

BOARD OF MAYOR AND ALDERMEN

January 16, 1996

7:30 PM

Mayor Wieczorek called the meeting to order.

Mayor Wieczorek called for the Pledge of Allegiance, this function being led by Ald. Wihby.

A moment of silent prayer was observed.

The Clerk called the roll. There were twelve Aldermen present.

Present: Ald. Wihby, Elise, Reiniger, Sysyn, Clancy, Soucy, Shea, Domaingue, Pariseau, Cashin, Robert, Hirschmann

Mayor Wieczorek stated this was the first official meeting of the new Board having had the Inauguration day meeting but this would be the first real meeting where business would be transacted noting it looked like a fairly light agenda noting it all depended upon the content of the agenda.

4. Report of the Special Committee on Committees recommending that the rules be changed to establish seven standing Committees of the Board, in addition to the Joint School Building Committee to be formed pursuant to State statute. The Committee recommends the following standing Committees be established:
 - 1) Committee on Accounts, Enrollment and Revenue Administration;
 - 2) Committee on Administration
(to include the Committee on Information Systems);
 - 3) Committee on Bills on Second Reading;
 - 4) Committee on Community Improvement Program
(to include the former Committees on Public Works, Lands & Buildings, and Transportation)
 - 5) Committee on Finance;
 - 6) Committee on Personnel;
(to include the former Committee on Insurance); and
 - 7) Committee on Traffic
(to include former Committee on Public Safety).

The Committee recommends that all standing Committees be comprised of five members with the exception of Finance Committee which is to remain with 13 members (Mayor and all Aldermen-elect).

The Committee recommends that the City Clerk, City Solicitor, and Mayor's Office work with the Chairmen of the Committees along with other staff as required to develop defined duties for each Committee for consideration by the Board at a later date.

The Committee further advises that the City Clerk, City Solicitor and Mayor's Office will work to submit required changes to ordinances and rules at a later date.

Ald. Wihby moved to accept, receive, and adopt the Committee report. Ald. Robert duly seconded the motion.

Ald. Wihby asked for clarification relative to the Committee on Joint School Buildings which was through State statute requiring three members.

Mayor Wieczorek replied in the affirmative.

Ald. Cashin asked if the Committee report was to be accepted wanted to know if the Board would be accepting the changes in the rules this evening.

Mayor Wieczorek replied yes, it would be the Committees as they were put together and would be a definition of duties coming forth at a future meeting hopefully by the next meeting.

Ald. Cashin stated they were then being asked to vote on something they were not aware of what would be entailed.

Mayor Wieczorek stated it could be assumed.

Ald. Cashin interjected he did not assume anything as he had been around too long.

Mayor Wieczorek stated those were the Committees as he had outlined them to be put together.

Ald. Cashin asked if he would be good enough to tell the Board what members would be on the Committees prior to the Board passing the report.

Mayor Wieczorek replied, no.

Ald. Cashin stated he would not vote for it then,

Mayor Wieczorek replied no.

Ald. Cashin stated the Board had the right to know noting it was a pretty basic question to ask and did not feel it should give him any problem.

Mayor Wieczorek stated he was ready to name the Committees tonight.

Ald. Cashin asked if he would give to the Board who would be assigned to the Committees prior to the Board accepting the Committee assignments.

Mayor Wiczorek replied, no, Alderman, noting he would not do that and would not have chaos here indicating for the fourth term he had never discussed who he would be putting on what Committee.

Ald. Cashin stated he had never asked the Board to do this either in the four terms he'd been Mayor and thought the fact that he was asking the Board to change the rules, they as Aldermen had a right to ask him who he planned to put on the Committees prior.

Mayor Wiczorek stated he did and he had a right to vote no if he didn't like it because what they were attempting to do was to have fewer Committees, the Aldermen would have fewer Committee meetings to attend to, the City Clerk would have fewer Committees they would have to attend to and less minutes they would have to get out and hopefully be able to get them out in a timely fashion noting that was the purpose of it.

Ald. Cashin stated he was not arguing the purpose of why it was being done he was only asking who would be members of the Committees prior to their voting upon it.

Mayor Wiczorek asked Ald. Cashin what difference it made what Committee he would be on, for example.

Ald. Cashin replied he did not care if he was on any Committee, he was not asking for himself, he just wanted to be sure that the Democrats and the Republicans were equally served on the Committees noting he was not too sure that would happen and that was the reason he was asking.

Mayor Wiczorek reiterated it was his fourth assignment putting the Committees together and worked with what he had, twelve people.

Ald. Soucy stated she had a question relative to a couple of the Special Committees noting she was unable to attend the Committee formation meeting so she wasn't able to address it at that time noting there had been a Special Committee on Alcohol & Other Drug Abuse which was more of a task force Committee and wanted to know if there was a procedure included to include the continuation of that type of Committee and how it would be handled.

Mayor Wiczorek replied on Special Committees, the Chairman of the Board appointed the Chairman who would then appoint the two members he would like to have serve on the Special Committee noting that would not change.

Ald. Soucy noted there had only been one Alderman on that particular Special Committee and asked if there would now be three.

Mayor Wieczorek stated the Chairman would appoint one and she could appoint two other, if she so desired on the Special Committee.

Ald. Wihby thought Ald. Soucy asked if there had to be three Aldermen.

Ald. Soucy stated Ald. Wihby was correct in that it would mean there would have to be an additional change to the rules.

Ald. Wihby stated the rules indicated three members.

Ald. Soucy noted they had then been in violation of them for the past four years.

Ald. Hirschmann indicated he had a question of the Special Committee on Committees and asked if there was any proposal, any minority report of any kind, and was it unanimous from the Committee.

The Clerk indicated it was unanimous.

Mayor Wieczorek called for a vote. The motion carried with Ald. Cashin duly recorded in opposition.

Mayor Wieczorek presented Committee assignments with first named as Chair as follows

Accounts, Enrollment, and Revenue Administration:

Ald. Elise, Soucy, Shea, Pariseau, Hirschmann

Administration:

Ald. Pariseau, Elise, Sysyn, Shea, Hirschmann

Bills on Second Reading:

Ald. Wihby, Elise, Clancy, Pariseau, Cashin

Community Improvement Program:

Ald. Robert, Wihby, Reiniger, Clancy, Domaingue

Personnel & Insurance:

Ald. Reiniger, Domaingue, Cashin, Robert, Hirschmann

Traffic & Public Safety:

Ald. Sysyn, Reiniger, Soucy, Domaingue, Robert

In addition Mayor Wieczorek appointed Alderman Hirschmann to serve as the Aldermanic Representative to the Safety Review Board.

Mayor Wieczorek thanked the Board for their patience during the restructuring of the Committee system and was looking forward to working with the Chairs of each of the Committees.

CONSENT ITEMS

Mayor Wieczorek 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.

Ratify and Confirm Poll

- A. Ratify and confirm poll conducted December 28, 1995 rescinding 2-Hour Parking (metered) Effective 1/1/96 through 2/29/96 at Middle Street Parking Lot, Franklin Street side (17 meters) at \$34.00 per month.

Minutes Accepted

- B. Minutes of meeting held January 17, 1995; January 23, 1995; February 7, 1995, two meetings; February 21, 1995, two meetings; March 7, 1995, two meetings; March 21, 1995, April 4, 1995, two meetings; April 18, 1995; April 24, 1995, two meetings; and May 2, 1995.

