

BOARD OF MAYOR AND ALDERMEN

October 1, 2002

7:30 PM

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Guinta, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest

Absent: Alderman Sysyn

Mayor Baines stated before we start the meeting tonight I would like to offer a special commendation to Leo Bernier and Carol and the entire Clerk's Office. As you know, dealing with all of the elections that they had to deal with recently and all of the issues associated with the elections and the efforts involving our September 11 commemoration and their efforts in organizing this major endeavor for the Clerks' Association in Manchester. We should be very grateful of the work that they do and I know all Board members are impacted in very substantial ways and we should be very fortunate that we have such a wonderful organization of City employees in the City and I want to publicly commend them for a job well done. I have a couple of announcements. Bob Varney, the Regional Administration for the EPA was in town today and presented a check for about \$130,000 to Manchester Water Works to help assess security issues around Water Works and also presented a grant to The Way Home for some projects dealing with lead abatement issues in the City. It was interesting to me that the percentage of cases in the State of New Hampshire...I think we have 10% of the population but we have about 30+% of the lead poisoning cases and students infected with the intake of lead. I found that startling. A lot of it is related to the housing stock and how old the housing stock is in the City but we have some wonderful work going on in the community at The Way Home, which Mr. Varney visited today and also efforts to educate landlords and contractors and builders about the issue as well. It is quite an important issue and thankfully we have places like The Way Home that provide transitional housing when families are impacted with lead poisoning in the City so that was an extraordinary thing as well. Finally, on Thursday I was in Washington and I don't know if you are aware but we keep track of all of our efforts related to security issues since 9/11 and I think the total bill that we have run up to date is about \$1.3 million. I was in Washington at the request of Mayor Menino of Boston who is the President of the U.S. Conference of Mayors on Thursday lobbying members of Congress. In the President's budget there is approximately \$3.5 billion that is being allocated to states and local communities across the country. I met with Senator Gregg with a group of mayors and police and fire chiefs and other members of the Congressional leadership on both sides of the

aisle because it is very difficult for communities across the country...some of them have more significant bills than this and they are looking for assistance from the Federal government. We did convene this week and met with our chiefs and all of the people impacted by that to make sure that we are in a position once the money is released from Washington to deal with the issues related to overtime, training, equipment and things of that nature that the Federal government will be assisting with once that Federal budget is passed. We are optimistic that that will happen but we are advocating that the money come directly to cities and towns. That is why it is being held up now. One bill says they would like to send 75% to local communities and 25% to the state and there is another bill that wants 100% of it sent to the state. The mayors made it very clear that they did not support that because our experience is that if it gets sent to the state it has a very difficult time coming down to the local communities so that is the message we brought to Capital Hill on Thursday. Hopefully we will have some good news about that in the future.

Mayor Baines stated I would now like to introduce Jim Fitts. Jim is a part of a program called Rebuilding Together. It used to be called Christmas in April. It is a magnificent program that I have had the opportunity to participate in every year that I have been Mayor in which they go around...Jim will explain the process but they go and take needy situations and actually rebuild homes for people. I can tell you by going out every year when they do this and visiting the families that are impacted, it is absolutely extraordinary to see the look on their faces and to see their homes that have fallen into disrepair all of the sudden come to new life because of these extraordinary volunteers out in the community. Jim asked for some time to talk about the program and also ask you people if you might have homes or families that you are aware of that could benefit from this wonderful project.

Mr. Jim Fitts stated thank you, Mayor, and thank you members of the Board for having me here this evening. I won't take a great deal of your time but my purpose to be here tonight is to expand the community awareness of another program in your community. The Mayor talked briefly about The Way Home and how The Way Home is working to try to improve the housing stock within the community. Well that is something that Rebuilding Together has been doing since 1995 in your community. As the Mayor mentioned, we incorporated back in 1995 as Christmas in April. Some of you may know of us by that name but we rebranded along with our national organization earlier this year and are now called Rebuilding Together and that recognizes the expanded mission that we have nationally and locally. Just a little bit of history about Rebuilding Together. The program actually started down in Midland, TX back in the late 1970's and it received quite a bit of national coverage during Ronald Reagan's administration and because of that a bunch of affiliates kind of sprung up spontaneously around the country. It wasn't too long before it was obvious that we needed to have some sort of organization so in 1988 a national organization was born to bring together this loose affiliate of at that time 13 affiliates. We have now grown since 1988 to over 245 affiliates across the country. We have representatives in all 50 states. However, the organization here is a local organization. It is a locally incorporated non-

profit. We serve the Greater Manchester community. We fundraise locally. The funds stay local and it is run and operated by local volunteers. We are a full volunteer organization. We don't have any paid staff so virtually all of the revenues that we are able to get from sponsors locally go right back into your community. My purpose as I mentioned was to expand the community awareness of this program and tell you about the types of services that we offer to the Greater Manchester community and to give you some contact information in case you have any constituents who might be benefiting from these services and to let you know that we are in the process of looking for qualified applicants at this time. Essentially, the way the program has run locally is we will come together, as the Mayor mentioned, on one weekend every year. It is generally the last Saturday of April and we will rehabilitate or modify the homes of low income, elderly and disabled people in your community. We do this all in one day. Our largest workday was 15 homes that we completed in a single day. This obviously takes a great deal of logistical effort for us to put this together and that is why even though we have one day a year that we actually provide the services to the community, it is a year round planning effort. We repair roofs and replace roofs. We will build handicap accessible ramps. We will retrofit bathrooms to make them handicap accessible. We will repair flooring. We will repair windows. We will do anything in a house structurally that will promote safety and independence for the inhabitants. This program is directed at homeowners as opposed to renters. We are providing services that increase, certainly materially, the value of the home. Our sponsors and the organization doesn't feel it appropriate for us to use donated dollars to go out and improve rental facilities because we are actually benefiting somebody else who has that property as an income property. Our goal is to find homeowners who have lived in their homes for a number of years, no longer have the financial wherewithal or the physical wherewithal to maintain their homes; they are living in some pretty deplorable conditions. Roofs are leaking. There is no insulation. The cold in the winter comes sometimes. Indoor plumbing is not there believe it or not. We found some pretty amazing opportunities here in the community. We tried to prioritize those homeowners who are living in the most dire of circumstances and then we will go and do the kind of repairs that we mentioned. All of these repairs are free to the homeowners. There is no obligation on their part whatsoever. We come in with a group of volunteers and with skilled trades people and in the course of one work day of about eight hours anywhere from 8 AM until 5 PM we will descend on the house and tear it apart and put it back together again. The homeowner is left with a home that is substantially improved over what they were living with prior to that. We have been in the community as I mentioned since 1996. The information that I passed out will show you that we have repaired in excess of 50 homes since that time at a total market value well in excess of \$250,000. We have, I think, the distinction and we are very proud of the ability to take a single dollar of donate revenue and turn that into at least \$4 of value and that is because we rely so heavily on volunteers and trades people in the community that the costs associated with these kind of repairs are about four times what we end up paying for them. We buy materials but we get them at discounted values. We also have a great deal of donated material and again all of the labor is donated so there is no cost to the homeowner that way,

either. As a consequence we have been able to do, I think, a substantial amount of improvement for the housing stock here in the community. In the last couple of years we have been a little frustrated in not being able to identify homeowners that would benefit from our services. I think it is a little bit of lack of community awareness of the program. I think there is some pride involved and people not wanting to raise their hand and say yes I do need some help. We do have the resources. We have the fundraising skills. We have the volunteers in place. We have the organizational skills in place to do a number of more homes than what we are currently doing. What we are trying to do is go around and speak to organization and let them be aware of what we are doing and let them know that there is an application process that is very straight forward and if you are eligible for our program we will come and we will look at your home and we will judge the need of that home vis a vis other homes. In your packet, the last page is the homeowner's application and contact information is there. I left my personal business card as well in case you have any questions after this meeting or at any time in the future I would be happy to try to address them for you.

Mayor Baines stated Jim obviously we are on television and this is going to be broadcast extensively. If people want to get in touch or get more information, how would they do that?

Mr. Fitts replied there are two ways you could do it. If you want to get a voice I suggest that you use my business card to call for me. Again, as I mentioned this is an all volunteer board. Members of your community all have other private sector jobs. We come together on a regular basis as volunteers to organize and pull this event off. There is an answering service that we have. The telephone number is at the top of the application. People are welcome to certainly use that answering service and leave us a message. We retrieve messages promptly and we return people's calls from there. There is also a post office box where we accept all of our applications but because we are all volunteers we don't have staff and we don't have a place of business if you will.

Mayor Baines stated what we could also do is for those people listening at home we will make these applications available in the Mayor's office here at City Hall and perhaps the City Clerk's Office. We would be glad to help with that process. Again, Aldermen if you know any constituents who could benefit from this make sure that you get in touch with them. It is an absolutely extraordinary program. You go out and you run into all kinds of people you know in the community who are out doing this. In fact next year when we are doing this we can make all of the Aldermen aware and if any of you are interested in going around with me to visit the site I think you would come back with the enthusiasm that I have for this program. That is why I asked Jim to come here this evening. They are just doing extraordinary things in the community and a lot of people don't even know about it. Now we want people to know and benefit in a very substantial way.

Mayor Baines stated I would now like to turn it over to the Director of Planning, Bob MacKenzie, for a presentation on Civic Center Area planning.

Mr. Bob MacKenzie stated thank you, your Honor, and good evening members of the Board. Tonight I did want to present in a fairly short format, this will probably only take 10 to 15 minutes, a presentation on what is happening in some of the planning for both the area around the civic center and in what we are calling the Gateway Corridor. There are really two reasons to be presenting it to the full Board. One is that we are making presentations around the City to different groups as well as to property owners and you will at some point probably be getting questions about this and what the City intends to do. I did want all of the members to get information about what we are doing. Secondly, we are requesting that the full Board refer to the Committee on Bills on Second Reading the proposed zoning overlay for the civic center area. We believe that there are changes happening even now in the civic center and the City should be proactive and ahead of the curve with the appropriate regulations to control what is going to happen in this area. I am going to start out by talking a little bit...some of you were here when the arena was first proposed. There were a number of goals, I think, that were talked about as part of that. One was to clearly put Manchester on the map and I think the civic center, along with the airport expansion and the Millyard revitalization has really done that. I see Manchester as emerging as the primary urban force north of Boston and more and more, despite what is a regional and national recession, the Manchester economy has been fairly strong. Even today we met with a Mill owner who had considerable interest by various tenants in the Amoskeag Millyard. So Manchester, through its efforts over the last few years, is becoming a very competitive force in northern New England. Also of importance though was that the arena serve as an economic catalyst, not only for the entire City, which it is doing but also in the immediate area. Clearly we are looking to have property tax increases in that area. The downtown actually has suffered declines in the tax base for almost the entire last century. Only this year has it turned around somewhat. It used to be the primary provider of tax base in the City and only this year has it started to turn around. It is hoped that the arena will have an immediate impact on the directly related properties around it, which will turn around that trend and help us build a better tax base. I wanted to start out by looking at what we call the Gateway Corridor because the south downtown, the area south of let's say Veteran's Park, is going to be a primary focus of development over the next 20 years. There are a number of contributing factors. Clearly the arena has had a positive impact. There are many people coming to the arena on a number of event nights and that is having and will continue to have a very significant impact but there are a number of other key projects. Number one and this is in your package. You have two items there. One is an updated version of the civic center area report that you received earlier and the second is just a copy of this PowerPoint presentation if you would like to follow along with that. The first item is the I-293 Interchange. As you know, the F.E. Everett Turnpike or I-293 has only partial access to Granite Street. The State has proposed and has accelerated a major reconstruction project exceeding \$30 million to provide southbound off-ramp and northbound on-ramp access to the highway. Related to

that, the City is proposing and designing improvements to Granite Street. That is the number two project. That project is expected to be roughly \$18 million. The City was extremely fortunate recently. The City has been working to get additional Federal funds for that, especially earmarked funds, and I believe it was \$8 million that was recently announced Mayor...

