

BOARD OF MAYOR AND ALDERMEN

November 6, 2002

7:30 PM

Mayor Baines called the meeting to order in Joint Session with the Library Trustees.

The Clerk called the roll.

Present: Board of Aldermen – Aldermen Wihby, Guinta, Sysyn,
Osborne, Pinard, O’Neil, Lopez, Shea, DeVries, Garrity, Smith,
Thibault, Forest

Library Trustees – Joan Barrett, Kevin Devine, Roger Duhaime, Mary Heath,
Karen Sheehan-Lord, Madeleine Roy, Joseph Sullivan

Absent: Alderman Gatsas

Mayor Baines advised that Kevin Devine’s appointment terminated October 1, 2002 and requested a motion to either reappoint Mr. Devine or nominate another individual, term to expire October 1, 2008.

Alderman Wihby asked is this allowable, the way this is worded. Are we breaking the Charter by doing this?

Mayor Baines answered I don’t believe so but I will defer to Solicitor Clark.

Solicitor Clark stated this is all right under the Charter.

On motion of Alderman Wihby, duly seconded by Alderman Thibault, it was voted to reappoint Kevin Devine as a member of the Library Trustees, term to expire October 1, 2008.

On motion of Alderman Thibault, duly seconded by Alderman Shea, it was voted to suspend the rules and confirm the nomination of Kevin Devine as a member of the Library Trustees, term to expire October 1, 2008.

There being no further business to come before the Joint Session, on motion of Joseph Sullivan, duly seconded by Alderman Thibault, it was voted to adjourn.

Mayor Baines called the regular meeting to order.

The Clerk called the roll.

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

Absent: Alderman Gatsas

Presentation by Mayor Baines of a Proclamation in honor of the City's observance of Veteran's Day.

“Whereas November 11 marks the annual celebration of Veteran’s Day and Manchester’s veterans have always occupied a place of honor in the hearts and minds of their fellow citizens and the sacrifices they have made for their countrymen in successive conflicts from the Revolution to the current battle in Afghanistan have guaranteed the freedoms that make the United States unique among nations and our obligation as citizens is to honor their service and to remain vigilant about the threats, both foreign and domestic, to the liberties we cherish. Tonight’s ceremony is merely a token of the deep appreciation that the citizens of Manchester feel for the veterans who live among us. I, Robert A. Baines, by virtue of the authority vested in me as Mayor of the City of Manchester and the State of New Hampshire, do hereby proclaim November 11, 2002 as Veteran’s Day to be a day of appreciation for all and a celebration of the sacrifices made by Manchester’s veterans.”

Alderman Lopez stated I would now like to introduce Kaleigh Cronin from Hillside Middle School who will sing the National Anthem.

Ms. Cronin sang the National Anthem.

CONSENT AGENDA

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

Approve under Supervision of the Department of Highways

- A. Teleport Communications Group – NH Petition #10 Conduit and cable on Hanover Street;
PSNH Petitions # 11-957, 11-958, 11-959 and 11-960 for poles located on Readey Street, South Porter Street, Maple Street and Merrimack Street; and
Verizon Petition #607039 located on Rockland Avenue.

Informational – to be Received and Filed

- B. Communication from the City Clerk advising that the December 17th meeting of the Board will be held at the American’s Credit Union Museum located on the corner of Amory Street and Notre Dame Avenue.

- C.** Communication from Deputy City Clerk Normand advising that the producers of the television show “The West Wing” utilized Manchester’s polling booths for an upcoming episode to be aired on November 6th.
- D.** Communication from Raymond Pinard, Chairman of the Manchester Development Corporation, advising of the status of the proposed development of the vacant property at the corner of Bridge and Elm Streets between MDC and Manchester Place LLC.
- E.** Communication from Dick Dunfey, Executive Director of the Manchester Housing and Redevelopment Authority (MHRA), submitting estimated amounts of funds for various projects to be requested by MHRA.
- F.** Copies of minutes of a meeting of the MTA held on September 26, 2002 and copies of the Financial and Ridership reports for the month of September 2002.
- H.** Copies of minutes of a meeting of the Mayor’s Utility Coordinating Committee held on October 16, 2002.
- I.** Communication from the Director of Planning & Community Development advising of the receipt of a grant in the amount of \$895,726 for lead paint abatement in Manchester homes which was secured with the assistance of The Way Home and Southern NH Services.
- J.** Copy of a communication from James McConaha, Director of the NH State Historic Preservation Office, advising the National Park Service of the State’s nomination of the Carpenter and Bean Block and Smith and Dow Block to the National Register of Historic Places.
- L.** Copy of a communication from the Commissioner of the NH Department of Transportation advising of contemplated awards.
- O.** Communication from Michael Therrien seeking the Board’s assistance relative to a discrimination suite he has filed with the EEOC Boston Area Office.

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

- Q.** Advising that it has accepted the monthly financial statements for the three months ended September 30, 2002 and is forwarding same to the Board for informational purposes.

COMMITTEE ON JOINT SCHOOL BUILDINGS

- R.** Advising that it has accepted the following project completions and closeouts:
- 1) Roofing Projects – Manchester Schools;
 - 2) McLaughlin Middle School Addition;
 - 3) Central High H&V Phase 6 and Window Replacement; and
 - 4) Southside Middle Classroom Addition & Hallsville Bathroom Renovations
- and is submitting same to the Board for informational purposes.
- S.** Advising that it has accepted the enclosed NORESKO Performance Contract Project Financial Report for the month of October 2002 and is submitting same to the Board for informational purposes.
- T.** Advising that it has accepted the enclosed project financial and architects' reports for the month of October 2002 relative to Bakersville Kindergarten Addition & Electrical Improvements, Memorial High School Media Center, and McDonough Kindergarten Addition and is submitting same to the Board for informational purposes.

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

- G.** Copies of minutes of a meeting of the Mayor's Committee on the City's Financial Structure held on October 18, 2002.

Alderman Shea stated this has to do with the Mayor's Committee on the City's Financial Structure and I wondered what is the status of that Committee. Has it disbanded? Is it still in existence?

Mayor Baines replied it is still in existence and they will be issuing a preliminary report I believe within the next week.

Alderman Shea responded a preliminary report. That is not a final report.

Mayor Baines stated they are calling it an interim report.

Alderman Shea asked so the Committee is still in existence and it will still continue.

Mayor Baines answered we are hoping.

On motion of Alderman Shea, duly seconded by Alderman Lopez, it was voted to receive and file this item.

- K.** Copy of a communication from the Commissioner of the NH Department of Transportation advising of a public hearing for proposed alterations to I-93 in the Towns of Salem, Windham, Derry, Londonderry and the City of Manchester to be held on Thursday, November 14, 2002 at 6:00 PM at the McLaughlin Middle School Cafeteria located at 290 S. Mammoth Road.

Alderman DeVries stated I just wanted to bring to everybody at home's attention once again the I-93 widening public hearing is going to take place at McLaughlin Middle School and I believe there is a graphic that is going to go up. I believe that is November 14 at 6 PM.

On motion of Alderman DeVries, duly seconded by Alderman Garrity, it was voted to receive and file this item.

- M.** Copy of a communication from AT&T Broadband submitting a check in the amount of \$235,223.09 for the third quarter actual revenues.

Alderman Shea stated this is a check for \$235,223.09. Does this go into the general fund, your Honor?

Mayor Baines replied yes.

Alderman Shea asked is that computed in our budget this year.

Mayor Baines answered yes.

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to receive and file this item.

- N.** Copy of a communication from Atty. J. Alexander MacMartin, Jr. representing 480 Lake Properties, LLC owners of property located at 480-482 Lake Avenue and 408 Milton Street to the Tax Collector advising of an outstanding waste water charge in the amount of \$1,572.27 indicating the City should absorb this cost or seek payment from the responsible party, Mr. David Senecal who was the owner at the time.

Alderman DeVries stated I would like to refer this to the CIP Committee for further review at this time. It is in reference to an outstanding tax bill that I think needs to be looked at.

Alderman DeVries moved to refer this item to the Committee on Community Improvement. Alderman Smith duly seconded the motion.

Alderman Shea asked does that go to CIP or Lands & Buildings.

Deputy Clerk Johnson replied I was asked prior to the meeting about this and my suggestion was CIP because they handle abatements and sewer issues.

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

- P.** Report of Committee on Accounts, Enrollment and Revenue Administration recommending that the accounts receivable write-offs for the first quarter of FY2003 (as enclosed herein) be approved.

Alderman Smith stated in our Committee we voted unanimously to receive the write-off and I was amazed to find out that some of these people are still in business and some of them own property. I would like to see if we could hold this off and have a further review. I think these people should have their names printed in the paper and so forth. Some are politicians and some are owners who are still in business. I did request from the Finance Department some clarification and I haven't heard anything.

Alderman Lopez stated I second that. I think it is high time that...if they can put other people's names in the paper and we would probably have to refer that to the City Solicitor but these people who owe us money I think their names ought to be published in the newspaper and maybe they will pay up.

Alderman Thibault stated on the Lands and Buildings Committee we have asked Finance to look into some way of getting some of this money back. Some of these people, as Alderman Smith is saying, start another business sometimes using another name and they are in business in the City of Manchester again and they probably owe \$4,000, \$5,000 or \$6,000 to the City. There should be some mechanism where we can follow-up on these people and go out and get that money. We have asked Finance and I believe they are working on that.

Mr. Clougherty stated both Alderman Smith and Alderman Thibault have asked us to get involved in that. It involves some changes to the computer system and we are working with Information Systems on that and it should be forthcoming. We agree with them. We think it should be done.

Mayor Baines asked what is the motion.

Alderman Smith moved to refer this item back to the Committee on Accounts, Enrollment & Revenue Administration. Alderman Thibault duly seconded the motion.

Alderman Lopez stated can I ask the City Solicitor if it is legal for us to do this or do you need to research it regarding publishing the names of people who owe us money.

Solicitor Clark replied I think we can have an answer when the item is brought up again at the Committee.

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

- U. Report of Committee on Traffic/Public Safety recommending that the City extend the current contract with Central Parking Corporation (National Garages) for the daily operations of the Canal Street and Victory Parking Garages through December 7, 2002.

Alderman Guinta stated I pulled this item for the Clerk to review because the Traffic Committee took up this issue this evening and there is a new issue before the Board.

Deputy Clerk Johnson stated I do have a report to substitute for this, however, it is in print at the moment so we would ask that it be deferred to a later time.

Mayor Baines asked then how would we dispense of Item U.

Deputy Clerk Johnson replied I would just ask that it be deferred at this time and we will take it up later in the meeting.

Mayor Baines stated I have a couple of announcements before I do my nominations. I was bombarded with e-mail the other day from downtown merchants who wanted me to know how much they appreciate the efforts that the Parks & Recreation personnel made to fix the banners that became tangled on the light post. As the banners are approximately 40 feet in the air, maintaining them is not a regular Parks & Recreation assignment. This was literally a case of acting above the call of duty. I think we should all join in thanking Ron Ludwig for taking on this assignment. Perhaps more than anyone except Frank Thomas, the work that Ron does has a direct impact on our neighborhoods and among our constituents. As such, he probably gets as many phone calls as anyone but Frank and it is sometimes difficult to appreciate the large task that he and the men and women have before them so taking on the banner duty is especially appreciated. Thank you, Ron. Also, I would like to commend Leo Bernier and his staff. They are the ones more than anyone else who hope today that this meeting ends quickly. They did an exceptional job over the last months with the seemingly never-ending election cycle. This is the last election for awhile, Leo?

Clerk Bernier replied we are so excited. We are not going to have an election for nine months.

Mayor Baines stated some have been up until 2 AM for the past two days preparing polling places and counting votes and it was a record turnout. They did a fantastic job and I would like you to join me in congratulating the City Clerk and his staff.

Nominations were presented by Mayor Baines as follows.

Conservation Commission

Kathleen Neville to succeed JoAnne McLaughlin, term to expire August 1, 2005.

Safety Review Board

Jack Jarvis to fill the unexpired term of Roger Sevigny, term to expire March 15, 2003.

On motion of Alderman Shea, duly seconded by Alderman DeVries, it was voted to suspend the rules and confirm the nominations as presented.

Mayor Baines advised there was no need to conduct a Finance Committee meeting.

Deputy Clerk Johnson requested the Board defer to Item 18 at this time, pending receipt of the reports for item 16 and 17.

OTHER BUSINESS

18. Communication from Alderman Osborne suggesting the Board consider adoption of a new Rule 27 to assist in keeping discussion within a reasonable time frame whenever possible.

Alderman Osborne moved to approve the request. Alderman Lopez duly seconded the motion.

Alderman Wihby stated of all the rules I think we could pass, I represent 8,000 people who live in Ward 1 as every other Alderman does and to say that I can only talk five minutes about a subject like the tax rate or any other subject that is important...to limit the Aldermen for discussion I think is just horrible. I would like to ask you a question, your Honor. Are you in favor of limiting the Aldermen to five minutes for discussion?

Mayor Baines replied it depends on the issue.

Alderman Wihby asked so are you in favor of this, your Honor.

Mayor Baines stated I would like to have Alderman Osborne explain...is it your intent to limit...not entirely but just for any one-time speaking wasn't that...

Alderman Osborne interjected it will go around the Board and what comes around goes around. It just gives everybody a fair amount of time all over the Board. A lot of these discussions I feel can be done in the daytime. I know we are only part-time Aldermen here and we have full-time jobs but a lot of this can be done in the day time as far as figures and

everything and I think it will go a lot more smoothly by each taking five minutes and it will go around the Board and then come back to the same person again.

Mayor Baines replied so you wouldn't be limited it is just for any one time. You could come back?

Alderman Osborne responded that is right.

Alderman Wihby asked so on the same subject, I start first and then it goes around and then it comes back to me and I could speak for another five minutes.

Mayor Baines answered yes.

Alderman Wihby stated that is not what this says. It says, "any meeting discussion on any subject shall be limited to five minutes."

Mayor Baines replied that is not the intent. As you notice, I have been trying to do that at recent meetings and going around and trying to limit it and some Aldermen want to formalize it and that is your right.

Alderman Wihby asked isn't it up to you, your Honor, to control that.

Mayor Baines answered I do have the authority.

Alderman Wihby asked why do we need to take a vote on this tonight. Why can't you just note that that is the Aldermen's feelings and move it along faster? Why do we have to say that we are going to limit somebody to five minutes?

Mayor Baines answered I could do that but Aldermen do have a right to introduce legislation and ordinances and rules. I could moderate that myself.

Alderman Wihby stated okay back to my question, your Honor. Are you in favor of this because if so I would like to amend it to say each Alderman and the Mayor has five minutes?

Mayor Baines replied I would veto that.

Alderman Wihby stated so it is okay for us to be limited to five minutes but not the Mayor.

Alderman Shea stated already Alderman Wihby is breaking the five-minute limit.

Alderman Wihby stated all this is going to cost us is...

Alderman Shea interjected I am speaking. I have the floor. Alderman Wihby likes to talk forever. That is what the objection is, along with Alderman Shea and Alderman Gatsas and all of the other Aldermen on the Board feel that there should be equal time. Nobody objects to somebody speaking five minutes but when some people monopolize the floor for an hour, constituents call me and ask doesn't anyone else have a chance to speak. I think this way, Alderman Osborne is correct in stating that all of the Aldermen should have five minutes. That is my five minutes, your Honor.

Alderman Thibault stated again, if ever we get into that kind of a crisis I am sure the Board could say let's suspend those rules for tonight and talk about a subject for 20 minutes. What is the point here? I think this Board is the ruler and we could always that we would like to talk for another 10 or 15 minutes and if we all agree, then we do it.

Deputy Clerk Johnson stated I would point out that the communication that was submitted was not worded for what the discussion on the floor is and the Board might want to consider sending it to Administration so the verbiage gets corrected.

Mayor Baines replied if we sent it to Administration it might be filibustered there.

