

**SPECIAL MEETING**

**BOARD OF MAYOR AND ALDERMEN  
IN JOINT SESSION WITH  
BOARD OF SCHOOL COMMITTEE**

**November 6, 1997**

**7:30 PM**

Mayor Wieczorek called the meeting order.

Mayor Wieczorek called for the Pledge of Allegiance, this function being led by Alderman Shea.

A moment of silent prayer was observed.

The Clerk called the roll.

**Present:** Aldermen Wihby, Elise, Sysyn, Clancy, Soucy, Shea, Cashin,  
Hirschmann  
Aldermen Reiniger and Robert arrived late.

School Committee Members Stewart, Dumont, Zebrowski,  
Johnson, Labanaris, Gatsas, Healy, Paradis, Desrosiers,  
D'Allesandro, Lamontagne  
School Committee Member Higgins arrived late.

**Absent:** Aldermen Domaingue and Pariseau  
School Committee Member Zebrowski

Mayor Wieczorek advised that the purpose of the meeting was to hold a joint session to discuss the City's HTE program. He stated a long time ago when we started planning for the conversion and doing all we were going to do to try to get the City on one system, we had an awful lot of people that participated in the process and after decisions were made and schedules were set we went to work at it. And, thus far, we've run into a few complications here and the complications with the system, with the School side of the system, and what I wanted to do since it seems to be difficult to get a resolution to this situation was to have a joint meeting so that we could take a look at it from the early part of it and see how we got to where we are and where we are going and what we have to do to correct the system so that everybody gets what they need out of the system. So, I'm going to request that, Kevin, you were involved in this when we first started with this to just give us a fast overview of where this started and where we are and then bring anybody in that you would like to bring us up-to-date and then we'll have School make their presentation.

Mr. Clougherty stated as the Board may recall, as both Boards may recall we've been looking at the prospect of...let me back up a little further than that. The City for years and years and years was on a manual system and in the late 80's mid-80's the School Department went out and got the system that they are currently using and installed it before the City. Then the City came out

with its AMS or LGFS system and the School interfaced to that and what we had in the City of Manchester were multiple systems where you had...Water Works had its own arrangement, School had its own arrangement, the Airport had its own system and the City had multiple systems. Year-after-year the audit reports from independent auditors (i.e., Ernst & Young and Melanson, Greenwood & Heath) would come back and say this is an inefficient operation and it doesn't provide for a corporation to be in a position to generate financial reports in a timely basis and it's inefficient and there's double-entries into all of these things and there ought to be one single system. Pursuant to that the Systems Advisory Committee of the City which included the Superintendent of Schools and people from major users got together and started to take a look at the prospect of coming up with an explanation of what is the City's system and they actually diagrammed out all the different systems and how they worked and who had PC's and who didn't have PC's and put in place a plan with the people from the Information Systems Department to come up with a budget to buy one single system. They went through a process that was a collaborative process involved all of the City's departments, got together at several sessions and asked people basically what do you want, what do you need, where are you going. Do you need geographic base files, do you need a certain type of accounting system, do you need a certain type of report and everybody fed that in and over a series of these meetings we came up with a draft that was sent out for a request for information and got some feedback as to what systems were out there that could provide 95% or more of what everybody was asking for. The drill wasn't to go out and get the best assessing package, or get the best School package or get the best Police package, but to get the package that would serve the entire City and could be built upon or the different boutique software that the Police Department might need or the School later on to do its reporting. The City went out with an RFP, selected a vendor, and again the process of this review of all of these proposals involved committees and sub-committees and a system was acquired. One of the things that our calls from School as we went through this process is that we wanted to get into a site based management system, something that had that capacity and that's certainly something that was on the minds of people as we were going out and viewing these RFP's and making a decision. A system has been purchased, we set a timetable for July 1st to come on-line, it was an aggressive timetable but we felt it was necessary in order to meet the financial reporting deadlines that the City was facing for compliance with the year 2000 and other issues and we moved forward. The system has been operating since July 1st and from the City's standpoint it's been successful. We are generating the information that we feel is necessary for different departments and there have been complications with the School side and we understand that, that is part of a major systems conversion of this kind. But, we would like to talk a little bit about what is the difference between information and data and some of these terms that get thrown around and perhaps if I may, Mayor, I'd like to go into an explanation of what the system is and how it works and look at some of these reports and help you understand what the issue is as we appreciate it. The system is a modular system, so you have a payroll modular, accounts payable and they all feed into a general ledger. One of the things that happens is as you're keying into the modules you can get information and reports out of the modules, you don't have to wait for the general ledger to get a report and that information has been available as we've been going along. One of the things that we've heard from School

is that, in fact, a letter from Norm saying that...we'd ask what reports do you want, you've got to tell us what you want you want out of the system in terms of information and the other day he sent us some reports that he thought he'd need, we've developed those reports. They're not hard to get stuff out of the system. What you have to do though is you have to look at the reports and understand that what's on them is only what's been entered by the department. So, in other words, if the Highway Department wants to take a look at a report on projects and wants to take a look at payroll reports we can generate that report but all that's going to be in there is what that department has keyed in and I think it's important to understand that. We understand that the Superintendent feels that because he can't get certain information out of the system that there is a need to push off onto the old system, the System 36 and I'd like to speak to that. When we've met we have tried to resolve the issue of data and maybe we can start with these reports because I think if we can walk you through some of them it starts to make the point. What we have here is we ask the School Superintendent tell us what you want for reports. He gave us some ideas in terms of what he'd like to see, so what we're going to do as you walk through this we are going to show you what the report off the old system is and then we're going to talk a little bit about what comes off HTE and we're going to try and make some points here so you can understand what the issues are. What I'd like to do is have Rick Linder who is...for those of you who don't know Rick, he's a Deputy Director of our Information Systems Department and he's been responsible for a large part of the HTE conversion and Rick was the one who was responsible for developing these reports in response to the Superintendent's reporting format that he had requested.

Mr. Linder stated the first report they requested was the revenues by funds and that is basically what this is and this is a copy as it came off of the system 36.

Mr. Clougherty stated as you're looking at these reports this is what comes off what is called the old system or the system at School. If you can see the laser, what this is is an expense report and if you take a look at your heading you can see where expenses are cut out and it's kind of Mickey mouse with the revenue written in and you end up having some of these figures for revenues keying into an expense report, but it serves the purpose. You can get the information by kind of manipulating it a little bit. Now, that's what comes off the old system.

Mr. Linder stated actually there are two pages of that. If you turn to the third page this is basically the same report that shows the revenues by fund, you have your funds over on the left so the approved budget where there were figures entered in, the revenues to date, it's my understanding that there haven't been any revenues posted into the HTE system, therefore, that column is blank and then it shows the uncommitted funds. So, the information can come out of HTE at it is entered in.

Mr. Clougherty stated I think the point is if you haven't keyed in revenues, I can't report revenues back to you. It's not that the system can't prepare a report, it's there. It's not that the system won't tell you what you've keyed into date, it will. The system operates but if you

haven't keyed in any revenues to the system I can't get you a revenue report that's meaningful and that's what we talk about when we talk about the difference between information data and reporting. So, when you take a look at the number also it may be that if we don't have the budget or if School hasn't got a budget key, it's not going to show and if there hasn't been anything keyed in it's not going to show. If something's been keyed in and has been keyed in in the wrong column, which happens, we're going through millions of transactions and the School is growing through a lot, keystroke errors occur all the time and we've talked about that before, but each department goes back to what they've keyed into the system and they have the responsibility to reconcile that and take a look at those number that have been keyed in, that number isn't right because it should have been keyed in, there's an obvious mistake. But, from the Finance Department perspective we're just checking to make sure it's hitting the right appropriation codes, that it's hitting the right line item. It's not something that we're going to go in and know particularly that something should have been keyed in for Special Education, for example. We won't know that; that is why the department itself has that responsibility and the Board of Aldermen has been very particular in requiring that the Finance Department not go in and change numbers, that would be inappropriate. It has to be department, it's no different with School than it is with Highway. When they're keying in their revenues or keying in their expenses they have the responsibility to key it in, look at the reports, and make sure that what's in there is reasonable and accurate because that's their responsibility, not the Finance Officer's.

Mr. Linder stated this next report shows School payroll expenses, it's actually broken down by job ID within eye level within fund which would be as you can see the headings there...district-wide, elementary schools, your levels, and then the grand total is for general fund. Again, this is off of the old system 36 and if you skip forward here is the same report off of the HTE system that has the same breakdowns, the spacing is a little bit different, but it shows the activity by month and the activity by year.

Mr. Clougherty stated the nice thing about the new system is that these reports were generated within a week and that's doing all of the other things that Rick has to do. The system will let you go in and develop just about any type of a report you want, if you know what you're looking for, but again just having the format right is where Info Systems can help you, but if you haven't keyed in the data or if the data hasn't been keyed in and properly linked amongst departments it's not going to show what you may be looking for. But, again, that is not something the Finance Department should be going in and doing for each department. We do not go into the Highway Department, Claire would have my hide if I tried to go in and tell her that we're going to move this from there, we don't do that, that is not our role.

Mr. Linder stated this next report is also off the system 36, it's a little bit different breakdown, it's just job ID within fund, it's showing the different ways you can sort the reports and pull the information out. This one compares the budget along with the activity and then the remaining budget which the other one only showed activity.

Mr. Clougherty stated what happens on some of these reports is that the old system as we know it and when I mean old system, all of the older systems, all of the City's AMS, LGFS system and the Schools required a certain level of data entry that was not that difficult to do. The new system that we are talking about if you want to get a lot of information out, right down to the program level, if you want to know how much you're spending on Special Education at a particular school, by a particular grade it is in this system and you can get it out. This is what we were asked to structure, something...it's a much more detailed complex accounting system and you can go in for the Highway Department by project and get all of that information as well, too. But, when you key it in you have got to make sure that you key it in properly and that you key in to the exact level of detail that is required to get these reports generated.

Mr. Linder stated if you notice on these reports, the approved budget column is blank which kind of throws this askew, but if you go to the next page you'll see that the way the budget was entered it was all entered in a miscellaneous job ID which is the 99, so if you look at your bottom line it will still show you by fund the total of the budget and your expenses, the activity by month, and then also by year. But there again, if the data wasn't entered by job ID, if it had been then it would show on the report.

Mr. Clougherty stated what would happen there, for example, is we'd be able to tell you how much you've got in Title I, but if you haven't further broken down your entries so that they're linked to a particular program in Title I even though that structure is built in there for that report to be generated, it's not going to have anything in it.

Mr. Linder stated this next report is off the system 36 again where it is the total expenses by fund, it shows the budget, expenses to date, outstanding encumbrances and uncommitted funds. And, if you jump ahead two pages here's the same information of a HTE by fund showing the budget expenses to date, outstanding encumbrances, and uncommitted funds.

Mr. Clougherty stated what we...maybe this is a good time to make the point here. There is no reason why you can't have the information that you want to the level of detail that you're managers have told us they'd like to have on Special Ed or West High School or a particular grammar school, you can have that. What we have to do is go back through what's been entered in the first day and take a look at all of the detail. Now, for each one of these reports, for each one of those lines and I don't know if we have some of that here, but you could go into each one of those lines and there's a report that we can print out that tells you every single entry that's been made making up that number. Do, if you don't like a particular number whether you're the Highway Department or the Health Department or the Finance Department I can go back and take a look at the individual items and the purchase orders and everything that went in to make up that number and I can say oh, this thing got charged to the wrong account, it was a keystroke error or this thing went to the wrong fund. Those things happen, but you have to be on top of them on a regular basis and editing and cleaning up the entries or you're not going to get good data, good reports, and that is what we have to do. We can work with you to go back and try

and produce those reports to show you those reports to show you the detail, but somebody from the School Department has to really go through all of those and say what has to be changed, what has to be corrected because we're not empowered and we shouldn't be empowered to go in and make changes; that's the system's security and that is why Highway and everybody else is reviewing their data entries and keeping track to make sure that the numbers are good when they come out. But, all of the modules are posting to the general ledger and we think that you could get a lot of information here in a relatively short period of time with a concentrated effort to try and clean up the data.

Mr. Linder stated one thing I wanted to point out on these reports, you'll notice that it says total and it's got the fund number that is because this is a summary report based on a detailed report so, like Kevin was saying we can break this down to whatever level of detail you want and if we jump to the next report, the one of the system 36 it was chosen for Bakersville School and it shows every account number within object code and it shows you the activity for a given month and then year-to-date.

Alderman Robert stated if I could ask a question, ask Rick to back up. There just some question about the last report that we're looking over, the HTE expense by fund...there's just some disagreement as to if these numbers are correct.

Mr. Linder asked is there any particular fund.

Alderman Robert replied expenses by fund, approved budget \$69 million and it adds up final total \$77.507, could you shed some light on how those numbers got that way. Maybe this is good for Randy.

Mr. Sherman replied the \$69,944,606.54 what that entails is the \$56,992 budget that was appropriated to the school. It also includes \$12.1 million of benefits that are also School and it encompasses the \$767,000 in purchase orders that are rolled over from the '96 years. So, when you take all those numbers and add them together that is how you are getting the \$69 million.

Alderman Robert stated so if this was lumped together with other information, it would be more readable, it would be more clean.

Mr. Sherman stated we're not here tonight to tell you that if you want that number broken out, we can't break it out. Certainly, that can be done. If you recall knowing you're on Committee on Accounts and we used to look at the reports, we used to have the total department appropriation, then we used to back out the benefit lines and we use to give you the net appropriation that department's are responsible for. Those are the types of things that we've got to go back and break these reports out and we haven't done these. These were requested on October 29th and in less than a week Rick has these reports ready for you.

Mr. Linder stated I put these together without any feedback as to whether the numbers looked appropriate or not. We can sort it out and eliminate those same funds or those same accounts if we want to and we can break this out however we want, but this is just a summary account that shows everything.

Alderman Robert asked but these numbers make sense if they're broken out properly.

Mr. Linder replied yes and there's actually a detailed report in the box that shows every account number that rolls into that. Some of these reports, well one of the reports has 900 pages of detail lines that show every account number. So, when I go to the next slide...

Mayor Wiczorek stated before you do, Rick, there's another question here, Dan.

School Committee Member Healy stated I've got a question to that and that is because this \$69 million makes absolutely no sense as far as I'm concerned representing the Board of School Committee. When I look at an appropriate that's much less than that which is our bottom line and we're looking at \$69 million, but I also...which has arisen during all of this turmoil here is through I believe the MS 22 of \$84 million which the School Department is being assessed, is that correct, through chargebacks. And, you can give the Board of School Committee a detailed line item by line item explanation for the...what I would consider close to an additional twenty someont million dollars added to the School Department's expenditures.

Mr. Sherman replied it's \$15 million, but yes we could.

School Committee Member Healy stated I don't understand how it's \$15 million when our budget is \$57 million and when the MS 22 which is given to the State is set at \$84 million...

Mr. Sherman stated to go from the \$69 million to the \$84 million I can give you a line item by line item to go from your \$56,992,462 to what's on the MS form of the \$84 million.

School Committee Member Healy stated but the concern that I have is that the Board of School Committee does not receive an itemized listing of what and an explanation of what we're paying and why the chargebacks to the Board of School Committee and to the School District, I should say.

Mr. Sherman stated I guess I don't understand why you don't get that, it's the Superintendent that fills out the MS form.

Mr. Clougherty stated we don't.

Mr. Sherman stated I don't sign your MS form.

School Committee Member Healy stated that is correct, but all we ever get from the City on the City side is just a line item similar to what we get from Parks & Recreation asking for six hundred and someont thousand dollars every year we make a transfer to them without any itemization at all and this is placed and I think it is clear that every should realize that this is placed on the appropriation of the tax bill for the Board of School Committee.

Mr. Sherman stated you send each department a form that you ask them to fill out. Now, those forms are filled out to the detail that the form requests. If you're not getting that information again the Superintendent has it, they fill out those forms.

School Committee Member Healy stated I don't believe it can be itemized because I believe the City of Manchester cannot itemize that and they're just numbers that are placed on the backs of the School Department.

