

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC HEARING)**

May 26, 1998

5:45 PM

Alderman Wihby called the meeting to order.

Alderman Wihby called for the Pledge of Allegiance, this function being led by Alderman Clancy.

A moment of silent prayer is observed.

The Clerk called the roll.

Present: Aldermen Wihby, Klock, Sysyn, Clancy, Pinard, Shea, O'Neil, Rivard, Pariseau, and Thibault
Aldermen Reiniger, Girard, Cashin, and Hirschmann arrived following a brief recess.

Alderman Wihby recessed the meeting.

Mayor Wieczorek called the meeting back to order.

There were now fourteen Aldermen present.

Mayor Wieczorek advised that the purpose of the special meeting was to hear those wishing to comment on the proposed FY1999 \$5.00 auto surcharge intended to offset FY1999 expenditures for the street resurfacing program.

Mr. Clougherty stated the Mayor asked me to make a brief presentation regarding the subject of the public hearing. I have asked that everybody be handed out a copy of the legislation and I will quickly just walk through this. Chapter 4 of the Laws of 1998 was adopted and signed by the Governor on March 18. It becomes effective on May 17, 1998. If you look in that paragraph, you can see that the fee that we are talking about is for the purpose of supporting a municipal and transportation improvement fund which shall be a capital reserve fund established under this purpose. The amount collected, 10% and not more than 50 cents for each fee paid, can be retained by the local designated agency for administration fees. We have the same arrangement for the reclamation trust where that money is retained by the Tax Collector's Office because they are the ones administering it. The funds may be used for engineering, right-of-way acquisition, construction costs of transportation facilities, for operating and capital costs for transportation related activities and the funds may be used as matched or State funds. As I

understand it, what the Mayor is saying is he wants it just for resurfacing purposes. The maximum fee charged under the paragraph shall be \$5. The municipality may establish the required fee up to the maximum amount allowable based on anticipated funding needs of the transportation improvements. Obviously, the Highway Department has more than \$500,000 worth of resurfacing requirements. The additional fee will be collected from all vehicles and it explains a little bit about what those vehicles are. Some are excluded like all terrain vehicles and motorcycles. The legislative body, which in the City of Manchester is the Board of Mayor and Aldermen, may consider and act on this in accordance with the way you ordinarily vote on resolutions or you may decide that you can put it on a vote for referendum. The legislative body has that option. That is on the top of the second page. The \$500,000 projection that is in the Mayor's proposed budget is a simple calculation of a \$5 fee per vehicle at 100,000 vehicles which I understand is about the number that we registered last year or the last couple of years and equates to about \$500,000. That is a very quick explanation of the proposal.

Mayor Wieczorek stated the reason that I was interested in this is having been around since 1990 when we were really in the tube and one of the first things we cut, obviously, was resurfacing and we did that for several years where we didn't have the money to really keep our roads up. That was a problem and that is the reason why I am supporting this legislation because I think it makes sense. If you have a \$100,000 house and you have one car, you would be spending, it would cost us \$15 I guess on the tax rate if we were going to put it into the budget but if you have one car it will cost you \$5 instead of \$15. If you have two cars it will be \$10. If you have three cars and \$100,000 house it will be a wash. The important thing here is not raising the money, it is what you do with it and I said what we continually have to try to maintain our roads and I said during good times and bad this would be a designated fund where this money would be earmarked for roads. I understand that with about \$500,000 you could do about 12 or 13 miles of road and if we continue to do that then eventually we will have our roads under control and I think it is a good idea because the people who are using it are the people who are going to be paying for it.

Alderman Girard stated I just wanted to clarify that this is a dedicated fund that can only be used for the intended purpose and though it has no revenue impact on the general fund, it allows us to take that half a million worth of resurfacing off of the tax roll and that money can't be used for anything else.

Mayor Wieczorek replied that is correct. The money can't be used for anything else but resurfacing.

Alderman O'Neil asked are we locking specifically into resurfacing because I noticed the State law allows a little broader concept than that or are we just saying or public improvement needs.