Mayor Baines interjected Senator Gregg said that it was a down payment.

Mr. MacKenzie stated as you can see by the dollars just in those two projects we are looking at \$50 million worth of investment in the highway infrastructure in this area. This will, in essence, make Granite Street the primary gateway into the center part of the City. I think what is great is that the City Highway Department, working with the engineering firm of CLD, is making this more than just a highway project. It is making it a gateway project. If you have seen the designs for both the bridge and Granite Street, it will be a signature gateway into the City and will certainly make Manchester recognized as people come in that it is a very progressive and economically vital City. Number three, four and five I will speak to in a little bit more detail. Three is what we call the Commons District north of the arena. Four is the Gaslight District to the west of the arena and five is the Warehouse District to the south. Other key projects in this area that could be significant are a rail hub. Six shows the possible location for a future rail center. That could become a full multi-model center providing commuter rail to Boston, light rail access to our airport, it could have inter-City bus service, intra-City bus service connecting in our MTA routes. It could even have connections to trail systems. That could become a true multi-model transportation center that would really bring people in to the heart of the City and that combined with the Granite Street and the off-ramp would clearly make this the transportation hub of probably southern New Hampshire. A trail system. As you know, there have been portions of the Riverwalk completed to the south. There are also future rail and trail systems that would extend out to Goffstown and to Boston to the west. Out easterly all the way to the seacoast along the Rockingham trail and south and north from Massachusetts to the Canadian border. So you could have a trail system with bicyclists, with Segway drivers, with rollerbladers, hikers, and joggers that would basically converge really in the Singer Park area. I would note a special interest...the old trestle bridge across the river. There is a non-profit organization "Hands Across the Merrimack" that is headed up by Helen Closson that is going to be attempting to raise a significant amount of money to help make that happen. The City has already been earmarked \$600,000. The Mayor actually went to Concord and got ISTEA money as a major chunk of that bridge renovation. Number eight on the list is the stadium, which various City officials have been working on and are continuing to work on. Number nine there are several other development sites. For example, if the rail center/bus center was changed to this location on the south side of Granite Street, the existing location of the bus terminal could actually become a new development site and it would be a great one. It is very visible from Granite Street. It is connected to the Center of NH garage so there are several independent development sites. Second Street. With full interchange access here at

Granite and another interchange at Queen City bridge, we see that Second Street could become a major redevelopment area and we are looking at that as a real mixed use. There would be housing and there would be commercial there probably at a higher density than it is now. Number eleven is the Sweeney Park area. We see that this area has suffered some decline over the last few years and would be ripe for some type of revitalization efforts and finally we are looking for a signage package. If we have visitors coming into the City on the highway and the rail system, we are looking at a comprehensive signage package to get them into the key parts of the City throughout the City in a very logical way and not in a confusing way. I would like to look now at the three individual districts...I am sorry first our staff did look at other comparative cities. These are cities that are roughly the same size as Manchester. They have all had civic centers. They have all had different approaches to the design and planning as a result of the civic center. The City of Lowell has invested significant funds in the Tsongas arena, the baseball stadium, and they have a great textile museum. They have redone the boot mills or a portion of the boot mills and the Merrimack mills. They have made a significant effort, primarily because of Federal funds. They have generally the ingredients to be successful but they are still not over the edge yet. It is a mill city that is almost there but not there. One of the issues that we see as we look at the urban design of the city is that all of the projects they have done are simply not really related to each other. There are no connections. There is no logical system to bring those together and create a synergy so I think that is something that I know the City of Lowell is looking at. The City of Providence, on the other hand, has done a very great job in interconnecting all of their key projects. If you go downtown now with their new riverwalk they have an arena, convention center, brand-new hotel, a 1 million square foot downtown retail shopping center and all of those are interconnected via pedestrian ways from the downtown up to the State House and the impact has been tremendous. Thirty years ago Providence was a dying downtown and now Providence, particularly this portion of Providence, is on the upswing and they have done it through great connections and high quality of design. The City of Worcester. The Centrum has been a fairly successful individual arena. The downtown has not seen as much spin-off, however, as either Lowell or Providence from that and if you go to look at the city the reason is fairly clear. You can drive to the Centrum easily and park right beside the Centrum. When you are done you get back in your car and you leave. The streets are too wide and that discourages people from walking into the downtown area and basically as you can see from this photo, which was taken from the arena, to get to the downtown area you have to cross large streets and parking lots. It just did not create the pedestrian synergy that is needed to draw people into the downtown. Portland is another community that is on the upswing. The waterfront area is looking great. They have done a great job of mixing uses in a high quality of design, particularly their pedestrian areas. So within these four cities you see considerably different approaches but see some strengths that we should copy and some weaknesses that we should avoid. We put together kind of a vision plan for the area. It is not a plan that says you must do this in a particular area around the civic center. It is a plan that shows what could be the opportunities 15 years from now. More important than the specifics of the plan are what we feel are the guiding principles and

I did want to run through those. The first is to make sure that when people visit Manchester it is a Manchester experience and not just an arena experience. If they are coming to the arena we want them to eat downtown, we want them to stay in the City, we want them to go shopping so it is important to create a real Manchester experience and that is where you get your real economic bang for your buck. Secondly, now that we have the arena there is a lot of people downtown but other than restaurants there is not a lot else to do downtown. It is amazing how many people will be walking downtown on a Friday or Saturday night but still not a lot to do so creating additional things to do will certainly take that existing demand and really make it a dynamic force. We have to encourage mixed-use developments. We need a 24-hour downtown. We need housing downtown, additional housing rooms. We need retail. We need commercial. We need office. It has to be mixed use to be successful and we have seen that in the other cities. In the area adjacent to the arena, we must improve the visual appeal and design standards. If we want people walking out of the arena and saying oh I am going to walk across the street to the Gaslight District they have to be attracted to it. They have to see something that is inviting to them so making sure that the street furniture is good, controlling billboards and other things, it has to be an attractive area. Also, it has to be a pedestrian friendly area. We should not be widening the roads adjacent to the arena. We have to be making sure that sidewalks are appropriate and friendly. We want to make sure that people stay on foot. Once they get back in their car they could easily end up in Bedford or Portsmouth or other parts of Manchester so the more we keep them on foot the more economic impact we will have, especially before and after arena events. We also have some very nice historic resources. We have some buildings that can't be replicated in a typical suburban shopping center or suburban office mall and we should take advantage of that. Again, the Mill owner that we spoke to today said there was tremendous interest in some of the older buildings in Manchester, corporate interest, particularly in the Millyard and that is one of our resources. We can't compete against Hooksett or Londonderry with vacant open commercial land. We just don't have it but we do have some nice historic resources we can compete with. As I said before, the three districts are the Commons District, Gaslight District, and Warehouse District. The Commons District and this is a sketch of what perhaps development on the corner of Lake Avenue and Elm Street could look like. The Commons District is north of the arena and primarily includes the block just to the north up to Central Street including Veteran's Park. Veteran's Park is a nice urban area and it is a real amenity in the downtown. We see this area as important to create a dramatic landmark. As people drive up Granite Street there could be a tremendous opportunity for redevelopment right on the corner of Elm Street and Lake Avenue that would draw people up. Something that is well lit at night. We picked this photograph of Borders in Boston because it is the type of open, airy and bright type of building that would work well on that corner. We also think this block could create more of an urban habitat. We see there is a good potential for housing on the Central Street side. This is the block. The arena is to the south. Lake Avenue, Chestnut Street, Central and Elm. The area along Central Street overlooking Veteran's Park is a beautiful area and we think there is potential for a lot of urban living. There is a demand for urban housing, downtown housing that we simply don't have at the

present time. The Mayor tells a story about when we went to Riverstone Insurance. They brought roughly 110 employees with them and many of those employees looked for good urban housing opportunities but couldn't find them. Ultimately, only 7 out of 110 stayed in Manchester. As we provide more downtown housing there is a demand for it and that will create more economic opportunity. In this particular scenario that we drew, the area along Lake Avenue and the corner of Elm and Lake could be a hotel. We think there is a potential over the next 10 years for at least two or three more hotels in this particular area in the central part of the City. We could have retail along Elm Street, provide a parking deck on the rear of the site, on the easterly side, to service primarily these buildings. Again, when we look at the parking lot we want to try to satisfy the need of the uses on the site but we don't want to encourage large parking areas that will then serve to take people from the arena and get them too close to their destination. The Gaslight District is on the westerly side of the arena, generally bounded by Granite Street, Elm Street, Canal and West Auburn. This area, we think, has the best potential for an entertainment and nightlife area, particularly in the core of what is a great little urban design area. There are some great turn of the century buildings in there. There could be a historic hotel, nightclubs, jazz clubs, comedy clubs and on the periphery, for example Old Granite Street we see potentially a demand for retail shops, small specialty retail shops and restaurants. As you can see on the sketch of the area, the central part, which is Depot Street and Franklin Street could become more of a pedestrian area. We wouldn't see that this area would totally exclude cars, but it would be focused for pedestrians with an entertainment core in the middle and small shops along existing Old Granite Street and Elm Street. The next district is to the south. It is what we are calling the Warehouse District. It extends all the way from the arena down past Valley Street to the area of Hayward Street. We see this as being that area that potentially can bring back retail to the downtown in a big way and in most of the larger urban areas now you have seen a major comeback of retail. Gap outlets, Banana Republic, Lands End and a lot of other retailers are now creating prototypes for urban areas. This is an area where the footprints of the areas and the geographic location work out well for them. We see a tremendous potential for bringing back downtown retail in the next decade. As you can see on this plan, in this particular plan to the left is the north near the arena. We are looking to create along the interior, if you have been down the alley adjacent to Elm Street and between Elm Street and the cemetery, there is a great pedestrian area that could be developed having retail on both sides and potentially housing overlooking the cemetery on high rise residential type buildings. These footprints generally, if you look at this area I am outlining, that is roughly an area of a new urban Gap type of retail outlet so having retail along Elm Street would work well and would be very close to the arena. What are the things that we would have to do in order to make all of this happen? The first is creating a vision guide. Taking this document and working with property owners and elected officials and coming to a common consensus as to the future of this area. We have recently been talking to the Chamber of Commerce about how do we get this common vision and how do we get everybody invested in it. The next item is the item that we hope you refer to the Committee. I will speak very briefly about it in a minute but the overlay zoning provision, I think, is very important to avoid some losses in the next