Informational to be Received and Filed

- C. Communication from Airport Authority submitting minutes of their October 19, 1995 and November 16, 1995 meetings.
- D. Communication from Thomas Bowen, Director, Manchester Water Works submitting the 124th Annual Report of the Manchester Water Works.
- E. Communication from Thomas Bowen, Director, Manchester Water Works submitting the 1996 approved capital and operating budget for the Manchester Water Works.
- F. Communication from Ruby P. Hill, Coordinator, City DECA CDC, inviting the Board of Mayor and Aldermen to attend the City of Manchester DECA Career Development Conference on Tuesday, January 30, 1996, at the North Campus of New Hampshire College.
- G. Communication from Mrs. Jodie L. Methot advising she is disturbed with the plans for the Rimmon School Building.
- H. Communication from James F. Mullen, a sophomore at Manchester High School West relative to the possibility of block scheduling being considered for the schools.
- I. Communication from Executive Councilor Earl A. Rinker, III, advising of items addressed at the December 6 and 20, 1995 meetings of the Governor and Executive Council.
- J. Communication from St. Patrick's Day Parade Committee inviting the Board of Mayor and Aldermen to participate in the March 10, 1996 St. Patrick's Day Parade.

REFERRALS TO COMMITTEES

COMMITTEE ON ADMINISTRATION

(NOTE: Concurrent referral to the Committee on Traffic.)

- K.** Communication from Ron Pappas requesting a carnival license to be utilized at Stark Landing on April 11-21, 1996 for the 3rd Annual fundraiser for the Central High School Football team.

COMMITTEE ON BILLS ON SECOND READING

- L.** Ordinances:

"Amending Sections 18-24 and 18-25 (Police Evidence Room Specialist) of the Code of Ordinances of the City of Manchester."

Amending Sections 18-24 and 18-25 (Police Maintenance Technician) of the Code of Ordinances of the City of Manchester."

"Amending Section 2-180 (Position Established) of the Code of Ordinances of the City of Manchester."

"Amending Section 18-33 (Compensation Plan Based on Schedules) of the Code of Ordinances of the City of Manchester."

"Amending Section 18-38 (Advancement Within Pay Range) of the Code of Ordinances of the City of Manchester."

"Amending Section 18-40 (Longevity Steps) of the Code of Ordinances of the City of Manchester."

"Authorizing the Mayor to dispose of certain tax deeded property known as Wellington Hill Road, Map #645, Lots 39 and 40."

"Authorizing the Mayor to dispose of certain tax deeded property situated at Mystic, Myrtle and Shady Lanes, known as Map #863, Lots 33, 34, 35, 36, 38 and 39."

"Authorizing the Mayor to dispose of certain tax deeded property known as Map 222, Lot 79 River Road and Map 222, Lot 52 Chestnut Street."

COMMITTEE ON FINANCE

- M.** Resolutions:

"Authorizing the Finance Officer to effect a transfer of Fourteen Thousand Dollars (\$14,000) from Contingency to the Personnel Department to the Employee Medical Services Account."

"Authorizing the Finance Officer to effect a transfer of Twelve Thousand Dollars (\$12,000) from Salary Adjustment to School Salary Account."

COMMITTEE ON LANDS AND BUILDINGS

- N.** Communication from Robert Beurivage, Assistant Director, Manchester Water

Works, requesting approval for the purchase of 6.9 acres of land currently owned by Joseph and Irma Weiss, located off Tower Hill Road in Auburn, NH for the amount of \$5,000.00.

- O. Communication from Anne Sanderson, NH Site Director, International Institute of New Hampshire, requesting information concerning the land and property located at 88 Lowell Street.

REPORT OF COMMITTEE

COMMITTEE ON TRAFFIC

- P. Recommending that certain regulations governing standing, stopping and parking, be adopted and put into effect for a temporary period as follows:

"Rescind 2-Hour Parking (metered) Effective 1/1/96 through 2/29/96
Middle Street Parking Lot, Franklin Street side, 17 meters at \$34 per month

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALD. WIHBY, DULY SECONDED BY ALD. ROBERT, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

Warrant to be committed to the Tax Collector for collection under the Hand and Seal of the Board of Mayor and Aldermen.

- Q. Warrant for Collection of Sewer Charges in the amount of \$108,993.16.

The Clerk advised that the Board had received a handout reflecting \$6,739.36 in abatements.

On motion of Ald. Cashin, duly seconded by Ald. Soucy, it was voted to commit the warrant for collection of sewer charges as abated.

On motion of Ald. Soucy, duly seconded by Ald. Clancy, it was voted to recess the meeting to allow the Committee on Finance to meet.

Mayor Wieczorek called the meeting back to order.

A report of the Committee on Finance was presented recommending that Resolutions:

"Authorizing the Finance Officer to effect a transfer of Fourteen Thousand Dollars (\$14,000) from Contingency to the Personnel Department to the Employee Medical Services Account."

"Amending a Resolution 'Authorizing the Finance Officer to effect a transfer of Twelve Thousand Dollars (\$12,000) from Salary Adjustment to School Salary Account' to \$6,000.00."

ought to pass.

On motion of Ald. Sysyn, duly seconded by Ald. Shea, it was voted to accept, receive, and adopt the Report of the Committee.

OTHER BUSINESS

Presentation by Melanson, Greenwood and Company relative to the City's 1995 fiscal audit and management letter.

Mr. Frank Biron stated they would be going through some of the highlights of the reports which was massive in size noting they would not be going page-by-page but rather talk about some of the key numbers. Mr. Biron stated he was on the partners of Melanson, Greenwood and introduce Mr. Scott McIntyre a Manager of the firm also noting they would talk about some of the highlights of both of the reports. The first report (blue) which was the Comprehensive Annual Finance Report otherwise known as a CAFR was a massive document containing a lot of information. In the government industry it was the most complete financial accounting which could be put together the CAFR noting this was the second year that the City had put together a CAFR and began by commending the City in compiling all of the information because it had been a major effort, he was sure, for a number of years to get the City to be able to put together the information in such a timely manner as they were only six months after year-end now. Mr. Biron stated he would go through the Table of Contents so as to become more familiar with exactly what was included in the CAFR and would then turn the presentation over to Scott who would talk about some of the key financial numbers during the course of a year at which time he would then turn it back to Frank who would discuss the management letter which was a report summarizing recommendations for improvements. In reference to the Table of Contents Mr. Biron stated the CAFR was made up of four sections. The first section called the introductory section was a narrative, no numbers which was where the Finance Department summarized some of the key issues going on in the City. In that particular introductory section some of the items discussed were the fiscal year change which by the way June 30, 1995 was the first 12-month period ended June 30th. Some of the other issues were budget issues, the CenterPlex, the fact that recreation was now treated as an Enterprise Fund for the first time and issues relating to the closing of the landfill. The second section of the financial section which took up the biggest part of the report were the numbers. The first group of numbers were the General Purpose Financial Statements which ran from pages 14 through 60 which was required by Generally Accepted Accounting Principles (GAAP). Those were the numbers generally reviewed by the rating agencies such as Moody's in coming up with a bond rating for the communities. The next section was the Combining Statements which provided additional information, additional detail to the numbers he had just mentioned in the General Purpose Finance Statements, they just contained a lot more detail which ran from pages 61 through 126. The next section, the third section of the whole report was a single audit section which was a series of reports that they issued as auditors on the City's internal controls and compliance. Compliance with its own ordinances, compliance with State statutes, and compliance with Federal regulations. The reports were all required because the City received substantial amounts of Federal assistance. Any community receiving over \$100,000 of Federal money had to have a single audit which included all of the reports

and the City of Manchester received over \$19,000 of Federal funds through the Department of Education, Community Development, and also various Airport projects and corrected himself that the number was \$19 million and not \$19,000. The last section was the statistical section which ran from pages 149 to 174 and was information which was one that took a long time to compile because a lot of the tables went back for ten years summarizing the revenues by source for the last ten years, summarizing expenditures as to the types of expenses, summarizing a lot of the demographic information of the City and even such information as the number of miles of roads and sewage and things of that nature. So, that was the Comprehensive Annual Financial Report in a nutshell and turned the presentation over to Scott who would talk about the firm's opinion on the financial statements and some of the key numbers.

