.

Alderman Long asked so you are saying eliminate the 1% during this extension? That is a whole new motion.

Alderman O'Neil asked why can't this board decide to do away with the book loan? Why does it have to be the board in eight years?

Mayor Gatsas responded if we just let it sit there it is going to be before them if they want to eliminate it. I just don't know how we lend money in good conscious to say we are going to buy \$3 million in books and then three years later say you don't have to pay us.

Alderman O'Neil replied they are not going to pay us for the next eight years.

Mayor Gatsas stated we truly don't know that.

Alderman O'Neil responded it got voted on. They are not paying us back for eight years on the book loan.

Mayor Gatsas asked Mr. Sanders, what is your feeling? What is going to happen with bond counsel if we are taking money out of the one time account and then just forgiving it kind of like the enterprise fund?

Mr. Sanders answered first of all, we already have and deferring it for a period of time is going to raise doubts with the auditors and we will probably have to reserve it in our statement in some way. It is entirely up to the board. Seven years is a long time.

Mayor Gatsas stated well, tomorrow, if the unions come to the table and agree to some concessions, this is not a discussion that we would have to worry about. There is \$4.5 million that would be on the table. Teachers could be hired and they could pay the book loan.

Alderman O'Neil responded it just got approved and they are not paying the book loan for eight years. There is no need to spin it. They are not paying the book loan for eight years so we might as well write it off.

Mayor Gatsas replied it is not about a spin because guess what? If the teachers take the concessions...

Alderman O'Neil interjected it has nothing to do with the teachers.

Mayor Gatsas asked are you saying that there is not \$4.5 million in savings?

Alderman O'Neil answered whether the teachers vote for this or not...

Alderman Craig interjected I will say that. There is not.

Alderman O'Neil stated the fact is that they will not be paying back the book loan for eight years.

Alderman Levasseur stated they are not going to pay it back but what if the state sent down a pile of money. Would that benefit us in a way where they came into say \$5

million and that money went to them and they paid us back? Would that benefit us in a different way? Once we forgive it, it will never be paid back but if it is still out there and they get a big pile of cash and have the extra cash they could accept that money and then pay us back and it would be included in their budget which would help them with percentages going forward on a tax cap basis, wouldn't it? As long as it is there and they owe it, it is a number you base your tax cap on the year after. It is 2% of the \$155 million plus the \$400,000 they owe. If you take the \$400,000 they owe it is based on \$155 million if you get rid of the loan completely.

Mr. Sanders stated I understand your point but they are going to take the \$400,000 and hire teachers with it.

Alderman Levasseur stated but we are leaving it out there for eight years in case something happens and they start funding education at the federal or state level and throw them \$5 million and they accept the \$5 million...

Mr. Sanders interjected as long as the aldermen appropriated them sufficient money to pay back the bond they could pay the bond, yes, but you would have to appropriate them the money and their budget would have to have the \$400,000 in it.

Alderman Levasseur stated I am thinking for strategic purposes we might want to leave it there.

Mayor Gatsas stated their budget for the next seven years is not going to be flat. It is going to grow and once the book loan is paid they will have the ability to pay us back.

Alderman Levasseur responded but also thinking strategy, Your Honor, you might want to leave that there from a strategic point of view. Fiscally it may benefit us down the road to have that loan sitting out there. They are not paying it back anyway but it might be good to leave it on their side of the ledger.

Alderman Ludwig asked what is the immediate impact if we forgave the book loan?
Nothing.

Mayor Gatsas stated there is no impact.

Alderman Ludwig stated I agree with Alderman Long. I am all for doing anything for them we can but the fact of the matter is there is no impact. If forgiving the book loan put \$3 million to get us from \$155,777,000 to \$159,000,000 my hand would be going up two times if it was legal but we can't do it. We all know sitting around here that we can't get them the number of teachers they want unless we override the tax cap. So we can't get there from here and anywhere in between when the kids go to school in September and if there are more kids in the classroom or whatever that is not going to be a good thing and if we don't shuffle the chairs on the Titanic and draw different lines and send kids to different schools we are not going to do anything. We are going to have overcrowded classrooms in September. Let's face it.

Alderman Greazzo stated in seven years if they want to pay it back whoever is sitting here will have the discussion then. There is no sense in getting rid of it now if it doesn't affect anything.

Alderman Roy stated I believe I heard them say already tonight that the book loan wasn't in their budget this year. Is that correct?

Mayor Gatsas answered yes.

Alderman Roy stated so it doesn't give them any more money to spend this year if we were to throw it away. If this motion fails, I will be glad to make a motion that we not charge them the 1% for the eight years that we are doing the technology bond so they don't owe any more money at the end of that.

Alderman Long stated leaving it accumulates \$238,000 for eight years. I am not going to vote to burden the School District with \$238,000 when every year we are looking for money for them. If we waive the 1% for the eight years... First of all, I would like to know if we can waive the 1% because when I wanted to get rid of the 1% when we gave them this loan I was told we couldn't do that. I don't know if we can waive the 1%.

Mayor Gatsas asked where did you get \$238,000?

Alderman Long answered it is in your budget. I think it is \$224,000 because they told us \$28,000 a year. I think it is \$224,000 but I thought I would add another \$12,000.

Mayor Gatsas stated that is not on the book loan.