couple of years, which could happen if we don't take a position in the zoning ordinance. We should be developing design and policy guidelines. Those that explain what type of street furniture, what type of facades, what type of signage would be appropriate and would be compatible with this area. It is also important to have a strong neighborhood participation strategy. Gone are the days of urban renewal when the City could go in and take all of these areas and totally redevelop them. We are going to have to work with the property owners to make the...because we simply don't have the money to invest in the area. We have had two information workshops with the property owners and actually I was very encouraged by those meetings and there is a lot of interest at this time. At some point there will be a need for public investment. We will be looking at various federal funds in order to find ways to help rebuild sidewalks, put overhead utilities underground, fix up the streets...I think that is the appropriate role for the City to take in reinvesting in this area. Of course, the major investment will be from the private side. As we develop common visions and we have had quite a bit of interest in the area...there have been no new projects proposed but there has been a lot of interest by developers in this particular area. I did just want to touch on the zoning ordinance, which we are asking you to refer to Bills on Second Reading. There are four key things we are trying to do there. One is to make sure that the uses that come in there are compatible with the intent of the area. We don't want auto body shops going in there because that doesn't create the type of synergy so we are looking for compatible uses from restaurants to certain office uses to housing to hotels. We also have to make sure that the changes in the area are aesthetically appealing. That is one of the major ways we are going to bring back economic life to this area so we are proposing a design review district, which would be similar to what we have done in the last five or six years with the Amoskeag Millyard. We would have a design review board with a couple of property owners on it that would review the exterior changes of any new projects that come into the area. The third major thing we have to do is to limit surface parking in key pedestrian intensive areas. Again, if we want people to walk across the street to the Gaslight District, if we want them to walk southerly into a new retail area in the Warehouse District we have to make sure there are no big parking lots that become barriers to people walking. Finally, a lot of the aesthetics depend on signage. There can be some great signage. There are some great signs that I love in the City that have been very well done in the last two years but some of the larger billboards tend to detract from that so we are looking at controlling the signs and encouraging signage that is appropriate, attractive and inviting. That briefly wraps up my presentation. I apologize it ran over a little bit. Anybody at home tonight who would like to get this document can actually see it on line if you go to the City's web page right on the front there is an article on civic center area planning and you can access this document. You can also call our office. I have identified some of the staff. Some of the staff are here tonight. I would note for the record that there had been some funds to do some of this planning originally, roughly \$50,000, but given the budget crisis that money was lost so it was our staff who pitched together to put together this study and presentation. I did want to thank them. They put a lot of time and effort into this. At this point, myself and my staff are available for any questions.

Alderman Thibault stated the one thing that I would like to say is having been involved somewhat in the beginning with what is going on with Granite Street, I really believe that the improvements that are going to happen on Granite Street right now are finally going to bring the City of Manchester into one City rather than a West side and an East side. I believe that what you are proposing here also is going to incorporate a lot of the things that we had here in this City that have never been captured before. I really look forward to it and I really hope that the Board will have enough vision to support anything that we are doing here to bring the City of Manchester into one City. There is no longer going to be the West Side and the East Side. Manchester is one City and if anybody thinks about it, Main Street is on the West side because when it was first envisioned this is where the center of the City was going to be. Thank you.

Alderman Lopez stated, Mr. MacKenzie, I think it is great that this is being done. Have you and your staff looked at anything south all the way down to Bakersville School by the Queen City bridge. I know the Chamber of Commerce and Intown were informed. Are you in discussions as to what you are going to do in the south end because all of the traffic is going to come in on the Queen City Bridge for the civic center?

Mr. MacKenzie replied we have talked about what happens south of, for example, the Warehouse District and I think ultimately that area will see a transformation too but that transformation is probably 10 to 15 years away. We feel comfortable with our transportation system though. As we look at mass transit and rail connections and improving access on Granite Street, I think that you will not see a negative impact on the southerly area of Elm Street in terms of traffic impact.

Mayor Baines stated I think there is some potential for development south in that area on some of the parcels we have talked about down there that maybe some people have forgotten about.

Alderman Shea asked how does this fit into our Master Plan, this particular project.

Mr. MacKenzie answered the Master Plan basically called for revitalization of this portion of the City as well as the area to the south of the arena. There was actually in the Master Plan a proposed redevelopment zone and at least half of the area we are talking about is in that proposed redevelopment zone that was in the Master Plan so I think it is fairly consistent with the goals in the Master Plan.

Alderman Shea asked when will the Master Plan be reviewed.

Mr. MacKenzie answered we do want to do an update of the Master Plan. It was last done in 1993. I think that depends on how much staff time we have over the next two years. It will become more of a priority.

Alderman Forest stated, Bob, you mentioned in the Warehouse District that you wanted maybe Bills on Second Reading or someone to change an ordinance for autobody shops and all of that. This is going to be a matter of working it out with the businesses because I think off hand I can think of three that are already there. Would it be something to work out with them to move them out of there?

Mr. MacKenzie responded what the zoning does is it will grandfather any existing uses. It looks into the future and says okay as we change this and have more pedestrians we don't want any new ones but the ones there now are grandfathered and would be protected unless somebody wanted to buy them out and redevelop it but the zoning ordinance does not get rid of any existing uses.

Alderman Osborne asked how long before you see something in the Common District.

Mr. MacKenzie answered I know that it was reported in the newspaper that there has been some developer interest. It is hard to say how quickly that could happen. It could be as early as in the next 12 months but realistically it might also take up to five years for changes in that area. I personally think that you will see the most change in the next two years in the Gaslight District because of its location along Granite Street and its location directly across from the arena. So somewhere between one and five years, I know it is a broad range, in the Commons District.

Mayor Baines stated I would like to take this opportunity to commend Mr. MacKenzie and his entire staff for this truly extraordinary effort that really points to a very exciting visions for our City. I think the people in the community should be pleased that the City is looking towards the future and capitalizing on some of the progress that has been made downtown and continuing to look at investments that are going to expand our tax base. I just think you have done an extraordinary job and I would like to commend you on behalf of the Board and the citizens of the City. Again, it is online. I am not sure if I mentioned this at the last Board meeting but our website is really extraordinary. When I came into office we talked about getting that website up and Diane Prew and her staff have done a great job and the University of Maryland project out of there recently recognized our website as one of the finest that they found out there in terms of its potential in being interactive with the public and this is an example of how we can take something in a very short distance of time and accomplish that so I am very pleased about that as well.

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.

Ratify and Confirm Poll Conducted

- A. Approving the appointments of Dennis Lagueux and Dean Christon to the Manchester Community Resource Center Board (unanimous).

Informational – to be Received and Filed

- B. Copies of minutes of the Committee to Review City's Financial Structure meeting held on September 19, 2002.
- C. Copies of minutes of the Mayor's Utility Coordinator Committee meeting held on August 21, 2002.
- D. Copies of minutes of the Manchester Police Commission meeting held on September 4, 2002.
- E. Communication from the State of NH, Division of Historical Resources, advising of the consideration of the Carpenter & Bean Block and Smith & Dow Block for nomination to the National Register of Historic Places.
- F. Copy of a communication from the State of NH, Department of Environmental Services, relative to the Drinking Water Source Assessment Reports.
- G. Communication from the State of NH, Department of Transportation submitting a copy of the Final Environmental Impact Statement (Volumes I & II) and Executive Summary for the Salem-Manchester, 10418-C IM-IR-93-1(174)0 project.
- H. Communication from the State of NH, Department of Transportation, advising of contemplated awards.
- I. Communication from the U.S. Department of Environmental Protection Agency, relative to environmental impacts associated with the I-93 widening project.

Informational – to be received and filed and forwarded to the Committee on Human Resources/Insurance

- J. Communication from Scott Bartlett requesting he be considered for nomination to the Board of Assessors under Section 3.07(b) of the Code of Ordinances of the City of Manchester.

Accept Funds and Remand for the Purpose Intended

- K.** Communication from the Deputy Finance Officer advising of the receipt of funds in the amount of \$5,000.00 from J. A. Wilson, Inc. towards purchasing and equipping two new canines for the Canine Unit.
- L.** Communication from the Deputy Finance Officer advising of the receipt of funds in the amount of \$500.00 from Sam's Club Foundation towards purchasing supplies and equipment for the Gang Reduction and Training (GREA98) project.

REFERRALS TO COMMITTEE

COMMITTEE ON FINANCE

- M.** Resolutions:

“Amending the FY1999, 2000, 2001, 2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Two Hundred Fifty Five Thousand Dollars (\$255,000) for the FY2003 General Fund Revenues Account.”

“Authorizing the Finance Officer to effect a transfer of Twenty Eight Thousand Dollars (\$28,000.00) from Civic Contributions to Contingency Funds.”

REPORTS OF COMMITTEES

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

- O.** Advising that a public hearing is not warranted for Ordinances:

“Amending Section 31.11 Copies of Reports and Records by Police of the Code of Ordinances of the City of Manchester by increasing the fee for fingerprint cards.”

“Amending Section 70.82 Immobilization of Motor Vehicles for Non-Payment of Parking Fines of the Code of Ordinances of the City of Manchester by increasing the booting fine.”

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

- P.** Recommending that a request of the Police Department to revise the hourly use of standing cruisers fee from \$5.00 to \$15.00 be approved.
- R.** Advising that it has accepted the quarterly financial reports for the year ended June 30, 2002, the quarterly financial reports of CIP/Federal & State Revenue for the period ended June 30, 2002, and the quarterly Treasurer's Report for the fiscal year ended June 30, 2002 and is forwarding same to the Board for informational purposes.
(Note: available for viewing at the Office of the City Clerk and forwarded under separate cover to Mayor and Aldermen.)

COMMITTEE ON COMMUNITY IMPROVEMENT

- S. Recommending that the Board authorize reduction and closeout of projects, and transfer of funds as follows:

Reduce by amount reflected and closeout project:

FY1999 510699	PAL Center/Skateboard	\$ 33.10
FY2000 650400	Building Revitalization	\$155,603.33
FY2000 830700	School Capital Improvement	\$ 47,744.40
FY2002 214802	School Health Computerization	\$ 25.00

Decrease projects by amount reflected:

FY2001 330301	School Capital Improvement	\$ 16,186.40
FY2001 710601	Chronic Drain	\$ 35,407.77

Transfer to General Fund (revenues for CIP cash appropriation restricted expenditures):

FY2003	General Fund Revenues	\$255,000.00
--------	-----------------------	--------------

The committee notes that such reductions relate to cuts in the FY2003 General Fund to meet revenue shortfalls, and for such purpose an amending resolution and budget authorizations have been submitted.

COMMITTEE ON HUMAN RESOURCES/INSURANCE

- T. Recommending that a proposal from the Public Works Director to change the downtown refuse collection crew from a three-man truck to a two-man truck by reducing one Refuse Collector and changing one Refuse Collector, Grade 12 to a Refuse Truck Driver, Grade 14 be approved.
- U. Advising that it has reviewed and approved an ordinance amendment:
“Amending Sections 33.024, 33.025 & 33.026 (Grants Coordinator) 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.
- V. Advising that it has reviewed and approved an ordinance amendment:
“Amending Sections 33.025 and 33.026 (Dispatcher) 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.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

- X. Recommending that the Board of Mayor and Aldermen request that the Manchester delegation look into changing the State statute dealing with speed limits in alleyways to allow for reduced speed limits in alleyways at the option of the city/town.
- Y. Recommending that regulations governing standing, stopping, parking and operations of vehicles be adopted and put into effect when duly advertised and posted.