Alderman Wihby stated that is good. Your Honor, the comment that was made is that we could do things during the day. Well all we are looking to do in doing this is passing a backroom politics rule. That is all we are doing. Do all the work behind the scenes and then come out and speak for three or four minutes. This is not worded that I have another five minutes. If I want to talk for 10 minutes on a subject or question somebody I shouldn't say okay that is my time and then come back later and talk. Finish the person. Don't call on me first if you are doing this for me or for Alderman Gatsas. You have the prerogative as Chairman of the Board to run this meeting and move it along. You did that at the last meeting. You shut me off before I even got my answer. That is fine. You came back to me later but we don't need something like this because it is just going to force people to do deals in the back room.

Mayor Baines responded again it is up to the Board.

Alderman Forest stated I think sometimes Alderman Wihby does speak well. I may give up my five minutes to him.

Alderman Wihby responded this says you can't.

Mayor Baines asked do you want to restate the motion so it is clear, Alderman Osborne.

Alderman Osborne stated I guess the City Solicitor could take care of that. I don't know how much clearer it could be.

Mayor Baines stated if we are going to adopt a rule, we need to make sure that the wording is correct.

Solicitor Clark stated it should state what you want it to state. Right now it says that you have five minutes to talk and that is it.

Alderman Wihby stated we have a Charter Commission that is going to be looking at things. Why don't we just send this to them?

Mayor Baines replied they don't deal with the rules of the Board.

Solicitor Clark stated the proposed rule that has been introduced says you have five minutes to speak and that is it. It doesn't say you can come back and speak again later. It says that you can take up to five minutes. If that is not the intent, if they wish our office to draft something, tell us what to draft and we will draft it.

Mayor Baines stated we could do that or I could tell you as the Chair that I will work very hard to achieve that through my role as Chairman of the Board as well. It is really up to you. The motion on the floor needs to be clarified.

Alderman Osborne stated the Board could amend that anyway. They can change the rules that evening. If someone wants to talk for more than five minutes and the full Board agrees, he can speak as long as he wants. That is the whole picture here.

Mayor Baines replied I think the intent was before when an Alderman speaks he would limit his comments to five minutes and other Aldermen would be allowed to speak. What I have been doing at meetings is waiting to see if all the Aldermen who haven't had a chance to speak have spoken and then I go back again. That is the way I have been trying to conduct the meeting. You just need to tell me specifically what you want to follow.

Alderman Lopez stated I think it is a very simple process here. We are not trying to, Alderman Wihby, shut you off completely. You might get five minutes this time and nobody else is going to talk and you might get another five minutes and continue for another twenty minutes but there are other Aldermen...as you said you serve 8,000 people well there are other Aldermen who serve that many people also who don't have an opportunity to speak. I realize that the Mayor has the opportunity to shut you off but sometimes that never happens and that is reality. With all due respect, I think it should be changed to five minutes for each Alderman and after it has gone around the table you can have another five minutes and if you are the only one talking, you are the only one talking. It is not to shut it off.

Alderman Wihby replied that is not the way this is worded.

Alderman Lopez responded I realize that and I think it should be amended so that you are not cut off at five minutes and can't come back and speak and that is the intent.

Alderman Wihby moved to table this item.

Mayor Baines stated I would suggest that you table it and have the City Solicitor word it in the spirit of the discussion this evening and come back at the next meeting.

Alderman Garrity duly seconded the motion to table.

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

Communication from City of Manchester Contributory Retirement System advising the Board that Arthur Beaudry's three-year term as the aldermanic appointment to the Board of Trustees for the Retirement System will expire January 1, 2003.

Alderman Garrity moved to suspend the rules and nominate and confirm Arthur Beaudry as the Aldermanic appointment to the Board of Trustees of the Retirement System, term to expire January 1, 2003. Alderman DeVries duly seconded the motion.

Alderman Wihby asked is there any conflict with putting a School Board member on this Board of Trustees.

Solicitor Clark replied I am not aware of any conflict.

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

TABLED ITEMS

- 21.** 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)

On motion of Alderman Sysyn, duly seconded by Alderman Wihby, it was voted to remove this item from the table.

Mr. Taylor stated we are still working on this project. My suggestion would be to receive and file and then if we need to take further action we will come back and request it rather than have it sit here indefinitely.

On motion of Alderman O'Neil, duly seconded by Alderman Sysyn, it was voted to receive and file this item.

22. Report of the 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.
(Tabled 10/01/02)

This item remained on the table.

23. Report of the Committee on Human Resources/Insurance recommending that the Mayor's proposed reorganization of the Assessor's Office, as enclosed herein, be approved and that same be referred to the Committee on Bills on Second Reading for ordinance preparation and technical review.
(Tabled 10/15/02).

This item remained on the table.

24. Report of the Committee on Human Resources/Insurance recommending that the Mayor's proposed reorganization for the Elderly Services Department, Office of Youth Services, and the Health Department, as enclosed herein, be approved and that same be referred to the Committee on Bills on Second Reading for ordinance preparation and technical review.
(Tabled 10/15/02)

This item remained on the table.

25. Discussion relative to informing Verizon that if an amicable agreement with the City of Manchester regarding paying of bridge repairs is not made Verizon will be notified that they will have to remove their cables from the bridge.
(Tabled 10/15/02)

Alderman Lopez stated we were supposed to get a report from the City Solicitor on this item.

Solicitor Clark stated since the last meeting, I know the Fire Department was working with the Highway Department to determine what cables were located where and who was using what conduits. I believe that is still ongoing. Discussions are still ongoing with Verizon. The self-insurance program, the adjusters working for the City as third party administrators, are still working on this claim and we are still pursuing the City's options. At this point, I would suggest that we leave it on the table until they have something concrete to report back.

Alderman Wihby stated I was reading in *The Hippo Press* that somebody from Verizon said that there had been no communication from the City.

Mayor Baines replied that is not true. I have had a number of conversations with the President of Verizon.

Alderman Lopez asked is this all verbal communication or written communication.

Mayor Baines stated this is being handled...is Harry Ntapalis here. Harry can you explain how this is being handled because there is a legal process that this is being handled through.

Mr. Ntapalis stated what we have done at this point is Verizon has been notified...their Concord office had been notified early on that it was the City's desire at that point in time that we are looking for some sort of confirmation from them and we did this through our adjuster. We have a third party administrator, as most of you know as a self-insured. Given the nature of the claim and the bad weather that is coming obviously we want to pursue getting a handle on settling this particular situation with the bridge long before any further deterioration takes place. They have had the correspondence back and forth, they being our insurance adjuster with Verizon. It is just a matter of time now. We are hoping to get something a little bit more positive that we can report back to the Board of Mayor and Aldermen as it would affect any future funding obligations on the part of our self-insured fund and hopefully they will contribute to that.

Alderman Lopez stated I noticed and Frank Thomas mentioned the lane that is all blocked up now and the West Side residents were concerned about that. Have you pursued in your negotiations...are we fixing the bridge or are we fixing the wiring that is going to go under the bridge at the same time or is that going to be settled before they actually fix the wiring?

Mr. Ntapalis replied two points. We don't want to have any further deterioration of the bridge so at the same time work is being done right now to try to correct any problems or deficiencies with the bridge. Verizon, I believe, is working on their wiring and the conduit that needs to be done. That doesn't mean that by proceeding with the repair that the pursuit of settling up on this claim isn't going to be continued even after the bridge is repaired if there hasn't been some sort of a closure to this particular situation. That is still going to be ongoing so we would just as soon have it repaired before any further deterioration should take place.

Alderman Thibault stated construction crews are there right now and they have started construction on it and I believe...that is why I didn't ask the question because it is ongoing.

Mr. Ntapalis replied correct and a portion of the lane is still closed and obviously it is marked so motorists can be careful. Pedestrian traffic is still fine and the area of safe passage has been noted very well for pedestrians who I have observed are moving safely as well.

Mayor Baines stated we are going to go back to Item U and I defer to the Clerk.

Deputy Clerk Johnson stated Item U is a report of the Committee on Traffic. The Committee on Traffic met this evening and what the Clerk has done is distributed some committee

reports, one of which is a Committee on Traffic report. We are looking to substitute the existing report in the agenda with the new report, which is actually extending the contract to a later date.

(Original report)

- U. Report of Committee on Traffic/Public Safety recommending that the City extend the current contract with Central Parking Corporation (National Garages) for the daily operations of the Canal Street and Victory Parking Garages through December 7, 2002.

(Substituted report)

A report of the Committee on Traffic was presented recommending that the City extend the current contract with Central Parking Corporation (National Garages) for the daily operations of the Canal Street and Victory Parking Garages through December 7, 2003. The Committee further recommends that the City reject all responses to the RFP recently issued for parking management.

Alderman Sysyn moved to accept, receive and adopt the substituted report of the Committee on Traffic . Alderman Pinard duly seconded the motion.

Alderman Guinta stated I voted against this in Committee this afternoon because I still feel that it is inappropriate to continue the relationship with the current manager. Relative to this particular garage, this has nothing to do with the Airport garage. I think that they are a great addition and a great management team for the Airport but relative to these two particular garages, they have been managing them for a number of years now and we are not seeing the efficiencies that we should be seeing and we are not seeing the maximum amount of money and we are not seeing an increase in cars. We are not seeing the things that we should be seeing with a parking manager. If you look at their proposal and the two other proposals, there is a proposal that is much cheaper, the management fee is lower, there are efficiencies that can be saved and I think there is more income that can be generated by another company, which was the initial recommendation of the committee that reviewed all three proposals. I have tried to make my best argument in Committee and so far I haven't been successful but if you look at the three proposals, the committee that reviewed the proposals chose a certain company to manage these garages because of two things – their management fee is cheaper and they can create greater efficiencies for the City and I think that we really need to look at that, especially in the time we are right now relative to our budget. If we are trying to save money we should be looking at the best manager for the garages based on the proposals. It is the fair thing to do. We shouldn't be looking at personalities; we should be looking at proposals. I know that some people on this Board will have some questions about it and I would be happy to further discuss it but my position would be not to support this particular recommendation this evening.

Mayor Baines stated so if this were to be defeated you would be prepared to make another recommendations.

Alderman Guinta replied yes.

Alderman Wihby stated if this was defeated and we went with the other company wouldn't we save...wasn't your number that we would save \$150,000.

Mayor Baines replied the Finance Director indicated that he could certify \$150,000 and I would ask him to clarify that.

Mr. Clougherty stated the information that was provided through the RFP process indicated that there would be a combined \$150,000 impact through additional revenues generated and savings through efficiencies.

Alderman Wihby asked why wouldn't we want to pass the other one like you suggested rather than this one. What is the other side?

Mayor Baines replied well we will ask the other side. I have recommended that change for several months now.

Alderman Sysyn stated when we spoke to Republic they didn't know anything about saving \$150,000 or \$165,000.

Alderman Guinta replied the question was posed to Republic...he answered negatively to Alderman O'Neil's question and the question was posed where are the actual savings and the answer was we don't have an actual itemization of savings. What he did was he was provided the bottom line figure by Tom Lolicata and Republic came up with their own proposal. I think he answered the question...he answered it in a negative to Alderman O'Neil but the bottom line is if you look at the two proposals, one is cheaper than the other. That is clear. Maybe Alderman O'Neil didn't get the answer he was looking for or actually maybe he did get the answer he was looking for. The bottom line is we have two proposals and one is cheaper than the other and we are talking garage management here. If we can save \$100,000, we should be going with the second option after option A has not been successful for a number of years. We have given them eight years at least to be efficient and it hasn't come to fruition. I think it is time for a change, especially in this budget crisis. It is about \$100,000 in savings, which can go to reducing the tax burden or to Police or Fire. It could be utilized in a number of other ways.

Alderman O'Neil stated with regards to their annual fees, there is a difference between...Republic was at \$22,000, Central was at \$24,000 and LAZ was at \$27,000 so there is not a significant different in their annual fees. \$2,000 between the staff's recommendation and the Committee's recommendation. With regards to new revenues of \$65,000 and those who were at the meeting correct me if I am wrong but Republic said they

never provided those numbers on the new revenues. That is what they said at the meeting. No one seems to know where that revenue figure came from. With regards to expenses, although they did base the expenses on current staffing, current hours, etc., they used hourly figures of \$6.50/hour for cashiers and \$7.25/hour for maintenance people, which is greatly lower than what current staff is getting paid of between \$9 and \$11/hour. One of the concerns would be they are never going to hire people to work at the garages for those rates. I did some basic math and just the \$2/hour difference in pay is almost \$50,000 a year. I think the savings is strictly by going with people at \$6.50 or \$7.25/hour. If I recall over the years one of the reasons we are up in the \$9 to \$11/hour range is because of longevity of employees there and that is what the market demanded it paid. I just saw a sign for McDonalds for \$8/hour. I don't know how they are ever going to hire people at \$6.50. That is what I specifically wrote down from the answers the gentlemen gave at the earlier meeting.

Alderman Osborne stated the last meeting we had with them they came up with the \$150,000 figure and I asked the question and he didn't seem to know what I was talking about or the figure at all and I came to the bottom line saying is this a guarantee. There are no guarantees here so how can we say we are saving \$100,000 or \$150,000 when there is no guarantee? I don't understand that one.

Mr. Clougherty replied at the last meeting, the \$150,000 was the number that was put as part of the Mayor's recommendation. The \$150,000 was taken directly out of the report that was provided by Republic. The last meeting that the Committee had that Republic came to, Alderman, they weren't asked to comment so they didn't discuss that. If somebody tonight just asked them where is this \$150,000 coming from then it would be quite possible that they would not know specifically what you were talking about because they haven't been involved in this series of discussions. The \$150,000 is out of their proposal and they said that they would be able to generate that with a combination of savings through operational management, which I believe they alluded to tonight that they would be able to do and secondly they would be able to do it through revenue enhancements and that would be through a more aggressive marketing of the facility and through a more aggressive booking and contracting with people using the services. I don't have the report in front of me but...

Alderman Osborne interjected there is still no guarantee.

Alderman Forest stated in comment to that \$150,000 I believe that Alderman Lopez at the meeting had a letter from Republic stating that they saved I think a town in North Carolina or South Carolina \$150,000 and I think that is where that \$150,000 came from, not that they would save us \$150,000.

Mr. Clougherty replied there may have been that letter. I don't remember seeing it but I do know that the Mayor's staff and the committee that worked on this proposal...it was taken directly out of the RFP process and the submissions that were received from Republic.

Mayor Baines stated and Mr. Sherman represented your office on that committee.

Mr. Clougherty replied right along with, I think, Tom Arnold and Jay Taylor and others but it was extracted from the documents that were provided.

Alderman Smith stated just for clarification on the agenda sheet it says December 7, 2002 and on the new sheet I got it says December 7, 2003.

Deputy Clerk Johnson replied the Committee is recommending extending it for an additional year.

Mayor Baines asked we have already extended it for I believe six months already.

Alderman Wihby stated I guess I am confused. If there is a contract or an RFP that says we are going to sign a contract and let's assume that they figured \$6/hour for people working but they are going to have to pay \$10 because they can't find anybody for \$6, isn't the contract the contract and that number not going to change no matter what and it is \$150,000 lower than the other contract or are there numbers in there that might fluctuate even though there is a contract?

Mr. Clougherty replied again Alderman I wasn't at the meeting so I don't want to speak for the company but my understanding is that the RFP that was submitted is based on if you let them manage. If, on the other hand, you are going to enter into a management agreement with them that says they have to hire certain people and pay certain rates then the savings are not going to be there. It is all in how you do the contract.

Alderman Wihby stated my point is if we go back to what was presented in the RFP, that number can't change if we go with what the proposal was. Can that fluctuate with the number of cars or rates or is that the number?

Mr. Clougherty replied that would be my understanding if you agreed to let them have full management control.

Alderman Wihby asked and that was \$150,000 less.

Mr. Clougherty answered that was the number that they projected. They said they could get more in revenues from aggressive management and savings through this current budget of \$150,000.

Alderman Wihby asked what happens if they don't have any additional revenues. Are they guaranteeing the revenues? Out of the \$150,000, \$60,000 is revenues.

