

BOARD OF MAYOR AND ALDERMEN

September 4, 2001

7:30 PM

Mayor Baines called the meeting to order.

The Clerk called the roll.

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

Absent: Alderman Clancy

Presentation and report by the Committee on Redistricting.

Mayor Baines advised this item was being deferred and would be taken up later in the meeting.

Items relating to assessment revaluations.

(A) Report by Commissioner Stanley Arnold, Department of Revenue Administration in response to enclosed communication from Alderman Gatsas.

Mr. Stanley Arnold stated I am pleased to be here tonight. Alderman Gatsas invited me here. He discussed with me that there were some concerns about the revaluation work that was going on in the City of Manchester and the Department of Revenue has a statutory responsibility to monitor all revaluation work that is being conducted in the State. Therefore, because of that role he asked me to take a look at what work we had done as far as monitoring and to report to you this evening as to what work the department had done and its opinion on the revaluation work. I won't necessarily read verbatim everything that I have in the letter, but I am definitely going to follow through to keep me on track. I was asked by Alderman Gatsas to appear here and I think the first question that I need to ask you all is why did you consider doing the revaluation in the first place. Obviously, you authorized the revaluation work to be conducted for the expenditure of about \$1.3 million to bring the property values up to market. I imagine there were a lot of discussions and arguments at the time you were considering the revaluation but I think it probably all boils down to the fact that you were concerned about the equity for the property owners in the City particularly since you had done the last revaluation in 1991. The property tax system has its advantages and disadvantages and it can be argued that it is not the best system in the world, but as far as I know and at least to the best of my knowledge, a property tax in some form or another is in every State in the union and every country in the world. Not every property tax system works to achieve equity necessarily between all taxpayers, but in New Hampshire we have a constitution that says we must achieve equity amongst all property owners within the State and within a community. The Claremont II decision, of course, has brought a lot of the spotlight on the property tax system and the solution that was selected by the

Legislation included a State education property tax. Communities that disliked that portion of the solution sued the State in the hopes that the property tax would go away. It didn't, but the Supreme Court's decision in the case highlighted the responsibility that every community, including Manchester, has to its property owners. The court's decision and subsequent legislation clearly define what your responsibility is. Every year the assessing officials are now required to swear under oath that the assessed values in their community are proportionate. I want to point out that this is new legislation that was passed this session. Prior to that time, if you read the oath literally it said that you have to certify that the property values are at market value each and every year. That is a pretty tough standard to be able to keep to restate everything as you have already seen as this revaluation goes through the values change rapidly in the type of economic market that we have. So, the law was changed as a result of the Supreme Court decision to where you have to swear that the values are proportionate. Once every five years, the court says that the values must be restated, the market values. The State in legislation that was passed this year, set-up a program of certification where the values in a community will be verified or certified by the Department of Revenue on a four year cycle. The first community to start through will be in the year 2003. We have to add staff and work out the procedures, but that is going to be our responsibility. So, it is an ongoing responsibility. These requirements in many ways simplify the decision that you are considering as to the actions you plan regarding the current revaluation. Now as far as the monitoring activities that we did, DRA staff spent a total of 93 staff days monitoring the Manchester revaluation. Dave Hynes, the monitor supervisor, is with me tonight and attached to this letter is a memo from him detailing the extent of the activities and his opinion on the quality of the revaluation work done by Cole, Layer & Trumble. As Dave points out, one of the anticipated events in the revaluation is the informal hearing process. The informal hearing process is an important check on the quality of the revaluation work and allows the firm to adjust categories of property prior to acceptance by the assessing official. This step reduces requests for abatements and subsequent litigation after the acceptance of the values. I think, and I do point out that if I were going to fault the process of this revaluation and I am talking about an outsider who came in very late in the process, I think it has to be in the realm of public relations. It was apparent to this Board that the values had changed dramatically since the last revaluation so there should have been an extensive public relations effort to prepare the property owners. I know that there were a lot of things that were done by the Board of Assessors in an attempt to try to publicize what was going to happen during the revaluation and I have seen some of that, but it is a matter of getting the message across and you have to just keep going with it. I can just about assure you that what happened was that as soon as the values came out regardless of all of the information that had been put out, the first thing that somebody did when they got their new value was go back and get their property tax bill from last year and compute out using the old rate what their new property tax was going to be. If their value went up by 20%, then they would assume that their property tax bill was going to go up by the same. It happens universally across the State no matter how much advertising you do. Even in this case from what I understand if you had a 20% increase, your taxes are actually going to go down because the others are going to go up higher. That is a difficult message to get across but there was, at least from what I have been reading in the

newspapers and maybe the newspapers were overstating the case but that appears to be where the citizens missed the mark was understanding what the implications were when those values first came out. We are not going to be able to change what is going to occur as far as some of the outcries that have been out there and some of the comments that there have been as far as the revaluation but I think that there are a couple of important points that I see as far as the situation here. The citizens of this City, by their City Charter, have decided to rely on a professional Assessing Board. I am not a professional Assessor and the department, if I have assessing issues, I turn to the professional staff that I have. I don't try to make decisions as far as assessing because that is not my field. Here the City has a professional Assessing Board that is established by Charter and I understand that it was the first Board of Assessors established in the State. It is the responsibility of the Board of Assessors by law to accept or reject the values from this revaluation. The Board of Assessors has unanimously recommended acceptance of the results. You have about 30,000 properties in Manchester and that is a lot of properties. This is a huge revaluation and this is a huge effort that has been undertaken. You have heard from less than 20% of the property owners. You haven't heard from the other 80%. What the Board of Assessors is going to be required to do under this new law is when they file, and that is the reason the Assessors are the ones who are responsible for assessing the values is because when they send in their MS-1 to the DRA to certify the value for the City of Manchester they are required to certify that under oath that in fact the values are proportionate to the best of their knowledge. You are not going to take this revaluation and be able to stuff it back in a box. That knowledge is still there and unless there is indisputable evidence that that is incorrect then they are going to have to rely on that information. They just can't say well that information never occurred. They can't accept old values when they certify to the DRA and say well we are just going to use the old values even though we know they are wrong. I think that is something that we need to consider. They are the ones who are swearing. I don't know what the Board of Assessors will eventually do but if I was put in that situation and my name is on there, I am the one that is swearing and I think that is pretty serious. One of the things that they normally would do every year in order to be able to certify for proportionality within a community is they take a number of steps, which are called pick-ups. Basically they go out to any new construction that is out there or any new additions and they have to add that to the tax roles and look for any changes. Within the State law now there are a number of areas that are specifically outlined on steps that they have to take on an annual basis to assure proportionality. Well they haven't done that because they had a revaluation going on. So as a minimum before they could certify that I would suspect that they would have to go back and redo those checks. That takes time, which means you can't get a certified tax rate from the department until I get a sworn MS-1. That means you are not going to get your tax rate on time and that is going to cause other financial problems from a...or could cause other financial problems from a cash flow point. The DRA has monitored the revaluation work and the professional Assessors within the department have not found anything in their monitoring that would justify rejecting the revaluation work in their opinion and that is what I am relying on. If the revaluation is rejected or even delayed for a year, I also think that the property owners who know by the percentage of increase that their values are overstated probably have pretty good grounds to come in and ask for an abatement.

You are going to get one side of the equation and I think any court or the Board of Land and Tax Appeals is going to listen to pretty carefully and you are not going to be collecting on the other side of the equation. That is a consideration that you should take in. I recommend that the Board of Assessors continue the revaluation process and it is not done. That is one thing about the public hearings. There are going to be adjustments that are being made as a result of errors that were found. I believe they have until the end of September by contract to get the refined values and to accept those values. If all of those corrections have been made in their opinion, I believe that they should accept the values and use those values to report back to the department. I have Dave with me today and if it is strictly an assessing question I am going to turn it over to him but I would be willing to try to answer any questions.

Alderman Wihby stated when you talk about on F the question about those who had a less than 32% increase would want an abatement this year, isn't it true that the ones who were going to not be heard and are going to go to see the Assessors would have paid that payment all ready and they are going to be looking for an abatement next year anyway. Doesn't it work both ways – the abatement process?

Mr. Arnold replied the abatement process is every tax year stands on its own. In other words if you appealed last year's rates within the 60 or 90 or 120 days standpoint that you have to appeal, that stands on its own. That tax year is closed.

Alderman Wihby responded but on F I think what you are trying to say is the one who actually will save money with their tax bills going down, that they could come in for an abatement. That is what you are trying to say there but isn't it also true that the ones who were over assessed that eventually after the bills go out are going to have to go for an abatement themselves? They are not going to get their money for a year.

Mr. Arnold asked you are talking about the ones who may be over assessed now. With 30,000 pieces of property you may have abatement requests. You expect that. You have abatement requests on an annual basis and that is the reason you establish an overlay to handle those. You will have appeals but that is part of the process.

Alderman Wihby stated this question is for Dave. When you looked at the values...I have four sheets of paper here where there are like 60 or 70 houses that were sold in the timeframe where if you look at all of the other areas but the north end the average is probably 75% where the sales price on 5/1 where a house sold for \$135,000 but it was assessed for \$106,000. That is about a 79% ratio there. It goes on and on about the different houses in that timeframe. Yet when you go to the north end you see a house with a sale price of \$177,000 and the assessment was \$190,000. If you look at those ratios, it is over 110% or 120%. Did you do any comparisons of the south end to the north end or different areas of the City?

Mr. David Hynes replied actually I looked at the City in total and I looked at the City in neighborhoods. As far as looking at specific sales within a given time period, I don't think that would be relevant because those sales would have to be qualified by an approved individual and you would have to check all of the information on those sales just to use those and in a community of this size, 70 sales doesn't really give you any representation. I believe last year when we did your study you had 1,800 sales that we had to qualify. Just using 70 doesn't give a representation of what is actually happening. I did look at the City by neighborhood, by strata group, which is different property type, by age and by dollar value and they all fell within the IAAO standards.

Alderman Wihby asked did you do the commercial too.

Mr. Hynes replied yes I did.

Alderman Wihby asked did you find a problem with the commercial.

Mr. Hynes answered I didn't actually find any problems. I had some questions about their theory and their methodology but overall you are going to find that will weigh itself out in either the informal hearing process or the abatement process.

Alderman Wihby replied my understanding is there is at least...I could name five or six properties totaling millions of dollars - \$10 million probably for five properties off the top of my head that was wrong. Is that not something that you would have caught as an assessor?

Mr. Hynes responded actually when we look at the revaluation we look at the total picture and we use statistics to figure out how the process worked. Manchester in this case paid roughly \$45/parcel to have it done. It wasn't a fee simple job, which in the commercial venue would cost you anywhere from \$1,500 to \$3,500. You have to take that into consideration when you are looking at the whole.

Alderman Wihby stated you can tell the taxpayer that they have to take that into consideration. If I knew that it was going to be half done, I would have paid them \$80/parcel. We were told that we were getting a professional job done. The excuse that I have been hearing right along that we were only paying \$40 doesn't go anywhere with me because it doesn't matter what we paid we just wanted a fair appraisal done. I guess my concern is when I look at the commercial it sticks out when you see the graphs and everything. I guess I can't figure out why the bills even went out without the corrections on them. If you had 94 man-hours on this and the Assessors were watching this, why the bills...did you catch where one side of the street was valued at \$50,000 more than the other side of the street? Did you catch that stuff?

Mr. Hynes replied actually when we looked at it we looked at a percentage of what they had done and we checked that for correctness, quality, etc. In looking at the samples we had done, we found that it did fall within the guidelines.

Alderman Wihby responded so everything falls within the guidelines.

Mr. Hynes stated we couldn't spend the amount of time necessary to do what somebody might consider a QC job in this City. We would have to use the department's whole staff to do that. We do a percentage and we use statistics to figure out where that would be in the overall value scheme and if there is any materiality that is going to affect the tax base as a whole and how it does affect the tax base. We did bring our concerns to the Assessors and to the company and told them that maybe they should look at certain areas a little better, maybe they should qualify their capitalization rate and those sort of things. We do not do their job. We just tell them when we find things wrong or tell them when they are doing things correctly.

Alderman Wihby asked so when different sides of the street are assessed at different prices that is not something you would catch.

Mr. Hynes answered there might be a specific reason why there are different values and that would turn up in their modeling and in their analysis. We do not question their analysis as long as they come back with output material.

Alderman Wihby stated I don't expect you to come in from the State and check all of the property over. I guess that is our Assessor's job and not your job but to sit here and say well we have checked everything and everything falls within the guidelines or falls within whatever you want to rattle off for initials and everything else is fine but it doesn't mean anything when you haven't really gone out there and checked the properties that the people are concerned about. When you have seven streets in my ward and all of one side of the street was less than the other side of the street and all of the other problems that go with it...commercial properties and millions of dollars less and my argument is that the north end is...where we started with this is was I had some complaints and we had a meeting three weeks ago I guess and there were three suggestions. You could go forward, you could try to delay this or you could try to stop the whole thing. Again, we know it is up to the Assessors to decide and this Board was trying to give them some direction and they can tell us that they don't want to listen to us or whatever but at that point the right way to do it was to try to delay this thing and have them check the properties that are wrong and let people go to the Assessor's Office and not have to pay their bills and get their money back in a year. We voted that way and it ended that way and I was unsure because I didn't know what it meant. I was unsure if I have voted the right way in trying to delay this but after we had that hearing and after we heard all of the stories from all of the different people that came with wrong side of the street and different values in the north end with 110%...I mean I can't find a house in the north end that was 75% or 80% ratio. It just seems that more and more would come to light and every time I talked to the Assessors it was like well we are going to fix that and there is nothing we can't fix. After a while there is just so much there that you have to delay this thing in order to get everybody to feel that they have been treated fairly. We are sending bills out now to people adding to their assessments. They are

going to complain. We are going to change assessments for people that are across the street now who thought they were okay and they are going to come in and complain when they see their neighbors being changed. You have all of these hearings that are going to be developing and my feeling is if we delay this thing we can at least make these people feel like they have been treated fairly. That is why we were trying to delay this thing. So that people could go back to the company and have another hearing with them and go back to the Assessors before they have to pay their bill and then get a bill and pay their bill.

Mr. Arnold stated I think that looking at isolated incidents in 30,000 parcels is not the way that you do a mass appraisal for a revaluation. You have to remember that you are not getting ready to sell these pieces of property. What you are doing is placing a value on property for the purpose of property taxes. As Dave had indicated to you, even with the commercial property you give us a value and what the assessed value is but until that sale has been analyzed, you don't know whether there is anything else that is included within the sale that doesn't deal with the property. We find that particularly in residential property or even in commercial property when maybe there are fixtures and furnishings and goodwill and a number of other items that may be being sold. The right to some licensing would have to be stripped out of the value before you determine what the value is. I don't think that is the way. From the standpoint of delaying this, to be fair to anybody, as I indicated to you before you have to be fair to everybody. When you take a look at the process, what we looked at with our monitoring and we concentrated on was the collection of the data because you have to have good data in order to be able to have a good revaluation. As you indicated, then you go through a public hearings process. That is the first time the data has been put together. You gather it all and put it all in the computer system and assign values to it. That, in many cases, is what will start to reveal the types of errors that you are talking about where one side of the street is valued wrong versus the other side. I guess you had one error that was compounded by being 2,000 parcels being the wrong value. You find that out through that public process. This is not what the final values are. You also find out a lot of the changes where people had been under assessed because a neighbor comes in and says why am I at \$120,000 when that guy is \$80,000 and the Assessor is liable to go back out there and find yes, your property is over assessed and should go down or they may find out that the neighbor should also be \$20,000. As you indicated, that is what generates it. It is both sides of that hearing. Not only do you generate reductions, but you also generate corrections to those tax bills where the values go up.

Alderman Wihby stated but my argument is that this should have been and one question for Steve is one of the questions that Alderman Lopez asked was about the date of March 1 and was it complied with and who changed it and why. Was that date of March 1 when this thing should have been completed? Is that what that is? Is March 2001 the date it should have been completed and because it wasn't you guys gave them an extension of three months or whatever it was?

