

**SPECIAL MEETING  
BOARD OF MAYOR AND ALDERMEN  
(Called by Mayor Baines)**

**March 29, 2001**

**6:00 PM**

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Sysyn.

A moment of silent prayer is observed.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Levasseur, Sysyn, Clancy, Pinard, O'Neil, Lopez, Pariseau, Cashin and Hirschmann

Mayor Baines stated pursuant to Section 6.03 of the City Charter I am making my budget presentation for FY2002 CIP, general fund and all special fund appropriations. I would like to welcome the people at home who will be watching this address and also the people in the Chambers this evening. Members of the Board of Mayor and Aldermen, citizens of the City of Manchester and also people who are gathered here in the Chamber this evening, as Mayor I learn something new every day. This year's budget has taught me a new appreciation for Carl Wilenda, the famous tightrope walker. While preparing this budget, I have had to walk the fine line between exercising fiscal restraint and providing the citizens of Manchester with essential City services. All the while attempting to avoid the fate of so many who have stepped on the high wire. The budget I present tonight achieves this balance by providing for streets that will be safer and cleaner and school buildings that will be worthy of the students and teachers who work in them every day, but it is also a document that recognizes the obligation of government to be responsive to the citizen's ability to pay in the era of economic uncertainty. This is a lean budget. The City cannot afford to indulge in spending that is not absolutely necessary to preserve the quality of life our constituents have enjoyed over the years. At the same time, however, the City cannot afford to delay any longer its responsibility to provide school facilities that are incubators for Manchester's future prosperity. We can improve our schools without bankrupting the taxpayers and this budget serves both goals. I will not attempt to sugarcoat the numbers, however, but I must ask that they be evaluated in light of the explanation I will offer. City spending is expected to increase slightly less than 8% over

the last year. However, taxes are expected to remain relatively stable for those homeowners who experience an approximately 25% increase in the evaluation of their property in light of the ongoing revaluation initiative. However, remember that tonight we do set the tax rate or establish the tax base. Our goals in this regard shall become clearer in the weeks and months ahead.

Alderman Wihby asked is there a budget we could look at.

Mayor Baines answered you should have that.

Alderman Wihby stated none of the Aldermen have anything.

Mayor Baines replied well we will make sure it is distributed. This is not an ordinary year. It is important to note that 7% of the 8% I just mentioned is the result of mandatory increases in negotiated employment contracts and increases in employment benefit payments, such as health insurance that the City is obligated to assume. Here is how the increase breaks down. Overall salaries as an advocate line item will increase approximately 6.5% of the contracts that were on the City side entered into before I took office. The cost of providing employee benefits will rise 18.5%. These items are fixed costs that the City does not have the ability to cut or to walk away from. Our obligation to meet our responsibilities in these areas, along with stricter than expected bonding limitations has severely restricted budgetary flexibility. So in evaluating the priorities and calibrating expenditures, I have been exceptionally careful to address only essential needs. To that end, my budget proposes to add only one new employee over the next fiscal year and I will leave open the possibility that after consulting with the Board positions currently unfilled might remain unfilled. I am sure that over the next several weeks Aldermen will offer ideas to institute additional savings. I will keep an open mind, of course, for any ideas that bring about additional savings. Throughout my administration I have tried to demonstrate an affinity for belt tightening. Last year measures I initiated saved approximately \$2.4 million during the course of the fiscal year and I do not shrink from the obligation to poke another hole in the belt this year. There are immutable responsibilities, however, that a City must live up to in order to maintain and enhance its quality of life. First of all, a City needs to be safe. The Community Improvement budget I submit tonight will, through various funding sources, enable the Manchester Police Department to increase its presence in Manseau Manor, Elmwood Gardens, Kelley Falls and at other MHRA properties. Weed & Seed, an effective crime prevention program that has been tested nationally, will come to Manchester to be operated out of the Police Athletic League Center that will be rehabilitated according to the terms of this budget and again, that is contingent on our successful application of a proposal that is going through the process now. Funds will be provided to address

