

**BOARD OF MAYOR AND ALDERMEN**

**June 3, 2003**

**7:30 PM**

Mayor Baines called the meeting to order.

The Clerk called the roll.

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

Mayor Baines recessed the regular meeting to allow the Special Meeting of the Board of Mayor and Aldermen to continue.

Mayor Baines called the meeting back to order.

Mayor Baines stated as a personal privilege I would like to call upon Alderman Thibault.

Alderman Thibault stated tonight I would like to again apologize for the fact that I voted for the Employer Ordinance the way I did. It was a mistake on my part. Evidently I did not hear or pay attention to what was happening. I have to apologize for that. I made a mistake a couple of weeks ago in voting that this should not go to Committee. In having talked to both sides of the issue for the last week or I really believe that both of these groups are fairly close to an agreement that would be compatible to both of them. I would just hope that this Board would go along and support me in making sure that this does go to a Committee, whether it be Bills on Second Reading your Honor or whichever Committee you think should be handling it so that in fact these two groups can get together. Even if they do not resolve the problem, we are certainly no worse off than we are right now. Isn't it better to try to get an amicable association between both of these groups so that whatever the City does as far as construction in the next few years we know that we have people who are going to come to work for the City and be glad to come and work for the City?

Alderman Thibault moved for reconsideration of the vote on the Responsible Employer Ordinance and to refer it to the Committee on Bills on Second Reading.

Mayor Baines asked the issue or the actual document.

Alderman Thibault answered the Responsible Employer Ordinance. I would like it reviewed and would like to have both sides get together and come up with a compromise that would make sense to both sides.

Mayor Baines asked Mr. Clark can Alderman Thibault raise that issue this evening because of his vote at the last meeting.

Solicitor Clark answered as we have ruled in the past, each meeting of this Board is a separate session and an Alderman can continue to bring things in if you will accept them as the Chair.

Mayor Baines stated if he is just putting the motion as looking at the whole issue without the specific ordinance then that would be in order. Is your motion just to review the issue?

Solicitor Clark stated you have the right to rule that in Order your Honor. He can make a motion and you can accept it.

Alderman Thibault asked but it will go to Committee though.

Mayor Baines asked what was the Committee that it was going to, Bills on Second Reading.

Alderman DeVries duly seconded the motion to refer the issue of the Responsible Employer Ordinance to the Committee on Bills on Second Reading.

Deputy Clerk Johnson asked is the motion on the issue or the ordinance itself.

Mayor Baines answered the issue.

Alderman Guinta stated I am not sure what that means – the issue. Is this a motion to reconsider the vote or is this a motion to reconsider the issue and if it is the issue I don't know what the issue means.

Mayor Baines responded the issue of a responsible employer ordinance not necessarily the specific ordinance that was submitted. That is the way I understood it.

Alderman Guinta asked so this is not a vote on reconsideration.

Mayor Baines answered no. It is on the whole issue of responsible employers and what the Board should do with that whole issue.

Alderman O'Neil asked, Mr. Clark, could the ordinance be sent or is that out of order this evening.

Solicitor Clark answered if someone had an ordinance to introduce and send to Committee it could be sent if the Chair would accept the motion.

Mayor Baines responded that would be the reconsideration issue, which I would not rule in favor of because under the rules of the Board a motion for reconsideration must come from someone who voted in the affirmative. Am I correct?

Solicitor Clark answered that is correct. I believe Alderman Thibault did.

Mayor Baines asked so he could move for reconsideration.

Solicitor Clark answered yes.

Mayor Baines stated oh, that was not my understanding of what happened. So he could move for reconsideration this evening? Okay. So then the motion would be for reconsideration first. Just the issue of reconsideration.

Alderman Thibault moved for reconsideration of the vote on the Responsible Employer Ordinance. Alderman DeVries duly seconded the motion.

Mayor Baines requested a roll call vote. Aldermen O'Neil, Lopez, Shea, DeVries, Smith, and Thibault voted yea. Aldermen Gatsas, Guinta, Sysyn, Osborne, Pinard, Garrity and Forest voted nay. Alderman Wihby abstained. The motion failed.

Presentation by Dennis Anctil, P.E. regarding the Granite Street Widening Project.

Mr. Frank Thomas stated back on February 10 of this year there was a public hearing conducted here in the Aldermanic Chambers on the layout of the Granite Street project. As a result of that meeting, there was a report that was prepared and it was entitled, "A Report of the Public Works Director on the Granite Street Project." You should have received it. After that hearing, written comments were received from three parties. Responses were mailed on March 20, 2003. Copies are attached to the report. The purpose of tonight's meeting is to request that the Board of Mayor and Aldermen vote for the necessity of the project as presented at the public hearing and approve the layout as presented at that meeting. This is not intended to be a public hearing tonight. It is just to vote on the layout and comments that you have received. If you have any questions, we will be glad to try to answer them.

Mayor Baines asked is there any action required.

Mr. Thomas answered yes. We would like to Board to vote to find necessity for the project as presented at the public hearing.

Alderman Wihby moved to find necessity for the Granite Street Widening project as presented at the public hearing held on February 10, 2003. Alderman Guinta duly seconded the motion.

Alderman O'Neil stated the only piece and I am not sure if it is part of the State's project or the City's project but it is that parcel of land west of the southbound on ramp. There was talk about one point of relocation. I think it is part of the State project. Didn't the City own a piece in there?

Mr. Thomas replied the City owns a very small piece of that parcel. It would be the northwest corner. It is a little triangular shape. The remainder of the parcel is owned by the State of NH.

Alderman O'Neil asked do we know the status of that.

Mr. Thomas answered right now the State is planning on using that site as a staging area for their construction contract. As far as after completion of construction, I do not know what the disposition of that property is.

Alderman O'Neil asked so to the best of your knowledge it is not being reconsidered as a relocation site for one of the parcels that is going to be taken.

Mr. Thomas answered I know that there are ongoing negotiations. As far as whether that parcel has been put on the table, I don't know. I can give the State a call to get a little bit more information but that is really not a City issue. I can look into it though.

Alderman O'Neil asked so any action we take tonight does not give up our control of our corner of that property.

Mr. Thomas answered no it doesn't. The action again tonight is to approve the public hearing and the layout as presented at that public hearing.

Alderman Forest stated I think the parcel you are talking about is on the southbound ramp between the highway and Second Street, correct.

Mr. Thomas answered the large parcel is on the south side of Granite Street but the small sliver of land that the City owns that Alderman O'Neil was referring to is a parcel that is at the northwest corner.

Alderman Forest asked by Henry's.

Mr. Thomas answered you have a large parcel that is bordered by Granite Street, Second Street, Turner Street or whatever street the ramp is on. At the northwest corner of that parcel there is a little sliver of City owned land. Granite Street had gone through there. There was a right-of-way. That was discontinued, etc.

Alderman Forest stated I am just having trouble picturing where it is. There is a Chinese Restaurant...

Mr. Thomas interjected another way of putting it is a little piece of that parcel is at the corner of Second and Granite Street on the east side of that intersection.

Alderman Thibault stated it is before the relocation of Second Street. The piece of land that was there on Second Street before they relocated it to where it is today.

Mr. Thomas answered that is correct.

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

Mayor Baines stated I would like to call Peter Ramsey front and center. I would like to make a presentation to Peter. I don't know if a lot of you may be aware that in a 24 hour period this weekend we are probably going to have more people in downtown Manchester than perhaps ever in the history of the City. We are going to have a close to a sold out concert if not already sold out at the civic center. Friday night Cher is performing her second of three farewell concerts in the City of Manchester. In the middle of that is the third annual Downtown Manchester Jazz and Blues Festival that we looked to start three years ago and right from the start was a huge success. Any of you who have been to it know that the number of people gathering in downtown Manchester, not just on Hanover Street but all over downtown for this festival has become an extraordinary event. We are expecting between the arena and the Jazz and Blues Festival this weekend between 30,000 and 35,000 in downtown Manchester. That is very significant. It is good for business. It is good for all of our efforts to make Manchester a downtown destination but it is also a lot of fun. We urge all of you people in the community to come downtown beginning Friday afternoon at 4 PM. It goes through Saturday night. You will see some of the best-named performers in the business. It is in that spirit that I am going to ask Peter to speak about it and present this Proclamation:

“Whereas Manchester will play host this weekend to the Talarico Dealership’s Downtown Manchester Jazz and Blues Festival; and

Whereas in the three years since its inception the Jazz Festival has attracted thousands of music aficionados to downtown Manchester; and

Whereas under the guidance of Peter Ramsey and with the sponsorship of Steve Talarico the event is bound to grow in prosperity this year; and

Whereas this year's festival coincides with two sold out concerts at the Verizon Wireless Arena making Manchester a northern version of Music City, USA for the weekend;

I, Robert A. Baines, by the authority vested in me as Mayor of the City of Manchester in the State of New Hampshire, do hereby proclaim this week to be Talarico Dealership's Downtown Manchester Jazz and Blues Festival."

