

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN**

**April 22, 2008
Mayor and all Aldermen**

**5:15 PM
Aldermanic Chambers
City Hall (3rd Floor)**

Mayor Guinta called the meeting to order.

Mayor Guinta called for the Pledge of Allegiance, which was led by Alderman Lopez.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen M. Roy, Gatsas, Sullivan, J. Roy, Osborne, Pinard,
O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Ouellette, Domaingue

4. Nominations to be presented by Mayor Guinta, if available.

Mayor Guinta stated ladies and gentlemen; members of the Board, several weeks ago, when I received official notice from Police Chief John Jaskolka that he intended to retire, I knew that I was presented with possibly the most significant choice of my administration as Mayor. Choosing our next Police Chief could have great ramifications for the future of the City and I want the public to know, as well as the men and women of the Police Department, that I took my responsibilities as Mayor seriously and did the very best job that I could to secure for Manchester an

outstanding Police Chief. From the moment Chief Jaskolka announced his retirement, I have taken the effort and time to carefully review the qualifications of each candidate. I gladly solicited the input of the public safety community at-large, most especially the officers of the Manchester Police Department, both past and present. I also consulted with political leaders from both parties and asked for input from local community activists representing interests from all neighborhoods of our City. Clearly everyone believes that this choice will have a significant impact on the Police Department and the public safety of our City. I could not agree more. I have sought a Chief who will be a leader first, a reformer second, and an administrator third. Our Police Chief should not be a bureaucrat; he should be a leader who commands the troops from the front lines. I hope that my nominee will lead in this fashion. After due and careful consideration, I am pleased this evening to nominate Captain David Mara as the next Chief of Police for the Manchester Police Department. Captain Mara currently serves as the Professional Standards Captain and has been a member of the Manchester Police Department since 1986. He also holds a Jurist Doctor from the New England School of Law and has served the city as a prosecutor before the Manchester District Court. Perhaps his most important attribute is that he currently has the complete and total confidence of the men and women of our Department, a group whose opinion I hold in highest regard. This nomination would lay over until the next meeting of the Board, pursuant to Rule 20. However, this evening I would accept a motion at this time to suspend this rule and to confirm Captain Mara as the next Chief of Police of the Manchester Police Department.

On motion of Alderman Shea, duly seconded by Alderman Garrity, it was voted to suspend the rules and approve this nomination.

David Mara, Police Chief, stated I want to thank the Mayor for this opportunity; I want to thank the Board of Aldermen for their support and for giving me this opportunity as well. One thing I learned after this process began is that we have a Mayor and a Board of Aldermen that who are dedicated to public safety and I am looking forward to working with all of you. I want to make Manchester a city where people concentrate on raising their children and educating their children and supporting their families. I also want to make it clear that it is not going to be me that is doing that; it's going to be these men and women of the Manchester Police Department that are going to be doing that, just like it has been their whole careers. They are the ones who go out and risk their lives every minute. I look forward to work with them as well. I am looking to all of you for your support. I am not going to let you down.

Mayor Guinta stated thank you very much.

5. **Mayor Guinta** advises that the purpose of the meeting shall be discussions relating to the proposed FY2009 budget as follows:
 - a) Fire Department
 - b) Highway Department

Mr. James Burkush, Fire Chief, stated thank you for allowing us to do our presentation this evening, ladies and gentlemen. Beginning with an overview of our operation, as you know we run ten stations, twenty-four hours a day, seven days a week. Some have been located since the early 1900's and some are newer stations, but they do allow us to have a reasonably good response time to all districts in the city. Currently the fire apparatus staffing is: the Engine companies are staffed with one Officer and two Firefighters; the Aerial trucks run with two Firefighters; Rescue 1, the rescue company, has an Officer and three Firefighters; and the District Chief; we run one shift District Chief at all times. The interesting

point about this here is the National Fire Protection Association recommends four firefighters on each piece of apparatus and as you can see we are basically staffing our equipment at below standards and we have nobody that we can cut off of any of our equipment. Our authorized line personnel is 166 Firefighters of which we have seven vacant, 40 Lieutenants, 15 Captains of which one that is vacant; five District Chiefs; for a total of 226 line personnel. Personnel are broken down into four working shifts, and each shift work 24 hours. They cover 52 line positions. That is, each piece of apparatus and a District Chief, we have 52 firefighters working on duty when everything is full, all equipment is running, that is our current staffing. For support personnel, we run nine dispatchers and a dispatch supervisor 24 hours a day, seven days a week. The Fire Prevention Bureau is staffed by three certified arson investigators and one administrative assistant. In the Training division we have one instructor with an administrative assistant. The Communications division, as you know, is responsible for all of the radios city-wide, including the installation, repair, and maintenance of nearly 500 portable radios and probably 500 mobile radios and a tower site. They are currently fully staffed with a communication supervisor, four technicians, an administrative assistant, and we have one information support specialist for five headquarters. In the Mechanical division we have a mechanic supervisor and one equipment mechanic. Currently on our fire staff, for command staff, we have a Chief and two Deputy Chiefs vacant. We have one acting Chief, Deputy Chief Goonan, Chief Campasano, and we have the Fire Prevention Deputy is still vacant. In the Administrative division we have one business administrator, two assistants, and we still have one administrative services manager that has been open for nearly a year. In 2007 the department responded to 17,156 calls. We had 196 working structure fires which represents a 25% increase from 2006. As you know, the Fire Department is an all-hazards response agency. We provide fire, emergency medical services, hazardous materials, terrorism, bio-terrorism, technical rescue, and we are also responsible for the emergency management activities. We are the

lead agency; we have EOC at headquarters and that is one of our primary responsibilities. This graph illustrates how critical it is for sufficient numbers and personnel and equipment to attack the fire as soon as possible. The graph illustrates that you want to get to a scene of a fire and put water on a fire and contain it to the room of origin within eight minutes. Beyond that time, as you can see fire escalates pretty rapidly and so does the property destruction. Last night was a good example of a rapid attack on a fire on Conant Street, and the fire was basically contained to the room of origin. Initially we deploy 21 firefighters on a single alarm fire. It's broken down as you can see to an incident commander, three pumpers, two aerials, and a heavy rescue. The national standards are for 17. We roll in with 21 which is a little above the standards but we are doing it with seven or eight pieces of equipment because of our staffing on our equipment. If we look at the budget analysis for the previous three years you can see that we have had minimal increases in the past three years. These are numbers that have been adjusted because in and out of our budget, health care is coming in and out, so we subtracted them to give you leveled numbers here to look at. The three numbers going across are 06-07-08, which are less than 2% a year through those years. In 2009 our FY request is for \$22,870,702, which is a \$2.2 million increase over 2008. You might want to ask, what is the reason for the increase? It's obvious that it is the contractual cost increase, which is over nine percent from 2008. In 2008 our budget was reduced, so that was one of the reasons that is an increase, and then there was the contract with one step up and two steps back, and the merit steps, so it comes to about a nine percent increase in salaries alone in our budget, in our salary line. The Mayor's proposed budget is \$20,668,517 which is only \$78,000 over 2008. It was originally a two percent increase but the budget was re-adjusted and it was reduced by another \$350,000 from the original presentation. We are working at it, as you can see with \$2.2 million. Our budget breakdown for 2008 is 95% wages and benefits and a five percent operating budget. In 2009 we asked for an increase in our operating budget of \$200,000 for repair and re-

building of our aging fleet of equipment. That would be for an increase; that is why we went up one percent; it would go back to five percent if we didn't have the \$200,000 request. We did an analysis of actual leave in 2007 to try to predict how much it would cost to cover all vacancies. We broke them down in hours, and we actually had 46,000 hours of leave in 2007. We took an average salary at overtime rate, and the potential minimum staffing cost going forward would probably be \$1.658 million if we had no personnel to cover our vacancies. The only way we can cover vacancies is either through uncommitted personnel, time and a half, or reduction of service. We use the term minimum staffing, more commonly called overtime, because all we are trying to do with overtime is minimum staffing, is maintain our on duty response capabilities. This chart also talks about the budget reduction. We are looking at a salary reduction of a \$1,570,688, a benefits reduction of \$281,497 which totals \$1,852,185 in salary. The corrosion was not funded and the minimum staffing was reduced by \$350,000 to a total of \$2,202,285 wages and operating reductions. The implications of the reductions that we have currently are as follows: ten vacant positions which total at \$727,739 and we would be forced to lay off 21 positions for a \$1.129 million for a total budget reduction of \$1.852 million. The budget shortfall staffing reductions would mean ten positions remain vacant. Currently we have seven Firefighters, one Captain, two Deputy Chiefs, and an Administrative Services Manager. The 21 layoffs would be fifteen Line Firefighters, two Arson Investigators/ Inspectors, one Dispatcher, one Communications Tech, one Mechanic, and an additional Administrative Assistant. These layoffs are following the collective bargaining agreement which dictates last one in, first one out except for the Administrative Assistant. Everyone else in the collective bargaining agreement is affected by potential layoffs. This concludes this presentation. Do you have any questions?

Aldermen O'Neil stated thank you. Chief, bear with me if I kind of walk through your notes. The department request and what the Mayor has recommended is \$1.8 million shortfall.

Chief Burkush replied that is correct; you will see that it is a total reduction of \$1,852, 185.

Aldermen O'Neil, stated now at that request, that will allow you to fill all vacancies.

Chief Burkush replied that will fill all vacancies, but I believe the Administrative Manager would be a half filled. We would have to wait a half a year to fill that position, but most of them would be filled.

Aldermen O'Neil asked where is the request regarding overtime?

Chief Burkush responded at that level if we were to receive the \$1,852 million our overtime budget would be \$700, 000 which is a reduction of \$150, 000 from our request.

Aldermen O'Neil stated so even at that level you are still short a little bit on overtime but your feeling that you may be able to make it work?

Chief Burkush replied yes.

Aldermen O'Neil stated let's talk about the recommended budget. You've indicated that you would keep ten vacancies; I think we have a sheet from you from April 9th; you put two ladder trucks out of service. That would be for the year?

Chief Burkush replied, we passed out an updated sheet on April 18th because there were also benefits that weren't counted in the first letter of April 9th ; it was an additional \$282,000 in benefits.

Aldermen O'Neil stated, please bear with me, I will still work off the April 9th letter because that is what I have in front of me. You will still put two ladder trucks out of service for the year?

Chief Burkush asked at what level are you asking?

Alderman O'Neil responded the Mayor's recommended budget.

Chief Burkush stated the Mayor's recommended budget would be a minimum...it would be two layoffs immediately and then we would have rolling station closings.

Aldermen O'Neil stated, in your letter you recommended you are going to put two ladder trucks out of service. Do you have a recommendation on which ladder trucks they would be?

Chief Burkush responded if you are talking the total budget as presented by the Mayor, \$20.688 million.

Aldermen O'Neil replied correct.

Chief Burkush stated it would be two ladder trucks out immediately plus other equipment. That is correct.

Aldermen O'Neil asked have you identified where those ladder trucks would come from?

Chief Burkush replied strategically it would be Truck 2 and Truck 5, South Main Street and Webster Street.

Aldermen O'Neil asked would there be other equipment? You just mentioned that there would be other pieces put out of service. Have you identified tonight what those pieces would be?

Chief Burkush responded just to make the 21 layoffs, with 31 vacancies we would also have to put an engine down at headquarters.

Aldermen O'Neil stated so one of the two engine companies on Merrimack Street would have to be put out of service?

Chief Burkush replied that is correct.

Aldermen O'Neil stated although I guess on the surface it doesn't seem important, I am guessing there is a reason why there are two engine companies at the Central Station.

Chief Burkush replied, obviously it is the highest fire activity, the most hazardous, the most densely populated. It has the high rise buildings, it is a strategic, it is needed service.

Aldermen O'Neil asked so that is going to have an impact, especially in the center city on the delivery of fire service, correct?

Chief Burkush replied that is correct.

Aldermen O'Neil stated you also mentioned the revolving closure of stations. And this is this just where you have single company stations like Engine 3, Engine 4 and Engine 9, currently staffed with three people, is that correct?

Chief Burkush replied I will not run an engine company with less than three people.

Aldermen O'Neil stated if someone calls in sick or there is a scheduled vacation for that shift, those companies will be put out of service. Correct?

Chief Burkush replied that is correct. It's a very real situation. In July we have 52 weeks of vacation scheduled. Currently we would have to cover those 52 weeks, and with the overtime we wouldn't be able to make that number.

Aldermen O'Neil stated in some of the other stations that have some additional personnel you may be able to do coverage, but in those three specifically they will be closed if there is not available manpower. I just want to make sure that I understand this.

Chief Burkush stated the easiest way to understand this is, going back to the number of on duty fire fighters. This year we did some research and learned that we averaged 50 firefighters on duty for this budget year plus the district chiefs so you are at 51. With a significant cut like this, you would be looking at under 40 firefighters, probably down in the mid to upper 30's being on duty, which is not a good situation.

Aldermen O'Neil stated, you mentioned to me that...I talked to you several days after the Pearl Street fire. You mentioned you had to make some decisions at the fire based on lack of supervisory staffing. Is that correct?

Chief Burkush replied yes that is correct. In fact on Pearl Street I pulled everyone out of the building because we had a lack of Chief Officers on the scene to supervise the firefighters.

Aldermen O'Neil stated so even at the budget requested it does not settle all the issues of Chief Officers. Correct?

Chief Burkush stated when I started 31 years ago there were nine district chiefs and five or six other staff chiefs. There was always a minimum of two district chiefs on duty. We have made reductions since the 1990's; the Fire Department budget, as you saw, was basically flat funded. We have been short on our command personnel for over ten years now. It is very difficult to manage. When you get a fire of that magnitude, you're responsible, obviously, for the safety of your personnel. So I made the decision to pull everyone out and go to defense mode, rather than risk the personnel for lack of supervision.

Aldermen O'Neil asked have you run any numbers for what the potential 21 layoffs would cost in severance for FY2009 and also on top of that we have talked...I think Alderman Jim Roy mentioned several weeks ago you probably figure eight retirements on the average at the Fire Department. If we use that average between the lay offs and potential retirements, have you run severance numbers and what those cost would be? I'm guessing they are not included in the budget.

Chief Burkush replied the severance pay-off that we are projecting for FY 2009 is \$326,000 which we report to Human Resources; this is not carried in any of our budgets.

Aldermen O'Neil stated is that specifically targeted for the 21 layoffs? Linda is shaking her head no. So that would be just a normal year. You would have \$326,000, so that would be potential retirements then.

Chief Burkush replied that is correct.

Aldermen O'Neil asked do you happen to know, or maybe Mr. Sanders can help me out on this, if we are laying of 21 personnel, I guess they are not all firefighters, what the potential severance cost would be for the Department?

Mr. Sanders replied I don't think I could do that. It would depend who they were and what their salaries were. I presume if they were laid off they would be the most recently hired and presumably the lowest vacations, lowest sick days, but I haven't got...

Aldermen O'Neil interjected is that something the either the Fire Department or the Finance Department can get back to us? I mean that is a cost; I have to imagine that it is several hundred dollars, anyway.

Chief Burkush stated Linda says that they can only be entitled to vacation pay; they would not be entitled to sick leave payout. So if they had a couple weeks of vacation per firefighter, average...

Alderman Lopez asked Mr. Sanders, would they be entitled to unemployment compensation?

Mr. Sanders replied yes that is correct.

Alderman Lopez stated the average unemployment compensation is about \$11,000, at least the last time I checked.

Aldermen O'Neil stated, my point Mr. Chairman, and they can get back, there has to be a number plugged in for those 21 layoffs, a severance number and unemployment, so if that is something that they can get back to us at a latter date, I would appreciate that.

Alderman Gatsas stated thank you, Mr. Chairman. Chief, can you tell me...in the budget book I am looking at, it shows \$ 11, 723, 782 up until March 29th for payroll. Were you watching last night when you went through this exercise with Police? So the answer should be right there at the tip of your fingers.

Chief Burkush replied yes.

Alderman Gatsas stated the number you should have in front of you is \$11,723,782 and that would be for the pay period ending March 29th.

Chief Burkush replied we have April 12th.

Alderman Gatsas stated can you tell me...I can do the math...can you tell me what the pay amount for that pay period was?

Chief Burkush stated \$278,908 per week.

Alderman Gatsas asked how much did you have in there for severance?

Chief Burkush stated \$175, 708.