neighborhood concerns about increased activity at the civic center that will require a greater police presence and we will detail that later on. The first steps to construct a new fire station on the East Side will be taken. The new station will extend fire protection to that areas's expanding population. The firefighters themselves will receive the protection they deserve with the purchase of thermal imaging cameras that will enable them to see more clearly in dark, smoke-filled buildings. Certainly we saw the need for this equipment this past year. Also, a City needs to be clean. We can do better in this regard throughout the City, but especially downtown. The budget calls for expansion of the pilot program that provided durable containers to area merchants. Although we have a long way to go, this program has made a demonstrable difference in downtown and it is a more attractive location because of this program. Providing for clean and accessible spaces like parks is another hallmark of my budget. \$80,000 will be embarked to increase Parks & Recreation's ability to keep places like Prouts Park, Kalivas Park and Livingston Park clean. Project Greenstreet will continue to plant trees in an effort to beautify the neighborhoods and the Building Department will be provided funding earmarked to remove the blight of abandoned and burned out buildings from our neighborhoods. A City needs affordable housing. Manchester cannot expand economically if its workers cannot put roofs over their heads. The CIP budget makes funds available for a number of initiatives to address this problem. The Way Home will receive assistance for housing counseling and advocacy services to assist 200 homeless or at risk families in their search for shelter. Funds will be provided to rehabilitate New Horizon's new woman's emergency shelter. A City needs to educate its kids. Earlier this year I promised students, teachers and parents that they would be able to see evidence of this City's commitment to improve facilities during this budget cycle. I am proud to say that the promise has been kept with this budget. It provides over \$6 million to address the needs of our school facilities, including a pilot project for some long overdue landscaping at selected sites and schools in our City. \$1 million is designated for medium level school improvements in the CIP budget and will be under the jurisdiction of the Joint School Building Committee and will be above and beyond the School District's operating budget and will not be considered in that same frame a chargeback. The focus of our efforts will be at Central High School, an institution that in spite of the deficiencies of its physical plant has never failed to produce talented students inspired by a dedicated faculty. It will receive approximately \$1.5 million of the \$6.4 million allotment. In addition, money is available in this budget for school building rehabilitation and design that can be used once the School District has established priorities for the 2001-2002 school year. This is only the beginning. Some might consider this investment in our school facilities to be a modest sum given the pressing needs that confront our schools. We must not, however, throw good money after bad. Over the past three years the City of Manchester has spent approximately \$14 million on school buildings. Why then are the tables at Central High School cafeteria still covered

with graffiti? The answer, in part, is that the School District has not had adequate custodial coverage. This budget provides additional funding for the ServiceMaster contract that will allow the hiring of five additional custodians across the district. Principals need to be pitbulls and many have been when pursuing maintenance requests and Building Maintenance needs to respond accordingly and yes, students who deface school property should be called to account for their actions. Finally, the School District needs to apply serious consideration to hiring its own custodians when the ServiceMaster contract expires. I am committed to working with the School District and the Public Works Department to achieve this goal over time. Over the next few weeks there will be plenty of opportunities to address the many specifics included in these pages. I look forward to a spirited discussion, but I want to put to rest any talk of the Mayor's budget competing with the Aldermanic budget. This is not a competition. All of us assembled here are united in our determination to provide City services and a superior education without breaking the bank. In the coming days, we will work together to fine-tune the figures presented tonight and address new information that might be forthcoming after the public hearing that proved some illuminating last year. In many respects, this budget is the people's budget. In unprecedented ways, the people were part of the process. The priorities expressed as I visited all 12 wards, are apparent in this document. Many citizens who watched afternoon upon afternoon of budget presentations on MCTV called to offer suggestions about the budget because of testimony they had seen. The Youth Council took testimony from all agencies serving youth who requested CIP funds in order to make recommendations. Despite the hard choices we face as a body and the severe limitation that fixed costs have imposed, I am confident that the document you are presented with tonight provides the City with a responsible plan for the coming fiscal year. Tonight is only the beginning. I have approached this responsibility with the understanding that under the Charter the Mayor's budget can be the official budget of the City. This document is a fulfillment of my responsibility to fund essential City services in the most prudent cost-effective manner possible. Manchester is a City on the move and this budget keeps it moving in the right direction. Let us pledge to work together to achieve our common goals for a better Manchester based on fiscal responsibility as we preserve vital services for our City and the people we serve. Now I would like to show you some of the information and figures once we get the computer booted up. The Community Improvement Program includes capital projects and special community development and public service projects necessary for the improvement of the City. Coordinate improvement projects, provide access by the BMA and public to information on all projects and funding, provide streamlined accounting procedures, maximize federal and state dollars for needed projects, minimize tax rate impact of capital projects, provide for long-range planning of capital needs, establishes a means of setting overall community development priorities. In FY 2001 you see the comparison between grants, HUD, Cash, bonds and again this is the area that created some significant problems but in