Mr. Steve Tellier replied there were a number of mitigating circumstances that contributed to readjusting that date.

Alderman Wihby stated but the March 1 date was the date they were supposed to be done.

Mr. Tellier replied that is correct. That was in the original contract.

Alderman Wihby responded if that had happened we would have been okay because you would have had all of these months to go ahead and have these reviews and they would have taken their time in doing this stuff. My argument now is that these people are rushing because they are trying to correct 2,000 parcels and they are trying to do all of the commercial property over because there are some major changes in the commercial property that is out there. They are trying to deal with all of these other problems and they are trying to get all of this done before September 28 because we have a cash flow problem. Not because it is the right thing to do but because with the cash flow of the City we don't want to borrow any money. That is what is wrong. That is why if we had finished in March we would have had plenty of time to do this but we didn't. If we extended that date for them and I don't know why we would have unless it was our problem but if it was their problem then they should continue doing this free of charge and we should be getting our monies worth from them.

Alderman Lopez stated to follow-up on Alderman Wihby's comment, June 25 was the Board of Assessors date and then it was extended beyond that but the question I have for the Commissioner and I think it is very important, I think in your letter you confirmed just what my beliefs were when I said that the City Assessors were the final judge of making the decision to go forward or delay it. I would like to ask you and maybe the City Assessors can elaborate a little bit but you mentioned that every year they have to swear and you also indicated in your statements that you had knowledge of a revaluation. Could you elaborate just a little bit about that and the second thing is the process. I think I heard you mention three times that the process is not complete and the City Assessors could maybe explain about the abatement and the overlay account so that the citizens of Manchester understand that this is not the end of the abatement.

Mr. Arnold replied I will answer your last question first. You are correct that the Assessors are going to make the final decision on whether or not to go forward. Part of the reason they are able to have confidence in the revaluation even though there were areas that turned up in the public hearing phase was because they recognized that within the property tax system there are a number of safeguards that the State has put in place over the years and they tend to be fully utilized in the years subsequent to a revaluation that has not occurred in a long time. In this case it was 10 years. The process from their standpoint is they will continue to make corrections as they have been identified through the public hearing process and adjust values up until September 28. At the time when the Board of Assessors is comfortable in accepting the numbers that have been used, from that point on they will become fixed until the tax bills go out. Once the tax bills go out, every property owner every year has the ability to appeal their

assessed value at that time and they have the right to appeal both to the Board of Assessors and if they are not satisfied with the response that they receive they can appeal to the Board of Tax and Land Appeals and have a hearing there. I believe the only cost to the property owner at that time is a filing fee at the Board of Tax and Land Appeals, which I believe is \$65. It is that process that refines the tax roles on an annual basis and I think that the bigger question that the Board of Aldermen may be considering is what do you need to do on a long-term basis. You don't want to have this type of a thing happening every 10 years. The longer it goes between revaluations, the greater the magnitude of the change, which is what usually gets folks excited. The certification process that the State will be requiring is going to require that you take action to update your values to market value once every four years. That is a new issue that we are going to have to be dealing with. It is a process that I am not sure what you gain by waiting another year. I am not sure the values are going to change. I am not sure what is going to be done between now and the following year that is going to make these values any better than what they are today, that the process as it has always been designed for would not refine those numbers.

Alderman Levasseur stated I am glad you said that. I agree that we shouldn't delay this. I think we should kill it completely. I don't think we should have done it in the first place and I don't think we should accept the numbers as given to us. Do you have any records or do you have any knowledge of how many houses were actually gone into and measured?

Mr. Arnold replied I don't have that knowledge. That would be with your local assessing board.

Alderman Levasseur responded the way I hear it and of course we are talking 30,000 parcels and obviously I haven't heard from 30,000 people but what I hear is probably one out of every hundred actually had an appraiser go into the house and measure it. I am talking...I mean when people weren't home during the day...these people didn't come at night. I mean a lot of these people didn't actually get their homes measured. What I am hearing is a lot of people walked in the doorway looked around and then left. Do you have any documentation as to how many houses were actually measured?

Mr. Tellier replied every house was measured. Every property had to be measured, relisted to find its attributions and structural characteristics like bathrooms, bedrooms, story height and type of building. My understanding is that about 66% or 68% of the total homes were entered. Now did they look in every closet or in every bedroom? I don't have the documentation to follow them around. I have a staff of seven in the Assessor's Office. They have a contractual obligation and they also have the Department of Revenue Administration – what they call their Revised 600 Rule and to attest to that the data collector has to get a signature from a representative of the property. It could be a brother, wife, husband, what have you.

Alderman Levasseur asked so you are saying that the ones that were measured and actually entered into have a signature attached so you could find out exactly how many of those there were.

Mr. Tellier answered that is correct.

Alderman Levasseur stated a lot of people said that their properties were valued on rents. How did they verify what the rents actually were? Did they actually have cancelled checks or did they talk to the tenants themselves or how was that number verified?

Mr. Tellier replied they spoke to tenants and they spoke to landlords. There were incoming expense forms that were mailed out to every non-residential property in the City and they got a return on a great deal of those.

Alderman Levasseur asked but you don't know exactly what those numbers are as far as percentages.

Mr. Tellier answered no I don't.

Alderman Levasseur stated I want to talk to you a little bit about the duties of the Assessors. I understand under Chapter 48:13 that the Assessors are the ones who call the shot on this one and the Aldermen do not have the authority to actually cancel or delay the revaluation. Is that correct?

Mr. Tellier replied my understanding is that you are in receipt of a document from the City Solicitor's Office attesting to that. I would have to ask the Solicitor's Office to answer that.

Alderman Levasseur stated under that RSA it says, "The Assessors, however elected, shall constitute a Board of Assessors for the City who shall perform all of the duties relative to taking the inventory and the appraisal of property for taxation in regard to the assessment and abatement of taxes." As far as who is supposed to do the actual revaluation and measure the homes and verify the rent and all of that, it says by Statute that it is supposed to be done by our Assessors specifically. Is there a Statute somewhere that says you have the right to go out and hire a different group of people to come in? I haven't read that in any of the Statutes. I haven't found that.

Solicitor Clark replied it actually says that it is their duty to make sure it is done. How they do it may be done through contract. This Board appropriates funds and they may go out and hire a contracting company to do it.

Alderman Levasseur responded I see the words “who shall perform”. I understand the word “perform” would actually be the Assessors themselves going from parcel to parcel and actually doing the work themselves. You don’t read it that way?

Solicitor Clark stated no I don’t agree with that.

Alderman Levasseur stated let me bring you to another Statute. For the actual implementation of the reassessment, the order for the reassessment, it would be my assumption and you will correct me if I am wrong I am sure Mr. Arnold you seem to be very qualified in your position but we would be under the Statutes that were actually in effect when the vote for the reassessment was taken. Would that be correct? In other words when the vote was taken two years ago or whenever that was we would be under those same Statutes. Would you assume that or have the Statutes changed because the Supreme Court wasn’t breaking any new ground when they ordered it to be done within five years because it is actually in the Constitution itself. Is that correct? Am I reading that right?

Mr. Arnold replied I am not a lawyer but what the Supreme Court ruled on was the first time that the five-year provision has been interpreted. It says that values shall be taken anew once and every five years or more often as the Legislature may designate. They interpreted what that five-year provision meant. As far as the acceptance of these values and the reportings of the values that are going to go on the MS-1 in September, those will be done by current law regardless of what actions you have taken prior to that time. They will be certified based on current law.

Alderman Levasseur stated Mr. Tellier we are under an order now to do another assessment within five years because this assessment that we did did not fall within the Supreme Court’s ruling. Is that correct? We will have to do another assessment.

Mr. Arnold replied let me answer that just from the standpoint that I have worked with the Task Force and put the legislature together. No. What the Supreme Court also said was that it does not...to state the values anew does not require a full revaluation once every five years. What it says is that you are going to have to be certified by the State that your values have been properly restated to 100%. There are a number of steps that you can take short of a full revaluation. In fact, the City of Manchester is in pretty good shape considering that they have undertaken this massive undertaking now so they should have very good data in which to be able to restate those values.

Alderman Levasseur asked so to delay this wouldn’t be a big deal because we could do the numbers again in two to three years so we process a lot less money and we already had the assessment done so we would actually be able to work on those valuations. That is what you are telling me, right?

Mr. Arnold answered no.

Alderman Levasseur replied well that is what I want you to tell me. Let me clarify. I had a talk with Mr. Tellier who said that we will be doing this within the next five years and it is not going to cost us \$1.4 million.

Mayor Baines responded I would like to let the Commissioner to be able to respond to somebody saying that he said something that he didn't say.

Mr. Arnold stated I did not state that. In fact, I am not sure of that conclusion. What I said was that there is a new provision that had been passed by the law that requires that every community be certified and that certification doesn't require a full revaluation. I have also said that the fact that you have done this work for the revaluation sets you up in a good position to have the underlying data assist you, as long as you put a plan together, to be certified when it is time to be certified.

Alderman Levasseur asked but we don't have to accept these numbers if we don't want to.

Mr. Arnold answered I believe as I have said that my understanding is...the way that I read the law and I agree with your City Solicitor that it is not the Board of Aldermen who will decide on accepting the values, it is the Assessing Board that will.

Alderman Levasseur stated I have one more point. I will read one more Statute to you – 76-B:16 Order for Reassessment. “The Board may order a reassessment of taxes previously assessed or a new assessment to be used in the current year or in a subsequent tax year of any taxable property in the State.” Under Section 5 of that, it says “when a complaint is filed with the Board alleging that all of the taxable real estate or the taxable property in a taxing district should be reassessed or newly assessed for any reason, provided that such complaint must be signed by at least 50 property taxpayers or 1/3 of the property taxpayers in the taxing district, whichever is less.” So, if the Aldermen themselves do not have the right by law, which I haven't yet read, to stop this or delay this if I got 50 property taxpayers to come in and sign a petition to reassess, not to kill, it doesn't say the word kill but to reassess based on what they feel are unfair numbers, I could actually bring a petition in from 50 people and it would come back to this Board and then we could vote on that again.

Mr. Arnold replied no.

Mayor Baines stated that is not true either.

Mr. Arnold replied the RSA that you are referring to is the Board of Tax and Land Appeals. It is not the Board of Assessors. You can get the 50 property owners to make an appeal to the Board of Tax and Land Appeals.

Alderman Levasseur asked so it could be done that way. Most people do it to get the revaluation done but this could also be done to stop the revaluation or to ask for another assessment?

Mayor Baines answered again that is an inaccurate statement.

Mr. Arnold stated the 50 taxpayers could take a petition to the Board of Tax and Land Appeal. That doesn't not mean the Board would take any action. They would conduct a hearing and it would then be on the Board's determination as to what the appropriate action would be.

Solicitor Clark stated I agree with the Commissioner. The Statute that he was referring to refers to the Board of Tax and Land Appeals. That is the way it was done 12 years ago. A number of citizens in Manchester filed a petition with the Board, a hearing was held and testimony was taken and it was determined that the revaluation should occur. It does not mean that the Board would stop this process. It would mean that they would hold a public hearing and testimony would be received from both sides and then the Board of Tax and Land Appeals would determine the appropriate action necessary.

Alderman Shea stated my question is directed to either Steve or Mr. Arnold. If we were to delay this process legally and financially how much money would it cost the City taxpayers?

Mr. Tellier stated my understanding is it is set and the Board responded to Alderman Lopez's request on that question as well. We are really unsure on part of it but we do know by court precedent and my Board of Tax and Land Appeals precedent that to delay the implementation of these values would require substantial reasons not to do so. Should the City decide not to delay implementation of the values for whatever reason, they couldn't use 2001 values for 2002. It would require new analysis. It would require new tables to be derived. It would require new values to be generated. It would require new notices to be sent out. It would also require hearings and subsequent reconciliation of values. A good part of the process would have to be reconstructed and implemented for 2002.

Alderman Shea asked would you estimate that cost to be \$10,000 or \$20,000 or unknown or beyond that.

Mr. Tellier answered I would say well beyond that.

Alderman Shea asked how much.

Mr. Tellier answered I don't know. It would require analysis of all of the sales in the City. We have over 3,400 transfers in the City and out of those only 1/3 are clearly unqualified. You are talking about analyzing probably 2,400 or 2,500 sales and people going out into the neighborhoods to requalify those sales and all of the new pick up work as well and subsequent

notices and the hearings and hearing officers. All of that work would have to be reconstructed again. It would be a substantial cost.

Alderman Shea asked, Mr. Arnold, you said before that in addition to pick ups there are other financial problems. Could you hit upon what those might be? Maybe they are what he stated or maybe there are others?

Mr. Arnold answered I think there are two separate issues. One is if you are not going to accept these values, the Board to the best of my knowledge in my discussions with the Board is they have not done the normal annual work that they would do. As a minimum before they could ask for a certified to the State they would have to go back and do that work. I suspect that given the amount of time that it takes in order to be able to do pick up type work and looking at zoning changes and a number of other things in the Statute that it would delay the scheduling of the tax rate setting by the State, which would mean that you would probably not send your bills out on the first of November but you would send them out at some subsequent time which would mean that you would have to have the financial cash flow.

Alderman Shea asked, Kevin, how would that impact our bonding rate and so forth. Could you elaborate?

Mr. Clougherty answered it really becomes a product of how much we are borrowing and for how long.

Alderman Wihby asked I thought Alderman Shea was questioning delaying it for a year. Isn't that what the question is?

Alderman Shea answered no. What I am saying is what impact delaying it for a year might have financially.

Alderman Wihby asked so we would be using the old tax rate. Let's address it on using the old tax rate.

Mr. Clougherty replied if that the question that you would be using the old tax rate and going forward, it is again a matter of how soon you would get the bills out. If you get the bills out in November in the normal cycle, it would not have a financial impact in terms of the cash flow. It would probably have impact, as the Commissioner and Steve alluded to, on challenges to value.

Alderman Vaillancourt stated Commissioner, excellent presentation. It is great to see you again. It is usually in Concord at an earlier hour in the day. I trust we have all learned more about revaluation than we ever thought we would as we entered this adventure this year. I also agree with your salient point, one that we perhaps did not do the best public relations job in selling this but rest assured that some of us had tried to explain to people that as their amount of their home

goes up say 20%, their tax basis was going to go down 20% or whatever. The only point I would quibble about, and I would like you to focus on point F on page 3 of your letter because I think this is really where we hit the crux of the issue. You mentioned that if this were delayed a year each property owner that saw an increase in value of less than 32% has grounds for requesting an abatement. I think that might be 35% rather than 32% because we know that the extra 3% was because of extra spending. That really comes down to what it is all about, doesn't it? We had a taxpayer in here during the public testimony earlier tonight who said he is going to be paying around \$700 or \$800 less this year. To answer Alderman Shea's question in a different form if, in fact, it is true that you have 1/3 of your taxpayers who go up and 1/3 who stay the same and 1/3 who go down, you would have around 10,000 people who could be requesting an average rebate of what \$500 which would be about \$5 million that this could cost the City in those kind of abatements. Isn't the question of fairness for everybody to at last be on the same basis for people who have been paying too much for years to finally come into line? Isn't that what this is about?

Mr. Arnold replied as I started off by saying, I think the real reason if you were to go back in time when you authorized the revaluation work to be done it was an issue of equity and you were looking at equity for all of the taxpayers. We know that values have changed dramatically since 1991 and we also know just by the nature of the economy and the way it works is that not all value changes at the same rate. So you are going to have inequities that are out there based on those old values. Remember that a revaluation benefits the property owners within a community more than it does even from the impetus that we have had on the State property tax. Equalization will take care of some of the problems that are interjurisdictional or between communities, but it is the equity within a community that there is nothing that the State can do to correct that. It takes the work of a revaluation to be able to correct that inequity.

Alderman O'Neil stated my first question would be for the Commissioner or Mr. Hynes. I am just curious about this number of 20% complaints. What might you likely see across the State for a number of percentage of complaints in a community that might trigger some concern from DRA?