Mr. McIntyre stated Frank had just defined the four different sections of the CAFR and he would start on the first page of the second section which was the financial section beginning after page 9. For the most part everything in the blue document were the City's numbers and the reason their opinion was on a different color page was because it was their opinion on what were the City's financial statements and a couple of the real highlight of the auditor's opinion was that it was unqualified and what they meant by that was there were no exceptions and the City's financial statements were totally in accordance with Generally Accepted Accounting Principles and the City's financial statements needed to be in conformance with GAAP in order to put together an Comprehensive Annual Financial Report and it was a real credit to the City because it was the first time, most likely, in the City's history that it had had a clean audit opinion. Last year's audit still had one what they referred to as an audit exception for some incomplete fixed assets and during fiscal 1995, the City went back and retagged and recounted additional fixed assets to substantially complete that process thus they had no qualifications in their opinion. At that point, at mentioned by Frank, they would not walk through all of the numbers but there was another handout separate from bound documents which was a one-page snapshot on their letterhead entitled the Analysis of Change in General Fund Unreserved Fund Balance and what they'd tried to do is take a snapshot of the results of operations in fiscal year 1995 and put them on one page. And, in going through the page made quick references to page numbers where they could find detailed information. Starting at the top at the unreserved fund balance of June 30, 1994, it was the beginning of fiscal 1995 and was made up of two specific items: revenue stabilization which was an account established by ordinance here in the City, and its undesignated fund balance or what was more commonly referred to as surplus. Those two numbers totalled \$2.267 million which was effectively shown on last year's audit report as the City's unreserved fund balance. Essentially the first thing that happened was the City implemented some accounting changes through the audit process and through the City's research the City revised some of its methodology in accounting for certain liabilities, the liabilities still existed but they had effectively been presented in a different section of the financial statements. The overall effect of doing it since it increased the

City's unreserved fund balance or surplus by \$3.595 million and what they'd done was to draw a subtotal of \$5.862 million for an adjusted starting point for fiscal year 1995 results of operation. At that point in time, the true results of operation affect the City's financial position and one of the first things it did was as part of setting its fiscal 1995 tax rate it used \$2 million of its existing surplus to balance its budget, it took money it had in reserve and reduced its tax rate in order to establish a balanced budget that had the effect of reducing its overall surplus by that \$2 million. Next on the example was revenues were under budget. As part of the budget process it was estimated that the City would collect a certain amount of revenues and what the number in brackets of \$282,000 represented was that the City was short of the estimate by that \$282,000 and as mentioned the detail to that number in brackets (\$282,000) could be found on pages 70 through 75 and for the most part most of the variances in the estimated receipts column and the actual revenues was small which showed a good job in the budgetary process. Moving down the one page sheet to expenditures under appropriations were turnbacks by the departments. Departments were given certain appropriations, spent against it and what was left over at the end of the fiscal year, the unencumbered funds were reverted back to surplus totalled over \$1.5 million and the detail could be found on pages 76 and 77 and some of the other pages that went along with it but none of the department overexpended their appropriation and like the revenue side for the most part the variances of what the departments spent against their appropriations were small and that showed a good job in the budgetary process. The next set of items were the property tax activity. The property taxes by far was the largest revenue source to the City and so a lot of the activity related to that had a substantial impact on its financial position and broke it out into two pieces: the improved collections and the continued abatements to show hopefully highlight a couple of key things. The improved collections of \$1.5 million essentially said the City collected tax revenue in excess of what it levied and it could be done because in prior years when the economy perhaps wasn't in the position it was in now it didn't do as well in collecting its property taxes but as the economy had improved, it was now collecting more than a hundred percent of its tax levy so there was a favorable impact of \$1.5 million. On the other side, however, there was continued abatements over the current year's reserves which was still the dwindling effects of the revaluation of a couple of years ago and when the regional economy wasn't as strong as it was now with continued abatements over the current year reserve of \$2.4 million and what happened here was the City established a certain amount of overlay to be used for abatements throughout the year and that coupled with existing overlay reserves funded a certain amount of abatements but one of the problems the City was facing and would be addressed more in the management letter was refunds of those abatements in the current year even though taxpayers might have paid their tax bill back in 1991 or 1992 were just now seeing the effects of having to refund that money. Other changes of \$302,000 he could spend several days of trying to walk through and explain all of what was involved in there but essentially in adding up all of the operations from fiscal 1995 coupled with its beginning balance the City was left with a total unreserved fund balance of \$4.564

million pointed out the total unreserved fund balance was approximately equal to about 3.2% of the City's fiscal 1995 appropriations and brought it up because as Frank mentioned Moody's and other bond rating agencies as a rule of thumb they often looked to see what reserves were as a percent of the City's appropriations noting they liked to see in the range of about 5%, so the City had some good reserves but in order to achieve a level that bond rating agencies might like to see it had a little way to go. And, finally, the total unreserved fund balance of \$4.564 million was broken down into two parts: the revenue stabilization which was an account established by Ordinance and the undesignated fund balance or surplus indicating it was a snapshot of the General Fund, results of operations, and its financial position noting the General Fund was the main operating fund of the City and had several other funds all of which were outlined in detailed in the CAFR. One other particular issue in the CAFR was found in the back of the CAFR on page 142 which was one of the reports Frank had mentioned in the single audit section on compliance with laws and regulations which were local laws noting it was the first issue on page 142, the Airport Enterprise Fund results of operation did not meet the requirements of the guarantee agreement between the City and the State and briefly since most were aware of it, the guarantee agreement stated that the revenues, the net revenues of the Airport must be equal to 125% of the debt service expenditures for that fiscal year noting it was a little more complicated and outlined in the example on page 142 and the Airport's revenue stream didn't meet that prescribed level. The calculation included in the City's CAFR showed the Airport's revenues at about 79% of the debt service requirement and the guarantee agreement required 125%. There was a lot of detail that the Finance Officer or they would be available to answer questions after they had had a chance to digest some of it.

Ald. Soucy in referenced to the last line of the separate sheet - Unreserved Fund Balance - asked if they had figures broken down for what was left under the stabilization account.

Mr. McIntyre replied those numbers represented what was available at June 30, 1995 which would have been the \$3.334 million noting it wouldn't change until June 30, 1996 until the next audit would be completed.