Mayor Wieczorek answered well obviously as you heard Kevin describe the law, it is much broader and can be used for other things, but I have found at least that initially what we ought to be doing is concentrating on the resurfacing because we have an awful lot that has to be done in this City. I would prefer that this be dedicated to that at least for the time being and let us see how this thing is going to go.

Alderman Clancy stated say we get \$500,000 for the auto fee. Is the City going to match that?

Mayor Wieczorek replied no.

Alderman Clancy stated well, your Honor, lets give something back to the people. They are willing to give \$5. Why doesn't the City throw something in? We have a lot of roads here in tough shape.

Mayor Wieczorek replied well nobody knows better than I...

Alderman Clancy responded I ride around as much as you do.

Mayor Wieczorek replied I do know that. The thing is the Highway Department only has the capacity to do so much and this year I think they even have to contract some out if I remember correctly because we have \$500,000 in there plus another \$150,000. I think there is \$650,000 and they are not really able to do all of that. You know we are giving them as much as they can do and any more that has to be done will be contracted out.

Alderman Clancy stated if we have better roads, we have a cleaner City.

Mayor Wieczorek replied I am for that. I agree with you.

Alderman Thibault asked is there any money appropriated in the budget for resurfacing this year besides this \$5 fee.

Mayor Wieczorek answered yes there is. I think it is a total of \$650,000.

Alderman Thibault asked a total of \$650,000 with this \$5 is that what you are saying.

Mayor Wieczorek answered right.

Alderman Thibault stated so there is \$150,000 appropriated in the budget plus this \$500,000 if we do this.

Alderman Rivard asked is the intent to freeze the paving at \$500,000. Is that what the intent is to have this dedicated fund and just pave \$500,000 worth of road? Is that the intent?

Mayor Wieczorek answered yes. Well do you mean to resurface?

Alderman Rivard replied just to resurface. So there is no intent to match funds dollar for dollar out of the general fund even though the general fund receives over \$10 million in taxes on automobiles. When you register the automobile, approximately \$10 million annually is paid by the taxpayer. We receive maybe \$1 or \$2 million in gas tax back from the State and there is no intent to expand the program more than \$500,000?

Mayor Wieczorek replied well we could.

Alderman Rivard stated in 1976 and 1977, we used to get \$1 million in paving funds at the Highway Department. A million and the cost of paving the roads was half of what it is today. Today we have been getting \$200,000 or \$300,000. I don't think that \$500,000 is a good deal and I don't think that people are going to be getting anything for their \$5 investment. I mean we have got money in the budget to pave the roads today. We are going to put \$5 in there and we are going to get the same thing we got before we put the \$5. I think we should draft this so that we get matching funds and provide \$1 million to the Highway Department and let them pave \$1 million worth of roads. Half a million out of the general fund and half a million out of this dedicated fund. I know they can provide the service. They have done it in the past.

Mayor Wieczorek replied that is entirely possible but we are talking about...this money collected wouldn't be used this year because we won't have collected the money.

Alderman Rivard stated that is correct. We have half a million in there for this year.

Mayor Wieczorek replied \$650,000.

Alderman Rivard responded half a million in the CIP and \$150,000 in the budget and they are going to be able to do that and if they had more money they would be able to do more paving.

Mayor Wieczorek stated we talked to the Highway Department and this is what they told us that they could do. That was it. Listen, I know that you served on that Commission for 20 years.

Alderman Rivard replied that is what they said they could do because that is what you asked them to do and because of the money you know trying to get the money back from the CIP in road reconstruction created some problems in the budgeting part of it as far as salary goes. If we didn't have to earn the monies back out of CIP, they could do this million dollar paving.

Mayor Wieczorek stated well Alderman I think you were on the Highway Commission when we were going through this when the only way we were able to keep the Highway Department together and I am talking about 1990, 1991, 1992 right to the current year, was to do road reconstruction where they would have an opportunity to earn some of their salaries back. That was the only way to do it. Other than that, we would have had to lay off a lot of people and in order to keep that together, this is the solution that we had. Now what we are trying to do is to wean them off this year and that is the reason why we took half a million and moved that over so that we could get it into their operating budget.