Mr. Arnold replied I don't believe that the complaints are at 20% but I was being generous. I didn't want to say 10%. Generally, you can expect in a revaluation...the rule of thumb is around 10% of the property owners will request a hearing. Not all of those requesting hearings actually have a problem. Many times they just want to come down and make sure that their records have been picked up correctly. That is a rule of thumb that they use but the longer it has been since a revaluation, the higher the number and particularly the magnitude of the change. We saw at the end of the 1980's a number of very controversial revaluations because there had been an acceleration of values that occurred. We then saw in the mid-90's or early 90's another surge because a lot of the revaluation work that was done at that time had values that were dropping dramatically. It is only a rule of thumb when you say 10%. I think that one of the reasons we had asked for the authority to be able to require mandatory monitoring...we put it on

ourselves that we would monitor this was because we had found monitoring to be very successful in the past and the commercial firms didn't necessarily like us doing the monitoring so we made it where it was mandatory. I think that the steps that the 1994 mandate or the 1993 mandates that we took in monitoring this helped the whole process. Every revaluation, I think, is going to have some element of controversy in it. It is not an exact science. It is still individuals who are using professional judgement and software packages to place values on a number of various properties. When you take a look at what Manchester has, it has uniqueness of properties in the community so you are going to expect that there is going to be a large variance but the whole process is designed to try to weed those out.

Alderman O'Neil asked as other communities are going through this process, you mentioned that you think our biggest downfall was a poor job of public relations. Is that something going forward that you will try to point out to other communities that that can be a big downfall?

Mr. Arnold answered again I think there were a lot of efforts that had been made by everybody to try to do it but when you get as much controversy here as there is somehow we didn't do a good job of selling it. I am a resident of Concord and when Concord went through the revaluation they did it a little bit different. They actually started two years before the revaluation to try to educate the public. They laid out timelines and I had one that told me this is going to happen at this time and this is going to happen. Maybe something like that would have helped in this particular case.

Alderman O'Neil stated, Mr. Tellier, I just want to talk a little bit about the process. The Commissioner pointed out that if someone believes there is an unjust value to their property they can request a hearing before the Board of Assessors.

Mr. Tellier replied the first step would have been the hearing process as part of the revaluation. A lot of people still have more comfort level with our Board. We have received a number of letters and a large number of phone calls. We have assisted people and referred them to the revaluation firm and ultimately expressed to them that the Board of Assessors is here to stay and we will be here to review the situation should they not be happy or still feel aggrieved. We will still be here.

Alderman O'Neil asked at what time period will you start hearing appeals.

Mr. Tellier answered we have been involved from the outset.

Alderman O'Neil replied I understand that and I know that the few times I have had constituent complaints I referred them to your office and you have done a good job handling them. Do you see extended hours involved in this process for the Assessor's Office?

Mr. Tellier responded whatever it takes.

Alderman O'Neil stated so there could be hearings at night or on the weekend. That is to be expected.

Mr. Tellier replied there won't be additional hearings.

Mayor Baines asked are we talking about...when people are appealing to our own Board of Assessors...

Alderman O'Neil interjected the contractor is out of the picture. Now somebody wants to appeal to the Board of Assessors.

Mr. Tellier replied I can remember past abatement scenarios where I stayed after 5 PM where it was to the benefit of the taxpayer. My colleagues have stayed late as well to meet the needs of the taxpayers. We will do what it takes.

Alderman O'Neil asked so we expect there will be some nighttime hours and some weekend hours if necessary.

Mr. Tellier answered we are a full-time Board and we will be here to serve the taxpayers.

Alderman O'Neil stated I understand from the Commissioner's presentation earlier that if they are not satisfied with that they can appeal to either the Board of Land and Tax Appeal or Superior Court but the whole time they are going to receive their tax bill they are going to have to pay their tax bill as is, correct.

Mr. Tellier replied that is correct and if there is an abatement they receive the statutory 6% interest from the date that the payment is made. That is included in the abatement.

Alderman O'Neil stated I have one more question for Mr. Tellier but I would like to go to the Commissioner on this one. Commissioner, what is the time process generally speaking if someone is not satisfied with the results from the Board of Assessors and they want to appeal to the Board of Land and Tax Appeal or Superior Court? What would be a typical timeframe for that?

Mr. Arnold asked as far as how long before they would have a hearing.

Alderman O'Neil answered I believe they are hearing the hearings within a year. They don't have the backlog that they have had before.

Alderman O'Neil asked and that is consistent for both the Superior Court and the Board.

Mr. Arnold answered if you go to Superior Court, I couldn't assure you of that. It is a full-time job for the Board of Tax and Land Appeals.

Alderman O'Neil stated, Steve, I just want to touch a little bit on this. It was Item 4 on the letter back to Alderman Lopez and Alderman Wihby touched a little bit on the date of March 1. There was no yellow flag that went up when they weren't going to be able to meet that timeframe?

Mr. Tellier replied there have been yellow flags at every adjustment to the time schedule. Our Board has met continually on readjusting this. There are a number of letters to the company outlining concerns that we had regarding time schedules and they met with our Board and responded in writing about reallocation of resources or additional resources that would be submitted to complete it in a timely manner and when I say timely I mean by the end of what was originally August 28, which has now been adjusted to the 28th of September. There were a number of flags that arose.

Alderman O'Neil stated so they really shortchanged us three months.

Mr. Tellier replied there were a number of delays that we encountered. That is right.

Alderman O'Neil asked and it is our intent to still pay them in full.

Mr. Tellier answered they haven't completed the job yet.

Alderman O'Neil asked but even with that extension it is our intent to pay them in full.

Mr. Tellier answered it has been my limited understanding working within my professional association that delays or readjustments of time in revaluations are quite common but as far as statewide I would have to refer it to the DRA.

Mayor Baines stated he is just asking are we planning to pay them in full.

Mr. Tellier replied I have been directed by this Board to withhold payment up until now but we are still expecting them to complete the job and have a deliverable product by September 28. We have been working to complete that.

Mayor Baines stated I want to clarify another point that Alderman O'Neil made. Once these numbers are turned over to our Board you immediately begin the process of hearing from people who still have concerns and a good number of adjustments could and will be made before the tax bills even go out. I think that needs to be said clearer than it was said in the response.

Mr. Tellier replied that is correct. As errors come up and there are some out there, as they come up they are corrected as quickly as they are found.

Alderman Wihby asked could you repeat what you just said because I don't think that is right.

Mayor Baines answered that is what I was told by the Assessors and I need clarification. I have been told that once the numbers are received by the Board of Assessors and Mr. and Mrs. Jones schedule an appointment with them say on October 1 and they come in and they show and prove that there has been an error in their assessment, they can make that adjustment right then before the tax bill goes out so you are going to have about four or five weeks for the full-time Board of Assessors to deal with these issues to correct some of these inequities.

Mr. Tellier replied we will have a timeframe to do that.

Mayor Baines asked am I correct in what I just said.

Mr. Tellier answered yes.

Mayor Baines stated and that is a very important piece of information and that is why I wanted it clarified.

Alderman Wihby asked from September 28 to when that they have a chance to go to the Assessors.

Mr. Tellier answered until the bills go out, which is...well unfortunately this year we are involved with correlating this data base with HTE, the City's billing software.

Mayor Baines stated this is what needs to be said clearly so that people at home understand. We will have four to five weeks for people in the community to schedule appointments with our Board of Assessors to have the inequities addressed. That is true. I am just stating a fact.

Alderman Thibault stated Alderman O'Neil stole a lot of my thunder and you just stole the rest of it. One thing that I want to say is when this just started four or five weeks ago I was getting 20 or 25 calls a day. I am down to probably two or three now and every time I have talked to the Assessors they have taken the information and guaranteed me that after all the numbers are in they will be looking at every one of these where there are questions. So I feel very comfortable with letting this thing go through. I really feel that we have our Board of Assessors here and it is their job to take care of this and we should give them their jobs to do it and let it go.

Alderman Hirschmann stated thank you Mr. Arnold for coming here this evening. My question is a State question. Is there a precedent or provision in the State statute for a corporation like Manchester...we are on a fiscal basis so our first tax bill has already gone out under the larger rate, the \$30 rate and what you are going to set in the fall is actually the rate for our second bill.

Is there a precedent of any other community to be on a fiscal basis? It made sense to me personally to delay because if we delayed it this whole year would have been under the same rate. Are there any other communities on a different system than us?

Mr. Arnold replied a number of communities are and the adjustment is made in the second billing. There are going to be some changes for some taxpayers and for others it is going to be a different change depending on how their values changed. For example, in the overall when the State education tax went in because of the time that it was put into law the semi-annual billing still went out at the higher rate and then it was adjusted in the December billing. You don't like to see that and you like to have a nice even rate going across but...

Alderman Hirschmann interjected that is why it almost made common sense for the billing next spring to be the revalued bill because the bill that goes out next spring starts our next fiscal year and it would be a new year. That is why it made sense to me.

Mr. Arnold stated every community that is on a fiscal year and there are a number of them now, have the same issue as you have and because it is not an across the board type of change I am not sure that you accomplish a lot by...because it is going to be dependent on each individual property owner and how much their values have changed. They are going to see the change if they have had a reduction in the amount of property tax they pay; they will see it all at once. If they have an increase in their property tax they are going to see it all at once in the December will when it is adjusted. Again, it is going to be dependent on each individual property owner and I am not sure that you would gain anything if that would occur in the spring or whenever you did the next billing.

Alderman Hirschmann asked where this project was to be completed in March and it is now September, that is a six month time span so the sky wouldn't really fall if we delayed it another six months and we had it on our next fiscal year would it.

Mr. Arnold answered I am not sure of the contract but I don't believe the revaluation work was scheduled to be done in March. I believe the data collection was supposed to be done and there was a one-month delay.

Alderman Pariseau stated, Mr. Arnold, there was talk that if we were to use this current year's valuation would that number be certifiable by your department.

Mr. Arnold replied I don't believe it would be just as a number as it is sitting now because there are steps that are required to be taken in order to be able to update the values as they sit on an annual basis and they have not been done. That work would have to be done before they could make any adjustments. What they are required to do is make sure that the values are proportional. I would think that they would have to take the available information that they had to make those proportional. Now whether they are stated at market value is not as important as

it is proportionally within the community. How they would go about that with the knowledge that they now have is what I have difficulty understanding. I would be very hesitant if I was the individual who was certifying to be able to ignore the information that I already had.

Alderman Gatsas stated Commissioner I want to thank you for coming down and I am sure that the hearings that you have had on the Senate side and House side probably were nothing like this because I know you have never spent this long a time testifying in front of any Committee. Again, I want to thank you for coming down and giving us your time. Steve, how much are you retaining on the contract?

Mr. Tellier replied I think it is around \$300,000 or maybe a little more than that.

Alderman Gatsas asked are you under the understanding that before you make that final payment to the revaluation company you have to come back to this Board for approval.

Mr. Tellier answered yes I am.

Alderman Gatsas asked so if you are not happy at that time with the final results that the company has given you...

Mr. Tellier interjected the Board is very aware of that.

Alderman Gatsas asked so nothing else will be paid out to that company until you come back and tell the Board that you are happy with it. I think that we can all sit here and understand that we don't live in a perfect world. When you are doing 30,000 pieces of property there are going to be differences whether you are on the East Side of the river or the West Side. I think that if the process goes forward certainly the 4,000 or the 5,000 people or maybe the next 2,000 people who aren't going to be happy with the process can come forward and if the Assessor's are saying that they are going to give them their time to fix those problems I think that is something that we have to take a look at. I think the process is in place. I don't think it is something that we want to turn around and say we are going to stop this and start all over again because I think that listening to the testimony you heard the last time there were 10% or 15% of the properties last time in 1991 that had the same problem and there wasn't this kind of an outcry. They went through the process and maybe those values were different or in different parts of the City so there weren't the same problems that we are having today. I think that the process has to go forward. I think that no matter when you have it there are going to be people who are happy and unhappy and I think it is a process that we look at as an entire City and go forward.

Mayor Baines stated I want to caution the Board that the Commissioner has been very generous with his time as has Mr. Hynes and I believe we have gleaned a lot of information from their presentation.

Alderman Wihby asked, Commissioner, when Alderman Pariseau asked if they could certify the old numbers and your answer was no...I know that we had a discussion on the phone and I asked you about it a week ago and your answer was, which I thought was right, was that if the number was wrong and the Assessors felt it was wrong they shouldn't be signing something and if they thought it was right they should be signing something. Let's take the fact that they think it is wrong and they don't sign anything. Are you saying that they aren't going to accept the old number?

Mr. Arnold replied let me be clear on what your question is. Your question is that if they know it is wrong and they don't sign it...you don't get a tax rate until they sign.

Alderman Wihby responded right so they don't sign off on what was done and instead because of the delay they sign off on the old numbers. Isn't that going to be acceptable if they are not happy with the way the revaluation was done?

Mr. Arnold replied if they are unhappy with the revaluation that is done, they would have to, as a minimum, go back and take those steps to adjust the numbers from last year's values. Those values of April 1 that you used for your tax rate for last year are not valid numbers this year. Any new construction that has occurred in the City has not been...

Alderman Wihby interjected it is a pick up.

Mr. Arnold stated they are going to have to do pick ups and they are going to have to go back and make adjustments for any knowledge that they have as to values that have changed.

Alderman Wihby replied they have told us that they can go back and do that. That was one of the things that the three Assessors said they could do.

Mr. Arnold stated as I indicated to you they can do that and they would have to do that before they certified the old numbers and that would take time and would cost money.

Alderman Wihby asked but they could certify the old numbers.

Mr. Arnold answered after they made the adjustments where they were comfortable that they were proportionate.

Alderman Wihby replied the question was and I guess it came down to what you said to me, if they feel comfortable enough to sign the document that says that it was done right then they should sign it and if they don't they shouldn't but if they don't we could go back to the old rate if they did the pick ups and all of the other stuff that has to go along with it.

Mr. Arnold stated there is a qualification on it. It is not going back to the old rate. We are not going back to what it was a year ago. They have to go through the steps to make sure that the values are proportional in order to be able to meet the requirements of the law.

Alderman Wihby asked, Steve, we delayed seven months I thought but I heard the Commissioner say one-month. Could you explain that? That is why I was asking about the March 1 date. The March 1 date was the date that they were supposed to turn everything over to you.

Mr. Tellier replied no. March 1 was the date for the hearing. That was changed at the tail end of the contractual phases to be June 1.

Alderman Wihby asked but what was March 1.

Mr. Tellier answered March 1 was the beginning of the initial timeframe to hold hearings. That was mutually agreed but at the end of the contractual phase it was supposed to start June 1.

Alderman Wihby asked when did they start.

Mr. Tellier answered June 25. No, excuse me, July 25.

Alderman Wihby asked so March, April, May, June, July...five months late.

Mr. Tellier answered no it wasn't late. Again, let me go back please. At the end of the contractual phase there was a final amended schedule and at that time the hearings were supposed to start June 1.

Alderman Wihby stated but initially when you set-up the contract, March 1 was the date of the hearings to give them an opportunity to listen to all of these complaints, sort all of this information out and get the right numbers to you by the same time that they are getting to you now right. Basically we send out the tax bills in the beginning of November and we are talking about sending them out in the end of November so they took five months that they were supposed to want in their contract, got rid of that and delayed it two weeks. We were trying to encompass all of this work in four and a half less months. That is where my concern is that we are rushing through this and we are not going to do what is fair. We are going to go in and either not look at it and send it to the Assessors or look at it, change it and send it to the Assessors without really looking at what we are doing. This problem is just going to get bigger because if they delay this past November 28 if you don't use the old rate you are going to be borrowing money and that is a cost in itself. If you sent the old rate out, you wouldn't have to borrow the money. The old rate would go out and we would have our money in on time. If you don't send it out and you go with this rate and there is a delay past November 28 that goes into

December or whatever and the way things are happening they are running late anyway we are going to have to borrow some money and that is going to be expensive to the taxpayer.