Mayor Baines stated I call on all citizens of our community to come downtown. For those of you who haven't been downtown in a while, come back downtown and experience the excitement of downtown Manchester. We are truly a City on the move and I congratulate Peter for his efforts to help us bring this jazz and blues festival downtown.

Mr. Peter Ramsey stated I passed out buttons and a flyer for all of you. We would love to have you come down and take a look at what we are doing. If you have suggestions, we would love to hear from you. If you have any complaints, you can tell the Mayor. As you know we start at 4 PM. We close down Hanover Street. We have about 20 different bands and 100 different volunteers. Some of the businesses that are helping the downtown effort are *The Hippo Press*, the *Union Leader*, Margaritas, WZID 95.7, WFEA, KOOL 96.5 and the Strange Brew Tavern.

Follow-up discussion regarding the Comprehensive Financial Annual Report (CFAR) for Fiscal Year 2002.

Mr. Scott Bassett stated I am a partner with the audit firm of McGladrey & Pullen. I am not sure how you would like the presentation to go. I went over the financial results at the last meeting two weeks ago. I can either summarize that or just open it up to question now that you have had the document and have had a chance to go through and digest it. I can proceed either way.

Mayor Baines asked does anybody have any questions.

Alderman Gatsas asked can you give us some in-depth idea of what the auditor's analysis would be in regards to accounts that we set-up in one year and deplete the following year when you start looking at the general funding of the City.

Mr. Bassett answered I think you are referring to the fund balance portion of the City's balance sheet. I think right now I believe your ratio or your fund balance based on your current year budget was approximately 21%. Of that, you had undesignated or unreserved of approximately \$4 million. The question really relates to the management style within the City. What is appropriate? There are three different rating agencies out there and they may give you three different answers. I can tell you what a trend has been within the public sector. There is always a range that was meant to be kept, which pretty much was a bank benchmark but at various presentations over the last year they are raising that range by

another 4% or 5%. I can tell you what is appropriate and I can tell you what the rating agencies take a look at but as far as use of the fund balance and use of reserve funds, I hate to deflect the question but really I think that is a question for Bond Counsel and your financial advisors as you go into the bond market.

Alderman Gatsas asked can you tell me what that range is.

Mr. Bassett answered it was for a city the size of Manchester 7.5% to 12.5% of undesignated fund balance. They have increased. I have heard that it is rated from 10% to 15% at this point for an undesignated and unreserved fund balance. You discount any reserves that you have for encumbrances and inventories and things of that nature.

Alderman Gatsas asked and we as a City are at what.

Mr. Bassett answered well your undesignated and unreserved fund balance is \$4 million, which I believe represents approximately 3% or 4% of the total fund expenditures. Your overall fund equity within the general fund is approximately 21%.

Alderman Gatsas asked so in a ratio where we should be somewhere around 10% we are at 4%.

Mr. Bassett answered that is correct.

Alderman Gatsas asked so we are 6% under...

Mr. Bassett interjected but you do have some designations in there that are to be used for management discretion also. You do have some designations where that could be used so from a true unreserved and undesignated you are at 4% but you do have the ability to go into the designated portion of that balance sheet at management's discretion to bump it up. They look at those not in concert but they would take a look at what you have designated funds for.

Alderman Gatsas asked on the self-insured worker's compensation and health insurance, the reserves as you can see I believe are less than FY03 then they were in FY02. On a self-insured health plan what would an actuarially sound plan be for reserves?

Mr. Bassett answered basically we take a look at...from a self-insured health plan...

Alderman Lopez interjected can we get the page you are referring to.

Mr. Bassett stated well Page 36 is the balance sheet, which I believe Alderman Gatsas is referring to. Randy just brought to my attention that a better comparison or better page to look at would be Page 83 of the document, which shows FY02 and FY01. The health insurance...I guess if you start with worker's compensation and work your way down for designations as far as worker's compensation, health insurance and general liability insurance, general liability remains pretty much the same. Health insurance actually based on expenditures I would have expected that to increase a little bit more because I believe the expenditures or benefits are approximately 18% higher than in the prior year. The worker's compensations claims are on a file by file basis so what goes with that is the history and the value that is put on by an actuary as far as each file. Typically what we like to see is not only to provide for your run outs, which is typically 45 to 60 days on health insurance and worker's compensation is a little bit more than that, but also probably two or three months of a reserve for future costs. This year with health insurance costs continuing to rise and that has been the trend for the last two years, those reservations have been used and depleted a little bit to make up for the increased health cost.

Alderman Gatsas asked so do you believe that these reserves put us actuarially sound.

Mr. Bassett answered in my opinion I believe that the plans remain well funded. You are not in a deficit situation with them. So, yes I would say you are okay with those.

Alderman Gatsas asked so you believe that the \$1.9 million in the health insurance, that same 45 to 60 days reserve and two months...

Mr. Bassett interjected no that is different. This is in excess of the 45-day reserve. This would be if it was a true Enterprise fund or an internal service fund you would have your assets and your liabilities and this would be your retained earnings. So in my opinion it would be excess over assets and liabilities.

Alderman Gatsas asked so are you saying this is actuarially sound.

Mr. Bassett answered that would be my opinion. The actuary does perform an analysis each year and gives a report on that that would either confirm my opinion or not. I am not an actuary. I am only a CPA.

Alderman Lopez stated just to follow-up on Alderman Gatsas' questions, in doing other audits in other cities and the funds that we have...we have so many funds and so much money in all of these funds, I mean we have so many funds with so much money that we can't touch but have other cities utilized their fund balances. I guess maybe the fair question is do they have as many funds as we have like the tax stabilization and the rainy day fund,

etc. and have they raided these funds? Maybe that is the wrong word, raided, but utilized these funds to help the taxpayers.

Mr. Bassett replied I believe that as you accumulate these funds the danger would be if you seek some values with those. The better approach in my opinion is that as you accumulate these funds as you have a good year with a budget surplus or a budget deficit you plan to use. In the current year you had planned to use \$1.5 million of that revenue stabilization fund. Now if you take a look at your total fund balance at 21%, I do not believe that is excessive.

Alderman Lopez asked do you know if any bond ratings went down in any city that utilized some of these funds.

Mr. Bassett answered I don't know the answer to that.

Alderman DeVries stated just to follow-up on the same line of questioning, you were here before us last year I believe and last year we did not yet establish a couple of our new revenue stabilization funds. We did not yet establish the tax stabilization revenue fund and we also did not have that one time capital purchase fund but at that point in time you also found us to be sound so are you basically saying that if we do not take monies from our rainy day fund, which is about \$9 million today...so you are saying that if we left that fund intact you would still say that we are going to remain sound like we were last year because we are continuing to build that and we haven't used any of it?

Mr. Bassett responded yes. I mean if there wasn't a drastic change in your results of operations from last year to this year, which there wasn't, and you only decreased it by a small percentage I would come back with the same opinion.

Alderman Gatsas asked regarding the management letter is this a typical management letter that you normally see in a report.

Mr. Bassett answered it is typical in its presentation. As far as the findings and I guess that is more to the point, I would say the findings aren't anything out of the ordinary but what I will say is that I believe last year we had eight findings and corrective action was implemented and improved. I don't believe it is out of the ordinary, no.

Alderman Gatsas asked are you dealing with Page 17.

Mr. Bassett answered yes Page 17 of the CAFR. Oh, you are talking about the financial highlights. You are referring to the MD&A. I am sorry. I thought you were talking about my comments. Yes actually I do believe this is pretty standard language. I think this is the first year of GASB 34 and I think it will be improved upon but I do think if you read through

these financial highlights it can give the average taxpayer somewhat of an idea, a narrative form summary of what took place within the City during the course of the year.

Alderman Gatsas asked can you explain to this Board what GASB 34 is please.

Mr. Bassett answered absolutely. We had talked about it the last couple of years where the accounting profession is really changing the formal of the financial presentation within municipalities. The City of Manchester was a Phase I municipality, which means they were in the first tier of government that had to do it. Typically, we would never...it is a full accrual basis of accounting basically like how we would keep our checkbooks. We have a house that is at a value. We have a mortgage against that. That would be our net equity to keep it in simple terms. We never used that measurement within the City prior to this year. What the GASB did was they had all cities segregate their funds into governmental type funds and business type funds. You have always had business type funds so the change in accounting on your Enterprise funds really didn't affect this presentation. It may have grouped them together but it really didn't affect it. Government wide, we have these assets out here. Say this building had an initial cost of \$5 million 50 years ago. Well that \$5 million stayed on the books. It was never depreciated or anything so you had this large fixed asset out there that really...although the assets aren't on a fair value they weren't depreciated and accumulated depreciation wasn't led against those assets. So that was one phase we went through. We brought all the assets on, grouped them and calculated depreciation on them. Included in that were your infrastructure assets, which were never measured before. Also, we took our liabilities and brought those over in one column to come out to a net equity effect. The liabilities meaning your bonds, the accrued interest on those bonds, your long-term accruals whether it be for sick and severance, your contingent liabilities for litigation that is outstanding and measures those against assets so for the first time we are measuring assets and liabilities to come up with a net work of a city. That is it in a nutshell. In addition to that, the MD&A was mandated by the pronouncement and the theory there was to make it more user friendly. As I said last time, this is 115 or 120-page document. The numbers go back and forth but the presentation of the MD&A in my opinion did work because the average reader can read this to get somewhat of an idea of what is going on. Our responsibility as auditors on this MD&A is to make sure that everything is factual and that basically the numbers are supported by audit evidence.