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

- N. Report of Committee on Accounts, Enrollment and Revenue Administration advising that it has reviewed and approved ordinance amendments:

“Amending the Code of Ordinances of the City of Manchester by deleting §35.023 Collection of Unpaid Accounts Receivable in its entirety and replacing same with a new §35.023 Collection of Unpaid Accounts Receivable.”

“Amending the Code of Ordinances of the City of Manchester by creating §35.033 Special Revenue Reserve Account establishing an account comprised of special non-recurring revenues designed to offset costs associated with capital purchases or recurring operating expenses.”

“Amending the Code of Ordinances of the City of Manchester by creating §35.034 Tax Rate Stabilization Reserve Account establishing a special non-lapsing account designed to offset potential tax rate increases by utilizing undesignated general fund balances.”

“Amending the Code of Ordinances of the City of Manchester by creating §35.035 Risk Retention Reserve Accounts establishing various special non-lapsing accounts designed to utilize undesignated general fund balances.”

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

Alderman Shea stated what I am going to do is review what happened at our Accounts Committee meeting. I don't intend to take all of the items off, just Item G, which would be what I am interested in. That is actually amending the code of ordinances by deleting 35.023, which is Collection of Unpaid Accounts Receivable in its entirety and replacing it with a new ordinance. Item G, the last sentence, says the Water Works and Airport have been granted special exception to this ordinance. At our Committee meeting, four of the members did vote in favor of this and I opposed this, your Honor. I might state why. Both of these departments are headed by very capable department heads and thus my objection relates not to individuals but to maintaining some physical policies, which are in the best interest of our citizens. Kevin Clougherty, our Finance Officer, stated that the Water Works can curtail services whenever they have an unpaid account so obviously we have a check and balance there. It is my understanding that no such controls are present at the Airport and because of serious financial problems with large corporations and we are all familiar with the names Tyco and Enron and WorldCom and others, doesn't it make sense for our Finance Department to be an informed party in this financial arena? Our Finance Officer must not be excluded from this ordinance by granting a special exception to the Airport. I think that a mutual arrangement between Mr. Dillon, who is here this evening, and Mr. Clougherty for specific revenue exceptions would be a sound practice and would not concur with the final draft, letter G, which states that any department head or Finance Officer may petition the

Committee on Accounts for exception status of certain accounts or classes of accounts from the collection of unpaid accounts receivable ordinance. My motion, your Honor, if accepted and seconded would be to have our Finance Department and Mr. Dillon fine-tune only this part of the ordinance.

Mayor Baines asked so you want to refer that section back to the Finance Officer and Mr. Dillon to come back to the Board with a recommendation.

Alderman Shea replied yes.

Alderman Osborne duly seconded the motion.

Alderman Lopez stated being on the Accounts Committee twice now, this particular item G has been going around for months and months. Although you can refer this back to the Finance Officer and the Airport Director, this was done six months ago. I think there is an impasse to the agreement and what the Finance Officer wants and what Alderman Shea alluded to. I think there are more complications with the Airport, as well as Water Works and this is the reason why a majority of the Committee members went along with it. I think that there is a procedure at the Airport that might not be what everybody wants...maybe the Department of Aviation collection policy could be better but I would out of courtesy ask Mr. Dillon to come up and explain it a little bit better.

Mayor Baines stated I just want to let the Board know that all we are doing is referring these ordinances to the Committee on Bills on Second Reading so there would be an opportunity to discuss this.

Alderman Lopez stated I am a little confused here and maybe you can straighten me out. I think it should go back to the Committee on Accounts instead of the Committee on Bills on Second Reading because the Committee voted to put these items in there, not Bills on Second Reading. Bills on Second Reading looks at the technical aspect. The Accounts Committee voted to put these items in there.

Mr. Dillon stated thanks for the opportunity to address this. Certainly the collection policy is a very important issue for the City, as well as an important issue for the Airport. I am somewhat surprised by Alderman Shea's comment that he feels that there is no check and balance at the Airport.

Alderman Shea replied I didn't say that. I said there were checks and balances as far as the Water Works. I didn't say anything in terms of the Airport. That is to say that there is no way the Airport can shut off the water. That is the check and balance I was referring to.

Mr. Dillon responded but we can shut off the gates and we can shut off the concessions and we can take other actions at the Airport to prevent people from operating if they are not paying their bills. I think the bottom line of what we are talking about here and I think anybody who has read the collection policy that is being proposed by the City, as well as the collection policy that has been in place at the Airport now for probably more than a year and a half would see that this is simply a matter of making the decision as to who would put a particular account into collection. If you analyze everything that is here, that is what this comes down to. Whether the City Finance Officer should make the decision as to referring a particular account to collections or should the Airport. I continue to assert that there are unique operating issues at the Airport that if you put the Airport into this one-size-fits-all collection policy that would automatically put any tenant or any account into collection after 90 days, you would end up putting the airlines into collection on a regular basis because of how we collect PFC's, which are passenger facility charges and CFC's and other unique revenues at the Airport. Simply what the Airport is saying is who is in a better position to make the decision as to when collections should be triggered on a tenant or a particular account. There are other issues with the City's collection policy, such as bankruptcy for example, which is in direct violation of airline agreements that exist at the Airport that I have continued to indicate to the Board that if you were to adopt this policy and apply it to the Airport it is in conflict. There are very specific procedures that we have to follow when a tenant is put into bankruptcy or an airline is put into bankruptcy at the Airport. Again, I think the bottom line when you analyze this it is a decision that the Board needs to make as to who is best positioned to determine when a tenant or an account at the Airport needs to be put into collection and quite frankly I do not believe that the Finance Department has the ability to make that decision because they are not dealing with these accounts and they are not dealing with these tenants on a day-to-day basis like the management of the Airport is.

Alderman Shea stated I don't believe the intent of the Finance Department is to put restrictions. I think the intent of the Finance Department, in my opinion, is to just have a guarded control over or some kind of informed control over what is going on. We do use revenue bonds, as far as the Airport is concerned. We back-up the Airport with revenue bonds and that is taxpayer's money and if we are totally excluded from the scenario then there is the danger that there could be some sort of a problem that the City would not be totally aware of. Maybe that could be better explained by our Finance Officer than by me. I am not sure.

Mr. Dillon replied the bonds at the Airport are not backed by tax dollars. They are backed by user fees at the Airport. The bonds are backed solely by the full faith and credit of the Airport. The thing that I think you need to keep in mind is that the Airport reports into this consolidated financial reporting system in the City. The Finance Department, as well as the full Board, has access to all of our accounts to see which accounts are 30, 60, or 90 days overdue. It is not like the Airport has this information and is not sharing this information. That is why I said this truly becomes an issue as to who is determining when an account goes

into collection. You are provided, on a monthly basis, with the status of all of the Airport accounts and I have reported to the Committee on Accounts on many occasions when questions have come up when those accounts went past 90 days, which typically are Federal grants, which are a whole other unique situation at the Airport where that information was provided to the Board. It is not that the Airport is acting independently or unilaterally you always have the opportunity as a Board to request me as the Airport Director or the Finance staff from the Airport to come in here and report as to why a particular account is 30, 60 or 90 days in arrears but quite frankly what we are talking about is I do not want airlines, I do not want tenants that we feel a need to work with because we are asking them to make investments in the Airport, to be put in a position that they would be put in for collection simply because we are following a cookie cutter approach and not analyzing account by account what is the particular reason why they have been put into collection. I don't think there is anybody on the Board who would want to put Southwest Airlines into collections because of the collection cycle.

Alderman Shea stated I mentioned specific revenue exceptions. All I am saying to you is we are not in a sense saying to you that the City is going to put people in some sort of a collection agency because they are 90 days overdue. I don't think that is the intent. I think that Kevin could speak to that better than I but that is not the intent. I think the intent is possibly to have some sort of information so that the expertise of the Finance Office, if it were needed for remedial action or just for conversion would be made aware of it prior to the 90 days or prior to the 60 days.

Mr. Clougherty stated just to back up a little bit I think there are some points on both sides here that are worth exploring. As I said in my letter, the initial intent of what we are trying to do as Kevin mentioned is to put in place a collection procedure for the City. The ordinance that we have right now is not as thorough as it should be and we are trying to put in place something that would be a little more detailed for everyone. I agree with Kevin as I said in my presentation to the Committee and Kevin was there that I think the Airport and Water Works have grown to a particular size where they don't fit into all of the different procedures and certainly as part of the Charter we should be looking at new structures and things for both of those entities. In the meantime, where I disagree with Kevin a little bit is it is not so much the issue of should the Finance Officer decide what goes to the collection agency. I don't think that is the case. I think the Board of Aldermen should decide. The Board of Aldermen are the Board of Directors of the Airport. What the ordinance says, the revised ordinance, is it does put in place a collection agency and a standard procedure but at the end Item G says that any department or the Finance Officer may petition the Committee on Accounts, the Aldermanic Committee, for exempt status for certain accounts or classes of accounts from the collection of unpaid accounts receivable as itemized in the ordinance. What we were laying out was here is the standard procedure that everybody should be following but certainly as in the case of the Airport if there is an exception, that exception should come before the Committee, the Aldermanic sub-committee or the Board of Directors

and they should make the determination as to what is the substitute policy going to be and is it adequate to address all of the different concerns. Certainly if you adopted this ordinance and went forward then Kevin could come in with his existing policy and he could have that presented to the Committee on Accounts and could go forward if the Committee on Accounts agreed with that. It really doesn't come down to the Finance Officer as much as I put that Item G in there because we really did feel that there were some exceptions that needed to be considered and there had to be additional policies that you couldn't get into the ordinance otherwise the ordinance would be so thick you would never be able to read through it.

Alderman Gatsas asked, Kevin, in the short time that you have been at the Airport how many debts have you sent to collection or how much have you not collected.

Mr. Dillon answered I am not aware of any money that we have not collected.

Alderman Gatsas stated so you have had zero debt and zero collection. Mr. Clougherty, what have we written off as a City on bad debt? I don't ever remember this Board taking a vote on what we send to collections. Has that ever come before this Board?

Mr. Clougherty replied there is a report that goes to the Committee on Accounts on a monthly basis and that is referred to this Board, I believe, as part of the reports that you receive regularly. Only the full Board can write-off the accounts.

Alderman Gatsas asked didn't you say that this Board has a right to send somebody to collection and we are the only ones who have that right. Didn't I hear you say that to Mr. Dillon?

Mr. Clougherty replied the Board sets the policy, Alderman. If you adopt the policy to send people to collections, that is what we do.

Alderman Gatsas stated have we ever...I don't remember in the three years that I have been here that we have ever taken a vote as a Board to send anybody to collections or have we ever been, until just now, has that ever been pursued.

Mr. Clougherty replied the outstanding items are reported on a regular basis to the Committee on Accounts.

Mayor Baines asked who makes the decision to send it to collection. Who is charged with making that decision?

Mr. Clougherty answered we follow, if you look at the ordinance...

Mayor Baines interjected do you make the decision, Kevin.

Mr. Clougherty replied the procedure is one that we have forwarded to the Committee on Accounts and we follow that procedure.

Mayor Baines stated I just want to know who makes the decision.