Mr. Clougherty stated again, with all due respect, Committee Member Healy, the big thing that any of you have ever heard me talk about for the City of Manchester since I came here is cost accounting and the inability with five separate computer systems of different varying vintages to do that. This system, this system is going to be the accountability that is necessary for that because right now the department's are keying in by job level and the detail that you're going to have is going to be much more sophisticated than you ever had and I think that's important and I'll tell you why, Dan, because we have the same thing...I'm going to digress a little bit here...we had a big problem with Airport. I don't know if a lot of you are familiar with how airports work, but there was a raging debate on the Board of Mayor and Aldermen before we built the airport and, Mayor, I don't know if you were here or not, you may recall this, but there was some people that believe that we could do like the City of LA does and charge the Airport excessively, just as you're saying, no indirect cost plan, no justification, just hit them up for money and have that come in, that is what the City of LA did to LA Airport. The federal government and the FAA took them to court and the City of LA lost big time. We never did that in Manchester because we said if you can't justify the costing we're not going to do that. Every time...prior to my becoming Finance Officer there used to be a flat thirteen, fourteen percent that came off the top and then went back into the City. So, we'll never do that. We will have departments to the best of their ability account for those so that we are doing a fair assessment and the City ended up having a good reputation and that's in part what helped us get a lot of the federal funding that we needed to build the Airport. So, I agree with you. We need to do that level of detailed reporting. A lot of it has been done under these old systems in the past and that detail is available if you want it, but we want to do better, we don't like the way that is and that's what this system has put in place to talk about and we had this exact discussion with Len and with Mark and with others as we were trying to design it to be able to put in place those necessary cost accounting details to get that back to you, Ladies and Gentlemen.

School Committee Member Gatsas stated, Kevin, I'm kind of concerned with the same issue that Dan brought up. We've been talking when this enterprise system when in three years ago.

We had met with the Parks & Rec a number of times, the payment of \$650,000 comes from the School Department to Parks & Rec, it's a paper transfer, but it goes on the School tax rate. They cannot three years ago justify the line items and what we're charged and why we were charged that. We had a meeting this past Monday night and the questions came up again and they could not justify how much we pay. I'll give you an example. The City pools...they told us that the City pools have put \$200,000 in the School Department. Now, I'd like to know why \$200,000 of the City pools are charged to the School Department when the schools don't even use them in the summer, but it's charged to the tax rate under schools. I think the School Department wants to know what they are charged for for services. If the parking lot is plowed, we want to know how many men, how many trucks, how many hours, what it cost. I heard this system that is what it was going to do for us three years ago, three years later we still don't have the answers. In my opinion, I think the School portion of the tax rate is inflated. A lot of that does not belong in the School, we need to get to the bottom of it. I don't think the swimming pools belong in the School portion, we don't even use them and that was said to us that we were going to get that information. If it's disappointing to people out there, \$15 million in chargebacks and not to be able to justify one of them to anyone and we get a list, we got it at the School Board meeting that just said Water Works - \$28,000 chargeback; the Mayor's Office \$61,000 chargeback; HTE \$75,000/\$116,000 chargeback. Not itemized on how those are going to go and I'm a little concerned because I really believe that the School portion of the tax rate is inflated with everybody dumping everything into the schools and they don't have to be accountable for it; that is my concern.

Mr. Clougherty stated as I just said, John, I agree. We want to be able to be exact in what we're charging for these things and in the reports we're preparing and that was the main nexus of why we wanted to go into a more sophisticated software package, that is what we are trying to do is get down to those levels of detail and if you take a look at the information that's being provided to you, I don't know, I can tell you no one has ever asked me to break out the detail of what I've submitted, I can and if you have a different form that would be done. A lot of this will be able to be taken off the system and that is what we are trying to get at. Again, if you understand the system and how it works for your operation then you can have some confidence in what's being extracted for these other departments and how these all fit together.

Mr. Sherman stated let me jump in here. We met probably two or three days before you met with Parks & Rec and we went over the numbers with them. We tend to agree with you; that \$650,000 number there is no doubt about it, it was a grab when they came up with that number three or four years ago or whenever it was. Parks & Rec is just finishing their third year as an enterprise fund. In their defense they haven't had the systems to do the cost accounting either, but you're right, when we looked at the numbers we said it looks like only about half of that is really the School Department and if that's the case then next year now that we can justify certain numbers and not justify others, call it what it is. If High School Athletics should have a \$325,000 number in the budget then make that that. In essence what the City is doing is giving the enterprise fund a \$325,000 operating subsidy every year, call it that. But, nobody

knew what those numbers were, the systems weren't there. We sat down, we looked at their reports that they have put together for the past three years and we agree with you. But, in Ron's defense he didn't know that coming in and Ron didn't put that \$650,000 in the budget. Again, that's a number that's been there for three years going on four now, I believe.

Mr. Clougherty stated it was based on the best information that they had at the time, but again, we're not satisfied with that, that's not a good answer. So, that is why...and Ron doesn't like not having information and the Highway Department doesn't like to not have the information, so that is why they worked that out. The concept of the enterprise fund is a good one and it's working and what they're going to find is that yeah there may not be those costings, but there are other places and it's going to be shifted so that they are going to find at the end that they are self-sufficient and it's the same with these other departments and what you may find when we do a much better job of costing, I think my number to you is understated. So there is going to be that shifting out and whether we come to the same number is probably what's going to happen, but it's going to be different players, you're going to see some shifting within that. But, we kind of took away from Rick's presentation here, the point in all of this is the system works, it'll generate what you want to a great level of detail but only can get out of it what's keyed in and if there needs to be help going in and trying to get that in then that's what we're interested in helping you in and trying to figure out a way to do that so that we can start to do that as soon as possible. Rick, do you want to hit the next one here.

Mayor Wieczorek interjected no, do you want to just hold on a second, Kevin. John are you set.

School Committee Member Gatsas stated the only last comment I have to make, Mayor, is if we knew for three years that wasn't accurate or that number didn't belong there, why were we kind of misleading the public that that number should have been taken out, why wasn't that number taken out and put somewhere else where it belongs because the schools don't use the swimming pools in the summer and if there's a thing and I'm not faulting Ron Ludwig, I think there is just a...the process that I feel and the public feels is if the School Department's numbers have been inflated because they have no way of tracing any of those chargebacks back to where they belong and it seems like a lot of money has been hidden into the School Department part of that that now you're telling me that I'm right in saying that, well if it's \$200,000 it might be \$1 million, it might be \$2 million that doesn't belong there, but that's all I have to say.

Mayor Wieczorek stated before Rick starts, Sandy has a question.

School Committee Member Paradis stated, Kevin, what bothers me is the other evening when we did have that meeting with P & R, the \$650,000. To begin with the constituents want to know where, they want to know what...people ask me for \$650,000 what are they doing because sometimes the Parks, sometimes things aren't done and so on, okay. So, we don't get a breakdown, we did have Ron before in with us also with his secretary and we really didn't get very far there. What bothers me is exactly what John Gatsas said, but the other thing that

bothers me is when at the end of our conversation that evening with him, he said that we would not be able to get anything for a year-and-a-half for labor distribution, for anything to account for what...in other words and we don't even have the training money there, they don't have the training money in other words P & R does. So, it's going to take a year-and-a-half...that's a long time, that's not three months, or four months, or five months down the line, that's a year-and-a-half, that's a long time before they're going to be able to even...it sounded like before they're even going to be able to do any kind of itemizing or labor distribution type thing or anything like what you're using it for, if it's \$200,000 for a pool or \$15,000 for this, \$10,000 for that, whatever. So, that bothers us very much.

Mr. Clougherty stated I kind of have to apologize because I was in and out of that meeting but I am going to let Randy respond because they went over the reports and tell you what happened.

Mr. Sherman stated in talking to Ron what we're trying to get them to do is utilize both the project feature of the system and the work order feature. Now, my feeling is the reason he's telling you he probably won't have good detailed information for a year-and-a-half is he hasn't been building it for the past...yes, he could tell you in three months what he has spent in the last three months once he gets using work orders. He could say okay, I did this hockey game or I did this football game or we lined the fields for this game, but if you want to know what you're using for a whole school year he has to operate the system for at least a whole school year and be able to gather than information for you. I mean, again, it's a new system for them and they need to be able to utilize the system in order to gather the information. The only information that we have been able to look at is what they have estimated on the side. Well, we think it cost us this, we think it takes this many hours to do that. Okay, well we can apply some dollars to that and come up with some issues and that's what I'm saying over here is, yeah, in looking at what they have right now it looks like the \$650,000 should not be going all to High School Athletics, there's no doubt about it that they can't justify that. So, maybe yeah for the last three years that number has been high, but on the flip side of that that number has never been there before. So, you have a number of years that it was underestimated and what we're trying to do is come up with the right numbers.

School Committee Member Paradis stated because you do have many taxpayers out there who have children participating in programs in many of our parks in the City here, we have 4,000 kids alone in soccer...why the backstops are broken, why the grass is three feet high behind the third base...baseball fields and things like that and they want to know why. They say \$650,000 would cover taking care of these facilities, they do not realize as John said that \$200,000 is put in for swimming pools that we don't use, we rent swimming pools for our swimming teams, we rent New Hampshire College and so on, we don't use City...outside facilities for our swimming teams, it's a different time of the year to begin with.

Mr. Linder stated if I could speak to that, Kevin. One thing that the Highway Department has is they have Grolen's time clocks and they keep track of all of their hours by project and by work

order and that is something that I am in the process of dealing with Parks & Rec right now is implementing that system and at Parks & Rec also there was going to be a Phase II of this project to try to implement that more on a City-wide basis but I got a call from Parks & Rec and they are desperate to try capturing that kind of information. So, I've been dealing with Kronos and we're looking at getting the time clocks into their area so that they can start tracking that information and they would be able to break it down by project work order and they can give you very detailed information. But, there again, you have to start collecting the information and then it will take a while to have the year's worth of data to give four year's of reporting, but they can start reporting that right away.

Mr. Clougherty stated we looked at this from two perspectives. A lot of times when you're talking about a system like this you say well, cost and we're being billed for the cost. One of the reasons that I have been promoting this system and cost accounting in the departments is once you know what your costs are, you may be undercharging your fees. If you want to make a policy decision, if you take a look at some of the facilities we have, we have JFK, we have the only ski area, I think we're the only City in the United States that has a ski area - McIntyre, we have the gold course and those make money. Are we making sufficient funds to cover those, are we charging properly.

School Committee Member Paradis interjected he did explain that to us, Kevin.

Mr. Clougherty continued by stating and those are the things that are important on our side because if those revenues go up that is going to help address a lot of the taxpayers issues, but you have to justify that for him and I think that's one of the main reasons why the department's got behind this is because they want to be able to justify those things.

School Committee Member Paradis asked how about the Water Works, though. We pay our bills, what's the story with the Water Works for \$28,000 and the Mayor - \$60,000, you know there are other items here that also...

Mr. Clougherty stated if you want the details, you have to understand that you send around a form to all of the departments that said what's the number and they gave you a number. If you want to ask them what the detail behind it is and the justification, you have to ask them for that and they'll be happy to provide you with, like Finance. I'll tell you what that's based on and you'll be able to take a look at those details. Now, if you look at the current systems and you wanted us to come in and say where does that number come from off LGFS we may not be able to tell you the details of those items. But, on this system with everybody plugged into one you're going to be able to take a look at not only the details of all of those costs that have been charged by program in the different departments, you're going to be able to take a look at all of the purchase orders. It's a much...and I understand and maybe this is a good time to address it. I understand that people have said that this system is too complicated, it's too complex, and we can't handle it. On one side of the equation you have the City departments and say that's 1,200

employees and on the other side of the equation you have 1,200 School employees, but the 1,200 School employees are comprised in large part, over a 1,000 of teachers and principals and they're paid on a routine that never changed. So, it's really about 200/300 entries that you're making on a regular basis for tutors and things of that nature; that is no where are near or sophisticated or complex as what the Highway Department has to put it because of the multiple unions, multiple callbacks, different shifts, different provisions for benefits, or what Police has to put in. If you take a look at what the City side is made up of and take a look at why they have an accountant in the Police Department and you see what they're doing it's very complicated, it's much more complicated in terms of some of the things they're dealing with on a weekly payroll basis than the regular rollover. But, that's not to say that if you need help on the School side to be able to go back because these things have been going on for a while, if you want to go back to day one it's going to be a bigger job, but if you need help doing that then that's what we can bring in some resources to help go back and get that information into the system, make sure that it's refined and you can get the reports that you want.

School Committee Member Paradis stated but also from what I understand like, for instance, the Police Department they're not happy with this either. They are asking, people in the Police Department, the police officers and so forth are very displeased with what's going on in their department too, but they're not going to come to City Hall.

Mayor Wieczorek interjected can we confine this to School because this is what we're here for.

Mr. Clougherty stated we met with Police this afternoon, we met with Dale Robinson and Paul Beaudoin and they're fine, they like the system from a management standpoint. Now, we would like to have the accruals on the system. There are some issues that Norm raised and that Janelle and Mark are going to speak to when we're done to try and address each one of those issues that were raised and that gets to some of that. Maybe we can get through these reports here and move on.

School Committee Member Paradis stated thank you, Kevin.

Mayor Wieczorek stated now, I've got some more questions here. Do you have much more, Rick.

Mr. Linder replied just about three or four.

Mayor Wieczorek stated wait a minute Alderman Wihby has a question that pertains to what we're discussing right now.

Alderman Wihby stated I don't know if we're here really to discuss this because we're going to be here till one o'clock in the morning but, Kevin, are you telling me that the departments put the list together and what they're saying is they want to chargeback to the School Department.

Mr. Clougherty replied, right.

Alderman Wihby stated and then what happens with it then doesn't the School Department get those numbers and couldn't they all along have asked what those numbers were, but they haven't been, they just pay it and allow it to be charged.

Mr. Clougherty replied, right.

Alderman Wihby stated so we're arguing that the number's wrong, but nobody has questioned what the number was.

Mr. Clougherty replied, right. We don't, from our perspective we don't go back. As Randy says it's a School form...

Alderman Wihby stated but they do have the numbers. School could argue with the numbers and change them, they could talk to the departments if they wanted to all along or they don't have that opportunity.

Mr. Sherman replied they send a form to the departments that each department fills out and sends back to the School. I know that those numbers have in specific cases been questioned before, but I don't know, we don't fill out the form, I don't know whether any of them were questioned this year or not or in past years. I know of some, but.

Alderman Wihby asked do they have an opportunity to question the number and have the number changed or are you going to accept the number and not let them change it.

Mr. Sherman replied no. As a matter of fact we go through and we actually, we need to use the School form in order to generate the City form because again you can't double count items and actually I think we actually did change the form this year. We came back and said something's been doubled counted.

Alderman Wihby stated so the bottom line on this issue they will have the information from the departments, they can question the departments if they want to get more detail and they do have the opportunity to change the number in the future or justify the number.

Mr. Sherman stated let me tell you what the Airport has asked for. Kevin mentioned that we bill the Airport for services, well, they would like each department to establish a work order for all the Airport work that they do, so that they could actually go back and say okay you billed me \$40,000 this quarter from the City for work that you've done, what was it for and if each department now has a work order that they can submit and say here's my \$40,000 bang...I did this, this, and this for you it either alleviates the questions or obviously causes things to be

thrown...I know the Airport has thrown out one thing for the Police Department once they tried to charge a cruiser to them, okay, and they refused to pay for it.

Mr. Clougherty stated we've done that with, that's an idea that with this new system we would embrace. Now, that's right in line with what we're talking about here in the future. We're trying to be able to come up with that stuff for the departments.

School Committee Member Higgins stated to speak to Alderman Wihby either we're not asking the right questions or we're not asking the right person because for the past four years that's all I've been asking, that's all I've been hearing from Committeeman Gatsas and Committeeman D'Allesandro all the time. So, obviously we're either asking in the wrong way or we're not asking the right question or we're not asking the right people, but we are asking the question make no mistake about that and why I raised my hand was basically what you're saying is to answer John's previous question is that you have no, the City has no historical data for any of its departments, is that what you're saying.

Mr. Clougherty replied no.

School Committee Member Higgins stated well, that's what it sounds like because when we're asking for detail or we're asking for how much money we're spending what you're saying is well, Parks & Rec doesn't have that information and they need to go with the system for a year in order to gather that information. I understand that concept, what I don't understand is that they have no historical data that they can't provide that for us either manually or with information that they already have on hand and what you're saying to us is that they can't do that until they've been on the system for a year, that's my understanding.

Mr. Clougherty stated let's see if I can make this...if you ask a department at the end of a year to go back and say how much they charge for School for a particular circumstance and they haven't been doing that right along, okay, but they know what the services are and they can give you an idea in their estimate. Most of the departments will be keeping spreadsheets or be doing something with the old system depending on which one they were using and break that out, what we're saying is that's not the way to do this. At the time that you're putting in the work order to do that it should go into the system, that's the record. We don't want to rely on your memory 12 months down so that you have to go back and take a look at your calendars and your expenses and try an estimate. We want it and that's what Randy is saying with Fred at the Airport. We want...if you're a City department and you're doing something for another department there should be a work order in there as to who it's for and it should be plain and the purchase order should be there and that's the justification. So, you're not going back relying on somebody's estimate of what happened or having them have to spend all of the time in the world to go back and try to compile this and this is what some of them were doing. It's as we're going forward, as it's occurring you're entering into the system, it's recorded, it's accurate and it's available so that if Norm calls me and says where am I today, what's it look like, how are we

going. You should be able to tell that without recalling all of the different departments and say to give me an idea of what's happening and that's not uncommon. In most of the other cities and towns are operating the same as we have been, what we're trying to do is take it a step further moving into the future with a system that is going to provide you and all of us the level of comfort and detail that's defensible. We don't want to be guessing, we don't like that, that's my biggest complaint about all of these systems and why we approached to go onto something new. Is it a change, yes it is a change. Are there some departments that don't like to have to key in more data than they have been, yeah. But, is it worth the effort to collect the information at point of sale so to speak and have it accurate than to wait later on. I think it is and I certainly know that the Board of Aldermen and we've talked about this in a lot of meetings needs to have information at that level and ought to be making policy decisions about a lot of complicated issues.