Alderman Rivard replied I understand exactly what the intent is and to bond labor projects like that obviously wasn't the best idea that this Board ever came up with but nevertheless as we move forward I would encourage some type of an amendment to this \$5 road improvement fee and would also commit this Board to \$250,000 or \$300,000, dollar for dollar whatever it is because I don't believe the taxpayer is really getting anything for their other investments that they make into the City. The \$10 million in taxes that we pay on our vehicles when we register and the money in gas tax that comes back to the City. We are not using that where it is supposed to be used.

Mayor Wieczorek stated but you know what you are going to be looking at here and you are going to be facing this for the first time. You are going to be looking at the total budget that you have here and you are going to have people saying to you that they don't want the budget to go up even 10 cents and yet everybody is going to have an idea on where they want to have an increase on something special they want to get done. The thing is you do have to set some priorities and this is what makes it such a difficult task for this Board is you have to try to react to all of those things to get the services provided that have to be provided in the City and yet make sure that you do it at an affordable rate to the taxpayers. This is the delicate balance that you have to strike here.

Alderman Rivard stated so you believe that the taxes that we pay when we register our vehicle and the gas tax that we pay to the State of NH should not come back and provide better roads for the City of Manchester. We have to have a special fee that is going to allow us to do that. There is not enough money in that \$10 or \$12 million that we are charging the motorist to invest \$200,000, \$300,000 or \$400,000 in improving the roads.

Mayor Wieczorek replied you could do that. You know you can do anything you want to do.

Alderman Rivard asked isn't that the intent of the gas tax.

Mayor Wieczorek answered look, if you take that out of the total revenue stream that you have here, lets say you want to dedicate all of that to doing whatever you want to do with the roads, 100 miles of roads if that is what you want to do in a year and could do it. Now what you

would have to do is raise taxes then by about \$28 in order to do that because you have to replace that revenue and you have to replace it with a property tax.

Alderman Rivard stated I understand how it works but don't you think we have an obligation to the people who register their cars and pay the gas tax to invest some of that money back in the infrastructure.

Mayor Wiczorek replied you evaluate that and you will have an opportunity to speak to that issue. If the Board is convinced that this is the way we should do it then that is what will happen because the Board is the one that is going to have the last word here.

Alderman Hirschmann stated for everyone that is in the crowd tonight that wasn't here last week, we reviewed the Highway Department's budget and in doing so we asked them if they could absorb a 1% or 2% cut in their budget and the first item in a 1% cut was going to be road resurfacing so some roads wouldn't get done if we cut their budget. A 2% cut it was more road resurfacing. So in protecting resurfacing of our roads in the future and in times of trying to level fund the budget and things like that, this is like a protective mechanism almost where we can have our road resurfacing funds that a department head can't cut or encumber or do anything so I think based on that we know we will have an account we can do 12 miles of resurfacing and it is not going to put \$15 on your home tax bill. I think that the \$5 is a good investment.

Alderman Thibault stated I agree with Alderman Hirschmann that it is a good idea, the only thing is that I hope in future years we don't stop appropriating money in the budget for resurfacing besides. Do you understand what I am saying? In other words that we don't just use this \$5 fee from now on for roads and forget putting an amount in the budget.

Mayor Wiczorek stated you will have the opportunity as you work with the budget to make any recommendations that you want. If the Board is going to support your recommendation, it will be done. If they don't, it won't get done.

Alderman Shea stated maybe Alderman O'Neil hit upon it, but is it just roads or are sidewalks going to be included.

Mayor Wiczorek replied roads. I don't want to make a sidewalk look like a road.

Alderman Shea stated once we find out how we are going to use the rooms & meals tax money maybe that would be a way of matching the \$500,000 you know. That would be another \$500,000 from the rooms & meals once we put the Civic Center to rest one way or another.

Mayor Wiczorek replied okay you keep that in mind.

Alderman Girard stated as this is a public hearing, I wonder if we could hear from the public.