Mr. Clougherty responded it is automatic. It goes after 90 days.

Mayor Baines asked does somebody come in to you and say this is the status of that account and you as the Finance Officer say go.

Mr. Clougherty answered yes. Mainly it is done by the individual departments too. There are some decisions there that are talked about at the Committee on Accounts where it doesn't make sense to go to a collection agency as in the points Kevin is making. There are some items that the ordinance just doesn't apply to.

Alderman Gatsas stated so my question is why are we trying to put different constraints on the Airport than what we as a City have. You just said that the departments can send those out to collection but for some reason we don't want to let the Airport that has had zero collection and zero write-offs. I would say that is a pretty good record. I would say that is probably management I wish we had here.

Mr. Clougherty responded again our point, Alderman, is that there is a procedure that applies to all of the departments for collection of overdue accounts. We follow that procedure. That procedure results in information going to the Committee on Accounts, including the Airport, and I think Kevin makes a valid point. All of that information regarding the Airport goes to the Committee on Accounts currently but if you are going to move forward and put in some strength in that ordinance that lays out what we are going to be doing moving forward then I think you have to put in there an exception for certain agencies and not exempt them from the ordinance.

Mayor Baines stated I have the following Aldermen who wish to speak in this order.
Aldermen Smith, Thibault, DeVries and Forest.

Alderman Smith stated Kevin I have been on the Accounts Committee this year and we presented this a week ago, on September 17 and we took a vote and we excluded Water Works and the Airport and you come in at the last minute again trying to establish a Finance procedure. I think that if anybody brings in revenue it is the Airport and Water Works and they should be held separate. To address the Accounts Committee, the way I see it is anything over \$1,000 we send to the Solicitor for payment but I would say that we are owed millions of dollars that we can't collect as it is. I think to ask these gentlemen to refer to you

is absolutely wrong. If I am on the Accounts Committee and we vote and we vote to exclude them I say we exclude them and not have a double standard.

Alderman Thibault stated I would have to somewhat agree with what Alderman Smith is saying but I would just like to add one little thing. Why is it that we cannot ask Kevin Dillon to come up with a system that would be consistent with what he has to do federally as well as legally at the Airport and then bring it to Kevin Clougherty? I believe the Accounts Committee at that point would certainly entertain that scenario.

Mr. Dillon stated I think we do have a collection policy that the Airport operates under. Again, I continue to try to point out that the issue on the table here is should Airport accounts automatically be put into collection after 90 days or do you want to give the Airport the flexibility to make the decision whether they should be.

Alderman Thibault responded that is what I am saying. Could you come up with a scenario to present to the Finance Department that it may be six months before you have to go to collection or ten months or whatever the scenario is so that the Finance Department would, in fact, understand that you are a separate entity and you have your own criteria to follow and they would understand that? That is what I am trying to say.

Mr. Dillon replied I think we did that and I think that policy was distributed to you tonight.

Mr. Clougherty stated again let me read the existing ordinance. This is what is the law right now, "excepting taxes and assessments due the City" again we except taxes because there is a lien procedure and the assessments because there is a lien procedure, "excepting taxes and assessments due the City the Finance Officer shall forward all accounts that remain unpaid for two months to a collection agency selected pursuant to the provisions of the procurement code which agency shall resort to the proper legal methods of collection." That is the existing ordinance. That is what is the law now. What we are trying to do is put in place a procedure that is outlined in more detail that allows for some exceptions to be made by the Committee on Accounts in the event that there are unusual circumstances as we have seen in the past. Again, it is not a question of the Finance Officer picking and choosing. It is a question of trying to make the ordinance put in place a business practice that allows for individual agencies such as the departments to come before the Board and try and get some relief.

Alderman DeVries stated I guess I would initially address this to Kevin Dillon. Within the ordinance proposed, Item B seems to be suggesting that the Finance Officer will send a report to the department monthly indicating which accounts are over 60 days and the departments shall review the report and forward at their discretion which accounts they wish to have go on for collection. Would that not offer you the flexibility that you were looking

for to exempt initially certain accounts from the collection process or is there something in other portions of the ordinance not printed here that are weighing in on that?

Mr. Dillon responded I am not sure I understand how...there is not a mechanism in place that I am aware of...once a department reports a receivable, it starts an aging process and as far as I can tell the policy that is being proposed by the City is an automatic referral to collection. I am not too sure how you would even accomplish what is being proposed or what you just read there to be honest with you.

Alderman DeVries replied so your concern is that even though the ordinance allows for discretion department heads will not have that. Could you follow-up on that for me, Mr. Clougherty?

Mr. Clougherty stated I tend to agree with you, Alderman. The way that we tried to construct the ordinance was exactly for what you were saying. It was to provide some discretion for the departments to be able to come back either through Item B or certainly in Item G. We don't think and I agree with Kevin, sending McDonalds or the airlines to the collection agency is not what we want to do. I agree with him that it is in conflict with some of the documents he has to follow but what this ordinance if adopted provides is a procedure for him to come back to elected officials and say this is how we are going to treat those classes of accounts and they would not go to the collection agency.

Alderman DeVries stated I am not quite sure that that is addressing the Director's concern though because he does not feel that there is currently the practice in place to allow the department head that discretion. I guess you would need to explain what changes are going to be made to allow him that discretion.

Mr. Dillon stated before he answers that let me clarify what I am trying to say. Certainly if I wanted to come down to the Committee on Accounts at every meeting I guess I could be here saying exempt this, this and this. I think what I am trying to point out is you are proposing now a new administrative system upon the Airport to ask for or be proactive as to how we plug in accounts receivables to alert someone that we are going to look for a waiver on this. I see us creating a system that you are going to end up spending more staff time to monitor.

Alderman DeVries stated I understand what you are saying. Your concern is actually the staff hours that will be spent but clearly the ordinance is trying to have the mechanism that you have the discretion to pick and choose among the aged accounts and then you have the responsibility to forward them back to the Finance Officer to continue the collection process. That is at least how I read Section B of this particular ordinance. Whether that is too cumbersome to be reality is a different matter.

Mr. Clougherty stated I agree with you Alderman because the intent here is not to have Kevin wasting his time coming to the Board every two weeks. It says classes of accounts so you could go in and identify sections that would be exempt from that so that they could process ordinarily but you would want to make sure that you identify those. Right now, there is no exception. The ordinance says "I shall" and as a business practice we come in and we work with the Board around this but we are just trying to get the ordinance to reflect a better business practice that is less of a straight jacket.

Alderman Guinta asked am I the last speaker.

Mayor Baines answered I hope so.

Alderman Guinta stated in Committee I voted for the ordinance as currently proposed for a few quick reasons that I want to outline. First of all, it was pointed out earlier that there are no collections currently outstanding and we can't seem to identify when the last time there was a collection outstanding. Secondly, there is some current oversight in place. The Airport does come and present to the Finance Department and to the Committee itself, therefore, we are involved in the process and should there be an outstanding account we would know about it before the 90 day period and finally to me it appears that it makes the most sense that the person who is running the Airport who has the most knowledge of the Airport and the most knowledge of these relationships should be the entity that initially oversees them. There is a second and a third level of entities that do have the capability to intercede. It is the Finance Department because the Finance Department is made aware and it is the Board of Aldermen because the Committee is made aware. I think at this point because it has worked almost without incident or without incident or without collection issues we should continue to go forward as identified in this current language and I would now call for a vote.

Alderman Smith stated it seems strange to me that the Committee on Accounts would pass something and then turn around and come back three or four months later to make a decision on a petition from the Water Works and Aviation Departments. I would just like to say that there are over 500 people who owe money. Over \$1 million is owed in the 90 day account and some are 120 days. If it is \$1,000 or more it goes to the City Solicitor. This in itself just tracking down who owes what is unbelievable and we tried to get the collection agency so we can get started on the Committee. I don't want to waste time but it seems very, very...if the Committee passed it and now we are going to go back and reverse the Committee's decision then they still have to petition the Committee on Accounts to okay it.

Mayor Baines asked the Clerk to read the motion.

Deputy Clerk Johnson stated the Clerk would like to clarify because as I understand it Alderman Shea was attempting to remove Item G and have that referred to the Finance

Officer and Airport Director to work out and come back to the Board but the rest of the report he wanted to pass along to the Committee on Bills on Second Reading. I would take that as amending the report by deleting Item G and referring that item of the first ordinance back to the Finance Officer and the Airport Director and I wanted to clarify whether the intent is that it come back to this Board or back to the Committee.

Mayor Baines responded I think everybody understands that his motion would send that particular item for further review.

Deputy Clerk Johnson asked but is that item intended to go back to the Committee on Accounts or is it intended to just be directly reported back to the Board. The way the motion was stated I think you want that back to the Committee.

Mayor Baines answered as I understood the motion it was for Mr. Dillon and Mr. Clougherty to get together to try to fine tune it and then come back to the Committee and then it would ultimately come back to the Board. That is what we are going to ask for a vote on.

Deputy Clerk Johnson stated and it is only Item G of the ordinance so the motion would be to amend the report by removing Item G and referring that back to the Committee on Accounts, Enrollment & Revenue Administration.

Mayor Baines stated so if you want to do what Alderman Shea wants you vote yes and if you don't you vote no.

Alderman Wihby asked if we vote no then it won't pass and we can vote again to pass the whole thing.

Mayor Baines answered that is correct.

Mayor Baines called for a vote on the motion. The motion failed.

Alderman Guinta moved to accept, receive and adopt the report. Alderman Smith duly seconded the motion.

Alderman Wihby stated I have a question on the third ordinance. Can someone just give us a brief explanation on that?

Mayor Baines stated that is on the Tax Stabilization Reserve Account.

Alderman Wihby replied yes and I guess that goes with the two-page report that we got from Randy. I am just trying to read this report and make some sense out of it. I guess where I

am coming from is that you said if we had done this in 1996 we would have had almost \$4 million in the account. True?

Mr. Clougherty responded that is right.

Alderman Wihby asked are you assuming that...you know how we have the Revenue Stabilization and we use the fund balance when we do our budget and all of that stuff.

Mr. Clougherty answered yes.

Alderman Wihby asked are you assuming that would have still stayed the same or are you assuming that we wouldn't have used that fund balance in those years because it would have gone to something like this.

Mr. Clougherty answered that is right. That is the assumption he made.

Alderman Wihby asked so how can you say that we would have saved \$4 million if we used it in those years before.

Mr. Clougherty replied the question was asked of Randy to try and give an illustration of how this might work mechanically and the only way he could do that was to go back through actuals of the previous year and show that if this ordinance had been in place how would it have taken effect.

Alderman Wihby stated but it would have raised taxes in those years.

Mr. Clougherty responded yes it would have.

Alderman Wihby asked so what do we gain.

Mr. Clougherty answered in individual years there would have been slight increases in like Item K. He is saying that for those years, for example, in 1997 the then tax rate would have gone up an additional 1.15%.

Alderman Wihby asked so if you take that last column what does that amount to in money. If we were to say that in those years it would have gone up an additional 1% or .5% in 2001, if we take that amount does it equal close to the \$5 million savings or the \$4 million?

Mr. Clougherty answered yes.

Alderman Wihby asked so tell me what we gain then. We would have raised taxes over the previous five years so why do we want to do this now?