Mr. Tellier replied as indicated before, the Board of Assessors has worked with the company from Day 1. We recognize that they did a lot more right than they did wrong. Could things have been done better? Absolutely but the fact remains that statistically when you use assessment sales ratio analysis we get further and further away from accurate assessments. The old numbers were derived on

April 1, 1991. Our last known COD, which is a measurement, how you measure accuracy of assessments, was almost 15%. We don't even have the new one yet. It will be closer to 20%, which is unacceptable by IAAO standards. We know that those standards are unacceptable. The fact is that these ratios that we have bring that COD to under 10%, closer to 9.5% and we are looking at about 95% in our assessment ratio study. We know that the newer numbers are more accurate.

Mayor Baines asked are there any more questions for Mr. Arnold or Mr. Hynes.

Alderman Levasseur asked, Mr. Arnold, you don't sit on the actual Tax Appeals Board right. You wrote the laws. Did you throw in any safety clauses for when there is a...I mean just that little portion that I spoke of, the 50 person petition, is really the only safety valve that says 50 people sign it and say we want a new revaluation? There is nothing in there that says that this Board can say we are not happy with the numbers? You didn't include any safety...it is kind of a take it or leave type of thing that we are getting stuck with by this statute is what I am saying.

Mr. Arnold answered the law is done by the Legislature and it has been there for a number of years. There was an old Tax Commission that was formed around 1906 I believe and it was split. At that time the Tax Commission used to hear all of the hearings. In 1974 it was split apart. I am in the Department of Revenue where I administer the taxes. What was the old Tax Commission became the Board of Tax and Land Appeals and there is a separate law that applies to them. There is no provision where a community may go to the Tax and Land Board and appeal that. It is just for the property owners themselves or the Department of Revenue if we have information that the values are not equitable.

Alderman Levasseur asked where would it be that you would actually be that...where would be the greatest concern if you heard that the number of actual measurements or the rent verifications were so low, would there be a point where you would say yes that wasn't...there is a point there where if they weren't doing the measurements and they weren't actually going on the properties or actually verifying the rents would that be enough of a qualm that would make you say okay I would question this reassessment. That is the concern that I have about all of this.

Mr. Arnold answered when we do the monitoring we are looking for the performance of the company. We look at the performance all the way from the early stages when they are collecting the data and we have, not necessarily with this company but with companies in the past, required them to go back and retrain the people who are taking the data to make sure that we are getting good data. Also, as Dave indicated he has done the ratio and looked at the ratio standard and he is comfortable that they are within the acceptable tolerance.

Alderman Levasseur asked so there is an actual ordinance, I mean you have to follow some sort of regulations as to what those...what is that acceptable standard.

Mr. Arnold answered the standards that we follow are...currently until the Board...there is a new Board that was established by the law that I was talking about which is an Assessing Standards Board which will in the future set the standards. Until such time as that Assessing Board adopts the standards, we use the International Association of Assessing Officials, the IAAO as it is referred to. Those are international standards and we use those standards in making our determination.

Alderman Levasseur asked, Steve, in talking about the people who were under valued as we talk about people who are over valued, what are you going to be saying...how does that work. Are you going to start going to people's homes that you see...what is the test that you are going to be giving to say well this person's home was under valued and we are going to go back and knock on their door and do it over again? That is something else that you are going to have to add into this mix.

Mr. Tellier replied I am not sure I understand your question.

Alderman Levasseur stated well you made the statement that the southern part of Manchester is...well I don't know if you made the statement but it was in the paper that the southern part of Manchester was under valued. If it is under valued and this is over valued, then it means that the whole thing is wrong.

Mayor Baines stated to clarify I don't think he made that statement.

Mr. Tellier replied I didn't make that statement.

Alderman Levasseur asked then who made the statement.

Alderman Wihby answered I did.

Mr. Tellier stated I did not make that statement nor do I agree with it.

Alderman Levasseur asked but if there are under assessment problems and over assessment problems, what are you going to do with the under assessment problems.

Mayor Baines asked if you have a problem with an under assessed property, how do you deal with it.

Mr. Tellier answered if it were clearly an error then we would have to contact the homeowner to articulate what the situation was and inform them that their value would change.

Alderman Levasseur asked and you are actually going to go in and do a whole measurement or you are going to go back in and do another appraisal.

Mr. Tellier answered certainly. It would require review of the property, the measure and list, and to ascertain the degree of whatever the problem was.

Alderman Levasseur stated is four and a half weeks going to be enough to adjust all of the problems. Four and a half weeks is a little scary to me. We have until September 28 to get the tax bill out.

Mr. Tellier stated for a revaluation in a City of this size, the final refinement of values, the abatement process and everything that comes with it, you are looking at over a year.

Mayor Baines stated last time you told me it was about two years before all the dust had settled.

Mr. Tellier stated as a follow-up there is a silver lining to that. The fact is that the span between assessments is a lot closer now. By Supreme Court ruling and the Department of Revenue Administration rules, we are going to be doing this every four years. We are going to have to re-find and revalue all properties every four years.

Alderman Levasseur asked all of those people who are going to be at a higher valuation, some of them are going to realize a 15% to 20% tax increase. Do they get an abatement later...do they get their taxes back if you find that their valuations were too high?

Mr. Tellier answered yes.

Mayor Baines stated we have \$2.2 million set aside.

Mr. Tellier stated almost \$2.5 million.

Mayor Baines replied right that we have actually budgeted to deal with those types of issues.

Alderman Shea stated I just wanted to get a follow-up to the memo you sent us. The Board of Assessor's reasons in discussions that the new evaluation figures should go through. Is that correct, Steve?

Mr. Tellier replied that is the consensus of the Board, yes.

Alderman Shea stated so in other words it is not a political question really. We are politicians and we vote one way but you folks are in a position where...

Mr. Tellier interjected it is not a political question for us.

Alderman Shea asked what is it.

Mr. Tellier answered it is a professional answer.

Alderman Gatsas stated just for a clarification, Steve, Alderman Wihby asked you about the March 1 date and Alderman Shea asked you about that date and it was extended to June 25. When was that date extended? Prior to the contract and prior to the work or afterwards?

Mr. Tellier replied I believe it came at the final contractual phase because the contractual phase was quite lengthy in itself.

Alderman Gatsas responded let me ask the question a little plainer. Was it done before any of the work was done?

Mr. Tellier replied yes.

Alderman Gatsas asked so changing the date had nothing to do with when the work was in progress or not.

Mr. Tellier answered that is correct.

Alderman Cashin asked, Steve, you are saying that the work that has been done is acceptable, right. That is what you are telling us?

Mr. Tellier answered to date, yes. Every issue that we have found and brought to their attention they have worked to clarify or correct.

Alderman Cashin stated a month ago a senior partner at CLT sat here and said that every vacant lot was assessed as a buildable lot and you are saying that is acceptable.

Mr. Tellier replied that has been corrected.

Alderman Cashin asked that has all been corrected.

Mr. Tellier answered that had been corrected and regretfully I don't think he was informed about the ramifications that have been corrected since then with the homeowners receiving new letters of valuation.

Alderman Cashin asked how do we know it has been corrected.

Mr. Tellier answered there were 2,031 properties that were reviewed again, every vacant parcel in the City and they have received new letters.

Alderman Cashin asked they have a reduction then, right.

Mr. Tellier answered most of them have seen a reduction. Those that were clearly unbuildable are at 20% of value or saw an 80% reduction. Those that are potentially buildable received a 50% reduction.

Alderman Wihby asked is that fair to assume some percentage and send out bills. Is that right for 2,000 people to say we are going to give you 20% and you 50% and we don't care what else is there? Wouldn't you prefer that they look at the property first and then send out the notices?

Mr. Arnold answered I believed the properties were looked at.

Alderman Wihby asked so everybody didn't get a 20% or a 50% letter.

Mr. Arnold answered I believe and it is hard for me to answer because you are asking some technical questions but I think it was an error that was made in the program that categorized the property so you had to go back in and change that program error and yes it is going to change the whole category because the program assigned the wrong value to a category.

Mayor Baines stated there was a category and correct me if I am wrong, Mr. Tellier, that was overlooked by CLT. We addressed that at the last meeting. It was a whole category involving almost 2,000 parcels of land, which were clearly non-buildable lots. All of the notices have gone out. Clearly non-buildable were reduced 80% of the now 20% of the original value. There is a questionable category in there for 50%. Am I correct and those notices have all gone out?

Mr. Tellier replied that is correct.

Mayor Baines stated if anybody has any questions about that they can certainly call the Assessor's Office. Does anybody have any more questions for Mr. Arnold or Mr. Hynes?

Alderman Lopez stated I don't have any questions for the Commissioner, but I do have questions for the Assessors.

Mayor Baines thanked Mr. Arnold and Mr. Hynes for their presentation.

Alderman Lopez asked, Steve, just so there is no misunderstanding, the City Assessors are not on overtime pay so if people need an appointment I am sure that those appointments can be arranged for an appeal case after 5 PM or on Saturday or whatever the case may be. Is your office going to accommodate that?

Mr. Tellier replied that is correct.

Alderman Lopez stated and to clear up one other aspect that Alderman O'Neil brought up, unfortunately there was no penalty in the contract for missing any days or anything along that line so I think we learned a lesson from that that when we make contracts we should have a penalty in there somewhere along the line. One other question that I would like to throw on the table for the Finance Officer before we take the vote is there is no crisis in your opinion in the financial situation of the City even if we only got a third of the income or even if you had to go out and borrow some money is that correct or not?

Mr. Clougherty replied again it would be for how long we have to borrow for how much. Obviously we would like to minimize that to the extent that you can minimize that and do it through inter fund types of things here with the City providing funds to the School. If that is necessary, we are going to take that path. We want to minimize it. If you are going to talk about an extended time for a significant amount of money and going into the credit market, that in itself probably isn't going to give you a downgrade but it is one of those little red flags that adds to other things that you hate to see.

(B) Notice for reconsideration made by Alderman Wihby of motion to delay implementation of assessment revaluations for one year, subject to legal review.

Alderman Wihby moved for reconsideration.

Alderman Vaillancourt stated the City Solicitor has sent us a letter advising us that the Board of Mayor and Aldermen does not have jurisdiction in this matter. In lieu of the letter from the City Solicitor, I believe this motion to reconsider is out of order because I believe the original motion was out of order and I would ask your Honor to so rule.

Mayor Baines asked the City Solicitor to advise the Chair.

Solicitor Clark stated as parliamentarian and the Chair, you can make that ruling either way.

Mayor Baines asked what is your opinion about the motion itself.

Solicitor Clark answered I believe this Board has a right to make a motion and to recommend to the Assessors that they take action but they can't direct them to take the action.

Alderman Wihby stated that is what the motion is your Honor. I think it is unfair to ask residents to...

Mayor Baines interjected we have a motion and we need a second.

Alderman Levasseur duly seconded the motion.

Alderman Wihby stated I think it is unfair to ask residents to pay money and wait a year or two years from what I am hearing today to get their money back and wait for the abatement process. I think we have rushed this process along. I think we should delay it and take our time to review it. Let them go to the Assessor's Office. I am hearing today that they have four or five weeks to meet with them but they are not going to be able to get all of those parcels done. You have the ones that we are sending the new bills to that we are increasing. You have all of the new commercial that is going to be getting new bills. You have about 3,000 people who are still waiting to be heard. You also have the land that was just revalued. Even though the people got 20% and 80%, some of those people are calling back saying they are not happy with that. I don't think they can do that in four to six weeks. There are going to be a majority of those people waiting a year to get their money back after they pay their taxes.

Mayor Baines stated all we are doing right now is arguing whether we want to reconsider this motion.

Alderman Levasseur stated I don't agree that there are only 20% of the people out there who are upset. I think that there are more and I also think there are a lot of people who just throw their hands up in the air and say well there is nothing that can be done about it. I agree with Alderman Wihby that even with these reassessment numbers, with the economy slowing and the stock market dropping below 10,000 I just think that the revaluation numbers and the amount of numbers that are put on there...even if we are talking two or three years down the road for people who came in with a valuation that their taxes will be dropped this year, as the increase goes up on the tax rate from \$23.50 to \$24 or \$25 or whatever, it is going to be based on those higher numbers and it is going to catch up to everybody very quickly.

Alderman Pariseau stated I have a correction. Alderman Wihby's motion is to delay the implementation of the assessment. There is nothing here about recommending anything to the Board of Assessors.

Alderman Vaillancourt replied that was my point of order.

Alderman Wihby stated it is subject to legal review. We are being told that we can suggest but we can't make them do it.

Solicitor Clark stated if allowed to proceed, the motion to delay if it passed would be only a recommendation and nothing further.

Mayor Baines called for a vote. Alderman Wihby requested a roll call. Aldermen Wihby, Levasseur, O'Neil, Shea, Cashin and Hirschmann voted yea. Aldermen Gatsas, Sysyn, Pinard, Lopez, Vaillancourt, Pariseau and Thibault voted nay. The motion failed.

Alderman Wihby moved to delay the revaluation for one month. Alderman Cashin duly seconded the motion.

Alderman Gatsas stated I would think that the Assessors see the view of this Board being very close to a decision either way and I think if they came back to this Board and said we need another month to send out the tax bills I don't think this Board would stop them or if they said they needed six weeks. I don't think we need to put them under any caveat of time. I think they certainly understand that if they need to come forward and ask for two months, I don't think this Board would stop them.

Mr. Tellier stated with respect to implementing these values, we have a fiduciary responsibility to make sure these are accurate. Now we have engaged a company to perform this action and we have identified a number of issues that they have allocated resources to correct and if we find additional sources that need additional work we are going to come back here and we are going to let you know.

Mayor Baines asked so you would commit that during this process at such time if you find that you need additional information you would come forward to the Board.

Mr. Tellier answered that is correct.

Alderman Levasseur asked since we voted not to reconsider the delay, if the bills don't come out until December 31 or whatever...

Mayor Baines interjected we would have to borrow. We have talked a lot about this in house. If, in fact, that did happen we would have to come to the Board with authorization of the bond to go out to borrow X number of dollars to deal with that. Am I correct on that, Mr. Clougherty?

Mr. Clougherty stated what we have talked about is a precautionary measure at the next meeting to introduce a Resolution for TAN borrowing in the event that you need it. Obviously we would not want to borrow unless we have to.

Mayor Baines replied for the people listening what is TAN.

Mr. Clougherty responded Tax Anticipation Note, which is the standard authorization from the Board to borrow. We would probably put that in at an amount at that time that we think is prudent to allow us flexibility but we won't borrow unless we have to and we will borrow the smallest amount for the least amount of time.

Mayor Baines stated and that would have to be introduced at a regular meeting of the Board at a time when we had a better understanding of what any delay would cost the City in terms of the tax roll issue.

Alderman Gatsas stated correct me if I am wrong, Kevin, but isn't the largest payment due the City from the State sometime in November or the first part of December. Isn't that the biggest portion of the education trust fund money that comes in?

Mr. Clougherty replied January. The problem the School District has is usually November 30.

Alderman Hirschmann stated the vacant lots being fixed, Alderman Wihby alluded to a more important question, which is the commercial properties that have been somehow undervalued like real estate on South Willow Street decreasing rather than increasing. When are those properties going to be corrected and honestly I want the full Board given a list of the preliminary values in commercial and the changes because I know that Alderman Wihby intimated there are \$10 million worth of mistakes; just blatant off the top mistakes and I think that we should see a complete listing of all that undervalued commercial property and how does my house go up 50% and a lot for a building on South Willow Street go down 50%? It doesn't make sense. Mistakes were made.

Mayor Baines stated I know that Mr. Porter specializes in this. Do you want to answer that Mr. Porter?

Mr. Paul Porter stated it is not my area of specialty any more than it is anybody else's at this point. How is the property determined that it was undervalued? If a property goes down, it doesn't necessarily mean that it is undervalued. We did ask them to come out and put a value on it as of April 1, 2001, which we did. If in their opinion that value is less than what it was that could simply mean that it was over assessed before. We haven't had a chance to look at that. To say that we are going to just pick aside only the commercial properties, what area of commercial are we talking about? Are we talking about Millyard non-residential? I know that is industrial. If we can't pick on a certain segment of the town...