Alderman Lopez asked would you look at Page 99. Just as a question in reference to the Aggregation fund how long of a period would you be concerned with on the negative side. I am asking for your opinion instead of advice.

Mr. Bassett answered with the Aggregation fund...actually talked a little bit about fund balance and I have reserved a portion of the Aggregation fund owes the general fund as being a long-term debt. Basically we have a receivable out there but when will it be collectable? We have been very concerned about how we measure that on the general fund

side. Obviously a deficit of \$1.7 million is something that you should definitely take a look at and be concerned about. The problem is what is the plan to fund that deficit. That really is the issue.

Alderman Lopez asked but how long of a period of time.

Mr. Bassett answered in my opinion right now. If you have had a receivable for a period of time I guess it could accumulate but the fund that continues to lend it money to meet its obligations, that is where the concern is because they have a receivable that could become uncollectable at some point and we believe right now we have reserved all of that so we have been very conservative with it. Basically we have said these funds aren't available for use. Again, it has had losses now for four or five years if not more. I am just not sure when the Aggregation plan will turn the corner and start making a profit and eat into this deficit. I don't know that plan.

Alderman Guinta asked would you be comfortable in talking about the way in which we craft our budget. My specific question would be rather than looking at a budget and basing it on the year before and coming up with a 4% to 5% to 8% to 10% tax increase does it make sense from a fiscal policy standpoint to try to create a budget and tie it to the rate of inflation for example?

Mr. Bassett asked are you talking about zero based budgeting and things of that nature compared to what you are doing now. In my opinion as you go through the budget you can look at past history but you also have to take into account current events. I am sure you do that but I guess I am not comfortable answering the question because I don't know the details of how you prepare your budget. I audit against the budget but I am not sure of the details that go into the budget.

Alderman Guinta asked do you know what the rate of inflation is right now.

Mr. Bassett answered I know on my contracts CPI I am going 2.7% on all of them. I think in the northeast that is what it has been the past two or three years.

Alderman Gatsas stated I noticed the analysis you did on the Water Works they responded with a management response. Have you seen any response by management on the comments you made at the City level?

Mr. Bassett answered I have not seen the corrective action responses as of today. We will take a look at those on next year's audit but I did not see those as far as what their plan is to implement those as of today.

Alderman Gatsas stated your Honor I think that we went through this last year. I thought we would at least get by that situation this year by management presenting us with their responses with the audit.

Mr. Clougherty responded the discussion last year was the impact with respect to specific departments. As you know, this year the two recommendations other than the one dealing with Water where there is a direct response really are general in nature in terms of centralization and things that really aren't items that individual departments could respond to. Our approach will be to bring this to the Committee on Accounts and see if there is some action that the Board wants to take on a policy level and we will report that to the auditors and they will look at it next year.

Alderman Gatsas asked can we at least make a memorandum of understanding that next year if we get an audited financial statement and there are discrepancies in their by the audit that management would present this audit to us with their answers.

Mayor Baines answered I will work with the Finance Officer to make that a reality.

Mr. Bassett stated I can include management's response right in the document if that would be helpful.

Alderman Gatsas responded that would be very helpful.

Mr. Bassett replied I will do that next year. That is not a problem.

Alderman Shea stated I want to mention that your audit was an external audit.

Mr. Bassett replied that is correct.

Alderman Shea asked so this is not an internal audit.

Mr. Bassett answered no, Sir.

Alderman Shea stated each year I bring up that fact because an external audit covers the information that you are given by the Finance Office or the information they garner from different departments. Is that correct?

Mr. Bassett stated not only the Finance Department. We go to outside sources also. Basically, the City will give us the financial statements and our job is to go and substantiate those numbers based on supporting documentation.

Alderman Shea asked can you illustrate what an internal audit would be in relationship to an external audit.

Mr. Bassett answered an internal audit basically would look at different departments, different functions and different types of operations. It could be a performance audit. Mine is only financial in nature where an internal audit is going to encompass many more things other than financial information.

Alderman Shea stated I think I brought this up last year and I don't think we have moved in that direction in terms of an internal audit. Am I correct in stating that? I know that the Finance Officer has indicated that there is someone in his department who is perhaps going to do that but I am wondering if we are going to get at some time a comprehensive type of report.

Mayor Baines asked, Kevin, could you respond about the internal audit and how that works.

Mr. Clougherty stated under State law that was adopted in the early 1970's the Finance Officer served as the auditor for the City. As the auditor for the City it is always best to have an external CPA firm that is experienced in these areas to be conducting an independent review of your financial statement rather than just accepting what the City auditor prepares. That is the role of Scott. He comes in as an independent external operation to review. We also have as part of the audit function the ability to conduct internal investigations and audits on an ongoing basis of the functions within the City, particularly within the Finance Department. The internal auditor is stationed there because he is checking the systems in the Fire Department to make sure that they are accurate. The internal auditor as you know reports to the Committee on Accounts and takes direction from the Committee on Accounts in terms of the schedule of audits and things that the Committee wants to have accomplished. Kevin Buckley is the internal auditor. He does a series of internal reports and dependent reviews, which he provides to the Committee on a regular basis. Between the two you really have an outside look and an inside look that is not biased by the Finance Officer.

Alderman Shea asked so as Chairman of the Accounts Committee if the members of the Committee, including myself, want to have an internal audit of say the Health Department then Kevin Buckley would then do that or any other department in the City as it were.

Mr. Clougherty answered yes. As you know, Alderman, he has done those in the past and that is right. That is the way it works.

Mayor Baines stated I would like to make a couple of comments. First of all, thank you very much for your analysis and your way of explaining it so everyone at home can understand it as well. I think everybody on this Board and the Finance Office in particular should be very proud of this report. I think it indicates that the City is being managed in a very sound and

fiscally prudent way. A lot of communities in this region are under a lot of financial stress right now and have had to do some extraordinary things. We have been able to manage the City through some very difficult times and I think this audit report is a very strong indication that the City is very well managed financially and I want to thank particularly the Finance Officer and his staff and the Board of Mayor and Aldermen who worked very, very hard to insure that the financial priorities of the City have been placed in order. Thank you very much for your report.

### **CONSENT AGENDA**

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

#### **Informational – to be Received and Filed**

- A. Minutes of meeting of the Manchester Development Corporation Board of Directors held on May 9, 2003.
- B. Communication from Manchester Transit Authority submitting copies of the minutes of their April 29, 2003 meeting and reports for the month of April.
- C. Copy of a communication from Commissioner Murray, NH Department of Transportation, advising of contemplated awards.

#### **Accept Funds and Remand for the Purposes Intended**

- D. Communication from Deputy Finance Officer advising of the receipt of \$500.00 from the Goldwing Road Riders Association, Chapter 1 for purchasing supplies and equipment for the Seat Belt Safety Project.
- E. Communication from Frank Thomas, Public Works Director, requesting authorization to accept funds and execute any related documents for the Household Hazardous Waste Collection Project to be held on Saturday, October 11, 2003.

#### **REFERRALS TO COMMITTEES**

##### **FINANCE COMMITTEE**

- G. (1) Resolutions:

“Authorizing the Finance Officer to effect a transfer of Fifty Six Thousand Three Hundred Twenty Dollars and Thirty Four Cents (\$56,320.34) for the 2003 CIP 713903, Municipal Infrastructure Program.”

“Authorizing the Finance Officer to effect a transfer of Eighty Thousand Dollars (\$80,000) for the 2002 CIP 511502 School Site Improvements Program”

(2) Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Four Hundred Fifty Thousand Dollars (\$450,000) for the 2000 CIP 511100, McIntyre Ski Area Rehabilitation Phase III Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Thousand Dollars (\$500,000) for the 2004 CIP 810404, Revaluation Update Projects.”

“Authorizing Bond, Notes or Lease Purchases in the amount of Two Hundred Seventy Five Thousand Dollars (\$275,000) for the 2004 CIP 711804, Parking Facilities Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million Dollars (\$2,000,000) for the 2004 CIP 511504, Livingston Pool Completion Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Seventy Thousand Dollars (\$270,000) for the 2004 CIP 411304, Facility/Equipment Improvements (Station Design) Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Million One Hundred Thousand Dollars (\$1,100,000) for the 2004 CIP 511404, Clem Lemire Sports Complex – Memorial High School Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the 2004 CIP 511704, Derryfield Country Club Rehabilitation Project.”

H. Resolutions:

“Amending the FY2002 and 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Fifty Six thousand Three Hundred Twenty Dollars and Thirty Four Cents (\$56,320.34) for the FY2003 CIP 713903 Municipal Infrastructure Program.”

“Amending the FY2002 and 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Eighty Thousand Dollars (\$80,000) for the FY2002 CIP 511502 School Site Improvements Program.”

“Amending the FY1997 and 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars (\$10,000) for the FY2003 CIP 215503 Boys & Girls Program.”