Mr. Clougherty replied really what would have happened is in those years when the tax rate increases were 1% or 2% they would have been 2% and 3% and you would have accumulated a fund so that now when you are faced with an 8% increase you would have sufficient dollars to reduce that down to a smaller number. You are right. You will have higher rate increases during productive years just by putting away this reserve to help in those years under a 10 year cycle when we see a recession and you start to have to do something to reduce the rates.

Alderman Wihby stated I guess where I am confused is saying it is a savings. If we would have...

Mr. Clougherty interjected savings is probably not a good term. I concede that.

Alderman Wihby stated I am not saying this isn't a good plan to try to keep the ups and downs balanced for tax increases but to say that we would have saved something if we had done this I think is totally wrong because if we used that money and we spent it the tax rate would have been higher all of those years.

Mr. Clougherty responded I agree with you. It is a redistribution and that is what we are talking about.

Alderman Shea stated I think it makes a lot of sense, your Honor, when obviously the tax rate is lower and we increase it just a bit because right now and next year we are going to run into serious problems and if we had that fund available we would be able to utilize it and not have to add taxes. I think it makes a lot of sense to do it that way. I don't think that we should always be looking to cut the taxes so low in the times that are really go so that when the times get a little bit bad or difficult for people that they have to really dig in deep. Obviously this year with the assessment of property and the problems that we have I think that would have come in very handy and I think it makes a lot of sense to plan. It is sort of looking ahead and I think the more we look ahead and plan the better off we are because if we are living for the moment it is not going to make much sense.

Mayor Baines stated when we met with our new financial advisors I asked them to give us some examples of other communities they are working with and how they deal with those ups and downs. This is one of the strategies that has been put in place to do exactly what you said.

Alderman DeVries stated I have a question on the same ordinance and my concern is with Item B again but it would be the loose definition of one time revenues and I am hoping that maybe you can shed some more light on that. The first item that comes to light is you are

noting developing fees. Maybe you can clarify for me development fees as opposed to impact fees.

Mr. Clougherty replied development fees would be the fees that we might get if you were going to do some of the projects that Bob was talking about in his earlier presentation for those developments in the different districts. They would not be impact fees.

Alderman DeVries asked but they would be one time and non-recurring.

Mr. Clougherty answered right.

Alderman DeVries stated to take it a little bit further for the definition, should there be a scenario where the City would recognize revenues, for instance, from conservation easements on City properties, would that be considered a one-time revenue and dedicated to this account.

Mr. Clougherty responded it would depend on how they flow in and under what provision they might be granted.

Alderman DeVries asked so it wouldn't have to necessarily be the sale of City lands but any source of revenue.

Mr. Clougherty answered right.

Alderman DeVries asked is there any way that you can maybe give us, before that comes to Bills on Second Reading, further examples of other one time non-recurring revenues.

Mr. Clougherty replied yes I would be happy to do that.

Alderman Wihby stated this is going to Bills on Second Reading I guess but I heard during the budget process that people wanted to raid the Revenue Stabilization Fund because they wanted to reduce our tax rate. Putting this in at this time is going to...we know our tax rate is going to be high next year and this is definitely going to raise taxes even higher next year because we are going to be putting money into this fund as well as the Revenue Stabilization Fund. Everybody should know that. It is probably looking to the future, but it is raising our taxes next year and I don't want to hear from this Board if we do this let's raid this fund or the other fund again next year. That is all we are doing. We heard that a lot. I think we took a closed vote to do that and you vetoed it, Mayor, or it was a tie. This is going to raise taxes.

Mr. Clougherty stated I think, again, if next year proves to be a year where it is not difficult then I agree with Alderman Wihby, there may be an increase there.

Mayor Baines replied it is going to be very difficult next year. We know that.

Mr. Clougherty stated there is the difference, obviously, between this purpose and the Rainy Day Fund.

Alderman Gatsas asked, Kevin, can you give me roughly...what I used was a \$30 tax rate average from 1997 until 2001. Is that a pretty good assumption or is that high?

Mr. Clougherty answered I think the tax rates in 1997 were \$30.84 and then there was a revaluation in 2002 that brought you back but most of the years were up into the \$30.00+ rate.

Alderman Gatsas stated so if I use \$30 for an average that would be a pretty close assumption so using that \$30 average on the tax rate, that would increase a homeowners tax who has a home valued at \$100,000 by \$117 over that five year period for that money to go into a fund. Again compounding it because if we are using 1.01% of the tax rate of the previous year plus the increase of the 1.15% we are really compounding it at even higher than that.

Mr. Clougherty replied I think you are right. It would probably be about \$100.

Alderman Gatsas asked can you tell me the reason why...if I am looking at the chart that you gave us, the City undesignated fund balance, at the end of 2001 it was \$3.77 million and what created the problem. We really had the money as a City didn't we?

Mr. Clougherty replied I don't understand what you are saying.

Alderman Gatsas stated the City's portion of the undesignated fund balance was \$3.77 million. What was the School's undesignated fund balance?

Mr. Clougherty replied that next column, the negative \$2.7 million.

Alderman Gatsas asked what does that mean.

Mr. Clougherty replied it is a deficit.

Alderman Gatsas asked so if we didn't have deficit spending then we would have had funds available in the undesignated balance to do what we needed to do and not have to charge taxpayers an additional \$117.

Mr. Clougherty responded that is part of the whole situation. You are right.

Alderman Gatsas stated but we aren't going to clear that up by setting up this account because if it is...if we have that money in there and we overspend again we are in a problem again.

Mr. Clougherty replied you are right. That is always going to be an issue, Alderman.

Alderman Gatsas asked so how does this put any safety nets into the City. It doesn't.

Mr. Clougherty answered again what it does is it takes dollars in those years when you are doing well and sets it aside so that in times like this you will have it as a resource to help you with tax relief.

Mayor Baines stated I want to remind everyone again that this is going to the Committee on Bills on Second Reading and all of these issues should be thoroughly discussed and fine tuned and I would ask the Finance Officer to come in and make sure that we have clear answers to all of these issues to make sure that some of the scenarios like Alderman Wihby talked about are not a reality because you don't want to have a situation like this year when we are facing a very high tax rate that you increase it even further to put money into this fund. The concept that we had earlier was when you have a year that is very low that is an opportunity to do a little savings. That was the concept and I am hoping that is still the concept and if it is not then we need to regroup. That is fuzzy tonight.

Alderman Gatsas stated I certainly believe and again we are going to look at this in Bills on Second Reading but why wouldn't this go back to a Committee where it originated from to get the clarification rather than to send it to Bills on Second Reading. I am looking here at the first four years, the average in that undesignated fund balance was roughly about \$480,000 as an average and all of the sudden in 2000 it goes to \$2.2 million and it was almost like somebody had an idea that there was going to be a problem before the problem occurred. The following year we increased that fund balance to \$3.7 million. I guess I look at that and say how did somebody have that foresight to know that we were going to be in deficit spending? How were we so lucky to know that because if we only had the \$480,000 in that fund as the average we would have been in trouble for over \$2.1 million. How did we have that vision because I would like to know where that crystal ball is?

Mr. Clougherty responded well it is not in our office. As you know, Alderman, fund balances...it is the end of the year that we do that calculation as a result of all of the activities of the year. If during that year we had performed better in terms of our revenues for example and had lower spending then perhaps we had anticipated, that is how you are going to generate those numbers. Again, I will be happy to go back and research what is behind those and explain it at Bills on Second Reading and we will also talk about what the impact is going forward, Mayor, because clearly the concept is the same and I don't think it is fuzzy. I think you probably would be able to use it next year.

Mayor Baines stated what I would recommend is that we pass this, send it to Bills on Second Reading and certainly the people on the Committee on Accounts are more than happy to attend that meeting. Let's sift through these issues. There is no immediacy in doing this. This is something we can take our time on to make sure that all of the questions are answered. We are not going to get them all answered tonight. Let's let it go through the process. That is why we have the process that is set forth.

Mayor Baines called for a vote on the motion to accept, receive and adopt the report. The motion carried with Alderman Shea opposed to Section G of the first ordinance.

Q. Report of Committee on Accounts, Enrollment and Revenue Administration advising that it has accepted the financial statements for the two months ended August 31, 2002 and is forwarding same to the Board for informational purposes.

Alderman Gatsas stated if we can flip to the last page of that report on the two-month unaudited figures, if you go down to where it says two months actual for FY02, the number there is \$5.070 million. If we look at the actual for FY03 it is \$5.848 million, which for the first two months we are some \$778,000 ahead of budget.

Mr. Clougherty replied yes.

Alderman Gatsas stated I guess this is kind of leading into what we are looking to do here on the City side about whether we have an over abundance of revenues so that maybe we don't need to do some of the constraints that the Mayor has had to make the tough decisions to do because if you then go to the first section, on Page 3 of that report, no Page 1 of that report, if you look at the modified budget of FY02 that is roughly \$13.7 million and if you look at the modified budget of FY03, that is \$15.6 million so that is about a \$1.6 million difference or \$1.9 million difference. The difference in the obligations or the spending to date is a difference of \$1.1 million. I am just looking and saying there is a big difference there and where are we at? Are we ahead of schedule so that we can all breathe a little easier? Are we behind schedule? Are we in trouble or not in trouble?

Mayor Baines replied I would like to think that your assumption is correct but I know that Mr. Clougherty is poised to say no so I will let him do that.

Mr. Clougherty stated I am sorry to disappoint you, Mayor, but I think the first two months we have done well but again it is when expenses hit in different years too. It is not always the best thing to take a look at one year versus the other because there are different events and different things that require spending and definite revenues that come in and are attributed to that. Overall, I agree with Alderman Gatsas. I think we are doing fairly well right now. That is not to say that it is going to continue. I think two months is not a trend. I

think you have to take a look at some of the fundamentals we have been looking at over time. Again, I would say that right now we are performing on target but I wouldn't suggest that we are going to go very strongly in any particular direction here. I think you are holding your own.

Alderman Gatsas asked can you identify a couple of the differences for me on the revenue side please.

Mr. Clougherty answered one of the important things to look at would be the auto registrations. If you take a look at FY02 versus FY03, for FY02 it was \$2.214 million and for FY03 it is \$2.198 million. We think that is one of your big items over the course of the year and we would see that as a more telling indicator than some of your others. If that starts lagging then that would be a concern to us.

Alderman Gatsas asked you don't think that the permit number would be a bigger concern to you that it is from \$800,000 to \$1.1 or \$1.2 million where it is a \$400,000 increase in two months and we shouldn't be seeing that for permits.

Mr. Clougherty answered no because over time, Alderman, over the course of your budget the percent that permits is versus the percent that auto registration is I think you have to take a look at. You may have a rush during the construction seasons or during seasonal types of things that are causing people to do some things maybe through refinancing their homes or things like that that they didn't have last year.

Alderman Gatsas stated I think Mr. LaFreniere will agree that the biggest permit months in the Building Department are probably March and April, not July and August. Those are probably two of the lower months if I remember from his presentation that he gave us.

Mayor Baines asked Mr. LaFreniere to come forward to a microphone.

Mr. LaFreniere stated as it happens, July does appear as something of an anomaly in terms of what we had expected to see in the form of a revenue projection. We did get a large project that came on line and pulled their permits in the month of July. We have compiled the revenue numbers for August and September at this point and they are considerably lower than the month of July was. Whether that is enough to indicate a trend yet, I guess I would be hesitant to predict.