Mr. Clougherty answered again I wasn't on the committee so I am speaking to the best of my recollection. Maybe one of the other committee members could answer that.

Alderman O'Neil stated I asked the question specifically about the \$65,000 that was the original number in revenues and they said that they never provided that number. The gentleman sat there tonight and said that and other members who were here tonight can back me up. Republic never provided that number. I have no idea where it came from.

Alderman Guinta stated if you look at the proposals...we said it tonight but the bottom line is the three proposals identify the different figures and Republic was significantly less and that is on paper. That is in the proposal. We are talking about these specific numbers but what we should rely on are the actual proposals. If we do that, you will see that Republic's management fee is cheaper and they can realize or at least what they project is more efficiency and increased revenue. In my opinion, this should be a no brainer. If I can get better management at a cheaper rate and increase revenue, why would I not go with that proposal and that is what is included in their proposal. It is those three particular issues. Tonight in the Committee we were talking about different numbers here and different numbers there and we need to stick to the issue. The issue is how can we increase our revenue, how can we get more cars in the parking lot, how can we create a better more effective management style and Republic is the one that had the backing of the initial committee who reviewed this for those same reasons. We need to stop thinking about personalities and start thinking about the taxpayers in this City and if we did that we would be looking to make a change to Republic and it is based on the numbers and based on what their comfort level is in that proposal and the proposal identifies more money in the pocket of the City.

Alderman O'Neil stated I don't disagree with what my colleague is saying but Republic took some assumptions...I am just going to review very quickly. They used a number of \$6.50/hour for a cashier and \$7.25/hour for a maintenance and security person. LAZ used the numbers between \$8.50/hour and \$8.75/hour and Central used the numbers that they are currently paying of between \$9 and \$11/hour. Now I thought I asked would your expense number change to be lower and not the \$100,000 if you had to pay higher salaries and I believe his answer was yes. When Alderman Osborne asked him specifically about guaranteeing the dollar amount he said, I believe, nothing is a guarantee.

Alderman Wihby asked, Mayor, your proposal was to go with Republic right.

Mayor Baines answered the committee recommended it. It was unanimous and I supported the committee's recommendation and still do.

Alderman Lopez stated in looking at the agreement I think where the confusion comes in of the \$150,000 is that in Charleston, SC where they were able to save \$150,000 and this was achieved by simply comparing those cars entering and exiting the facility with monthly card holders. I guess somewhere along the line we might be assuming that they are going to save us \$150,000 and that may be true but Alderman O'Neil said that \$6.50/hour, which the gentleman did say but also the gentleman is saying that he has incentives built into his particular customer service as far as his employees where they can make more money. I want to bring to the attention of the Board that one of the most important things that intrigues me about the Committee on Traffic and the people that were there is he also said we could manage the company and they could do what we told them to do. For example if he could not find people for \$6.50/hour or \$8/hour or whatever the market is, if it is a \$9/hour market he is going to come back to the Committee and say I can't find the people and I have to pay them \$9/hour. I think it is the market that drives the rate. Now can he manage at \$7/hour? That is up to him but I agree with Alderman Guinta that the bid was lower and I think where this company has not had a contract with us for seven years and also the particular item that was mentioned...I posed the question as to whether we were micromanaging the company and I think the end result was no we were not micromanaging the company so what has transpired in those years that they have had the contract to make some good recommendations to the Committee? I never did get an answer.

Mayor Baines stated I would like to call for a vote. If you want to follow the Committee's recommendation you will vote yea and if you don't vote nay.

Alderman O'Neil requested a roll call vote.

A roll call vote was taken. Aldermen O'Neil, DeVries, Garrity, Forest, Sysyn, Osborne, and Pinard voted yea. Aldermen Lopez, Shea, Smith, Thibault, Wihby, and Guinta voted nay. Alderman Gatsas was absent.

Mayor Baines vetoed the action.

Alderman Shea asked what happens now that you vetoed it.

Mayor Baines answered probably nothing. You are probably going to continue with the same management but it is just a matter of principle to me. Let me explain my veto. We accepted requests for proposals. We put together an apolitical group of people just to look at this in a very objective manner. I respect all of the discussion back and forth by all of you. You have legitimate points but the committee came in unanimously after much study and recommended, unanimously, looking at all of the financial aspects and the management

issues and decided that a new approach to parking in the City was warranted and yet this has been lingering now for five or six months. First of all, I don't think it should have lingered that long. I think the information was given to the Board and we should not be in the position we are in now. The fact is that the Finance Officer was prepared to certify this evening that \$150,000, which would have reduced the tax rate. Then we would have worked with this company to do that. We do not have any figures from the other company that allows us to exercise that option. This has been verified by the Finance Officer and the Deputy Finance Officer and they were prepared to do that but unfortunately with the action tonight we are not able to deal with that \$150,000 issue on the tax rate. In the situation we are in now I think the responsible thing to do would have been to do that but that is my veto reason.

Alderman Shea stated so now the present management company will continue to manage the garage until such time or...

Mayor Baines interjected they have managed it for a number of years without any contract at all.

Alderman Shea asked should there be a proposal made to bring it back to Committee, your Honor, so that there will be some decision made.

Mayor Baines asked, Mr. Clark, could you advise us. The question is what would happen now. I vetoed the extension of the contract. What happens now?

Solicitor Clark answered practically the management stays with Central Parking until we decide what to do.

Mayor Baines replied I know that and that is fine. I had to make a point.

Alderman Wihby moved to award a contract to Republic stating if we go ahead this evening and go with Republic we could then and since we are setting the tax rate in a few minutes we could then reduce the tax rate another \$150,000.

Alderman Guinta duly seconded the motion.

Alderman Osborne stated the \$150,000...we don't have \$150,000 what are you saving. I don't understand this plan. Is it money in our pocket now?

Mr. Clougherty replied if there is a change in the management contract...there is a presentation in writing from Republic as part of the RFP process that they would reduce the amount of expenses and increase the amount of revenues. We would rely on that RFP process to go forward and if you give them the management flexibility they will realize those numbers because that is what is in the RFP.

Alderman Osborne responded that could never happen. They are going to try but that doesn't mean it is going to happen. It is not a guarantee, your Honor.

Alderman O'Neil stated I don't know how we can be accepting numbers from a firm of \$150,000...originally the number was \$165,000. When I asked the specific question about revenues tonight, they said on the record and we will get the minutes, that they never provided those figures. I believe and his answer to me when I asked about the expenses he said if the hourly rate of the pay for the employees goes up the expense savings goes down. Now other people who were on the Committee can back me up on that. That is what they said. We are putting an awful lot of stock in what was done during an interview process when he is on record tonight not certifying those numbers.

Alderman Guinta replied again when Alderman O'Neil asked the gentleman from Republic their specific savings and his response was no I didn't give you that specific number, I gave a proposal, the proposal is roughly \$150,000 cheaper than Central. He answered your question...you are correct in what you are saying but his further answer was he said no because he never gave a specific area of savings. You asked him a specific question about where the savings were going to come from and he said well I don't have a figure of savings. What I do have is a proposal and the bottom line number came in at around \$150,000 cheaper.

Mr. Clougherty stated I just want to reinforce what Alderman O'Neil said. The original number in the proposal was \$165,000 but as you recall that was based on a November 1 implementation. The number \$150,000 was prorated after that and that is what we have been using.

Mayor Baines asked what are you prepared to certify tonight for a number.

Mr. Clougherty answered the \$150,000.

Alderman Thibault stated if Kevin Clougherty has a letter stating that he is going to end up with \$150,000 in our pocket, let's do it as long as he has a letter that states it is going to happen.

Alderman Sysyn stated there is no letter.

Alderman Garrity stated the people from Republic didn't guarantee us \$150,000. It is not fair to use the \$150,000 number. That is if they are paying people \$6.50/hour to work from 3 PM until 11 PM at night. You are not going to get anybody to work for \$6.50/hour in the garages and it brings down the savings. To sit here and use \$150,000, that is not a fair statement.

Mr. Clougherty replied again Alderman and Mayor we are going by what was submitted in the RFP and that is what we are basing the decision on. I agree with you, Alderman, if you are going to give them a contract and say to them they are going to have to hire certain people at a certain rate then you are in a strong sense limiting their management flexibility to achieve the savings that they had originally put out in their proposal. The committee has informed me that it is their feeling that we should live by the proposal and the \$150,000 is the prorated amount from the \$165,000 of a November 1 implementation.

Alderman Garrity responded again the folks that were in front of us could not guarantee a \$150,000 savings. I don't know why we have this \$150,000 savings stuck in our head because they can't guarantee it.

Alderman Wihby stated that goes back to my question. If, in fact, they gave us a proposal and it was \$1 million and the next proposal was \$1.1 million and the people with the \$1 million say we are going to do it but we are going to pay everybody \$5/hour and the other one is going to pay \$10/hour but it is still cheaper and now they can't get that help, they can't pay \$5/hour and they are going to have to raise it to \$10/hour, don't they absorb that? Isn't the number set?

Mr. Clougherty replied that is the committee's reading of the RFP. It will come down to what you contract with them. If you contract with them and give them the flexibility so that in the circumstance that they can hire people they can come back and ask you for an additional rate then you are not going to achieve that.

Alderman Wihby asked so is the answer yes to my question. It is a set rate that they can't change as long as we don't tell them what they can charge?

Mr. Clougherty answered that is my understanding Alderman. If you put in place a contract based on the RFP that is what they will have to manage.

Alderman Wihby asked, Solicitor Clark do you agree with that.

Solicitor Clark answered it depends on what was negotiated in the committee. The RFP comes back and gives you a proposal for a certain management fee. Now if you are going to limit it strictly to the management fee then that is one thing. If you are going to allow them to change prices within the fee, that is another issue. I wasn't involved in those discussions. Maybe the committee can inform us as to which way they went.

Alderman Wihby stated I guess my question is if what they say they can't do because they can't find the people at that rate and they have to raise that rate, are we still going to see the \$150,000 savings.

Mr. Clougherty replied yes if that is what you contract for. If you hold them to that then I believe that is what is going to happen.

Alderman Wihby stated so if we let them do what they bid on and if they can't do it because they can't find people for that so they raise the rates aren't they subject to have to stay within that proposal and absorb that themselves.

Mr. Clougherty responded that would be my interpretation, Alderman.

Solicitor Clark stated generally when you award a contract for a management fee they have to live within the management fee. As I understand it, they are not guaranteeing savings but they are saying they are going to work towards savings.

Alderman Wihby asked so with that if we go ahead with this motion we can sit back on these next couple of items and reduce the tax rate by \$150,000.

Mayor Baines replied yes. I sent this issue down to the Finance Office on several different occasions to assure that they were willing to verify that number and they said based upon the RFP they could verify that number as a potential savings to the tax base. I am going to suggest that we vote because unless I am reading something wrong, I don't think the votes have changed. Why don't we just vote?

Alderman O'Neil stated I have one final comment. They were specifically asked tonight by Alderman Osborne would they guarantee that figure and they said no.

Alderman Guinta stated the other two proposals don't have guarantees in them either. No proposal has a guarantee. If we are going to talk about guarantees, nobody is guaranteeing this. This is the best projection.

Alderman O'Neil responded that is right yet staff recommendation was because of this guarantee that they can't provide.

Mayor Baines replied that is not true.

Alderman O'Neil stated it is true, your Honor.

Mayor Baines replied it was based upon several different factors, Alderman. Let's have a roll call starting with Alderman Wihby.

Alderman Garrity asked what is the motion.

Mayor Baines replied the motion is to award the contract to Republic.

A roll call vote was taken. Aldermen Wihby, Guinta, Lopez, Shea, Smith, and Thibault voted yea. Aldermen Sysyn, Osborne, Pinard, O'Neil, DeVries, Garrity and Forest voted nay. Alderman Gatsas was absent. The motion failed.

Deputy Clerk Johnson stated based on the inaction that has been taken by the Board with regards to the management contract, the Solicitor is suggesting that the Board may want to consider a six-month extension to allow the Board to go back and determine whether it wants to reissue RFP's or do something with the RFP's that you currently have through the evaluation process.

Solicitor Clark stated the current contract expires tonight. If you don't take any action tonight, that contract is over with. We ought to take some action to at least keep the management in place probably for three months to allow the Committee and staff to decide how they want to proceed in the future.

Alderman Guinta stated we could extend it for just one month and take this up...we have one Alderman missing tonight.

Alderman Wihby stated I was going to make a motion to reconsider anyway so there is no sense in extending it for three months.

Mayor Baines replied it is up to the Board but I agree with the City Solicitor that we should at least extend it for one month or three months...again it is up to a vote of the Board.

Alderman Guinta stated I am just suggesting that we do it one month rather than three months because as you identified earlier this has been lingering for months.

Mayor Baines replied I suggest we do it for one month because a motion for reconsideration would also put it at one month anyway. You wouldn't be able to do anything for a month anyway.

Alderman Guinta moved to extend the current contract with Central Parking Corporation (National Garages) for the daily operations of the Canal Street and Victory Parking Garages for one month. Alderman Wihby duly seconded the motion.

Alderman Sysyn stated their contract right now is until December 7.

Deputy Clerk Johnson replied no it ends November 7. There was a report of the Committee to extend it to December 7 and we substituted that report to extend it for the year.

Mayor Baines stated just to reiterate a motion to reconsider would delay this for a month anyway so you are doing the same thing you would do with a motion to reconsider.

Alderman Shea stated if in fact we extend it for one month my request is that we get all of the pertinent information necessary so that we can make a sound judgement a month from now concerning all of these variables that are coming in and going out of the proposition. In other words, what are we really truly voting on? Are we voting on \$150,000 and by then it will be \$125,000 or whatever to reduce the tax rate? Let's get all the facts and I implore the City Solicitor's Office to read the contract and understand what it is so that we can all get this information, your Honor, because obviously there are certain things that are missing.

Mayor Baines replied the only thing I would remind the Board about is that the Solicitor's Office was represented on the committee and participated in discussions and I believe brought the initial report back sometime in the spring. It has been a long time.

Alderman DeVries stated I just want to comment that this rings similar to the budget discussions that we had in June when we were sure we were going to be selling the parking garages and we accepted the monies at that time for budget reduction. For clarification for those at home, the \$150,000 difference comes to what amount on the tax rate?

Mr. Clougherty replied two and a half cents.

Alderman DeVries stated I just wanted that clarified. This Board has previously made assumptions that did not come through to date. For two and a half cents we are talking some major changes to the personnel in the garages and I just don't think that is fair based on continuing assumptions.

Alderman Wihby stated I voted against selling those garages so I wasn't one of the Aldermen who said let's go ahead and figure that in the tax rate. Secondly, the \$150,000 let's give it to the schools or someone else not just lose it if you want to spend it. All we are doing is wasting it by not passing this and if you don't pass this today you are not going to be able to count it on the tax rate. If you do it in a month, it is lost.

Mayor Baines replied I agree because later on there is going to be a motion on the floor to cut positions out of various departments and that amount of money could translate into positions for people who work in the City as well. So it is not just on the tax rate it is an impact on personnel as well.

Alderman O'Neil asked can we get in writing from Republic that they will guarantee the City the \$150,000. I don't care what is in the RFP. That is not the contract that they are going to sign. I specifically asked the gentleman from that company and he said no he would not guarantee it. Alderman Osborne asked him a similar question and he said no. Can we get in writing that they are going to guarantee the City of Manchester \$150,000 in savings for the next meeting?

Alderman Guinta stated that is not realistic. With all due respect, you are going to ask somebody to guarantee something...why don't you ask the other two to guarantee it? If you think Central Parking is going to do such a good job why don't you have them put it in writing?

Alderman O'Neil replied they are not the ones who proposed that they would save \$165,000 to begin within. Neither of the other two firms put that in their proposals. This is the only firm that put that in their proposal.

Mayor Baines asked for clarification of the motion on the floor.

Deputy Clerk Johnson answered we have a motion on the floor to extend the contract with Central Parking Corporation for a one-month period.