Alderman O'Neil stated Alderman Cashin two weeks ago made the comment about resurfacing and tying it to sidewalks and I think everybody was receptive that if you are going to resurface a street and leave the sidewalks looking like heck are you really doing any good. I don't know how this ties in. Maybe Alderman Rivard, can you tie it in or are we just talking specifically resurfacing and not following through with Alderman Cashin's recommendation about addressing sidewalks at the same time.

Alderman Rivard replied obviously if they wanted to do that it would be a good idea. Obviously it would be costly. We do have a program that is in operation now, the 50/50 sidewalk program but obviously in response to Alderman Hirschmann's comments about the Highway Department would cut back on the paving 1% or 2% if they were asked to do it, they don't volunteer to do that. They never have volunteered to do it. Obviously they try to discourage this Board. The Board is the one who would make them make that decision and if they didn't have to make that decision we would be much more comfortable and would get a lot more done. I really don't know where we would get the funds to do the sidewalks.

Alderman Hirschmann stated I don't know if it is worth responding to that but every department head controls their own budget and can cut in whichever area they want to. The Aldermen cannot tell them where they are going to make their cuts so I don't know what Alderman Rivard is referring to.

Alderman Rivard replied it is my understanding that when you get it in your care and custody you are absolutely correct, but if this Board is going to make a cut on the budget and we ask the department head where he is comfortable, this Board looks at it and takes the advice of the department head. If the department head says we are going to cut here, we cut it here. I understand the budget process almost as good as you do.

Mayor Wiczorek calls for those wishing to comment.

Harold Levine, 49 Hillcroft Road, Manchester, NH stated I came here in opposition to this \$5 tax. I feel that I have spoken and many taxpayers have spoken over the last eight years that the Mayor had been Mayor and there has been no elimination of the buddy system at the Highway Department which costs us a heck of a lot of money. I am talking about these crew trucks. I have to come off from work at 93 over Mammoth Road, down Bridge Street and at 5:15 p.m. we have a crew truck going someplace from the Highway Department. Saturday morning you come down and it was the Traffic Department with time and a half and stuff like that. These department heads, for some reason, must have excess monies that they are just blowing on time and a half and overtime. The week before, the Highway Department had different crews around the City. I happened to be in the City, Mr. Mayor, and I know that you have walked around Elm

Street occasionally as I happened to meet you so you know what is going on. I just think it is very wrong, this \$5 tax. We seem to have a room & meals tax. It seems rumors, I don't know, that we have a slush fund of \$2.5 to \$4 million set aside for a centerplex deal that might fly and might not. I think it is very wrong of the Board of Mayor and Aldermen to keep this slush fund. \$500,000 if this is what this \$5 tax will bring should be taken for 1999 and when centerplex if it does fly, then lets worry about that. Right now lets worry about roads.

Jeff Michelsen, 45 Falls Avenue, Manchester, NH stated I am opposed to this proposal. I believe it is this type of incrementalism which creates cynicism in voters and in citizens. A key component of City government is maintenance of the road system. Roads should be continuously evaluated and maintained, not approached simply as an afterthought dependent on one shot nuisance taxes. If we cannot maintain the system in these flush economic times, what awaits us at the next economic downturn. If the City is always short of funds, our leaders, you, have an obligation and a responsibility to explain to the people what is wrong and what can be done about it to increase revenues. What has happened to our being the sixth best City in the nation? While the City spends money like a drunken sailor on shore leave, the north end park, Elm Street, talk about civic centers and power plants, drivers get jocked up for a \$5 spot to fix a mere 12 miles of roads. What will it be next year? A footwear fee to fix sidewalks or a bake sale to fund the Police. Do us a favor, put this beast out of its misery now. Thank you.