Alderman Gatsas asked and how much more are you expecting for the rest of the year?

Chief Burkush responded \$58,000 more.

Alderman Gatsas stated if I took the number that I have, \$11.723 million, and I took your \$278,908 on a per payroll basis and multiplied that times 13 and added it to my number, that should be a yearend number.

Chief Burkush asked are you trying to see how much of a surplus we're going to have this year?

Alderman Gatsas responded you're not going to have a surplus this year. If I took the number that you gave me, \$278,908, and if I multiplied that times 13 weeks...that's the number you gave me because I've got a 39 week figure and you've got a 41 week figure in your book, so we are looking at different numbers. So I'm going back to my 39 weeks, taking your \$278,908, multiplying it times 13 and adding it to the \$11.723 million, the 39 week number that I have. And that gives me a number of \$15,349,586. Is that what you're assuming that the pay out is going to be at the end of the year for payroll?

Chief Burkush responded we're projecting a deficit in our payroll of \$49,803.

Alderman Gatsas stated I was going to say about \$50,000. The sheet that I have that came out said that you were going to have a surplus of \$146,000. That, I assume, disappeared.

Chief Burkush no, it's because it's bottom line. We're talking our whole bottom line budget.

Alderman Gatsas stated so what you're saying is you're going to find \$200,000, because we're short \$50,000. This is saying roughly \$150,000. So we're looking for a \$200,000 swing in the balance of your numbers. Are you going to do that in payroll?

Chief Burkush responded we're going to do it in overtime. It's the only line we have.

Alderman Gatsas stated so what you're saying is in overtime, you're going to spend only \$100,000 for the next 13 weeks when your biggest vacation time is June and July.

Chief Burkush stated well, the biggest vacation time is July.

Alderman Gatsas stated it's going to leave you only \$100,000 for overtime for the next whatever weeks.

Chief Burkush stated we're projecting our bottom line total budget surplus of \$128,000. We have lines that are overspent in diesel fuel and the salary line.

Alderman Gatsas stated with a \$20 million budget, I'll let the Finance Department worry about the \$150,000. Let me ask you some more pertinent question. How many vacancies did you have that you ran for the course of all of this year? Were you ever at full complement?

Chief Burkush responded we went into the full complement, less the Fire Captain, into July, into our heavy vacation period. We actually had two Firefighters on military leave, but other than that we were fully staffed.

Alderman Gatsas stated so for the whole year...

Chief Burkush interjected, not the whole year. We started retirements after the vacation period. We started late August with a retirement and then in October we had a retirement. They were spread out over the year, but we made it through the peak summer with full staff. We went into full staff last year.

Alderman Gatsas asked and how many vacancies do you have right now?

Chief Burkush responded ten.

Alderman Gatsas stated you have ten. What's the ability to fill those? How long have you had ten?

Chief Burkush responded the Captain was vacant last May 1st. It's been over a year. The Administrative Services Manager for 16 or 17 months, which we made up salary there.

Alderman Gatsas stated but I'm talking about front line personnel, not that Alderman Roy wasn't front line.

Chief Burkush stated we had a retirement in September and they just kept going through the year.

Alderman Gatsas stated give me...over than ten month period...How many vacancies did you have on an average per month, front line?

Chief Burkush responded five.

Alderman Gatsas stated and you're telling us that if we don't give you the number that you're telling us up there, you're going to have how many? If we give you the Mayor's budget of \$15.215 million...for payroll...I don't want to get into all the other numbers. The only ones that are really legitimate are the first two rows. Is that five that you have, plus 17 more?

Chief Burkush stated it would be 24 front line positions. With the layoffs and the vacancies there will be 24 front line positions.

Alderman Gatsas stated and for a full complement...the full complement, if I took your number as we had worked it through, we were at \$15,349,586, but that included \$175,000 in severance. So I removed that severance and it brought me down to...not including overtime, just a salary line...of \$15,174,000. If I gave you seven percent because that's what the contract calls for; I assume you're at the same level as Police. When we talk about the merit, it's a seven percent increase on wages...Oh, it's higher?

Chief Burkush explained our wage went up...9.33% is our salary line increase.

Alderman Gatsas asked is that overtime, too, or just based on the contract?

Chief Burkush responded that's just based on the contractual agreements.

Alderman Gatsas stated I guess I've got to do this over again. So just to get you whole with a full complement, just in your wage line you need \$15,590,000.

Chief Burkush stated \$16,785,881 is what I need with the 9.33% increase in salary. That's pretty close to your number.

Alderman Gatsas stated we're only off by \$200,000. Maybe you didn't pull the severance out; I did, which was \$175,000. So we are about the same number. So, what you're telling me is, for you, for a full complement, without any layoffs, you need a wage line of \$16,590,000. I know what you're giving me, but I think you didn't pull out the \$175,000 in severance.

Chief Burkush stated you're correct.

Alderman Gatsas stated that number on that wage line, that's \$1.3 million. What is each Firefighter with just wages, entry position. I think it's \$45,000.

Chief Burkush asked to you want strictly salary on that, or do want salary and holiday and everything else?

Alderman Gatsas responded yes, you can give me \$45,000 plus. Well, the other is a contractual number anyway. The starting pay, because that's not part of wages.

Chief Burkush stated go with \$45,000. You're right.

Alderman Gatsas stated that's what I said, so if you take the \$1,375,181, which is the difference between the payroll that you would have completed for the year and the increases in salary for that complement, and subtracted those two numbers, it leaves you with \$1,375,181. If I divide that number by \$45,000, I come up with 30 positions. You're telling me that we're at 24.

Chief Burkush stated you said line positions. We also had...we are at 31 positions, going with all your numbers.

Alderman Gatsas stated I guess my simple math worked.

Chief Burkush stated we are at 31 positions because we are talking about dispatchers and all the other positions.

Alderman Gatsas stated I hear you. I don't disagree with you.

Alderman J. Roy stated Chief, two things. First, in your overview earlier, you were talking about 21 layoffs and I see that two of them are the Arson Investigators. How many people are going to be left in Fire Prevention if they go?

Chief Burkush responded there would be one person.

Alderman J. Roy stated so that's not going to be working too well, is it?

Chief Burkush responded no.

Alderman J. Roy asked do you have anyone you can backfill into those positions if they go?

Chief Burkush responded not trained. We have a significant amount of money invested in the training of these people.

Alderman J. Roy stated and along the severance line, I know you already answered all of those questions. That Captain's position that's been open for a year...I'll give you a choice. Does it affect services, or do you not need the position?

Chief Burkush responded it absolutely affects services. In fact, the night of the TR Brennan's fire, we were unable to fill that position even with overtime, so we had an Engine company out of service, simply for the fact that we didn't have an officer. So, it's an absolute necessity.

Alderman J. Roy stated and not only did you leave that position open to make up the severance pay, but it became a budget issue during the year. You were trying to make up money on the budget. Is that why the position was left open?

Chief Burkush responded we had positions and we had requested that the positions be filled. Chief Kane requested that the positions be filled before he left. We also requested the positions. After I became Chief I requested the positions be filled.

Alderman J. Roy asked was it because of budgetary issues that they didn't get filled?

Chief Burkush responded as far as promotions?

Alderman J. Roy stated my question was about the Captain's position that was open. I asked whether it was affecting service or it wasn't needed. You said it was definitely affecting service, and then I further inquired further as to the fact that, not only was it left vacant to recoup the severance pay, but it was also left open further to help with the budget shortfall, whether it was their design or someone else's design, that appears to be what it is. Is that correct, Chief?

Chief Burkush responded that's correct.

Alderman Ouellette stated when the Mayor made his budget proposal you stated there would be a two percent increase in the Fire Department, and then you stated tonight that that was adjusted somehow to a lesser percentage increase.

Chief Burkush stated we received a letter, I believe it was April 5th, saying that the budget had been readjusted and ours was reduced by \$350,000, which was another one and a half percent, so we ended up with just a \$78,000 increase between last year and this year.

Alderman Ouellette asked would that equate to one half of a percent?

Chief Burkush responded maybe even less. We had \$78,000 to throw up against \$1.4 million, or whatever it is that we were looking for.

Alderman Ouellette asked were you given a reason why that was the case?

Chief Burkush responded we received an email from the City Clerk's office, and that was followed by a hard copy. It said that the budget needed to be readjusted, and ours was adjusted downwards \$350,000.

Alderman DeVries stated I don't think anyone has touched on corrosion line in your presentation, the \$200,000. Since we've recently had rather an issue from not taking care of corrosion on the apparatus, forcing them out of service to the tune of five apparatus, could you tell us what you wish to accomplish and how dire that is and necessary or not?

Chief Burkush responded currently our fleet of apparatus, the average age is 14 years old. We are still running front line engines that are 21 years old, as front line piece, not reserve pieces. These fire apparatus should have been replaced no longer than five or six years ago. We're looking at now...an early generation of those, namely Engines 10, 11 and 6, they are going to need significant body work to keep them on the road. We lost an engine this year. In addition to the ladder truck issue, Engine 4, which was stationed at Hackett Hill, which was 20 years old, was in such dilapidated shape, we put it out of service. It got to a point that it was not useable. It was not safe. We weren't going to invest \$100,000 in a truck that was 20 years old. That one is going to the state to be auctioned off for parts or something. The Fleet Chief came and made numerous attempts to get the fleet to be...we have a fleet replacement program, but it has been pushed back significantly. We received one pumper this year. Previous to that it was four years since we received an engine company. We did receive Truck 3 two years ago. The fleet is in mechanically good shape, but it's getting to a point where it's going to be a crisis again this year.

Alderman DeVries stated so to further that line, the \$200,000 is a band aid but a necessary band aid for you to keep pumps on the line?

Chief Burkush stated if we have a major failure, if the frame cracks on the one up on Engine 10, which is a 1992 pumper which is 16 years old. If the frame cracks on that truck, that's out of service. We've already had temporary repairs on that piece of apparatus. Engine 11 downtown, the busiest company has over 120,000 miles on it. It's going to need significant work, engine rebuilds. We've met with Finance; we've met with CIP; we've talked with anybody who will listen; we've put in a federal grant to try to get apparatus. We're going to get to a point where we're going to be running with no spares; we'll be running short of apparatus.

Alderman DeVries asked in the CIP this year, has your issue with a new pump been taken care of?

Chief Burkush responded we have not seen the MER. There were seven engines that are over 12 years old. We requested those be replaced. Our understanding is that there is nothing in MER for fire trucks.

Alderman DeVries stated so the answer is no.

Chief Burkush stated the answer is no.

Alderman DeVries asked so the alternative to that is to pursue a federal grant such as a SAVER grant or a RAFT grant?

Chief Burkush responded AFG grants...fire apparatus is a low priority at AFG grants but we went for it anyway. We don't know what the chances are of getting that grant. We are also putting in a grant for a self-contained breathing apparatus to try to reduce costs to the City. This happened in the early 1990's where the fleet got into the same condition, and they floated a bond and they bought three

engines, a rescue and a ladder truck all in one year because the fleet was in such dire shape.

Alderman DeVries asked do you have any possible disposition for the self-contained breathing apparatus. Do you think that is a higher priority and might possibly be covered under that grant?

Chief Burkush responded we understand with the AFG you can only get one or the other because of the limit of a million dollars per grant. The self contained breathing apparatus, we're putting in for a million dollars, and the fire apparatus is a half a million. We could only get one or the other.

Alderman DeVries asked the different grant opportunities that are out there, are they focusing more on personnel, trying to bring municipalities into compliance with national fire standards?

Chief Burkush responded the personnel grant program is called SAVER grants. That one only allows you to add additional personnel. It's like the old COPS program. For the first year the city has a small share and at the end of three years you're owning the salary completely. That would be for additional personnel. We would like to secure those grants obviously, but obviously our priority here is to hold onto what we have.

Alderman DeVries asked why would you want to go after that? What's the difference? Obviously, I know, but what's the difference between your level of staffing on the apparatus and the national standards?

Chief Burkush responded the minimum standards for fire departments are four people on an engine company and four people on a ladder. When you add one person, it doesn't make you 25% more effective, it makes you like 100% more effective. It's more efficient. When we just went through with the ladder trucks being out of service, we did beef up staffing on the other companies. We had a number of fives with the increased staffing, and it was just a tremendous difference, having increased staffing.

Alderman DeVries asked the recommended is running four and four, and you're currently running what?

Chief Burkush responded we're running three and two.

Alderman DeVries stated so you are off of the national standards and we're not an OSHA state, but how does that reflect if there is an injury or something? Is four the standard that's looked at as being the necessary complement?

Chief Burkush responded it's a standard obviously, that comes into play like it did in Charlestown, South Carolina. The fire department was looked at and they were funding the same staffing as us, and it immediately became an issue nationally. But what we need to do city-wide is look at all of our station locations and our apparatus, number of apparatus. I did have this conversation with the Mayor when I was being interviewed for the Chief's job. We have to look at the number of stations in our location, because I'm comfortable running 50 or 51 or 52 personnel on fewer trucks. Our station locations, like I said before, some of them were made at the turn of the century when horses could run, and others were built where they were either convenient for the neighborhoods or other reasons.

We want to look at that staffing and deployment plan further down the road than during this budget.

Alderman DeVries stated we would encourage you to do so, Chief, and thank you. That's the kind of innovation we hope to see in the City. Two or three years ago, I had a conversation when Mayor Guinta was first elected with the city of Hooksett, because I had heard that Hooksett was building a new station very close to one of our stations, very close to our station up on Hackett Hill that desperately needs to be out of what was a temporary trailer 20 years ago. Twenty years ago a temporary situation was put in for Hackett Hill, and they are still searching for a permanent home. I couldn't help but wonder if there was maybe a collaboration between Hooksett and Manchester in achieving some efficiencies and cost savings in doing a joint effort. I hope that I can enjoin you to maybe look at that. It seems to me that, with Londonderry that same sort of scenario is starting to develop where there is a major industrial park right over the line in Manchester off of Brown Avenue. They are looking to build a 1,000 acre industrial park, and I don't know how they have master planned for their future fire service, but those sort of conversations should be something that we look at to see if there are savings for both of our cities, and if there isn't a way to enter into some sort of a mutual aid agreement that doesn't reduce the complement of fire fighters, allows you to maybe better distribute your personnel and beef up the complements on trucks, but saves us having, like on Hackett Hill, two stations 500 yards apart. It just makes no sense. I know that Hooksett was extremely interested when we had the conversation with their town manager and selectmen a couple of years ago. I don't think it has come back onto our Mayor's radar screen because he hasn't had that conversation with you, but maybe we can get that onto his radar screen.

Chief Burkush stated we definitely need a station in that district. Like you said, that station is long overdue.

Alderman DeVries stated there is also...and I know Alderman Garrity is anxious to talk with you on what you might have in mind for the Calef Road station, which is in need of repairs. There have been many different discussions about the best use there, and I personally don't want to put you on the hot seat. I think it's another conversation we need to pursue. But that's an older station also. The reason we're here tonight though is to try to figure out how we save your department from having catastrophic layoffs that will truly affect our city's protection. And I hope that fellow Aldermen are listening, because I've heard Station 5 in the north end, I've heard South Main Street.

Chief Burkush stated that's just a start. It's going to be rolling station closings in every day. The way we do it today, people call up and they expect service; they expect you there timely and they expect efficient service from the department. We have a significant investment in the Firefighters, the 21 men and women that would be affected by this: the training and the caliber of people. They are college educated, with four year degrees in college. They are just phenomenal individuals and they an answer; they need to know if this is going to be reality. You know, they have come on and they have chosen a career with the City, and we have a significant investment in them.

Alderman DeVries stated and I know we have many surrounding communities anxious to pick them up and save their investment into their training. They would get a firefighter all trained and certified and ready to go, so it is not like they would have difficult finding placement elsewhere.

Alderman Lopez stated thank you. A couple of things Chief: The reason for the number...and Alderman Ouellette asked the question about the difference. The first budget was presented, and you had a number of \$21,001,659 in your budget. It was a deficit budget, but he had to make a new budget over; that's how you got back to...you had to take that deficit and all the departments got scratched, and you lost \$300,000, whatever that case may be. That is one thing. Since you received the second budget the Mayor has presented, have you had a conversation as to the numbers you just indicated to us as your shortage and a discussion along that line, since you have provided the information?

Chief Burkush responded we have met with Finance. The only person we have talked to is the Finance Director.