the end we settled after consultation with the Finance Department what we could do looking down the road as long as the five year period that we could bond approximately \$11 million this year. CIP grants. Again this is in thousands. Community Management, Education, Health and Human Services, Housing and Community Development, Public Safety, Recreation and Leisure, Transportation and the Environment. CDBG Home and HUD Community Management, Education, Health and Human Services, Housing and Community Development, Public Safety, Recreation and Leisure and Transportation and the Environment. CIP Cash. Community Management, Education, Health and Human Services, Housing and Community Development, Public Safety, Recreation and Leisure, and again the comparisons. Bonds. Again we outlined the same categories and what is happening. We went from \$13.335 million last year to \$11 million this year. This gives you a break down of where that is going. Again, the education part of it has \$3.1 million for McLaughlin and another \$3+ million for various school-related projects. Community Management, Recreation and Leisure, again a lot of it relates to some work that is going on in the parks including the final phase of the West Memorial Field, which is funded through this project. That field should be up and running for the beginning of the next football season. I guess the opening football game is the Friday before Labor Day, Central versus West. CIP Schools. Again in thousands you have Cash, School Sites, Facility, SCIP, Security, and Other for \$6.4 million total. That is the Community Improvement. The challenges of this budget and I can offer you, again this is only my second year doing it but I can assure you that it was extremely challenging and it will be challenging over the weeks ahead. Salaries. What is happening with salaries? Fringe benefits, operating contractual, civic center. We are going to go in and detail our readiness that we addressed during the budget process to make sure that we are reading for the opening of the civic center. Obviously the economy has a tremendous impact as we talk about what we have been told to project for revenues for this fiscal year. The salary situation. Obviously we are looking at Yarger Decker which has a 3% merit increase and 96.35% of all employees under that system are granted merit increases. Cost of living is a 3.3% increase and that is 100% of all employees. Other available incentives under Yarger Decker include cash bonuses, longevity, and A-STEPS are potential for other 3% increases all within the implementation of Yarger Decker. Challenges in the salary based upon the current complement for FY2000. Total salaries increased \$3 million or 6.45% again based upon current complement. There is a graph to show you what is happening in terms of salary expenses. If we go back to FY2001, it was \$46,901,171. In FY2002, it is \$49,926,002. That is a significant challenge. Benefits. 18% increase. So you understand what we faced over the last few weeks, up until three weeks ago the estimates that we had received from our consultant pegged it at 8% and then an error was found and yo and behold we had to adjust our figures to accommodate an 18% increase. The national average right now is 21%. Dental benefits increased 2.2%. I guess that says some good things about the dental health of our