School Committee Member Higgins stated, Kevin, I understand what you're telling me. I understand perfectly. You're telling me how this system's going to work and that's great, that's fine and from this point forward we'll have point of service and you'll be able to tell us where everything is. What we're saying to you is that we want to know right now and I asked you if there was historical data and you're saying yes there is and just a minute ago someone said well, there's no historical data we're working with Kronos clocks and we need purchase orders and we need to put all of this data together. You need to explain this to me like a five year old because I don't understand...I understand what you're telling me about the system, I don't understand what you're telling me happened previously, can you explain that to me. If you're saying yes we have historical data then explain to me how we can have historical data and you're saying right now that no, we don't have this historical data but we will from this point forward. So, can you explain that to me.

Mr. Clougherty replied we'll try. When you'd key in information under the old system it would record it and that data is in there and if you want a department to go back and tell you where did that number come from, you have the right, the obligation to ask for that and that you haven't been is something like today if you came back and said Kevin where's your number, I'll go back and I'll tell you where, what that number's based on, okay. But, I'm not going to be able to tell you and I can pull out hours and times like that and I'll have to go back and that is going to take some time to do that if you ask me to go back a couple of years. What you should be able to do is call that off the system because you've had a work order in there and as you're going along you're charging. It's like in a lawyer's office or an accountant's office you keep your hours to the side of what you're charging to, but a lot of the departments have not been doing that and they haven't had the systems to do that and that is what we have been talking about for five years to try and get an appropriation to bring on line a system that will allow that to be done. Now, if you want a justification on these things you could call every one of these departments and they'll show you the justification. But, you have to understand that it's been compiled by them based on a bunch of different systems and what their recollection is of the services that they provided you and that flushes both way. It's either going to come up this way and be high

either overestimating which may be the case in some or they're way underestimating because one they don't have the time to go back to do the compilation, okay, and that's what I was saying to Mr. Gatsas before is what you're going to find is as you get through and get these details you're probably going to be pretty close to the same number, but Parks may drop, Police may go up or Finance may go up because every time that my time is there I am going to charge it and I think that's...but I would feel more comfortable if I could go to a time clock in exact detail and look at that and know that I can have it like that rather than having to go back and have somebody pull out records and go back to reports and do all that. So, it's not that there aren't records there and it's not that they can't compile it, it just productivity issues.

Alderman Elise stated it seems like the School Department is really very, very concerned about their numbers and the accountability of their numbers and it seems that they have a perception that there is a drastic difference in what they're spending and what they're being charged and I can totally understand how they feel because they've been in a position where they have to advocate for a budget, they have to defend that budget, and they've been criticized for having a lot of fat and not spending it wisely, etc., etc., etc., and not providing services within their budget and not staying within their budget. So, the concern that is being expressed this evening, I think, is very legitimate and I think this definitely has to get to the bottom of it at some point in time. I didn't quite expect that this evening we'd be getting into this particular area in detail and I was going to ask if there was a particular agenda for this evening because this issue does definitely have to be taken care of, but I was under the impression that we were going to be talking about another critical issues...the new computer system for the City and the problem that that is causing us right now and I just wanted to know how we're going to be proceeding with this this evening. I think that this budget issue has to be addressed and maybe if we could set a time and a place for this particular issue to be addressed in the future I think we should do that and then maybe move on to the computer issue.

Mayor Wiczorek stated what I see here is we're getting into the nitty gritty of some of the numbers and the detail when really what we want to find out is where are we going to be system wise, are we going to have everybody on one system, are we going to have two systems going here, what are we really going to do because that is really the source of our problem.

Alderman Elise stated but the expression this evening tonight between the difference in the numbers is really very important also, so I think maybe some plan has to be decided this evening about how that will be handled also and then go to the system.

Mayor Wiczorek stated what's happening here is it's the level of detail that is really in here and that's where the problem is. When you're talking about historical information if you don't have it set in as much detail as you're currently getting it set you can't get that out because it's not there. The only way to do it would be to key it in in this very same basis that you're keying it in now and that's the reason why I hear what you're saying is that now that they're keying it in at that level of detail, that's the level of detail you'll get in your report. But, the one that you have

back unless you go back and redo all of that, I don't see how you're every going to get that, so we have to try and work our way through it.

Mr. Sherman stated if you recall, Mayor, it wasn't until six or seven years ago that we even did cost center budgeting. We used to go and budget one lump sum number for Parks & Rec and then we starting having them budget on cost center. Now, Parks & Rec has 22/23 cost centers at this point. Yeah, they can tell you how much they spend on the West Side Arena, can they tell you how much they spend on West High School at West Side Arena, no they haven't been able to do that or how much they spend on Trinity over there. Now, that's the point we're getting to, we're getting them to now break down their cost centers into different categories and get that detail. Do we have historic detail on Gill Stadium, yes we do and what they can do is go back and say okay, we ran Gill Stadium for 42 days and they can go back and estimate that. But, now we're trying to get them to get that additional detail and that's what they need the system to do to go back and build that.

Alderman Elise stated, your Honor, maybe in terms of going forward with the conversion of the system that may be the role or a project manager in terms of overseeing this whole project and then working with the School Board in terms of their budget and the figures and seeing what needs to be addressed and what doesn't need to be addressed.

Mayor Wiczorek stated that is something we have talked about.

School Committee Member D'Allesandro stated from the School Board's perspective. Our problem as stated to us, as stated to our Board by our administrator's is we do not have the kind of information we need to manage the School system. We were told when we had the initial meeting with the software company that that could happen, that the modules would be adaptable to a school unit. At the present time that doesn't seem to be happening: (a) we have a parallel system that doesn't seem to be functioning, we do have a very definite problem with that in terms of paying our employees; (b) financial information is not coming to us in a timely manner so that we can operate the District; and (c) with both of those in place we have a responsibility to the people of the City of Manchester, we have a fiduciary responsibility as elected members of the School Board to manage our operation, to bring financial integrity. We can't do that at this point in time. We're now into the fiscal year, we're four months into the fiscal year and if that situation remains pervasive within our department then we can't function, that's the problem as I see it, that's the problem that's been articulated to me. Now, we need a resolution to the problem regardless of these other items, we need a resolution to that problem, we need to be accountable, we need information in order to be accountable and that information must be received in a timely manner in order for us to function. We're educating 17,000 youngsters, we have an obligation to them, we have an obligation to our employees, we have an obligation to the City. We cannot fulfill that obligation at this point in time. Now, we were told that this could happen and would happen, it isn't happening, how do we correct that and move forward. I don't want to see our administrator's operating at a disadvantage. They're paid to administer

the system, they can't do it without accurate information and if I'm articulating the situation inaccurately by some of my colleagues this is what we've heard around the table, I want that to be stated quite clearly that's the situation that I think is relevant at this time and that has to be cleared up; that's the problem we bring to the table. Our solution to that problem was we have a system that is in place that functions let that system come back into play until the situation can be resolved, efficiently and effectively so that we all can do what we were put in place to do and that's to serve the public properly; that's the problem as has been articulated to me and that's what I bring to this table and that's what I'm looking for. I'm looking for solutions to problems.

Mr. Clougherty stated as we've been saying, Lou, the system is there and it works. The payroll system is working, but you're only going to get out of the payroll system what you put into it. If you don't key hours in and you don't key in the hours and link it to the different projects you're not getting the information out, that's not something I can do, that's a School Department responsibility and you've got to go in and key in the information. Now, if you're having a problem doing that and you're saying that the information that's been coming off the system is unreliable...we met the other day with the Superintendent and we talked about bringing up the old system...said, what do you have to do to get the old system up and going...said, we're going to load it. We said okay, fine, tell me how you're going to load that, are you going to load that with all...go back and do all of the entries for payroll from day one, from July 1st is that how that is going to happen. No, we're going to batch it. Where's the batch coming from and this is of particular concern to me because we have to prepare the W2's and the 1099's and all that and sign for it. So, the response that we given to us and it was a meeting involving the Mayor and the City Solicitor and others is that we'll get that off HTE. Well, if the information that's in HTE is going to be used to start the other one the amount of time you spend trying to get the other system up and running if that's devoted to cleaning up the data that's in HTE it runs. Why, HTE will generate the reports and generate the information you want. If you have a problem with the data don't tell us that the system isn't going to give you the reports, you've asked for reports and they're there. If you have problems with the data, you've got to go back and work the data. We can give you all of the individual details and if you want to have a project manager which is one of the things that we have been talking about to go in and do that, that's fine and if the intent is to try and make HTE work it'll work for all of the other departments. But, I can't make you key into the system, but conversely you should not be coming back and saying we're not getting the information we want. Well, we can give you back what's coming off the system and that's been available and you should know where you are. If you have a problem with the number that's in the system that's the responsibility of the individual department to go back and reconcile that number and tell us what's wrong, what has been charged improperly. And, you're right, that has been going on for a period of time and it should have been resolved right along and I think I've been straight forward that it's a data entry issue. If you need help to go back and do that, that's where we want to concentrate. I have some responsibilities on my side and I want to talk a little bit about that because this whole system is a system of checks and balances. If you were the treasurer of a corporation that was a diversified arrangement and you set in place a system to pay people and to have all of the

information that you need to do the W2's and whatever and then one week somebody comes up to you and says well, I don't like what we've been keying into the system or the information we're getting out, so I think we're going to start our own system. So, you go over and they start with Quicken or something like that and they produce some checks, there's no bank account there, there's no money in that bank account, produce your checks and then come to the treasurer on the day that they're going to be issued and say sign these checks. Well, no treasurer is going to acquiesce to that. You have to have the level of detail in order to be able to go forward and do what's necessary to fulfill your job as the treasurer. What we're saying is what is the benefit of going and having two systems when the system that you have HTE works, you just gotta make the data that's in it credible. It's not that the system and the reports aren't being generated and it's not that the information, but what happens is if you're not keying it in right and you're not looking at it and cleansing the data and then you say well, I don't like this report there's responsibility and there's authorities and you have to make sure that you're being responsible on both ends.

School Committee Member D'Allesandro stated I think the only one that can address those points is our Superintendent. From our standpoint, the information that we're getting is not sufficient for us to do our job as members of this School Board. So, I would ask the Superintendent to address those queries from Kevin...

Mayor Wieczorek interjected, Committeeman, would you please address the Chair.

School Committee Member D'Allesandro replied, excuse me. I don't have the replies to those questions, the person who would have them is our Superintendent.

Mayor Wieczorek stated I think everybody's got a little something they'd like to add here but mean while we're not getting through the presentation and what I'd like to do is get through that so we can get to these things that we've got to get straightened out because we do have to get it straightened out. So, I'm going to ask Rick to please finish up what you're doing.

Mr. Linder stated this kind of addresses your question that the information...you were told the information isn't available, the reports aren't available and I was given these reports last Wednesday at 4:25, it's the first that I've gotten any kind of list of what kind of information you guys required and in a weeks time I was able to produce these reports with the tool that is available through HTE called Extended Reporting and you can sort these, you can select by whatever account numbers you want. On this one, you can see that it actually shows the individual account numbers on the system System 36 and if you go to the HTE system it has the exact same kind of breakdown by the account number that the School Department is used to working with in the same order of the fund, budget, function, object, subject, job ID and program and then there's an additional four fields that are added at the end of this which is city specific. But, the other numbers are...it's in the detail and the format that the School Department administration is used to working with, so we can produce the level of detail

however we're asked to produce it. This particular report, if you'll notice is page 439, the actual report is 954 pages. It gives that detail for every single school in the City.

Mr. Sherman stated if I can jump in here, Rick. This report if you notice was run at 8:07 this morning, this reflects the checks that went out today with the exception of the 100 plus checks that we had to do manually late this afternoon, but everything is already posted in here.

Mr. Linder stated the next report is a transaction activity report. Here again, it's by account number, it shows beginning balance, the activities, and then the ending balance. And, here again is a report that can be run from HTE by account number, again it shows the beginning balance, you can break it down and show every line item, the activity that happened, and then it shows the ending balance and this report as many of these reports are you give it the parameters that you want and you can display the detail that you want. There was one report on the list that Richard had given me, it was the project report and that one they haven't been entering anything in by project, so if I'd have produced the reports it would have showed all zeroes, so I didn't even bother working on that one in the short amount of time I had to work on these. This is an additional report that shows some of the detail that is available and I'll let Randy speak to this one.

Mr. Sherman stated what this next one is page 208, it's a payroll distribution report. What you do not see on here because we whited it out is the individual names of all of the employees that got paid under that account distribution, so again if there is a question about a particular amount that has been posted to a particular account, this then would be the report you'd want to go to because between the date and the pay type that you see on that report it actually lists an individual's name.

Mr. Clougherty interjected they're right in here. You'd have a name next to each one of these.

Mr. Sherman stated the very last report that we have has absolutely nothing to do with School, but again this is the entry that actually comes over and gets posted in the financial system and what we wanted to show you on this report these are Highway accounts, they're using the short code that's set up in the system so it looks a little bit different than you'd see on the School code, but what you see on here are work order numbers and project numbers.

Mr. Clougherty stated these are these numbers here, when you're taking a look at it. See the detail where they're breaking it out a little bit further.

Mr. Linder stated the number than start with WF are the work order numbers and then the six digit number over in the left are the project numbers.

Mr. Clougherty stated those are the types of things the departments are keying in so they can keep track of the detail to the level of the project that you people...that we have been discussing

all night. Mark Hobson is going to address, I believe, the individual issues that are relating to, that have been raised by the Superintendent with respect to the system, so I'll vacate the chair here and let Mark come forward.