Mr. Biron stated they would now talk about the smaller report which was the management letter. The purpose of the management letter was for the auditors to discuss any areas where they could make recommendations for improvements in the accounting records or in the internal controls. The first issue began on page 3. The first issue was what they considered a reportable condition which was the only reportable condition they mentioned in the report. A reportable condition was little more serious because it was a situation where errors or irregularities could occur in the City and possibly not be detected so that was why it was of a more serious nature. The comment they would discuss related to the School payroll processing. As they performed their audit testing at the School Department they noted that it was really one payroll clerk at the School

Department who was responsible for all phases of the School payroll. Her responsibilities included inputting the hours worked for all of the employees, she had the ability to add new employees, change rates, had the Superintendent's signature stamp to approve the total payroll, she also was the person who handed out the checks to the various Principals to be distributed to all of the teachers. So, it was a situation they would call a lack of segregation of duties whereas that one individual was really handling all phases of the whole payroll processing cycle. So, their recommendation was that those procedures be broken up amongst more than one person. So, specifically the recommendations they were making was that the signature stamp, the Superintendent's signature stamp be taken away from her and that that be securely maintained by the Superintendent's Office. Secondly, they were recommending that a detailed payroll report be prepared that summarized the names of all of the teachers and administrators being paid in that particular payroll and that that form be the one to be approved and that that form be approved by the School Department Business Administrator and that that be manually signed with his approval and that that report be presented to the City Finance Office in order for the checks to be signed before they're returned to the School Department. They further recommended that payroll clerk not have the ability to make changes to individual employee payroll rates or have the ability to add new employees into the payroll system and that that function be kept with the School Department Personnel Office and not with the payroll clerk. The next issue on page 4 related to teacher summer pay. Teachers in the City of Manchester basically worked from September to June, however, their contract read that they would get paid every two weeks throughout the 12 months so they'd get their first check in September and their last check in August. Now, the way that the teacher handles the summer pay for the months of July and August was that those payroll periods got charged to the next fiscal year, not the year ended June 30th even though the teachers stopped working in the month of June which was a pretty unique way of accounting for things and there could be an argument that there should be a liability booked into the General Fund for that teacher summer pay. Now, the City did book a liability but they booked it in another column of the financial statements which was the general long-term debt account which was where bonds payable and things of that nature were accountable for. So, they were making the point that the City ought to get a formal opinion from the American Institute of Certified Public Accountants, Government Accounting Standards Board who was the authoritative body, they were the ones who made all of the rules about governmental accounting as to what the proper accounting teacher summer pay should be and based on the written recommendation from that Board the City should account for it whichever way they recommend.

Ald. Wihby could not recall this ever having happened before and asked if it was something the City had done differently or nobody else had never picked it up.

Mr. Biron replied it would have been only the second year it would have been applicable since it's only the second year there had been a fiscal year-end.

Mr. Clougherty stated what happened last year during the budget there had been discussion as to how the Board wanted to handle those dollars and there was a decision as part of that year's budget which the teacher summer pay would be budgeted the way it had always been budgeted and it wasn't new in terms of a budget procedure as it had always been done that way. Ernst & Young opined that it wasn't a problem and for that reason it didn't appear in the financial statements as an observation noting it was there but it wasn't recognized by them as something they wanted to give a formal opinion on but was something that Melanson felt they wanted the City to follow up on and would.

Mr. Biron stated the next issue on page 5, the third comment related to the School Department fixed asset records. In 1995, the School Department compiled the majority of their fixed asset records primarily relating to their computers and the School, Food & Nutrition service equipment. In prior years, all of their buildings and building additions had already been accounted for. When they were doing their selective testing of those fixed assets they noted a few problems with the computer records and noted that there were certain computer records at some of the schools that didn't have tags on them and weren't included in the inventory listing. So, they were making a recommendation that the School Department go back and look into the computers one more time just to make sure that those records are complete and pick up the items that may be missing. And, secondly, there was still certain other fixed assets which had not been completely counted and were recommending that the School Department go through and count those which would include office equipment, audio visual equipment, furniture and fixtures, and athletic equipment and by including those records it would provide for just a more complete record of all of those fixed assets. The next issue on page 6, item number 4 they would be discussing a couple of things noting they could be complicated in discussing it indicating it related to the overlay balance and abatements. Now, what the overlay balance is noting Scott had mentioned it briefly when he was going through his recap of the operations for the year. Every year when the City sets its tax rate, it sets aside a certain amount of money in an account called the Overlay Account; that account is used for abatements to be charged against. In the 1995 levy, there was \$3 million that was set aside in the Overlay Account. Now, the City's method of maintaining that account is that when the account is set up for the tax rate, the \$3 million that's equal to the amount that the City anticipates it's going to have abatements in that fiscal year. Now, in the case of 1995 there was \$3 million established and, in addition, there was also some carryover amount from the prior year. Come year-end there was only about \$100,000 left in that account so everything was pretty much charged against it but at the same time there were a number of cases still pending at the Bureau of Land & Tax Appeals in the Superior Court for some taxpayers that are seeking abatements. The Assessor's Office came up with an estimate of approximately \$2 million or so of potential unfunded

liability that's out there and so, the point they were making was just to improve accountability would be to change the method of accounting for the Overlay and the way of doing that would be number one - instead of having just one Overlay Account for which abatements for all levy years are charged against, instead have a separate Overlay Account for each levy year so that as the 1996 tax rate is set and there's a 1996 tax receivables outstanding you'd also have a 1996 Overlay Account which would be the Assessor's estimate of what the abatements would ultimately be over the next few years for that particular levy year. So, it was somewhat different from the way the City was doing it right now where the City was setting up one Overlay Account to handle all abatements going back all of the years. Instead, what they were recommending was establishing a separate Overlay Account for each levy year and that the Assessor's continually monitor the balances in each of those separate Overlay Accounts to make sure that the balances are adequate to support potential future abatements for each of those levies. Now, they could do that because the Assessor's Office maintained records of all of the cases pending out there for potential future abatements. The cases at the Bureau of Land & Tax Appeal and Superior Court. In order to accomplish that, it would require that the City ultimately fund that unfunded liability. Now, it didn't have to be a massive \$2 million hit to the budget in order to fund it because the abatements were dwindling down noting most of them related to the early 1990's when the City went through revaluation and the economy was at its worse. A point Scott made as he was going through the outline of the activity over the past year noted the City of Manchester really did have a good year in tax collections as did many other communities in New England because the economy was a lot better than it had been. Unfortunately, though you still had those past problems, those cases going back to 1991 and 1992 and 1993 that had been at the Bureau of Land & Tax Appeals and at Superior Court were settled during 1995 and as a result there was a lot of abatements and a lot of refunds had to be issued during the year and as a result it made the 1995 year look not as good as it would have. There would have been a great year if it hadn't of been for those abatements this past year.

Mayor Wieczorek stated when going back to 1991, 1992, 1993, and 1994 what they were saying was that they should allocate the Overlay they had to each of those particular years and asked if they did that were they saying there was a shortage of \$2.4 million.

Mr. Biron replied, no. What they were saying was that for the Overlay that was set in 1995 (\$3 million) the abatements really did exceed that a lot but there was a carry forward from the year before. So, in 1994 there was available Overlay and that year wasn't fully expended when that year ended, so the amounts were carried forward into 1995.

Ald. Elise asked if the Assessor's Office had the hardware to keep track of it.