Mayor Baines asked could you make a comparison to how you were performing in the last couple of years.

Alderman Gatsas stated don't use August because that is included in this report.

Mr. LaFreniere answered I am just relaying to you some information in regard to having looked at the revenue numbers today. I did not make the comparison with FY02 but the revenue numbers for both August and September were fairly level but substantially lower than the month of July was. We did have a single major project that came on line in July.

Alderman Gatsas asked, Kevin, can you tell me how we are doing on expenses.

Mr. Clougherty answered I think the departments are concerned about the current environment and they are doing their best given the seasonal situation that they had to control themselves. I think we are doing well with it.

Alderman Gatsas stated if that is the case then I am a little concerned with Page 2. Page 2 tells me that the modified budget in FY03 was \$105 million and the modified budget of FY02 was \$104 million and we are somewhere in the vicinity of almost \$2.6 million ahead of where we were in FY02. That concerns me a little bit.

Mr. Clougherty responded again I think you have to take a look at things that were paid for or things that were incurred this year that may not have been incurred during the previous time period. The timing of payments for retirements and things like that may have an effect on that. I would be happy to go back and itemize what the differences are for you Alderman if that would be helpful.

On motion of Alderman Gatsas, duly seconded by Alderman Osborne, it was voted to accept, receive and adopt the report.

- W.** Report of Committee on Lands and Buildings recommending that a request to approve a proposed formal agreement between the Welfare Department and Manchester Emergency Housing be referred to the full Board without recommendation. The Committee notes that Mr. Martineau has been requested to provide additional information to the Board.

Deputy Clerk Johnson stated I wish to advise the Board that the Welfare Commissioner had indicated that he was not ready to report back to the Board on this so I am presuming he will come back at the next meeting.

On motion of Alderman Thibault, duly seconded by Alderman Smith, it was voted to table this item.

- Z.** Report of Committee on Traffic advising that it has approved a request from the Fire Department to close various City streets on Sunday, October 6, 2002 in conjunction with the 49th annual Fire Prevention Parade and Muster under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk Departments.

Alderman DeVries stated this is pertaining to the Fire Department Muster and though I am not questioning the street closure as indicated in Item Z, I thought I would offer Chief Kane the opportunity to come up and address the specifics on the Fire Department Muster so the public can be made aware. I think I can also note that I am probably stealing the thunder this evening from Real Pinard, who for decades now has been the President of the Fire Prevention Committee and we appreciate that.

Alderman Pinard stated thank you for that, Alderman. It has been quite an honor for me for over 30 years to be part of the Fire Prevention Committee and leading the parade for the last 25 years at least.

Chief Kane stated I want to thank Alderman DeVries for allowing me to speak. I will be brief. I just want to make sure that everyone is aware that we do have the Fire Prevention Parade coming up on Sunday. The kick-off or step-off is on Elm Street, Elm and Salmon Street, at noon. Everyone is invited. We are hoping that the citizens from the City come out and bring their children down. We should have apparatus and fire trucks from about 60 surrounding towns and we have a fire muster right down in front of the Central Fire Station right afterwards and everyone is invited to come down. We also have a breakfast Sunday morning and everyone is invited to come to that. It is at the Central Fire Station.

Mayor Baines asked not all of the citizens of the City.

Chief Kane answered well there are quite a few people who show up. We have about 300 or 400 people show up.

Mayor Baines asked what time is that.

Chief Kane answered it is 9 AM and it is all put on by the Fire Prevention Committee of the City of Manchester.

On motion of Alderman DeVries, duly seconded by Alderman Shea, it was voted to accept, receive and adopt the report.

Nominations to be presented by Mayor Baines, if available.

Water Works Commission

C. Arthur Soucy to succeed himself, term to expire January 2006.

On motion of Alderman Thibault, duly seconded by Alderman Forest, it was voted to suspend the rules and confirm the nomination of C. Arthur Soucy to the Water Works Commission, term to expire January 2006.

Conservation Commission

Eric Skoglund to succeed himself, term to expire August 1, 2005.

On motion of Alderman Smith, duly seconded by Alderman Pinard, it was voted to suspend the rules and confirm the nomination of Eric Skoglund to the Conservation Commission, term to expire August 1, 2005.

Mayor Baines stated I want to announce that Eric Sawyer has been elected Chairman of the ACCESS Manchester group. I want to thank Eric for his tremendous service and advocacy for issues surrounding the disabled. All of us who have come to know Eric...you know he has become a personal friend of mine as well and he is a gentleman who is really interested in government and making a difference and I would like to personally congratulate Eric on his election and wish him well in this new endeavor.

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

Mayor Baines called the meeting back to order.

OTHER BUSINESS

A report of the Committee on Finance respectfully recommending, after due and careful consideration, that Resolutions:

“Amending the FY1999, 2000, 2001, 2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Two Hundred Fifty Five Thousand Dollars (\$255,000) for the FY2003 General Fund Revenues Account.”

“Authorizing the Finance Officer to effect a transfer of Twenty Eight Thousand Dollars (\$28,000.00) from Civic Contributions to Contingency Funds.”

ought to pass and be Enrolled.

On motion of Alderman DeVries, duly seconded by Alderman O'Neil, it was voted to accept, receive and adopt the report.

Ordinances:

“Amending the Zoning Ordinance of the City of Manchester by changing the zoning district of property currently zoned R-SM (Residential Suburban Multifamily District) to B-2 (General Business District) on the west side of Brown Avenue at the intersection of Hazelton Avenue.”

“Amending the Zoning Ordinance of the City of Manchester by changing the zoning district of property currently zoned R-1B (Residential One Family District) to R-SM (Residential Suburban Multifamily District) on the east side of Brown Avenue at the intersection of Hazelton Avenue, extending to the Londonderry Town line.”

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to read the Ordinances by title only, and it was so done.

On motion of Alderman DeVries, duly seconded by Alderman Osborne, it was voted that the Ordinances be Enrolled.

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

Mayor Baines called the meeting back to order.

Communication from Kevin Dillon, Airport Director, requesting annual review and approval of the Board’s previous authorization that he be allowed to enter into multi-year agreements on behalf of the Airport and City when situations necessitate immediate commitment or approval.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to approve the request.

A report of the Committee on Accounts, Enrollment and Revenue Administration respectfully recommending, after due and careful consideration, that Ordinances:

“Amending the Zoning Ordinance of the City of Manchester by changing the zoning district of property currently zoned R-SM (Residential Suburban Multifamily District) to B-2 (General Business District) on the west side of Brown Avenue at the intersection of Hazelton Avenue.”

“Amending the Zoning Ordinance of the City of Manchester by changing the zoning district of property currently zoned R-1B (Residential One Family District) to R-SM (Residential Suburban Multifamily District) on the east side of Brown Avenue at the intersection of Hazelton Avenue, extending to the Londonderry Town line.”

were properly enrolled.

On motion of Alderman Shea, duly seconded by Alderman Smith, it was voted to accept, receive and adopt the report.

Communication from Kevin Dillon, Airport Director, requesting that assets formerly owned by the Manchester Regional Industrial Foundation be assigned to the Airport for administration, specifically leases, and that the Airport Director be authorized to execute any and all necessary documents required to finalize the transition.

Alderman Wihby moved to assign such leases to the Airport and authorize the Airport Director to execute any and all necessary documents required to finalize the transition, subject to the review and approval of the City Solicitor. Alderman Osborne duly seconded the motion.

Alderman Wihby asked can any of these leases, if the City didn't give them to you, can we use it for our purposes.

Mr. Dillon answered no.

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

Communication from Kevin Dillon, Airport Director, seeking authorization to assume the lease agreements of the Manchester Regional Industrial Foundation as follows:

- a) Summit Packaging Systems, Inc.;
- b) Fruedenberg – NOK General Partnership; and
- c) Meggit Avionics, Inc.

On motion of Alderman Pinard, duly seconded by Alderman Wihby, it was voted to authorize the Airport Director to assume the lease agreements as presented.

Communication from Leo Bernier, City Clerk, requesting the polling hours for the State General Election, scheduled for Tuesday, November 5, 2002, be set from 6:00 AM until 7:00 PM.

On motion of Alderman Osborne, duly seconded by Alderman Shea, it was voted to set the polling hours for the State General Election for Tuesday, November 5, 2002 from 6 AM until 7 PM.

Communication from Leo Bernier, City Clerk, suggesting that the first meeting in November be scheduled for Wednesday, November 6th due to the State General Election being held on Tuesday, November 5th.

On motion of Alderman Thibault, duly seconded by Alderman Forest, it was voted to reschedule the first Board meeting in November to Wednesday, November 6.

Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Three Hundred Seventy Five Thousand Dollars (\$375,000) for the 2003 CIP 411303, South Willow FS Reroofing & Masonry Repairs Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Seven Hundred Thousand Dollars (\$700,000) for the 2003 CIP 411403, Cohas Brook Fire Station Project.”

On motion of Alderman O'Neil, duly seconded by Alderman Wihby, it was voted to read the Bond Resolutions by title only, and it was so done.

Alderman Shea moved that the Bond Resolutions pass and be Enrolled. Alderman O'Neil duly seconded the motion. There being none opposed the motion carried.

Resolutions:

“Amending the FY1999, 2000, 2001, 2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Two Hundred Fifty Five Thousand Dollars (\$255,000) for the FY2003 General Fund Revenues Account.”

“Authorizing the Finance Officer to effect a transfer of Twenty Eight Thousand Dollars (\$28,000.00) from Civic Contributions to Contingency Funds.”

On motion of Alderman Thibault, duly seconded by Alderman Smith, it was voted to read the Resolutions by title only, and it was so done.

On motion of Alderman DeVries, duly seconded by Alderman O'Neil, it was voted that the Resolutions pass and be enrolled.

Ordinances:

“Amending the Zoning Ordinance of the City of Manchester by changing the zoning district of property currently zoned R-SM (Residential Suburban Multifamily District) to B-2 (General Business District) on the west side of Brown Avenue at the intersection of Hazelton Avenue.”

“Amending the Zoning Ordinance of the City of Manchester by changing the zoning district of property currently zoned R-1B (Residential One Family District) to R-SM (Residential Suburban Multifamily District) on the east side of Brown Avenue at the intersection of Hazelton Avenue, extending to the Londonderry Town line.”

On motion of Alderman Pinard, duly seconded by Alderman Wihby, it was voted to read the Ordinances by title only, and it was so done.

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted that these Ordinances be Ordained.

TABLED ITEM

Communication from Jay Taylor, Economic Development Director, requesting to expend an additional \$5,000 in Manchester AirPark funds to complete appraisals related to the proposed Courthouse Square project for a total authorization of \$15,000 based on the lowest of the two proposals received.
(Tabled 06/04/02)

This item remained on the table.