**REPORTS OF COMMITTEES**

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

- I. Advising that it has accepted the City’s monthly financial statements for the ten months period ending April 30, 2003 and is forwarding same to the Board for informational purposes.
- J. Advising that it has accepted the following Finance Department reports:
- a) department legend;
  - b) open invoice report over 90 days by funds;
  - c) open invoice report (all invoices for interdepartmental billings only);
  - d) open invoice report (all invoices due from the School Dept. only); and
  - e) listing of invoices submitted to City Solicitor for legal determination.

- K.** Advising that it has accepted the Pension Benefit Audit submitted by Kevin M. Buckley, Internal Audit Manager.

#### **COMMITTEE ON JOINT SCHOOL BUILDINGS**

- L.** Advising that it has accepted the following project completions and closeouts:
- 1) McLaughlin Middle School Additions and Renovations;
  - 2) Hallsville/Wilson School Reroofing & Masonry Restoration;
  - 3) Central High School Roof Replacement and Repairs to the Practical Arts Building; and
  - 4) Central High School/James Building Heating & Ventilation Improvements and Curtain Wall Replacement.
- and is submitting same to the Board for informational purposes.

#### **COMMITTEE ON LANDS & BUILDINGS**

- M.** Recommending that the Board of Mayor and Aldermen find property located at Tax Map 59, Lot 4 and known as 332 Pearl Street be found surplus to city needs and that said property be disposed of through sale to DASS Development, subject to conditions. The Committee notes that it finds cause to dispose of the property in such matter in that the subject property is presently leased to DASS Development under a 40 year term with restrictions to be continued by the sale.

The Committee recommends that such disposition be subject to restrictions that the property shall continue to provide for low income elderly housing meeting the standards of the Department of Housing and Urban Development Section 202 housing for elderly persons or an equivalent; and further subject to receipt by the City of \$135,000, an amount deemed agreeable by the Board of Assessors based on a leased fee interest.

The Committee further recommends that the City Solicitor be authorized to prepare such documents as may be required to carry out such disposition and that the Mayor be authorized to execute such instruments as may be required subject to the review and approval of the City Solicitor, and that the proceeds from such sale be included in the FY2004 revenue budget for the City of Manchester, during which period such closing of sale shall be concluded.

**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.**

- F.** Communication from William Jabjiniak submitting a Bond Resolution:

“Authorizing the Issuance of \$27,500,000 Bonds, Notes or Lease Purchase Agreements Of the City for the Purpose of Constructing a Minor League Baseball Stadium as part of the Redevelopment of Singer Park, so-called, and Reconstructing Gill Stadium, and in Connection therewith, Authorizing the City to Enter Into a Development Agreement and Management Agreement With 6 to 4 to 3 LLC, or any Successor thereof, to Provide for the Development and Management of the Proposed Minor League Baseball Stadium.”

Mayor Baines stated again all this is is a referral to Committee in which we would discuss it in Committee after the presentation.

Alderman Osborne stated I want to go on record as opposed to this Bond Resolution.

Mayor Baines stated what I would ask for is a motion to refer this to Committee so we can discuss it then and that is where the votes will occur.

Alderman O'Neil moved to refer this item to the Finance Committee. Alderman Sysyn duly seconded the motion.

Alderman Garrity asked did this go to a public hearing or not and it is required to go.

Mayor Baines answered the City Solicitor will explain the process for Bond Resolutions.

Solicitor Clark stated there were no statutory requirements for this to go to a public hearing.

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

Mayor Baines presented the resignation of George Polk from the Manchester Planning Board.

On motion of Alderman Lopez, duly seconded by Alderman DeVries, it was voted to accept the resignation of George Polk from the Planning Board with regret.

Mayor Baines presented nominations:

**Planning Board**

Pat Duffy to fill the vacated alternate seat of George Polk, term to expire May 1, 2005.

Under the rules, this nomination will lay over to the next meeting.

**Board of Registrars**

Dorothy Krasner to succeed herself, term to expire May 1, 2006.

On motion of Alderman Thibault, duly seconded by Alderman DeVries, it was voted to suspend the rules and confirm the nomination of Dorothy Krasner to the Board of Registrars, term to expire May 1, 2006.

**Manchester Revolving Loan Fund Review Committee**

Joseph G. Fremeau, term to expire June 1, 2006

Robert A. Greenwood, Jr., term to expire June 1, 2006

Peter R. Madden, term to expire June 1, 2006

Edward N. O'Brien, term to expire June 1, 2006

James D. Bell, term to expire June 1, 2006

David B. Eaton, term to expire June 1, 2006

Alderman Shea moved to confirm the nominations. Alderman DeVries duly seconded the motion.

Alderman O'Neil stated I asked at the last meeting if we had confirmation that they are all residents of the City.

Mayor Baines responded I don't believe that all of them are. They are all business people in the City who advise people on the prudent nature of the loans that the City provides. There is no requirement that they all be residents of the City. I know some of them are but they are all business people within our community.

Alderman O'Neil stated I am going to end up voting against this because I believe this Committee should have all Manchester residents on it. It is our City money.

Mayor Baines stated and these names are from the Economic Development Office. They are people that they have been working with and I asked them to make recommendations for this Committee.

Alderman Lopez asked the document that establishes this Committee, is it by ordinance or is it by the Economic Development Office.

Solicitor Clark answered it is not by ordinance. It is by a program that was set-up by this Board to establish a revolving loan fund through the Economic Development Office.

Mayor Baines called for a vote. The motion carried with Aldermen Gatsas, Garrity, Lopez and O'Neil being duly recorded in opposition.

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

Mayor Baines called the meeting back to order.

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

“Authorizing the Issuance of \$27,500,000 Bonds, Notes or Lease Purchase Agreements Of the City for the Purpose of Constructing a Minor League Baseball Stadium as part of the Redevelopment of Singer Park, so-called, and Reconstructing Gill Stadium, and in Connection therewith, Authorizing the City to Enter Into a Development Agreement and Management Agreement With 6 to 4 to 3 LLC, or any Successor thereof, to Provide for the Development and Management of the Proposed Minor League Baseball Stadium.”

ought to pass and lay over.

Alderman Thibault moved to accept the report. Alderman O'Neil duly seconded the motion.

Alderman Gatsas stated I believe...I am still waiting for an explanation on the personal guarantee. Maybe Mr. Clougherty is prepared to explain that to me.

Mr. Clougherty stated the request by Alderman Gatsas was to have us take a look at...as the Board knows we have looked at the principals and it is the opinion of the Finance Office that they would be sufficient to carry on the responsibilities under the agreement but there has also been a request by Alderman Gatsas to have somebody other than Finance take a look at that. There really are three ways that you can do that. One is you can have the Finance Office ask to have...let me back up a little bit. If you want a comfort letter, which is a letter from an independent certified public accounting firm who will go in and look at all of the financial background of the people like Mr. Sanborn and Mr. Weber...if you want to have that done and have a report from the consultant then we would have to do an RFP and it would probably cost you and I have asked several people today in the area of \$25,000 or more because since all of the things that have happened with Enron and WorldCom there is some liability associated with that and the costs for those types of comfort letters is not non-incident. That is one option. The second option is you can have somebody other than the Finance Department like the MDC Board of Directors take a look at it and give you some reassurance that the wherewithal is there to stand behind but certainly you don't get the same result as if you do a consultant review.

Mayor Baines asked the same results. What do you mean by results?

Mr. Clougherty answered well if your idea is to have a private entity come forward so that later on if there is an issue you might be able to somehow go back on that company and ask for some recourse I don't think you are going to get that if you go to the MDC Board because they are a volunteer group for the most part and it is done on behalf of the City. What they will do is verify the numbers and look at that and they are certainly qualified to do that. There is a third option that Mr. Jabjiniak has talked about and that is maybe having some financial institutions look at it.

Mr. Jabjiniak stated we have corresponded with a local lending institution about the possibility of doing this. They have not come back with an answer. They are certainly willing to sit and talk to us about it but they haven't given us a definite answer at this point.

Alderman Gatsas stated I think that we received a letter of comfort on the civic center. I believe that going forward a letter of comfort is a major issue on a project when you are looking for somebody to give you a financial analysis of a personal guarantee. If the City Finance Officer gives us a letter of comfort it really doesn't mean anything to the City because we have no recourse should something happen on this project. I think for the comfort level we received this evening, I think it would be appropriate that on a multi-

million dollar project we get a letter of comfort so if there is a problem they are going to notify us and we can go back on E&O insurance to recover.

Alderman O'Neil asked how are we paying for this.

Mr. Clougherty answered again it is a changed environment from the time we went out and did the comfort letter on Verizon simply because of all of the scandals that have happened so the cost for doing these has increased. I have asked some people and they have given us some idea as to what they think it would be but until you do the RFP you might not know. I think it would be in excess of \$25,000. I can send out an RFP and see what we get back for numbers. That is going to take some time to have that RFP go out. It is going to take some time to have the consultant do the review and a report and bring it back. I think if the consultant does that, given the nature of what is going on in the accounting field, you are going to get a product that has substantial qualifications and caveats attached to it. I am not sure that you are going to have the opportunity to go back under errors and omissions that the Alderman has suggested. Again, I would be happy to go forward and test those waters if that is what the Board direction is.