Mr. Hobson stated, Mayor, what I'd like to do is pass out two reports, I don't have any overheads and I'll actually try to be brief. The reports are...one report is from the Superintendent and it's his concern or his concerns that were listed to us on November 3rd and then the second report is the report produced by Janelle Larocque and myself that discusses our attempt to respond to what his concerns are. Mr. Hobson stated that perhaps we could look at the process that they are doing and try to find out what went wrong. We would try to document that and maybe submit some of that to the software company HTE. Maybe we would rely on someone like Rick Linder to do some interaction for us and then we try to get an answer as soon as possible. I'd be willing to meet with those staff members whenever it is convenient for them, tomorrow, over the weekend, whatever it takes. A couple of the issues are more process questions. For example Issue 1, the Superintendent talks about the school employees are processed and paid remotely. To a degree that's true because it's a network system. In the past the System 36 sat in the Finance Office, now there's a networking system with PC desktops that communicate back to a remote host that sits in the Information Systems office. The checks used to be printed in the school district office and then trucked by a courier down to the Finance Officer who would then sign them once he was certain that he could do that. Now the checks are printed remotely in the Finance office and they are then signed by the Finance Director, or they can be printed directly in the school district office, it's done by a network printer, so that's more of a process issue. Problem number 4 was stated that district payroll employees (that's on page 2) complain that Human Resources and Finance staff have somehow refused offers of assistance in handling school problems. I take that fairly seriously. When I started full time in Human Resources on September 8th to October 3rd, the staff that answered the phone in Human Resources we sort of had a blended family. We went from six employees up to eleven. The calls jumped from approximately 50 a day in Human Resources almost to 175, some days it hit 200. For the approximately first 40 days, 40 calls on average came from the school payroll staff and school district staff to the Human Resources Department. So, if we were trying to not communicate with them, I'm not sure what we did, but we would be willing to try to meet immediately and develop a schedule that would settle the concerns in an open and fair environment and I would recommend that perhaps the mayor's office could review whatever those concerns are. Now the rest of the 16 points we have a difference of opinion. It's our opinion that the software can accomplish what the school employees are attempting to do. It is done in other departments. It is done in our department, but it is not occurring in the school department. So obviously, we have either incorrect procedures happening or a miscommunication on how those procedures should work, or we have a training problem. I'm not really too sure what those issues are. Perhaps we need to sit down and show people where in the payroll system this could take place. For example if you are staying on page 2, take a look at item number 6 and it says that issue number 6 talks about employees that serve in multiple capacities, and it talks specifically about dollar value. It's our experience that HTE

does provide the option of using the dollar value or by hour in the new employee entry menu, which is in the payroll module. So perhaps there is a training problem, perhaps there is a communication problem, but from our perspective it works. Finally to summarize the concerns that Janelle and I have right now, are that we want to provide job training or job coaching to any department staff that needs it including school. We want to move forward and help school overcome whatever issues they have and concerns they have with the payroll module. We recommended recently at a Board of Mayor and Aldermen meeting and it's no surprise to the Superintendent I sent this in a memorandum to him, and to the mayor, that it may make sense at this point in time to address some of the issues that Committee Member D'Allasandro raised -- it may make sense if we want to move through this thing as fast as possible on a fast track and get things fixed, and Committee Member Leslee said this, maybe we need to hire a project manager that can be paid for out of the original bond that was developed for the project and maybe that project manager will do just exactly what we need and be dedicated to the conversion for the school department serving at the direction of the Superintendent or his designee, maybe that makes sense. Maybe that person can track what's going wrong, can try to job coaching, can try to do training, can try to communicate with other departments. Let's say that there is a similar experience happening over in the Water Works department, that perhaps is going on in the school department, maybe that project person can find that information out and link the Water Works staff with the school staff. From my own experience I don't think it's fair to ask the Superintendent of Schools or the Business Administrator to be available to end users all day long every single day, I just don't think that will work. Also attached to this report there is some other information that I just want you to be aware of, there was an issue regarding tax sheltered annuities, we have a response and we have a fix to that. There's a facsimile from the Copeland Companies which is the Travelers. Also you see an example of where there was an hours entry problem with a tutor who served over at Northwest Elementary School. He is also a part time paid teacher in special education. We were able to break out his hours. We were able to do it through the job type. We were able to do it through the hours entry screen. And it worked, and yet we've been told that when school has attempted to do similar things they run into problems so I just wanted you to know, here's the actual screen, we think it will work. And then finally there was an issue with a number of things that were brought up in the past on October 17th we sent a newsletter, its a very last piece that you have attached to you. We sent a newsletter explaining that we knew there were still some problems with the payroll, we were trying to address them on a timely basis, here's what the issues are, and for most of the pieces that you see here we offered interim solutions. Some of them were manual, maybe they weren't the way that every single employee wanted them to be worked out, but we offered interim solutions. For example in the upper left hand corner, there was an issue regarding savings bonds. When we put that offer out of how we could fix it, we got four calls from city departments, we didn't receive any calls from school employees. Excuse me, we did get two calls from school employees, and in doing that my point was we tried to address whoever had the issue, whether they were school or city, we tried to address their concern in the fastest way possible. So there is no covert operation on our part not to communicate with school employees

or to try to hide information or resources from them. And that's frankly the bulk of what I have to share to with you about the Superintendents concerns with the payroll system.

School Committee Member Healy asked has the Board of Mayor and Aldermen received a monthly financial report for this year at all.

Mayor Wieczorek stated that would not be his question, that would be Kevin's.

School Committee Member Healy asked if Kevin could answer the question for him.

Mr. Clougherty responded no Dan they haven't and the reason that they haven't is because we are not going to provide the Board with information that we know is not accurate. And the reason it's not accurate is mainly because we know that the information that's in school hasn't been keyed in.

School Committee Member Healy stated how about from other departments.

Mr. Clougherty stated I think that for most other departments we feel that it's accurate. Randy, have you talked to the other departments is there any concern with them.

Randy Sherman responded no, again the main problem that we've reported to the Board of Mayor and Aldermen on several times has been the fact that we had a number of payrolls that would not post. Now, the reason the payrolls wouldn't post was because there were bad account numbers coming over from the payroll module. Now again, it doesn't make any sense to issue reports that are missing 15 weeks of payroll. I know Dan that you have seen the payroll report the first one we sent over here I think showed something like \$2,000.00 in salaries in the month of September. Until we got all of those payrolls to post, it really didn't make much sense to be issuing any reports. Again, as mentioned earlier all of the payrolls are now posted including those that the checks went out today so that is no longer an issue. But besides that the departments haven't been able to look at my new reports because if one department's got bad account numbers, none of the payroll posts. So we've had to work through those week by week to go back and clean up those account numbers.

School Committee Member Healy stated he was just curious to know whether the aldermen were being informed.

Mr. Clougherty stated those would be forthcoming soon and that's why we are really interested in coming to some type of a resolution tonight and we embrace what Mark has said with respect to a manager, we really think that we can make a lot of progress in terms of getting the data across the board to level where everybody is comfortable and confident with it.

Alderman Wihby stated it seems like, Mark going back to your responses, it seems like a lot of this some of it might take some time where you're saying let's get together we didn't recognize

it as a problem let's get together and work on it. A lot of these though seems like it's already there and somebody didn't know it was there, and like you said I think it's a lot of communication or training, lack of training. These the only problems that you know of that there was some concern on why we shouldn't use the new system.

Mr. Hobson stated at the end of the Superintendent's memo, he stated that there were other issues I believe if we look on page, in the Superintendent's package where it says page 2, HTE payroll difficulties, at the bottom of that he says "These are the highlights of the difficulties encountered with the HTE system. A complete list of all problems would be too extensive in this brief memorandum."

Alderman Wihby stated okay so you are addressing the ones that he listed.

Mr. Hobson stated yes.

Alderman Wihby stated I think at this time we've heard from Mark in explaining what some of the problems were and why they should be corrected, I think we should listen to the Superintendent to see what he has to say about if this is true, if it's easy enough to fix or why if the stuff can't be fixed like what's being explained for an answer or whatever.

Mayor Wiczorek recognized School Superintendent Tanguay.

School Superintendent Tanguay stated thank you Board of Mayor and Aldermen and School Committee, and City Administrators, and School District Administrators. Briefly the Board of School Committee and Superintendent are charged with a responsibility for financial administration that ensures quality education and fiscal accountability. Accurate financial reporting is required if the School Committee and administration are to properly manage the education of our children. Problems with HTE. The Manchester School District has not received any detailed financial reporting since implementation of the new city computer system on July 1, 1997. We are unable at this point, in the fifth month of a fiscal year, the fifth month of a fiscal year, and have no reliable information regarding the status of our budgets. The school district has been attempting to implement Manchester's new city-wide computer conversion. To date this has been unsuccessful. It appears that accurate and detailed financial reporting may not be available for some time in the near future. It is our belief with the limited resources and additional training required for the new computer system that this time line would extend into the new year. Solution. The Board of School Committee has voted to return to the in-house accounting system which has served the district well. This will allow us to produce accurate financial information by the end of this calendar year or earlier. This short a time line in providing financial reports is do in part to the fact our staff is experienced with the old system. Meeting our immediate fiscal needs is best achieved at this time by using the district's computer system. There is no intention to abandon the city system. Using the in-house system at this time allows the district sufficient opportunity to properly plan entry into the city's computer hardware. This in turn protects the city's investment. I have one question before I continue and the question is, we respectfully request copies of each monthly financial report for

fiscal year 1997 - 1998 presented to the Board of Mayor and Aldermen. These reports or whatever you have, will provide our auditor the information necessary for comparisons with school district reports. These comparisons will aid in determining if a fiscal crisis is limited to the school district or is city-wide. If I could just go back a little bit. My experience I came from a public accounting background. I have an undergraduate degree in accounting, and a masters in advance in Education. I have in my experience installed computer hardware and software beginning in 1974 in Londonderry. I also did extensive amount of computer training on software and hardware in Alaska, also in California. My last visit to Manchester, when I was last employed here, some say I've been recycled, if that be the case I hope it's a better product today. But back in about 1893 [sas], when I began my duties as Assistant Superintendent for the Manchester School District, the city was basically doing manual books. The city system at that time I believe was a Boroughs 80, which by the way I had in Alaska and I returned to Boroughs and we became one of two class action suits nationwide but nevertheless, they had that system for about six years with no success. I asked the Board of School Committee if we could purchase our own computer system, and that happened, we bought an IBM 36 about thirteen years ago, J&K software, which is now NCS software. I went through a training period where I trained the individuals, being a certified trainer of software. I also trained staff on a new accounting system, accounting handbook II, which the state had mandated about five years previous to that time. I was also involved in that handbook, one of four individuals state-wide to revise federal handbook II to conform to state requirements. In being here since May, and I had to do some recapping and researching of what really happened. I'll pass around information from Terry Bullard who was the Technology Coordinator for the School District, but before I get to that I'd like to share with you reasons to return to an in-house system. We are understaffed and under-trained. You have heard this from Kevin and Randy over and over again. No denying it. Additional training required in a new computer system such as the revenue module which I believe the training is about to be set for, that would require our staff to go through additional training at a point where they are under-trained already. They don't have the time. Time line to provide accurate and current financial reporting is less with an in-house system. They are already trained on the system. They know the accounting system very well. They know the computer very well. It's unknown when the new system HTE will be fully operational. We don't know that. The city investment is protected, as I mentioned before. The Board of School Committee is able to make informed decisions. Integrated system is possible although we were promised a separate entity. You'll see that in the notice from Terry Bullard. The School District was promised a separate entity, not a single entity. And we would also be able to continue to conform with state statutes and the City Charter. We would also have fiscal accountability. Some of the reasons for the problems. Aggressive time line. I speak from experience. You do not implement a project of this magnitude in the spring of this year, it's impossible to expect that you will be successful with all city departments. We've been understaffed and under-trained. We had some trained staff in the school district and they left. One went back to the city and another left the district completely. Probably two of the most trained people we had. Poor planning. No consideration for vacations, for people being out sick. Combined account coding. What that means is that the municipal software that the city

bought is for municipalities not for school districts. School district account coding, school district software is very, very specialized. School District lacked accounting and technology skills. There is nobody involved in the selection of that software from the School District with accounting knowledge, and the only one with technology knowledge when it came to a final decision was not consulted. Final RFP (Request for Proposal) was not approved by the School District. My understanding is they didn't see it. The School District financial unit did not attend software demonstrations. That's when you ask the questions, what can the software do. Decision on conversion lacked District Technology Coordinator's final input. The new computer system was not operational until June of this year. And again, we are not a separate entity as promised. Long term solution. School District upgrade software to run on City's AS400, our existing software. This protects the city investment. We are as concerned as you are about the \$2.6 million. The School District integrates updated software with city software. That happened before on the old computer system the city had it was integrated with the School District software, producing the same results as they would be getting now under a single entity. School District performs all accounting in house including printing of checks. I heard this evening some comments about what the software can do. One area had to do with work orders. It's great. It's about time. That technology is about ten years old. But I'm glad we are going to have it finally. We talked about charge backs. When I was in Manchester last time we were getting letters from City departments letters with one line -- services rendered X number of dollars. I am responsible for the form that they receive now. It's going to change now that I'm back. And I said to them at a minimum tell me how much you spent for salaries, how much you spent for supplies, how much you spent for contracted services, better still tell me how much for example Public Building Services spends to repair Bakersville School each time they go out and the nature of that repair work. I want to see the labor costs and I want to see the cost for parts. They were not able to provide it, so again I commend the City for finally getting a work order system. And that was asked as a minimum. That doesn't mean it was limited to that, and I'm surprised today to see that it's still the same thing. However, some city departments realize what was requested and I'll commend Wilbur Jenkins from the Personnel office who would give me a detailed by day of hours spent working on school projects. That's the kind of detail I was looking for. We talked also about charge backs, I mean audit reports. We have not seen, I have not seen in this last audit, I'm speaking of FY96 and I understand FY97 is about to begin, any indication or findings regarding the Old IBM36 in not being adequate. I know that in the last two years it has not been properly maintained. I know that the software has not been enhanced. But to my amazement it still performs. It still does the job. We talked about cost centers. That old technology we have on the 36 does cost centers. That old technology also produces reports as you see this evening, by school. We can tell you exactly how much is being spent again, at Jewett Street School the salaries spent, the supplies costs, contracted services, utilities, it's all broken out. This is not new technology, this is old technology. We can also give it to you by function. We can tell you how much regular education costs in detail by object code, by that I mean salaries, supplies, textbooks, etc. We can do the same with Special Education. We can do the same with the budget for the Superintendent's office and the entire districts office. We can tell you how much the School Board expenses are. That capability is available on a System 36

and that's what we will do with it. We also talked about modules. I heard people talk about the modules, well we have one for payroll, we have one for accounts payable, and the list goes on. I also heard that we can take reports, for example payroll reports from modules and accounts payable, expenditure reports, and that's all well and good. The problem is that we don't have the postings to the general ledger. What does that mean. It's similar to your own personal checkbook, where you write checks and pay bills, and money comes in and you put it in the checkbook. You have your beginning balance and your ending balance. That's all it tells you. It does not tell you how much money you owe such as accounts payable. It does not tell you what your receivables are, you're revenue streams are going to be. It doesn't give you accruals. It lacks sufficient information. It is not information that you can make decisions with, it lacks a lot of information. I'd like to go to the letter that Terry Bullard wrote. And I asked her to do this for me last week. She's now employed with the Windham-Pelham School District. And I said to her Terry, would you help me understand what happened with this computer conversion. I said you tell it as it is, I don't care if it means that the School District was weak in the process or was not, I don't care, I want to know the facts, that's all I want to know and then I can work with the facts. She said on March 20, 1996 she attended a meeting at City Hall with Superintendent Bernard, Mayor Wieczorek, Randy Sherman, Richard Girard and Diane Prew. That was the first formal discussion of the possibility of the School Department converting onto the new computer system. There was no one on board at the School Department again that had an appropriate level of educational business background that could ensure that all accounting functions could be achieved. Excuse me, I'm jumping around on this report. On May 17th she said we made it very clear at that time what the school department's expectations were. Again, neither I nor anyone else to my knowledge reviewed the final RFP, nor did we review the final proposal submission by the vendors. December 31, by this time the City had chose HTE as the preferred vendor for the new system. No one from the financial unit or payroll attended any software demonstrations. She also at a meeting December 31 expressed concern over the implementation time lines and I did that also when I was here in June as well as Mark Hobson, we were very concerned about the time lines not being realistic. There clearly was not adequate staff, training time, support and time for this project to occur within the state time lines with any degree of success. And she recommended that it be delayed, and had been delayed until January 1, 1998, that's next year just for payroll. And July 1, 1998 for the balance of it. She says, and she again is a technology expert, HTE even agreed that the schedule was overly aggressive and outlined some issues in a memo dated December 30th. She also goes on to say that the City agreed to pay for all equipment, software and cabling to implement the project. As you've seen tonight we have a charge back from the City starting in 1996 of \$1,327.00 and in 1997 over \$100,000. and this year projected to be over \$115,000. She goes on to say it's not until the beginning of June before the computer system was operational with HTE. Most of the training was given in place several weeks prior to any of the equipment being installed. This resulted in school department employees attending many hours of training and not being able to apply what they had just learned. You don't have a system now but you are just pretending. I cannot stress enough how completely ineffective the training was for school employees. Unfortunately, a lot of time and money was wasted. They received Window's 95 training just a couple of weeks

prior to going live on a new system. Additionally, once the city went live there was no on-site support from HTE as was discussed in prior meetings. Employees were helpless. Unable to perform most of their job functions. It took weeks before the financial unit employees were able to print. Endless issues had not been addressed and continue to be unresolved, due to both inadequate planning on the part of the City and shortcomings of the HTE software. School Department employees continue to express concerns. The employees firmly believe that HTE system has set the Manchester School Department and School District back rather than moving the department forward in the area of technology, capabilities to perform their job functions. I believe that your decision to return to the system 36 was the only appropriate decision until all the school department issues are resolved if that is even possible. It is apparent to me that the original conditions that were outlined in the original memo were not honored by the City of Manchester. It troubles me that this process was allowed to move forward with clearly so many issues that were never agreed upon until it was too late to do anything about it. It also troubled me that the City never had any contingency plans to handle many of the potential issues that could surface in the system's conversion as large as this one. And so goes on ..you can read the rest of it. Also we had our auditor come in to look at the computer printouts provided by the City. He comes from the firm of Plodzik and Sanderson, they are known state-wide as school district auditors, they cover probably 60 percent of the state. He had a lot of trouble with the reports. He said for example, the report shows - we spoke about this earlier - a \$77 million budget. The total budget with DRA (Department of Revenue Administration) is \$84 million, the district assessment is about \$65 million, it's very confusing. Lack of information on those reports. He said he could not audit those reports. I cannot. As a matter of fact, if we are able to get some reports over the next few days from the city he would be willing to look at both and tell you and give you an evaluation of where the city is as well as the school district. I also heard this evening that it was nice that the City produced a report that took one week. We can produce that report in probably 15 to 20 minutes, and we have a 13 year old computer. We can do it in about 30 minutes depending on the number of jobs that we've printed first. I think also the success of the IBM 36 over the last 13 years is something that we will live with. I think we can be very, very successful if we go back to it. I believe that if we are allowed to return to the City computer system we can probably do that beginning July 1 of 1998. So there is a lot of things that can happen. I believe that being five months into a fiscal year, and I told the Board even in September I am worried about the fiscal stability of our school district not knowing how much money we have or don't have, so the prudent thing to do was to say, fine we'll go with a tried and tested system. Let the city work with their system, when they feel comfortable and they have a nice operating system we'll look at going back into it, bring some people in and do the proper training, and I think it can be successful for everybody.