Alderman Hirschmann interjected I will give you the segment. The segment is buildings that went down millions of dollars. There is one on Franklin Street that you presented in my

Committee that you gave an abatement to six months ago and now their value is up again and it looks very bad.

Mr. Porter replied I can't respond to the value of a particular property based on what they come up with but to answer your question I don't think it is appropriate for us to go down any one street and say we are going to revalue this street. You could have a determination issue here.

Alderman Hirschmann stated I am going to ask a basic question and then I will let the floor go. How does everyone in Manchester's property go up 35% on average to 50% to 90% to 200% for some homes and then glaring commercial properties in the peak of the market go down millions of dollars. Something is really wrong.

Mayor Baines stated that is a good question and a number of us have asked that question.

Mr. Porter replied only if the assessment was proper before. That is the only thing I can say. I can't sit here and give you a value judgement on any piece of property in the City just because it went down. That doesn't mean it is correct that it went down and it doesn't mean that it is incorrect. It is the opinion of the reassessment company who was supposedly doing appraisals on these properties that they deemed that the property was over assessed before. That could happen. They have been presented a list or they did produce a list, which we have, of all of the non-residential properties. I think when we talk about commercial I think there are people in the Millyard that would totally disagree and there are apartment complex owners that would totally disagree and there are tax representatives with literally boxes full of appeals waiting to go once the bills go out. I think we have to be very cautious about picking on property just because it went down and assume that it is under assessed. That is just not necessarily the case and I think it would be inappropriate to ask this Board to just go out and look at certain properties because that would be discriminatory and I think that could be a legal issue.

Alderman Thibault asked, Steve, am I to understand from everything you have said here that there is enough time for you people to take care of these problems.

Mr. Tellier answered we have been on this issue since Day 1. We have just been given a list of additional review work on the non-residential properties. On the residential, we have been on it all along. The fact is that we haven't accepted these values. There are a number of changes that are still going on.

Alderman Thibault asked and you feel that you have the time to take care of those.

Mr. Tellier answered we believe we do.

Mr. Porter stated we don't have the time to take care of all of this before the bills go out unless the bills are delayed until next June. I think we have a serious issue here that to apply that the

Board of Assessors is now going to open up hearings to all of the public that wishes to come. That is pretty difficult because we may have the same people who went to the revaluation company not satisfied because they either didn't get a change or haven't heard yet and to put that on the Board of Assessors...don't forget there are a number of items and things we have to do without even dealing necessarily with the public. We will be dealing with the public but there are a number of things that we have to do to make sure that the interface between the new Vision system with the HTE system, with the CLT system...we have to make sure that all of the changes are able to be made in the system in order for the whole thing to work. Even if the values were perfect we would have this work to do. So, to imply that we are just going to open up public hearings...I think when we had a meeting with the Mayor and there were many discussions that we would have an opportunity on our own to go in and look at various areas and part of that, Alderman, will definitely be commercial properties but it will also be residential and condominium and it will be multi-family, single family and any place where we find what we perceive is an improper assessment we will go in and take care of. We are not going to get all of them prior to the bills going out.

Alderman Hirschmann asked once you certify the value and send it off to Concord, you are going to uphold that you certified those values and abatements aren't just going to come easy. They are probably going to end up at the Board of Land and Tax Appeals isn't that right?

Mr. Porter answered in my experience if a person presents a case to us that has merit, we will make a decision. If we, in our opinion...and we will confer with the revaluation company who did the original assessment and if we deem that it is appropriate for us not to grant any relief than it is the prerogative of the appellant to go to the Superior Court or Board of Tax and Land Appeals.

Mr. Tellier stated additionally on that, Alderman, the onness falls on the appellant to add a lot more information to substantiate their claim that they are aggrieved or over assessed or that there was a problem. The hearing is just that, it is an informal opportunity to air whatever their concerns were and to kind of compare apples to apples. On an appeal with our Board or the Board of Tax and Land Appeals or Superior Court, the structure that they would be required to submit to us to substantiate their case is a lot more stringent.

Alderman Vaillancourt stated I think we can have confidence that several hundred if not upwards of several thousand people will get some satisfaction with the hearings they have already undergone. I actually as an experiment went to one last Thursday and was treated very well and very professionally. I only had to wait about eight minutes beyond the deadline or the time that was established. I would like to get back, if I could, to this conundrum regarding the commercial property. I don't understand how Alderman O'Neil last time and Alderman Hirschmann this time keep saying that the commercial values have gone down. Is it not true that the overall commercial base has gone from 40% to 42%, therefore, the average of commercial

properties must have gone up more than the average of commercial properties. Isn't that just simply a mathematical reality?

Mr. Tellier replied that is correct.

Alderman Lopez stated I just want to make it very clear in reference to the motion that is on the floor that when somebody is appealing to the City Assessors that doesn't mean that in the next four weeks that is going to be taken care of. Could you once again go through the process here if this appeal process goes to January and the individual pays his taxes what happens so that everybody is fair and square? We went through this in 1991.

Mr. Tellier replied they have until September 1 to hear whether an abatement was granted or denied from our Board and after that period they can appeal to the Board of Tax and Land Appeals or Superior Court unless we have acted on it before that timeframe and then they can go forward from there.

Alderman Levasseur asked September 1, 2002.

Mr. Tellier answered that is correct.

Alderman Levasseur stated I have a little question because I agree that the commercial properties are out of whack but I can't wait to see what kind of complaints you are going to get when you start going back to these buildings. I think that this would have all been very easily taken care of on the commercial side if there would have been actual measurements or actual verifications of rent. How do you clarify that issue? Basically you go in and you take a measurement or you take a verification of rent. There should not be any issue or any problem with commercial. Commercial is probably the easiest to verify. Where is the problem with these commercial properties that didn't go up? I have been looking at these numbers guys and they are really...

Mr. Tellier interjected both our cost approach, reproduction approach, income approach...in all three approaches the value is considered and they weigh most heavily on one or the other. There are a number of properties where they use the market approach and the cost approach and then there are a number of properties where they relied most heavily on the income. Now they did send income and expense information out to all owners of non-residential properties. They received a substantial amount of information back and as a natural result of the hearings that are ongoing they received a lot more additional information. That is what the company will use to finally reconcile values. That is what we will use in addition because everything that is submitted to the company is also turned over to our Board as part of the deliverable product.

Alderman Levasseur asked if I took a poll of everyone in this room of how many people actually had somebody come into their house I think that there would be very few that actually had somebody come in and do these verifications.

Alderman O'Neil stated I want to go back to something that Mr. Porter said. I just want to make sure I understand. It is my understanding that if a citizen in this City requests a hearing before the Board of Assessors that that will in fact be granted.

Mr. Tellier replied I think the reality is that we are going to have a very finite time to make adjustments after the company gives it to us.

Mayor Baines stated again I don't want to interrupt but all he said is if people call to set up appointments, appointments will be set-up. Is that what you asked?

Alderman O'Neil responded if it takes three months or six months or a year.

Mr. Tellier replied that is part of the appeal process. That is right.

Alderman O'Neil asked every single appeal will be heard by the Board of Assessors.

Mr. Porter asked are you talking before or after the bills go out.

Alderman O'Neil replied I understand that you can't hear every case before the bills go out but every and I might have misunderstood what you said but every case going forward will be heard, every case.

Mr. Porter responded yes.

Alderman O'Neil stated correct me if I am wrong. The total commercial value in the City did increase but isn't it in fact true that that is because there are more commercial parcels?

Mr. Tellier replied no. I think the total value...there are a little less than 4,500 non-residential parcels and in excess of 26,000 residential parcels.

Alderman O'Neil asked how many commercial parcels were there 10 years ago.

Mr. Porter answered it wasn't much different. There have been a few new buildings but also other buildings have been tore down.

Alderman O'Neil stated there have been more than a few new buildings in the City of Manchester.

Mr. Porter replied but not thousands.

Alderman O'Neil stated I think that is what my whole point with this thing is. There are more buildings; therefore, the value should have gone up more than 2%.

Mr. Tellier responded that is not a final number. When the question was asked what percentage was non-residential and what percentage was residential, that was the answer at that time. The final numbers aren't in yet.

Alderman Wihby stated I guess I would just like to hear from the Assessors. Why would they be opposed to us taking this vote to give them an extra month to hear from citizens if you are telling me that you might need it anyway and you are going to ask for it and we are going to postpone the bills anyway. Why would you be against this motion?

Mr. Tellier replied we are not.

Mayor Baines called for a vote. Alderman Wihby requested a roll call.

Alderman Thibault asked what is the motion again.

Deputy Clerk Johnson stated there are a couple of versions of the motion. My understanding is that Alderman Wihby's intent is to recommend delaying it for one month, which would ultimately push the bills out for one month.

Aldermen Wihby, Levasseur, O'Neil, Cashin and Hirschmann voted yea.

Aldermen Gatsas, Sysyn, Pinard, Shea, Vaillancourt, Pariseau, and Thibault voted nay. The motion failed.

A report of the Special Committee on Redistricting was submitted recommending that the Board of Mayor and Aldermen approve changes to the City's boundaries for the 12 City wards as enclosed; and further that the question and summary as it appears below be approved by the Board of Mayor and Aldermen and ordered to be placed on the November 6, 2001 Municipal General Election ballot:

SHALL THE CITY OF MANCHESTER APPROVE THE AMENDMENT OF THE CHARTER TO PROVIDE FOR THE ADJUSTMENT OF THE BOUNDARIES OF THE CITY'S 12 WARDS AS SUMMARIZED AND EXPLAINED BELOW?

SUMMARY/EXPLANATION: Section 5.33 of the City Charter describes the perimeter boundaries of the 12 wards that make up the City of Manchester. The proposed changes adjust these ward boundary lines to account for population changes identified in the 2000 census and in accordance with the principle of "one man/one vote". In addition to adjusting the ward boundaries, the proposed amendment provides that a list of all roads and streets contained in each ward shall be kept current and on file in the Office of the city Clerk. If you favor this proposal, vote YES; if you do not favor it, vote NO.

The Committee notes that such recommendation is presented following extensive discussion and consideration of comments made at the public hearing held on August 30, 2001. The Committee in addition to enclosing the specific details of the ward boundaries proposed has included a summary of the population breakdowns by ward.

Deputy Clerk Johnson stated the Clerk would advise that a report was submitted to the Board and the intent of the Committee on Redistricting was to make a change in the Ward 4 and 5 boundaries format to allow a current elected official to remain in his ward. Apparently they had moved it the wrong way so it has been fixed to meet the Committee's initial intent. Deputy Clerk Johnson noted there was a handout which was being distributed reflecting the changes to Ward 4 and Ward 5 the language differences having been outlined in bold, and starts with "beginning at the intersection of the central line of Laurel Street" and goes on from there (reflected in each ward). Deputy Clerk Johnson noted the handout reflected the correction and a motion to amend the report would be in order first.

Alderman Wihby moved to amend the report to reflect the language as stated in the handout. Alderman Vaillancourt duly seconded the motion.

Alderman Vaillancourt stated I would like to personally commend the Committee consisting of Secretary of State Gardner, Mr. Gelinis and Mr. Rivard. As you know, back last winter I thought a better manner would have been to set-up a broader committee and have a great deal of public input, but I believe this Committee has done an admirable job and perhaps my original idea was not the best. Perhaps this was not the kind of thing where you could have had 10 or 15 hands on. What this Committee managed to do was to set-up some guidelines and then direct Frank Thomas to go back and meet these guidelines. Now in the words of that famous man, Mr. Condit in California, "Is this perfect?" No, it is not perfect. I don't think there is going to be any solution that will be perfect when you come to doing this, but this Committee has been receptive to a couple of changes. For one thing, after they by mistake redistricted a Ward 7 School Board member out, they changed the lines for that. Tonight you have changed the lines for a State Representative to stay in Ward 4. I believe tonight you responded to Alderman Pinard's concern about having Weston School remain in Ward 6 so you have been receptive. One of the problems was that Ward 6 had grown. It had about 1,600 more people than it should have had to be average so a lot of people had to be moved out of Ward 6. I do want to take particular exception to one of the comments made in the public hearing tonight that compared this to a gerry mander. Now it was not only Governor Gerry of Massachusetts that came up with that monic, the mander part was because it looked like a salamander the way it wiggled and moved all over. If you look at the lines that have been drawn by this Committee, they don't look like they have been gerry mandered. They don't look like a salamander wagging its tail or anything. These are about the straightest lines you could get. If I had done this myself, I wouldn't have done it quite this way but I think it takes into account the goal of the least disruption possible and also the goal of preserving elected officials and the areas they were in. I

second this with great enthusiasm and would urge the voters of the City of Manchester to accept this in November so we could get on with representing people for the next 10 years.

Mayor Baines called for a vote on the motion to amend the report. There being none opposed, the motion carried.

Alderman Wihby moved to accept, receive and adopt the report as amended. Alderman Pariseau duly seconded the motion. Mayor Baines called for a vote. The motion carried with Alderman Levasseur being duly recorded in opposition.

Mayor Baines stated I would like to echo Alderman Vaillancourt's statements. On behalf of the entire Board, I know we selected three outstanding gentlemen of great respect and admiration in our community – Secretary of State Gardner, former Alderman Rivard and former Alderman Gelinas and we commend you for a job well done.

Alderman Wihby stated I know that the Highway Department helped them out tremendously also so Frank Thomas deserves a nice round of applause.

CONSENT AGENDA

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Approve under the supervision of the Department of Highways

- A. Pole petitions submitted by Public Service & Verizon New England, Inc.
 - #12-97 pole on Hecker Street
 - #11-910 pole on Market So. Back Street
 - #11-911 pole on Hamblet Street
 - #11-912 pole on Melrose Street
 - #11-913 pole on Karin Street
 - #11-914 pole on Broadway Ave
 - #11-915 pole on Elm East Back Street
 - #11-916 pole on Gold Street
 - #11-917 poles (3) on West Sagamore Street

Informational – to be Received and Filed

- B. Communication from Jerry Reese, AT&T Broadband, introducing himself as the new Manager of Government Affairs for the company's operations in New Hampshire and Maine.
- C. Communication from Mayor Baines submitting budget transfers requested by the City Clerk and advising that he has approved same.
- D. Communication from Brenda Lett, Caribbean Celebration 2001, thanking the Board for its recent contribution.

- E.** Communication from Robin Comstock, Chamber of Commerce, responding to the Board's recent action relating to keeping the "Queen City" nickname for Manchester.
- F.** Communication from the New Hampshire Community Loan Fund thanking the Board for its support.
- G.** Communications from NHTCA/NHCTCA Certification Committee in recognition of first year completion of the New Hampshire Certification program by Patricia Harte and Constance Marion of the Tax Collector's office and Matthew Normand of the City Clerk's office.
- H.** Communication from Cliff Ross thanking the Board for the recent appointment to the CBSD Advisory Board, and advising that he is declining the appointment.
- I.** Communication from the State of New Hampshire Joint Board of Licensure and Certification advising that the Board of Mayor and Aldermen's request regarding the cracked piling at the civic center was not within the jurisdiction of their Board.

REFERRALS TO COMMITTEES

COMMITTEE ON BILLS ON SECOND READING

- J.** Petition to rezone property located at Biron Street from its recently rezoned status, under the citywide zoning ordinance, of R-SM to the original zoning of RB-1.

COMMITTEE ON FINANCE

- K.** Bond Resolutions:

"Authorizing Bonds, Notes or Lease Purchases in the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) for the 2002 CIP 713702, Sanitary Landfill Closure – Phase II Project."

"Authorizing Bonds in the amount of Thirty Five Million Dollars (\$35,000,000) for refunding Certain Outstanding Bonds of the City."

"Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Twenty Five Thousand Dollars (\$225,000) for the 2002 CIP 411302, Thermal Imaging Cameras Project."

"Authorizing Bonds, Notes or Lease Purchases in the amount of Thirty Five Million Dollars (\$35,000,000) for the FY2001 CIP 730401, Manchester Airport Terminal & Building Improvement Project in conjunction with the continuance of the Manchester Airport Capital Improvement Program."