Alderman Gatsas stated your Honor two weeks ago when I brought this up and I asked to table it you told me it was going to be addressed. If these concerns were raised two weeks ago we could have been two weeks further into the comfort letter than what we are today.

Mayor Baines replied with all due respect we have been trying to meet every specific obligation related to this project and what has happened is Mr. Clougherty has explored some options. He has had individual conversations with various people involved with MDC. Mr. Jabjiniak has had conversations with some people involved with local banking institutions and right now we are asking for some direction from the Board in terms of what they are more comfortable with and we have done everything possible to address this issue.

Alderman Wihby asked is there any way we can get a three member type thing like somebody from GMDC and a couple of different banks and go that way.

Mayor Baines answered absolutely. That is definitely a possibility and we have been working toward that. We were hoping to have a commitment, Alderman Gatsas, today but the person we needed to get the confirmation from was out of town and could not make that commitment today. Yes, that could be done and if the Board so desires that is the direction we can move in.

Alderman Wihby stated I remember using the banks for something in the past.

Mayor Baines stated if the Board would like us to proceed in that line we will do so. The only caveat that I would say is if that does not prove successful we would like authorization from the Board to do an RFP as Kevin suggested.

Alderman Lopez moved to allow the Finance Officer to work on getting a letter of comfort from a bank and if that doesn't prove successful to authorize him to go with an RFP.

Alderman Wihby duly seconded the motion.

Alderman O'Neil asked so you are going to proceed with Step A but at the same time do Step B so it is moving.

Mayor Baines answered yes.

Alderman Gatsas asked what are the steps.

Mayor Baines answered Step A would be to pursue the issue with the bank to get the kind of analysis that Alderman Wihby just suggested. If we get a no to that then we are going to simultaneously move to Step B. We should be able to get that answer tomorrow or within the next couple of days.

Alderman Gatsas asked what is Step B again.

Mayor Baines answered to go out with an RFP.

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

Mayor Baines called for a vote to accept the report of the Finance Committee. The motion carried with Aldermen Garrity and Osborne being duly recorded in opposition.

Mayor Baines stated I want to make a couple of comments here this evening. First of all I want to once again apologize to the Board sincerely. We had no intent to end up in that situation tonight. I was advised and I guess wrongly that we were just following the normal course of action so I want to sincerely apologize to the Board for that. Secondly, I learned a long time ago that when you are involved with projects sometimes you have to take a step back to take a step forward. I used to quote to the kids all the time that there are seven steps to success and one of them is expect to erase because you make mistakes. We have done that tonight. We had absolutely no intention and you have to believe that because there was absolutely no discussion at all in terms of this not being a normal course of action to follow. We do apologize. I can't be more sincere than apologize for what happened. We need to move forward. This is a great project for the City. We believe that all of the pieces will be put in place before the final vote. I can assure you that the Finance Officer and everybody involved in this project with the developers and all the investors...the excitement there is

about retail development, which is absolutely extraordinary, that all of these pieces will be put together before we ask for your vote. Again, I would just ask you to step back. I appreciate all of the concerns. I appreciate all of the frustrations and I appreciate all of the anger. You have every right to be angry about this situation but I can assure you there was no intention here. We apologize. We will regroup with this project. We will improve the communication. Again, there was no intention here to do anything other than insure that this project was worthy. In terms of Alderman Garrity's situation I guess in retrospect and again I wasn't personally involved in that issue but yes he should have been informed. I believe there were some conversations with the Alderman in the ward where it was going and Alderman Garrity is closely adjacent to that. We have to talk to staff and I have to be more diligent in terms of those issues and we will certainly do so. I have great respect for members of the Board and also great respect for the enormity of the decision we are about to make. I still firmly believe that this project will really set a tone for the entire City, the future of the City, the expansion of the tax base of the City. Let's roll up our sleeves, take that step backwards, make sure that all of the pieces are put together and let's move this project forward. Once again, I will say very clearly that I apologize for the miscommunication and I take personal responsibility for it.

Alderman Gatsas stated I don't think anybody thought that this Board would be in the position that we are in this evening but it is a predicament that the developer was put in and I guess only because I remembered there was another payment due the City. I think that for any project there should no longer be any reason for apologies to any member of this Board for not telling us what is going on.

Mayor Baines replied I agree.

Alderman Gatsas stated I don't think that anybody should say ever again that that is going to change. I think we have heard it for the last time this evening on this kind of a project.

Alderman Shea stated on our addendum to the agenda there is something...

Deputy Clerk Johnson noted this was on the next report. We haven't gotten to that yet.

Mayor Baines stated to follow-up on what Alderman Gatsas said I think we are at the stage with this project, I know the Chairman of the Board and Alderman Wihby have been having some conversations about putting in place a special Committee for Riverfront Development so that type of communication is flowing more rapidly and readily to members of the Board and I think that is going to be done shortly. Secondly, I would like to announce the appointment of Alderman Lopez and Alderman DeVries to the Joint School Buildings Committee. Again, we made a commitment to expand that to five members.

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

“Authorizing the Finance Officer to effect a transfer of Fifty Six Thousand Three Hundred Twenty Dollars and Thirty Four Cents (\$56,320.34) for the 2003 CIP 713903, Municipal Infrastructure Program.”

“Authorizing the Finance Officer to effect a transfer of Eighty Thousand Dollars (\$80,000) for the 2002 CIP 511502 School Site Improvements Program”

“Amending the FY2003 and 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Fifty Six thousand Three Hundred Twenty Dollars and Thirty Four Cents (\$56,320.34) for the FY2003 CIP 713903 Municipal Infrastructure Program.”

“Amending the FY2002 and 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Eighty Thousand Dollars (\$80,000) for the FY2002 CIP 511502 School Site Improvements Program.”

“Amending the FY1997 and 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars (\$10,000) for the FY2003 CIP 215503 Boys & Girls Program.”

ought to pass and be enrolled, and further that Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Four Hundred Fifty Thousand Dollars (\$450,000) for the 2000 CIP 511100, McIntyre Ski Area Rehabilitation Phase III Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Thousand Dollars (\$500,000) for the 2004 CIP 810404, Revaluation Update Projects.”

“Authorizing Bond, Notes or Lease Purchases in the amount of Two Hundred Seventy Five Thousand Dollars (\$275,000) for the 2004 CIP 711804, Parking Facilities Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million Dollars (\$2,000,000) for the 2004 CIP 511504, Livingston Pool Completion Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Seventy Thousand Dollars (\$270,000) for the 2004 CIP 411304, Facility/Equipment Improvements (Station Design) Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Million One Hundred Thousand Dollars (\$1,100,000) for the 2004 CIP 511404, Clem Lemire Sports Complex – Memorial High School Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the 2004 CIP 511704, Derryfield Country Club Rehabilitation Project.”

ought to pass and lay over.

Alderman Lopez moved to accept the report. Alderman Pinard duly seconded the motion.

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

Report of the Committee on Administration regarding the Comcast contract extension, if available.

No report of the Committee was presented.

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

“Amending the Zoning Ordinance of the City of Manchester by adding a new Arena Overlay Zoning District”

ought to pass.

On motion of Alderman Wihby, duly seconded by Alderman Sysyn, it was voted to accept the report.

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

“Amending the Zoning Ordinance of the City of Manchester by extending the B-2 (General Business) zoning district to include land identified as Tax Map 756, Lot 12 and Tax Map 756, Lot 14 currently zoned B-2 (General Business), R-1B (Residential One Family) and R-SM (Residential Suburban Multi-family) in the area of South Willow Street and South Porter Street.”

ought to pass.

Alderman O'Neil moved to accept the report. Alderman DeVries duly seconded the motion.

Mayor Baines called for a vote. The motion carried with Alderman Forest abstaining.

Communication from the Airport Director regarding a request to approve an amendment to the Londonderry/Manchester Intermunicipal Agreement.

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

Request from the Airport Director to discuss the status of the law enforcement contract at Manchester Airport.

Mayor Baines stated this issue has been resolved so I don't know if there is any need to discuss it.

Communication from the Deputy City Clerk requesting the Board direct the Chief of Police or his designee to issue civil forfeitures to each owner of an unlicensed dog via a warrant issued pursuant to RSA 466:14.

On motion of Alderman Pinard, duly seconded by Alderman DeVries, it was voted to approve the warrant under the Hand and Seal of the Board of Mayor and Aldermen pursuant to RSA 446:14; and authorize the City Clerk to remove from the warrant listing any dog determined unlicensable at a later date.

Communication from the Deputy Finance Officer requesting that the Board take an official action regarding the Amoskeag Hydro Station by requesting that the New Hampshire Public Utilities Commission close the docket.

Solicitor Clark stated I was informed today that the docket is already closed. You can take a motion to approve it.

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

Communication from the Selectmen of Ward 2 requesting that the temporary polling location be moved from St. Catherine's School Gymnasium at 206 North Street to a permanent location of Hillside Junior High School, 112 Reservoir Avenue.