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

Deputy Clerk Johnson advised the report for Item 16 was available, and I also have one other report of the Committee on Traffic if you want me to bring that in at this time.

Mayor Baines replied why don't you do that.

A report of the Committee on Traffic/Public Safety was presented advising that it has requested the Director of Traffic, the Director of Manchester Economic Development Office and the City Solicitor to negotiate a parking garage operating agreement with JPA III Management Company for the Center of NH pursuant to the communication dated September 17, 2002.

Alderman Sysyn moved to accept, receive and adopt the report. Alderman O'Neil duly seconded the motion. Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Deputy Clerk Johnson advised that pursuant to Item 17, there were reports of the Committee on Bills on Second Reading.

A report of the Committee on Bills on Second Reading was presented recommending that a petition for rezoning by establishing a civic center district overlay in the vicinity of Elm Street presented by the Planning Department be referred to public hearing in the Aldermanic Chambers of City Hall on December 9, 2002 at 7 PM without referral to the Committee on Bills on Second Reading. The Committee is further recommending that the Board officially refer the petition to the Committee.

Deputy Clerk Johnson noted the report reflected a request for official referral to the Committee, although the item had been taken up by the Committee, because although the Board of Mayor and Aldermen had received a presentation with an intent to refer, no official action had been taken to refer the matter to the Committee.

On motion of Alderman Wihby, duly seconded by Alderman DeVries, it was voted to accept, receive and adopt the report of the Committee on Bills on Second Reading as presented.

A second report of the Committee on Bills on Second Reading was presented recommending that Ordinances:

“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 §35.035 Risk Retention Reserve Accounts establishing various special non-lapsing accounts designed to utilize undesignated general fund balances.”

“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.”

“Amending Sections 33.024, 33.025 & 33.026 (Grants Coordinator) of the Code of Ordinances of the City of Manchester.”

ought to pass; and further recommending that the rules of the Board be suspended to place these ordinances on their final reading and be adopted on November 6, 2002 to allow items related to setting the tax rate to be put in place prior to the setting of the tax rate for the City of Manchester.

Deputy Clerk Johnson advised that the report regarding fines required layover.

On motion of Alderman Wihby, duly seconded by Aldermen O’Neil it was voted to amend the report by accepting the recommendation of the Clerk that the ordinance relating to Section 70.82 be accepted as ought to pass and lay over and that the rules not be suspended for this item.

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

A third report of the Committee on Bills on Second Reading was presented recommending that Ordinance:

“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.”

ought to pass; and further recommending that the rules of the Board be suspended to place this ordinance on its final reading and be adopted on November 6, 2002 to allow same to be put in place prior to the setting of the tax rate for the City of Manchester.

Alderman Wihby moved to accept, receive and adopt the report of the Committee.

Alderman Lopez duly seconded the motion.

Alderman Garrity stated I am going to be opposed to the tax rate stabilization account simply because if we have a surplus this year I think we need it for tax reduction and not for putting 50% back into next year's budget. I don't think we have any room to fund a different line item in next year's budget and I am going to oppose it for that reason.

Alderman Wihby stated I would like to explain that. If we do pass this and this is the one that was the real stickler discussed in Committee. Basically it is saying that if we do pass this that we are not going to, in six months, come back and get rid of it because that is going to hurt. If we are going to pass the whole thing or if you want to take that item separate that is the main one but we can't come back and let the Bond people in six months say well don't take it out because it is going to hurt your bond rating. So either you pass it today and know it is going to be there for awhile and it is a long-term look at the future of the City if we are going to do it but don't think you are going to come back in six months and say let's get rid of it. Alderman Garrity is absolutely right. If you feel that we can't afford it you should be voting no on that one otherwise you are planning ahead for the future and you know that.

Mayor Baines asked but the Committee is recommending this.

Alderman Wihby answered we are recommending it with that stipulation. We want to let people know that it is something that is long-term and if you are opposed to doing that don't come back in six months and vote to have this Board get rid of it because it is going to hurt more than putting it in.

Alderman Shea asked, Kevin, could you explain if what is being discussed is accurate.

Mr. Clougherty stated there are several proposals that we have advanced...

Alderman Shea interjected we are talking about the third item specifically.

Mr. Clougherty stated that item says that if you have a fund balance at the end of the year you are going to put aside half of that into a fund that can be used only under certain circumstances if we run into troubled times down the road such as we did this year with revaluation and with revenue problems. Those items are articulated in the ordinance and you would be building up a reserve over time to help you with the types of problems that we had this year. The balance of the fund you could use at your discretion to lower the taxes. It does limit your flexibility in particular years, in good years when you have fund balances, but it does help you to build an additional cushion in addition to the rainy day fund that you may need down the road.

Alderman Shea asked would it have an adverse effect as indicated or would it have no effect. What is your conclusion? You are the Finance Officer. I would like to know.

Mr. Clougherty answered I don't think it would have an adverse effect. An adverse effect in my mind isn't whether it affects the tax rate one year as opposed to building for the future. I think you have to take a longer look and that is the point that Alderman Garrity and Alderman Wihby are saying. If you are going to adopt this ordinance it is a discipline that is going to put aside some money for particular circumstances down the road and you have to stick to it. We would encourage you to do that. Right now as you and I have mentioned the rainy day fund is not adequate to carry the...

Alderman Shea interjected so to make a long story short you would recommend that we adopt it.

Mr. Clougherty responded yes I would.

Alderman Shea replied and you are the Finance Officer of the City.

Mr. Clougherty responded yes.

Mayor Baines stated also this came out of some discussions that we had with our financial advisors during some budget discussions and I asked them to go back and research it because they had recommended this in other communities to help them look at the long-term implications of downturns such as we are experiencing right now and that is why we introduced this.

Alderman Garrity asked, Kevin, if we have a surplus at the end of the year is it used to reduce taxes.

Mr. Clougherty answered that is up to the Board. Currently it is.

Alderman Garrity stated I think we should use it to reduce taxes. I don't think we should be starting a new line item or a new fund. I don't think we are going to be able to afford it. If it was a good year and taxes were only going up 2% maybe then we could probably afford. The taxes are going up 8.5% probably. We don't have room to fund a new line item and a new account.

Mr. Clougherty replied again, Alderman, what we look at is trying to put in place things in difficult times is going to help us in good times.

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

A roll call vote was taken. Aldermen Garrity, Smith, Thibault, and Osborne voted nay. Aldermen Forest, Wihby, Guinta, Sysyn, Pinard, O'Neil, Lopez, Shea and DeVries voted yea. Alderman Gatsas was absent. The motion carried.

Ordinances:

“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.”

“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 Sections 33.024, 33.025 & 33.026 (Grants Coordinator) of the Code of Ordinances of the City of Manchester.”

On motion of Alderman Wihby, duly seconded by Alderman O'Neil it was voted to suspend the rules and place the Ordinances on their final readings at this time without referrals to Committees.

The Ordinances having been presented, on motion of Alderman Wihby, duly seconded by Alderman O'Neil, it was voted to dispense with reading by title only.

These Ordinances having had their final presentation under the suspension of the rules, Alderman Lopez moved on passing same to be Ordained. Alderman Shea duly seconded the motion. The motion carried with Aldermen Osborne and Garrity being duly recorded in opposition to the third ordinance presented.

NEW BUSINESS

Mayor Baines stated I just want to remind the citizens of Manchester that there is an all night parking ban that goes into effect on November 15. You have before you a cooperation agreement, which was passed out this evening, between the Manchester Housing & Redevelopment Authority and the City of Manchester. I asked our City Solicitor to work with the Authority to develop this agreement to deal with the 2 Bethel Court property and other future projects of the City. I would like to ask Mr. Craig to come up and explain it briefly.

Atty. Craig stated the first document that you should be looking at is the document titled "Cooperation Agreement." Under the relevant statutes, the City and the Authority can enter into cooperation agreements to do joint ventures and they have been doing this now since at least the 1950's to my knowledge. For instance, the civic center was done with a cooperation agreement. The Hampshire Plaza in 1970 was done with it. A number of high rises and the existing police station was done with a cooperation agreement. Every time we do a project like this we have to do a new cooperation agreement and this is an effort to provide and accept a generic cooperation agreement. It doesn't bind the City to do anything at this present time. It just sets forth a standard formula for a cooperation agreement and standardizes the form so that everyone who works on it knows and realizes that we are working off the same format and it makes it particularly easier for me in my age and Tom Clark who is getting there. The second part is Project 1, which is Bethel Court. Bethel Court...there is a building there behind the library that the City has owned for some time. It is empty. It has three vacant units, apartments, and the proposal and the desire of the City as I understand is to make it available for use by the Welfare Department for needy persons. Before it can be used for that purpose it has to be rehabilitated and under this proposal if you adopt it the Manchester Housing & Redevelopment Authority will undertake the rehabbing of that building, the management, policing and collection of rents – everything that a

landlord should be doing, on behalf of the City. What you are doing as far as sticking your neck out is concerned is that this agreement is terminable by either party with or without cause on 90 days notice so the maximum liability here if you don't like the way the Authority is operating is you can terminate it on 90 days notice. The particular oversight as to how the Authority functions and whether it is not being done the way the City wants it to be done will be overseen, too, by the Special Committee on the Civic Center. The reason, as I understand it, that the Civic Center Committee was chosen was because they just go through working with the Authority on the civic center and you all know that there has been a working relationship established between the Authority staff and the Civic Center Committee so at least for the present time it made sense for them to continue on in this format. I would be glad to answer any questions.

Alderman Wihby moved to authorize the Mayor to execute a cooperation agreement between MHRA and the City regarding 2 Bethel Court upon review and approval by the City Solicitor. Alderman O'Neil duly seconded the motion.

Alderman Shea asked wouldn't this go before some Committee of the Board of Mayor and Aldermen rather than the Special Committee of the Civic Center. I didn't even know that Committee was still in existence, your Honor.

Mayor Baines answered we wanted to bring this in because this property has been vacant for a long period of time and we want to get it rehabbed and start using it to provide housing for our citizens so we thought it would be appropriate to bring it in tonight under new business.

Alderman Shea replied but there is a relationship between the Special Committee of the Civic Center. Is that Committee still in existence, your Honor?

Alderman O'Neil responded yes it is and maybe it's current title as civic center is not appropriate but it was involved with the largest redevelopment project done in the City in recent times. Maybe we need to look at renaming the Committee but I agree with Atty. Craig that there was a relationship established by the Committee with the MHRA with

regards to the building of the civic center and some thought was given to keep some of that going.

Alderman Lopez stated I understand from conversations that there is a lot of lead paint over there and I guess an analysis is going to be made and the City is going to be responsible for any cost related to the lead paint and under this agreement the MHRA doesn't have any cost whatsoever. Is that correct?

Atty. Craig replied that is correct. Let me explain how it is anticipated. The MHRA is currently the largest landlord in the City and they do have experience in what it costs to run a project for development. There is a lead paint problem over there. We do not know yet what the cost will be. The cost will have to be borne by the City because we do not believe that there will be sufficient rent generated to absorb the cost. Maybe over a period of time there will be but we do not believe and it is your call, that the City of Manchester can afford to rent property to families with small children that have lead base paint. There are some very strict laws against it and I don't think it bodes well for the City of Manchester to just ignore that and set a bad example for other landlords in the City.

Alderman Lopez asked, Mr. MacKenzie, in this particular situation is there Federal and State money involved in this project.

Mr. MacKenzie answered we were aware that there were some issues of hazardous materials on the site. Early estimates were relatively modest and it would be affordable housing trust funds that could address that. Again, that would depend on the final cost that came out from the removal.

Alderman Shea stated Item I said that we received \$895,728 for lead paint abatement in Manchester homes. Can we use that money at all?

Mr. MacKenzie replied I did want to check that. Those funds are actually going to be administered by two other agencies but we could certainly verify whether any of that could be used for this project.

Alderman Shea asked if, in fact, people were to use The Way Home or Southern NH Services to coordinate their efforts than that would be one way of doing it I guess.

Alderman O'Neil stated I am very happy that we are entering into these agreements with the Authority. They can just bring some services that we aren't able to provide and assist in areas such as legal, financial, management and operations of a facility and construction administration. I know they have access to...from what I understand HUD has Brownfields money that I only recently knew existed. We all thought it was from the EPA. I think it is a great partnership whether it is in the housing area or the redevelopment area and I look forward to working with them going forward.

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

Alderman Shea stated at one time Alderman Levasseur did raise certain strong points concerning this property and I think I should give him credit because at that time if other Aldermen who were on the Board remember, the Library was going to take over ownership of this and he expressed concern so I think that if, in fact, these apartments are finally used by people who are in need of affordable housing I think he should be given credit.

Mayor Baines responded I appreciate your comments but that was our intent, if you remember.

Alderman Shea stated I understand that but before that there was some concern about the Library buying the property.

Mayor Baines stated well the City owns it and we need housing and it will be great to have it back.

Mayor Baines asked is there any other communication from the Board before we deal with the Finance Officer's presentation.

Alderman Lopez stated I just want to make a comment. I wanted to ask Dick Dunfey of MHRA if he could tell the Board of Mayor and Aldermen since we talk so much about affordable housing whether or not MHRA is looking in that area and if they have any projects in the next couple of years and are there any roadblocks that we could help with. I know the Lands & Buildings Chairman is looking at selling off land and stuff like that and I would like to know what is going to happen in say the next three years with regard to affordable housing.

Mr. Dunfey replied we have been working on a strategic plan on affordable housing development and workforce housing development. We currently have a few irons in the fire including a proposal we have submitted to the Board of Trustees of the Gale Home. You may be familiar with that property just north of the School Administration building. We are also talking to some City folks, as well as participating with Families in Transition on a potential project at the former Brown School site. We have a number of other potential development and redevelopment initiatives in the works. We would be happy to share with you both the strategic plan that we are working on in these areas when it is finalized in the near future, as well as bring you up-to-date as developments arise in some of these other initiatives.

Alderman Thibault asked, Dick, if ever you develop something on the Brown School I would certainly liked to be apprised of it because I get questions daily on that property.

Mr. Dunfey answered sure. As a matter of fact I think we will be before your sub-Committee on that issue so we will catch up with you there.

Mayor Baines stated we regret that we cannot show this presentation to viewers at home. We had some technical difficulty this evening. I would like to ask Mr. Clougherty to go through the various strategies that we have put in place with support of the Board to reduce the tax rate even further from where we were when we estimated it in June.

Mr. Clougherty stated what we have done tonight is stuck with the same format that we had for the last presentation. If you recall, back in June if you look at the top row the tax rate was estimated to be \$25.76. That would have been an increase of \$1.94 over the previous year and an 8.14% increase. We encountered some difficulties. I think the Board can follow down. If you look in that first column to November 6 what I would like to do is just bring you up to speed as to where we are right now. As we mentioned, the department cuts have

been made of \$650,000. The CIP accounts have been adjusted \$255,00. The School revenues have been adjusted in their MS forms and we have copies of those MS forms so that is a good number. The county tax number we got from DRA recently and our portion of the county tax is going to be \$533,000 less than we were covering. As you know, we try to estimate the county tax conservatively because we never know how it is going to go but this year it has gone in our favor so we picked up \$533,000 there.

Mayor Baines stated that was good news today needless to say.

Mr. Clougherty stated also if we applied the rates and we have gotten the MS forms from the Assessor and it is the number that they gave last week, the \$5.131 billion and change. When you factor that all in what you end up with today is a tax rate projection of \$25.77. That would be a \$1.95 increase over the prior year and an 8.19% increase. Now the Board...if you go to the pending items below the Board has just approved those ordinances for the reserve account so that is another \$500,000. You might want to pencil this in as a starting point down at the bottom of the page. If you factor that in, the projected rate right now is \$25.67. That is \$1.85 increase and with all of those actions that have taken place tonight the rate will be projected at a 7.77% increase. If you were to do all of those other things that were on there like the management contract, the parking fee increase and the auto registration, then it would have gone down to 7.39%. Right now we are looking at a rate of \$25.67.