Mr. Biron replied they did have it. Right now, they had the ability to provide the information noting the next issue he would discuss dealt with reporting issues relating to the abatements and property valuation overall and the Assessor's Office did have the information currently. As a matter of fact he would be meeting with the Assessors Thursday of this week to go over coordinating how it would change the accounting records, what they're maintaining and the Finance Office to make sure it could be worked out. The only thing they would not discuss was the funding because obviously the Overlays were unfunded right now and that was a decision which would have to be made by the Board.

There were a lot of cases pending that most likely would result in refunds issued in fiscal 1996, 1997, and 1998 that there was no money in the Overlay Account right now to support those.

Mayor Wieczorek stated if they were to continue doing it the way they did it, there would still be the conglomeration and would still be saying the city needed \$2 million, \$3 million instead of saying this is what it would be for each particular year and perhaps things should be getting better for '95, '96.

Mr. Biron stated things should be getting better because what they were seeing was that the cases were being settled. In 1995, there were a lot of cases settled but in going forward there were still fewer cases pending out there than there were a year ago so they should be dwindling down. So, if the Board was to fund the unfunded Overlay it would not be such a drastic hit as it would have been a few years ago and if it was done over a two or three year period it wouldn't be so drastic.

Ald. Shea asked if there was any way to check to coordinate what cases were pending versus how much revenue should be set aside.

Mr. Biron replied he could discuss it as that was the next issue he would be discussing specifically reporting issues noting the point they made there was that right now the Finance Department presented quarterly reports to the Board of Mayor and Aldermen summarizing balances in the appropriations and revenues to date and cash balances which was a lot of valuable information. What they were recommending was that that information be expanded to include more assessment information. For one, they were recommending that there be an update of the Overlay balances assuming that they go to having an Overlay balance for each levy year, have a summary of each of those Overlay accounts showing the beginning balances from the beginning of the quarter and abatements that had been charged against them during that quarter to arrive at the balance at the end of that quarter. At the same time, the Assessors could provide a summary of open cases still out there at the Bureau of Land & Tax Appeal and Superior Court which was information they maintained right now, as they had that information readily

available. So, that not only they but you as a Board could also see whether the Overlay balances were going to be adequate to support those potential future abatements.

Mayor Wiczorek stated so if the City had done that in the past the impact if it were going back three years would be only one-third of what it really was instead of having to cough up three years.

Ald. Domaingue asked if the amount of the unfunded Overlay which was necessary did the City get it based on the number of cases settled in a given twelve-month period of time or could it fluctuate based on change in the amount of settlement granted.

Mr. Biron replied it was an estimate. It was the Assessor's best estimate based on the cases hanging out there and based on past history what the likelihood would be an unfavorable outcome to the City and what percentage would potentially have to be refunded out. So, it was an estimate and it was the Assessor's best estimate.

Mayor Wiczorek commented it was really like the insurance business where there would be a liability case a reserve was set aside.

Mr. Biron agreed with the Mayor's comment adding that the last issue would be an improvement in reporting relating to the property valuations themselves. The overall City's property valuations had gone down substantially in the 1990's which resulted in increased tax rates. Instead of waiting for the Assessor's to provide information when going to set the tax rate as to what the total valuation was they were recommending that that information be reported to the Board of Mayor and Aldermen on a quarterly basis summarizing what the valuation was at the beginning of the quarter, any activity which may have affected changing that to arrive it at what the valuation was at the end of the quarter. The next issue on page 8, comment number 5 -Establishing Formal Departmental Receipt Policies and Procedures. Currently, there were numerous departments out there collecting miscellaneous receipts for permits and charges for services noting pretty much every department out there collects some sort of revenue but there were no formal policies for those departments to follow as to what their accounting records ought to look like to track those receipts as they come in. Now, they did some selective testing of certain departments and didn't look at all of them, but looked at certain departments to make sure they had records and found they did but they also found that they differed, the condition of the records, what they looked like from one department was very different from another department. So, they were recommending that there be formal policies established to tell the departments what their cash receipt records ought to look like, that there ought to be some sort of a log to summarize where the money came from and the amount, subtotals whenever there was money turned over to the Finance Office, issues such as overnight if the money was kept overnight, where it should be kept to make sure that it was secure. Basically, the policies were to assure that

that money was secure until such time as it ultimately got into the City's bank accounts. Further, they recommended that the Finance Office visit some of the departments on a periodic basis during the course of the year to make sure that they were following through and maintaining the records in the way that they should. The last current year issue they had related to the City's computer system. What they found when they did the audit was that the City did a very good job at maintaining its accounting records but the computer system it had was outdated and there were a number of systems out there that the City was using. Now, the main system used (LGFS system) which was the General Ledger and the main vendor was where the checks were issued for the main vendor accounts. In addition to that there were different software packages being used by different departments which were not integrated with the main system and listed some of them such as the City's payroll was a different system, the Tax Collector's records, the School Department for payables and payroll which by the way the School payroll system was no longer being serviced by the software company so there was a risk there that should that system crash it would be very difficult to process the School's payroll. Airport General Ledger, Water General Ledger, DPW payables maintained a separate system, the Assessor's Office maintained a different system. So, there were a lot of different records being maintained there and as a result it reduced the efficiency. So, they were recommending and understood that the City did have funding for a new computer system and would be going through the process of finding a new system noted their recommendation was that the City make whatever attempts it could to integrate as many as the departments in the one system as possible so it would definitely improve the overall efficiency of the computer system, financial management of the City noting that summarized all of their current year issues and also mentioned prior year issues which were still open but had not planned on going through those unless someone had specific questions on them.

Ald. Hirschmann in reference to a recommendation regarding centralized purchasing asked if they could provide a two-second synopsis of what they had in mind.

Mr. Biron replied it was one of the comments mentioned in last year's management letter noting they were repeating it here. The City Ordinances provided for a purchasing agent, however, that position was unfilled and as a result the departments, the purchasing was very decentralized where the departments were doing their own purchasing. So, their recommendation focused primarily on the fact that departments were doing their own bidding, the City did have a Procurement Code requiring anything over \$2,500 be formally bid noting the departments were doing that themselves with no oversight of that being done right now. They had done some selective testing and found that departments seemed to be doing what they were supposed to be doing but right now there was no internal audit function, no centralized function to make sure that everything that's supposed to be bid is being bid and also the City did do some group purchasing in order

to improve the pricing of some of the items it was receiving but probably not to the extent that it could do if there was a purchasing agent.

Ald. Pariseau asked if they could cover briefly the section on page 12 dealing with access to master file.

Mr. Biron stated that was a repeat of the prior year issue and related to in the Finance Office there were two payroll clerks who had the ability to access the payroll master file which in effect gave them the ability to change rates of pay, add employees and things like that similar to what he had previously mentioned about the School Department. Their recommendation was that those be functions of the Personnel Office only and not of the Finance Office.

Ald. Pariseau asked what it would take to implement that.

Mr. Biron replied if that responsibility were taken away from the Finance Office there would have to be assurance that there was the proper staffing within the Personnel Office to perform those functions which would be the major issue.

Ald. Pariseau asked if that would mean one additional person.

Mr. Biron replied he was unsure, he did not know whether it would require an additional person, extra hours, or whether the staffing was available right now there.