Alderman Wihby stated we are all sitting here, and I can probably speak for everybody, because we want to resolve this issue and get everybody headed in the right direction. A couple of weeks ago I asked the Board whatever the expense is let's just pay it out of the city portion where-ever we have and get this thing going and get some people to do the data processing and all this other stuff that is necessary. If we went forward with that proposal is there any way we

could keep the new system and get you the extra help that you need and the training that you need or maybe use Mark's suggestion of hiring someone else with the bond issuance and whatever and just keep moving forward. Don't you think if we get enough training in there, I've read this thing while you were talking and clearly in May of 1996 everybody had concerns with timing and in December 1996 people had concerns with timing, and it's pretty clear that even the recommendation from the company was you're moving kind of too fast. But we're past that now, we are trying to get to the new system, we want to work together, and is there anything that we can do to help you stay on the new system so that you don't go back to the old system.

School Superintendent Tanguay stated we are on the old system now, and we produced the payroll as a matter of fact a few days ago, we even printed checks because we were told we were waiting for a legal opinion to come down, we were ready to disburse our checks a couple of days ago. The problem that we have in my opinion is that we don't have time on our side. The School District does not have time. I don't think the City has, but more importantly my responsibility is with the school district. We don't have time to work with the system and provide and produce information that we need so that we can manage the school district. Most of our money, a good portion of our money, is spent early on, so our balances are running pretty low right now, especially when it comes to wages and the contracts associated with wages. I believe that since we have a minimal staff and it was successful in the past with the 36 and they've already been trained, my rationale was that it would be far easier and a lot faster to produce information we want now in that process rather than go back to the new system. As time would permit we gladly would spend time on the new system, but I don't think and certainly Randy and Kevin can speak to it, I don't think based on my experience in computers and technology and software and accounting, and having been a certified trainer, I don't think they are going to be ready for a couple more months, with good reliable accurate information. Now, God bless them if they can do it, but it is a tuff, tuff job. And again I think because of the aggressive time line you have a lot of problems. So if I knew with certainty that by the end of December we would have reliable information sure, but we've had this conversation before with the mayor and Kevin and HTE and the other people and we've been told time and time again, well you'll have it together, we'll have it together. That's the old software song and dance. We'll give it to you tomorrow or we will do it in two weeks. But based on my experience and I have to go from my own experience and tell my school committee that I don't think it's going to happen in sufficient time, they need to know in the next few weeks where we stand fiscally.

Alderman Wihby stated even if you had additional help.

School Superintendent Tanguay stated even with additional help.

Alderman Wihby asked for Kevin's or Mark's view, is there a way to get this done that he could have the information by December.

Mr. Clougherty stated the system is running. All of the other departments are keying in. The problem isn't the system or that reports can't be generated. Yes it took us several days to develop those reports, but you have to understand Rick is doing other things. That report can be run like that (snap). If there are other reports that they want they can be run. You have to tell us what they are so we can program them. The problem that we have is not with the system or generating reports, it's that the data that they are keying in is not.

Alderman Wihby so going back to the question, if they have additional help, Kevin.

Mr. Clougherty stated they should be able to do that. They should be able to go back. I mean Parks and Recreation can do it, Highway can do it. I have to understand that School could do it. And we'll provide a manager and whatever but you have to make a commitment from the administration that they will work to help make this system operate.

Alderman Wihby stated and answer me the question if we don't go back to the new system, and stay with the old, what does that do.

Mr. Clougherty responded the old system, there are several issues that we have. Particularly on the payroll side. And I should probably let Mark address these but I'll touch on some of the ones that I have. We have concerns. For example, my understanding was that they did a payroll and they had checks and that's great, but what about the people that are on direct deposit, and what about the people that are on ACH types of arrangements. If we had just allowed checks to be handed out to those people there wouldn't have been any notice. We have to report electronically now for IRS. There are a lot of protocols with these banks and the credit unions that have changed, because the banks and the credit unions and the IRS are moving forward with new generation software, so this generation software that we have on HTE interfaces with them and it's appropriate for us to do the reporting and that's what I need in order to be able to the reports that we have. The system that you used to have, the 136, you recall allowed the school department to overspend its budget two years in a row. The W2's for last year still aren't balanced. We have some concerns. As the treasurer you're asking me to sign checks off a system that isn't interfaced into ours. They are going to have to provide the detail so I don't understand the logic. If you are going to have to provide the detail into our system so we can generate what's necessary for tax and reporting why can't you just key it into the current system. The time that you're going to spend over the next month and a half to try and reactivate the old system if you just would go back and put in the data, you're going to get it off the new one. And that's really what the auditors have been reporting for the last number of years and there's nothing in the most recent audit report because the auditors understood that we were going into this new system and if you read the management letter it states that. They did make points during their presentations about some concerns about the appropriation levels, the overspending. So those are some concerns that we have with the old system. We don't think that interfacing to HTE is efficient. Mr. Clougherty stated we have had management letters from the auditors

going back year after year. Ernst & Young, Melanson and Heath, saying why are you running duplicate systems if you have one system that does everything.

Alderman Wihby stated we're only talking for six more months though, until July. We're not talking keeping on doing it. He's willing to go in July and change. That's what we have been doing and getting letters, what's one more letter.

Mr. Clougherty responded no, but what happens is it causes problems for us in terms of having the W2's and the IRS reporting and things of that nature. It's not a simple fix to just go out and starting up the old system, and I know that's what people are saying.

Alderman Wihby stated even if they fold the old system into the new system for you.

Mr. Clougherty stated that when the old system got integrated into LGFS -- Rick, how long did it take you to interface that system.

Mr. Linder replied in order to write the program to allow us to interface the System 36 to the LGFS system it took us almost a year to write the program to the point where we were comfortable that the figures were accurate.

Alderman Wihby asked if there were software that they could buy that would do that.

Mr. Linder replied no, because it was two completely different systems and any time you have an interface like that it has to be custom made. If we hired somebody I'm sure it could be done in less time, but it still wouldn't be something that would happen within a few months.

Mr. Clougherty stated it was a more expensive approach. I'd like to have Janelle address some of the technical problems that they have.

Alderman Wihby asked if they could go back to the Superintendent, he's got his hand up first.

Superintendent Tanguay stated I think the answer to your question Dave is that if we are allowed to upgrade our system, our software, then we will provide that integration very easily.

Alderman Wihby stated he was hearing they could do it and hearing they couldn't do it.

Superintendent Tanguay stated you can do it -- it's not a problem.

Mr. Clougherty stated for how much.

Superintendent Tanguay stated like I said once we upgrade our software we can look at that and provide that cost. The problem I have is the confidence level, and it's a hard thing to describe,

but it's based again on my own experience in doing installations, and doing accounting and doing school administration for over 25 years. I have that knowledge and I have to go with what my experience tells me. That's the confidence level that I have to have. I don't have it in the new system, yet. I think it's very possible next year. I do have it in the old system. I have to tell you I have been away for nine years and it could be said that I'm sticking my neck out in saying what I'm saying in going back to an old system, but I have that confidence level. It's quite a risk I'm taking in a sense, but I feel very, very comfortable in doing it.

Alderman Wihby asked do you agree with Kevin that by the time you input all the stuff into the old system you could have done it in the new one and got it up and running.

Superintendent Tanguay stated the problem is, I don't know about the time lines, the problem is that we still need some more training, and we tried that approach before. The mayor was very generous in allowing us to hire some staff to do that. Mr. Hobson used these people for a good maybe couple of months. What happened was that they were not skilled technical people in that regards so we got garbage going in. That contributed to some of the problems we are having today. There is still garbage in there. And now we need to go in and purge information, we need to go in and audit information, and make them reliable. But I don't know, and hopefully if the City Finance can provide our auditor with the financial reports he can give us an objective view with where the city is standing, but I don't know how much more time it is going to take for the city to be 100 percent operational. I have no feel for that, I can tell you from my experience several months but who knows.

Alderman Wihby stated it sounded like they had a stalemate there.

Mayor Wieczorek stated that this is really what the problem has been.

Alderman Wihby stated that something had to be done. We have got to work together we have to come up with a plan that provides either the training that is necessary, or the more supervision on it, or kill the whole thing and stay with the old plan for awhile.

Alderman Shea stated my concern is that we could talk forever. We should have confidence in the Superintendent of Schools. We should have confidence in his ability to run his department. And, if it's going to be a slight delay in implementation or in adopting the new system that's what we should do, because obviously we've been talking about this for about three hours now, and we could talk another three hours, and the finance office along with the human resource department have their contention that the system is a good system. Norm Tanguay, the superintendent, is familiar with the old system. What we should do is end the discussion, give Norm the necessary approval to proceed the way that he wants to with the stipulation that within the next few months that the school department will be able to come forth with some sort of plan so they will be in the school system for the beginning of the next school year. I am not sure about the costs involved in this, but that's what we have to do. In other words we can debate

this forever and ever but it is not going to lead to any solution unless we decide and if it's within the aldermanic pervert or responsibility to give that help, that is what I agree with.

Alderman Wihby stated I would say that it is up to the school board to decide which way that wanted to go, and he thought they had already given them that direction. He noted that this was why they were here tonight to let them hear the other side to see if they still agree with what they have done and how they voted before.

Alderman Clancy stated since Mr. Linder was familiar with the system why didn't they put him on loan to the School Department and let him put in the information that is necessary. He asked if this could be done.

Mr. Linder responded no, one of the problems is being an integrated system, so far we have implemented the financial systems, we are in the process now of implementing the land base systems, which is the revenue collection system. We will be doing the utility billing system, business licensing, parking tickets, planning and zoning. We are in the process of doing those other modules now, and we have started training on those modules. So I'm still spearheading all of that on the city side.

Alderman Clancy asked is anyone else having a problem besides the school department.

Mr. Linder asked as far as what.

Alderman Clancy stated getting the information.

Mr. Linder stated that they haven't complained to me as far as what they can't get. When somebody complains I bring the issue up to HTE and we resolve it. So as things come up that is part of my job is to help the departments resolve that.

Mr. Clougherty stated he wanted to make one point. It sounds like an easy thing to go back to the 136 and what your basically asking me as a treasurer is to have them generate checks and for me to sign them, without having any detail, no interface into anything else, and I'm not comfortable doing that. And you are going to have problems and I want you to understand that, it's not an easy fix. If we continue to move forward, it's my understanding as the treasurer I have the obligation and the right to ask for details necessary to go into HTE, so it's not that you're just going to have one system, you are going to have to have some level of detail and input to us so we can continue to move forward.

Alderman Wihby stated they went through this today when they sent down the old checks from the old system and you had put it into HTE, is that right, is that what happened today.

Mr. Clougherty responded not quite the way it worked. If they had come down with....you have people out there okay who are...there are certain deadlines that we have to meet in order to get ACH or electronic deposits done, the different banks, and there are certain protocols that are set up by, federal regulations and others to do that. We have to have that done. We didn't have any notice from the school department that they were going on their own checks and the whole bit. No written notice, there had been some talk, but no final formal notification, so what happened was we had to run the ACH tapes, those went out, that covered a large part of the teachers, they are already done electronically.

So then you come back to the number of teachers that are left, and the manual checks that aren't keyed into the system. Some of their people were keyed in at school for certain divisions, and others weren't, so we had some stuff keyed into the system, and remember it is an exceptional payroll, unless you go in and change it and make an exception it runs every week, and that's the way you want it because most of your people are routine. So what we did was we ran the payroll, ran the checks, and were able to satisfy the banks. We can't go tomorrow to the banks and say we're changing because the banks have already changed. This isn't something that's going to happen overnight and if you come to us and ask us to next week in the payroll they are just going to run some checks on old check stalk and bring it over and you are going to sign it, I want to make sure you understand as the treasurer I'm very uncomfortable doing that.

Alderman Wihby stated won't you have the hard copy.

Mr. Clougherty stated I won't have the background of what the hours are or anything like that. It doesn't come in to be audited. I mean, if I have to go back several months from now and take a look at what I disbursed, I've got to go back on their system and look details that aren't entered. I don't have that. I don't have that detail that I need to be comfortable to say the records are there. I have the obligation to ask for that. The current system provides that. The only problem with the current system, really, is that you haven't put in the data. And I've got to ask you how is it so easy to go back and put in the data in the 136 and not in the current one. But moving forward in a vote tonight to say we are going on the old system is not that clean and easy a transition. And I have certain responsibilities that I have to insist on and that I am going to. I am not going to have people showing up on the day before a payroll and just presenting me with checks, that's not going to work.

Alderman Wihby stated Kevin, if they were on the old system they wouldn't wait till the last day to give it to you, everything would be done and you would have it, you'd have a hard copy that tells you what hours everybody worked and everything else.

Mr. Clougherty responded that part of the problem with the old system was and remember we got into this several times, is that there is lags between what was coming over. Now, that was the system. But it wasn't a good system. It wasn't a good system. And that's what we've said, is we are trying to move forward. And you can go back and the amount of time that you are

going to spend going back and trying to start up the 136, if you just went in and cleaned up the data, you'd have these same reports and you'd have the payroll off the new system in more detail.

Alderman Wihby stated don't get me wrong. I would prefer them to go to the new system. I with you I think it's easier and I think in the long run it would be easier, but I don't know if that is going to happen. Are you saying that you are not going to sign the checks.

Mr. Clougherty stated alderman, I don't know how I can. Would you sign checks if somebody just came up to you and said this isn't integrated to your accounting system, but by the way just put some money in a bank account and we'll give you the checks and it'll go. How much money to I put in. I mean, when you talk about these things in generalities it sounds real easy, but when you get into the devil of the details of setting up the bank accounts, making sure the protocols with the bank are taken care of, dealing with the ACH, the electronic deposit and the IRS, and I think those are the things you really need to hear from Janelle in terms of what needs to happen here. Because it's not that simple.

Mr. Tanguay stated speaking of technology, I recently bought some software for about \$300.00 from Coopers and Liabrand, one of the top six accounting firms, and it provides us with detailed information which I have never seen before to manage the school district, for \$300.00 and that gives you some idea I'm a progressive person I think in many areas, especially technology, so I would not sit still with an old system. Even though in fact it doesn't meet all the state requirements, and all of Manchester's requirements, it does it all. I think Kevin, regarding the auditing function, the auditing function as I understand it is limited to the payment to the school district. In other words, we receive a district assessment, that money has to come to the school district and he has to make sure it happens, that's his only auditing function by law. By statutes, and I'll read a letter from Mark Hobson to Diane Prew, and he says and he's correct: "It is a school responsibility by statute to maintain and control the payroll and personnel data of all state certified staff including teachers, principals and administrators." So the law is very clear that the superintendent is on the hook, it's my neck. And I have to go again with my own experience and my own knowledge and my own comfort level to tell you that I, and I recommended to the school committee, I felt very comfortable in saying I need to go back to the old system until they are ready and they have worked out the bugs in the new system. And that means as they heard this evening, the remaining work to be done, they talked about revenues, training required for that, other departments that are still lacking some module, this is still being installed if you will, the training is going on. It's not complete. And again, I venture to say it'll probably won't happen for more months and by then we won't know where we stand financially, and the ball game will be over.

Mr. Clougherty stated he did not dispute that that's his responsibility to take care of those dollars and to enter it into the system, I am not arguing that. But by the same token I have responsibilities as treasurer to make sure that when I disburse something and sign checks - that

what you're saying is I should just cut a check to you for \$54,000., or \$54,000,000. or should it be for the 89 -- what should it be. My understanding, and I'd like to have the City Solicitor address this. My understanding is that as the treasurer I do have to have some information to make this work, and we have a system in place and until I'm comfortable with the detail that's going to have to continue.

Mr. Tanguay stated if I might add to Kevin's in the past up through June the City did receive payroll checks along with a payroll journal and that's what they used, that process can continue. It's an auditing function I think even beyond the scope of his responsibility can continue if he wants that.

Mr. Clougherty stated again, up until June it was a fully integrated system. You had an automated system that was fully integrated, that took a year to write that, and that's what has been brought out. This is not as simple as it's being explained to you. There are a lot of details that have to work out here, and I'd really like to have you hear from Janelle and from the City Solicitor in terms of what the responsibilities are on our side.