Alderman Lopez asked Chief Finance Officer, have you verified these numbers as being correct?

Mr. Sanders replied yes. I had a conversation with Linda and the Chief and I am comfortable that their numbers are correct and accurate, the salaries the pensions, the social security adjustments, the benefit adjustments that they have made. Yes, we signed off on those.

Alderman Lopez asked if there were 21 firefighters laid off, where would the \$11,000 come, the unemployment compensation for each man?

Mr. Sanders responded the unemployment compensation is a component of the Human Resources budget, and I do not have in front of me, I actually just sent Mr. Beloin downstairs to get me what is in the FY2009 budget for unemployment compensation in the HR line. But it is in the HR department.

Alderman Lopez stated okay, we will get that number. I think it is important that we know that if we are going to lay people off that they are going to get paid for 26 weeks, I believe it is, unemployment compensation; that number has to be someplace.

Alderman DeVries stated you are saying 21 firefighters laid off, and it is 31 positions because there are currently ten vacancies, ten unfilled positions that have been held up this spring in the hiring freeze. So we are not talking 21; we are talking 31 positions at the Fire Department.

Alderman Lopez replied I understand. Thank you for the correction but it is 21 people we would be paying, not the ten vacancies. That is my point.

Alderman Smith stated thank you very much Mr. Chairman. Chief, it seems like everyone picks on Station 2. We put \$1.5 million into that station and it seems like every other six months they pulling a ladder truck out and contrary to anybody's, we do have high rises over there: the Burns Center and Carisbrooke. We have public schools, we have private schools, we have business and everything like that. Can you give me your reasoning the Fire Department always pulls the ladder truck out of there, since we built the new station?

Chief Burkush responded the only reason is the location and the run volume and the ability to cover that station, Alderman. It's not one that I have picked on; it's not one that Chief Kane picked on. The location of the station allows us to get...you have Truck 6 up on the hill, Truck 1 can get across and Truck 7 can come right down. Currently Truck 2 is in service, as you know. Truck 5 and Truck 7 are currently out of service, but it is not for any other reason than sheer

numbers, Alderman, and that is the fact. Last night Truck 2 did operate at the fire on Conan Street obviously. There is not a problem other than that, sheer numbers.

Alderman Smith stated in other words we have to rely practically on some services from the Bedford Fire Department out by Route 101, Boynton Street and the area, especially when we have only one fire truck and it might be over on the east side responding to a fire. We have no service whatsoever in the area. This has happened not on one occasion but it has happened on several occasions, and I can justify it because I live 100 yards from the fire station, and I expect to get service. We have build a fantastic station, the fire personnel are super, but I want response and you can't tell me if you come from Rimmon St. you are going to be there in eight minutes.

Chief Burkush replied I understand your concern, and we will address your concern, but there has never been an issue with Engine 2 being out of there; Engine 2, even when the ladder trucks were out of service, Engine 2 was fully staffed with the extra personnel.

Alderman Smith stated I did go over to the fire station one day and there was nobody there. They were all out; they were supporting a fire on the outskirts of Bedford and that is where they took the engine. There was nobody there whatsoever, no personnel whatsoever, and in fact on another fire I talked with the Bedford personnel who were supporting a fire that you had in the inner city and they were a house in a house.

Chief Burkush stated Bedford does rely a lot on Engine and Truck 2; they respond regularly into Bedford. They've made rescues and operated at major fires in Bedford. But when the station is vacant, like any other station, it can be out for training or for inspections or operating in the inner city. Engine 2 responds to the

inner city on the second alarm like Engine 7 or Engine 5 or anybody else. Major fires, they will come downtown. That district is covered as well as every other one, Alderman. I can show you that anytime.

Alderman Smith stated well we have an episode over there at Grand Slam pizza. I'm sure you know about it. I was there at the time before any fire personnel and that was not the best situation, okay. That is all I have to say.

Alderman M. Roy stated thanks for being here Chief. Same question: substituting Truck 2 for Truck 5. You know it seems like every time that the budget gets tight, it is Alderman Smith and myself that are talking to the Chief. Distance between central and Southern NH University is a fairly good distance, and I see your logic for Truck 7 going across the river and Truck 1 but the entire north end is unprotected.

Chief Burkush stated again, if you go up to Station 5 today it has more personnel than Station 3 or 9 because there was a ladder truck in there. It is about efficiency, it's about time and I have to do the risk analysis for the City and that is what you paying me to do, and I am forced to make decision which I feel are in the best interest of everybody. That is basically the decision that I have made for those two trucks right now. It's not a good situation. We want to be fully staffed; we want to have our overtime budget; and we want to keep every piece of our equipment in the City in service and that is the reality of the way we operate.

Alderman M. Roy stated switching gears off of Truck 5, we will agree to disagree on whether it should be in service or not. Looking at promotions versus overtime, given that you have a lot of acting positions, Chief Goonan is acting. Is there more efficiency we can find in your budget by actually making promotions and ending some of the overtime and filling the positions? I know we are running

without DC's. I have been told that there has been quite a bit of recent overtime regarding holidays and sick days. Can you elaborate on that?

Chief Burkush responded by making the promotions and having a company officers, company officers can cover up and they can cover down. In other words, Captains in a pinch can go into a station and fill a vacancy at any rank. It is very efficient to have the promotions and the positions to eliminate overtime. It's just a good practice to do that.

Alderman M. Roy asked where would the dollars shake out? Would you be more efficient if you made the positions that you have currently vacant?

Chief Burkush responded in the District Chiefs rank it is correct. We are going into a vacation period where I have nobody to cover District Chiefs, and in a two week period I could save \$2,500 if I could make one position and make Acting Chief Goonan acting deputy chief or deputy, and make one District Chief, we could save a significant amount of money immediately. In the longer run my conversation with the Mayor was, he indicated possibly May 1st for filling in the remaining vacancies, which would be the other deputy chief, the captain's positions, and the other lieutenant positions that are open. Hopefully the Mayor still considers May 1st the date. I've sent communications to his office and I am waiting for response about the ability to fill the promotions.

Alderman M. Roy stated but if I am reading that you feel that these position would actually save you money in the long run...

Chief Burkush stated even in the short term, Alderman. We have vacations coming up next week; I have nobody to cover the vacations and it's going to be an overtime situation. We desperately need the positions filled; we have the money

in our budget; we sent those requests down through the proper channels and we are still waiting for response.

Alderman Lopez stated let me interject. The Mayor is back. This question is for him, and would he like to respond to this please?

Mayor Guinta stated well the Chief has made a request and I have responded that we can't do it for April 1st, which was his initial request, and I said my goal is to try to address it by May 1st. That has not changed, so he shouldn't be waiting for a response. And actually I think he included in his answer that is what I have conveyed to him. The reasoning, as I have also shared with the Chief, is that the overall the General Fund budget remains in a deficit, and I am trying to do everything I can to minimize that deficit. So, my hope was for May 1st we would have a better picture and enable some of the promotions that he is looking for.

Alderman Lopez stated we will wait till May 1st and see what happens. .

Alderman M. Roy stated Chief, your request for payroll...I know you went through this with Alderman Gatsas and I would like a very clear salary request number for a full complement based on this year's complement, fully staffed.

Chief Burkush responded it's the \$1,852, 185.

Alderman M. Roy stated okay, and Chairman, if you are still running the meeting I have actually a question for the Mayor.

Alderman Lopez stated the Mayor was running back and forth; he has a couple of ceremonies down in front of City Hall that is the reason...

Alderman M. Roy stated just the same question that I had last night, regarding the Mayor's proposed number for the regular salary, was that based on a full complement?

Mayor Guinta responded what I tried to provide for public safety was increases based on priority. With the Fire Department I gave a two percent increase, obviously moving a certain percentage out of the entire salary line item budget for the City to try to make up some of the revenue shortfalls that we are expecting. So when you calculate the math, the FY2009 number that is printed in the regular salary line item is accurate. But the way that I derived at that number was providing first an increase and then taking a small percentage out of the entire City General Fund salary line item and that is how it has affected the Fire Department.

Alderman Mark Roy stated this is a request of Finance, electronically and matching Alderman Gatsas's budget book I have the salary line item at the Fire Department going down almost a full percent and with the raises we approved in July or June of this year, the numbers are not matching for me. I'm going to meeting with Finance and see if we can straighten that out, but I have \$137,794 decrease in regular salary. And that, apples to apples, no matter what's happening with the economy, says we have to let people go when you take \$137,794 out of the budget.

Alderman Lopez stated I understand that Alderman, and that is why I asked the Finance Officer if he certified the numbers and he said yes he did certify the numbers going for the FY2009 budget of the shortfall he was short. If we are talking the 2008 budget there is always a debate as to how much money there is in surplus or whatever it's going to be, a fund balance or whatever the case may be. And that is a good question, but I do not think you know that; you can guess at it but until you actually close the books and you get all of the small numbers out of

there, you might be a percentage of ten to twenty percent difference. But whatever you want from the Finance Officer I'm sure he'll get it for you. But I think we want to walk away from here tonight understanding the number that he is short: ten vacancies, 21 Firefighters with the money that he has been allocated, given to him, and I think some of the numbers Alderman Gatsas had, if we agree with those numbers moving forward, that is a different situation. There are a lot of numbers being thrown around and we're probably all in the same ball game that there is \$100,000 or \$200,000 or \$300,000 difference, and if we are talking full complement or if you're talking laying off 21 people, it's a different situation.

Alderman O'Neil stated I do not want to revisit or spend a lot of time in this overtime versus uncommitted personnel, but I think we could probably pull out the Kevin Buckley report of many years ago. If I recall it was almost a wash; the numbers were very close. This might be helpful information. Chief, I just want to follow-up on Alderman Roy's question about this year. Obviously what vacancies you are able to fill or promotions you are able to make at the end of FY2008 will set you up on how you can operate in the beginning of the FY2009. July is traditional one of the heaviest if not the heaviest vacation month. Is that a true statement that I just made or a correct statement?

Chief Burkush replied that is correct; July is the heaviest vacation month.

Alderman O'Neil asked do you have any history on what you saw last year with overtime in July? I wrote something about 52 weeks; I don't know if that was last year or the expectation this year.

Chief Burkush stated minimum staffing was \$75,000 just in July. That was 50 weeks of vacation in July.

Alderman O'Neil asked did the department spent \$75,000 in overtime just in July last year?

Chief Burkush replied even with the floaters, that is correct.

Alderman O'Neil stated even with the floaters, thank you. What is the number...and if you answered this already I apologize. What is the dollar amount that would be needed to at least maintain...if we kept the ten vacancies, what is the number to maintain the staffing that would still be at the department? Do you have a breakdown of that number? I am not sure if my question makes sense. If the ten vacancies were left open for the year, what is the additional amount of money? You need \$1.8 million.

Chief Burkush replied it's \$1.8 million to fill all of the positions. If you expect the same level of service, you are going to need about \$1.6 million because you will need an increase in overtime because you don't have the floaters to cover the overtime.

Alderman O'Neil stated and how much is that in overtime?

Chief Burkush replied we estimate that the floaters cover at least \$500,000 in overtime.

Alderman O'Neil asked, does that mean just in regular salaries you need \$1.1 million then, for 21 positions?

Chief Burkush stated to protect the 21 positions is \$1,129, 657 and an increase of \$500,000 in overtime would \$1,629,657.

Alderman O'Neil stated thank you.

Alderman DeVries stated my request is of the Mayor, and I know we have had a couple of request of him to help explain how he built the budget and I am just thinking it would be helpful to provide us in writing at least on the salary line items of the budget, because I think we can work our way through the others, but if you could tell us a number of positions and how you built the budget to deal with salary items, overtime if it is a department also like Fire and Police who have mandatory overtime, this would be helpful as well. If you can provide us with this it will help us with our thought process with the departments.

Mayor Guinta asked did you say you wanted that in writing?

Alderman DeVries replied that would be helpful. Thank you.

Mayor Guinta stated okay, I would be happy to do that.

Alderman Gatsas asked I kind of looked at these numbers, is this including benefits or just salary?

Chief Burkush replied those are including benefits.

Alderman Gatsas stated last that I knew you don't control benefits.

Chief Burkush stated that's not health or dental but the other benefits.

Alderman Gatsas stated we have already agreed that 31 positions at \$45,000 is somewhere around \$1.3 million. We had that discussion and we agreed a little while ago. So, from the time I went to get a glass of water how did it move up \$500,000?

Chief Burkush responded it's the overtime difference.

Alderman Gatsas stated wait a minute. Let's start again. Because you've been...

Chief Burkush interjected because you are asking me different things. What are you asking me?

Alderman Gatsas replied I am asking you on those numbers right there. There are 31 positions. That number appeared somewhere in the vicinity of \$1,375,000. How did it mover \$500,000?

Chief Burkush stated if you add the severance pay doesn't it come up to \$1.6 million?

Alderman Gatsas stated not your obligation for benefits. Can you control that line item? Do you have any control over workmen's compensation, disability insurance, state retirement, city contribution or FICA?

Chief Burkush replied no.

Alderman Gatsas asked so why are you showing it to me in your budget? Because someone plants those numbers in that line; you don't put them in. Someone gives you a budget and says this is what we are giving you for those line

items, even though workmen's compensation in 2007, the total cost to you or to your line item was \$189,000. We have \$510,000 for 2009. You have no control, you do not ask for that number and you do not put it in.

Chief Burkush stated that is correct.

Alderman Gatsas stated you don't know what retirement is, you have no control of that number and you don't put it in. So we should be dealing with what you have the ability to control. If you don't hire ten people, your wages go down by X amount of dollars. So I look at those numbers and I say there are ten people at \$72,000 and there are 21 at \$53,000 so I kind of get a little confused with how we get there from \$45,000.

Alderman Lopez stated let me interject. You are absolutely right in what you are saying; I'm not debating that. It's the system. The Finance Office raised his hand. He wanted to say something and I'll let him say it.

Mr. Sanders stated I just wanted to acknowledge that the basic difference between the \$1.6 million or \$1.5 million or the \$1.8 million is the retirement contribution for the state retirement for Firefighters, which for next year is 16% of payroll and the other major contributor is social security which is about seven percent of payroll. So each dollar they pay of salary we have to add on approximately 23% for pensions and social security.

Alderman Gatsas replied right, and those line items should be outside of these budgets because they don't control them, they can't adjust them up or down. That is totally a function of Finance and HR for the benefits. So those line items, as we pulled out health insurance and dental insurance last year to have it on a stand alone in the budget, that's what we should be doing with these line items. But

neither here nor there...I am going to ask you a very pointed question and it is certainly not directed at you. I think there is no question that there are some very difficult times in the City of Manchester. I think there are Board-approved compensation packages for all the unions in the City that I think it was very fair. I don't think that at the time we were aware that the clock was going to spin in the direction that it is spinning in, so not only are the times difficult for the City itself but also the School District and certainly I don't think that once we negotiate a package that we should open it up. But I have had some discussions and certainly there is one piece of that negotiated item that I would look at and would ask you to talk to your union representatives to see if we can somehow enter into at least a one-year severance on the negotiated...what is called third alarm. Because that third alarm payment is roughly \$450, 000 from what I understand. If we could get a concession for a one-year period for the third alarm payment, and maybe Chief for some people who don't know what that is, I would ask you to give, or let me give you a paraphrase and you can stop me at any time if you think I am wrong. My understanding of a third alarm payment is when the third alarm is called on a fire and people respond, that whether you respond for one hour or if there are 50 third alarms called and you spend fifty hours, you received one week's compensation for that time.

Chief Burkush stated that is correct

Alderman Gatsas continued and somebody has told me that the history for the last 15 years has been the highest amount of time that has been spent in a period of a year is maybe...I am not going to say that it is five third alarms, but it was a five hour period that the greatest amount of time was spent actually those Firefighters coming in and fighting that fire as a third alarm call. So I look at that as a number that I think in these times...and I think the reputation that the Firefighters have in Manchester that they are probably carrying their suits when the second alarm goes

off to not only fight the fire but to help their fellow Firefighters, I think that is a true expression of what they believe that their industry carries. So I look at the third alarm and say if they are doing it on second, maybe that is a concession for one year and I am going to tell you why I am going to use it if the Aldermen...If we can take that \$450,000...I'm not looking to take it out and cut the budget. I'm taking the numbers and saying the \$450,000...if we take \$310,000 from the workmen's compensation line, add it to the \$450,000...if we take \$140,000 off the CGL line and add it to the \$760,000, which is the \$310,000 and the \$ 450,000 added together, gets us to \$900,000, and if I said to you I understand that before you can hire you have to do promotions, but can you hire today ten Firefighters to get you to that complement before you do promotions?