Jacquelyn Domaingue, 102 Donahue Drive, Manchester, NH stated I would like to thank you for the opportunity to talk to you but I have been sitting here since 5:45 p.m. waiting for that opportunity. Shame on you. You called the public here to be heard at 5:45 p.m. Your convenience, not ours. Most people are still driving home. Then you sat and you forgot that you invited them here. Shame on you. I don't want this \$5 fee but I have got to give you points for consistency. First you had the bag and tag and now you have got the airbag and tag. Maybe you didn't get the message last year with the auto registration fee when 90 days was it, Alderman Cashin, into the auto registration fee there was a human cry from the public take it back we don't want it. When you ran for re-election again and again, Mr. Wiczorek, you told the public you weren't going to raise taxes. You must have forgotten the part that said but I am going to raise fees. I pay for this service in my taxes. You have no right to launch double taxation on me. I object to that. Don't snow the public and think we are so stupid we don't know what the words enabling State legislation means. It means if you guys are greedy enough, the State will look the other way and you can sock it to the taxpayers. That is what it means. I don't want this fee. You want to know where you can get the money? Go back to the drawing board. That is what we pay you for. That is why we hired two additional Aldermen At-Large. They were going to be receptive. That is why you got a \$28,000 a year increase in salary, because you were going to solve the problem. By what? Picking our pockets one more time. I don't think so, not this time. Get rid of this fee. The Highway Department has an obligation to resurface the roads. Find the money. If you don't have the money, you already have enabling stuff from the State it is called the rooms & meals tax. Take care of the problems you created

first and then go dream your fantasies about civic centers and riverwalks. You take care of the people first.

Hubie McDonough, 65 Holmes Drive, Manchester, NH stated I apologize for dozing off. I was here at 5:45 p.m. also. I can't believe that I am here speaking in favor of a fee but I am. I think it is the best idea I have heard in a long time. I didn't even know it was coming up until I saw a headline in the paper, \$5 fee to fix the roads as part of your registration. I thought, my God, this is simple. I better run down there so I did and here I am. I think it is a good idea. The cost, when I analyzed it, even without a computer in a year it is going to cost you less than 1/2 of a tank of gasoline and maybe when I drive from Valley Street to Hanover on Maple when I get to Hanover I won't have to get out and check my shock absorbers and my kidneys and see if my teeth are loose. Twelve miles sounds good to me folks and believe me I am not kidding. Half a tank of gas a year. I think we can handle it. Go for it.

Don Welch, 147 Boutwell Street, Manchester, NH stated I come before you tonight in opposition to this resurfacing tax of \$5. At 12 miles, that covers 3.2% of the roads in this City. There is 383 miles of roads. As the Aldermen said, the roads are in bad shape in this City. The \$5 tax is not going to solve the problem. At this pace, it will take 30 years to resurface the roads in the City of Manchester. I hope you vote down this particular tax, fee or whatever you want to call it because I believe you people can do better. Thank you.

Lawrence Constantine, Devco Drive, Manchester, NH stated my street looks like a checker board. A Chinese checker board. It has looked like that for almost 10 years. You derive something like \$35,000 to \$40,000 a year in tax money and I am sure that is not all spent in rubbish collection and we certainly don't see that many police cruisers up there or police officers walking the beat despite the fact that you have probably the largest police force that this City has ever had. This \$5 tax is just another straw that will break the camel's back. It is fees, fines and taxes just like Massachusetts and this is not what we live in NH for. Thank you. Relative to the parking garage tax that was brought up last year, was that also a dedicated fund for the maintenance of those parking garages? What happened to the money?

Mayor Wiczorek replied it was spent on garages I guess.

Mr. Constantine asked so all of the money that was assessed on everyone using the garages that was put into a dedicated fund to maintain those garages was all spent.

Alderman Girard answered I believe those funds were dedicated to the rehabilitation of the Center of NH garage.

Mr. Constantine stated I just get a little nervous when you talk about dedicated funds.

Mayor Wieczorek advised that all wishing to speak having been heard, the testimony presented will be taken under advisement and considered by the Board of Mayor and Aldermen at a later date.

Mayor Wieczorek advised that this being a special meeting of the Board, no further business can be presented, and on motion of Alderman Pinard, duly seconded by Alderman Sysyn, it was voted to adjourn.

A True Record. Attest.

City Clerk