"Authorizing Bonds or Notes (which may be evidenced by one or more Revolving Lines of Credit) in the amount of Twenty-Eight Million Dollars (\$28,000,000) in Furtherance of the Manchester Airport Capital Improvement Program."

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLEMENT AND REVENUE ADMINISTRATION

- M.** Advising that it has accepted an audit status update report from the Finance Department as enclosed and submitting same to the Board for informational purposes.

- N. Advising that it has approved an audit of the Riverfront Park Foundation which was requested by Alderman Vaillancourt.
- O. Advising that it has accepted the monthly financial statements for the period ending July 31, 2001 as enclosed and submitting same for informational purposes.
- P. Advising that it has accepted various reports updated through August 8, 2001 relative to outstanding invoices.
- Q. Advising for informational purposes that it has received notice from the Welfare Commissioner that rental assistance for the month of July equaled 1/5 of the annual rent appropriation.

COMMITTEE ON ADMINISTRATION

(Note: Ordinance referral to Committee on Bills on Second Reading)

- R. Advising that it has reviewed Ordinance amendment:

“Amending Section 38.02 Departments Authorized to Issue Citations and Section 38.06 Citation Penalties of the Code of Ordinances of the City of Manchester.”

and recommends same be referred to the Committee on Bills on Second Reading for technical review.

- T. Advising that it has considered various changes to the business licensing provisions of the Code of Ordinances of the City of Manchester in relation to vending, entertainment and other activities impacted by the civic center and general administrative costs related to licensing.

The Committee has approved proposed revisions presented by the Office of the City Clerk including definition of a civic center zone, changes in fee structures, procedures and related items and recommends that ordinance amendments be referred to the Committee on Bills on Second Reading for technical review. While most changes proposed are related to civic center and other major activities in the downtown area, other fees have been revised to compensate the City for its administrative costs in issuing such licenses.

Proposed increased fees are as follows:

Civic center peddlers from \$150 to \$400
Entertainment from \$15 to \$100
Sidewalk Café from \$10 to \$50
Fairs from \$200 to \$300

Given the present time constraints, and the extensive review already having occurred, the Committee further recommends that such proposed revenue changes not be referred to the Committee on Accounts, Enrollment and Revenue Administration but sent directly to the Committee on Bills on Second Reading.

COMMITTEE ON BILLS ON SECOND READING

- U. Recommending that Ordinances:

“Amending Sections 33.024, 33.026 (Equipment Mechanic I, Equipment Mechanic II) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.036 and 33.026 (Recreation Specialist I, Recreation Specialist II) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.025 and 33.026 (Police Telecommunications Manager) of the Code of Ordinances of the City of Manchester.”

ought to pass.

V. Recommending that Ordinance:

“Amending Chapter 33, Section 33.046 (F) Starting Rate on Demotion of the Code of Ordinances of the City of Manchester.”

ought to pass.

W. Recommending that Ordinances:

“Amending Chapter 52. Sewers of the Code of Ordinances of the City of Manchester by adding Section 52.160 Sewer Rental Charges (E).”

“Amending Chapter 53. On-Site Sewage Disposal Systems of the Code of Ordinances of the City of Manchester by replacing Chapter 53 and inserting a new Chapter 53 including a new Section 53.07 Correction of Failed On-Site Sewage Disposal Systems.”

ought to pass.

X. Recommending that Ordinance:

“Amending Chapter 111: Amusements of the Code of Ordinances of the City of Manchester by replacing Section 111.70 Curfew at Dances.”

ought to pass.

Y. Recommending that Ordinance:

“Amending Chapter 117. Food Service Establishments of the Code of Ordinances of the City of Manchester by Increasing Fees for Food Establishments and other Health Department Inspection Services.”

ought to pass.

Z. Recommending that Ordinance:

“Amending Chapter 91. Health and Sanitation of the Code of Ordinances of the City of Manchester by Increasing Fees for some Health Department Inspection Services and making some changes to the technical language.”

ought to pass as amended.

AA. Recommending that Ordinance:

“Repealing the BOCA/National Fire Prevention Code, 1990 adopted in Section 92.05 of the City of Manchester Code of Ordinances, and adopting the 2000 edition of the International Fire Code, regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the City of Manchester; and providing for the issuance of permits and the collecting of fees for hazardous uses or operations.”

ought to pass.

COMMITTEE ON COMMUNITY IMPROVEMENT

AC. Recommending that the Board authorize acceptance and expenditure of State funds for Health Department tuberculosis control projects; and federal funds for the Greater Manchester Council Against Domestic and Sexual Violence and Juvenile Accountability Incentive Block Grant projects of the Police Department; and for such purpose amending resolutions and budget authorizations have been submitted.

AE. Advising that it has approved the transfer of a 1986 sedan vehicle from Fire to Parks and Recreation and for the disposal of three vehicles via auction.

COMMITTEE ON HUMAN RESOURCES AND INSURANCE

(Note: Ordinance referral to Committee on Bills on Second Reading)

AG. Advising that it has reviewed Ordinance:

“Amending Sections 33.024, 33.025 and 33.026 (Security Officer) of the Ordinances of the City of Manchester.”

and recommends same be referred to the Committee on Bills on Second Reading for technical review.

(Note: Ordinance referral to Committee on Bills on Second Reading)

AH. Advising that it has reviewed Ordinance:

“Amending the Code of Ordinances of the City of Manchester by deleting Sections 33.046 (C) Entrance Pay and 33.080 Military Service, in their entirety, and inserting new Sections 33.046 (C) and 33.080 to conform with Federal Uniform Services Employment and Reemployment Rights Act of 1994.”

and recommending same be referred to the Committee on Bills on Second Reading for technical review.

COMMITTEE ON LANDS AND BUILDINGS

AI. Recommending that a request of Marney L. MacFadyen for the release of a drainage easement at 55 Dawson Ave be granted and approved subject to the review and approval of the City Solicitor; and further that the Mayor be authorized to execute any and all related documents subject to Solicitor review.

- AJ.** Recommending that a request for permanent and temporary easements to the Town of Auburn relating to the replacement of the Coleman Road Bridge, having been conceptually approved by the Board of Water Commissioners, be granted and approved subject to the review and approval of the City Solicitor; and further that the Mayor be authorized to execute such documents as may be required subject to the review and approval of the City Solicitor.
- AK.** Recommending that City owned property located on River Road, known as Map 222/Lot 79, be disposed of through auction at a minimum bid of \$4,000.00, a price determined reasonable by the Board of Assessors.
- AL.** Recommending that the Mayor be authorized to execute a Lease Agreement between the Manchester Water Works and Sandy's Variety Store as enclosed, subject to the review and approval of the City Solicitor.

SPECIAL COMMITTEE ON CIVIC CENTER

- AM.** Advising that it has approved change orders #36 through #41 filed with the Committee on August 6.

Accept funds and remand for the purpose intended

- AN.** Donation of \$100.00 from Ferdinando Insurance Associates for the Human Resources Ice Cream Social held on August 13.

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

L. Resolutions:

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) for FY2002 CIP 713702 Sanitary Landfill Closure – Phase II Project.”

“Amending the 2001 and 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Sixty Five Thousand Three Hundred and Two Dollars (\$65,302.00) for certain Health Projects.

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Sixty Nine Thousand Eight Hundred and Twenty Six Dollars (\$69,826.00) for certain Police Projects.”

“Authorizing the Finance Officer to effect a transfer of Five Hundred Dollars (\$500.00) from Civic Contributions for a donation for the Caribbean Celebration 2001.”

“Authorizing the Finance Officer to effect a transfer of Ten Thousand Dollars (\$10,000) from Civic Contributions for a donation to the Manchester Fire Department Memorial Fund to help defray the cost of Firefighter Anderson’s Funeral Expense.”

“Authorizing the Finance Officer to effect a Transfer of Seventy Thousand Five Hundred Twenty-Four Dollars and Ninety Cents (\$70,524.90) from Human Resources to City Clerk’s Office due to the Reassignment of Security Functions from Human Resources to City Clerk’s Office.”

Alderman Wihby stated on the last one there my understanding is that the \$74,524.90 was the number back when we put this together but it has actually dwindled down because we have been using it as we go along so it probably should be amended to say whatever is left in the account, the balance of the original appropriation.

On motion of Alderman O'Neil, duly seconded by Alderman Wihby, it was voted to amend the resolution as stated.

On motion of Alderman Wihby, duly seconded by Alderman Pinard, it was voted to refer the resolutions to the Committee on Finance, the last resolution listed as amended.

Report of Committee on Administration

- S. Recommending that 1) the asset limit for the Elderly Tax Exemption be increased to \$75,000; 2) the possibility of providing an additional \$20,000/year exemption from age 76 to 80 be investigated; and 3) the possibility of providing a \$120,000/year exemption for those age 80 and above, along with no income or asset limits, be investigated.

Alderman Gatsas stated the Committee on Administration did some hard work and we looked at a couple of different scenarios and one of them must be done with legislation through the State and that would be having tax exemptions for 75, 76, 77 and 78 year olds without any asset limits, so we need to go to the State level and change that. Some of the other things, I believe, we attempted to do was to get an asset limit for people of 80 years and older to remove the asset limit and to remove the income limit, so anybody 80 years old get a \$120,000 a year exemption on their property. I think that the other thing we need to add is obviously Mr. Sawyer here so eloquently spoke about the disabled and we have neglected them in the past and we should add something so the number that would fall in line with what the blind deductions are so that the disabled can participate at the same level and moved the motion so that we can get it to Bills on Second Reading and get this in place.

Alderman Hirschmann duly seconded the motion.

Mayor Baines stated also there was a mistake in the calculation that it wasn't \$40,000, it's approximately \$400,000 so there is a difference in that. Alderman Gatsas you're motion would be to what.

Alderman Gatsas replied the motion would be to raise, I think we talked about raising the tax exemption limits from the current level, I think, is \$35,000 to \$75,000 for an asset limit...increasing the income limits, I believe, to \$18,000 and \$33,000...let me just take a look here...

Alderman Lopez interjected \$24,400 and \$33,000.

Alderman Gatsas stated right and then that was be based up until age 80. At age 80 and above there would be no asset limit and no income limit for those people and they would still get \$120,000 deduction.

Alderman Wihby asked are we passing what the Committee report is or not what the Committee report is, I don't understand.

Mayor Baines asked the Clerk to clarify.

Deputy Clerk Johnson stated it is my understanding that Alderman Gatsas, seconded by Alderman Lopez wanted it moved to the Committee, but wanted it to be considered for those other items that were just referenced.

Alderman Gatsas stated the committee report was a little bit different...the committee report was that we'd follow with the Assessor's thinking and we attempted to get some other deductions in line for people at 75 without asset limits, so that they could participate, however, because of State statutes we can't do that. We were attempting to get to age 80 and eliminating all assets at the committee level through the other mode that we were looking at, however, because of State statutes we can't do that, so I'm attempting and certainly in looking at my committee members that they will go along with it, they don't have to but I would ask them that we would take that age 80 exemption and eliminate the income levels and the asset limits so that we get the age 80...those aren't in place and get the \$120,000 exemption for anybody who's over age 80. We talked about it in committee as a different motion, but that can't be done at this point.

Alderman Wihby stated in looking at Item S there are three different numbers...so we're going to say we're going to pass one, we're not going to do two and we're going to make three instead of "*investigated*" we're going to pass three, is that what we're doing.

Alderman Gatsas stated I think if you go to "S" on the second page...we're doing one and it also should include the income limits are increased also; two we can't do until we change statutes at the State level; and three we're implementing now in Phase I because we didn't have that we were looking at it as a completely different one because we can now do that entire one because

we're not affecting any age bracket by itself. We've taken all exemptions and all asset levels out of the picture for anybody over age 80.

Alderman Wihby asked are we passing three, we're not investigating it.

Alderman Gatsas replied we're passing three, we're passing one along with the income levels.

Alderman Wihby asked where are the income levels on here.

Mayor Baines stated let's clarify these things.

Alderman Gatsas stated do you see the page where it says "Manchester Scenario 1"...that \$50,000 goes to \$75,000, the Single Income is \$24,400 in the last column, the Joint Income is \$33,400. For age 65 to 74 the exemption would be \$70,000...basically the same as Nashua.

Alderman Vaillancourt stated I'm not quite sure if you're accomplishing exactly what you want...that 75 to 79 category seems to have slipped through the cracks and you want to increase that from an exemption of \$45,000 to \$95,000 isn't that correct.

Alderman Gatsas replied right, it would be the same category as Nashua.

Alderman Vaillancourt stated so the three categories would be 65 to 74 will go from \$22,500 to \$70,000; 75 to 79 would go from \$45,000 to \$95,000; and I believe Mr. Tellier can help me on this...the 80 plus, I think he said should go from \$90,000 to \$125,000 instead of \$120,000 in order to be correct in the percentage movement. If you look at the next page you can see the actual percentage of people that would benefit from that actually goes down unless you jump that to \$125,000 due to the increase, is that correct.

Mr. Tellier replied that is correct.

Alderman Vaillancourt asked could we do that.

Alderman Gatsas replied I'm not opposed to that so we can move that to \$125,000.

Alderman Levasseur stated I feel very uncomfortable about trying to make changes at the full Board, I think that the changes should go back to Administration to make the changes that you're suggesting right now and there's a motion on the floor so I can't get the motion in but you're making adjustments in this whole document and you're going to go right to Bills on Second Reading with this, but I think your adjustments should be made in your committee because I don't know if everybody has questions on this and I'm not sure, Mr. Tellier, as far as the statutes go do we have to go to Concord to change any of these.

Mr. Tellier replied yes.

Mayor Baines stated yes with Item (2).

Mr. Tellier stated my understanding from what I heard here tonight was that there was going to be an abstention or disregard of the asset or income limits at the 80 and above level and I'm not sure if that's what I heard.

Alderman Gatsas replied that is what you heard.

Mr. Tellier stated from my understanding that can't be done by the statutes.

Alderman Gatsas stated I'm looking at the statute and I'm reading it pretty clear, we can put any amount we want in there.

Mr. Tellier interjected the amount, the exemption amount.

Alderman Gatsas stated we can put unlimited.

Mr. Tellier stated with respect to the assets and the income levels they must remain static throughout all three tiers.

Alderman Gatsas stated they wouldn't have given you three opportunities to fill in amounts, they would have given you one.

Mr. Tellier stated that has been our interpretation, I would defer to the City Solicitor's Office as far as a legal opinion.

Solicitor Clark stated we were asked about five minutes ago about that issue and we'll be happy to continue looking at it. If this is going to be referred to Bills on Second Reading we can work with the committee at that point.

Alderman Shea stated, Steve, an 88 year old woman called me today and said that she had an exemption because her property was assessed for about \$75,000 to \$80,000, it's now up to about \$105,000 or \$110,000 whatever the case may be. Would she automatically get the same kind of exemption that she would have gotten before without us voting...how is that process going to work.

Mr. Tellier replied no, she would have received...should we not change these exemptions her assessment would exceed the amount of the exemption by a small amount and she would be required to pay some of it.

Alderman Shea stated I know that, but I'm saying what about the timing...will the timing come into play...

Mr. Tellier interjected no, this Board has plenty of time to adopt even if it went after bills...you have until March 1st of 2002 to apply for the Elderly Exemption.

Alderman Shea asked how would she be impacted in terms of...

Mr. Tellier stated she would have to apply for an abatement, but should different exemption criteria be adopted after the bills go out.

Mayor Baines stated if this is adopted through the process this would be adopted before the tax bills went out.

Mr. Tellier stated even if it was adopted after the tax bills.

Mayor Baines stated that is Alderman Shea's point.

Alderman Shea stated if it's adopted it should be adopted before the bills go out.

Mr. Tellier stated it would be helpful yes.

Alderman Shea stated okay that's my point.

Alderman Lopez stated I just want to make sure that I completely understand the exemptions...I just want to make sure that the Blind Exemption goes from sixty-seven to eighty-five as recommended, do you agree with that Chairman Gatsas.

Alderman Gatsas replied yes.