On motion of Alderman Wihby, duly seconded by Alderman Lopez it was voted to approve the request to move the polling location for Ward 2 to Hillside Junior High School.

Appropriating Resolutions:

“A Resolution appropriating to the Manchester Airport Authority the sum of \$42,676,942 from Special Airport Revenue Funds for Fiscal Year 2004.”

“A Resolution appropriating to the Central Business Service District the sum of \$225,000 from Central Business Service District Funds for Fiscal Year 2004.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2004 and held in the Civic Center Fund, for the payment of the City's Obligations in Said Fiscal Year Under the Financing Agreement.”

“A Resolution appropriating the sum of \$2,952,578 from Recreation User Charges to the Recreation Division for Fiscal Year 2004.”

“A Resolution appropriating to the Manchester School Food and Nutrition Services program the sum of \$4,850,750 from School Food and Nutrition Services Revenues for Fiscal Year 2004.”

“A Resolution appropriating the sum of \$15,040,695 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2004.”

On motion of Alderman Pinard, duly seconded by Alderman Wihby, it was voted to dispense with the reading of the Resolutions by title only.

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted that the Appropriating Resolutions pass and be enrolled. None were recorded in opposition.

Alderman O'Neil asked can we go back to Item 14. I believe the Airport Director wanted to speak on this. I know it is late so we kind of moved through quickly but I think he wants to speak.

Mr. Kevin Dillon stated I will make this as fast as I can. I think it is important, though, that you have a good understanding of what occurred over the past couple of weeks because it really was a mischaracterization by the media as to what the issue was about. What we are really talking about is the coordination of information and activity with the Airport and that we needed the county to be responsive to the Airport as the contracting agency. A lot of folks didn't realize that this is a contractual relationship. It is very similar to the Airport Fire Department. We contract with them. We contract with a contractor at the parking garage and I am sure you can imagine if they did not coordinate with us, those two entities, what would ensue. Again, it is a contractual relationship. It is unlike a police chief that works for a town and reports to Selectmen. There is no jurisdictional right that any law enforcement agency has at the Airport. It is the Airport, itself, quit frankly that holds the jurisdictional right. You also should be aware that the City has the responsibility for total security at the Airport through the Airport's operating certificate and the mandated security plan by the Transportation Security Administration. We as the City hold that responsibility and we can't delegate that responsibility out. It doesn't belong to Rockingham County and it doesn't belong to the state. Again the fact that we hold that responsibility though we have chosen to carry out the responsibility through a contractual relationship that is why we needed this law enforcement contractor to be responsive to us and coordinate their activities through the Airport. I think that while that was the central issue to what we discussed, I think this process has led to a number of troubling issues for the Airport and certainly for the City. I think it pointed out that in a sole source situation we are going to have difficulty here not only from a responsive standpoint but from a business standpoint. You can certainly imagine that Rockingham County was in a position where they could have turned around and said that the 10% fee they get for this contract could be 20% or 30% and if there are no other bidders for this we are pretty much locked in to having to do what Rockingham County is asking for. Quite frankly in this particular negotiation we had to raise the rates of pay to county rates of pay to counteract the situation where we have been incurring large amounts of overtime under this contract. Quite frankly that has escalated artificially, that 10% fee that the Airport is going to have to pay because it is based on payroll. Again, we asked the county for relief from that and we didn't get it and the county was able to do that simply because we are in a sole source situation. I think the important part is that going forward we are going to need to develop some options for the Airport as to how we provide the service. I have reduced the term of the contract from a five-year term, which would have been standard in the past, to a two-year term. Hopefully what we will do is over the next year

review this entire situation and be able to come back to you with some recommendations as to how to develop options to either increase the number of bidders on future contracts that are offered or a preferred option is how we can go about allowing the Airport to create its own police jurisdiction so that we don't run into this problem. That would take care of the responsiveness issue, as well as the business issue.

Deputy Clerk Johnson stated the Clerk's Office had distributed an ordinance relating to increasing the dog fees by \$1. That was based on the change in the revenue portion of the Appropriating Resolution for the operating budget. They had forecast additional revenue for the Clerk's Office. In order to accomplish that we need to suspend the rules and adopt that Ordinance. I would like to place it on its final reading.

Ordinance:

“An Ordinance amending Section 90.11 Licensing Required regulating fees for annual licensing of dogs.

Alderman Lopez moved to suspend the rules and place the Ordinance on its final reading at this time without referral to the Committee on Bills on Second Reading or the Committee on Accounts, Enrollment & Revenue Administration. Alderman Forest duly seconded the motion.

Alderman Garrity asked wouldn't it be more appropriate to do that after the budget is approved.

Deputy Clerk Johnson answered we are looking for an effective date of July 1. You could do it now or you could do it next week, but in order to make it effective and place it in the paper as a notice...we have to advertise in the paper the Ordinances so we would prefer to adopt it this evening.

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

This Ordinance having had its final reading, Alderman O'Neil moved on passing same to be Ordained. Alderman Garrity duly seconded the motion. There being none opposed, the motion carried.

Deputy Clerk Johnson stated we also have some Resolutions that were presented to us by the Finance Department. I don't know if you want to take them up at this time.

Alderman Lopez stated I would like to take them up at this time.

Deputy Clerk Johnson stated I would like to take them separately. These are Resolutions that don't require Committee referral. They are a single title reading and pass to be adopted basically is the way it would come out. We would look for a motion to read...I would take them separately.

Resolution:

“Adopting the provisions of RSA 261:154 Additional Fees for Registration Permits.”

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

Alderman Lopez moved to adopt the Resolution. Alderman Shea duly seconded the motion.

Alderman Gatsas moved to table this item. Alderman Garrity duly seconded the motion. Mayor Baines called for a vote. The motion failed.

Mayor Baines called for a vote on the motion to adopt the Resolution. A roll call vote was requested.

Alderman Guinta asked can we have some discussion.

Alderman Wihby asked what department does this come under.

Alderman Lopez stated this was put under the Traffic Department.

Alderman Guinta stated as I understand it this is a maximum of a \$1 fee...can somebody just explain to me what this is. It is an additional \$1 fee on car registration. Is that accurate?

Alderman Lopez stated the Resolution speaks for itself. It is \$1 on the registration of vehicles that generates \$114,000, which was brought to this Board three or six months ago and in the Mayor's budget at the same time. This has to go to the parking facilities and garages as established by RSA. It is a revenue at the same time.

Alderman Guinta asked since Kevin Dillon is here can I just get a comment from the Airport Director on how this affects the Airport.

Mr. Dillon stated I am sorry I didn't hear the question.

Alderman Guinta asked I was just wondering if you have a comment on this Resolution. It is increasing the charge by \$1 to register vehicles.

Mayor Baines stated I was just advised that it doesn't affect the Airport.

Alderman Guinta asked didn't the City go through an issue with car rentals and wasn't there an issue that if we raised the fee in the City of Manchester then they were going to go to Londonderry. If that happens then instead of the \$114,000 that Alderman Lopez is trying to raise we would probably have a deficit.

Mr. Dillon stated right now we have an informal agreement with the rental car companies that they will register half of their vehicles in Londonderry and half in Manchester. That is something that we can't enforce. It is an understanding that we have. The only requirement we have in their operating agreements is that they will register the cars in New Hampshire. We have the ability to do that but we can't direct that they register them in one location. I do suspect that if there are increasing costs on one side versus the other they would have a tendency to register at the other town.

Alderman Guinta asked this came up in the past right. Didn't they threaten to leave Manchester and register everything in Londonderry?

Mr. Dillon answered they have but not for cost reasons but for other reasons.

Mayor Baines asked, Mr. Clougherty, do you have any comments on this. I know the Finance Department has supported this concept for some time.

Alderman Wihby asked do you know, Kevin, what Londonderry charges. Are we more than them or less than them?

Mr. Dillon answered off hand I don't know.

Alderman Wihby asked did I understand you Alderman Lopez that this was in the Mayor's number.

Alderman Lopez answered as a recommendation.

Alderman Wihby asked so it was not in his number.

Mayor Baines answered it was put out there as an option for the Board.

Alderman Lopez stated if I may the Finance Officer brought this to our attention a long time.

Mr. Clougherty stated that is correct. I believe this is an avenue that allows us to address some of the longstanding needs of the garages and improvements in that area. We have not seen when it has been in effect in the prior 10 month period when it was in effect...we saw

an exodus in that regard and we did see an increase in dollars but we have to go back and revisit the situation with the rental car agencies and see if there is going to be an impact.

Alderman Shea asked do we need eight votes to pass this.

Mayor Baines answered we need 10 votes. Kevin, could you repeat what you said about having a much more substantial fee in effect at one time.

Mr. Clougherty stated the last time I believe it was \$5.

Mr. Sherman stated the last time we didn't cap the dollar amount. We capped the mill rate at 1 ½ so again you could have had a car and been paying \$75. This time we put the mill rates in the resolution because that is the way the statute is but then we put the dollar cap on it rather than capping the millage.

Alderman Gatsas stated my question is how many cars does the Airport register with the City and what kind of dollars is that if they take them to Londonderry.