Mayor Wiczorek wished to bring to the Board's attention that there were two responses to the management letter. One from the Airport and one from the Finance Department noting things they had read here regarding the Airport had been discussed with the State last week and wanted to assure everyone that there was certainly, absolutely no danger of the Airport defaulting on any of its bonds, not even a question that it was even close to defaulting and if they had any questions on it both Kevin and Airport Director, Mr. Testa noting Finance had responded also to the management letter.

Mr. Clougherty wished to thank Melanson and Greenwood noting they had made very effort in working with them and the departments not to be disruptive, they were knowledgeable and did not have to go through a big learning curve indicating there was a policy where they periodically brought in a new team of auditors because the thing the Finance Department believed in most strongly was that if they were going to maintain their position in the markets they had to have full and accurate disclosure on a timely basis of a City's financial operations with one way to ensure that was to make sure that they rotate the external audit programs noting they went through a competitive request for proposals on a regular basis, no more than every five years noting they asked a different company to come in and perform the audits and this year Melanson and

Greenwood performed the audit for the first time. Sometimes in going between companies it was not the smoothest transition and what they had found in this case was that the transition was handled rather smoothly, they were able to get the report out noting that GAAP stated they should be reporting within six months of the close of a fiscal year noting they were at that, had complied with all of the requirements and appreciated the time, not only that they gave and their attention to detail but also it reflected very well on the City departments noting a lot of times it was heard about what the City departments were doing bad and what a lousy job some of the records were in and thought the report the Board heard tonight for the first time, the City of Manchester had an unqualified audit which spoke very well of the accounting clerks and the payroll people and those people out there day-to-day doing entries, millions of entries covering hundreds of millions of dollars noting the City of Manchester was a \$250 million operation owning an Airport and a couple of utilities and the people were doing a good job on a regular basis and thought it should be recognized. The CAFR showed that the City was in good financial position and were not up to the thresholds and ratios some of the credit analysts would like but the City was not down in the negative numbers either so the City was in a reasonable position given the tough financial situation it had found itself in with the local economy and thought in light of that it was important to note that the recommendations just given were what the auditors saw and what the City should be doing in order to keep its position and in looking at all of the items in the management letter it could be found that a majority of those related to computers and computer systems, segregation of duties in the payroll system noting that was not news as it had been around for a while and it had been said previously and in taking a look at most of the other things talked about it could be found that they were things which had been talked about at the Board level not only talked about in terms of what the problem was but to the credit of the Aldermen noting actions had been taken to resolve some of the problems and asked would they go away like that, no as those things had developed over time and it would take time to address them but the majority of the issues, the problems that Len was facing at School or some of the other things the departments are facing with respect to payroll stated most of it related to the outdated computer systems the City had noting the Board had appropriated \$2.5 million to deal with it noting all of the departments were involved and were moving along at a pretty good, cooperative process to come up with a system for the future which would help address a lot of the issues asking was it fast enough for us or for Melanson and Greenwood, probably not, was it a step in the right direction, absolutely and thought the department heads and all of the computer people out there should get some recognition for some: one, helping to identify that problem early on so that they wouldn't be hearing it for the first time tonight and, secondly, being in a position to say yeah, we're hearing it tonight six months after the close of the fiscal year which is within the GAAP requirement but we already are taking corrective measures to address the situation and to push in one direction to have the accounts established and thought the Assessors would have to take a look at it on another side and the Board would have to balance their two positions and thought they had been

able to do so noting it was his understanding from the auditors that the Assessors were receptive to that type of an accounting system and again it was another step in resolving some things that had been on the table for a while - the item with respect to the Airport. When the State came forward to issue a guarantee for the City's bonds, the last thing the City wanted to do was have the State have to make a payment. So, the way it was set up was that the State would guarantee the bonds and also as part of the bond issue would establish a bond reserve and set up \$3.3 million in a bond reserve so that before the State would have to pay a dime the reserve would have been set up which would be equal to the highest amount of debt service for one year noting it was there and had never been touched. They also had set up some other reserves in terms of operation and maintenance and set up a procedure so that each month they would take one-twelfth of the debt service for a year in that in each month they take out one-twelfth and one-sixth because they pay the interest on a six-month basis but that was the first amount which went out into a fund so it was paid right off the top and then they pay everything else and then if they have to go into an operation and maintenance reserve to cover some of it is where they got into some of the coverage that Mr. McIntyre was talking about (the 125%). The reason they had put in the 125% was because at the time they were looking at the guarantees, the Treasurer and the City's Bond Counsel and the State's Bond Counsel realized that the Airport was a multi-million dollar business and like any business it would have cycles. There would be times like this month when it's snowing and even if Manchester's open people couldn't get here there would be ups and downs but what they didn't want was to go by and not look at it. So, they build into the agreement with the guarantee in the State that as part of the annual audit they would have whoever the company was do an analysis to make sure that they would take 125% which was a conservative, large number to meet but they wanted it conservative so that it would serve as a beacon out there and as soon as the beacon went out they'd be able to recognize that some adjustments would have to be made noting the adjustment could be such as cutting back on expenses, changing rates, and the adjustment could be something as recognizing the window in which the situation occurred and why it had occurred and do nothing and monitor it out, but at least it was being recognized and somebody independent other than the City officers or the State people looking at it and thought the guarantee agreement was a real unique situation. If Denver had had that in their agreements they wouldn't have had half the problems they've had and most people today were emulating what had been built into the City's agreements as a result and thought it needed to be understood that it was a tribute to some of the people who had worked on that deal to put those types of precautions in so they would be looking at things way in advance of the bond reserve fund and the guarantees so they take corrective action and saw it as very positive noting they would take the report and follow through as recommended by the auditors and meet with the State Treasurer. When all of the issues were complied thought the City had done a really good job and was very proud of his staff and the time they'd put into it noting they had to say no a lot of times and it was a popularity contest but that was the way it worked, however, it went with the territory but every now and then they got lucky which showed that the City had good

people working for it and did a really good job and they were very fortunate in that respect so thought he would be remiss if he did not recognize the people in the departments that really built up to it noting it was the payroll clerk and the account clerk in each department who was paying attention to details and making sure they were following the rules which resulted in a good report such as this one indicating they would have liked to have had the reports to them earlier but with the weather they ended up binding them at three o'clock this afternoon and would be starting this year's audit so Frank and his people would be available and if anyone had any questions after looking at the reports or having somebody else look at it they would be happy to respond to it at Committee level or any time an issue would be brought forward because they wanted to make sure that the stuff was disclosed and wanted to make sure it was accurate and would welcome any constructive criticism in that regard to make sure they kept moving along in the right direction which they were heading and appreciated the support the Board had given them over the last year in terms of making some of the difficult decisions and looked forward to any comments the Board might have going forward and constructive ideas.

Mayor Wieczorek reiterated that the Finance Department had done an outstanding job in putting the reports together noting that was the same information they had received from the bond rating agencies who had stated that the City of Manchester was probably one of the cities they could count on one hand which provided them with the kind of financial information which enabled them to make a decision very quickly noting it was clearly an indication that the City was on the right track and once they got the computer system up and running it should be even better.

Ald. Elise wished to compliment the department heads and the employees working on the financial issues as well as Kevin's department for leading the way as well as the Mayor's Office for the budgetary process over the past few years.

Ald. Pariseau in reference to page 162 the item dealing with the bond debt stated that in 1990 it was \$75 million and in 1995 it was \$183 million asked how it would affect the good job that the people were doing and what negative effect it would have on the City as a whole.