Alderman O'Neil asked, Kevin, just to make sure that I am reading this right we started on the budget we approved on June 30 with a tax rate of \$25.76.

Mr. Clougherty answered yes.

Alderman O'Neil stated with an increase of \$1.94 over the prior year, which was \$23.82 or something like that, which was about an 8.14% increase. Based on what we have done until 9 PM this evening we are actually at \$25.67 or \$1.85 and a 7.77% increase.

Mr. Clougherty responded a 7.77% increase is what we are looking at now.

Alderman Lopez stated I don't know if this is an appropriate time to bring in a proposal that I submitted.

Mayor Baines replied it would be appropriate if we are going to make any additional savings.

Alderman Lopez stated I believe the Clerk has passed out a letter that I submitted to the Board. For the audience at home let me start by saying the last thing I want is for anyone to lose their job, however, the time has come for city departments to take a hard look at their work responsibilities and ask employees to do more. The City has been extremely fair with

salaries and benefits for our employees. The Yarger Decker index has increased wages paid significantly over the past three years. Now is the time to examine the operations of every department, and realign and restructure position responsibilities to save the taxpayer dollars. My plan calls for the elimination or freeze of nearly all open unsealed positions. This might not be the most popular thing to do but it is the right thing to do at this time. We can't take no for an answer. It is time for us to bite the bullet and stop playing the shell game of budgeting for unfilled positions and then accepting the funding back later in the year. After a position has been eliminated or frozen if this Board decides to just freeze positions, department heads will be able to request a reinstatement of that position by asking for a review of the position and department needs by the Human Resource Director and the Human Resource Committee. By my calculations, we have \$1,732,241 budgeted for unfilled positions. I am recommending that we eliminate positions totaling \$1.1 million in salaries and approximately \$330,000 in benefits. The remaining \$632,241 would fund the following critical positions in my viewpoint. The Fire Department Emergency Dispatcher plus three Captains equaling \$163,803; three Emergency Dispatchers for the Police Department or other critical areas as deemed by the Chief at \$82,276; three Laborers, an Equipment Operator II, an Equipment Service Tech. II, a Refuse Collector and two Refuse Truck Drivers for the Highway Department at \$197,736; and a Payroll Coordinator in Human Resources for \$34,174. This is a total of \$477,989. We could save another \$34,174 thanks to the Finance Department who has been utilizing an individual to do our payroll three days a week. If this were the case and we continued with this particular practice, the total needed to fill critical positions would be \$447,309, leaving approximately \$184,932 for the Mayor and Board of Aldermen to utilize in solving the Assessor's Office dilemma. I would also suggest that we tap...the bottom line is this, if we did eliminate the unfilled positions, which I have suggested or have a freeze and go through a review process for the remainder of the year, we would save \$.28 on the tax rate and the other tax rate increases, which Kevin just did and my numbers don't add but I am sure he can figure it out...I had \$500,000 for the reserve as \$.10. We didn't approve the management contract so that is a subtraction. The total saved is \$.40 on the tax rate. This would drop the tax rate down to \$25.43 or \$25.46 since we didn't get the \$.3 and it translates into an increase of \$1.64 or a 6.9% or 7% increase.

Mayor Baines asked have you talked to the department heads about the impact that this would have on the various departments such as Police, Fire and Highway.

Alderman Lopez answered no I have not, your Honor, and I will tell you why I haven't because I know the answer before I even ask it. They can't afford it and they are not going to be able to do it. One thing I haven't provided, which I have asked Ginny to give you and she is in the process of making copies...just for information purposes at this time we pay a great salary to our department heads and deputies and it has been said many times by some Board members here that they deserve it and I am not going to dispute that but we pay them the money to think and reorganize. That is the direction. We are here to make the policy and in the particular line of savings...not to lose jobs in this particular case because these are

unpaid positions. Secondly, it is going to save on the tax rate and third if we start laying people off as some suggested on this Board in the future if we don't do something now we are going to have to pay workman's compensation and that is going to cost us also. So, no I haven't talked to the department heads because I know what the answer is and that has been the answer for the last three years since I have been an Alderman. We need people, we need people but we keep giving money and nothing happens.

Alderman O'Neil stated I do appreciate the work that my colleague has put in on this although I have to disagree with him on it. I think it may be helpful at some point to call the department heads up here to verify these vacancies because my understanding at the Fire Department, for instance, is that there are not three vacant Captain positions.

Mayor Baines replied I had all of the department heads provide you with responses and they are in the packet so if you want to refer to them...I had Seth number the pages for reference purposes and you can go to every department and see exactly what the impact would be. I felt it was fair if we were even going to consider looking at the vacant positions that first of all we get the information verified so if you decided to cut them you would know the exact impact it would have on services in this community.

Alderman O'Neil stated the Fire Department is first listed and maybe Chief Kane could come up.

Alderman Shea asked might it be possible for us to look through this for a few minutes so we can get some background. We haven't had any time to read through this. Wouldn't it be helpful if we had a five or ten minute break?

Alderman Wihby asked before we do that are these the numbers that Alderman Lopez is going with, these three sheets because there is no total on them where it says 10/31 Prepared by Human Resources. Are these the three sheets that add up to the total that you are talking about or is this different?

Mayor Baines stated again this list was provided by the Human Resources Department. I think the only...

Alderman Lopez answered yes.

Alderman Wihby asked so the three pages that say current unfilled positions 10/31, that is the sheet you are going by.

Alderman Lopez answered yes, starting off with the Accounting Specialist I.

Mayor Baines called for a recess.

Mayor Baines called the meeting back to order.

Mayor Baines called Chief Kane and Chief Driscoll forward and stated that he would then have all the department heads come forward to have a chance to explain to the Board what the impact of these cuts would be. I would also like to verify to make sure that the positions are accurate related to the report from Human Resources and the actual situation in the various departments.

Chief Kane stated first I would like to start off with regard to accuracy of the report. I understand that the report was drawn up about two weeks ago. The Dispatcher position in that period of time has been filled and the other point is I am not sure how the inaccuracy comes up but there are two Captains positions and not three. One of those Captains positions was filled last winter. Evidently the paperwork didn't get through or something like that. Those are two clarifications that I would like to start off with. I look at Alderman Lopez's position here and it allows me to fill what I will call line positions, which are basically firefighting positions which are on the line. I certainly appreciate that because those have the greatest impact on the budget in regards to having those positions filled or not and our operational efficiency in the City. The three other positions, specifically the fire prevention position, the training position and the District Chief's position I would like to talk about. The fire prevention position was a position of our public education person. Some of you may have remembered Pip. He retired and we were unable to fill that. He was coordinating the efforts in the schools with the school children and promoting public education throughout the City. Obviously there is a void there that we would like to have the opportunity to address and fill. The second position that we would like to talk about is the training position. There is only limited staff in the training position in order to accomplish those missions and get the people trained and there are over 200 firefighters that need training. This eliminates that training position and creates a void there that we sorely need. The last position is the District Chief's position, which is a position that we at this point in time chose not to fill or would be choosing not to ask to be filled. We have realigned our staff so that we are down to one District Chief on a shift now as opposed to two. Following that up though, the savings that we are incurring by keeping these positions empty, we are looking at using those funds to offset some of the cuts that have already been taken in the department. If we look at the cuts that were done in the spring and later on during the year, we are looking at offsetting some of those cuts with those positions and looking at that as a savings. If we do it again tonight, if the Board does it again tonight in regards to those dollars that is almost like taking from us twice, double-dipping, because we, myself as a manager, have looked at those savings as something that we have already calculated into our budgets. I would have some concerns there.

Mayor Baines stated just to remind the Board we directed the department heads to absorb all negotiated salary increases within their existing budgets and that was one strategy that they have all been utilizing to make up that difference.

Alderman O'Neil stated Chief I just want to make sure I am clear because we have different information from different sheets handed out tonight. In fact, the Dispatcher position has been filled already and there are not three Captains, there are actually only two because you filled what was a third Captain earlier this year and if I read the e-mail from your office the two Captains positions you have filled temporarily with Lieutenants and if I read the e-mail right it says a yearly savings for both would be approximately \$25,000 so you have already taken measures to help save within your budget, correct?

Chief Kane replied that is correct.

Alderman O'Neil stated you have emphasized the line firefighters, the 24/7 people are the most important and that is why you are asking for no freeze on those positions, correct.

Chief Kane responded that is correct.

Alderman O'Neil asked and you are using the fire prevention training instruction and District Chief positions to help meet the cuts that you have already received.

Chief Kane answered that is correct.

Alderman O'Neil asked to date based on the budget that was approved with the cuts is it safe to say that we have not seen any significant impact in the delivery of safety services from your department to the citizens.

Chief Kane answered that is correct.

Alderman O'Neil asked would further cuts jeopardize that.

Chief Kane replied I would have to assume so depending on the size of the cuts. As we have already experienced, we are dealing with nearly the same budget as we had last year and it didn't give us much flexibility and then we saw \$176,000 cut from that and then we saw a \$60,000 cut from that and then as the Mayor said we have to absorb our severance pay on top of that, which to date we have paid out \$90,000 in severance and we expect more there. On top of that, if there are wage increases there may be some additional money there. So, there are a lot of stresses that are going on on department budgets currently and further cuts would impact services.

Alderman O'Neil stated I just want to make a comment that the Chief talked about. We do pay them to manage their departments and I think we need to allow them to do that.

Alderman Wihby asked what is the total on this page, first of all. Is the total after Page 3...why isn't there a total on there? If all of these three pages were done, what is the total that it equals?

Alderman Lopez replied I think Ginny could answer that better than anybody.

Alderman Wihby asked is that the number that you are saying...\$1,732,241.

Ms. Lamberton replied if all of these positions remained vacant from the day they initially became vacant since July 1 through June 30 of next year at the minimum step in the salary grade, this is what the savings would be.

Alderman Wihby asked so what we are saying is we are going to vote today on the tax rate and after today we are going to be telling the department heads to manage their budget. When I asked the question last week about are we going to be able to fill positions, I was told that we don't want...I guess I was coming to close the positions off and not filling them for the rest of the year but I was told that the money was already taken into consideration with those other savings on the page that Kevin passed out today. So without filling those positions that number was already accounted for. Assuming Alderman Lopez's numbers...are those numbers accounted for or not?

Ms. Lamberton replied I am not the Finance Department. My role here was to give you list of what positions were vacant since the hiring freezes started, which was last December. So there were two lists. One was from December through June and the second list was from June to date, whatever date that was.

Alderman Wihby asked where is the list from December 2002 to June 2003.

Ms. Lamberton answered it is December 2001 to June 30, 2002.

Alderman Wihby stated what I want to know...the question right now is how much money are we going to save that hasn't already been accounted for in the Mayor's cuts from now until June if we don't fill any positions. Is the answer zero?

Ms. Lamberton replied I have no way of knowing what decisions department heads have made in that regard or what money has been moved here and there. My role was simply to report what positions are vacant and if they continue to be vacant until June 30 what is the value of that.

Alderman Wihby responded well that doesn't tell me anything as far as setting a tax rate.

Mayor Baines stated department heads have already been told that they have to absorb the pay increases with their budget and they were additionally told that they have to absorb the severance pays within their budget. Basically what you are doing if you follow these recommendations, which I do not recommend, is you are basically putting stresses in the departments that we can't even anticipate tonight.

Alderman Wihby asked Chief Kane they say you have seven positions that are empty and you are saying it is probably five.

Chief Kane answered yes, Sir.

Alderman Wihby asked okay so those five are empty. Are you anticipating filling those before the end of the fiscal year?

Chief Kane answered two of those five are already partially filled. We are utilizing some of that money to offset overtime on the line. What we were going to do...obviously we have numbers of cuts and a new number that we have to deal with. We would have to analyze the budget to see if we have, in fact, any money to fill those positions because if we don't, we won't.

Alderman Wihby asked so what is wrong with stopping you from filling it until June 30. If you are not going to fill it because you are going to make up these cuts anyway, what is wrong with taking Alderman Lopez's idea at least to save some extra money so you don't fill the positions? I know all of the department heads are going to be here today saying well I have openings and I am going to use all of the different accounts to do that but if we say to you we are not going to fill the positions, there has to be some money there between all of these numbers. It is probably not \$1.7 million but it could be around \$400,000 or \$500,000 if we just say to you we are not going to let you fill these until June 30.

Chief Kane responded obviously if you are not going to let me fill those positions that is your choice and there may be some money savings there but I can't sit here right now and tell you what that number would be.

Alderman Wihby asked does Kevin know that number.

Mr. Clougherty answered no I don't.

Alderman Wihby stated I guess I thought that is where Alderman Lopez was going is don't fill the positions in the future and get ready for next year because times are tougher next year. Maybe the number is not \$1.7 million but it could be substantial if we don't fill it for

whatever time is left, seven months, and go from there. Even if we don't count it on the tax rate we ought to be sending that message. I think there is some number there that we could be reducing the taxes with for all of the different positions. I don't know if every department is in the same position or not, your Honor.

Mayor Baines replied I think we need to hear from each one of them and go from there. Any further questions for Chief Kane?

Alderman Garrity asked on the memo from Brent Lemire the fourth position down, Pip Adams former position, that is not filled right.

Chief Kane answered that is correct.

Alderman Garrity asked isn't that a chargeback to the School District. How much is charged back to the School District for that position?

Chief Kane answered we do not charge that back to the schools.

Alderman Garrity asked why not.

Chief Kane answered the position was basically a public education position within the City and it is something that we have always done and never charged the schools for. It is public education that we provided in the schools and we looked at it as the general population.

Alderman Garrity asked what is the salary for that position.

Chief Kane answered I don't have it by Ginny might have it.

Ms. Lamberton stated the entry level is \$36,566.

Alderman Garrity stated this question is probably for Chief Driscoll. Are the D.A.R.E. Officers charged back to the schools?

Chief Driscoll answered yes Sir.

Alderman Garrity asked what type of positions do you charge back to the schools. Are there any officers that you charge back to the schools or anything of that nature?

Chief Driscoll answered yes we do chargebacks to the schools. We do the School Resource Officers as well as the D.A.R.E. Officers.

Alderman Garrity asked and there are what five of those.

Chief Driscoll answered we actually have 10 people working in the schools on a daily basis but many of them are covered by grants. As the grants expire we charge them through the school. There was some discussion early on when the budget was in this formulating process that the School Department was not going to fund some of those positions. As you know, my complement is funded by the Board of Mayor and Aldermen. As the Chief of Police, I value those programs and have assigned those officers to the schools. I guess from my perspective it is an accounting issue between the School Department and the Finance Department, the chargebacks, but I think we are providing a valuable service. I think that is the best use of our police officers at this time.

Alderman Garrity asked, Chief Kane, how much of Pip Adams' time did he spend in the schools percentage wise.

Chief Kane answered basically when the schools were open he spent all of his time there. When the schools were shut down he was doing other duties.

Alderman Garrity stated Mayor I just can't understand why that position was never charged back to the schools or part of it. Dave Hodgen charges back his time to the schools. I know when Mayor Wiczorek was in office he used to chargeback for some of his staff who spent time on school issues.

Mayor Baines replied some of that was dealt with during the court session that we had and we agreed not to charge certain things. I don't have the history of that, do you Kevin?

Mr. Clougherty responded no but I agree if it is a direct service it should be charged to the schools.

Chief Kane stated we don't have any problem with that. Thanks for bringing it up. We can look into that and sit down with Finance.

Mayor Baines stated I doubt you are going to get the schools to absorb any additional costs in the budget they are dealing with this year.

Alderman DeVries stated I was just going to add that it is probably something to look at for future years because I don't know that the budget can change this year. In addition, the two Captains positions that you show vacant, you alluded to the fact that you had somewhat filled them and, in fact, maybe you can explain a little bit more that those actual line positions...promotions have been made and you are carrying additional Lieutenants. Explain the process as to why those don't need to be funded at this point.

Chief Kane stated what we are doing is we really needed to offset our overtime. Every year a vacant position carries overtime so what we needed to do was fill those with officer positions so we promoted people up to the rank of Lieutenant to offset those vacant positions. We didn't complete the process. We held off on what we call middle management positions.