Janelle stated when I first asked Kevin to speak it was really in regards to what really needs to be done on the new system by the end of the year. The payroll system is up and running but as you've heard tonight this is a big system. And it's a tool, and like any tool that you get it's going to take awhile until you really learn how to use it. One thing that really saddens me about the aspect of school going off the system is I have people that I have worked with over there side by side since about July 3rd and these people have worked very hard at learning the new system. So basically what you are going to do is you are going to take them off of training that they have and start them again at square one. You know, you're going to say go back forget this, that's a lot of stress on people. I understand that it is easier to go back and run their own system, but you're going to hop them over on one system a month and half later you're talking about possibly hopping them back onto the other system. You know once you are in the middle of a transition such as this, it really seems to me that you've got people who have been working very hard, who have received training, who may need some more training in order to get their skills refined, who need to refine the system to make it work for them. One of the things that I had planned to do as part of this conversion was to meet with every city department and say this is how the system is set up now, I had to set it up this way to get it off and going for July 3rd, now what do we do to make it work for you. What don't you like, what do we need to fix, how can we make it easier. We've been struggling with this whole issue of whether or not we are going to go forward for so long, that people have not had a chance to concentrate on refining this, getting things under control and then going and refining the data - looking at it--using it -- see what its giving you -- see how you can make it better -- see what isn't working -- you're really depriving them of that learning opportunity by taking them off at this point. Secondly, what needs to be done. All the payrolls are posted, they are all posted. The payroll system has been running since June. Since late June, because we did our very first pension payroll for all city departments for the July 1st payroll. All city departments. We put the pension payroll on,

all payrolls on, but water was running ADP, the school was running its system, and we were running another system and our first pension payroll really ant June 25 for the July 1 date. The information that's in there now is audited. There is no better way for any employee to learn their system, then to get down into those detail reports and figure out what got posted there and what they need to fix, that information is going to have to be audited regardless of which system you are on because it has to be correct. The only way you maintain whether or not it's correct, is if you get down and look at it, you do some proof, you do some trace-backs, you get down you tie it back to your cash reports, you tie it back to all your transactions, you tie it back to some of the detail reports that are on here. Either system, the data that has been in there since July 3rd is going to have to be audited and reviewed. So whether it goes into the old system or the new system people need to look at it and need to auditing it, and why do it two times. Again, as I said this is a much more complex system. If you're looking for your people to walk away trained and able to run the system like Excel, two weeks isn't going to do it, but that's because the system has so much flexibility built into it, and unfortunately sometimes this flexibility is somewhat overwhelming for people that are used to using a very simplistic dedicated system.

School Superintendent Tanguay stated this has to be very confusing for the committees hearing from me and then hearing different opinions from Kevin and his people. And that was shared by the mayor in some of our meetings. I don't know who to believe here. I don't know what's going on. I had suggested at that time that we bring in maybe a grad student from MIT as a freebie to come in and evaluate where we are at. that didn't happen. I took it upon myself to ask Terry Bullard, again who had vested interest in the school district to give me your honest opinion. I also brought in an auditor to look at what we have, again an objective viewpoint. And I told him the same thing I told Terry, just tell me, give me the facts, I don't care how it comes down I need to know. So again, I am relying on that information. If the city, and I repeat my request, provided us the school district, with monthly reports, at least the latest monthly report that they have produced for all city departments, I will gladly give it to our auditor, he'll make an evaluation and tell us exactly where we stand, and that will probably tell us how much longer this process will take to computerize the city. That should happen.

Mr. Clougherty stated again, if you could have the solicitor address the question of what are the things that we need as treasurer in order to make the system work.

City Solicitor Clark stated the roles and responsibilities of the city versus the schools have been looked at every few years for the last twenty years that I can recall. The control that the Board of Mayor and Aldermen has over the schools is basically limited to the bottom line in the budget. The schools come in and say this is what we want, the aldermen either say yes or no and give them the money and then schools go out and spend it. We can't tell them how to spend it, what to spend it on. If they want to go out and buy their own system, run a different system, that's their prerogative, they can do that. However, on the reverse side, by law they are not a separate corporation. They are the City of Manchester. When Manchester became a single

school district it was the City of Manchester that became the single school district. The Board of School Committee was given those powers that were held by the ...and Superintendent Committees and all other powers were transferred to the Board of Mayor and Aldermen. When you trace back those there are functions that reside within the City that relate to schools, among them is the treasurer. It is the City of Manchester it is not a separate corporation. School District is money that belongs to the City of Manchester and in order to make payments, to issue checks, the treasurer is accountable, he is bonded, he is required by statute to make sure that anybody that is spending City of Manchester funds, no matter which department it is, is spending funds that they have a right to. They can't tell you what to do with their, but he can make sure they are funds that you have a right to spend. By that authority he has the ability to require that if you give him a check to sign, no matter which department it is, or you tell him to process a payment, he has the right to demand the back up and get the back up he needs to be able to issue the check. I've talked to Norm. I've told him that he can run his own system. He can run dual systems. But those systems will have to be integrated somehow to give Finance the information they need to be able to issue the checks.

Dean Eggert stated for the past twelve years I have provided legal services to the School Committee on an as needed basis. We all know that the City of Manchester and the School District define their relationship by reading the City Charter. What does the City charter say. The City Charter says in Section 6.06 something entirely new as of November 1996. It states the School Committee shall "administer, expend and account for the funds approved by Board of Mayor and Aldermen." The Supreme Court has said the degree of control to be exercised by either school board members or municipal officers must be ascertained by reference to charter provisions. Under no circumstances however, will municipal officers be permitted to exercise any greater degree of control over school finance than that clearly intended by the legislature. I went and looked in the City Charter to find out whether the School District is a department of the City. In the City Charter lists the departments of the City. I want to tell you the School District is not listed as a department of the City. New Hampshire RSA 194:1 says that while a single city can be a single school district, they are separate and distinct corporate entities. 194:3 lists the fact that school districts have all the financial and fiscal independence that any other school district has whether city or town. I have a fourth opinion but before I get to that I want to talk about this issue of City Treasurer's role. It is my opinion that New Hampshire RSA 198:7 which mandates that the treasurer pay over the funds to the School District applies to cities, our city charter says that the Board of Mayor and Aldermen and the Treasurer are responsible as Selectman of towns and 198:7 says the appropriations are to be paid over to the school district. You ask well how is the school district going to sign checks, New Hampshire RSA 194:C(IV) says that the SAU of the City of Manchester is mandated to "provide superintendent services which include payroll, cash flow, bill records and files accounts, reporting requirements, funds management audits and coordination with the Finance Committee on purchasing of the district. Now, opinion number 4, to the extent that the City Finance Officer wishes to retain revenue and not follow that statutory mandate, he may do so solely by delegation of the School Committee's authority under the Charter. This is not a close call. I would ask the City Solicitor to site what

portion of the Charter requires that the City Finance Officer retain the revenue. What portion of the Charter requires that the City Finance Officer audit the School District. New Hampshire RSA 21:J19 states that the School Board secures it's own auditor and gives those reports to DRA, Department of Ed, and the city. Now, those are four lawyer's opinions. Now let me tell you practically how it can work. The City Finance Officer can understand that under the Charter he can wear two hats, and he can agree to help the School Committee meet its Charter mandate by assisting them in administering, expending and accounting for the funds. As long as the School Committee is willing to delegate that authority. And as long as he feels comfortable that there is no conflict there. If the School Committee so desired, they could vote to have the Superintendent, or the Business Administrator of the SAU perform those exact same services. So I'm not here to tell you tonight that there is any mandate that the City Finance Officer not perform these services, or that there is any mandate that he do perform those services. But I also want you to understand that there are plenty of other single city school districts where the school committees exercise their prerogative that they get the appropriation, and that they sign the checks, and that they provide you with the audit. So, I guess what I would say is that since 1946 the Supreme Court's had no problem understanding that a single school district in a city is a totally separate entity. Now you changed your charter in November of 1996, and that change was a very significant change. That School Committee, the reason the School Committee went to me for an opinion was their concern that they got a new mandate in November of 1996 which was to administer, expend and account for the funds. And that seems from a legal perspective to be the concern that I have for the School Committee, and under the Charter the Board of Mayor and Aldermen unfortunately are given the responsibility to insure that the Charter is followed, so I suppose if the School Committee has the responsibility then the legal shorthand opinion would be that since they have the obligation, that it might be prudent from a legal perspective to not impede them in performing that Charter obligation since that was the home rule vote of the citizens of the city of Manchester. But I want to make it clear that nobody needs to part company with the City Finance Department there can be a cooperative effort if the School Committee votes to continue to delegate its authority to the City Finance Officer, that's fine. But legally when the City Finance Officer says he's not going to sign the School Committee's checks that creates an interesting question legally, which how then does the School Committee meet its Charter obligation to administer, expend and account for the funds if the City Finance Officer won't sign the checks, and legally the solution could be, if there is not a cooperative effort here tonight, for the SAU to start to perform that function, for the City Finance Officer to say okay, I know I'm not the auditor but I still feel uncomfortable signing checks when he performs his audit function, all he has to demonstrate to the Board of Mayor and Aldermen and third parties is that he made appropriations that meet your single line item to the School Committee. That's about it.

Mayor Wieczorek stated therein lies some of the problem we have, this is two lawyers, two opinions. Mayor Wieczorek asked Tom, how do we resolve this issue from our City's standpoint.

Solicitor Clark stated legally we just don't agree.

Attorney Eggert stated but we do both read, and that's what the Charter says.

Solicitor Clark stated I don't agree that it says that either. We do not take away the responsibility of the Board of School Committee in auditing and expending their funds, but as treasurer under state law the Finance Officer has a responsibility to make sure that City funds are being expended appropriately, and that's where we stand.

Alderman Wihby asked if the School Board felt any differently now that they had heard the other side today, that they should have another vote to go into the new system or is it still the old system that they want to do.

Mayor Wieczorek stated he didn't know and asked School Committee Member Healy's opinion. School Committee Member Healy stated he could not speak for other members who are in attendance this evening, I can only tell you that last evening the Board of School Committee did have a vote and a vote was taken, it was a unanimous vote and we voted to go back to our system 36.

Mayor Wieczorek noted it was not unanimous.

School Committee Member Healy stated, I'm sorry, the Mayor abstained.

Alderman Wihby asked with the new results was there anybody that wants to change.

Mayor Wieczorek asked if there was anyone that wants to change. No, nobody.

Alderman Robert stated you chair both committees and I know you worked on this for a little while, and we seem to be going back and forth between experts in discussing a lot of detail and what can be done and what can't be done, I don't mean to put you on the spot but I'm asking your opinion, what you think we should do in this situation.

Mayor Wieczorek stated if I knew what to do we would have done this a long time ago. This is really part of the dilemma that we have, getting two legal opinions, getting two different opinions on what we do with the system, the new system, the old system, that's why we have a dilemma.

Alderman Robert stated I guess I would have to ask that we think about this a little bit before I'm asked to make a decision one way or another. There's just a lot of things that are going around. I just don't feel comfortable in making a decision this evening.

Mayor Wieczorek stated he would ask the chairman of the finance committee for the School Board.

School Committee Member Desrosiers stated it was obvious we are not going to come to agreement, I guess the most intelligent suggestion I've heard is we are not going to agree, that's obvious. Norm's recommendation of getting an unbiased party in here, someone from MIT, to look at both sides of the story and then come back and report and tell us, because obviously there is Kevin's story, Norm's story, and the real story, right, that's how life works. So maybe we should get another party in to have them look at it, do it quickly and then we can maybe come to consensus or compromise because we are not moving forward on this tonight, it's obvious, the minute we got lawyers involved it got worse.

Alderman Cashin asked Solicitor Clark, say we run into the same situation next Thursday that we ran into today, who is going to pay these people. How are they going to get paid.

Solicitor Clark responded the bottom line is we have to make sure they get paid. Who is going to pay them, today Finance Department had all the checks run off so they were going to get paid, direct deposits were already made.

Alderman Cashin stated let's assume that the School Board stays on the system that they have said they are going to stay on, you're saying that Kevin doesn't have to sign those checks.

Solicitor Clark responded no, that's not what I said and I don't think Kevin said he wouldn't sign the checks. Kevin said that he is going to require that he gets the back up so he knows that the money is appropriate.

Alderman Cashin stated now Norm, can you assure this Board that you can give him the adequate back up that he needs so that we don't run into this problem next Thursday, a week from Thursday or whenever it is.

Superintendent Tanguay stated in my opinion I can, he may not agree with the data and how I present it, but I don't have a problem with doing it and I guess the missing link in this whole process is the fact that under the RSA's as Superintendent I'm responsible for the finances and I have to tell you unless you are willing to give me a guarantee that you'll cover our budget for the entire year, unlimited funds, until we have a good report, I'm worried.

Alderman Cashin stated I can't make you that guarantee you know that. He stated we have been here for three hours, and what have we solved here. Absolutely nothing.

Mayor Wieczorek stated we didn't solve a thing.

Alderman Cashin commented there is a sign there, these kids read it every day and I've been looking at it -- things turn out better when you work together -- well maybe we ought to turn around and all read it. This is ridiculous. You've got to come to some kind of closure here, this can't go on. A lot of us have worked a lot of years to get the communication the way it is between the Board of Aldermen and the School Board, I can remember when they weren't even speaking, and it's because of meetings like this that it started to happen that way and I'm afraid that we are almost at that point now. We all going to walk out of here there is going to be a lot of animosity between these both boards, and I'm just as concerned about that as I am about your computers to be honest with you. We've got to work together. We owe this to the taxpayers. This is not games we are playing here. I don't know whether you're attorney gets together with our attorney along with our finance people, and work this thing out along with the Superintendent and come back with some recommendations here, but I don't think anybody wants to be sitting here a week from Thursday trying to figure out how these checks are going out, I certainly don't. And somebody better do something your honor.

Mayor Wiczorek stated I'm not leaving here tonight until I know who is going to be responsible for paying the people on Thursday, I don't want to go through another situation like we did today.

Mr. Hobson stated I want to point out a couple of technical issues and I'm not trying to sway this into a big discussion again, but I have some concerns that I think need to be addressed. On October 27th I wrote to you Mayor and to the Superintendent and others that were in attendance that there are five technical issues with the System 36 payroll system merging or dealing with our software. Those technical issues are on the table, the technicians need to address them in some capacity. Has to be done. Otherwise we are going to have afternoons like we had today, which were pure and absolute terror for those who were working on it. That's number one. I'm sure we violated several laws. Number two. The Charter, and we have a couple of people who apparently have read it, the Charter also designates that the personnel officer/human resources director is responsible for classified staff. Non-certified staff in the Manchester School District. I am responsible for making sure they get paid, not the Superintendent of Schools according to the way I read the Charter, if the attorneys want to talk about that, that would be interesting. How are we going to make sure they still get paid. How are we going to make sure that we continue to take care of their issues. Somehow that needs to be addressed. That's a concern for me. So I guess there is a lot of technical issues that still need to be discussed and addressed and I'm not sure if this is the forum.

Superintendent Tanguay stated I think Tom Clark has really given us the answer. We are bottom line, we can spend the money whichever way we want. I think for the City Finance Director to require that we prove that we have enough money in our budget all we need to do is look at the bottom line, otherwise we're looking at a single line item in the budget, which is not within his purview, which I think Tom has said.

Mr. Clougherty stated I'm not sure that's what Tom said but moving forward, on this issue is not a payroll issue. Payrolls working. Payrolls posting, and people have been getting paid. I mean why are we causing this constitutional crisis. Why is this. Is this a payroll issue -- people not getting paid. They've been getting paid. We're forcing this constitutional crisis because the School Board, the School Superintendent is saying he is not getting information out of the system. Well, you are. The system is giving you back what you're putting in. This isn't a payroll problem, it's an information problem, that you got to go back and clean up that data. Whether you start from scratch with the old system and clean up, either you take what we have in the system and load that batch into the system 36, in which case, you know, if it's not good enough in one system to be reported to you why is it good enough in the other. Or you are going to have to go back and do this cleansing, and doing this audit as Janelle said of all the different items anyways. So you are going to cause a lot of anguish for your teachers. You are going to require a lot of anxiety for the Boards, and it's all because of an information issue on the data. And what we've said is go back and clean the data.

Mr. Clougherty stated checks that we're putting out and I have to be assured that that information is reliable and I can't get that on the day that I'm issuing the check. I think that's not responsible to...if you tell me I have to do that, understand I do not feel comfortable with people showing up in our office and asking us to write or either stamp in their checks or getting their checks at the last minute and then having our people have to rekey it in to HTE, that's pretty silly. But, that's what's going to have to happen.

Alderman Wihby asked if you're the Superintendent, what do you do, right now.

Mr. Clougherty replied if I'm the Superintendent I would have been cleansing the data.