Chief Burkush responded yes, I can hire.

Alderman Gatsas continued so you could hire ten basic entry Firefighters to come into the complement so that the promotions, if they aren't ready until May, you can still get to a full complement, have the Firefighters start, and if we did that, you would be at a full complement and we would only be \$180,000 short from the number that you need.

Chief Burkush stated all your numbers...I'm not following you...

Alderman Gatsas stated I understand, I understand.

Chief Burkush continued but I have begun dialogue with the union president about that subject and other cost saving measures, to see what his thoughts are about possible concessions, and there are other things we can do.

Alderman Gatsas stated at least from this Alderman's point of view, Chief, I do not want you to think that I am looking for that concession and then not give it back to you to get to a full complement. At least from my position, I wouldn't do that. And I would look at my colleagues and say they probably would do the same thing.

Chief Burkush stated the union is very responsive, very willing to sit down and talk. Like I said, I have begun dialog with them about looking for any cost saving measures that we can do. We need to do that. They are a big player in the City and are a big part obviously, and they realize that and they are willing to sit down in open discussion. I don't know if we are going to get anything but it is worth.... they realize the gravity of the situation and it is part of what I feel it is my responsibility to do, at least try to sit down with the union and talk about these issues.

Alderman Gatsas stated so let me ask...Mayor, do I understand that what you are saying is the Chief has requested to move for promotions and that is what you told him that he can't do, or he has to wait till May 1st because of budget constraints.

Mayor Guinta replied the Chief asked in writing I believe in March, to make promotions effective April 1st. I reviewed it; I responded via email stating that I could not and that my attention was to try to shoot for May 1st, subject to general fund FY2008 budget issues.

Alderman Gatsas asked can I get a number from Finance on what those promotions mean in dollars?

Mayor Guinta responded I think if I remember the email request correctly it would cost \$40,000. Chief?

Alderman Gatsas asked per week or total?

Chief Burkush stated no, between April 1st and the end of the budget year it was \$23,000 and it has gone significantly down; May 1st it will be under \$20,000 for the cost of promotions.

Alderman Gatsas asked was there a request to the Mayor to fill in the vacant positions?

Chief Burkush replied yes, Chief Kane had made that request prior to his retirement to fill in the Firefighter positions. That was made I believe in November, for the Firefighter vacancies.

Mayor Guinta stated yes that is true.

Chief Burkush stated but what since has happened, we are coming up on an overtime situation next week where if we could get one promotion done we could demonstrate a cost savings of \$2,500, if we could get a promotion done this week, and I requested that and hopefully I'll be getting a reply from the Mayor this week on that.

Alderman Gatsas asked, how about if you hired...do you have the ability to hire, I will say a beginner, a step one Firefighter for \$45,000 does that help your problem?

Chief Burkush stated that will certainly help. We have developed a plan. In the past we have always run a recruit school, an 11-week recruit school. Chief Campasano has devised a two-week, hired certified people, put them through a two-week orientation and we could have them ready to work July 1st, if we had to go ahead and do that. We have certified people on the list. We have the ability to hire relatively quickly if we were given the okay, but we don't have the funds to hire, but we have a plan in place if we could. That would significantly cut down the overtime in July.

Alderman Gatsas stated, let me try this tonight because I tried it last night, and I could not get a second from one of my colleagues...that this Board will move to tell you to hire ten Firefighters for effective July 1st.

Chief Burkush stated we need nine, because one is on military leave, so just nine.

Alderman Gatsas moved to fill nine Firefighters positions by July 1st. The motion was duly seconded by Alderman M. Roy.

Alderman Lopez stated I have a question, Alderman, before I accept that motion. Where is the money coming from, so we understand?

Alderman Gatsas replied well, as I just discussed with you, we are in the process right now of trying to build a budget. When I looked at the number that the Fire Department has, those nine positions are about \$450,000. we can gather \$310,000 from the workers compensation line; we can gather \$140,000 from the CG & L line. That's the \$450,000. Now if they have the ability to negotiate with the union for the third alarm, that gives the ability for another \$450,000. We can talk about the next level of movement?

Alderman Lopez asked Finance Officer, do you agree with that?

Mr. Sanders stated I would need to get input with the Risk Management Department on the workers compensation and the CGL insurance as to if those amounts were put in budget, do they need to be restored somewhere else.

Alderman Gatsas stated well I am just looking at what was expended in 2007 and the CG&L line in 2007 there was \$50,000 dollars expended. We have budgeted in the 2009 number \$239,000. I guess I am asking the question...

Alderman Lopez stated I just wanted to make sure that everyone understands where the monies is coming from, and I am going to yield to the Mayor because he is the one who put the budget together.

Mayor Guinta stated I understand what Alderman Gatsas is suggesting. However, let's just take a look at this. The FY2007 CG&L line is \$51,000; as of March 29th for FY2008 we have expended \$66,000. However we have budgeted \$208,000. Alderman Gatsas, you are assuming that as we move forward with the FY2008 budget we are not going to expend 100% of that line item.

Alderman Gatsas I never assume anything, Your Honor. The assumption that we budgeted in FY2007 was a much higher number. The budget in FY2007 was somewhere in the vicinity of \$575,000 across the board.

Mayor Guinta stated and the actual came in at \$50,000.

Alderman Gatsas stated no, I am talking about all departments.

Mayor Guinta stated oh I'm sorry. Okay

Alderman Gatsas stated that's why I always know the answer to the question that I ask.

Mayor Guinta stated the concern that I have, you are asking me to take money from CG&L as well as workers compensation in the current fiscal year.

Alderman Gatsas stated no, in the budgeted year because these people will not be starting until July 1st.

Mayor Guinta asked are you trying to appropriate FY2009?

Alderman Gatsas responded no, I'm taking your line item. You have a line item for workers compensation for \$509,000 for FY2009.

Mayor Guinta agreed yes.

Alderman Gatsas stated I'm taking that number and moving \$310,000 out of that line item. I'm taking \$140,000 out of the CG&L line and moving it up to the salary line and that covers the ten positions at \$45,000 beginning July 1st.

Mayor Guinta stated if the budget is adopted as such then that wouldn't be a problem. We can't authorize him to do it today without a budget adopted.

Alderman Gatsas stated if we are going to sit here and promote the City of Manchester, there is no question that we can't have public safety as the number one venue, as you always spoken. And when I start hearing about ladder trucks not in operation and I hear unmanned stations when Aldermen stop in, there is

some concern. Public safety is going to make the City more vibrant because if people are looking to move into this City, they don't want to hear that we have a Police Department that is down 30 personnel.

Mayor Guinta stated I don't disagree with you; however, I think it would be more appropriate to issue that directive once the budget has been adopted. You are asking to make a direction today without a budget adoption.

Alderman Gatsas stated I am saying that if we take your budget and adopt it right now move those two line items, we can hire those people.

Mayor Guinta stated I don't disagree with you.

Alderman Gatsas asked do you want us to adopt the budget? I guess that's my next question. Do we have the ability as a Board to adopted by department on a budget?

Alderman Lopez replied no. The Mayor has veto line item on everything and we just approve the budget. He can veto any particular line item.

Alderman Gatsas responded okay.

Mayor Guinta stated Alderman, why don't we go through the department hearings and if there is a recommendation from a member of the Board for budget adoption after that I would be happy to entertain it and at that point we would have time to go through some of the recommendations. To do it department by department, it's challenging.

Alderman Gatsas stated then I would ask for this Board's indulgence that we as a Board meet as a full Board so that, number one, we can put the 2008 budget to bed. Because I think we are late enough into the year that we are going to understand that the CG&L line and the workers compensation lines have to be modified to take care of deficits. So maybe what we need to do first is sit down and do 2008, and then we can legitimately move forward to 2009. Because right now we are looking at a deficit; I've asked questions and we keep seeing numbers that I am not sure what happen to them. We were told some nine months ago that the Medical account had \$1.3 million in the benefit that we had negotiated. We are now down to \$500,000 or \$400,000 something.

Alderman Lopez stated Alderman, I agree with basically what you are saying. I would feel more comfortable if...and I do not know why he is not here but from now on I think Harry Ntapalis should be here because this question keeps coming up. So, the Clerk should notify the Risk Management, and we have a Board meeting coming up very shortly. I don't think that's going to hurt to wait until we make sure and move forward. I just want to make sure. We haven't adopted the budget yet.

Alderman Gatsas stated I appreciate what you are saying, Alderman, but with all due respect, until we have a clear understanding what we are doing in 2008, because there are some monies that can be charged against the Rainy Day fund and there may be monies that we can go in and say to the Fire Department, guess what, in 2009 you are looking for equipment and we see a surplus in your line item of \$80,000 for 2008. How about if you go buy the equipment and let's erase it from 2009? So until we put 2008 with a very clear understanding of where we are financially, we can't sit here and try to construct any budgets.

Alderman Lopez stated I agree.

Alderman M. Roy stated you just mentioned possibly having Harry Ntapalis here. Could we get something in writing by the end of this week? We are going into next week with our public hearing and I like to know: one, what is the formula for coming up with these numbers and two, we've heard the word 'arbitrary' so many times, can they be moved like we did with health insurance to their own line item? Can Finance accomplish that before the public hearing? If we could get the report from Harry, or whoever sets up those numbers, prior to the end of the week it would be appreciated.

Alderman Lopez stated that I agree with that and the City Clerk will take care of that. I can tell you that 2000 all of these items were broken up. If you go back to the budget history...Then the City Finance Officer instructed us that each department should be responsible for them. Even though they can't touch them, they are in each department. I understand what Alderman Gatsas wants to do and I do not have any opposition for it. I just want to make sure that...we haven't adopted the budget and if we were to take that money and let them use it for 2009, I agree that we should close out 2008 first to see where we are going, and I think we can do that if we can get some answers. We have a Board meeting coming up that we can discuss it because the budget is in our court right now.

Alderman Garrity stated Mr. Sanders, it was your recommendation last night that we don't take all of those items out of the department budget, right?

Mr. Sanders stated that it is correct. It was my personal opinion. That is correct.

Alderman Garrity stated and he is our Financial Officer.

Alderman Gatsas asked can you give me an opinion of why?

Mr. Sanders responded my opinion of why is that pension contribution and social security are directly related to salary dollars in the decisions that the various departments are making on the number of personnel they are hiring and what salaries they should be hired at. That is directly attributable to what the department head is deciding. As it relates to workers compensation and matters of those sorts, that's a little greyer to me, but none the less I would ere on the side of reasoning that responsibility for the safety of the work environment lies with the department head. They should bear the cost of workers compensation.

Alderman Gatsas asked Mr. Sanders, are you trying to tell me that if the Chief wants to hire an entry Fireman, he can pay him \$60,000 if he so chooses?

Mr. Sanders responded no I am not.

Alderman Gatsas stated okay, so then he doesn't control wages. Obviously that is set by Yarger Decker. So I would assume when they send that number down to Human Resources, when they have hired a Fireman, you have the ability to understand that if they send that number to you, we've hired someone at \$45,000, you can make whatever contribution you need to retirement. The Chief does not know what that number is. Chief, do you know how much retirement is? Do you know what the percentage is?

Chief Burkush responded I think it is 16%.

Alderman Gatsas stated good job, Linda. What I am just saying that when you look at that it is certainly easy to say...then why didn't we leave health insurance in that line item?

Mayor Guinta asked Alderman, are we going to take ever single line item out of department budget?

Alderman Gatsas responded no, only the ones he can control. He doesn't control FICA.

Mayor Guinta stated I think it is important for the Fire Chief to know and to be fully aware what the total salary compensation level is. I think it's very important for the Fire Chief to know what their contributory retirement for the City is as well as the state retirement. Those are things that I think that the Fire Chief should be taking into consideration and be aware of. If you remove it from that line item from that department budget I think it removes it from the overall focus of what his responsibility is.

Alderman Gatsas stated no, what it does is put it logistically in a budget that you can't say that it is \$280,000 when it is only \$50,000, so that when it's time to end the books at the end of the year there is a little bit of float money that not all of us look at.

Mayor Guinta asked are you referring to workers compensation now?

Alderman Gatsas replied I am referring to the CG&L; I am referring to workers compensation...let's see what else, disability insurance.

Mayor Guinta stated then we should have a discussion over what are the driving costs of comp and CGL, as a City, and we should bring the Risk Manager in front of us, as we bring a department head, because the Risk Manager is the one providing us recommendations about those numbers.

Alderman Gatsas stated with all due respect, Your Honor, your sheet here...the Finance Officer obviously didn't even show us that there may be \$350,000 in excess workers compensation.

Mayor Guinta stated I'm not sure what sheet you are referring to.

Alderman Gatsas stated I am referring to the sheet to show us projections for surplus and deficit. If we were talking about that there should be a \$350,000 number for workers compensation as an excess payment in the budget.

Mr. Sanders stated workers compensation elements and CG&L amounts are restricted under Ordinance, and any deficits that are generated in those two line items or surpluses generated in those two line items are by Ordinance do not fall to General Fund surplus but are designated directly into their own reserve accounts. That is why they are not included in the surplus deficit projection that I provided, because they do not go to General Fund surplus. The same is true of health care as well, health care costs.

Alderman Lopez stated that is why we should have the Risk Manager here. I agree with Alderman Roy. Let's get it all down in writing so that we are all on the same page and what Alderman Gatsas wants to do sounds like a good thing.

Alderman Garrity asked Mr. Sanders, so the surplus goes into the reserve account, is that right?

Mr. Sanders replied for workers compensation and CG&L that is correct.

Alderman Garrity asked would yourself or a bond council consider reserve accounts as one time monies for the budget?

Mr. Sanders replied I think we would look at it very skeptically and not be supportive of it.

Alderman Garrity stated okay, thank you.

Alderman Gatsas stated if I could follow-up on that because it really disturbs me...let me finish, Mr. Chairman, if I may, because somebody wants to make a accusation that maybe we are looking at one time money and I am saying the truth in budgeting should be a number that is realistically being used because we are self insured for workers compensation. So I understand were Alderman Garrity is trying to get to, but that was not my intent. It is truth in budgeting and transparency to the people in Manchester that what those line items are, they truly are.

Alderman Lopez stated they don't become a reserve item until at the end of the year. Once they go into reserve it is a different situation. Until they go on the reserve, I believe we can use it.

Alderman Gatsas stated absolutely.

Alderman Shea stated if we do it for one department we should do it for all departments.

Alderman Gatsas stated I don't disagree.

Alderman Shea stated we shouldn't just do it for one department, so if we do it for all departments then we shouldn't probably put too much in workers compensation, because everyone is going to be able to take whatever they can out.

Alderman Gatsas stated I don't disagree with you.

Mayor Guinta stated I just want to clarify...What Alderman Gatsas is asking or suggesting is a discussion that this Board has had in the pass, but we decided not to vote on it. We can change the Ordinance to have more policy oversight over how workers compensation funds at the end of the year are distributed. We could easily identify that it would not be using one-time money. I think the issue that Alderman Gatsas has brought up a few times over the years is who is controlling the workers compensation line item, as well as the CG&L line item. If it is over budgeted each and every year, what is the purpose of the additional monies and then where is it ultimately ending up, and why do we as a policy board not have as much oversight of those dollars? I would agree that we need to come up with calculations as to the recommendations in those reserve accounts...what they should be and they should be a fairly standard number. If we are over that number, there is no reason we should be putting more money into those accounts, especially if our workers compensation numbers and our claims are going down and our general liability claims are going down. Those are some of the trends that we have seen over the last five or six years, but we as a Board have not changed the policy or the Ordinance. We do need to take a look at the Ordinance; we do need to come up with reasonable recommendations as to what the reserve accounts should have in them as a percentage of the budget or a percentage of claims, and we should not have to go over that. I would argue that we probably are higher in some of these numbers in holding reserve money. We continue to budget conservatively to put more money in budgets than are necessary. And, it is eating away our ability to put those dollars into salary line items. I think we need the Finance Officer and the Risk Manager, as well as the legal council, to give us a recommendation, as well as bond council, to give us a recommendation as to how

we can improve the oversight over those dollars. There is an issue here that we have talked about as a Board; we just haven't acted on it.