workers. Challenges in the benefits arena. Budget based on current complement. Total fringe benefits increased \$1.3 million or 10.33%. Again if you look at the challenge that that creates in terms of the budget and again people in private industry are facing the exact same challenge in terms of health costs, but look at that jump that occurred from here to here in the fringe benefits. Operating budget. Level funding for most departments. Total operating expenses increased \$1.8 million or 9.7% and we will explain that as we get into it. Some of that is related to the civic center responsibilities in various departments, such as Highway, Traffic and Police. There is an offset there with revenue, by the way. Contractually we are looking at the Highway Department for trash removal, Traffic, PBS and ServiceMaster with additional recommendations from Frank Thomas to upgrade that contract. Quite frankly we are sick and tired of hearing about dirty schools and we are attempting to address it with the budget and if that is fully contracted...there is a little twist to this in the budget because the School District needs to sign that contract so that money does not mix in with their other funding. I want that money isolated in a contract, address the needs of the school, sign the contract and keep it out of the rest of the budget for the schools. For the audit for the Finance Department, \$31,621. Also in the operating budget for the civic center, police we are estimating approximately an additional \$124,000 for details and enforcement. Again, all of us are concerned as I expressed previously that we want to be ready. There are certain obligations we have for our community regarding traffic and safety to make sure that Manchester is a welcoming environment and people can get in and out of the City as quickly as possible. Not too fast though because we want them to eat in our restaurants too. There is \$360,000 in parking fees due SMG, that is part of our agreement. That is on the high side, but it is estimated that they receive that from revenues for parking. Traffic has an additional \$40,000 for contracted lot attendants and the Highway Department an additional \$172,000 for trash and snow removal. Again, these expenses are offset by additional parking revenue that we will explain as we go through the budget process. If you look at what is happening with operating expenses and we threw in there the percentage seems high but when you look at what we have had to add and again it is offset by revenues by and large. The economy. City revenues are expected to be flat. What we did was we had a team of economists take a look at what we should expect with revenues and as you know we had a major jump in revenues. We had a great economy. We are not sure overall that some of the doomsayers are correct, but we have been advised to look at level flat funding related to revenues. Obviously the results of the revaluation are in question. We don't know exactly how it has come out. As you know the Assessors have provided an estimate. School funding issue is yet to be resolved. As we know, that is a very critical issue moving forward that there is a solution to that funding. Revenues. What is happening with revenues? That is the variance that we are looking on the negative side as we look initially at the numbers. Again, this is early in the process. We know we have a number of weeks, about eight weeks or more before us

where we will be able to look at additional revenue trends and perhaps make some adjustments. If you look at the schools, most of the schools increase is funded by additional revenues. There are approximately \$7.2 million in revenues coming into the schools. \$5.2 million related to the educational adequacy grant, which is money that is very critical to Manchester and the education of our children and our ability to act responsibly in terms of funding our City and our schools. If you look at the revenue situation related to the schools, last year again we were funded...you have the City as being level and the schools increasing. Again last year if you remember we received the same level of funding two years in a row for the schools. This is the second year we can count on that funding for the next couple of years and then we will see what they do in the Legislature with the rest of it. Expense summary. The School District is looking at an approximately 7.5% variance. City departments around 7.86% and again part of these figures, you know you have things like food services that are increasing, which operates basically as an Enterprise and obviously some of the things we have talked about within the City departments that have pushed that up, including the negotiated salaries, the benefits and the other expenses that I related to you regarding civic center responsibilities and again that is going to be costed out with revenues, chargebacks and non-departmental. Expense summary by year if you look by comparisons. Looking at the School District, City Departments, City Services and Non-Departmentals to give you some kind of a comparison as you look at the budget and we talk about it over the next several years. Again, that is in thousands. That concludes my budget message. Again, discussions will be following over the next several weeks. We look forward to engaging the public in the conversation as well. It is only the beginning, but I think it is a good beginning, a good starting point and we believe that we have acted responsibly on behalf of the City. Thank you ver much.

Alderman Wihby asked are you going to take questions.

Mayor Baines answered no. We are not entertaining any questions tonight. The tax increase, as I said, we are not setting the tax rate tonight. The Assessor's will be in to do a presentation to the Board. As you know, it is a very complicated situation and they will be available to the Board to make a presentation at another time.

Mayor Baines addressed Item 5 of the agenda:

Clarifying resolution relating to the Central Business Service District submitted by City Clerk correcting typographical omission of portion of the district.

Clerk Bernier stated as all of you know at the last Board meeting we presented the Central Business Service District Resolution. In that process we omitted, if you look at Page 3 of your agenda, three paragraphs. What we need to do now is read the Resolution over and suspend the readings and pass the Resolution to be enrolled.

On motion of Alderman Sysyn, duly seconded by Alderman Levasseur, it was voted to suspend the rules and place the Resolution on its third and final reading without referral to the Committee on Finance.

On motion of Alderman Lopez, duly seconded by Alderman Clancy, it was voted to read the Resolution by title only, and it was so done.

Resolution:

"Clarifying an Amended Resolution 'Continuation of the Central Business Service District'."

On motion of Alderman Levasseur, duly seconded by Alderman Pinard, it was voted that the Resolution pass and be Enrolled.

This being a special meeting of the Board, no further business can be presented and on motion of Alderman Pariseau, duly seconded by Alderman Sysyn, it was voted to adjourn.

A True Record. Attest.

City Clerk