Alderman DeVries stated I think the point being that within his budget the positions have already been filled by...what is your actual savings by filling it with a Lieutenant versus a Captain.

Chief Kane replied I believe we were looking at a savings of \$3,000 or \$4,000 a year.

Alderman DeVries stated so he is already expending within the budget up to that amount. As far as the Fire Prevention position I know you said that when the schools are open the majority of the time for that officer is spent in the schools. Are there not additional duties though? That is not his entire workweek.

Chief Kane replied that is not his entire workweek. That position also does fire investigations. He is also on standby for fire investigations and takes that in a rotation. He also does inspections. He does the school inspections and he also worked in emergency management.

Alderman DeVries stated the final comment is I think what Alderman Lopez is stating with this and it is absolutely true, we need to be looking ahead to next year because somehow a reorganization needs to be made within all of our departments. Next year's budget is going to have additional cuts most likely with it and somehow if they are not prepared to start looking now to figure out how they can cut their level funding...how budgets can be cut again next year, it is going to be a very tough year. There have to be some efficiencies found somehow, somewhere. If not through these particular positions, vacant at this time, then somewhere else.

Mayor Baines replied again you are dealing with the Fire Department budget and you can make a decision not to open up the new fire station. That saves \$1.1 million. There are a lot of things that this Board is going to have to look at. I don't know if I would advise that, but yes there are going to be some tough decisions next year.

Alderman Shea stated this is a generic question if I may address it to Alderman Lopez. His last statement is "by my calculations we have \$1,732,241 budgeted for unfilled positions and I am recommending that we eliminate positions totaling \$1.1 million in salaries and approximately \$330,000 in benefits. He has brought back a total of \$477,989. Where is the rest of that?"

Alderman Lopez replied the \$477,989 is because Finance sends an individual down to do three days of payroll for HR and we save \$34,174. The figure drops to \$447,309 given back to the department so that they can hire the people that I mentioned up above. As you can see \$184,932 is left for the Mayor and there is a dilemma that we have with the Assessors because we have to solve that particular problem this year in order to move forward in that particular area.

Alderman Shea asked so in your calculations you are including the benefits as part of the savings.

Alderman Lopez answered yes. If you hire at the entry level position and you eliminated the positions that I recommended from the list that she gave us then you have to include the benefits, which is about \$330,000, for the rest of the year.

Mayor Baines stated and I understand one of your dilemmas and I will ask Mr. Clougherty to speak to it...these numbers are not verified. They have not been verified by either Human Resources or the Finance Department and we are not going to be able to certify numbers for the purpose of the tax rate with this kind of uncertainty.

Mr. Clougherty stated we are getting this proposal for the first time to take a look at and certainly taking a look at unfilled positions is part of restructuring and hiring freezes and things like that are things that you should be looking at on an ongoing basis and they may help with the tax rate for next year by helping to build you some additional fund balance. I think for that reason it should perhaps be referred to a committee and examined but for tonight because we haven't seen it, mechanically we wouldn't know what positions to cut, we wouldn't know what benefits we were dealing with and we wouldn't know exactly what departments we were dealing with. If you were to just take a number out of the air and say we are going to just take this savings and put it off to the side and then fill all of those positions during the course of the year, you would end up with a deficit so mechanically we have a lot of issues that we have to verify here tonight on these lists that we haven't seen.

Alderman Osborne stated I have a question of my colleague, Alderman Lopez. If we are going to borrow from Peter to pay Paul this year what are we going to do next year? What are we going to subtract from? What would we have to subtract from next year for cutting the departments?

Alderman Lopez replied I can tell you this. If we don't look at reclassifications as have been provided here and I know there is some discrepancy because some department heads don't submit their paperwork and I will let Ginny speak to that issue but these are the unfilled positions that are in the City, which is approximately 55 unfilled positions that we know of. Now there may be a discrepancy of one or two like the Chief said about the Fire Captain. The HR Director does not have paperwork on that. We continue to have the shell games. I

am trying to solve the problem for the future and if we don't address this and we don't let the HR Director go down and look at reclassification, it was fine for her department for example and I don't say that is a derogatory way but she took an action later on during the budget process and then she went to every employee and said you assume this job and you assume this job and you assume this job and saved the City \$54,000 and we still continue, efficiently, 100% with an ADA Coordinator in this City. I am looking to take the problem by the hand and all work together and try to solve the dilemma, otherwise if we don't attack this problem now we are going to come in here during the budget process when the Mayor turns around and gives his budget next year with an 8% or 10% increase and then we are going to say department heads, you cut 6%. You are going to lay people off. That is what you are going to do. You are going to compound the problem.

Mayor Baines replied let me make something very clear here. Since I became Mayor I have basically had the...let me talk to you a little bit about how we have been managing the budget. We gave you a report some time ago that we manage, despite a \$2.6 million shortfall in revenue, we managed a \$2 or \$3 million spending surplus. How did we do that? We managed through vacancies. Keeping positions vacant and only approve them with certain things in effect. Number one, anything that is going to affect public safety, and I will never support anything that is going to impact negatively public safety in this community and things that are going to cost us more money if we don't fill the position. That is the criteria that I have used since I have been Mayor and that is how we have managed through these very difficult times. We have already said to the department heads...let me repeat again, after we cut all of their budgets we said you are going to have to manage all of your severance pays, all of the negotiates salaries for contracts that are implemented, and you are going to have to do that by looking at your personnel and managing better – everything that you are talking about now. This is an appropriate responsibility for the Human Resources Department, for your Committee that has had that responsibility, getting numbers verified by Finance so that we make very thoughtful, intelligent decisions. I doubt if we are going to do that tonight because we are going to come up with all kinds of different scenarios here. What we are trying to do is we have presented this to the Board with different restructuring proposals that save money. We have also asked the Board to look at some financial consolidation issues that are going to look at saving money in the long-term. We have put in the reserve accounts that are going to look long-term. These are the types of decisions that require thoughtful decision. We are not going to be doing this tonight. I want Chief Driscoll to talk a little bit about the impact and some of the issues that we are dealing with in the Police Department right now.

Chief Driscoll stated I will be very brief and try to observe the five-minute rule also. I have 288 people and my budget this year is \$18,241,241. That number came as a result of the budget cuts from the Mayor's maintenance budget of about \$250,000. It also asked me to, like the Mayor said, absorb severance and the COLA. I believe that the number that my budget has been reduced to from last year is about \$591,000. That is a lot of money. It is a

huge responsibility, I understand to manage \$18 million and 288 people but I have a responsibility not only to manage that money but also to provide public safety and I also have to keep my people safe. I think that we have done a good job with that. We are a nationally accredited agency and we have been for a number of years. We will, on December 7, go through that process again. The crime rate has gone down for the last 10 years in Manchester. Just recently the State of NH was recognized as having the lowest crime rate per capita in the nation. Where Manchester goes, the State follows. We had a big part in that low crime rate. However, we still have 4,000 Part I crimes a year and significant challenges. This is a tough time for public safety. Our country is about to go to war or very possibly will go to war. Terrorism is a real thing in every city in the State and every city in this Nation. I really believe that we have to address the drug issue and continue to address the drug issue as well as a number of other issues. As our economy weakens, there is more and more demand for police services. I really believe my people have done a good job. I would like to talk about the specific openings because I have 12 openings. I have basically five in the sworn side and seven on the unsworn side. The five on the sworn side are not purely vacancies because the Mayor and the Board has allowed me to hire entry level people so I have hired rank and file police officers to get them out there doing the job but I have not been allowed to fill the upper level positions but through promotions. I have two Deputy Chiefs, one who is in Patrol and I am sure you folks all remember Bob Duffy and what a wonderful job he did for the City. The second one is Jimmy Stewart. Jimmy Stewart managed investigations. If you remember, he came here and was honored by you folks for his wonderful job. I will remind you of all the times you saw Jimmy Stewart at bank robberies and at major crime scenes. He wasn't a guy, nor was Bob Duffy, nor is that position someone who sits behind the desk. That is a guy who is out in the field directing his people and doing a good job. I have two Lieutenants. One is the 4-12 Lieutenant and the second is a Lieutenant that works in Investigations and I have a Sergeant that works in Investigations. Those five positions equate to 13 promotions in my department. Those 13 promotions are spots that folks have tested for and they have invested their whole adult careers in and they are deserving of those promotions. In my budget at this time I can make those promotions. For a short time the Mayor lifted the hiring freeze for a two or three day period...

Mayor Baines interjected you thought it was but it really wasn't.

Chief Driscoll responded well I interpreted that it was and I believed it was and I went back to my department and said tell me that I can do this with the funding that I have keeping all of my positions full and they came back and told me yes if you manage well you can squeak by and when I say squeak by that is exactly what it was. We would have had to have been good managers to make it but I would have made those promotions and I would have kept all of my positions filled because I believe that in order for us to do the public safety job here in this City that we have to go forward, we have to put those people on the street and fill the positions. I don't expect that any of you folks would send your army to war or your team

into a big game without being at full strength and having their best players. That is the same position I am in. I am the general manager of the team and I need those positions, I need those folks. You asked us to come forward with revenues. We did that. Some of them you liked and some of them you didn't, but they passed and we made our contribution there. We have done everything we can. We have been good managers. Those folks that I want to promote and the civilian positions that I want to keep, from my perspective they are leadership management positions and I truly need them so I would ask you to support that.

Alderman Wihby asked so basically what you are saying is that the 11 positions on these pages you have the money to fill all of those positions.

Chief Driscoll answered no, the sworn positions.

Alderman Wihby asked how many is that.

Chief Driscoll answered yes. Two Deputy Chiefs, two Lieutenants and a Sergeant.

Alderman Wihby asked how many, five.

Chief Driscoll answered there are five total.

Alderman Wihby asked so when we made the cuts back in the beginning of the year weren't you sitting up here saying it was going to devastate the Police Department and we can't make any additional cuts and you were going to have to lay-off people and everything else.

Chief Driscoll answered I never said that you would have to lay people off. I said that it would be very, very difficult for us to be able to continue to deliver the services that the City expects.

Alderman Wihby stated some of these positions haven't been filled since October 2001, February 2002...

Chief Driscoll interjected Jimmy Stewart left in March. As a result of his vacancy, at that time the Mayor had asked us to save money and to work toward coming in in the black and turning money back to the City. I kept that position open knowing that Robert Duffy was going to retire so I could make two promotions at once so there wouldn't be a seniority issue between two different people and they would both be promoted at the same time. It made a lot of sense to me. It allowed me to accomplish the Mayor's goal as well as my own.

Alderman Wihby asked so if you fill these five positions, in the next year the amount is going to be higher because you are going to be funding those positions for a full year. Are you going to lay them off next year? What are you going to do?

Chief Driscoll answered I will have the money if you budget me the same amount as this year plus any raises that they give. I will have the money to complete the year.

Alderman Wihby asked how is that. If you haven't filled them for six months, how are you going to have the money? You are funding them now for six more months in your budget when for six months you couldn't fund them or at least you left some positions open for six months.

Chief Driscoll answered I could have filled them.

Alderman Wihby asked you could have filled them.

Chief Driscoll answered yes.

Alderman Wihby asked you could have filled all of these positions when they had opened up.

Chief Driscoll answered yes.

Alderman Wihby asked so you have the money to fill all of the positions.

Chief Driscoll answered yes.

Alderman Wihby replied you just told me no.

Chief Driscoll stated if I did, I misinterpreted what you said.

Alderman Wihby responded I asked if you had the money to fill all 11 positions and you told me no, just five.

Chief Driscoll replied I misinterpreted what you said.

Alderman Wihby asked so you do have the money to fill all 11 positions.

Chief Driscoll answered yes Sir.

Alderman Garrity stated Chief Driscoll I see you have Grants Coordinator vacant. Was that Marty? Did he leave?

Chief Driscoll replied that was Marty.

Alderman Garrity asked how much grant money did he bring in to the department last year.

Chief Driscoll answered I can't tell you last year but I would say that during the course of the time that he was employed by us he brought in \$3.3 million.

Alderman Garrity stated I think it is important, Mayor, that we get that position filled.

Mayor Baines replied well actually we are adding a Grant Coordinator on the City side that is paid for by Federal money and one of the priorities is going to be working on Police grants so we are taking care of that without any additional cost to the taxpayers.

Alderman O'Neil asked when will we see that position filled.

Mayor Baines asked what is the status of that, Mr. MacKenzie. It has been advertised.

Mr. MacKenzie answered it has been advertised. I don't believe the advertisement has closed yet but it is probably due in the next week.

Alderman O'Neil stated there was enough work at the Police Department to keep somebody busy for a full year. I hope, especially in the area of public safety, that that person will be available. I have some further comments. I just want to clarify...I think and I am not speaking for the Chief but when Alderman Wihby asked do you have enough to fill all of the positions, I think the Chief said no he was only talking about the sworn...he had enough money for the sworn positions not the unsworn positions. Is that correct?

Mayor Baines replied that is what he said.

Chief Driscoll stated let me restate it for the record. When I believed that the Mayor lifted the hiring freeze I went back to my people and said I want you to assume that all positions are filled. Assume that for the rest of the year and assume that in fact we are able to make all of our promotions. I want you to tell me that you can do it if, in fact, we can. They came back and told me yes we can do it just by a whisker. All positions.

Alderman Wihby stated if you go ahead and fill the positions now, next year you are going to have six months of all of those positions to have to add to your budget if you waited six months to fill them.

Chief Driscoll replied I don't think that is really true because we have used some money for overtime and we have done a variety of different things. I will tell you one thing –our Captains who are doing double-duty have not raised their hand and asked for any additional pay under the ordinances and they could and I certainly appreciate that and they deserve credit for it.

Mayor Baines responded but you also manage vacancies if you can't fill positions right away. It takes a long time sometimes to fill a position.

Alderman Wihby stated I agree with Alderman Lopez. We should be starting something now for next year and we should at least be freezing the positions. I don't know if we can come up with a number – that is my concern because in your figures and your budgets and in the departments they counted some of those vacancies but we should at least send a message that we are not going to fill the positions in the future and whatever is not filled, we are not going to fill. Let them come back and they might need to reclassify a different position to do another job or whatever like Alderman Lopez said but we could save additional money there towards next year. We still have a \$14 million problem next year.

Mayor Baines stated I have no problem keeping, if that is the will of the Board, a hiring freeze in place and setting up a mechanism as we did last year for department heads to come in and justify to the Board to fill those positions and I think that accomplishes both things we are trying to accomplish tonight and I have been committed to that since the day I became Mayor. I basically have been managing positions that way from Day 1.

Alderman Wihby stated I guess the concern is what number do we use. I don't know...there are at least some savings there but I don't know what we could use.

Mayor Baines replied it is going to be going forward as we try to build a stronger fund balance as we did this year and as we did the previous year. If you look at what we have done in terms of our fund balance and looking at a reserve, we are preparing a financial presentation for you and you are going to see a very strong performance in terms of fiscal management over the last few years working with the department heads and the Finance Office to build our reserve. Kevin, I don't know if you want to add to that but we went over that today.

Mr. Clougherty responded that is right, Mayor. As I said I applaud the Alderman for bringing this forward but unfortunately tonight we just can't give you a number that could be calculated into the tax rate. It is something we have to take a look at and it could have an impact for next year, which is going to be difficult, by creating some additional fund balance at that time.

Alderman Lopez stated as I said in the beginning elimination of the unfilled positions with the understanding that some of the positions that are listed there will be released and filled. I think that is where we have to make sure that we are taking on the same line.

Mayor Baines replied what I would like to do is sit down with you and Ms. Lamberton tomorrow or the next day and develop a procedure for looking at those positions and an approval process based upon some of the conditions that we talked about.