Alderman Lopez stated I agree with you. We'll go back to year 2000; that's the way it was back in 2000. But guidance from our previous Finance Officer and everything changed everything. We can take another look at it and I agree that maybe we should have some flexibility because it is, for a lack of another word, an area where you can move money at the end of the year and balance the budget, number one, and before any money goes into those reserve accounts. Would you agree with that statement, Chief Finance Officer?

Mr. Sanders responded yes, I believe I would agree with that statement; I would like the Solicitor's concurrence, but yes, I do think that is correct.

Mayor Guinta stated I just have one follow-up. Is it fair to say, as you look at the sheet that was handed out tonight on General Fund reserves - for health compensation, liability, and then total? This question is for Mr. Sanders. Is it fair to say the balance as of June 30, 2007 at \$4.791 million, if the fiscal year ended today or on that date that we would have over budgeted for that year by \$4.7 million?

Mr. Sanders replied no that is not correct, Mayor. That is the accumulative balance that has been generated in those accounts since their inception. For example, if you look at the health line in FY2007...I am just going to round these numbers...we budgeted \$9.9 million for health in 2007; we spent about \$8.9 million, so we generated \$1 million in surplus in the health line. We generated about \$350,000 of surplus in the workers compensation line, and we had a deficit of approximately \$330,000 in the general liability line.

That is each of those line items in 2007.

Mayor Guinta stated so ultimately the difference between those two numbers is about a million dollars when you add them all up, to the positive.

Mr. Sanders stated that is correct.

Mayor Guinta stated so you can argue that we budgeted an additional million than what was necessary.

Alderman Lopez stated one could do that, I guess.

Mr. Sanders stated yes, you could.

Mayor Guinta stated the point here is that we are budgeting...we are trying to hit a target and we don't exactly know what the target is, but the ordinance does not allow us to take that money back and re-appropriate or reapply it in other area of the budget. Currently the Ordinance requires this money to go into reserve, whether the reserve is fully funded or not.

Mr. Sanders replied no, if I could add on to that just a moment, Mayor. The health reserve under ordinance is deemed to be fully funded when it reaches 25% of the next year's health care cost estimates. So for example, if we assumed \$10 million of annual health care cost, the health insurance fund would be fully funded when it reached \$2.5 million. The workers compensation and general liability amounts are deemed fully funded when they reach the actuarial estimates of what the actuary believes is what is required. We receive annual evaluations from the actuaries on those amounts. Just for reference, the current actuarial report says that the workers compensation reserve should be at \$2,970,000 and the current actuarial report says that the general liability should be at \$990,000.

Mayor Guinta asked we are not there for health, but are we there for workers compensation and liability?

Mr. Sanders responded no, we are not. We are about \$300,000 short on workers compensation, and we are about \$400,000 short approximately on the general liability.

Mayor Guinta asked how much are we short on health?

Mr. Sanders stated on health we would be short by \$1.1 million.

Alderman DeVries stated I would like to back us up to where the conversation was awhile ago in this budget year, the ability for you to fill your vacancies. If you fill your vacancies, and I believe I heard by May 1st you have an abbreviated training program that you can accomplish and assure that you have Firefighters available to fill vacation slots so it actually will save you money. Did I hear May 1st is your drop dead date? What is your drop dead date to make the hires?

Chief Burkush responded hire by June 1st. It will take us to June 1st to get it done; we have a list.

Alderman DeVries stated so for this Board to authorize the positions that need to be filled, the motion would have to be that you hire them by June 1st for the nine vacancies. I would make the motion that this Board authorize by June 1st that the department fill nine Firefighter vacancies. Were you funding that out of Contingency for this year?

Alderman Gatsas stated the number I appropriated for was to hire them now if that is what he needed to do, starting them July 1st.

Alderman DeVries asked out of next year's budget?

Alderman Gatsas responded that is correct.

Alderman DeVries stated that is how I heard it break down and the discussion broke down because we don't have authority to spend next year's budget that hasn't been adopted. *My motion is to make those hires and take those funds out of Contingency, if necessary.* If we don't make the hire it's going to cost us more money in filling those vacancies in overtime. It just makes no sense to me for us not to make the hires. If we make the hires, we spend less money overall in the City and that is what we are trying to do, is come in at the end of the year spending as little money as possible. That is my motion.

Alderman Garrity stated I'm not going to second that motion. What doesn't make sense is when the City is currently in the red on the expense side and we want to spend Contingency; that does not make any sense to me at all.

Alderman Lopez asked Chief, if this motion is allowed out of here, do you have enough money to hire ten new firefighters in this year's budget?

Chief Burkush responded no.

Alderman Gatsas stated Mr. Chairman, that is why he is saying that it is imperative that we try to put 2008 to bed or as close as we can get to bed, because until we do that, we are not going to know exactly where we are with whether we are going to the Rainy Day fund at the end of the year. I think when we are

talking about somewhere in the vicinity of ten weeks left in the balance of the year, we should be putting as close to a number that we can find on that budget based on everything else. Because if we don't we are never going to be able to get to this point because we are not going to know whether we have the ability to move some money like we did three years ago when we bought cruisers and we did some other things with money from the preceding year's budget. Same thing we could have done with Highway; we could have bought \$400,000 worth of salt in the year that they had a surplus that ended in dropping into the Rainy Day fund. I commend the Mayor for certainly trying to stop the bleeding, but at some point I want to make sure that he hasn't put a tourniquet on so tight that we end up with excess money that drops into the Rainy Day fund, and we have problems in this year's budget that we might have the ability to take some money from the reserve fund and apply to some of the costs of this year.

Alderman Lopez stated just let me ask a question of my colleagues. Would we not do the whole City that way other than just one department?

Alderman Gatsas responded no, I think this Board should come in here and spend three hours and go through the 2008 budget so that we know exactly, precisely what is available and what needs to be spent to close that budget out after all the things the Mayor has put in to stop the bleeding. As I said, I want to make sure that the tourniquet is not so tight that we have money left over that is going to drop into the Rainy Day fund.

Alderman Lopez stated I am willing to do that, to sit down with all the people that we are talking about, with every department in the City and the line items that you are speaking of. Plus, Harry Ntapalis must be here, so that we can sit down, and if we can't sit down as a full Board then maybe what we can do is get four or

five people in a back room at a meeting with these department heads and go over this and bring it out so we all understand what we are doing.

Alderman Gatsas stated Alderman, I would never think we should do it the back room; we should do it in the light of day

Alderman Lopez stated it would be the light of day in the back room; I am talking about a committee; let there be light. The problem out here is so many numbers are thrown around that we do not know whether or not it is the right motion. It's the right motion for hiring the people on the first of June, if that's what you said, Chief; he doesn't have the money; you say you've got the money and then we have to deal with the 2009 budget. Will you have the money in the 2009 budget if we hired ten people?

Mayor Guinta stated may I make a recommendation. I do no objection to meeting as a full Board. I guess it would have to make it sometime next week to go over the 2008 revenues and expenditures, and have a discussion, a policy discussion, on how to move forward for the remainder of the year and what impacts, if any, we can alleviate for 2009, but I do think that would require a separate meeting. I am willing and very happy to call a meeting for sometime next week. If the Board is interest in attending I would be happy to do that.

Alderman Lopez stated looking around I think some heads are shaking. We have to agree with Alderman Gatsas. We turn around and look at the 2008 budget, decide some policy decisions, move forward, and then we will be able to decide the 2009 budget. Is that agreeable?

Alderman M. Roy stated looking I just asked the Finance Office when they can close out the month of April, which would leave us two months of our fiscal year and give us very accurate numbers as to the end of April instead of going, like the budget book, back a couple of months or a number of pay period. They said the tenth of May which is the second Thursday; if we could do something that week and put a little pressure on them to get it closed out sometime the week of the 10th...

Alderman Lopez asked what day next week, Your Honor?

Mayor Guinta stated today is the 22nd.

Alderman Lopez stated this would be a special meeting for the 2008 budget with all parties concerned and staff here so we don't have to wait for answers. They could run downstairs and get the answers.

Mr. Sanders stated we could certainly have the regular financial reports for each department and these line items identified, and yes, I would believe that is possible.

Alderman Domaingue stated May 7th is the one Wednesday in the entire month of May that I have a conflict.

Alderman Lopez asked what is the matter with next week? I do not understand it. What is the problem with next week?

Alderman M. Roy responded we would be working off of March numbers, not April numbers.

Alderman Lopez asked and we can't figure out the other numbers?

Alderman Gatsas stated when you take a look at these numbers there are probably three departments that are consuming the majority of the revenue deficit: the Highway Department, the Tax Collector, and the Building department. That totals somewhere in the vicinity of \$1.8 million. I would think that they would be able to tell us pretty strategically where they are as of this date. That is about the \$2 million revenue shortfall. Those three departments are looking at that number. The expenditure number...if every department comes in and says, here is where we believe we are going to end up with a surplus, not based on...and I think they can only deal with it...and not with the GC&L or the workers compensation numbers. They are telling us what we can deal with in the salary line. We then have the Finance Officer that's going to come in and tell us the salary adjustment, contingency, pension adjustment, medical services, and what we are saving in medical, and we are going to have a pretty good idea where we are closing in 2008, unless there is a catastrophic event in the City.

Alderman Shea stated if we could, include the School Department as well as the other departments.

Alderman Gatsas responded Alderman Shea, I would love to tell you that we should bring them to the table, but until we get our own house in order I would think we would be able to do that at another time. We should get our own house in order for 2008.

Alderman Lopez stated let's pick out a date next week. We're just going to solve the 2008 budget and get these numbers down and have staff guide us legally and we will have the City Solicitor so that there are no problems later on. So, next Wednesday? April 30th is Wednesday night.

Alderman O'Neil asked what is wrong with Tuesday night?

Alderman Lopez replied nothing is wrong with Tuesday night.

Mayor Guinta asked are we going to have the information at our finger tips for the meeting if it's Tuesday? I would like to ask the Finance Officer. Can you provide us, based on the conversation you are hearing, can you provide us with the information that the Board feels it needs to make some decisions on Tuesday of next week? Because if you can't, it does not make it does not make any sense for us to meet until you can.

Alderman Gatsas stated Your Honor, every department should be able to do that; it shouldn't be the Finance Officer; that's who provided these numbers to the Finance Officer.

Mr. Sanders stated I have already asked all of the department heads to provide updates to their forecast every two weeks. They will be providing another update this Thursday. I usually go through them on Friday and try to issue the report for the next Board meeting. So, that should be issuable on Monday. They will be estimates of course, just as these are estimates. That report would be available; we can bring up to current date the workers compensation, the CG&L and the health insurance, I believe. But I would like to have probably Jack Sherry or someone

else from the health insurance piece of this. The short answer to your question is I believe I could get the basic documents available.

Alderman Lopez asked how about Monday night?

Alderman O'Neil stated that Monday is a public hearing.

Alderman Lopez stated the 30th, which is Wednesday, or the first of May?

Alderman Lopez stated next Tuesday night at 5:15 we will have a Board meeting to talk about the 2008 budget. Can the Mayor be here?

Mayor Guinta stated I'll be there.

Alderman Lopez stated the City Clerk's office will inform all staff to be here. We want answers to questions so that we don't have to wait. Is that agreeable with everyone?

Alderman Gatsas asked can there be some clarity with what we are looking for from the departments, since we're bringing them here?

Alderman Lopez responded yes. I think that you've already said it three times.

Alderman Gatsas stated the revenue and the expenditures; where are they in their budget for the current 2008 year. If we can have Harry Ntapalis come in and tell us workers compensation and CG&L, and I guess the retirement number would come from Finance.

Alderman Lopez responded Finance or HR?

Alderman Gatsas responded I believe it's Finance; I don't think HR directs it. And, if we can find out what we are going to have for a surplus in the medical account...

Alderman Lopez asked is there was anything else anyone wants?

Alderman DeVries stated I'm going back to my motion. After further conversation with the department, the June 1st date that we were taking about doesn't work. There is advance time for them to extend the invitation for hire, work through the HR division, people give sometimes two weeks notice to their current employers, so if they are going to have people on the ground June 1st ready to go to the boot camp and be on the line by July 1st they have to extend a hire...I believe I heard May 1st. So, we are running out of time if we want to save money by making the hires or we can pay more through overtime. Either way it is coming out of the end of the year balances. This Alderman happens to think it makes sense to save money by extending the invitation to hire. *I would repeat my motion that for May 1st the Fire Department to be authorized to hire those nine vacancies and I am hoping that somebody would see fit to second that.*

Alderman Lopez stated I'm going to yield to the Mayor to take the floor.

Mayor Guinta stated I am not sure I have seen the calculation where expending \$450,000 now would save us more than \$450,000 between now and the end of the fiscal year, and because we've set a meeting for the FY2008 budget next week, I'd prefer to have the meeting then, get all of the documentation, and take a look at all of these issues that evening. I think that would be a more appropriate manner in which to proceed.

Alderman Lopez stated in reference to Alderman DeVries's motion, do you have a list? They are ready to go no matter what, is that correct?

Chief Burkush replied we have a current list.

Alderman Lopez stated you have a current list and if next week we decided to do something is that plenty of time?

Chief Burkush replied we should be able to get it done.

Alderman DeVries stated one final piece...and the Mayor was not quite sure how this could save money by expending money, maybe just refresh him.

Mayor Guinta stated I don't need my memory refreshed. I am not inclined to authorize a \$450,000 expenditure today, because in my opinion I don't think the Fire Department can save \$450,000 by the end of the fiscal year, number one. Number two, we are meeting next week for FY2008. Let's meet. We've agreed to meet. We can take all of these issues up at that time after we get a little clarification from all of the departments and the Finance Office where we stand as of mid next week. I think that is fair in how to proceed.

Alderman DeVries stated I'm sorry, I have the floor.

Alderman Gatsas asked is there a second on that motion?

Alderman Gatsas asked Mayor, is there a second to that motion?

Mayor Guinta stated I have not heard a second.

Alderman O'Neil stated I'll second it.

Mayor Guinta stated I am not taking the motion.

Alderman DeVries stated the second for discussion...Let's let the Chief answer quickly and I'll let it go till next week. I would like to hear again your explanation of how this will cost you more in overtime.

Chief Burkush stated we are estimating July's overtime to be \$100,000.

Alderman DeVries asked and the salary you would expend out?

Chief Burkush asked to hire the personnel? I think it was \$62,000.

Alderman DeVries stated so what we heard earlier is that it is approximately \$35,000 savings.

Chief Burkush stated we are really going to have to take a look at it, Alderman.

Alderman DeVries stated I encourage you to do so, because we will be right back there, wanting to work this on the right numbers.

Chief Burkush responded we can do that.

Alderman Lopez asked are you finished, Alderman? Do you withdraw or what?

Alderman DeVries stated I will withdraw my motion.

Alderman O'Neil stated I will withdraw my second.

Alderman Shea stated for us who do not seem to have the full grasp of figures at the same time, could you prepare a paper listing what the pro and cons would be in terms of adding nine people to your budget before July 1st, visa vie what would be the positive and negatives so that we have it in black and white, so there is no discussion about...this is going to be beneficial, that is going to be beneficial, who's on first, what's on second, you know, so that we all understand clearly where it is coming from, including not only salaries, FICA, retirement and everything else that goes along with it. Okay, that would be very helpful for all of us.

Chief Burkush responded yes, we could prepare that. You'll have that information shortly.

Alderman Ouellette stated Chief, if Alderman DeVries's motion would have passed and we weren't able to fund any more monies to the department, you made a presentation that said that if the Mayor's budget were to passed the way it is right now that the wage benefits would be cut \$1.8 million, overtime budget would be reduced by \$150,000 and the elimination of 31 positions. So if we are going to hire the ten people right now, what happens if we can't come up with more money?

Chief Burkush replied you know the answer to that question.

Alderman Ouellette stated yes and I just want people to know if we are going to pass that. I want to see the department at a full complement as well, but I mean, we are looking more beyond the next couple of months; we are also looking beyond the July 1st as well.

Alderman M. Roy stated thank you, Mr. Chairman, and I appreciate all of the Aldermen to get to a point of July's overtime and July's vacation but my concern is much more short term. With the promotions at the upper levels that there are direct savings; the people that are on board drawing salaries today and that there is overtime that is going to be needed.

Alderman Lopez stated the Mayor has assured us on the 1st of May that he's going to take care of that situation on promotions.