Alderman Wihby stated right now.

Mr. Clougherty replied I would get a manager in at the middle level which I think we all agree on...

Alderman Wihby asked would you do that right away.

Mr. Clougherty replied I would do that soon.

Alderman Wihby asked is it able to be done right away.

Mr. Clougherty replied yes, I think that is something that can happen. I would start cleansing that data and start...

Alderman Wihby asked with what and with who.

Mr. Clougherty replied with all reports, Dave. I would start going back through payroll, take a look at each one of those items...

Alderman Wihby asked who's "we", who's "me". You're going to do it yourself.

Mr. Clougherty replied the detailed report would be done by the person that you hire and they would start to refine that with your staff and they would concentrating on getting the data cleaned up.

Alderman Wihby asked so you think he can do it with the staff that he has.

Mr. Clougherty replied yeah because with a manager in place. The problem is that there is a big gap between Norm and Rick and what they have to do and someone on a day-to-day basis at this level making sure that it's all done properly and it's going to the right accounts and all that. That is what that person has to do, is go back and going forward the payrolls are done and clean up the data.

Alderman Wihby asked how long is that going to take.

Mr. Clougherty replied if you make a conscientious effort to go through and have that done.

Mr. Sherman interjected what I'll say is we have no idea, they haven't looked at the data. They haven't looked at the reports. We don't even know if it's dirty, it may be clean data as it is, that's the problem.

Mr. Clougherty stated it could be really quick.

Mr. Sherman stated we showed you all of these reports...there is no way that you are going to get reports off the system System 36 tonight that have all this data in it. This is the data that the School Board wants to see, they've got the data, they can answer the questions, they can get them all the details. You can't go back and build that system in that amount of time. He wants to know how quick is it going to be done, the reports are done, it's got every payable check that went out, it's got every payroll check that went out. It doesn't have any revenues in because again they haven't keyed them in.

Alderman Wihby asked is there someone from Finance, from Personnel that can work with them.

Mr. Sherman replied I will gladly sit with Steve Plodzig and go through every one of these reports, so that the Superintendent has confidence in them because I think it will be Steve that will come back and tell them that that report is there and is very auditable.

Mr. Clougherty stated and it's their responsibility to cleanse the data.

Alderman Wihby asked is there any way that you can help them do this so that it's up and running in a short period of time.

Mr. Clougherty replied we'll make every effort to make sure it's done in a short period of time.

Alderman Wihby stated first of all we want to make sure that payroll is done by next week.

Mr. Sherman stated again, we can do what we know the numbers are. I can't go in and say this got charged to Special Ed and it should've been charged to the music program, I don't know that. They need to be able to go back and look at those numbers. They need to do that. We can make the corrections once we know that. HR has staff that can do it, Finance has staff that can work there and if they get their middle manager person in there they'll have people.

Alderman Wihby asked how many people can you put over there if we had to between Finance, Information Systems, and Personnel along with a manager that we get.

Mr. Sherman stated I don't know quickly they can get somebody in. What would be ideal would be to wait until our audit is done which will be by the week of Thanksgiving, we would hope, but again I don't know how quickly they can get somebody in over there. You're going to have to have somebody on that side of the shop who can sit down during the day...

Alderman Wihby stated you guys want the change, you guys want the new system, I believe we probably should go to the new system and get it over with and move on. What can all of you guys sitting there, what can you do for them.

Mr. Hobson stated, Alderman, I'll put two people in from staff in their department starting tomorrow morning, eight o'clock.

Alderman Wihby asked what about Finance, how about Finance.

Mr. Sherman stated we'll match their two.

Alderman Wihby asked what about Information Systems.

Mr. Hobson replied it's hard to say they're manager is not here.

Mr. Linder stated I don't think the problem is an Information Systems Department type of problem. Any technical problems that arise we can address but they don't need full-time technical support of that kind.

Alderman Wihby stated okay, so if we send them four people from Finance and Personnel along with letting them hire additional personnel out of our budget, not out of theirs can we assume that we can continue with the new system, Norm.

School Superintendent Tanguay stated we've tried this before, Dave, with all due respect, we've tried it several times. I know Mark Hobson was very busy in the month of June, I believe, and July with all kinds of people. We had this commitment before and it didn't change things. I'm again, I feel it's my responsibility as Superintendent, I feel it's the School Committee's responsibility in terms of the finances and I have to feel comfortable in terms of what's going to happen and I feel comfortable saying that System 36 will give us the financial data that we need to make management decisions and to comply with the law. I sincerely believe that. I believe the new system will work in time, but you heard even now that they have so many more modules that need to be addressed, more programs, more training. You don't have a complete accounting cycle yet. It's a long way to go.

Mr. Clougherty stated that by the way is not true, we do.

Mr. Linder stated could I speak to that. The additional modules have nothing to do with the School Department.

Mayor Wiczorek stated like I said this really gets sick just listening to this going back and forth. You know, I've promised you, Norm, all the resources that we could make available to you to try to get this done, any that we had and I've heard tonight now that Human Resources are going to give two and Finance is going to give two, but you know what the missing ingredient would be would be a commitment from the Administration of the School Department to try to work to get it done, that's what would be missing. If you aren't going to commit yourself and your resources to work with them, it isn't going to work, so we need to know is that something that could be done or not.

School Superintendent Tanguay stated in all due respect the commitment was there back in May when I was hired. I committed myself to the system. Here we are five months in the fiscal year and it's extremely dangerous not knowing what finances we have, how we're doing in terms of solvency. The City does not know, now I've asked...now, this will be my third request I would like to see what other City departments are getting for reports so I could have our auditor look at it.

Mayor Wiczorek stated well, Norm, I think it would be prudent to have your City auditor sit down with the Finance Department and Info Systems and let the accountants talk through the thing and find out if, in fact, they can produce what you need.

School Superintendent Tanguay stated I can tell you they will, but it will take some time, months, and it will be too late, your Honor.

Mayor Wieczorek stated see this is what I never seem to get the answer to. I never seem to get the answer to if you all make a concerted effort to work with the new system, how long will that take and if they don't do that and you go in with your system how long is it going to take to get the information developed that will enable you to run your department, that is what I never hear.

School Superintendent Tanguay stated we've had efforts before, we've had more people involved before and we still are not on line, we still don't have reliable data. So, what would a prudent person do and say well, we've been in fact working on this implementation for five months almost and yet we don't have the data, I don't think the City departments have adequate data, as well, but that is not my concern. My concern is the School District. I cannot see where this is going to happen in the next month or two, I really don't see that happening. I know that with the System 36 we can do that.

School Committee Member Stewart asked who's been our project manager. Have you and Mr. O'Shea been our project managers on this.

School Superintendent Tanguay replied actually we had Mark Hobson and then Mr. O'Shea took over when Mark left.

School Committee Member Stewart stated, however, we also know that during this time we've been trying to run the School District with two fairly new administrators on line, well, actually I should say four new administrators on line to be truthful and do this project. It seemed to me if we had an individual that was a project manager that was there day in, day out reporting to you and to Mr. O'Shea supervising the people that would be doing the inputting, double checking the information with your guidance that this is the difference that we have not had, I have to tell you. One thing that I think that I'm not sure about from Kevin's area and Mark's is...are the people that you are going to give us, are they input specialists, so we may need to hire some input specialist, help me with this.

Mr. Hobson replied what the Superintendent talked about earlier when we had a number of people in the School Department, he's absolutely right. We had all kinds of folks in the School Department, they were doing data entry, they were not people that I would consider to be at the level of knowledge that I'm talking about now and that is a difference in my opinion. I think it's also a difference...

School Committee Member Stewart interjected mine also.

Mr. Hobson continued by stating if you're talking about bringing in a project manager whose only job is to watch over this baby, that is something that I think will all due respect to the Information Systems, I talked about that at a School Board meeting, I think back in January in terms of the amount of training and project management that School would need and I don't

think it's happened, so is it time now to make it happen. I think if we did the system would work, but the Superintendent doesn't feel that way.

School Committee Member Stewart asked would this project manager also be someone...the one thing that I keep hearing is that there are some reports that have been designed it seemed to look just like our old reports to me, but there are more. One I see missing happens to be the one that goes through and says how much did we spend on electricity, how much was budgeted and how much is left, that's the one I seem to be missing in here and that happens to be the one I like the best because it tells me how much money I have left. Does that project manager also oversee that or is that Info Systems and how those two go together.

Mr. Clougherty stated one of the things that the Superintendent keeps talking about is what reports are we generating for the rest of the departments, that is not what this system does. We're not trying in Finance to hold everything in like this and generate some reports and kick them back to the departments. The individual departments are preparing their own and so what we're saying is a lot of the data entry that was...a lot of what the temps did was on the account side, they entered in accounts. We're talking about transactions, okay. So, you're talking about a different level of people and what we can set up here is an arrangement where they can go in and show you...you can tell us what reports you want and they can frame those and they can get them going. Once they're in place you can repeat them.

School Committee Member Stewart stated the Superintendent has told our Board of School Committee last evening and I think a few weeks ago, three weeks ago also that he feels that by some time in December that we could have the information that we're asking for. Is it reasonable to think that if we were able to hire a financial project manager and put these people on the project that we could be looking at about the same time frame.

Mr. Clougherty replied I think you could probably have it earlier if there is an honest effort to go in and clean the data. But, you have to understand that that is not something I can tell you because it's your data, you people have been keying it into the system, not us. You to go back and refine that, but we'll cooperate and I think you could make a lot of progress and have something soon.

School Superintendent Tanguay stated and I disagree with Kevin, obviously, and I'm going by my accounting experience and my technology experience over 25 years I have been through this before and I know what this is about and that's what I'm relying on and that's where I need to feel comfortable and I think that is where the disagreement is. Kevin, I'm sure believes in what he's saying but I have to rely on my own judgment and that's what I'm doing at this point. I know that we can go back to System 36 and be more successful in a shorter period of time.

Mayor Wiczorek stated I really don't see a resolution here, so I'm going to make a couple of recommendations here. One, we need to get the legal opinions squared away, so I would

suggest and recommend that the attorneys get together to see if they can make some resolution of the legal opinions. It doesn't appear as though we are going to be able to resolve the issue of do we go to the "new" system or the "old" system. The one thing I would like to resolve tonight and until such time as something is done is who is going to do the payroll for next week. I don't want to go through another Thursday like I went through today and since we don't have a resolution to what's going on here, I think maybe it would pay to get some impartial person come in and take a look and I'm not talking about somebody that is going to come in with some jaded interest. I'm talking about somebody that has no connection at all with the City of Manchester or the School system or anything else, somebody that would be totally impartial and I don't see any other way that we are going to be able to get this resolved.

School Superintendent Tanguay stated that was my recommendation months ago. But, right now we have a School Board that voted to go back into the System 36 and I believe that is where we are going. I believe the next payroll in my opinion will be produced on the System 36.

Mr. Clougherty asked I'd just like to know what that means in terms of the detail and the mechanics and in terms of what's going to be presented to us. What am I being asked to do if they're going on the System 36.

Alderman Wihby asked what do you want to see, Kevin. Tell them what you want to see and see if he can give it to you.

Mr. Clougherty replied I want to see what's in HTE right now which is all of the detail and supporting...each of these disbursements.

Alderman Wihby asked can you do that, Norm.

School Superintendent Tanguay replied we can do it but Kevin well knows we can't do it in a few days and I think that the bottom line is that Kevin has already said it's a bottom line issue, it's not a single line issue in terms of payroll.

Alderman Wihby asked what do you mean you can't do it in a few days. You can't do it before the payroll's due.

School Superintendent Tanguay replied no because we have to capture some of that information.

Alderman Wihby asked so who is going to sign the checks.

Mr. Clougherty stated I need test tapes of direct deposit, there's a lot of stuff here that needs to happen. If you're asking me to sign, again I want to reiterate my reluctance and my discomfort with doing that.

School Committee Member Paradis stated we can appoint our own treasurer by Charter. We have our own treasurer, we can sign our checks, correct. According to the Charter we can appoint our own treasurer period.

Attorney Eggert stated according to the State Statutes if there is a vacancy in a District Treasurer position then you look to the Charter to see if there's a way of filling it and if there is no way of filling it then the School Board fills it. So, in the City of Manchester if they wish to have a treasurer as a single School District the Charter doesn't say who would fill that, so the School Board under the Statute by default 671:33 fills the position. And, incidentally the District has the statutory authority to bond, the District has the statutory authority to audit, and it leaves the City Finance Officer off the hook with regard to having to account for anything other than a single fund transfer to the District.

School Committee Member Paradis stated his responsibility would be nil and we would be able to do this. Also, there was one other thing. Accounts payable and accounts receivable also to be considered not only payroll. We continuously talk about payroll, but your accounts receivable and accounts payable is an issue here also correct, Norm.

School Superintendent Tanguay replied yes.

School Committee Member Paradis stated I don't know what the answer is either. I just feel as though if we went with the System 36 and we could continue to do what we had all voted on, 12 to 1 or 11 to 1 that evening going back to the System 36 and continuing until we can see some daylight and go to the HTE system period.

Mayor Wiczorek stated I know, Tom Clark, you wanted to respond to...I'm assuming you want to respond.

Solicitor Clark stated we certainly have a difference of opinion on legal matters here. I told a few of you before the meeting I don't think that that is going to do us any good to get into a fight as to who's right and who's wrong legally. I do have a strong feeling that we're talking about the School District having a treasurer, the School District does have a treasurer, the City of Manchester is the School District. The School District isn't it's own corporation, the City of Manchester became a School District back in the 1800's. There have been various RSA's passed by the State dealing with other districts, they apply to some districts, they don't apply to all of them. Manchester is fairly unique. You have to go back and look at every special act that has been passed since the 1800's to find out where the authorities lie. In Manchester, the treasurer functions lie in the Finance Officer. That being said and I'd be glad to sit down with Attorney Eggert and talk to him and see if he can convince me or I can convince him, I don't know if that will happen, but there have been various suggestions offered here today. One is Norm has asked that his auditor be able to sit down with the Finance Department. Randy has

said why don't their auditor come sit down with me and we'll go through the reports. I think they ought to take each other up on it and get to the practical solution of finding out whether or not the system does provide the information.

School Committee Member Paradis asked could I respond to that, Mayor. Of course, the time is of essence here, that is the whole problem to. As you realize five months and then you know we don't have the time. I really feel as though if we go back to the System 36 that in a month and a half we are going to know just about what we're doing and where we are. Like Katherine said at the meeting we're in the dark now. As far as the whole business concerns here, we're in the dark.

Mayor Wieczorek stated well, after three hours, we're still in the dark, so it will give you some idea as to how complicated this is.

Mr. Clougherty stated to get out of the dark you have to key in the data.

Mayor Wieczorek stated the School Board took a vote. I know you took a vote last night, do you want to reconfirm that vote. Does everybody still feel the way they did last night.

Alderman Wihby asked can they reconsider, your Honor, to see where we stand.

Mayor Wieczorek asked is there a possibility of reconsidering that vote for last night.

School Committee Member Higgins moved to reconsider the School Committee's action taken last night. School Committee Member Stewart duly seconded the motion. A roll call vote of the Board of School Committee was taken. School Committee Members Stewart, Dumont, Johnson, Desrosiers, Higgins and Mayor Wieczorek voted yea. School Committee Members Labanaris, Gatsas, Healy, Paradis, D'Allesandro and Lamontagne voted nay. The motion failed.

School Committee Member Desrosiers moved to bring in a third party to analyze as objectively as we discussed. School Committee Member Healy duly seconded the motion.

Mayor Wieczorek asked who is going to be responsible for getting them, the School Superintendent.

School Superintendent Tanguay stated we can do that.

Mr. Clougherty stated make sure it's neutral.

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

Mayor Wieczorek stated now, I'm very concerned about what happens next week with payroll.

Alderman Reiniger stated I just want to make an observation about this. I think this is, what I'm watching tonight, I haven't followed this debate, but just watching this now this is an example to me of why so many people are discouraged with the School system. Just within the last year the past Superintendent Len Bernard gave a dazzling display of a presentation to the business community, the whole community about trying to update the computer training, technology training for the students in the City and I think everyone was very excited, was very progressive. The current administration can't even implement a basic computer system which every other department is doing sends a very bad message, how can we credibly be promoting technology enhancements to the students when we can't even implement a basic program. Listening to everything tonight is very aggravating. I don't have a problem with confidence in the technology of it, I have a problem with confidence in the administration, the management of the School District. I'm very frightened by what's going on here. I think it's an embarrassment to the City. Thank you.