Mr. Sherman responded I don't have that information. Joan Porter may know what the rental car companies register. I don't know...the City already tacks on the reclamation, the \$3 and I don't know if Londonderry has that in theirs or not. We may already be \$3 higher than them.

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

Deputy Clerk Johnson stated this will take effect on July 1.

Alderman Gatsas asked can somebody get me the total amount is that they register at the Airport.

Mr. Sherman answered we will contact the Tax Collector tomorrow to verify that.

Resolution:

“Authorizing the Finance Officer to apply \$581,077 from the Tax Rate Stabilization Fund to the Fiscal Year 2004 Tax Rate.”

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

Alderman Lopez moved to adopt the Resolution. Alderman Shea duly seconded the motion.

Alderman Wihby stated when we passed this six months ago I think this Board realized and it was my Committee that passed it but I cautioned everybody that we were making something...the rainy day fund was already being questioned to try to deplete and we were making another fund that was going to take away money from this year's budget. Not that I am against doing this your Honor but my question is is there a better way of doing this to free up more money into the budget. If we had just a normal year where we just eliminated this or kept it on the books but eliminated funding this thing and used the fund balance as a normal year wouldn't we come up with more money to save in this year's budget, Randy?

Mr. Sherman responded there are additional dollars sitting in your unreserved fund balance. The way that ordinance was written as Scott tried to hit on tonight you take 1% of your tax warrant and you set that aside in your unreserved fund balance. Whatever you used to put in your unreserved fund balance goes into this now Tax Rate Stabilization Fund. So the Mayor followed the ordinance and took 1/2 of what was in this tax rate. What Alderman Lopez is doing is taking the amount to offset the school deficit out of only the tax rate. So, you are correct. If you hadn't adopted the ordinance you would have still had that 1% that is in the unreserved fund. You can with 10 votes take that money too at this point if you really wanted to.

Alderman Wihby asked if we take this motion and we do this is that stopping us from using the remainder of that money and making off like we never really did it and maybe leave it on the books but deplete it as if we hadn't done it and wait until a good year comes and then start funding it. What would the motion be to do that? Would this do it?

Mr. Sherman answered maybe Tom Clark wants to weigh in on this. I believe that you could take another motion to tap into some of that unreserved fund balance but again and Kevin would support this, you should always leave something in that account so you wouldn't want to draw it all down but you certainly could tap into those dollars. You always have that option.

Alderman Wihby stated there is \$300,000 or \$400,000 more if we hadn't done this that we could be using towards reducing the budget.

Mr. Sherman answered right you could be up to the same fund balance to apply against the tax rate that you were last year.

Mayor Baines stated and that would be an option for the Board to consider because of the difficult situation we are in.

Alderman Wihby stated I guess where I am coming from your Honor is can we table this so we get the right wording so we can go back as if we never did this, leave it on the books and be able to use that towards reducing the budget.

Alderman O'Neil stated I just want to make sure I understand this. Alderman Wihby is suggesting that there may be another account?

Alderman Wihby responded no it is the same account. That 1% is still sitting in there.

Mayor Baines stated Alderman Wihby is basically saying, if I understood him correctly, that because of the situation we are in we could use that entire amount of money but still have the fund there and revisit that issue when the City is in a better financial situation.

Alderman O'Neil asked a dollar amount higher than the \$581,000.

Alderman Wihby answered another \$300,000 or \$400,000.

Mayor Baines stated we can put this on the agenda for next Monday's meeting.

Alderman DeVries asked did I not just hear you say, Randy, that it could be taken up as a separate motion. It doesn't have to be just one motion to remove that.

Mr. Sherman answered right. You can take that motion now, next week or prior to setting the tax rate.

Alderman DeVries asked so we can do this tonight and then do what Alderman Wihby is talking about as well.

Mr. Sherman answered correct. You could do that in October.

Alderman Wihby stated you don't want to do it in October. You want to be able to do it now so you can count it.

Mr. Sherman responded well in October or November when we set the taxes the Board determines what that fund balance number is so you can change that.

Alderman Wihby asked so we can do that before we vote on the budget.

Mr. Sherman answered yes.

Alderman O'Neil stated I just want to be clear. We can do this amount plus Alderman Wihby's recommendation is that there may be more money available, which we can do on a second vote?

Mayor Baines answered yes.

Alderman Wihby asked can we make sure that somebody brings that in at the next meeting.

Mayor Baines answered yes it will be put on the agenda for next Monday night's meeting.

Mayor Baines called for a vote on the motion to adopt the Resolution. The motion carried with Aldermen Gatsas and Guinta being duly recorded in opposition.

Ordinance:

“Amending Sections 70.54 and 70.57 of the Code of Ordinances of the City of Manchester by increasing parking rates for garages and permits in lieu of coins.”

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

Alderman Lopez moved to suspend the rules and place the Ordinance on its final reading at this time without referral to the Committee on Bills on Second Reading or the Committee on Accounts, Enrollment & Revenue Administration. Alderman Shea duly seconded the motion.

Alderman DeVries stated on the parking garages there is a delayed implementation so there will be plenty of time to advertise and to let people know. For \$35/month there is a 10-hour parking meter available for those who do not want to pay the increased rates at the garages. It is going from \$31 to \$35. It is not a lot of money in the economy. It is a lot of money for the taxpayers receiving the bills and every effort that we make is of assistance. We do not want to subsidize the garages and we also are holding down...if we continue to want to have discussions about selling our parking garages those subsidized amounts are also keeping down the purchase prices on our properties so if we decide at Committee to go back through that conversation we have automatically suppressed the potential sale price.

Alderman Guinta stated there are two separate issues here. One is the garages and one is the Millyard. I am not looking to subsidize garage parking. What I have been advocating for several months is new management. Let management come up with a marketing plan, see if they can implement that plan and in conjunction with that have moderate increases over time. I don't agree with subsidizing garage parking lots. I don't agree with it but I think we should be responsible about having a new management company, giving them a shot to

manage properly and market properly. That is the first issue. Regarding the garages, Alderman Lopez, I don't understand why you are looking to attack some people who park there but not others. The amount of money we are subsidizing for City employees comes out to \$116,000 a year. Why you are excluding the City employees to me doesn't make sense. That is the first issue. The second issue is the Millyard. Alderman DeVries you said that for every phone call I got you are getting calls from elderly. Well I gotta tell you there are four high rises in Ward 3. I didn't get one call from an elderly citizen today but I got calls from employees who work downtown and park in the Millyard and from students at UNH. I talked to the Dean at UNH. I talked to some people who represent DECA and who represent Riverstone...I mean these are thousands of people who work downtown and we are just arbitrarily increasing their parking fees without this discussion going to Committee. I think it is a mistake. I think it is a mistake. We have a reasonable...I presented a reasonable alternative when it comes to the garages -a new management company. But we are not willing to change the management company. God forbid because for eight years they haven't been giving us a dime. We are in the red. I have asked to put a management company in place and let them assess the market and over time increase those fees because we shouldn't be subsidizing but we don't want to do that. So the answer here coming from that side is increase fees and one-time revenues from sales of buildings. It is not an appropriate way to set forth a fiscal financial budget. It is not.

Mayor Baines stated the motion on the floor is to suspend the rules.

Alderman Gatsas stated I believe that I think I can remember the evening precisely. It was down in...I can't remember where we were but we were off premise having a meeting and that meeting...we were talking about the parking garage contract and we were talking about making sure that the City wasn't at risk for losses. Now we have a contract there that says this parking garage company absorbs none of the losses. That doesn't make sense. Why wouldn't we first put our arms around that and say to somebody give us a bid and you have to absorb whatever it is over that. You are entitled to a profit but you shouldn't be entitled to not have any losses. The City is not in business to subsidize businesses and that is what we are doing. That is wrong. We have a parking garage company that has nothing at risk. Nothing and I don't know why we are doing that but I think you gave me the opportunity that evening to say that we should look at that and I think that was back five or six months ago.

Mayor Baines stated as you know I strongly advocated for that on several occasions and we couldn't get the Board to do that. The motion on the floor is to suspend the rules and I am going to call for a vote. The motion carried with Aldermen Garrity, Guinta, Gatsas and Wihby duly recorded in opposition.

Deputy Clerk Johnson stated we would need a motion to ordain.

This Ordinance having had its final reading, Alderman Shea moved on passing same to be Ordained. Alderman Forest duly seconded the motion. Mayor Baines called for a vote. The motion carried with Aldermen Garrity, Guinta, Gatsas and Wihby being duly recorded in opposition.

### **TABLED ITEM**

Motion to send a letter of support on the Parental Notification Bill to the State.

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

Alderman Shea stated I was very pleased that the Governor signed the bill. I am very much in favor of that and I think the parents should be notified.

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

Mayor Baines stated on June 17 at Central High School at 1 PM there will be a scheduled groundbreaking ceremony for the school construction project. More information will follow. Is that the date, David? Also, June 6 this Friday we are having a ceremony at Bridge and Elm to talk about the advancement of that project. I believe that is at 10:30 AM at Bridge and Elm for those who can make it.