Alderman M. Roy stated okay, but that doesn't help your situation next week, does it Chief?

Chief Burkush replied that is correct. We just need one position.

Alderman Lopez stated maybe the Mayor and the Chief can get together tomorrow and he can concede to one position. So let the Chief and the Mayor work that thing out tomorrow, and then we will move forward.

Alderman Lopez stated if there are no other questions for the Chief, I would like to take a recess for five minutes.

Mayor Guinta called the meeting back to order. He stated Highway has a presentation and then we will have questions, but before we do that we are going to recognize City Clerk.

Ms. Carol Johnson, City Clerk, stated Your Honor, the Clerk just wanted to introduce to the Board and to the members of the public Claire Rioux who has joined our office. She has replaced our old anchor, Paula. She is the supervisor for the office in the vital records area and will be providing legislative support to the Board. We welcome her and I hope you do too.

Mayor Guinta asked you decided to bring her to this as her first meeting?
Welcome. Happy to have you on board.

Ms. Claire Rioux stated thank you.

Mr. Kevin Sheppard, Public Works Director, stated I want to thank the Board of Mayor and Aldermen as everyone in the past has done for inviting us in to go through our budget presentation. I believe you do have our budget presentation before you, and I understand that the book looks fairly thick, but we will try to go through it as quickly as possible. I would like to introduce the people that I brought down with me tonight. Tim Clougherty, our Facilities Manager is to my right and Don Pinard, our Highway Division's Business Services Officer. The proposed budget, if you look at the Mayor's budget sheets for the Highway department is actually under two...it almost looks like two different departments. It's the Building Maintenance and the Highway department. So there are actually two line items under the Mayor's budget that are rolled into the Highway department. The Highway department number on that sheet includes what use to be the Traffic Department. That number is now part of the Highway department's number. I would like to describe to the Aldermen real quickly how I developed our budget. What I did is I took a look at preserving our essential operations and that being street maintenance, winter operations, solid waste collection, City buildings' health and life safety issues. Although they impact these essential

operations as you will see in the presentation, items outside of the operations typically need to be cut to meet the proposed budget. Saying this, proposed budget consist of minimal line allocations, a minimal winter operation, reduction of maintenance within City buildings, as well as the cut of 47 positions in the Highway Division, which is approximately 25 percent of our work force, affecting all of the divisions in our highway department. From there I would like to move forward with the presentation. The first slide or the first page in your book is an organization chart of the Highway Department.

Alderman Gatsas asked can I just ask a question on that statement you just made? The statement that you made, that if we live with the Mayor's budget, it is a reduction of how many people?

Mr. Sheppard responded 47 positions.

Alderman Gatsas stated how many people...how many garbage trucks does that eliminate and what does that do for your I think that is the biggest impact on what people understand is how often their garbage gets picked up.

Mr. Sheppard responded I'll get into that in our presentation; we actually have not eliminated our refuse division or positions within that division because we feel that it is one of our essential divisions within the Highway Department.

Alderman Gatsas stated then keep going.

Mr. Sheppard stated this first chart as you can see is a summary of our Highway Department and all the operations within the department. We are made up of three different divisions: the Highway division, Facilities division and the Environmental Protection division. Tonight we are talking about the Highway and

Facilities division, and the Environmental Protection division as everyone knows, is an enterprise fund. We will start by talking quickly about the Highway division where the budgets were broken down into two different members as part of the Mayor's budget. We are going to present it in the same manner. This slide just talks about some of the accomplishments over the past year that we have seen over at the Highway department. The totter program, which we find has been very successful, we continue to work on our salt usage on City streets while not minimizing safety. Hopefully we will be going to a single stream program. We are currently at a weekly recycling program and we have seen an increase in recycling tonnage. Listed below are a lot of the major projects we are working on. These slides are just going to give a quick status of where we stand with the economy. Diesel price comparisons, right now we are paying, we are locked in at \$2.39 a gallon. We locked in last summer at \$2.39 a gallon. If we were to go out in the market today our price would be \$3.10, a 30% increase for diesel. Salt price: Last year we saw a 26% increase in salt and that obviously has a lot to do with diesel prices. All the salt that we receive is delivered into Portsmouth so the freight rate has actually gone up considerably. So this year we do not know where that rate is going as well. Asphalt: We just took in our asphalt bids. We saw a 15% increase in our asphalt. This talks about our operating budget comparison. When you take a look at our operating budget, not including benefits salaries and you take out the items such as salt, fuel and contracts, you can see the effects the proposed budget would have. This is the FY2009 budget for the Highway division, a summary of how we developed that number. A couple of numbers are not on there. The proposed budget for the Highway division you will see through the Mayor's proposed budget sheet is \$19,659,515. Our FY2008 budget was \$20,897,840 so going into our 2009 budget we have a budget cut of over \$1.2 million from this year's budget which is a six percent cut. To move that up to full complement...and I guess the other point that I have to make is that our 2008 budget took a three percent salary cut because we were allow to manage salary

within our budget. Now to move that \$20 million existing budget this year into a full salary budget, that number turns out to be a \$21,437,138 and you throw in your salary and benefit increases for FY2009, the need is \$22,031,928. That is actually short from the proposed budget of \$2.4 million, or close to 11%. Now I just want to go through how we would build up our requested budget. We took the \$22 million, which is our full complement, 100% line item budget. Again, we took a cut of \$575,000 in our benefits and salary line items, allowing us, if the Aldermen accepted, to manage that again within our budget. That is about 3.7% cut in salary and benefits. Overtime was increased and this was discussed during our presentation with the Mayor. The budgeting...it's very strange in the past years or in this year, our salt number never matched our overtime number. This year we ran out of overtime money before we ran out of salt money, so what we did this year is that we matched our overtime with our salt and we budgeted under this proposal for a minimal budget of about ten storms. So at the end of ten storms our overtime budget and salt should be out. This year we ran out of overtime but we had plenty of money in salt. So we tried to balance those for our winter budget. Beyond the \$113,000 through overtime we've actually decrease operating line items by almost \$42,000, and we've had to increase street lighting. Street lighting is a million dollar line item within the Highway department budget that we have no control over, so we had to increase street lighting for projected increases by PSNH by \$106,000. That comes down to a budget request of \$21,634,427, which is \$736,000 over our existing FY2008 budget or \$1.9 million over our proposed budget. Are there any questions on this page? The pages after this are not part of the presentation

Alderman Gatsas asked do I understand what you are saying that the minimum budget requested that you need is \$21,634,427?

Mr. Sheppard responded correct.

Alderman Gatsas asked and that is how much over what the Mayor has proposed?

Mr. Sheppard responded that is that second number of \$1,974,912. This is for the Highway division, again.

Alderman Gatsas stated but I noticed that there is an asterisk in the book and it says that the Highway budget includes traffic; prior year FY2008 amounts do not included traffic.

Mr. Sheppard responded correct. If you look at the Mayor's line item budget for FY2007, the Traffic department has a budget and FY2008 the Traffic department has a budget, but FY2009 you can see that it is zeroed out. The Traffic numbers were thrown into the Highway department's as part of the 2009 budget. So this next sheet, the line item sheet that is in your book that I don't have, what we've done is we've rolled the Mayor's Traffic and Highway numbers into the 2007 actually expenditures, into the modified budget, so these are the Mayor's numbers taken from his line item sheets so you could see it in one place versus trying to add Traffic and Highway. Again, those were the line item budgets that I presented for your information. The next few sheets go through specific line items, how we made it down to the proposed budget and how we built it back up to what our request is. I won't go through these in detail; some of the line items, as the Aldermen look through this book, vehicle repairs is a good example \$608,000 is projected this year. For FY2008 the budget was only \$415,000. The proposed budget, we leveled funded that and because of the rising cost and the aging fleet we pushed that up to \$460,000. That's our request. We still have concerns with that but again we are trying to live close to within the three percent increase, as part of the Mayor's budget request. Again, street lighting, you can see that

number is at \$1.3 million and I have a foot note there that we strongly recommend that the Finance Department and the Board of Mayor and Aldermen accept that, that street lighting is taken out of our budget and possibly put into the City's budget as a line item similar to motorized equipment and replacement. That is within our budget; we don't have money within that budget to move around to do anything else; it is needed for street lighting. When we take a six percent cut we have to take a six percent cut in out of that line item but yet we have to take that cut somewhere else because this number has to go up; we can't tell Public Service we are shutting off six percent of the lights. I've thrown this slide in here.

Obviously it's a tough budget year and we are looking at new ways of approaching revenues and so I thought at least it may be worth discussing at a committee level, 'the pay as you throw' program. These are some of the highlights that are part of the 'pay as you throw' program but we've got a single stream recycling program.

Alderman Gatsas stated how about we accept the Mayor's budget.

Mr. Sheppard stated next slide. Now we are going into the Facilities Division and I am going to ask Tim Clougherty to provide description.

Mr. Tim Clougherty, Facilities Division Manager, stated thank you and good evening. The Highway Department Facilities Division employees 11 people who respond to work requests. This is in addition to administrative staff and our construction side. I point this out merely because this is where we are going to see some of the reductions that I will be talking about. There are seven individuals who respond to HVAC and plumbing request and four people who respond to requests dealing with electrical, fire alarm, roofing and those types of things. We have 39 school buildings, approximately, that we service as well as 37 City buildings, and last year we respond to just over 6,500 work orders. That cut is a highlight in our division but it does not included a reduction in personnel and that

is why I highlight these people. We don't feel that we are adequately staffed currently and the reductions were made elsewhere. Some of the major accomplishments in FY2008, in addition to our core mission, providing a safe healthy and comfortable environment for all of our students and City employees, we strive to implement operational efficiency, and find this to very important this year. We're very proud to have successfully implemented two programs which demonstrate these efficiencies. The first is the implementation of a computerized maintenance management system operating all aspects of our maintenance operations, work order entry, scheduling, history, preventive maintenance, as well as the implementation of a mobile handheld work order execution system where our technicians have handheld devices similar to those shown on the screen and work orders are received as well as documented with this handheld machine. The City made a significant investment in capital assets between 2003 and 2006. We're all aware of the \$100 million project that was invested in the schools along with investments to City buildings including construction of the Senior Center, the Derryfield Country Club, the Cohas Fire Station and purchase of the Rines Center. These investments were recognized with a corresponding increase in maintenance and custodial dollars. This graph shows maintenance dollars going out from 2003-2006 and then we see the corresponding decrease after that time. These additional monies have been eroded to offset the budget reductions and to minimize any potential increases to taxes. Employing this methodology of deferring maintenance we've seen in the past and we know what the consequences were with the \$100 million school project.

Alderman DeVries asked can you explain the number that you are using there? What is that predicated on, the Mayor's?

Mr. Clougherty replied yes, the 94.6% budget is the one that equates to what the Mayor has proposed, and it equates right now to a reduction in maintenance dollars spent per square foot going from 67 cents in FY2008 to 47 cents in FY2009.

Alderman DeVries stated the 47 cents, compare that...we've never been at the recommended level, if I remember when we did the design build. Wasn't that 85 cents?

Mr. Clougherty responded the national median is noted at the bottom; it comes from a publication known as The American School and University magazine. It is \$1.34. Obviously \$1.34 is quite a stretch, even from 2006. I think that at the time the School district and political leaders were striving to get somewhere close to a \$1.00, bringing it up a few cents a year. Unfortunately that hasn't been the case over the last couple of years.

Alderman M. Roy asked Tim, based on those numbers...I've had the luxury of sitting on our Joint School Committee for quite a while, so everyone pit there understands, if the national median for schools and university is \$1.34 and we spend...let's use the 2008 numbers...67 cents which is one of our highest, what happens long term?

Mr. Clougherty responded long term we will be running into a situation where we were in 2003 where we've deferred maintenance to a point that equipment has broken down and we're going to be reinvesting in a significant fashion, similar to the way that if you don't change the oil in your car, at some point you're going to have to replace the engine. If you change the oil and you incrementally invest in your vehicle, it's going to last quite a bit longer. In addition to these maintenance

things that I'm talking about, there are also other replacement projects that we were able to undertake. You'll see them in some of my further slides such as replacement of boilers or burners that were inefficient, still operating but due to their age we were budgeted with money so we took advantage of replacing those before they actually stopped working. So a lot of projects such as that would be eliminated.

Alderman M. Roy stated Tim, you've been with us quite a while now. Would you see anyone in the private sector from your days of engineering that would not invest or not at least cover what's out there?

Mr. Clougherty responded I wasn't in the property management business in the past. A lot of the private sector is based on revenue generation so if we were running a business and we were relying on revenue from our tenants, certainly not.

Mayor Guinta asked Tim, is our revenue up or down this year?

Mr. Clougherty responded our revenue is down currently and will be down at the end of...

Alderman Shea asked when you go into schools, and you perform services, isn't that a charge back to the schools?

Mr. Clougherty responded it is.

Alderman Shea continued so that when you're talking about the services that you render, like a new boiler or installation and so forth, isn't that charged to the schools?

Mr. Clougherty responded that's correct, it is.

Alderman Shea stated now when you say that the...like, in other words, what monies do you need in order to function that you don't get back from the schools. In other words, when you make out a budget, the money that you're using, what are you using it for?

Mr. Clougherty responded the operational budget is spent approximately 82% on Schools and 18% on City buildings. We recognize revenue from the School District for the services we provide, and we don't recognize any revenue for the services to the City, for obvious reasons.

Alderman Shea stated I'm not quite clear. When the School Department calls your office and you send a worker to Hallsville School and they repair something that has to do with plumbing, do they pay the full cost of that? In other words, do they pay the employee services or do you pay that? In other words if it costs total to repair that, say...I don't know how much plumbers get, \$90 an hour, or whatever your particular service worker...so the cost is say \$180. Is that a charge back or is that something that you, yourself, have to budget for?

Mr. Clougherty responded it's both. The money is included in our budget. We pay the salary and benefits, and we also bill the School District for the actual cost of the labor, the two hours or whatever it is, plus the benefits. There is an administrative fee of between two and three percent that is tacked onto that. We outline all of the materials we have used and they pay the actual cost of that labor and materials.

Alderman Shea asked now what I'm thinking of is, would the School be better off having their own services instead of having your particular facility handle it?

In other words, would your department, because you do so much work for the Schools, would it be better off being a school-type of function, than, we'll say, divorced from the school and part of the Highway Department. I'm just using that as an idea but I'm just saying, it seems to be if they had their own plumbers, their own electricians, their own people, they would be able to cut back on the amount of paperwork, charge backs, or whatever it is, that is now required.

Mr. Clougherty stated the cost would be exactly the same, Alderman. They would still have administrative costs, they would still have plumbers, they would have to pay them at relatively the same rates. They'd still have to provide health and dental benefits and those things.

Alderman Shea asked but do they have to pay you an additional amount for doing the service that you're doing?

Mr. Clougherty responded they would have to pay somebody. I would assume that they would want to pay somebody. I assume they would want someone to manage in a similar capacity that I provide to the City.

Alderman Shea asked they couldn't save any money by having their own people?

Mr. Clougherty responded again, I believe that they would have to have a parallel function. They would need someone managing it. They would need supervisors and superintendents. They would need accountants and bookkeepers, the same as we do on the City side.

Alderman Shea stated and you do most of your work for Schools, right? In other words, you said 80% of your work is done for Schools and 20% for the other public buildings.

Mr. Clougherty stated that's correct.

Alderman Lopez stated with a percentage as high on the School side, that whole division can go over there, and you can charge us back 18 percent. I'll leave it like that.