Alderman O'Neil stated probably the three areas that are most important tonight are the areas of Police, Fire and Highway. They absolutely provide direct services to the citizens of our City. I am pleased with Alderman Lopez's comments with regards to Highway and I think in a discussion with the Deputy Public Works Director they may only be a position or two off and maybe he can come up and speak on that later. With regards to the Fire Department, I think it is important that we fill the Dispatcher positions as well as the line positions and if the Chief has done a good job managing his budget he should be allowed to fill the other positions. I am extremely concerned about not filling these sworn positions at the Police Department. To the best of my knowledge, police Sergeants and Lieutenants are line people. They work 24 hours a day 7 days a week. They are out in the street either in the patrol division or investigating the crimes in our City. they are working people. I lived for almost eight years near Deputy Chief Stewart and remember regularly him heading out with his sedan on a weekend or at night or on a holiday going out to assist the detective division in investigations that went on beyond the Monday through Friday, 8AM-5PM hours. The Deputy Chiefs, in my opinion, at the Police Department are working positions. I think we need to allow the Chief to fill those positions. I think we are...in my opinion we are jeopardizing public safety by not filling those positions.

Mayor Baines stated I would suggest that we refer Alderman Lopez's suggestion to the Mayor and let me sit down as I said with Alderman Lopez and Ms. Lamberton to come up with some strategies to deal with the situation that has been brought forward this evening.

Alderman Wihby asked but basically it is approving...the hiring freeze is still on as we were doing before.

Mayor Baines replied that is correct.

Alderman O'Neil stated with all due respect some of these things...I mean the Chief at one point could have filled some of these positions prior to the hiring freeze. I think out of fairness to Chief Driscoll he did the right thing by holding off but in my opinion we are just continuing to delay filling the positions at the Police Department and I think that is very dangerous.

Mayor Baines replied I am prepared to begin dealing with this first thing tomorrow morning. The only reason I kept this in effect as strongly as I did was because of the uncertainty of the budget situation up until tonight. There was a legitimate reason for doing that because if we had come back and said we are going to cut 5% out of every department he wouldn't have

had the money to fill those or even fund his department for the rest of the year so there are reasons why we did that.

Alderman O'Neil asked does that include Fire Department, Highway and any of the other...

Mayor Baines interjected I will be sitting down with all of the departments. We will talk tomorrow and develop a strategy going forward.

Alderman Wihby asked is it fair to assume that if the hiring freeze is on and we can give you a number to throw in the budget to say you are going to have to make up \$200,000 or \$300,000 or \$400,000 in the next six months with a hiring freeze and use that in the calculation of the tax rate.

Mayor Baines replied I don't think I can verify that tonight nor would the Finance Officer be able to verify that.

Mr. Clougherty stated again I wouldn't know what positions you are going to approve. Say you are going to do a hiring freeze and save money and not raise taxes and then replace all of those positions or more of those positions than you have anticipated, then you have a deficit.

Alderman Wihby responded what I am saying is that we tell him you have to work within the hiring freeze and that he has to make sure that within that freeze...looking at the big picture as we have done before. It is not anything new that we need \$300,000 or whatever number we want to come up with tonight in savings from the rest of the year filling these positions.

Mr. Clougherty replied I think that whenever we have done that it is not as a tax rate issue but it has been as a fund balance issue later in the year. We have always gone in and cut the respective departments in their budget so I would be wary of doing that.

Alderman Wihby asked when we set the budget, whenever we did it – March or June, one of the recommendations at the time was that we were going to have a hiring freeze and that out of the hiring freeze we were going to make sure that we saved \$500,000 or whatever the number was. We have done this before. Maybe not in the tax rate setting but in the budget process we have.

Mr. Clougherty answered right and if you adopt that as part of your budget then you have reduced your appropriation that amount and that is my concern. If you do it as part of the budget or you do it as part of a directive later on but not part of the tax rate setting.

Alderman Osborne stated, Chief Driscoll, I can remember back 20 years ago when I was an Alderman...didn't you always have three or four or five positions that have always been...I

remember back with Chief King he always had three or four positions open constantly. How often are you filled completely?

Chief Driscoll replied I am filled right now with sworn positions.

Alderman Osborne asked what about the others.

Chief Driscoll answered well there are several civilian positions.

Alderman Osborne stated but there are always positions open. It is never completely filled on both sides.

Chief Driscoll responded we have had an extremely difficult time filling Dispatch positions. We generally have Dispatch positions open.

Mayor Baines stated I think any large department is always going to have open positions. That is correct.

Alderman Osborne stated anyway I was just saying you know the pay structure...I think the whole thing here with a lot of people is they think the department heads make big money, which is a fact but anyway I think changing the pay structure should be an attrition type of situation rather than the way this is going now. That is how I look at it. When one leaves, then of course you change the pay scale. If they don't like the way they are paying them then they will have to change that. That is the way it has to go.

Alderman Smith stated I wish in the future we would get some information before we sit down in a meeting in regards to figures. In regards to current unfilled positions, I have figures here that I have seen for the last week with no amounts to them, how much time, what the cost is and everybody is saying and Kevin you said it control spending. If I don't know what the amounts are how the hell am I going to control spending?

Mr. Clougherty replied I don't know. Those aren't our reports.

Mayor Baines stated the other thing we passed out as we are closing out this part of the discussion...I asked Mr. Clougherty to compile what is happening around the State in terms of tax rates to date. As you can see there are some very significant challenges. I do want to correct a couple of things and we can all bring about greater efficiencies in government and we have several proposals that are out there to try to accomplish that but it is not just a spending issue. It is very significantly a revenue issue as well. If it weren't a revenue issue we wouldn't have been \$2.6 million off in revenue. We wouldn't be off on interest income. We wouldn't have investment challenges that are creating strains on our contributions to the retirement system. It is a combination of things and I think unfortunately the message that is

out there in the media is that it is just on the spending side. If that were the case you wouldn't have communities all over the country in deficits right now or state governments in deficits. Our City is not in a deficit and we won't be. We won't jeopardize public safety either.

Alderman Lopez stated I do want to make the comment that I don't believe safety will be an issue. I think the Police Department and the Fire Department...I trust my life with them any day of the week with the staff that they have today. They do an excellent job. The only comment I would like to make in addition to that is it is for taxes and saving jobs next year. That is very important to me. I would rather not have some truck driver be laid off and continue to pay the upper echelon, continue to pay higher salaries with 3% merit without anything in place. I realize and I accept your proposal to work with Ginny and work with myself and work with the Committee but Alderman Wihby brings up a very, very good point and I hope that there is no intent...these numbers here were given to us by HR and if you add all of the numbers up here these are entry level positions. That comes up to that \$1.732 million that I cited in my letter. Is this an official document saying that these are the unfilled positions?

Mayor Baines replied I think there are some errors on there. One of the things that we did...Mr. Clougherty pointed out to me that one of the positions that is listed on there he cut that amount of money out of his budget when we approved his budget this year. I think there are some inaccuracies within it.

Alderman Lopez responded I realize there are some errors in it, but surely \$1.7 million and let's say there is a \$700,000 error. I will even concede to that fact. Surely we have no intent to fill all of these positions and if we fill all of these positions we are looking at lay-offs next year and I think that is the point that Alderman Wihby is making.

Mayor Baines stated in your position as Chairman of the Human Resources Committee I have already pledged to work with you and the Human Resources Director and you certainly will be fully informed as we proceed.

Alderman Lopez replied I have one last point. I just want to and I say this with due respect, it is a policy of this Board to make the policy, give it to the Mayor and the department heads to follow and I would hope that my colleagues would take a good look at that and although the CEO of the City of Manchester works with the department heads in filling the positions, the enormous pressure that comes under the Mayor to fill these positions on a daily basis without reclassifying or given the staff to go in and verify all the information that department heads to give you...that is all I am asking for because I think there are savings there.

Alderman Shea stated just by way of nitpicking here, if we wanted to save without the benefits \$108,389 we could look at the Grant Coordinator from the Police Department which

is not filled now and is not being filled because obviously according to my sheet it is going to be done through the funding that we have already indicated. Payroll Coordinator is already covered by a person from the Finance Department and the last one is Training ADA Coordinator from the Human Resources Department that is not being filled. That is \$108,389 right there without benefits. Why couldn't we just say make that up which we are not making up with the parking management contract, which was not voted on tonight? At least we would be close to where we want to be. That is just a thought if these people want to consider it.

Mr. Clougherty replied again I haven't verified any of those numbers of those positions.

Alderman Shea asked where did they come from if they weren't verified by someone.

Mayor Baines answered they are vacant at the present time.

Alderman Shea stated well then apparently although you didn't verify them someone can coordinate this and say this is what it would be. I mean Ginny is probably not the Finance Officer but she certainly knows what the pay scales are. What I am saying is if we want to reduce the budget \$100,000 plus whatever the benefits might be that is a thought. Maybe if somebody wants to second that fine. That is my motion.

Alderman Wihby stated I will second the motion for discussion purposes. Are they open now?

Ms. Lamberton replied yes. The three positions that Alderman Shea referred to are open.

Mayor Baines stated basically the motion would be to direct that amount of money be taken from those departments. How would it work technically and legally, Kevin, to accomplish what the Aldermen are trying to accomplish?

Mr. Clougherty replied we are struggling to figure out what the three positions were.

Mayor Baines stated one is the Grant Writing position that I was not recommending that we fill anyway in the Police Department. We are taking that over on the City side paid for by CDBG funds. The other one is the...can you help me Ginny?

Ms. Lamberton replied the Training/ADA Coordinator.

Mayor Baines asked can we calculate the salaries and benefits.

Ms. Lamberton stated I think if you look up at the top, the Accounting Specialist in the Highway Department. It says never filled and then when Frank Thomas responded to the

Mayor's inquiry about what would be the consequences and Frank indicated that in fact he had essentially not even requested funding for this position beyond June 30 of last year. I think that is one of the flaws in our system. We do that but there is no follow-up to actually abolish the positions when that happens. As I am sitting here I am listening to the ADA and I am thinking well the reason why that person had to be laid-off was because there wasn't enough money in the budget to continue that position so that is another position that we really need to go in and look at.

Mayor Baines responded that was the point I was trying to make earlier on. We cut her budget and she decided that how she was going to absorb that cut was through eliminating that position. Now what you are going in and doing is cutting the money that we have already cut out of the budget. That is what you are doing.

Ms. Lambertson stated technically this position should have been abolished July 1 of this year is what should have happened.

Alderman Wihby stated I guess when I asked if it was vacant I meant is there money there to fill the position rather than...

Mayor Baines replied no. That is the problem with the motion.

Alderman Wihby withdrew his second.

Mayor Baines stated I think we should just proceed with what we put in place now and then make a commitment to deal with the situation going forward.

Alderman Garrity asked, Kevin, how long would it take to verify the numbers.

Mayor Baines asked verify what.

Alderman Garrity asked the numbers for all of the unfilled positions.

Mayor Baines answered we are going to...

Alderman Garrity interjected just a question. How long would it take?

Mr. Clougherty replied in terms of time if we sat down and did that as our top priority it wouldn't take that long. Tomorrow we are going to try and set the tax rate and we have a number of other things that we are trying to get approved that are a priority so it is going to take us probably until next week. We are short three positions.

Alderman Garrity stated I think the priority should be to try and figure out what the number is because we are trying to reduce the tax rate. I think that should be the number one priority at City Hall tomorrow.

Mr. Clougherty replied again if we had the list before tonight and we had the letter before tonight we might have been able to do that but we have had a lot of other priorities that are equally important along with the daily things that we have to do to make sure that bills get paid and payroll and things like that are going out. It is a question of triage sometimes I think. I fully agree with you. I wish we could give you a number tonight but unfortunately we have to have some time to go back and be prudent and verify these numbers and make sure that you don't cause a bigger problem by doing something tonight in haste and that is hard for us to say too.

Alderman Garrity asked what is the latest the tax rate can be set. Is it tonight?

Mr. Clougherty answered there is no...I don't believe there is any statutory late date. What happens is the later you postpone it, the later you get your dollars in and the later you get them invested and you start not being able to make your cash available for payroll for the City and Schools and things like that. You really have to get these bills out. If you don't set it tonight and give us the information that we need to complete the forms and fill them in we are going to try to get the tax rate set by Concord by Friday. The reason for that is so that all of the tax bills and all of the computer runs can be run over the weekend. If we don't do that you are going to see a whole week go by and we miss all of that time and again every day you don't have the bills out it is longer before the money comes in and you lose that interest and you have already made some assumptions in your budget this year.

Mayor Baines stated I thought we already agreed to move forward with the procedures we put in place. It seems like we are going back around the bend again.

Alderman Lopez stated I agree 100% with what you just said. Here is a clarification. I think the problem that we have in City government is the HR Director has unfilled positions. I got this Friday as did everybody else. The Finance Office...any time there is a current unfilled position, the Finance Office should know those numbers so that we don't run into this particular problem. Now we have to go back and study. I think you get my point. Ginny is not a finance individual. She can tell you what the entry-level pay is and the classification and everything else but when it comes down to the dollars Finance should have that at their fingertip when there is an unfilled position.

Mayor Baines replied again if there are issues before your Committee I am sure the Finance Officer and the Human Resources Officer would appear together and clarify any and all issues. We have another very important issue that we have to deal with tonight as well.

Alderman Osborne asked do Traffic or Parks & Recreation have anything to say this evening. Do they want any input? I would like to hear from them.

Mayor Baines replied if we are just going to move ahead, I think...Kevin do you feel compelled to say something.

Mr. Sheppard responded no.

Alderman Osborne stated I think Tom Lolicata wants to say something.

Mr. Lolicata stated I think you saw my answers to the Mayor in regards to this. When I have to start taking people on a daily basis and change their jobs I guess it tells you that I need some people. First of all, you know I am under staffed. I have two people, a Signal Technician that hasn't been filled for 18 months and a Worker I. Right now they are going to affect us much more than you think they are going to affect yourselves. I had to refuse Alderman tonight for certain signs. This is going to be coming up. I am right now at bare bones. I am not here too cry before you but just to give you an idea of what some of us small departments are going through. It is not a picnic. I am one of the few departments that started this year less than last year for my budget plus the cuts we go on top of that. You have to take all of this into consideration. I have been asking for people since 1994. Now I am down to bare bones and next year is not going to be a pretty picture. I guess what I am trying to say is you asked for...you are all entitled to stop by. A lot of you Alderman come in and see how we operate. I am telling it as it is. Right now we are at the point, especially a small department like mine, I can't go too much further and to cut people out...I am trying to gain bodies and here I am being pressured to probably get rid of people, which I will not do. The services are going to be cut. That is all I am going to say.

Mayor Baines replied and those are some of the choices that this Board might have to make.

Alderman Thibault stated we keep talking about public safety and how we don't want to cut safety and so on. I just asked them tonight for something that I believe is a safety issue in my area and he tells me that he has no money to buy the materials to do it. Just signs. Small signs and he doesn't have any money left and said he can't do it. This is a safety issue also and I think that we, as a Board, are going to have to make some of these decisions and get some of these things done. I don't know exactly what he needs to get it done.

Mr. Lolicata replied emergency and regulation signs will be taken care of for the public. I will stop and cut down on passive signs. In other words, "Drive Slow Children." They are like sugar pills. If I can get away with not making those...I would rather put up a 30" x 30" "Slow" sign than a "Drive Slow Children" in all honesty.

Mayor Baines responded I wasn't familiar with those technical terms.

Alderman Thibault asked why can't we get those.

Mr. Lolicata answered you have to remember that I also take care of Highway, Parks and every single department in the City helping them out and some of those things are going to be cut down this year.

Alderman Shea stated I hear Alderman O'Neil saying how important the Highway, Police and Fire Department are. Let me personally say that as an Alderman in Ward 7 I call you, Tom, repeatedly and you know that and your department has serviced my constituents to the highest possible degree. I want to commend your department and you personally. I don't know how many Alderman At-Large call your department but I know that as an Alderman I call your department...I have called you every day this week on different concerns that I had and I am sure that every other Alderman, barring a few here, call you repeatedly and I want to commend your department and you personally because you, even today...at the polls yesterday I had a lady come and you called her in Concord today and you took care of that problem. These are very important issues for people in my ward because we have so many problems connected with traffic I can't tell you. Our roads just aren't able to handle all of them. I want to say that the Fire Department is important, the Police Department, the Highway Department, the School Department and the Traffic Department and that is an editorial.