School Committee Member Gatsas stated the only thing I have to say is this. If you haven't been involved in the process, then you've been ill informed. The process has been going on with this HTE for five months. People haven't been paid, this is not the first time. Where have the people come from HTE, the city Finance, or specific Aldermen and said we need to sit down and speak about this issue. Not once. The checks went out today...inaccuracies in the checks, once again. We're not talking about the salary people, we're basically talking about the hourly

wage people that need the money to pay the bills, that's what we're talking about. I have a lot of confidence in the Superintendent, I worked with him before, I've got a lot of confidence in the school system. This School Board and this Aldermanic Board work well together, I thought we had a good dialogue here tonight. We didn't need any comments like that in my opinion to set something off. The School system is working very well. The budget, I don't know by the Charter, you need to read the Charter, the Charter states you need to have a financial report each month. I heard information tonight that's not accurate, so we haven't given you one for three or four months. How is the City functioning without financial reports five months into the year. People ask me, I'm not in your seat and you're doing the best you can, but you can't make decisions without information. How is the budget process going to begin in a month or two for you people. The budget process is going to begin for the School Department in a month or two, we have no information. Other departments, I disagree with you...has the Police or Fire have any problems paying their people.

Mayor Wieczorek interjected, John, let's confine our activities here to School, all right because I don't want to start ranging all over the City.

School Committee Member Gatsas stated I'm just stating that it's not an issue and I stated to you last night, it's an issue that needs to be solved, we all feel for the people to get paid just like you did, Mayor, we want to make sure the checks are accurate and so on. I am very discouraged that when we met back in January, I was told, the School Board met, we asked a lot of questions, we had a lot of concerns. We were told and given a lot of information. A lot of that has not been carried through. I hear the School Department this and that. If, Kevin, if you're sitting in that position that you are Financial Officer and you don't think we're giving you adequate information, you not once have asked to meet with us, not once have asked to meet with us as the School Board. I have never received a letter from your department to meet with us to iron out the concerns, not once have I ever. The concern I have is as the Mayor does, the people need to get paid. We need to start putting a budget together to present to the citizens. If we don't do that we're going to have a major crises, a major crises, and I hope that tonight we've learned and I've stated this before we need to work together more, we've had some good dialogue here, hopefully we can come out with something to move the City ahead. Thank you.

Mr. Clougherty stated I'd just like to respond if I may, Mayor. I don't, I haven't approached you because again I'm not aware that the information that is keyed in is wrong. Everything that Norm says that it's your responsibility as a department just as is Highway to key in data and keep track is your responsibility. As far as providing reports to the City and the financial condition we have gone back. Those reports are forthcoming, the system is working, the delays that we've had in putting those reports out are mainly going back and cleaning account information, the account numbers not transaction information. If you are not happy with the reports and the information and the reports that you're getting then you need to go back and look at the transaction detail by each department or function within the School Department, that's the way it works. We'll be happy to work with you, but again I need tapes in advance and

detail so I can feel comfortable signing off and again we're going to be making, we're going to be asking the banks and the credit union to release funds. You can't put them in jeopardy just because you're going to say we're going to show up on your doorstep and process these things, so I am going to insist on that type of detail and we'll try to make arrangements. I didn't like going through this today, but we're going to pay people off HTE so that we can get what we need to do the IRS reporting and everything else and I need to have that detail.

Mayor Wiczorek stated you know the checks today, the situation we ran into this afternoon those are the hourly people that you are concerned about and these are the people that need the money the most, I'm sure. Who, John, do you think is responsible for providing the information for the people to get paid.

School Committee Member Gatsas replied the School Department gives the information, Ray, but the point that confuses me is this is not a one-week thing. We have been paying checks for five or six weeks now and the problems have been coming up. In a six-week pay period, six times we've done this and the same problem is there. Don't you think they would be working them out.

Mayor Wiczorek stated I certainly would.

Mr. Clougherty stated that's the refinement that has to happen at the department level.

School Committee Member Gatsas asked how soon are we going to get this information.

Mr. Clougherty replied as soon as your department goes back and cleanses the data. You could have it now. The question about the accounts receivable and accounts payable, the modules work, but if you don't key in anything as a department, it doesn't show anything. I can't go into the Highway Department and say give me all your revenues and I can put it in, that has to be keyed in. Your department hasn't keyed that information in.

School Committee Member Gatsas stated I think the third party was a good suggestion because hearing that side and hearing this side, I mean just like you said you don't know where you stand.

Mr. Clougherty stated and we agree. You get a dispassionate third party in here and we'll meet with them.

Mayor Wiczorek stated so, I still need to solve the problem for next week you see and I'm not leaving here and nobody is until we solve the problem as to who gets paid next week by who.

School Committee Member Desrosiers stated I have a suggestion. Number one, about the payroll for next week, I would ask that the Board of Mayor and Aldermen ask Kevin to sign

those checks based on the data that Norm gives him and let the Superintendent take responsibility for that amount of money because we are responsible for that bottom line anyway. Number two, maybe the suggestion could be as far as why don't we run dual systems...have the people at School Finance do the system System 36 which would satisfy Norm, but have the extra people that Finance and HR are willing to give us with the project manager enter the data in HTE so you're running dual systems. Large corporations do this all the time and, in fact, the report from Terry Bullard clearly stated that why didn't we run dual systems, so that would be a compromise for both Kevin and the Superintendent and we could run dual systems and maybe by the end of December if the HTE is up and running it would be a moot point and then the School District could just take over. I mean that would satisfy both parties and would certainly satisfy me as the Finance Chairman.

Mr. Clougherty stated what Janelle is telling me here is that what we could do is run HTE, key into HTE and the proofs from that would then go over and that could serve as a basis for them to update their System 36, so that your information is going in, but the check is coming out of HTE and if that works and that's really what Norm was proposing before is to take the information off of our system...we're just saying if you're going to get the information, let us run the checks off it so at least we're getting it off the banking system.

Mayor Wieczorek asked what is the problem with that.

Mr. Clougherty stated that's a possibility, we could do that.

School Committee Member Desrosiers stated that takes care of next week's payroll, but the bigger question as far as the system is why can't we do dual systems. We're talking about maybe two months max if what we're hearing is true that HTE, everything is moving along and if the data starts being credible, go in, well then the four people from the City inputting the data, I guess would kind of prove the point as far as is this system good or bad, but we would be running dual systems and both parties should be satisfied.

School Superintendent Tanguay stated I think that is an excellent suggestion and I also think by running our own system and also inputting the payroll with the extra help that you're going to give us in the HTE system Kevin can then look at both reports and reconcile very easily and then sign our checks.

Mr. Clougherty stated we'll sign the checks of HTE, not on your because the checks are drawn on accounts that have no money in them and we have to do the ACH and the electronic transfers, that has to come off of HTE.

Mayor Wieczorek asked, Tom, have you just heard this most recent conversation.

Solicitor Clark replied yes, I have, your Honor.

Mayor Wieczorek asked and what's your opinion from a legal standpoint.

Solicitor Clark replied I'm not sure this is a real legal issue, but if you're running a dual system I don't see why they don't just use the checks that come off of the HTE system, both systems should be running parallel.

Mayor Wieczorek asked so, if you're running a parallel system what difference does it make which one you're going to pay if off of, eventually you would want to pay it out of the account you have money in.

Mr. Clougherty stated right and it has the ACH and the electronic transfer information that we need and the IRS information that we need, remember our system has been up and running from day one, so that's an important thing. The other thing is the check signing information we're moving to lasers. I am very uncomfortable having the old slam bang check signing machine. We've got installed in our office a laser printer today. I'm not going to be signing checks with the old system where you send them over to us. Think about that. We're going to prepare checks on one system, we're going to take those payroll checks and we're going to physically bring them over to the Finance Department where we're going to sign them, we don't do that. We're going to do this all with laser technology on checks that have much more safeguards than the old stock and that again is progressive. So, that is why we want to move into the HTE and if we're running duals I'll pay them off of HTE and it's a better security system, it's a better check signer, and it also solves our 941 tax reporting issue too and then Norm could take that and run it off.

Mayor Wieczorek asked, Norm, what is the problem with doing that. You running your system, their running theirs, you get paid because that solves the pay problem as to who is going to get paid, but you have to provide the information and get the neutral party that is going to take a look at it and get back to all of us as soon as possible and then you make a final determination as to what the heck you do.

School Superintendent Tanguay replied the difficulty I'm having is the fact that we can do both with the help probably that they would provide to do HTE as well as our own system. The problem is that we are trying to find out where we stand financially. Now, that number one would delay our timeline and number two I still am convinced that we can in a much faster computer time get good, reliable financial data. I still do not believe that HTE will all the work that remains to be done will provide information when we need it. We're looking at months and that's what I'm concerned about.

Mayor Wieczorek stated, Norm, if we're having somebody that's going to come in and evaluate the systems, you want to start yours, somebody comes in and evaluates the system and says oh geez, you made a mistake you ought to be back on the other system. Doesn't it make more

sense to stay with what you already have and still have you work with your system to try to get it on and if you get a final determination that says yeah, you're right, they're wrong that you can get it done that way. It just seems to be getting unnecessarily complicated to me.

School Superintendent Tanguay stated you're making an assumption that the findings will be as you say. I'm maintaining that the findings might well indicate that the City has a long way to go in computerizing the City.

Mr. Clougherty stated as Norm said it's going to take him time to get his systems up and running. We're running now, we're comfortable with what's being proposed here. We can do that and we can run the checks and the information. If the problem is the data and he can create better reports off his system than ours, then fine he gets the information and have them key it in and have it go in through some type of a transfer, we don't have a problem with that, but I do have to protect the integrity of the City's banking system for credit rating purposes. If you're telling me tonight that I have to sign checks that I have not sufficient comfort with, I've got to call Bond Counsel tomorrow and tell him there is a significant change in the way that the City is doing business and that has to be published so that anybody out there that's an investor in the City knows that there is a change and I'm uncomfortable with it. Because if there is a problem down the road here, I'm not going to be sitting here and be accused by the SEC or somebody else that we didn't disclose to people that there was a significant accounting change because what you are talking about is a very significant change.

School Committee Member Higgins stated I guess I'm at a loss. What is the problem with having HTE do the checks. The vote we took last night was we were supporting the Superintendent's level of discomfort with the data that he has with the inability of HTE to produce reports, so we gave him the ability to start up the 1System 36 system so he can run his reports, am I incorrect. We didn't tell you that we don't want you working with HTE, in fact, if I remember correctly it says that we definitely and I think we were pretty clear about this, we want you to continue with the HTE system. My understanding is that you have a level of discomfort with the data, with the information, with the reports, and that's why you want you're own system. By running a dual system you're going to have that level of comfort, why can't they issue the checks. Norm, seriously, you have not answered that question. You haven't answered it for me. With all due respect I want to support you, but I don't understand, please explain it to me.

School Superintendent Tanguay replied sure, I'd be glad to. By going back to the dual system and you're run we said and I think I was very careful the way I worded it, I said we'll go back to the System 36 and as time and resources permit we will continue with HTE. The main focus was to basically go into the System 36 and produce reliable financial information as quickly as possible which I didn't feel would happen with HTE. I felt the timeline was unreasonable and would prevent the School District and myself and the Committee from making financial decisions; that basically is what I think transpired. All of our energies after that motion three

weeks ago went to System 36 which is why we produced a payroll a few days ago and I also believe that to go back to a dual system and I am not against it, but I still maintain that it will take longer to produce information that we want with HTE than it will in our old system and that's my opinion.

Mayor Wieczorek stated oh man, I'll tell you, are we going around the world here, you know.

School Committee Member Johnson stated I would like an answer to Janice's question. I have supported the Superintendent's discomfort with the information also, but you have not answered the question of if you are running a dual system then what is wrong with HTE producing the checks, you're not answering the question.

School Superintendent Tanguay stated I think I did and let me regurgitate it then. Going back to the System 36 which we did three weeks ago, we're able I believe, between now and December to be able to provide a financial report that it up-to-date. Going with HTE I do not believe that will happen till maybe sometime next year, does that answer your question.

School Committee Member Johnson stated we're asking you why for next week's paychecks, why they can't be produced by HTE. Your figures will agree, you're going to run a dual system side-by-side, we don't understand what the problem is except for the check being written by HTE, the payroll check; that issue itself, that simple issue.

School Superintendent Tanguay stated I guess the same question is why is it not produced on the System 36 like we did this week.

Mayor Wieczorek stated no, no, we're not going to go back and forth like that, Norm. It's a very simple question that they posed to you. You've got two systems that are going to be running side-by-side. One already is functioning and running and producing checks and has money in the account, already has ACH and everything else that you need. You have to get all of these things going on the other side. What is wrong with you developing the data that you need on your System 36 that you love and let them write the checks until you make a determination of what the heck is going to happen.

School Superintendent Tanguay stated I'd like to hear from the School Committee in terms of how they would like this handled.

Mayor Wieczorek stated I see Rick has had his hand up for a long time and I think what he's talking about is pertinent, then we'll get to the School Committee.

Mr. Linder stated one more point I want to make is we've been, Norm's been saying right along that he cannot get the information that he needs out of the system. He gave us requirements a week ago, these are the kinds of reports that we need, we produced those within a week. If he

asks us what he needs, we can provide the information that is in the system at what detail, sorted, however he wants it. As soon as he's asked us for something in detail we've been able to respond to that, we can't just be told we can't get the information out. We don't know what format he wants to see it in. When he told us the format, we were able to produce those reports.

School Committee Member Dumont stated we have been told all along that the reason why we couldn't get on HTE was because of a lack of training and help and that data hadn't been put into the system since June. Well, we had an opportunity tonight to change all that because we did not know when we voted yesterday that we would be given that additional help. So, I don't know why we have such a problem here. Kevin is telling us that we could get all of those reports, but you can't get reports unless the data is input, that is the whole problem. If you don't put it in, you don't get it out. So, I've been sitting here for three hours too and the payroll that's all taken care of, but the issues that have been brought up by Janelle, the fact that she has been training people already, now, to bring those people back into the old system is a complete waste of time and money. I run a business, when I have new software, I put them on the new software I don't train them back on the old software. Why go back to the old system, they're giving us the help.

School Committee Member D'Allesandro stated I think we've come up with some good movement: (a) the suggestion that we bring in an independent person to give us an evaluation; that is something that the Superintendent wanted and we've assented to that and I think everyone has assented to that. Second, running the parallel systems with HTE producing the checks seems to be to be a reasonable solution to our problem. When the expert that we have hired comes in and makes an opinion, at that point we move forward based on those results. I think we've make some substantial progress in solving (a) the payroll problem, and (b) the software problem. I think everyone should understand that when you bring in a system, Alderman Reiniger, when you bring in a system it's not a snap your fingers approach. To integrate a system, to drop in those modules is a very cumbersome process, it's a very time consuming process. Major companies have great difficulty with this, major companies. When you move from one system to another, when you move from a piece of hardware to another piece of hardware, when you move from one piece of software to another piece of software it's a very difficult process and it requires (a) a great deal of training and (b) it requires a total emersion into the project. So, it's not a very simple thing and we're working to make things work properly for the benefit of the system. So, don't underestimate it. Unless you pay strict attention to it you lose out on the value of that transition. It's not a simple process and in the kind of meeting we've had tonight, I think gives you an indication of the difficulty of the process. When you look at the kind of material that people are looking for and observe it, it's a difficult process. We've had experts that we have hired talk about the process and the time and the effort that it takes to make things happen in a positive manner. So, never underestimate the time and the effort and the commitment that must be put forth to make this happen. So, don't look discouragingly on people who don't make it happen overnight. Albert Einstein had a little difficulty and he was better prepared than we are.

Mayor Wieczorek stated one thing I think what you said makes sense. I think one more thing to add would be to have the accountant from Plodzig and Sanderson whoever talk to the Finance Department because there seems to be disagreement there on the areas and if you do that then you will have touched all of the bases.

School Committee Member Higgins moved to approve the three points that Lou gave us; that we instruct the Superintendent to hire or to get an impartial consultant to look at the entire system, to have Steve Plodzig sit down with Finance to do an informal audit, and third to allow a dual system and have HTE write the checks.

School Committee Member Stewart duly seconded the motion.

School Committee Member Healy I just want to make sure that the City is going to guarantee us, the School Department that we have got the ample help needed to accomplish this and I know that was mentioned earlier and I'm just bringing it up again to make sure that that's all part of it.

Mr. Clougherty stated our understanding, Mr. Chairman, is that we are going to get the support of the administrative staff to do the data entry and to cleanse the data as well, too. We're going to work together.

Mayor Wieczorek asked do we have that commitment from the Superintendent.

School Superintendent Tanguay replied you certainly do.

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

Mayor Wieczorek stated so we've made a decision now and the next time we get together is when we have a report that will be ready from the consultant that we are going to get.

There being no further business to come before the Joint Session, on motion of Alderman Shea, duly seconded by School Committee Member Paradis, it was voted to adjourn.

A True Record. Attest.

City Clerk