Mr. Clougherty stated the next slide talks about special projects. Those are the smaller projects that I was talking about. They range anywhere from \$1,000 to \$50,000. They aren't classified as CIP. This is the area where we've primarily been absorbing some of the budget reductions over the past few years. Some specific examples that may come in would be a reduction of boiler repairs if there is redundancy or pumps, things like painting the ceiling in the Chambers here, which we're trying to accommodate right now, but these things may be considered discretionary and deferred to the future. Our custodial history from FY2003 to FY2006, there was a decrease in the number of square feet maintained by the custodians because we increased the complement and over the past few years there has been a total reduction of twelve and a half full time custodians from FY2006 to the present, as we're seeing, or about and eleven and a half percent (11.5%) reduction. Under the 94.6% budget scenario, we'll also see the elimination of a part time groundskeeper and the reduction of warehouse personnel from full to part time, and those would be accommodated through reductions in our custodial contracts. This slide shows that the currently proposed budget is about \$347,000 less than the FY2008 budget. It's our opinion that the recommended level of \$6,675, 480 be the recommended level for servicing the City's buildings. This represents an increase from FY2008 of roughly \$194,000 or an increase of \$541,554 from that proposed. The next slide shows specifically which budget line items our reductions are accommodated in. You'll see an \$88,000 decrease in contract work, a \$31,000 decrease in contract manpower. How we got down to

the numbers to make up the 94% budget, and then how we built it back up. I've also provided in your booklet a list of the projects that have been completed using the special projects money, in case there are questions to that. And there is also a spreadsheet showing the line by line impacts of the currently proposed budget. It's extremely important to note that...there have been some questions here on revenue...there is a huge effect on revenue associated with this 94.6% budget. Our revenue estimate for the budget is \$5,279,510. This number is \$321,000 lower than the revenue projection currently contained in the 94.6% budget, which is \$5,601,200, or within about \$20 of our current FY2008 projection. It's obviously very difficult for us to absorb \$347,000 in reductions along with keeping the revenues constant. I know there were some questions on the revenue, so I wanted to make sure that that was clear.

Alderman Gatsas stated I don't know if it's you, Tim, or if it's...I'm looking at this sheet for 2008. It says that you have a revenue reduction of \$811,000 for 2008. I'm trying to look at your budget to understand how that is reflected in your budget, or do you have any idea?

Mr. Clougherty stated I'm not familiar with the sheet that you just held up.

Alderman Gatsas asked Kevin, do you know this sheet?

Mr. Sheppard stated projections for 2008.

Alderman Gatsas stated it shows you with an \$811,000 revenue shortfall.

Mr. Sheppard stated for the complete Highway Department, I believe, including Highway and our Facilities Division.

Alderman Gatsas asked can you just go slowly with me, so if we can look at the modified...because I know that Tim just threw out a number, but the number that I see under Highway, under tab 19, is the modified revenue budget, \$3,875. So I'm looking at your numbers in here, and I'm looking at the revenues that you're looking at, and I see one line item, which is the Highway block grant. Is that going to be that short? It's showing a shortfall...you had a budget...Can you look at your budget and tell me if you see anything in that line item that's going to reflect \$811,000, or is it all coming from Tim's side.

Mr. Sheppard stated there is the revenue shortfall in the Highway block grant of about \$300,000.

Alderman Gatsas asked can you explain to me what that Highway block grant does?

Mr. Sheppard responded sure, the Highway block grant is a revenue from the state, based on the mileage in the cities and towns throughout the state. There are two pieces of the Highway block grant. The City gets one piece of that, and it's based on many of the different revenues the state receives on their roadway systems. I apologize that I don't have the details with me. I can get that to you.

Alderman Gatsas asked is part of that betterment?

Mr. Sheppard responded right. Part of that this year is that the state, in their calculations, made a mistake. And I know the Mayor was not very happy with that as well. I mean, the Mayor actually...we were going to write a letter. I talked to DOT. I spoke to the Mayor. I spoke to the DOT. Basically, they said it was a computer error when we inputted the information. We did not find that out until midway through the year, so the bottom line is they said, that is the number that

you're going to be receiving. And that's how the state revenues typically work. They'll give us a budget number, and then through the year they'll give us actual numbers and send us checks. This year happened to be a major computer error on their part.

Alderman Gatsas asked was there any attempt to contact any of Senators to see if there could be assistance in that line item?

Mr. Sheppard responded we did not contact the Senators. We did speak to DOT. I called up there and I spoke to the Municipal Highways section. They felt that that's the number, based on their actual revenues and based on the error that they made, that \$300,000 was not there to be given out.

Alderman Gatsas asked did you agree with their calculations?

Mr. Sheppard responded we've looked at their numbers in the past and we don't disagree with the mileage that they carry for the City. A lot of it is based on percentage, based on highway mileage or road mileage within the City. Every year we update that with the DOT. They send us a map, we update it, so we verify the mileage for the DOT on an annual basis.

Alderman Gatsas asked but did you agree with the calculation that they made a mistake on?

Mr. Sheppard responded I did not personally go up there to look at it. They said it was a...I wish I could remember the wording they used, but it was actually an input error into the computer. They tried to explain to me that they still use these old computers with the green paper that prints out, so whether it was an input error or an error within the program...but I think it was an error within the program because the program has not been updated for some time.

Alderman Gatsas asked but did you do any calculation to take a look? Because, I'm looking at the number from the 2007 actual revenue, which was \$1.6 million. Are you assuming you're going to get back to at least the 2006 number? You said you're going to be \$300,000 short there. I'm looking for another \$500,000.

Mr. Sheppard stated I know our inspection revenues are down a little bit because construction is down, subdivisions are down. The reclamation trust fund is down, which I believe is based on vehicle registrations. The drop off center is down a little bit. And there is a reduction, as well, in the Facilities side. I believe that was about \$200,000 on the Facilities side as well, for charge back.

Alderman Gatsas asked how much is Facilities down?

Mr. Sheppard responded the budget versus projected, there is \$180,000 difference.

Alderman Gatsas asked so Mr. Sanders, am I correct that the \$180,000 that you had for Facilities and the difference that we have here in Highway is the \$811,000?

Mr. Sanders responded yes, that would be the \$811,000, the entire Highway division. That would include Facilities.

Alderman Gatsas asked is there any ability in the line items that you have before us to talk about assessments to our Enterprise fund that's tied very closely to you?

Mr. Sheppard responded actually, this year I've started to do something on a very small scale with that. I've started to look at my time and my costs, and I've actually billed the Enterprise some costs this year. Where they are under me, they are one my three divisions. I have not billed them any salary or anything like that, but I have actually looked at billing, and that is something that we continue to look at. We bill them for any sewer work that we do. We try to maximize our charges to the Enterprise.

Alderman Gatsas asked how much have you charged to them this year?

Mr. Sheppard responded I want to say around \$300,000.

Alderman Gatsas asked can you show me where that revenue shows up here?

Mr. Sheppard responded most of that is not in revenues. It goes back into our budget as straight salary numbers, construction materials...stuff that we weren't budgeted for to begin with, over and above what we normally budgeted for.

Alderman Gatsas asked so are you telling me that there's \$300,000? This kind of sounds like where we were last night with Health. If you're charging somebody \$300,000, you've got to show it as a revenue. And then I don't disagree that you have to expense it. But we should be seeing both sides of that element in this budget. Do you agree Mr. Sanders?

Mr. Sanders responded I agree.

Mr. Sheppard stated there's another way to look at that: If it's coming in as a revenue, then we would have to increase our budget by that \$300,000 because we don't have access to that revenue.

Alderman Gatsas stated I don't disagree with you, but it should be shown as an in and an out, not just a little book over here that we keep. I think that the auditors, if they're watching, are going to get very nervous that in the last two nights we've heard about almost \$600,000 that are off books.

Mr. Sheppard stated we don't have any problem with that as long as it's understood how it works.

Alderman Gatsas stated right, but if you're collecting \$300,000 for wages from the Enterprise fund...

Mr. Don Pinard, Highway Division Business Services Officer, stated those wages are charged directly to EPD. Those don't come through our budget. The people are charged directly to them, through our payroll system.

Alderman Gatsas stated so what you're saying is EPD, using a round number, let's assume that a third of that is being paid, in other words, the check that Mr. Sheppard receives, one third of that check is cut out of the salary line of the Enterprise fund.

Mr. Pinard asked you haven't charged salary, right?

Mr. Sheppard responded no, as I said, I have not charged salary, but it is something that I've started taking a look at to try to maximize...

Alderman Gatsas interjected who have we charged salary for?

Mr. Pinard responded sewer crews, our sewer reconstruction like on Leo Street.

Mr. Sheppard stated any sewer work that we do. If it's to clean a sewer or to clean a catch basin that's in a combined system, if it's a sewer main repair, we will bill EPD directly. And Don's got a good point; it's not actually paid and they pay us. They pay that directly.

Mayor Guinta stated let me suggest that maybe the Finance Officer can meet with the appropriate members of Highway, to take a look at it, to make sure the accounting is the most accurate accounting methodology, and if it needs to be changed or modified, the Finance Officer could report back to the full Board.

Alderman Lopez stated I think we just completed an audit of EPD. Would they show that?

Mr. Sheppard responded I'm sure the auditor must have looked at that. I'm not too sure if Fred has any details of whether he did, but I'm sure the auditor must have looked at that, and it was not a question or an issue that was raised by the auditor.

Alderman Lopez stated I agree. Maybe we can take a look at that, but I just want it clarified in my own mind. You say that you charge EPD, correct? They just pay the bill then. Is that what you're saying?

Mr. Pinard responded yes, they would pay the bill. As far as payroll goes, it goes directly through our payroll system and gets charged to them. We charge their line item itself. And we do the same thing with materials.

Alderman Lopez stated now when you calculate the budget for payroll, do you anticipate that particular revenue is calculated in your budget for salary?

Mr. Sheppard stated I understand what you're saying: Do we reduce the salary line item in anticipation of those costs coming in?

Alderman Lopez stated well either reduce the salary line item, or if you're going to get \$40,000 and \$10,000 is going to come from EPD, there would be a revenue coming back for you so you can pay your person.

Mr. Sheppard stated right, that's anticipated as part of our whole budget process. That pretty much concludes, as Tim had in your book, there is the line item budget...

Alderman Gatsas interjected I guess I'll finish, Your Honor, my line of questioning on EPD. I know that some people want to leave here, but I think it's important enough that if we can certainly strike \$300,000. What's the total revenue at EPD?

Mr. Sheppard responded I'm sorry, I don't have that number with me tonight.

Alderman Gatsas asked are they coming in to present to us?

Mr. Sheppard responded that's up to the Board of Mayor and Aldermen.

Alderman Gatsas asked Fred, can you tell me what is the gross revenue over there? And how much do you have on reserve now?

Mr. Sheppard responded reserves were spent down over time.

Alderman Gatsas stated but the collection has gone...certainly the rates are up 75...or did we get the whole 100?

Mr. Sheppard responded that just started January 1st so we haven't had the opportunity to build up any reserve.

Alderman Gatsas asked Mr. Sanders, do we charge EPD anything for their bonding costs? Is there any charge back to them?

Mr. Sanders responded we do include any debt service costs or issuance costs are allocated as part of the debt service payments to all Enterprise funds.

Alderman Gatsas stated no, let me try again. We do their work for selling those bonds and placing those bonds. Do we get a fee for that? Because obviously your time is worth something, just like Kevin Sheppard's is.

Mr. Sanders responded not that I'm aware of.

Mr. Sheppard stated I know, for example, Information Systems, through the Environmental Protection Division, we pay a fee to them. I'm assuming we must pay a fee to the Finance Department for some of their services. I believe we pay a fee, probably to the Solicitor's office whenever we use their services, but I can provide that information to you.

Alderman Gatsas stated I'm not talking about Highway; I'm talking about EPD.

Mr. Sheppard stated yes, EPD. When I say 'we' I mean or Environmental Protection Division. I believe we do pay City fees...

Alderman Gatsas asked can you get us a list of those?

Mr. Sheppard responded not a problem, yes.

Alderman Gatsas stated so I guess I go to the summary of impacts. I think when I interrupted you right in the beginning of your presentation, you said to me that there would be no impact on collection of garbage.

Mr. Sheppard stated what I believe I said was we are not eliminating those positions. What I am providing tonight is what I and my staff believe will be the impacts.

Alderman Gatsas stated so what you're saying to me is it could be collection once every three weeks.

Mr. Sheppard stated what I'm saying is that during the winter months there may be issues if our staffing level is down. If our staffing level is down, for example, for a typical plowing operation, we need 80 people. If my staffing is down, we may end up having to go into the Refuse division...I shouldn't say we may have to; I believe we will have to go into our Refuse division when we get storms. So we're going to have our people from our Refuse division out there plowing. If they work through the night, that means they aren't going to be on the streets the next morning picking up trash. If we have storms two nights in a row, that further prevents the curbside collection of trash.

Alderman Gatsas stated so if I'm looking at this, the weekend trash pick-up downtown is eliminated. Is that correct?

Mr. Sheppard responded correct.

Alderman Gatsas stated there truly is an impact to the citizens about collecting garbage.

Mr. Sheppard stated I apologize. I misunderstood your question earlier. I thought the question was about employees. None of those 47 employees are intended to come out of the Refuse division because we need them to collect the trash, but in the winter they will be used as well, because those are the things I feel is essential to the Highway Department – plowing the streets and picking up the trash.

Alderman Gatsas stated so you have 80 people who normally plow in a storm. How many people would you have to plow a storm if this budget was put in place? So how many people would you have to take out of refuse collection? How many people do you have in refuse collection? How many people would have to be moved so that we would know how much garbage is not going to be collected?

Mr. Sheppard responded looking at the divisions that typically plow, 92 positions within those divisions, out of the 47, approximately 33 are coming out of those divisions, which leaves us with 59 people. For plowing we need 79 people, so right away we are going into the Refuse division. The Refuse division has 33 employees, so right away we're dipping into 20 employees of the Refuse division for a typical plowing operation.

Alderman Gatsas stated let me just switch gears for a second, if I may, Your Honor. We normally see about \$ 500,000 a year for resurfacing. The number that normally you send out to the Aldermen is, let's say, \$36,000 for Orange Street from A to B. Does that include just the cost of the tar, or does that include the cost of wages and benefits?

Mr. Sheppard responded that is materials only. We felt that we are budgeted for the salaries and we understand the conditions of the streets in the City, so if you take a look at the cost of construction materials between 2000 and 2007...from 2003 or 2002 to 2007 they've gone up over 45%. We've seen that with one of my earlier slides with asphalt. Obviously, as prices go up, it's less asphalt we can buy.

Alderman Gatsas asked can you tell me what you feel is the condition of the roads this year after the winter we've had versus other years.

Mr. Sheppard stated I've been with the City for over 20 years, and I think this year was a very tough year. We had quite a few potholes out there. I'm actually this spring going to be grinding quite a few streets because it's beyond pothole repairs. So I guess the answer to your question is it's worse than I've seen in past years. And I think it's due to the age of the infrastructure.

Alderman Gatsas stated so the \$500,000 that's always been allocated certainly is not going to be enough to meet your needs.

Mr. Sheppard stated we have always said that that's not adequate.

Alderman Gatsas stated so if we bonded \$2 million, and I know that Mr. Sanders has probably already jumped out of his seat, but if we bonded out of necessity because you're going to resurface rather than patch, or you're going to grind, based on a ten year number, and get the streets...What would \$2 million do for you in the City. Would that accomplish 50% of the task, 20% of the task?

Mr. Sheppard responded \$2 million would probably take care of ten to twelve miles of streets, and there's 400 miles of streets in the City. That's not charging labor to it.

Alderman Gatsas asked what if we asked you to charge labor to it?

Mr. Sheppard responded I would say that would probably be 50% of the cost. So you would cut that in half.

Alderman Gatsas stated okay, thank you.

Mr. Sheppard stated I spoke with the Chairman of CIP Committee today. I just have two items I almost would prefer be referred to the CIP Committee. That's just a summary. The MER, I just want to talk about where the City's vehicles, the MER, are under the Highway Department you will see as part of the Highway Department budget book that I presented, the age of our fleet and the condition of our fleet. This is actually a ten wheeler frame that has snapped. We had to replace that frame, probably not the best thing to do. This is the fire wall and the floor boards of a ten wheeler truck where one of our driver's feet went through the floor. That is rust repair on a refuse truck. Again, I'd ask that maybe this be discussed at the CIP Committee. It is probably the more appropriate place but as part of the MER we were allocated \$457,000 for three trucks and I thought it was

great. As part of our discussion with the Mayor he asked us to take a look at leasing vehicles. I provided him with some information on that and one of the alternatives that I would like to present to the CIP Committee, if we are allowed to lease vehicles we would be able to, instead of three vehicles, we would be able to lease five vehicles and purchase three vehicles. That was the Mayor's recommendation to take a look at. I thought it was a great recommendation. In the past it was something that was not considered. I have discussed this with the current Finance Director, and he feels this is something perhaps that should be discussed a little bit further, but again I think this would be a better discussion for the CIP Committee.

On motion of Alderman Garrity, duly seconded by Alderman J. Roy, it was voted to move this item to the CIP Committee.