### **NEW BUSINESS**

A report of the Committee on Human Resources/Insurance was presented advising that it has reviewed Ordinance:

“Amending Section 33.026 Police Telecommunications Manager of the Code of Ordinances of the City of Manchester.”

and recommending that the Board suspend all rules and place the Ordinance on its final reading at this time.

On motion of Alderman Lopez, duly seconded by Alderman DeVries it was unanimously voted to suspend the rules and place the Ordinance on its final reading at this time without referral to the Committee on Bills on Second Reading or the Committee on Accounts, Enrollment & Revenue Administration.

This Ordinance having had its final reading, Alderman Thibault moved on passing same to be Ordained. Alderman Sysyn duly seconded the motion. There being none opposed the motion carried.

Mayor Baines stated I have a clarification on the June 17<sup>th</sup> ceremony. David has advised me that the time may change because of the Senior Citizen's Luncheon so we will get back to you on that. We will clarify that next Monday night.

Alderman Gatsas stated I would like to move that the Traffic Committee take a very serious look at the parking contract. The City shouldn't be at risk for money. Alderman Guinta duly seconded the motion.

Alderman Guinta stated first of all I seconded the motion because I agree with it but I will tell you what is going to come out of that meeting comes back to this Board. What is going to happen is people are going to suggest that we stay with the same management company, which is wrong. We can have about \$150,000 worth of revenue just by changing the management company. We can have about \$126,000 worth of revenue if we require the 162 employees to pay the \$65 rate at the parking garages. There is the answer to your problem okay, not hitting the people downtown who conduct business downtown.

Alderman Forest stated I want to comment on Alderman Guinta's remarks. That \$150,000 keeps popping up. I believe we asked the person who put a bid in on the garages to certify that he would save the City \$150,000. He said no. Kevin Clougherty also would not give us a letter stating that the \$150,000 in savings was there so I have no idea where that \$150,000 is coming from.

Alderman Guinta responded we had three proposals in front of us. I read all three. I don't know if everybody on the Committee did but I read all three. Alderman O'Neil has requested a specific guarantee of \$150,000. People if you read the agreements, if you read the proposals, they are in the proposals. I don't know why we have to get a guarantee when the information is in front of us. Just read the information that is presented to you.

Alderman O'Neil stated I asked the gentleman that night and he said he never put that number in there. That is what he said that night. Check the minutes of the meeting.

Alderman Guinta responded he didn't say that and I would love to check the minutes.

Alderman O'Neil stated check the minutes. He did not guarantee that money and said he didn't put it in there. Check the minutes.

Mayor Baines called for a vote.

Alderman Gatsas asked can I make that a special request so that we get a bid because we don't even know what it is costing the City.

Mayor Baines stated the motion failed.

Alderman Gatsas responded only one person was against it.

Mayor Baines requested a roll call vote and asked the Clerk to read the motion.

Deputy Clerk Johnson stated the motion is to request that the Traffic Committee look at the parking contract for the garages.

Alderman Gatsas added to make sure that the City isn't at risk for any funding.

Alderman Shea asked for clarification on the motion.

Deputy Clerk Johnson asked Alderman Gatsas to clarify since he added to the motion.

Alderman Gatsas stated the motion is that we receive RFP's to make sure that whatever the profit is that the company is making they also take the risk on and it is not a risk that is a burden of the City. Alderman Guinta duly seconded the motion. A roll call vote was taken. Aldermen O'Neil, Smith, Forest, Sysyn, and Osborne voted nay. Aldermen Lopez, Shea, DeVries, Garrity, Thibault, Wihby, Gatsas, Guinta and Pinard voted yea. The motion carried.

Alderman Sysyn stated when we talked about this...Tom Lolicata is here and we talked about it in Traffic and he was supposed to put out some RFP's for a new contract because the contract with the management company is going to run out.

Mayor Baines stated well it has gone to Committee now so let's bring that discussion to the Committee if we could.

Alderman Wihby stated I just want to make sure that we get the numbers sent to our house on the revenue. I know the letter went out but you said we would get it before the weekend.

Alderman O'Neil stated I need to say that this isn't taking shots at anyone but I think the City needs to make a stand with regards to this education funding and we have been silent with our own delegation. With the reduction in...in the amendment that came out of the Senate there is a reduction in the statewide property tax I believe and I am sure my colleague from Ward 2 will be able to help me out on this. He did walk me through some things earlier and I know that we have heard that the Governor is going to veto...I don't know if I heard veto what the Senate has done but I think we need to send a message to our delegation of three State Senators and members of the House as the education funding goes to Committee that they need to fight for the City of Manchester. I believe there have been commitments from the State. I believe they are failing to meet those commitments. I will make that a motion.

Alderman Lopez duly seconded the motion to send a message to Manchester's delegation of three Senators and members of the House as the education funding goes to Committee that they need to fight for the City of Manchester.

Mayor Baines stated just to clarify the difference between the House Bill and the Senate Bill is what, \$1.8 million. Am I correct on that for Manchester?

Alderman Gatsas responded there is no House Bill. That bill no longer exists.

Mayor Baines asked how did it disappear.

Alderman Gatsas answered it disappeared in the Senate. It was amended in the Senate.

Mayor Baines asked now it goes back to a Conference Committee correct.

Alderman Gatsas answered that is correct.

Mayor Baines asked but the original House version had Manchester getting approximately \$1.8 million more correct. That is what came off of the website of the Legislature today. HB608 I think.

Alderman Gatsas asked does that include the targeted aid. Do you know that or are you just...

Mayor Baines interjected I don't have the information in front of me but it was approximately that number.

Alderman Gatsas responded I don't believe so.

Mayor Baines asked what did Manchester stand to lose from the original aid announcement that came from the Department of Education. Was it approximately \$700,000 that we talked about last night?

Alderman Gatsas answered \$700,000 with a tax rate of \$5.80.

Alderman Wihby asked what is the motion.

Alderman O'Neil stated just to go on record with our delegation both in the Senate and the House as this goes to Committee on Conference.

Alderman Gatsas stated just so that everybody knows your delegation voted for the second position – all three of them.

Alderman O'Neil asked am I correct that it is going to a Committee of Conference. So there is still an opportunity for our delegation to work for what is in the best interest of the citizens of this City because every time they cut up there we have to raise local property taxes to make up that difference.

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

Alderman Wihby stated if I recall the number that the School Department used was closer to the \$700,000 we are anticipating losing anyway. It was your budget that increased the amount.

Mayor Baines responded again we made it clear during the budget that this was the number that was provided by the Department of Education and there was another number out there and also the Governor had another number.

Alderman Wihby stated so you knew that that number wasn't right before you did your budget because I talked to you about it.

Mayor Baines responded we also talked about the fact that we wanted to fight for that number as communities across the state have been doing.

Alderman Wihby stated there is nothing wrong with fighting for the number your Honor and hoping that we get it. I am just saying that the School Department didn't give us their number...

Mayor Baines interjected you are correct on that. We discussed that during the budget process.

Alderman O'Neil stated all I am saying is that we ask our delegation to do everything they can to fight for the number.

Alderman Guinta stated I think they are already doing that.

Mayor Baines responded well we don't know that.

Alderman Pinard stated it has been a long night and I have been hanging on to this envelope all day. We are talking about money and about savings and here is a savings right here. I got this envelope today or yesterday. It had \$3.85 worth of stamps on it. There are 14 of us. This was sent last Friday.

Mayor Baines asked by whom.

Alderman Pinard answered Randy Sherman. We have a courier and I think that stamps are very expensive and that is one area that we should look at.

Mayor Baines stated that is something I definitely did not know about.

Alderman Pinard stated well we are talking about savings and...

Mayor Baines interjected we appreciate that but I think there was a reason why he did that.

Mr. Sherman stated the documents that were sent in that envelope were the development agreement and the management and operation agreement. We were waiting to get the exhibits and if you recall when that was sent to you the exhibits were not included. What I didn't want to do was drop 70 pages on you on Monday with the exhibits and have you not have enough time to prepare for this meeting. I thought it needed to go out. We did miss the courier and we waited until about 4:30 PM on Friday to get those exhibits. As you know, they went out without the exhibits and you didn't get those until last night. That certainly wasn't my top choice but I certainly wanted to make sure that you had those documents.

Alderman Pinard stated I would like to request that all departments use the courier more so we can save some money on stamps.

Mayor Baines replied I think that is what they generally do but we will make an extra effort.

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

Mayor Baines called for a recess to meet with the Chief Negotiator.

Mayor Baines called the meeting to order and indicated that the following Aldermen were present: Aldermen Shea, DeVries, Lopez, Smith, Thibault, Guinta, Gatsas, O'Neil, Pinard, Osborne and Sysyn.

Mr. David Hodgen stated a motion would be in order for the Board to waive Rule 26 and ratify the tentative agreement with the Water Works, USWA bargaining unit as outlined in the memorandum.

Alderman Pinard so moved to suspend the rules waiving Rule 26 and ratify the tentative agreement with the Water Works, USWA bargaining unit. Alderman Smith duly seconded the motion. There being none opposed the motion carried.

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

A True Record. Attest.

City Clerk