Alderman Long stated the 1% is \$28,000 a year times eight years is \$224,000. That is above and beyond what they are supposed to pay.

Mayor Gatsas responded it is seven years.

Alderman Long replied no, we already waived one year.

Mayor Gatsas stated there are seven years left. After the IT is paid it is a seven year debt so it is seven years times \$24,000.

Alderman Long stated we extended it until 2015 and they are extending it another seven years. That is where I am getting the eight years or actually seven years so it is \$180,000.

Mayor Gatsas stated right, it is about \$180,000.

Alderman Long replied right, it is \$180,000 that we are adding to the expenditures of the School District. I don't know if we can waive... If we couldn't have an interest free loan I don't know how we can waive the 1% for the seven or eight years. It just doesn't make sense to me. It is contradictory. Leaving it there accumulates money at \$28,000 a year.

Mayor Gatsas stated that is the motion that Alderman Roy is trying to make.

Alderman Long responded I don't know that we can do that. If we have to charge them 1% then how can we waive the 1%. I was told that we had to charge the 1% for the book loan. I don't get that.

Alderman Levasseur stated I believe it is a federal law.

Alderman Long stated leaving it here accumulates more debt for them.

Mayor Gatsas replied but that is an item that in seven years people can say you don't have to pay it.

Alderman Long asked well do they owe the seven years at 1%?

Mayor Gatsas answered I think the discussion was that it goes on to the eighth year when it is due; at the end of the contract.

Alderman Long stated but in the interim they are accumulating more debt.

Mayor Gatsas asked do you want to forgive the 1%?

Alderman Long answered I don't know if we can do that.

Mayor Gatsas stated let's just do it as a board. I don't know who is going to come back and tell us we just broke the law. Mr. Sanders, can we forgive the 1%?

Alderman Long stated I want the motion to be that we forgive the 1% forever.

Mr. Sanders stated it is up to the aldermen.

Mayor Gatsas asked do you want to make the motion to forgive the 1% forever?

Alderman Long moved that the 1% interest for the book loan be waived indefinitely.

Alderman Katsiantonis duly seconded the motion. Mayor Gatsas called for a vote. The motion carried with Aldermen Greazzo, Levasseur, and Corriveau being duly recorded in opposition.

On motion of Aldermen Craig, duly seconded by Alderman Ludwig, it was voted to enter into non-public session for the consideration of acquisition, sale, or lease of real or personal property, which, if discussed in public, would likely benefit a party whose interests are adverse to those of the general community pursuant to the provisions of RSA 91-A:3 II(d).

A roll call vote was required on the motion. Aldermen Craig, Ludwig, Long Roy, Osborne, Corriveau, O'Neil, Levasseur, Shea, Katsiantonis, Shaw, Greazzo, Gamache and Arnold voted yea.

Mayor Gatsas called the meeting back to order.

On motion of Alderman Gamache, duly seconded by Alderman Shaw, it was voted to seal the minutes.

Alderman Roy moved to direct the Solicitor's Office, along with Bill Sanders and the real estate representative to move forward on negotiations on the police station.

Alderman Long duly seconded the motion. Mayor Gatsas called for a vote. The motion carried with Alderman Osborne being duly recorded in opposition.

On motion of Alderman Long, duly seconded by Alderman Roy, it was voted 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).

TABLED ITEMS

41. Budget Resolutions:

“Continuation of the Central Business Service District.”

“Authorizing the Finance Officer to utilize surplus funds from the Fiscal Year 2013 budget to fund a prepayment of \$750,000 for Fiscal Year 2014 City pension costs.”

“Authorizing the Finance Officer to transfer \$130,431 from the Special Revenue Reserve Account to the Parking Division in Fiscal Year 2013 to reimburse the Parking Division for Fiscal Year 2014 debt service associated with the Hampshire Plaza parking garage.”

This item remained on the table.

42. Appropriating Resolutions:

“Appropriating to the Parking Fund the sum of \$5,000,000 from parking revenues for the Fiscal Year 2014.”

“Appropriating the sum of \$13,229,048 from Sewer User Rental Charges to the Environmental Protection Division for the Fiscal Year 2014.”

“Appropriating the sum of \$2,130,115 from Recreation User Charges to the Recreation Division for the Fiscal Year 2014.”

“Appropriating to the Manchester Transit Authority the sum of \$1,080,536 for the Fiscal Year 2014.”

“Appropriating to the Manchester School District the sum of \$155,724,449 for the Fiscal Year 2014.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in the Fiscal Year 2014 and held in the Civic Center Fund, for the payment of the City's Obligations in Said Fiscal Year under the Financing Agreement.”

“Appropriating to the Manchester Airport Authority the sum of \$47,887,649 from Special Airport Revenue Funds for the Fiscal Year 2014.”

“Appropriating to the Manchester School Food and Nutrition Services Program the sum of \$5,796,000 from School Food and Nutrition Services Revenues for the Fiscal Year 2014.”

“Raising Monies and Making Appropriations of \$134,970,938 for the Fiscal Year 2014.”

“Appropriating to the Central Business Service District the sum of \$258,000 from Central Business Service District Funds for the Fiscal Year 2014.”

This item remained on the table.

*There being no further business, on motion of **Alderman Long**, duly seconded by **Alderman Roy**, it was voted to adjourn.*

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is written in a cursive style with a long, sweeping underline.

City Clerk