Alderman Cashin stated, Steve, when this comes to Bills on Second Reading will you be prepared to bring in the cost of this because there is definitely a cost to this.

Mr. Tellier replied I've analyzed most of the costs but some of it...the demographics aren't out there to be able to tell you how many people over a certain age own homes. What we've done here in this spreadsheet was taken the data that we had and we know that we had so many people within so much criteria and we just applied that percentage increase, so we came up...if you took that \$111 million and round it up to \$120 million...now, if you add the fact that you've increased the asset limit by double, double...you know you're going to have a larger amount of people apply. For every \$10 million in assessment that's deducted from the tax rolls it accounts for about a nickel on the tax rate. But, can any one of our Board tell you emphatically what that amount is going to be...we're not sure.

Alderman Cashin stated I'm not asking you to give me something in concrete but at least you can give us a ballpark figure of what it's going to cost.

Mr. Tellier stated we'll make every effort to do so.

Alderman Wihby in referenced to Item (3) of the report for those 80 you're going to have the \$120,000 exemption...can people just...is there something in the law that stops people from moving here just to get the exemption.

Mr. Tellier replied yes. They have to be a resident of New Hampshire for five years, it doesn't say a property owner, it states a "resident" of New Hampshire for five years.

Alderman Wihby stated what is somebody from Concord wants to move here to get an exemption.

Mr. Tellier stated it doesn't matter.

Alderman Wihby stated they can do that.

Mr. Tellier replied yes.

Alderman Wihby stated once they are over 80 they would get that.

Mr. Tellier stated the April 1st deadline holds true for that, of course.

Alderman Lopez stated I'm reading "five years owned real estate" in the State statute.

Mr. Tellier interjected it says resides.

Alderman Gatsas stated let me read this to him so that he understands what the statute says. Section 72:39-b it clearly says "to qualify the person must have been a resident of New Hampshire for five years, owned the real estate individually or jointly or if the real estate the taxpayer must have a net income (or such other persons spouse)..." so, it says clearly that you must own the real estate...

Mr. Tellier stated when you're applying for the exemption, yes.

Alderman Wihby asked could somebody move here and get the tax exemption.

Mr. Tellier replied if they're here before April 1st and they've been a resident of New Hampshire for five years, yes.

Alderman Wihby stated so if they move from Concord to come to Manchester and they're 85 years old they are going to get an exemption right away.

Mr. Tellier replied yes they could qualify.

Alderman Cashin stated let's assume (a hypothetical case)...a son is living with his mother who's 85 years old, he turns the property over to her.

Mr. Tellier stated there is a statute that provides for that, that can't be done by blood or through marriage and get the exemption.

Alderman Cashin stated why can't he...you just said if they're a resident of five years...

Mr. Tellier stated because there is a specific statute that prohibits someone from gaining the exemption by circumventing the law that way.

Mr. Porter stated I believe that particular statute refers to a blood relative, a close relative as in the example. If the elderly person has owned that property for five years they can't get it right away. If I were to transfer property to my mother then she would have had to have owned it for five years and then apply for the exemption, so you can't get it right away.

Alderman Cashin stated but after five years she would.

Mr. Porter replied correct providing the qualifications are there and in all cases you must own the property as of April 1 in the year in which you are applying for the exemption.

Alderman Levasseur stated I would ask the good Aldermen to just go with the motion to send it to Administration without the amendment since there seems to be a legal question.

Mayor Baines stated there is a motion on the floor.

Alderman Levasseur stated I would ask that that motion be withdrawn.

Mayor Baines asked, Alderman Gatsas, are you willing to withdraw your motion.

Alderman Gatsas replied I am not willing to withdraw it.

Mayor Baines called for a vote on the motion that the report be referred to the Committee on Bills on Second Reading.

Alderman Shea asked if the Clerk could read the motion.

Deputy Clerk Johnson stated the motion is to accept the report and refer it to the Committee on Bills on Second Reading with the changes that have been outlined on page 2 of the report.

A roll call voted was taken on the motion. Aldermen Gatsas, Sysyn, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Cashin, Thibault, Hirschmann and Wihby voted yea. Alderman Levasseur voted nay. Alderman Clancy was absent. The motion carried.

Report of Committee on Bills on Second Reading

AB. Recommending that Ordinance:

“Repealing the 1987 BOCA National Building Code as adopted in Section 151.01 of the City of Manchester Code of Ordinances, and adopting the 2000 editions of the International Building Code, International Mechanical Code and the International Fuel Gas Code, as well as the 1999 edition of The National Electric Code and the 1993 edition of BOCA Plumbing Code; establishing minimum regulations governing buildings and structures; and establishing fees for the issuance of permits and certificates for the construction and occupancy of buildings and structures.”

ought to pass as amended.

Alderman Lopez stated I just wanted clarification in reference to the ordinance and adopting the 2000 edition of the International BOCA Code, is that with amendments.

Deputy Clerk Johnson stated the report that is before the Board this evening, which also was placed later on in the agenda for adoption, includes amendments that were presented via the public hearing and considered by the Committee on Bills on Second Reading. It also includes some technical changes, which the Committee approved via a poll in the past couple of days that were suggested by the Building Department. I don't know what specific amendments you are referring to.

Alderman Lopez replied I am not referring...I am just saying that I know that there were amendments and I am asking if we are approving this with all of the amendments that were approved.

Deputy Clerk Johnson responded that is correct. All of the amendments are contained in the document.

Alderman Hirschmann stated I need to make a correction. I didn't pull off AD because I heard Alderman Lopez and I thought he said AD but he said AB.

Deputy Clerk Johnson stated Alderman Levasseur pulled off AD.

On motion of Alderman Lopez, duly seconded by Alderman Shea it was voted that the report be accepted, received and adopted.

Report of Committee on Community Improvement

AD. Recommending the Board adopt a policy pertaining to CIP requests relating To Schools as follows:

“RSA 199:3 requires plans for all alterations, changes or remodeling of schools to be approved by the School Board. As such, all requests for funding to make any changes to the schools shall first be reviewed and approved by the School Board prior to submission to the CIP process. It shall be the responsibility of the School Board to prioritize and submit such requests in a timely manner in order to meet the scheduling requirements of the CIP process. The prioritization shall be following the submission of recommendations by the Director of Public Works and other applicable departments as may be affected on school facility needs.

The Board of Mayor and Aldermen reserves the right to fund all or any school capital project presented on the prioritized request.

Alderman Levasseur stated as far as recommending that the Board adopt a policy pertaining to CIP is that Community Improvement or Capital Improvement. Does anybody know what the actual terminology of the top line will be? I think Capital allows for bigger chunks of money.

Mr. MacKenzie stated it stands for the Community Improvement Program.

Alderman Levasseur replied I ask that it be spelled out like that.

Alderman Hirschmann stated if we go ahead with this like in this fiscal budget year Alderman Wihby took parking deck money and reallocated it to fix six or seven roofs on schools. We wouldn't be able to do that in the future if we approve this.

Mr. MacKenzie stated this provides a process consistent with State law. State law does require that the School Board approve any projects that have significant changes to the design or construction of a school. In the past what has happened is the Board has felt strongly about a particular project, for example, school roofs. If it was not on the School Board's capital project list and there was one project I remember that was not, it goes back to the School Board and they ultimately do have to take action on that. They would have to vote it up or down.

Alderman O'Neil moved to accept, receive and adopt the report. Alderman Lopez duly seconded the motion.

Alderman Wihby stated that wouldn't stop us from doing that...in the case of the roofs when we brought it up they did go back and say they wanted it anyway. This wouldn't stop us from doing it.

Alderman O'Neil stated I think some of this came out of chargeback discussions originally. Am I correct, Kevin?

Mr. Clougherty replied that is right.

Alderman O'Neil stated if they were going to be charged for something they wanted to make sure that they voted for it.

Alderman Gatsas stated regarding chargebacks, it is now September 4 and I believe somebody sat in this Chamber and told us by September 1 we were going to be paid \$600,000 for chargebacks. Have we received that money, Kevin?

Mr. Clougherty replied no.

Mayor Baines asked what is the status of that, Mr. Clougherty, because you have been discussing that with Finance and the School District.

Mr. Clougherty answered as you know there is a 60-day rule that we have to follow for accounting purposes to see whether we can include that as revenue. The auditors have said that they may give some flexibility this week in interpreting that but as of today I can't tell you that we have received those dollars although it was represented to the Joint Committee when we met that there was, in fact, a consensus that that was resolved.

Mayor Baines stated I understand they have been signed off and now have to receive the final vote of the School Board. Is that correct?

Mr. Clougherty replied that is my understanding.

Alderman Gatsas asked does that mean we are going to be paid by September 15.

Mayor Baines answered well after the Board acts I assume it would be processed. It needs the vote of the School Board. That is all we are waiting for.

Alderman Gatsas asked, Kevin, is that an answer. What happens in 60 days if we don't receive it? We have to write it off?

Mr. Clougherty answered right.

Alderman Gatsas stated so we have to have an answer before then so we can go by Section 6.05 in our little red book that tells us about being able to open up budgets to make sure that we can protect money if we don't have it. I guess you have to report back to us.

Mr. Clougherty replied exactly. At the October Board meeting would be the appropriate time. We will then have the 60 days completed and we will have better fiscal information and we can follow that section of the Charter.

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

Report of Committee on Community Improvement

AF. Advising that it has approved the placement of advertisements on bus shelters/benches and kiosks (wayfinding systems) in conjunction with the MTA's "Street Furniture Program."

Alderman O'Neil stated I want to congratulate the General Manager and his staff for bringing this forward. There will be a new transit system in Manchester I think with regard to bus shelters and kiosks and I think that is a very positive step.

Alderman O'Neil moved to accept, receive and adopt the report. Alderman Pariseau duly seconded the motion.

Alderman Gatsas asked have we received from HR...has the management at MTA stepped up and participated at the same level with health insurance.

Mayor Baines stated this is not related to the motion. Could we just discuss the motion on the floor first?

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

Alderman Gatsas stated maybe we can get something from MTA if they are here.

Mr. Don Clay asked what is the question.

Alderman Gatsas stated I believe we withheld some funds from your budget because of the inequities of management receiving health insurance at 100% payment versus what the rank and file were at and I think that was going to be looked at and you were going to get back to us. I think that was sometime in June.

Mr. Clay replied we are still discussing that with our Commissioners but it looks like we are probably ready to come before this Board sometime in the next 30 days with what we plan to do.

Alderman Wihby stated while he is here I am getting some complaints about the school buses at St. Catherine's and picking the kids up at 3:50 PM and they get out at 1 PM. Do you know anything about that? Are you getting phone calls? It seems like you are getting them and everybody from the MTA is telling them to call their Aldermen but it is really the School Board.

Mr. Clay replied I am not aware of any phone calls today but that does fall with the School Administration.

Alderman Wihby asked could you look into the St. Catherine buses and make sure there is nothing wrong there.

Mr. Clay replied as far as what, being late.

Alderman Wihby responded I guess they are picking them up at 3:00 PM or so and they get out at 1:30 PM so there are a couple of hours in between before they get home.

Mayor Baines asked could you look into that.

Mr. Clay answered yes and I will get back to Alderman Wihby.

Alderman Shea stated Alderman Vaillancourt raised the issue several months ago about the number of Commissioners. My understanding is one of the MTA Commissioners has sold his property and moved out of town and that there are only four Commissioners now. Is that information correct or incorrect?

Mr. Clay replied I am not aware of that.

Alderman Shea asked so as far as you are concerned there are five Commissioners.

Mr. Clay answered there are five and they all live in the City as far as I know.

Alderman Lopez stated the bus shelter at Stanton Plaza is in a deplorable condition. Could you see that it is taken care of?

Mr. Clay replied we hope to do something with that with this new shelter program. We will probably be tearing that one down and putting a new one up. We will do something within the next 30 days.

Alderman Lopez stated the glass is coming through the roof.

Mayor Baines asked could we move back to the agenda. People could call Mr. Clay if they have any questions or concerns.

Alderman Levasseur stated last year you had a problem getting bus drivers and I was just wondering how it is going this year. Do you still need bus drivers or are you better off this year?

Mr. Clay replied we are better off this year but we are always looking for bus drivers. We had a job fair today and we probably have eight or nine people who will start class tomorrow. Today it is enough but tomorrow we don't know.

Communication from Brooks McQuade submitting his resignation as a Trustee for the Contributory Retirement System.

Alderman Cashin moved to accept the resignation with regret. Alderman Pariseau duly seconded the motion.

Mayor Baines called for a vote. The motion carried with Alderman Levasseur being duly recorded in opposition.

7. Communication from Robert Carr submitting his resignation as the Londonderry representative to the Manchester Airport Authority.

On motion of Alderman Pariseau, duly seconded by Alderman Lopez, it was voted to accept the resignation with regret.

8. Nominations to be presented by Mayor Baines, if available.

Mayor Baines stated I received a recommendation from the Londonderry Town Council recommending that I nominate Lawrence O'Neil to fill the unexpired term of Robert Carr as the Londonderry representative of the Manchester Airport Authority. Mr. O'Neil's term will expire on March 1, 2003. As per rules of the Board, this nomination will layover until the next meeting.

Alderman Wihby asked you know how some of these people have to have their license and different things like that, is Mr. Carr in one of those positions.

Mayor Baines answered no.

Alderman Wihby asked was he a union carrying person.

Mayor Baines answered no.

Solicitor Clark stated he was an attorney.

Mayor Baines stated he doesn't fill one of the Charter required positions.

Alderman Wihby asked so this isn't limiting us in Manchester later to have to pick a certain person with a background.

Mayor Baines answered no.

On motion of Alderman Pariseau, duly seconded by Alderman Wihby, it was voted to suspend the rules.

On motion of Alderman Shea, duly seconded by Alderman Sysyn, it was voted to confirm the nomination as presented.

On motion of Alderman Thibault, duly seconded by Alderman Pariseau, it was voted to recess the meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

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

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) for the 2002 CIP 713702, Sanitary Landfill Closure – Phase II Project.”

“Authorizing Bonds in the amount of Thirty Five Million Dollars (\$35,000,000) for refunding Certain Outstanding Bonds of the City.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Twenty Five Thousand Dollars (\$225,000) for the 2002 CIP 411302, Thermal Imaging Cameras Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Thirty Five Million Dollars (\$35,000,000) for the FY2001 CIP 730401, Manchester Airport Terminal & Building Improvement Project in conjunction with the continuance of the Manchester Airport Capital Improvement Program.”

“Authorizing Bonds or Notes (which may be evidenced by one or more Revolving Lines of Credit) in the amount of Twenty-Eight Million Dollars (\$28,000,000) in Furtherance of the Manchester Airport Capital Improvement Program.”

ought to pass and be enrolled.

Alderman Pariseau moved to accept, receive and adopt the report. Alderman Lopez duly seconded the motion.

Mayor Baines called for a vote on the motion. The motion carried with Alderman Hirschmann abstaining on the Fire Department issue and Aldermen Shea and Vaillancourt being opposed to the donation to the Caribbean Celebration.

A report of the Special Committee on Energy was presented recommending that the City enter into a natural gas appliance service agreement with Adams Energy Group as enclosed and further recommend that the Mayor be authorized to execute same subject to the review and approval of the City Solicitor.

Alderman Thibault moved to accept, receive and adopt the report. Alderman Shea duly seconded the motion.

Alderman Hirschmann stated this appears to be the second company in the past year...is it true that the first one went bankrupt. This is an Aggregation issue. I know the first company had a problem. Did they go bankrupt Randy?

Mr. Sherman replied yes. AGF out of Manchester filed for bankruptcy and the contract was assumed by Adams Energy.

Alderman Hirschmann asked this is an assumed agreement.

Mr. Sherman answered yes.

Alderman Hirschmann asked so this didn't go back out to bid.

Mr. Sherman answered no. We did it and Adam Energy is being awarded a subsequent contract.

Alderman Pariseau asked what does the City gain in this deal.

Mr. Sherman answered the City gains the ability to procure gas at a cheaper price. What it also allows us to do is to avoid some of the stranded costs that have come up under the deregulation for natural gas.