Mayor Wieczorek thought it included the fiscal year changes.

Mr. Clougherty thought there were a number of things they had done there such as a number of fundings, the fiscal year change noting all of the numbers they had in the CAFR were presented as part of the November bond issue noting for the most part those were the numbers they had gone down to Moody's with and to the credit analysts noting they appreciated the City had a schedule of payments which was ambitious, had a program, and had taken steps to make sure they had change the fiscal year and changed

the cash position so when looking at it they had certain ratios they wanted to make sure the City was in compliance with noting the City met those requirements with the dollars and the important thing to take a look at was the effect in the future. The City had a lot of things it wanted to do and it would require market participation and thought as far as the debt ratio and capacity they were doing okay and were regarded as moderate which was why the City had a strong AA credit rating from Moody's. One of the analyst that worked for Moody's several years ago who had actually come up to Manchester and did the numbers had since moved and was working for an investment house stated that investment house has put the City on its buy list which was a good endorsement when the people who used to do the analysis for the City were moving on which was typical in the industry to go to some of the big investment houses and were looking at Manchester in a positive way and thought the ratios were certainly within the range of a AA and the capacity was okay.

Ald. Pariseau stated it looked like a negative reflection on the City if they went from borrowing \$75 million to \$183 million he got kind of leery.

Mr. Clougherty stated what the analysts looked at was - do you understand what the situation is in your City - you could have no debt but if there were all kinds of deferred maintenance problems that was not where they wanted to be and what they looked at was the City's ability to plan the debt and why the debt was being issued, certainly issuing a debt to change the fiscal year in order to improve the cash position to maintain the credit rating and capacity down the road in a period when they were the lowest bond rates the City had ever had seemed reasonable to them and thought most of the decisions the Board had made were in the best interests of the City and put the City in a position to move forward to be able to do projects.

Ald. Cashin thought the fact remained that in 1990 the City had gone from \$75 million to in 1995 \$183 million of bonded indebtedness on average \$21 million a year and thought that was the only point that Ald. Pariseau had been trying to make noting the City had bonded \$21 million a year in the last five years.

Ald. Pariseau asked if the Airport had been part of that.

Mr. Clougherty replied yes.

Mr. Sherman stated in taking the \$75 million and going up to the next column the \$25 million was Enterprise, \$49 million General Fund following down to the bottom at \$81 million of the \$183 million was Enterprise with \$101 million was General Fund, so the Enterprise Funds had gone from \$25 million to \$81 million with most of it being the Airport, \$40 million of it was the Airport and also about \$20 million for the State Revolving Loan Fund for the Interceptors where the City no longer received the grants

and the difference on the City's side had gone from \$49 to \$101 was the fiscal year change which at this point was around \$40 million.

Ald. Cashin stated the City still had a bonded indebtedness for the City of Manchester taking in the Airport of \$183 million and asked if that was correct.

Mr. Sherman replied yes.

Mayor Wieczorek commented there was no danger of defaulting on any of these things.

Ald. Cashin stated he was not questioning whether there was a danger of defaulting he just wanted to know that there was a bonded indebtedness of \$183 million.

Mayor Wieczorek thanked the audit team for a job well-done in putting together the report noting he was pleased with the information they developed indicating he looked forward to working with them and trying to act on some of the recommendations in the management letter.

Communication from the City Clerk, requesting the Board set polling hours for the Presidential Primary Election to be held on February 20, 1996 from 6:00 AM to 7:00 PM.

Ald. Clancy moved to approve the request. Ald. Pariseau duly seconded the motion.

Ald. Cashin inquired if it was busy at the polls from 6:00 AM to 7:00 AM. Several Aldermen indicated their polling places were busy during that hour.

Mayor Wieczorek called for a vote. The motion carried with none recorded in opposition.

Communication from the Deputy Finance Director advising of the receipt of Drug Forfeiture funds in the amount of \$1,512.57, requesting the Board accept same and remand for the purpose intended.

On motion of Ald. Shea, duly seconded by Ald. Soucy, it was voted to approve the request to accept the funds and remand for the purpose intended.

Communication from Jay Taylor, Manchester Economic Development Office, requesting approval of a Revolving Loan Fund proposal.

Mayor Wieczorek suggested this item be referred to the Committee on Community Improvement Program as it was CDBG money for their review.

On motion of Ald. Clancy, duly seconded by Ald. Reiniger, it was voted to refer the communication to the Committee on Community Improvement Program.

14. Resolutions:

"Authorizing the Finance Officer to effect a transfer of Fourteen Thousand Dollars (\$14,000) from Contingency to the Personnel Department to the Employee Medical Services Account."

"Amending a Resolution 'Authorizing the Finance Officer to effect a transfer of Twelve Thousand Dollars (\$12,000) from Salary Adjustment to School Salary Account" to \$6,000."

On motion of Ald. Wihby, duly seconded by Ald. Reiniger, it was voted that the Resolutions be read by title only and it was so done.

On motion of Ald. Clancy, duly seconded by Ald. Shea, it was voted that the Resolution be Enrolled.

Mayor Wieczorek nominated Daniel Goonan of 61 Sunnyside Street to fill a vacant position term to expire May 1, 1997 on the Planning Board.

Mayor Wieczorek nominated Michael Netkovick to succeed himself, term to expire January 1, 1999 on the Retirement Board.

In accordance with the rules of the Board, Mayor Wieczorek advised that the nominations would remain on the table until the next meeting.

NEW BUSINESS

Mayor Wieczorek indicated he had an item of new business relative to RFP's and RFQ's for Electricity, Engineering and Legal and asked Mr. Clougherty to address the issue.

Mr. Clougherty stated the Board may have recalled that several months ago the board had asked Tom Clark, Jay Taylor and himself to keep abreast of what was going on with the State with respect to the Pilot Program they were looking at and some of the legislation involving restructuring of the electric rates for the State noting they had been doing so noting there were a lot of different things happening at the Federal and Deregulatory Commission there were things happening, at the State there was some legislation that had been happening as well as the Pilot Program. The bottom line was that there might be some opportunities for the City to reduce its electric rates but in order to do so the City might have to take some actions in the form of making applications for a Pilot Program or selecting generators, etc. and thought that Tom and Jay and he all agreed that they should be prepared to take any one of those opportunities which existed and in order to be able to do so they would be getting into some very specialized areas of engineering and legal work and what they would like to do noting they had been working on developing EIQ and RFP's and would send out for engineering assistance and legal assistance, they wouldn't retain anyone or enter into a contract but would have made the selection so that if an opportunity, for instance, the Pilot would come out with regulations and it would be something the City would want to get into they would then have gone through the process and be ready to come to the Board and say that would need to be done and talk about funding for something such as that. What they were afraid of was that as the

opportunities presented themselves noting they could come quick and if they waited for the opportunity to exist to go out and go through the RFP process the City would not be able to take advantage of such so by going out and going through this process they would have the expertise and the consultant sitting there when and if they were needed and would not use them until they came back before the Board because they would have to have a funding authorization to do so indicating Tom Arnold to could on the matter and knew Jay was present but thought it was the consensus of the group that they would like the general authorization to go out and go through the process without contracting or obligating the City to any money at this point but just having the availability should it be needed on a timely basis.