Alderman Smith stated I acknowledge what Alderman Shea is saying. In fact, since I have been on this Board I get more calls for traffic than anything else and as you know we have two bridges out on the West Side and they responded and I commend them for that.

Alderman O'Neil stated I will add another department to my list that we can't cut next time. Thank you, Alderman Shea.

Mayor Baines stated we are going to move on to the next issue. We have another issue that the Board passed several months ago relating to the contract that we have with the Center of New Hampshire parking garage and it relates to parking and revenues. The Board approved an agreement with the Center of NH. I think Alderman Guinta has asked about this on several occasions. At the request of the Finance Department in late May or early June we were asked to review all of the contracts that were in place and all of the original agreements associated with the Center of NH that goes back to the 1970's and it has take a considerable amount of time and research by the City Solicitor's Office so that agreement has not been executed until this date. We need to inform you of some issues that you need to be aware of and I am going to be asking for some direction from the Board. I ask Mr. Clark to explain the situation to the Board.

Solicitor Clark stated as you know back in the 1980's the Center of New Hampshire project went up. There was a redevelopment project. There were various contracts and agreements made. One of them was a lease purchase between the City and the Center where they were allowed to lease up to 600 spaces in the garage and for that they would pay us about \$100,000 a year. When we built the civic center, patrons started using those spaces and the Center of NH looked for a way to recoup some of the loss. They were paying the rent on the 600 spaces but not getting the revenues coming in. Tom Lolicata of the Traffic Department, Tom Arnold of the Solicitor's Office and Wayne Robinson of the Mayor's Office sat down with the Center of NH and discussed ways of implementing or coming to an agreement. The parties decided eventually and reported back to this Board that it would be fairest at this point to split it 50/50 rather than go with the 60/40 even though that is what they lease. We felt that if they went to court there was a chance that the judge would say that a 60/40 split would be more likely. We felt that the 50/50 split was in the best interest of the City of Manchester and that is what we went forward on. The contract has been prepared and approved by the Traffic Committee and this Board but the Finance Department at this point is saying, as I understand it, that there are not sufficient funds to pay them so we are back here for direction at this point.

Alderman Guinta stated I don't even know who to direct this question to. We don't have enough money to pay an executed contract?

Solicitor Clark replied it hasn't been executed yet. We haven't presented it to the Center of NH because the Finance Department informed us that there are no funds.

Alderman Guinta asked so initially in April this Board agreed to 50/50 and that hadn't been executed and then within the last couple of months a new agreement had been entered into with the Center of NH. Isn't that accurate?

Solicitor Clark replied no. The parties have sat down and negotiated.

Alderman Guinta stated I thought there were some new negotiations and the parties came to an agreement within the last 30 days. Is that not accurate?

Mayor Baines replied basically the City Solicitor asked for the extensive review and authorized me...when you pass something at the Board it allows the Mayor to sign after review of the Solicitor. They finally authorized me to sign the agreement.

Solicitor Clark stated what happened is that the Finance Department asked some questions as to whether or not the original agreement had some tax implications because of the 50/50 split. We went back and reviewed it with Bond Council and there are no tax implications. The agreement was then prepared and presented to the Mayor for signature.

Alderman Guinta asked so you are saying the Mayor can sign it.

Solicitor Clark answered yes.

Alderman Guinta stated and now Finance is saying that we don't have the money to pay the agreement.

Solicitor Clark replied that is my understanding.

Mayor Baines stated two things. Finance is indicating that we don't have the resources to pay it because you are paying parking revenues also to SMG and I think they disagree that we should be paying it so there are really two issues here.

Mr. Clougherty stated I would like to give some history.

Alderman Guinta replied I don't want the history.

Mr. Clougherty stated I think it is important that the Board understand the history.

Alderman Guinta replied I think the history that is important is that this Board agreed to a 50/50 split. We have given our word to the Center of NH. The Mayor agreed with it. The City Solicitor agreed with it and this was in April. Now we are at November 6 and we still haven't paid it and you are saying we aren't going to honor it. What more history do we need?

Mr. Clougherty responded first of all, what the Board approved was a concept. There was nothing in writing. There was no detailed agreement at the time of the Board action so when it came to the Finance Department, as you know the devil is always in the detail. We were trying to work out how does this thing get executed. The Center of NH parking garage was built by the taxpayers of the City of Manchester. They built the parking garage to accommodate the Center and its operation and they said we will build the garage but if there is a profit to be made as we are going down the road here from the hotel or from the tower we want a share of that. For 18 years the City has had this arrangement with the Center of NH so the City has its contract and we have our payment. There was a period of time where you will recall that the payments were not being made to the City and there was about a \$300,000 difference. The City went back to the Center of NH and said give us the \$300,000. The Center of NH said great we will give you the \$300,000 over a period of time but for the first time in 18 years we think that we should be getting some money out of the garage. It is a fundamental difference in the arrangement that you have had for 20 years.

Alderman Guinta stated I agree with that philosophical difference.

Mr. Clougherty responded let me finish. So the agreement that came before the Committee was should there be some profit sharing going forward if you can document the utilization. First of all, you don't know the documentation of the utilization over there so you make an assumption of 50%. Based on that when we go back in and try to make out an arrangement it is very difficult to put in writing, especially when the operating agreement for the garage is coming due. If there was ever a time that you don't want to give up some of your revenue it is when you are going in to negotiate a new agreement I would think but that is the position that you find yourself in. I think it is regrettable because I like Sean Kane. He does a good job over there and he has come forward and it was good for him to bring this proposal forward but the fact of the matter is we do not have enough revenue coming in from that garage to pay, under the civic center agreement, and do yet another agreement. What I need to know from this Board is if you want to go ahead and do this agreement, which doesn't make sense to me but if you want to go ahead and do it where is the money going to come from? Where is the appropriation going to come from? Is Traffic going to come up with another \$134,000 in their budget to pay this or is it going to come out of contingency? That is the issue.

Alderman Guinta asked did you have a position on this agreement back in April when the Board voted on it.

Mr. Clougherty answered we weren't involved in the negotiations. We didn't have anything in writing. If we would have seen something in writing that had a detailed contract or something like that we might have at that point.

Alderman Guinta asked at what point did you determine that this was not an appropriate contract for the Board to enter into.

Mr. Clougherty answered we never determined that it is an inappropriate contract. We have said that it might not be the best business deal and put you in the best business position going forward and that you should know that and second of all our concern is where is the money going to come from.

Alderman Guinta stated it is a 50/50 split right. 50% to the City and 50% to the Center of NH.

Mr. Clougherty replied that is what you are proposing but you have to understand that those revenues that are going to that garage have already been pledged in part to the parking agreement for the civic center. The proposal that you have before you...let me clarify one thing. The proposal as I understand it that is before the Board tonight is to pay the Center of NH \$134,000. It is not to continue paying them going forward. It is to say we will pay \$134,000 because back when we started talking we thought we had a 50/50 idea so we will

give you the \$134,000 for that period and then going forward we will negotiate a new operating agreement. The problem is we don't have the \$134,000 to pay for it.

Mayor Baines stated this is one of the issues that is like Inside Baseball here at City Hall that we deal with. Mr. Clark, could you clarify please?

Solicitor Clark stated Kevin is correct in that we are talking about a 50/50...it is a payment for what has already happened. The operating agreement with the Center of NH has expired. As you voted on tonight, you authorized us to negotiate a new one and we believe that this will be taken care of in the new agreement. They are paying us for 600 spaces in that garage and they are paying us rent on that and they are looking for a share in revenue that we are using of their 600. The reason that a 50/50 split was arrived at is because we can't determine if we are using 50% of their spaces or 75% of their spaces. We felt that very reasonably a judge could say that if they lease 60% of the spaces they can get 60% of the revenue. That is why we thought it was a prudent recommendation to go forward with the 50/50. Now if you are looking for money for the \$134,000 one idea that Jay Taylor has expressed to myself and I believe to the Mayor's Office is that you take a look at some of the money that they are now paying us back and forgive some of that debt. I believe it is somewhere in the range of \$70,000.

Mr. Clougherty stated right there is about \$70,000 still to be collected.

Alderman Guinta asked can I assume that the Center of NH despite us owing them this amount of money and despite the fact that we agreed to pay them back in April, they have still continued to pay us that old debt. Correct?

Mr. Clougherty answered yes.

Alderman Guinta stated so they have honored that commitment despite the fact that legally they probably don't have to. If you look at it from a legal perspective, they could have challenged that decision.

Solicitor Clark replied well if you are looking at it strictly from a legal standpoint they have a signed contract with us and we would argue that there are two separate issues and they do owe us a debt and we probably...we have agreed or at least the Board has agreed to pay them this money even though the contract hasn't been signed yet but they are two separate issues.

Alderman Guinta asked so they agreed to pay us...how much are they paying us a year.

Solicitor Clark answered I believe they are paying us an extra \$10,000 a month.

Alderman Guinta stated so they agreed to pay us an extra \$10,000 a month, which is a separate deal so in April we agreed to pay them 50/50. We are going to relinquish on that but we are still going to tell them to pay the \$10,000 or the other option is to what? We have \$70,000 left.

Solicitor Clark replied there is approximately \$70,000 left. The Board could forgive that debt and apply it to this.

Alderman Guinta stated my comment is I don't think it is an appropriate way for the City to treat a good business downtown. They have been nothing but...they have worked with the City. They tried to work out something equitable. This entire Board agreed with it in April and now we are saying we are not going to pay them. I don't think that is any way to treat businesses in this City. I really don't.

Alderman Shea stated at one time if memory serves me correctly didn't we do something at the Board to pay a debt on that particular building. Am I incorrect? Did Mr. Tamposi come one time and we gave them some money? Wasn't it \$700,000 or something and we excused the debt? There was some amount of money that he came before this Board in recent years...I know Carol is shaking her head and agreeing with me because I know she was here. I know that we did help out the Center of NH when they were in either default or something. Isn't that correct?

Mr. Clougherty replied my recollection is the refinancing that was done in order to make some funds available for the garage that way.

Alderman Shea asked so we were good neighbors in a sense weren't we.

Solicitor Clark answered they came in and asked us if we would approve the refinancing and I think we went along with it. It made financial sense for everybody.

Mayor Baines stated it was good for us too.

Alderman Shea stated so we were good neighbors to them. I don't think we are treating them unfairly. I think if we...we have been discussing basically what is good for the taxpayers most of the night and now we are saying we are not treating businesses properly? Let's face it. If we are truly conservative people here we have to look out for the taxpayers and not just the businesses in the downtown area. I think it is incumbent that we agree to whatever we have to in order to get this proposition going in my opinion. Not that Frank doesn't have to defend his constituency. Obviously that is important but basically I think we have to look at the overall picture here.

Mayor Baines stated also just so you know we had our internal auditor look at the situation there. I had several discussions with him early on and everybody that we talked to in deference to the Finance Officer who has another opinion, agreed this was the only way that this issue could be settled. Again, we have a legal department here that has researched it and that has made a recommendation and I believe even though I understand the objections of Mr. Clougherty we have a legal document here. They would have every right to go to court and sue us.

Alderman Shea asked are you looking for a motion.

Alderman Guinta asked may I make one comment and then a motion. I agree with you, Alderman Shea. We absolutely, especially this evening, have to be looking out for the taxpayer. I also want to make sure that we treat business fairly and my suggestion was that because we have held this payment from April until today, \$134,000, that is what I was referring to in terms of not treating somebody fairly. If we agree to make a payment in April, I think that we would all expect that it would be honored in a timely fashion and my point was today is November 6 and it is my opinion that is not timely. That being said, I would make the motion.

Mayor Baines stated we don't need a motion because you have already authorized me to sign it pending review of the City Solicitor so unless somebody reverses that you don't have to do that. The other issue that we have to deal with and I need some advice here on how to deal with is where is that money going to come from.

Solicitor Clark replied as I mentioned to you and the Board and at Jay's suggestion one of the avenues you can approach is to forgive the debt and offset that as a payment.

Alderman Guinta stated assuming they accept.

Solicitor Clark replied I don't know why they wouldn't.

Mayor Baines asked Mr. Clark could you say that once again so everyone can hear it.

Solicitor Clark stated they are presently in debt to us for about \$70,000. We could offer to them to offset that payment and reduce the \$134,000 by the \$70,000 so we would only owe them \$64,000.

Mr. Clougherty stated again as long as you understand that is probably going to have a revenue impact on you at the end of the year.

Alderman Lopez asked what is the final legal option here. We have to do it right?

Mayor Baines answered the Solicitor has advised us that he recommends that we do this. I don't want to put words in his mouth.

Alderman Lopez stated let's say we don't do it, Tom.

Solicitor Clark replied if we don't do it chances are they will challenge us in court.

Alderman Lopez asked and would the court take us into next year.

Solicitor Clark answered it may take us until next year but it may cost us more than the 50/50 split too and I am not sure you want to wait until next year.

Alderman Shea asked how much do we have left in contingency.

Mr. Clougherty answered about \$160,000.

Alderman Shea asked well would it make sense to do something...

Mayor Baines interjected we could go ahead and sign the contract and direct the Finance Officer and the City Solicitor to come in with some recommendations in writing on how to deal with making the payment. It is up to this Board.

Alderman Lopez stated Alderman Guinta makes a good point. This was done in April and here it is November. Does the Finance Officer live in another town? We just can't seem to get together here as far as what is going on. We are coming here in November and I just don't understand it. It is not just the Finance Department. It is other departments around the City. The correct information is not being given to everybody at one time. So we come here and we run into these problems. He doesn't want to pay it because he doesn't know where the money is coming from. The Solicitor says it is a legal document. I just don't understand how in the world all of this could happen.

Mayor Baines replied welcome to my world.

Mr. Clougherty stated I would like to explain it. With all due respect, I live in Manchester and I am responsible to try to take a look at a number of things that aren't always easy. What we have here is you had no written document. As the concept of the deal started to come forward, there were some real tax issues. There were some real concerns that had to be flushed out where the research hadn't been done and it took time but we raised those issues. We raised them with the Solicitor's Office and we raised them with the Mayor. We have been very prudent in notifying those parties as to the concerns we have and those have been on the table for some time.

Mayor Baines stated so we will proceed with that and sit down with the Center and talk about some of the options and then come back to the Board on how we are going to resolve this issue.

Alderman Guinta asked how quickly are we going to do that.

Mayor Baines replied I have already committed myself tomorrow to some other things...

Alderman Guinta interjected you don't have to do it tomorrow but...

Mayor Baines interjected we will begin working on it in due time.

Alderman Guinta stated I think it is fair that we try to get this off our plate soon.

Mayor Baines replied I will tell you that I will talk to Sean Kane tomorrow. If you want to follow-up with me during the day I would be willing to do that.

Deputy Clerk Johnson stated there was a communication that was distributed from Mr. Taylor. We would just look for a motion to receive and file that as an informational item.

On motion of Alderman Osborne, duly seconded by Alderman Forest, it was voted to receive and file the communication.

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

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

Mayor Baines called the meeting back to order. The following Aldermen are present. Aldermen Lopez, Shea, Thibault, Forest, DeVries, Smith, O'Neil, Pinard, Osborne and Sysyn were present.

Mr. Hodgen stated as the Board knows we have just discussed the tentative agreement with the Educational Assistants bargaining unit and I believe a motion would be in order to ratify the agreement with the Educational Assistants in accordance with the memorandum from the Chief Negotiator dated November 1, 2002 with a waiver of Rule 26 and with the proviso that with regard to A-steps the Board of Mayor and Aldermen do not want any retroactive credit given for A-step attainment.

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted to ratify the agreement with the Educational Assistants with a waiver of Rule 26 and with the proviso that

with regard to A-steps the Board of Mayor and Aldermen do not want any retroactive credit given for A-step attainment.

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

A True Record. Attest.

City Clerk