NEW BUSINESS

Mayor Baines stated to make sure that people haven't lost this information, I asked Mr. Clougherty to prepare some information that is going to be discussed by the Special Finance Committee but the situation is...looking at what happened this past year with the budget that the efforts that we took over the past fiscal year and I am sure you will never read about this anywhere but the budget expenditure surplus for the year looking at what departments did not spend responding to a request to be very cautious with spending resulted in a \$3.6 million expenditure surplus for the fiscal year that we just closed. That is bumped up against, however, missing the mark on revenues by approximately \$2.6 million. We were very fortunate that we were able to work with the departments and I commend the various department heads for working with us. In addition, we had already pulled back expenditures, if you recall, approximately \$1 million to deal with the impending Welfare situation so when you look at how we managed ourselves through this past fiscal year, even though we are looking at some significant challenges in terms of the tax rate because of a lot of things that are happening with our economy right now, I think we should feel very fortunate that our City did end up on the plus side when communities all over the region as we mentioned during my budget message a few weeks ago are looking at very significant deficits. We are not in that situation. We do have some challenges that are coming before us but I think we should take note that we did manage...everyone managed that budget quite well. We looked at approximately \$800,000 coming back from the Highway Department; Building Maintenance \$440,000; Fire \$340,000; Parks & Recreation \$250,000; Insurance Accounts \$1 million and Debt Service \$400,000. The thing that I want to caution this Board about as we begin to look forward and by the way just so that we understand parking revenues fell short approximately \$1.4 million. Investment earnings were off approximately \$700,000 because of obviously what is happening with interest rates. Parking fines were off by \$270,000, building permits by \$180,000, and auto registrations were off by about \$110,000. The issue, although I don't want to lament on it, but just remember that if we had accepted the budget estimates that I had presented and the Finance Officer had confirmed, we would have been almost right on in terms of what we had projected for revenues in this past year. We have to be very cautious if you recall when those revenue estimates were adopted and I think there was a 6.9% increase over what we recommended. That actually ended up being approximately the shortage that we had because we boosted revenues up in that final budget that was adopted. We have to be very cautious of that going forward. The challenges for next year...we were just notified by the Finance Officer that as you know when all of this was going on with investments and stock markets, we have to make up the difference in terms of the pensions. We were recently notified that with Police and Fire alone, that is going to result in an increase of approximately \$1 million that we need to contribute to the retirement system next year and Kevin, correct me if I am off on any of these things...

Mr. Clougherty interjected that is right.

Mayor Baines stated you may remember that last year during the budget process we faced a very similar situation with the City retirement. We can expect a similar thing to happen again this year and then next year is one of those unique years when you have 53 payroll periods. That is another increase of approximately \$1 million. Obviously debt service...this is the year that we must pay off the school deficit. Those who talked about the fact that the deficit maybe wasn't as big a concern as we thought over here recognize through that agreement that we worked out through the court that debt comes due in the next fiscal year - \$2 million to pay off the final part of that deficit. We are also looking at...we still want to open up the fire station. That is an additional \$1.2 million. Obviously what is happening with the tax base we need to be very concerned about. That may result in an additional \$1 million plus in the overlay account plus the situation with contracts. Everybody needs to be very cognizant and these dynamics change regularly. They have changed since we adopted the budget in June and they are going to present some very significant challenges of how we are going to balance out these needs. As we look at the various proposals that we are putting before the Aldermen in the next several months, as I said last night to the Human Resources Committee we need to start saying yes to some of these proposals because you could be making choices that are very significant. We can all make very significant choices to come out with a situation that is palatable obviously in providing the services that we need to provide but also balancing the ability of the taxpayers to pay. Everything is back on the table for discussion and I have had some conversations with the Finance Officer about the status of the rainy day fund and looking at that situation but we need to look at some very prudent decisions going forward so you need to know that is in the back drop of everything that is coming down the line. I wanted you to be aware of it. The good news is that we balanced our books in the past fiscal year because of good financial management and the cooperation of all of the departments in the City.

Alderman Lopez asked can we get a copy of that report.

Mayor Baines replied we are finalizing it and hopefully we will send it out on Friday.

Alderman Lopez stated there are two areas that I am interested in. We talked about excess property being sold and the status of that and the direction that we are going on that and the other is the Health Department moving into the Rines Center and the renovation. I heard through the grapevine that we have to go through a bidding process or something like that and I know that the Alderman from Ward 2, sometime last year we approved not going through a bidding process but got somebody to do a renovation of a downtown building. Do you recall that Alderman Gatsas?

Alderman Gatsas responded you don't mean they made a change in the procurement code.

Alderman Lopez replied well you have been asking for that for a long time but anyway is there a problem where we have to wait because I think December is right around the corner and Youth Services and everybody wants to get in there.

Deputy Solicitor Arnold stated there was discussion about hiring an architect to do the necessary work for the fit up of the Rines Center and yes, at this point that does have to go out to bid in accordance with the procurement code.

Alderman Lopez asked didn't we change that at one time in the last couple of years where we went directly if I recall.

Deputy Solicitor Arnold answered for certain projects you have allowed the project to go by design-build rather than strictly by the procurement code. I am not aware of any instance where the procurement code has been suspended to prevent bidding or from doing proposals for design-build.

Alderman Lopez asked can this Board do that.

Deputy Solicitor Arnold responded can this Board do design-build for the Rines Center or...

Alderman Lopez interjected let me clarify it. If we have a problem over there in getting it renovated in order to move these departments in and we have to go out and do all of these bids and everything else, is that going to take us beyond December when everybody is supposed to be in there?

Mayor Baines asked, Mr. MacKenzie, would you like to weigh in on this because Alderman Lopez's point is very important because we have to get these departments moved into that building.

Mr. MacKenzie replied I don't think it is possible to get all of the departments in by December at this point. I am not sure if that was the original date although that was close to it. We were looking at the beginning of the year. We are aware that there is probably going to be an extra six weeks in order to go through a bid process for the architect. Again, I would expect that it will take an additional six weeks to accomplish it.

Alderman Gatsas stated we did a project, I believe the Bond building, where we waived the procurement code and allowed the developer to go forward, which kept the cost down. We did that. We did that right here.

Deputy Solicitor Arnold replied I believe that was a design-build project.

Alderman Gatsas responded that is what I just said and you said it couldn't be done.

Deputy Solicitor Arnold replied I didn't say that. I said in the past that you have done...

Mayor Baines interjected what are the options the Board has right now to deal with the timeline issue that has been brought to our attention. Do we have options here?

Deputy Solicitor Arnold stated you could always amend the ordinance for a certain project. I would never advise this Board to ignore an ordinance, but you could amend the ordinance for a specific project.

Alderman Gatsas stated we did that last time. We did that on the Bond building. We amended the procurement code to allow the design-build and we went forward with this Board taking a vote and completed it in a timely manner.

Mr. Clougherty stated I have the same recollection as Alderman Gatsas. I don't think you amended the ordinance. I think you did a resolution that exempted that particular project from the procurement code and I can't remember, Alderman, whether it was construction management or design-build. I would have to go back and look at that but you have done things in the past where you have allowed projects to take a different path and not follow the procurement code.

Alderman O'Neil stated we did another one fairly recently on the Airport terminal expansion. We did it on the civic center and Alderman Gatsas is absolutely right, we did do it on the Bond building, whether it was design-build or construction management. My concern is why are we having this discussion October 1. Why hasn't that already been looked at?

Mayor Baines replied there wasn't a reason. There was a question whether we could continue working with the architect. We had already identified the architect under the emergency provisions that were afforded us during the Charter and then it was raised...I forgot how it was raised whether we could continue to do that and just recently within the last week or so the Solicitor ruled that we couldn't continue with that. That is how it happened.

Deputy Solicitor Arnold stated back when we had the fire at 795 Elm Street, obviously something had to be done immediately with the Health Department and it was our opinion at that time that for the initial work that was necessary to get the Health Department into the Rines Center that that fell under the emergency provisions of the procurement code. I do not think that the remaining fit up that needs to be done to fit other departments in there since the Health Department is presently in that building, fall within the provisions of the emergency act.

Mayor Baines asked what would we need to do to amend it so we could move forward in an expedient fashion.

Deputy Solicitor Arnold replied you could certainly do something similar that you have done in the past.

Mayor Baines responded what would we do. Tell us specifically what we would need to do.

Alderman Gatsas asked can we amend the ordinance to allow for a design-build, no not design-build but construction management on the Rines Center.

Alderman O'Neil stated how about just a general motion that allows some flexibility here for staff.

Mayor Baines responded I would rather just give them some extra time to make sure that we are doing it right.

Mr. Clougherty stated my understanding is that the procurement code says that under certain emergency situations you don't have to follow the procurement code. Hiring an architect clearly is not an emergency in this situation and that is what the Solicitor has ruled. Therefore, amending the procurement code I don't think is really what you want to do. What you want to do with this particular project is to get an exemption from the procurement code so you can use an alternative to solicit an engineer or an architect.

Deputy Solicitor Arnold replied I would agree with that. I was looking through the Code or Ordinance book to see what was done in the past but unfortunately this copy has not been updated with whatever actions the Board took to do that.

Alderman Gatsas stated I guess the opportunity is here for me to ask, Frank, how close are we to the procurement code changes.

Mr. Thomas replied it is under review by the City Solicitor's Office.

Alderman Lopez asked can Carol repeat the motion.

Mayor Baines called for a five-minute recess.

Mayor Baines called the meeting back to order.

Deputy Clerk Johnson stated the City Solicitor, Finance Officer and City Clerk's Office have met and reviewed the ordinances. It is our opinion that if the Board so desires they could find that under the ordinance provisions of Section 39.09 Special Purchase Procedures that

this does constitute an emergency in that it is delaying the benefits for the Health Department to be able to complete their process of construction and in addition to that there is a funding crisis that is upcoming in terms of Elderly Services and Youth Services having to move out of their facilities as well.

Alderman Thibault moved to find that under the provisions of Section 39.09 Special Purchase Procedures, the relocation of Health, Elderly and Youth Services into the Rines Center does constitute an emergency. Alderman O'Neil duly seconded the motion.

Alderman O'Neil asked does that include design services and construction services.

Deputy Clerk Johnson replied your purchases are required in the event of an emergency, which necessitates the immediate purchase of goods and services.

Alderman O'Neil asked so we are talking full services then.

Deputy Solicitor Arnold replied I don't believe so. I believe that the emergency provision is being invoked only for the service of an architect. I believe that Planning plans on going out to bid for the construction services.

Alderman O'Neil asked why couldn't we do both.

Deputy Solicitor Arnold answered I guess you could.

Mayor Baines stated the motion will include both architectural services and construction. Are we all set with this because I don't want to revisit this in two weeks after other objections are raised?

Deputy Solicitor Arnold responded if the Board wishes to declare an emergency then they can proceed under the special provisions of 39.09A.

Mayor Baines asked is there anybody in this room who wants to raise any objections to this at this time.

Alderman Gatsas stated looking at the building on the corner of Merrimack and Elm Street where the Health Department was housed, I think that this would be declared an emergency.

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

Alderman Gatsas stated I would like to send a notice for a chronic drain problem to Lands and Buildings so they can look at it.

Deputy Clerk Johnson replied chronic drain is under the CIP Committee.

Alderman Gatsas responded then I will send it to CIP. Also, there is a petition regarding on street parking and some of the people living on the street would like it put back to on street parking. I would like to refer that to the Committee on Traffic.

There being no further business, on motion of Alderman Smith, duly seconded by Alderman DeVries, it was voted to adjourn.

A True Record. Attest.

City Clerk