Mr. Arnold stated he had nothing to add.

Mr. Clougherty stated depending on what action would happen say if the Pilot Program came out and depending on the scope would determine the amount of services that would be needed so they would have to wait for some of the actions by the State and the Federal government to tell the City what the programs would be and what the scope of what they would be looking for and would help ascertain what the City would need and what savings might be there as they would not want to go through the exercise and not save money or they would not want to go out and save money but have some disruptions in service and not have reliability. So, there were two things they were real concerned about and wanted to make sure they had the expertise available to help them walk through all of the things an were not running along chaotically when an opportunity would present itself.

On motion of Ald. Wihby, duly seconded by Ald. Soucy, it was voted to approve the request to submit RFP's and QFP's relative to Engineering and Legal services relative to electricity.

Mayor Wiczorek stated the first meeting in February would be the Public Participation meeting for citizens wishing to speak to the Board noting that the second meeting scheduled for February 20th was also the same day as the Presidential Primary and recommended that the meeting be held on February 21st.

On motion of Ald. Wihby, duly seconded by Ald. Shea, it was voted that the second regular meeting of the Board in February be held on Wednesday, February 21, 1996 at 7:30 PM.

Ald. Pariseau felt a letter of commendation should be sent to the Highway Department for the excellent job they had been doing with recent snow falls and also wished to

compliment the Highway worker who returned the snow from the City sidewalk back to Imported Auto noting it had been a problem throughout the residential areas in his ward noting the number of phone calls he'd been receiving of people throwing snow on other people's side of the street thought that the Police and Highway Departments ought to get together and enforce those ordinances on the books as people were blocking sidewalks, children had to go out into busy streets (i.e., Brown Avenue, Calef Road) and wished that both Police and Highway get together and resolve the problems.

Mayor Wieczorek stated it had been a difficult problem due to the amount of snow but to address Ald. Pariseau's first point and to commend the Highway Department noted that was precisely what they were talking about in his office noting his office received many calls of complaints but over the last week or so they did receive a number of calls and even received a letter from someone indicating what a great job they did and there was no question knowing the amount of snow received that they had done a very, very good job in pushing it around. Mayor Wieczorek noted about two-thirds of the budget had already been spent and hopefully Mother Nature would take a breather.

Ald. Pariseau reiterated that the letter should be sent.

Ald. Shea concurred with Ald. Pariseau and wished to compliment Parks and Recreation for clearing out all of the school yards in the City noting they had done an admirable job as well as Police, Fire during the difficult times.

Ald. Sysyn moved to nominate William F. Kelley to succeed himself on the Highway Commission, term to expire January 15, 1999.

Ald. Sysyn moved to nominate Catherine Schneiderat to succeed herself on the Highway Commission, term to expire January 1999.

Ald. Cashin moved to close nominations but was not recognized.

Ald. Hirschmann moved to nominate Socrates Makris to replace William F. Kelley on the Highway Commission.

Ald. Clancy stated he had seconded the motion to close nominations.

Ald. Cashin stated he had moved to close nominations.

Mayor Wieczorek stated he had not recognized that motion.

Ald. Wihby moved to close nominations. The motion was duly seconded by Ald. Clancy. There being none opposed, the motion carried.

Ald. Elise moved to appoint Robert Pariseau to be the Aldermanic Representative on the Planning Board for the current term.. Ald. Cashin duly seconded the motion. There being none opposed, the motion carried.

Ald. Pariseau moved to appoint Ald. Elise as Alternate, Ald. Wihby duly seconded the motion. There being none opposed, the motion carried.

Mayor Wieczorek in reference to the Committee on Joint School Buildings noted at least for the last term members of the Committee on Lands & Buildings had served with the School Department and now there were five people comprising the Committee on Community Improvement Program, Lands & Buildings, and Public Works and indicated three of those five individuals would have to serve.

Ald. Wihby suggested Aldermen Robert, Clancy, and Reiniger serve on the Committee on Joint School Buildings noting Ald. Robert was the Chairman of the Committee on Community Improvement Program.

Ald. Wihby moved that Aldermen Robert, Reiniger, and Clancy serve as members of the Committee on Joint School Buildings. Ald. Shea duly seconded the motion. There being none opposed, the motion carried.

Ald. Cashin stated the previous Board had voted unanimously to recognize the people who had left the Board as well as the School Board and asked if it was being worked on.

Mayor Wieczorek replied it was currently being worked on and hoped it would be addressed at the next couple of meetings.

Ald. Hirschmann expressed his extreme displeasure after having read in **The Union Leader** about EPD having a 9.9% increase and thought there were meters which could be installed to deduct from outside water indicating he did not think that too many people knew of the meters and asked that a directive be sent so that the public would be informed of the meters for outdoor water use as the EPD bills were getting quite high noting he had received phone calls after **The Union Leader** article and moved that it be referred to the Committee on Community Improvement Program.

Ald. Domaingue wished to echo the sentiments of Ald. Hirschmann noting she had received phone calls long before the article had been printed from people who had received their EPD bills indicating they were very disturbed about the rate increase as it now existed, let alone the new increase which was projected and if the City of Manchester were to set aside a special committee to look at electric rates she was a little surprised that the City of Manchester did not hold the same importance for the sewer rates which had skyrocketed out of the availability of the average person, particularly the retired person in the City of Manchester who lived on a fixed income and duly seconded the motion.

Ald. Pariseau in reference to the EPD rates stated the blame should be placed with the Board only because at the recommendation of Mr. Snow and whoever else was on the committee for capital improvements rather than have it included in the tax rate it was shifted to the cost of sewerage noting that was the problem and did not know how they would correct it indicating a mistake was made in not leaving it the way it was at the tax rate but when people pay \$60.00 for water and \$135.00 for sewer there was a problem and did not know how it could be corrected unless they would do away with what was done in 1991 or 1992.

Mayor Wiecezrek called for a vote on the motion to refer the matter to the Committee on CIP. There being none opposed, the motion carried.

Ald. Elise stated the Study Committee on Electric Rates had made a recommendation to the full Board that it continue on into existence to this term and moved that the Study Committee on Electric Rates become a Special Committee of the Board for this term.

Mayor Wiecezrek thought the intent had been to have the Chairman of the Board appoint a Chairman for any special committee there might be and have that person pick a couple of other people.

Ald. Wihby duly seconded the motion. There being none opposed, the motion carried.

Ald. Soucy moved that there be a Special Committee on Alcohol & Other Drug Abuse.

Ald. Clancy duly seconded the motion. There being none opposed, the motion carried.

Ald. Reiniger stated that recently the largest television station in the State relocated in the Millyard area and thought it might be a nice idea for the Board to send a letter to the Station Manager expressing the Board's pleasure that WMUR chose to stay permanently in Manchester and also to compliment them on the excellent work they have done in

renovating an important building in the Gateway to the City, and so moved. Ald. Elise duly seconded the motion. There being none opposed, the motion carried.

Mayor Wieczorek requested that the letter should be sent out immediately.

On motion of Ald. Soucy, duly seconded by Ald. Shea, it was voted to recess the meeting to hold discussion with the Chief Negotiator regarding union negotiations.

Mayor Wieczorek called the meeting back to order.

There being no further business to come before the Board, on motion of Ald. Elise, duly seconded by Ald. Sysyn, it was voted to adjourn.

A True Record. Attest.

City Clerk