Alderman Pariseau stated I am still not comfortable with part of this aggregation thing. If the City has no contract with any gas supplier and this particular month you go out into the market and they don't have any gas, what do we do?

Mr. Sherman replied you can always buy gas out in the spot market. The issue is what the price is and what Adams Energy does is really work as the City's agent to transport the gas that the City buys to the City gate to get it to your account. They are not necessarily the owner of the gas. They are the agent that is going to go out, do the acquisition of what the City is buying and transport it to the City. Again, it just gives the City the ability on its larger accounts to go out into the open market.

Alderman O'Neil stated I thought we moved everything over to Highway. Why are we still seeing Finance showing up on aggregation?

Mr. Sherman replied as part of this year's budget you moved it back to the Finance Department.

Alderman O'Neil asked but the position stayed with Highway.

Mr. Sherman answered no. It moved to Finance. I think Alderman O'Neil's confusion is why you are seeing my face and not Ms. Parsons.

Alderman O'Neil stated I thought the plan was that Tina was going to share some responsibility.

Mr. Sherman replied I am pinch hitting tonight.

Alderman O'Neil stated but I thought she was still part of Highway. That is what threw me the curve here.

Mr. Sherman replied she is in Finance and she is out on medical leave right now.

Alderman Shea stated I think at the energy meeting I asked you this question and you answered it accordingly. I said in July if I decide to purchase oil at so much a gallon like \$1.15 or something like that we are sort of doing the same thing. We are locking in for a year and we should get a better price because you indicated that the price of gas during the more unfavorable months in the Northeast would tend to go up. Is that correct?

Mr. Sherman replied that is correct. Natural gas is going to be more expensive in the winter and if we can lock it in sooner...

Alderman Shea interjected and we are locking in for one-year right.

Mr. Sherman responded yes.

A roll call vote was taken. Aldermen Wihby, Gatsas, Levasseur, Sysyn, Pinard, O'Neil, Shea, and Thibault voted yea. Aldermen Lopez, Vaillancourt, Pariseau, Cashin and Hirschmann voted nay. The motion carried.

OTHER BUSINESS

Consideration of the request of the Airport for the finding of public need and for taking by eminent domain properties as follows:

3070 Brown Avenue

3048 Brown Avenue

3114 Brown Avenue

such request having been presented, with due notices given, at a public hearing held by the Board of Mayor and Aldermen on August 13, 2001.

Alderman Vaillancourt moved to find that there is public need for the acquisition of said properties for airport projects and that the City Solicitor be authorized to acquire, by eminent domain if necessary, any such properties stated. Alderman Shea duly seconded the motion.

Alderman Levasseur asked, Mr. Dillon, were they given the price of the new valuation numbers or were they given a price that was different.

Mr. Dillon stated in terms of the offer that was made, they were made an offer that was far in excess of the assessment.

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

Communication from the City Clerk requesting the Board set polling hours for the Municipal General Election and the Special State Election on Tuesday, November 6, 2001, such hours recommended to begin at 6:00 AM and end at 7:00 PM.

On motion of Aldermen Pinard, duly seconded by Alderman Thibault, it was voted to set the polling hours for the Municipal General Election and the Special State Election on Tuesday, November 6, 2001 from 6 AM until 7 PM.

Communication from Deputy City Clerk on behalf of the Chief of Police reference: Return of Warrant for Non-Renewal of Dog Licenses Pursuant to RSA 466:16.

On motion of Alderman Pariseau, duly seconded by Alderman Lopez, it was voted to approve the Return of Warrant.

Communication from Maureen McCarthy advising that the Access Manchester Advisory Board has approved changes to its membership as follows:
“Board membership shall be comprised of four Community representatives, to be appointed by the Mayor; representatives from the following City departments: Planning, Public Works (Facilities Engineer), School District, and the City ADA Coordinator who shall serve as Chair; and two ex-officio City representatives: one from the Mayor’s Office and one Alderman.”

Deputy Clerk Johnson asked that this item be pulled as Ms. McCarthy has advised it is going to be resubmitted at the next meeting with some other changes.

Ordinances:

“Amending Sections 33.024, 33.026 (Equipment Mechanic I, Equipment Mechanic II) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.036 and 33.026 (Recreation Specialist I, Recreation Specialist II) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.025 and 33.026 (Police Telecommunications Manager) of the Code of Ordinances of the City of Manchester.”

“Amending Chapter 33, Section 33.046 (F) Starting Rate on Demotion of the Code of Ordinances of the City of Manchester.”

“Amending Chapter 52. Sewers of the Code of Ordinances of the City of Manchester by adding Section 52.160 Sewer Rental Charges (E).”

“Amending Chapter 53. On-Site Sewage Disposal Systems of the Code of Ordinances of the City of Manchester by replacing Chapter 53 and inserting a new Chapter 53 including a new Section 53.07 Correction of Failed On-Site Sewage Disposal Systems.”

“Amending Chapter 111: Amusements of the Code of Ordinances of the City of Manchester by replacing Section 111.70 Curfew at Dances.”

“Amending Chapter 117. Food Service Establishments of the Code of Ordinances of the City of Manchester by Increasing Fees for Food Establishments and other Health Department Inspection Services.”

“Amending Chapter 91. Health and Sanitation of the Code of Ordinances of the City of Manchester by Increasing Fees for some Health Department Inspection Services and making some changes to the technical language.”

“Repealing the BOCA/National Fire Prevention Code, 1990 adopted in Section 92.05 of the City of Manchester Code of Ordinances, and adopting the 2000 edition of the International Fire Code, regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the City of Manchester; and providing for the issuance of permits and the collecting of fees for hazardous uses or operations.”

“Repealing the 1987 BOCA National Building Code as adopted in Section 151.01 of the City of Manchester Code of Ordinances, and adopting the 2000 editions of the International Building Code, International Mechanical Code and the International Fuel Gas Code, as well as the 1999 edition of The National Electric Code and the 1993 edition of BOCA Plumbing Code; establishing minimum regulations governing buildings and structures; and establishing fees for the issuance of permits and certificates for the construction and occupancy of buildings and structures.”

On motion of Alderman O'Neil, duly seconded by Alderman Pariseau, it was voted to suspend the rules and dispense with the reading by titles only.

These Ordinances having been presented for their second readings by titles only, Alderman Thibault moved on passing same to be Enrolled. Alderman Pariseau duly seconded the motion. The motion carried with none recorded in opposition.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to recess the meeting to allow the Committee on Accounts, Enrollment and Revenue Administration to meet.

Mayor Baines called the meeting back to order.

A report of the Committee on Accounts, Enrollment and Revenue Administration was presented advising that ordinances:

“Amending Sections 33.024, 33.026 (Equipment Mechanic I, Equipment Mechanic II) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.036 and 33.026 (Recreation Specialist I, Recreation Specialist II) of the Code of Ordinances of the City of Manchester.”

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“Repealing the 1987 BOCA National Building Code as adopted in Section 151.01 of the City of Manchester Code of Ordinances, and adopting the 2000 editions of the International Building Code, International Mechanical Code and the International Fuel Gas Code, as well as the 1999 edition of The National Electric Code and the 1993 edition of BOCA Plumbing Code; establishing minimum regulations governing buildings and structures; and establishing fees for the issuance of permits and certificates for the construction and occupancy of buildings and structures.”

were properly enrolled.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to accept, receive and adopt the report of the Committee.

Resolutions:

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) for FY2002 CIP 713702 Sanitary Landfill Closure – Phase II Project.”

“Amending the 2001 and 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Sixty Five Thousand Three Hundred and Two Dollars (\$65,302.00) for certain Health Projects.

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Sixty Nine Thousand Eight Hundred and Twenty Six Dollars (\$69,826.00) for certain Police Projects.”

“Authorizing the Finance Officer to effect a transfer of Five Hundred Dollars (\$500.00) from Civic Contributions for a donation for the Caribbean Celebration 2001.”

“Authorizing the Finance Officer to effect a transfer of Ten Thousand Dollars (\$10,000) from Civic Contributions for a donation to the Manchester Fire Department Memorial Fund to help Defray the cost of Firefighter Anderson’s Funeral Expense.”

“Authorizing the Finance Officer to effect a Transfer of Seventy Thousand Five Hundred Twenty-Four Dollars and Ninety Cents (\$70,524.90) from Human Resources to City Clerk’s Office due to the Reassignment of Security Functions from Human Resources to City Clerk’s Office.”

On motion of Alderman O’Neil, duly seconded by Alderman Thibault, it was voted to suspend the rules and dispense with the readings by title only.

Alderman Wihby moved that the Resolutions pass and be Enrolled. Alderman Lopez duly seconded the motion.

Mayor Baines called for a vote on the motion. The motion carried with Aldermen Vaillancourt, Shea and Gatsas being opposed to the contribution for the Caribbean Celebration and Aldermen Hirschmann abstaining on the civic contribution to the Manchester Fire Department Memorial Fund.

Ordinances:

“Amending Sections 33.024, 33.026 (Equipment Mechanic I, Equipment Mechanic II) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.036 and 33.026 (Recreation Specialist I, Recreation Specialist II) of the Code of Ordinances of the City of Manchester.”

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“Repealing the 1987 BOCA National Building Code as adopted in Section 151.01 of the City of Manchester Code of Ordinances, and adopting the 2000 editions of the International Building Code, International Mechanical Code and the International Fuel Gas Code, as well as the 1999 edition of The National Electric Code and the 1993 edition of BOCA Plumbing Code; establishing minimum regulations governing buildings and structures; and establishing fees for the issuance of permits and certificates for the construction and occupancy of buildings and structures.”

On motion of Alderman Pariseau, duly seconded by Alderman Thibault, it was voted to suspend the rules and dispense with the readings by title only.

These Ordinances having been presented for their third and final readings by titles only, Alderman Pinard moved on passing same to be Ordained. Alderman O’Neil duly seconded the motion. The motion carried with Alderman Levasseur being duly recorded in opposition to the ordinance referencing Chapter 111.70.

TABLED ITEMS

- 23.** Report of Committee on Accounts, Enrollment and Revenue Administration advising that it has accepted a school audited financial statement report from the Finance Department.

This item remained on the table.

- 24.** Communication from the Economic Development Director seeking approval to expend \$75,000 of its funds to have the city Highway Department construct a temporary surface parking lot with 151 parking spaces on the vacant lot at the corner of Bridge and Elm Streets; and further requesting authorization to have the parking revenues from this lot, less funds for the reasonable management of expenses of the Traffic Department, returned to MDC in repayment of its \$75,000 investment.

This item remained on the table.

NEW BUSINESS

Communication from the Deputy City Clerk regarding Ordinance:

“Amending An Ordinance Regulating Traffic Upon the Public Streets of the City of Manchester, relating to coin deposits as levies, permit parking, and increasing fees for parking lot permits.”

suggesting the rules be suspended and the Ordinance adopted this evening.

Alderman Pariseau moved to suspend the rules and place the ordinance on its third and final reading without referral to the Committee on Bills on Second Reading and without referral to the Committee on Accounts, Enrollment and Revenue Administration. Alderman Wihby duly seconded the motion. The motion carried with Alderman Levasseur duly recorded in opposition.

“Amending An Ordinance Regulating Traffic Upon the Public Streets of the City of Manchester, relating to coin deposits as levies, permit parking, and increasing fees for parking lot permits.”

On motion of Alderman Pariseau, duly seconded by Alderman Wihby, it was voted to read this Ordinance by title only and it was so done.

This Ordinance having received its final reading by title only, Alderman Pariseau moved on passing same to be Ordained. Alderman Wihby duly seconded the motion. The motion carried with Alderman Levasseur duly recorded in opposition.

Alderman Shea stated this comes under communication. This is in answer to Godsmack. For people interested the Palace Theatre on Tuesday, September 12, tickets are free courtesy of For Manchester, and it is Salute to the Swing Era. The Frees Brothers, an 18-piece big band will be there, vocalist Michelle Lamontagne-Stout, former Miss New Hampshire will be there. The Old Smoothies Dance Team will be there. The Granite State Cloggers will be there. The Dance Vision former Patriot Cheerleader, Heidi Sullivan LaRoche, will be there. The Vintage Harmony Songs of the Andrews Sisters Tap Group will be there. Maureen Meehan, Miss New Hampshire 2000 will be there. There will be family music and entertainment and you can relax and enjoy words you can understand and not be embarrassed by. I am hoping that everyone will attend and have a good evening.

Alderman Hirschmann stated I have a question with respect to an Ordinance that is on the books that is not being followed. It is appropriate that the Building Commissioner is here because political advertising out there...some people are getting over zealous putting 8' billboards in residential areas. People have nice homes and you drive through some of these areas in the City and they have 8' billboards up. It is getting a little carried away. Are we going to enforce the laws, your Honor? I am talking about on Lake Avenue and on Campbell Road up in Ward 1. There are some real obnoxious signs in R-1 districts.

Mr. Leon LaFreniere stated prior to the adoption of the new Ordinance we were counseled that there were some flaws in the existing Zoning Ordinance because it excluded us from enforcing the Ordinance as it was written. There were some Constitutional issues with regards to free speech. With the new Ordinance we felt that we had to address those, however, as the new election season as come upon us and we have just recently been made aware of some signs that have been problematic in that regard, we consulted with the Solicitor's Office today and we are hoping to get some clarification about how big they can actually be. The Solicitor's Office during the process of the Ordinance formulation counseled us that the Ordinances must be content neutral and we can only restrict the size of these signs to be what the maximum size sign would be otherwise in the district. Because there are a number of sizes of signs depending on the nature of what the signs are used for in the zoning districts we realized all of the sudden that when we went to enforce this there was some lack of clarity there.

Alderman Hirschmann asked if Alderman Wihby gets a complaint about an 8' billboard on Campbell Road are you not going to enforce that.

Mr. LaFreniere answered that is not what I am saying at all. Unfortunately in their first opportunity to need to enforce the new Ordinance we realized that there needs to be some clarity.

Alderman Hirschmann asked so you are going to write us a letter and let us know what you are going to do.

Mr. LaFreniere answered we consulted with the Solicitor today and we received our first complaint today and we will be taking action tomorrow.

Alderman Levasseur stated I just wanted to bring to this Board's attention and I have been getting hammered by the City Solicitor all night so I am ready to take another smack...Rule 18 says, "the Resolutions appropriating money and Ordinances imposing a penalty are invalid unless presented at a regular meeting, referred to its proper committee and after report of the committee shall have laid on the table for a period of not less than five days before final action thereon". My question is on the parking tickets that we have. By actually increasing the fines we have to follow Rule 18. It never went to the Committee on Accounts and Enrollment so it has never been actually...it has already been done and I think it is illegal and if anyone went to court they would get their fines back.

Solicitor Clark replied it is my understanding that it was referred to Bills on Second Reading and hasn't come back to this Board yet. It goes to Accounts afterwards.

Alderman Levasseur stated it is already on the tickets.

Mayor Baines replied it shouldn't be.

Deputy Clerk Johnson asked are you talking about the increased fees being on the tickets. I have no knowledge of that. You would have to direct that to the Police Department but the Ordinance to increase the fines is still in the Committee on Bills on Second Reading and it has not come back to the Board to be passed as of yet and when it does, it would be laid over.

Alderman Sysyn stated I had a couple of complaints when they put in the portables at McDonough School. I wondered if there was a way that the School Department could get the neighborhood together regarding where these portables were placed. I had a lot of complaints from Highland Street regarding where they put them and they thought it might devalue their property.

Mayor Baines replied we will communicate your concerns to the Superintendent tomorrow.

Alderman Levasseur asked do you know if those have fire alarm and sprinkler systems in them at all.

Mayor Baines answered yes they have to comply with the regulations of the Fire Department.

Communication from the Chief Negotiator requesting to meet with the Board for a negotiation strategy session.

On motion of Alderman Pariseau, duly seconded by Alderman Lopez, it was voted to recess the meeting for a negotiation strategy session with the Chief Negotiator.

Mayor Baines called the meeting back to order.

There being no further business, in motion of Alderman Pariseau, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

City Clerk