Mr. Sheppard stated the last thing I just want to touch base with is on the Highway Department facility. As many Aldermen know this has been out there for quite a long time. You will see a summary of some of the slides that we have presented in the past. The primary goals, short and long term benefits of the new facilities, and basically we had a quick study done that said we could rebuild on our site, potentially work with Water Works on a piece of their site which is located near the Highway Department. Again I would like that referred back to the CIP Committee. Again, we worked with the Mayor during the budget process, and he asked us to take a look at phasing the replacement of the Highway Department. I thought it was another super idea because it gave us the opportunity to take a look at tightening those numbers and maybe phasing that. Instead of saying we are going to build it over two years maybe the first year we do one piece of it and two years later maybe we do something else. We looked at that at the Mayor's recommendation and we believe it is possible. Again, with the CIP Committee, I would like to take it to that next step.

On motion of Alderman Garrity, duly seconded by Alderman Shea, it was voted to move this item to the CIP Committee.

Alderman Smith stated Kevin, I'd like to go back into the garbage situation. I believe you have nine trucks to pick up on a daily bases. Is that correct?

Mr. Sheppard replied correct.

Alderman Smith stated that means if there is a lay off the last one in is the first one out. You have two throwing garbage in every truck. That would be 18 laborers gone. Am I correct to assume that?

Mr. Sheppard responded at 47 people, basically everyone within the refuse division, or most employees in the refuse division would be, because of the bump in rates in the union would probably be last, correct.

Alderman Shea asked then who would we utilize picking up the garbage, and who would be...like say a snow storm, like a double header?

Mr. Sheppard responded what would happen, as we eliminated positions those people would bump down into the refuse division, so those positions would still be filled but they would be filled with people with more time, 47 positions represents anyone hired at the Highway Department since September 2001, so basically anyone hired in the past seven years potentially could be losing their job, because it's all based on seniority.

Alderman Smith stated to get back to snow plowing, I know for a fact our day on the west side is Friday. When there is a snow storm these barrels are out there on the sidewalk; they are plowed in with snow and ice. Now, if we don't have the personnel to throw the barrels, it is going to be two and three days later for collections, and I'd just like to show you these are pictures of areas throughout the City. These are from landlords; you can see all of the debris out there. I cannot imagine what is going to happen to the health situation. Have you talked with the Health Department about this? Because anything breeds during the summer. You know what's in the barrels: syringes, glass and what not, animals, so forth, like that. I think this is very crucial and I can't even comprehend losing 47 people, never mind ten. I am very concerned about this. I would like to say, we have a downtown pick-up on Saturday and that would be eliminated, right?

Mr. Sheppard responded Saturday and Sunday. We actually we have a seven day collection.

Alderman Smith stated so they would not have that collection on Saturday and Sunday.

Mr. Sheppard stated I had to look at the essential services, and I felt that trash collection curb side for residents, they would still receive the five day collection but not the Saturday and Sunday collection.

Alderman Shea stated I want to weigh in too because I have a lot of three-decker's in my Ward, and having worked as a scavenger collector for five years I know how important it is and how things can really breed and I know we have had discussions about different departments but this is about a very important department in my judgment. Everyone in the City benefits from this department; not everyone benefits from every other department but they certainly benefit from

this department and I am really concerned as is Alderman Smith and maybe others are that the people who do the collection of trash and other services are low men on the totem pole but they are very significant and very important people. We as a Board have to take a very close look at this particular situation, really.

Mr. Sheppard responded I agree.

Alderman Lopez asked when you mentioned the five days or seven days in the Central Business District, don't they pay for that?

Mr. Sheppard responded I'm not too sure. I know they do pay it; I don't know if it is called an assessment on their taxes. Indirectly the City may receive a revenue for that. We do not see that. Indirectly the City may receive revenue for that, but I don't believe the trash collection, that is pays for that. I don't think that tax goes towards the seven day collection. I am not sure that is part of the agreement.

Mayor Guinta stated it doesn't. You are talking about the Central Business District assessment. The City essentially acts as a pass through; they tell us what they would like to assess; we approve it, we collect it and turn it back to them. They then determine how they spend that money. Beyond general maintenance and cleaning, I don't want to generalize but they use that for general maintenance and cleaning. I do not believe that they have any pick up service of any substantial degree for that district.

Alderman Lopez stated I just want to go back, but anyway we don't have to do it tonight. We picked up seven days downtown and somebody paid for it. I could be wrong. You talk about our laborers, if your budget would go through, what administrative personnel, is there administrative personnel in this?

Mr. Sheppard responded yes, our budget cuts of 47 employees cuts across the board; it cuts union, non-union, cuts office, it cuts field staff. I mean obviously if I'm going to eliminate my curb crew, my sidewalk crew and my sewer crew I don't need a superintendent to oversee all of those. My budget cuts are across the board like I say union, non union, office, field staff, within every division basically of the Highway Department

Alderman Lopez stated Alderman Gatsas mentioned a \$2 million bond for the road. If you did lose all those employees, could you still use the \$2 million and could you complete the job for the City?

Mr. Sheppard responded I am not too sure that we internally would have the staff to complete all of that work. We would have to contract some of that work out.

Alderman Lopez stated Mr. Sanders, this next question I'm going to ask, I'm going to get a chuckle from one of the Alderman, I am sure. Instead of bonding, isn't the roads considered economic development for the City of Manchester? Could we classify that we have to have good roads in the City of Manchester as economic development?

Mr. Sanders responded I would want to get the input of the Economic Development Director and the City Solicitor on that. I could see the argument for it but I think I would want some other input.

Alderman Lopez stated I would like to know whether or not we consider the City of Manchester having good roads as economic development, because if it's economic development we do have money in a one time account where we could fix those roads. I would like to have that answered. Thank You.

Alderman DeVries asked the Traffic department that is now under your umbrella, are they included in the cuts?

Mr. Sheppard responded yes, there are three positions. I did not pass out specific positions to the Aldermen tonight. I prefer to use it as a whole; my intent was not tell 47 employees that they may lose their job until we get a little bit further into the process.

Alderman DeVries stated I can understand the sensitivity of it but in doing so we have kind of glossed over many of the important functions that we're not going to be able to keep up with in the City.

Mr. Sheppard stated I have that information and have stamped that confidential; I don't know it means anything by stamping it confidential, but I can supply that to the Aldermen. I do have that with me that I can supply.

Alderman DeVries asked how do you suggest we handle this to talk about these services that are going to go away, since some of the services indicate an individual? Would you rather us not ask the question about the services that may be going away?

Mr. Sheppard responded I have no problem. For example, in my budget presentation to you tonight, we went through that slide, three important positions, and I did speak to those employees today because I knew I would be discussing them tonight: our graffiti removal position, our special sweeper operator that was added last year as well as our solid waste compliance officer. I mean, those tie directly to the cleanliness of the City. Those are three people that I actually did speak to today because I knew that that question was part of my presentation and it may come up tonight.

Alderman DeVries stated and it did, and I guess it's distressing we make some steps forward as a City. We went through a lot of effort with the Neighborhood Enhancement Team in identifying in Ward 7 and other areas on the West side, trying to get them cleaned up, and how quickly it fades away.

Mr. Sheppard stated and again, I had to take a look at our essential functions and those were, I don't want to say extras, but those were added to help the cleanliness of the City. In the past few years I can tell you our compliance officer sends out probably 50 letters a week and has 100% compliance or 99.9 % compliance; our graffiti person, as you can see, I think has been very successful. He is out there actually looking for graffiti so that when it appears, he's out there cleaning it up. As you know, it just proliferates if you let it sit there. The sweeping position has been very effective in certain areas of the City.

Alderman DeVries stated and we are privatizing or outsourcing the majority of our construction work. Is that what I'm hearing as well?

Mr. Sheppard responded the 47 positions includes the elimination of our curb crew, sidewalk crew, sewer crew. Basically those are the crews that provide the in house street reconstruction work.

Alderman DeVries asked what does that leave?

Mr. Sheppard responded what it means is we would have to contract out that work and it goes back to resurfacing. We absorb the cost of those salaries within our budget. Once we contract that out obviously the cost of reconstruction is going to go up.

Alderman DeVries asked so we will be still doing the resurfacing but not re-construction?

Mr. Sheppard responded we will be doing everything we can do to get the resurfacing done, patching of pot holes done, picking up trash. Again, plowing will be affected. When I say we will getting into our trash collection crews to do plowing, I am also looking at potential taking wings off of all of our plow trucks or a majority of them, so we can send out a single man on a truck and what that means is your plow isn't as wide, so it will take the longer to get the route done and potential we may have to expand the routes if necessary.

Alderman DeVries stated that rings home with me because that's been an issue. By virtue of new neighborhoods the routes have been expanding considerably in the south end of the City, with many new neighborhoods and new streets added on to the routes. I guess I would find it helpful to understand, is there equipment that's now going to be stranded? Are you selling equipment that you are no longer going to utilize?

Mr. Sheppard responded we're still going to need the equipment except, like I say, we may not have every wing on a lot of the trucks.

Alderman DeVries stated I was thinking you might have some heavy equipment that went will some of the road crews.

Mr. Sheppard responded right, we actually lease an excavator during the summer months and we lease a backhoe so a lot of the...I don't want to say the extra equipment, but the equipment that we use for our construction we actually lease because it doesn't make sense; we lease it out of our budget or out of the CIP

during the summer months because it doesn't pay to buy that piece of equipment. It's more efficient just to lease it for the months that we need.

Alderman M. Roy stated Kevin a lot has been said about asphalt and paving. Where is that in your budget?

Mr. Sheppard responded construction material and supplies, the line item is 0682, and that is where our pot hole patching, our large patching is. As far as resurfacing, that actually comes out of the CIP as a cash allocation.

Alderman M. Roy asked that the construction material number, what is it?

Mr. Sheppard responded in the 2008 budget it is \$275,000. The proposed budget, we've had to reduce that to \$175,000, and in our recommend budget we've brought that up to \$250,000.

Alderman M. Roy stated but in the revised budget it actually decreased from last year, from \$275,000 to \$175,000?

Mr. Sheppard responded correct

Mayor Guinta asked what is the line item number?

Mr. Sheppard replied 0682

Alderman M. Roy stated and the resurfacing number is in your CIP budget?

Mr. Sheppard replied it is part of the CIP process.

Alderman M. Roy asked and that request was?

Mr. Sheppard replied, we always ask for one million but typically it is \$500,000 that we get every year. It is based on the revenue that comes in through the Tax Collectors.

Alderman M. Roy asked the last time it increased over the \$500,000 was what year?

Mr. Sheppard replied I would have to get that to you but it has probably been at least five years since we seen it...ten years .

Alderman M. Roy asked would it be eight years?

Mr. Sheppard replied all right, eight years.

Alderman Shea stated I just wanted to mention, when I first came on the Board we had much more money than we do now. I think prior to the rooms and meals money being more or less taken away we at least had close to \$800,000 to \$1 million. Is that right, Kevin?

Mr. Sheppard responded correct.

Alderman Shea stated since that time we had to add that tax. Point of order: it hasn't gone up; it has gone down 50%.

Alderman Smith stated Kevin, in regards to snow plowing, people do not realize... you know, we get a lot of complaints because of snow and ice in the winter. People don't realize what you have to do to have snow removal, what you

have to do with the trucks, you have salters on the trucks; you have got to take them off; there's a maintenance cost; you have got to take them off and get them ready for snow removal. How many trucks do you have to haul snow on a regular night without hiring any extra, just the City personnel?

Mr. Sheppard asked are you talking plowing?

Alderman Smith stated snow removal.

Mr. Sheppard stated for plowing operations we've got 24 wing trucks, four single man trucks, six alley trucks, a loader in the yard, seven loaders with wings, three graders on the street.

Alderman Smith stated I know that I'm getting complains right now in regards to... I think this department gives more services for their tax dollars than any other department, and right now some people are saying to me, well how come we still have even/odd parking. I tell them it is because street sweeping. Would you please explain that so that the public knows why they can't park on certain streets so we can keep them clean?

Mr. Sheppard responded sure. Every spring we get a lot of questions regarding that. The odd/even parking is in effect till May 15th and the reason for that it allows us to get our street sweepers out and clean the City streets, one side one night and the other side the other. I mean, quite honestly, I believe it's one of the committees within the Board that has asked us to take a look at our odd/even parking and our snow emergency, and I plan on looking at it this coming year, and potentially coming back and going to the odd/even, maybe starting December 1st and potentially maybe going till the end of April or mid April. I agree. I see both sides of that. You know, if we get a snow storm before December 1st, I can always

call a snow emergency to get the cars off the street. Again, after April 15th or mid April there is a chance that maybe...so that is the reason for street sweeping, but that purpose and reason may have shifted over time. I think this is worth revisiting.

Alderman O'Neil stated Kevin, I want to pretty much work off of your letter of April 16th. I do not know if you have that in front of you.

Mr. Sheppard stated I do remember that letter.

Alderman O'Neil stated first of all, just some of the bullets: elimination of graffiti removal program, probably on of the most successful programs we've started in the last 25 years in the City and I don't know, it is two, three or four years old, very successful. Some people think we should have another person out there doing it so. It's a good service that we are providing the citizens of our City, homeowners as well as businesses. On the snow plowing operations, you talk about expansion of route mileage, taking longer to clear streets, you'd remove the wings on the trucks and use the trucks as one man trucks, that is going to require, currently, just observe my street I live on. It's a truck with a wing. They go up and back twice, so down and back up. With only one plow on the front of it, it will require four passes. Is that true?

Mr. Sheppard responded three or four passes.

Alderman O'Neil stated three or four passes...Is that going to mean more fuel? More time?

Mr. Sheppard responded correct.

Alderman O'Neil stated it will take longer to do so the costs are going to be there. I don't know what we're saving. Also you talk about the clearing of sidewalks, this past year we heard complaints because they weren't done a day later, or two days later. I can only imagine, if this budget passes, it could be three to four to five days later before the sidewalks get cleared.

Mr. Sheppard stated our priorities will be to get the streets cleared and then get the curb side solid waste or trash picked up. And then we will start looking at the.....

Alderman O'Neil interjected so the public needs to know there could be an impact to that. There is one other place; I wrote a note to myself, on both streets and sidewalks it could impact whether or not schools are opened or closed on a given day, especially if we get those storms that seem to happen where you can have the streets open by 6:00 in the morning, they have school that day. In this particular scenario they will be cancelling school for sure, so there will probably be more snow days. Eliminating dispatcher overtime except during winter months...I recall we went through this, I don't know, 12 to 15 years ago, and even though we don't have snowstorms we have a lot of other weather conditions like rain storms, clogged drains with flooding, trees down. We know when we went to a private answering service that was really a failure. We brought back the in house dispatchers. I know the weekend hours for the drop-off center are convenient for the public. Let's get to the bottom of all this. You took a \$1.5 or \$1.6 million cut off your 2008 budget?

Mr. Sheppard responded correct. The proposed budget is roughly \$1.6 million less than this year's budget.

Alderman O'Neil stated so you started out behind out of the gate.

Mr. Sheppard responded correct. I started out ... and it is discouraging to the department quite honestly. I started out with a 2008 budget that I feel that I wish I could justify any increases over my 2008 budget, and that would be roughly \$1 million. But because I lost \$1.6 million, I've got to come here and look for \$2.6 million. And I understand that; I understand the situation that the Mayor is in, tough economic times, and he had to allocate the dollars where he felt it best. But, it is discouraging to lose \$1.6 million out of this year's number and have to fight just to get even for that \$1.6 million. Then I have to fight for the \$1 million on top of that that I need. So, if I came before you with my 2008 budget I would only be looking at \$1 million, and I shouldn't say only \$1 million, but it is \$1 million. It's much better coming before you and asking for \$2.5 million, but that is the situation that I'm in, and that's what I'm presenting before you.

Alderman O'Neil asked have you worked out any scenarios if the \$1.6 million is restored and you are still short \$1 million, or is that something that you can get back to us with?

Mr. Sheppard replied I can get back to you. I know I could not generate the salary and benefit savings that I show if I get the \$2.6 million.

Alderman O'Neil asked at the \$2.5 or the \$2.6 million, you are still looking to manage as the department as for many years.

Mr. Sheppard responded correct. The \$2.5 million includes roughly a \$500,000 cut in salary and benefits.

Alderman O'Neil stated say that again.

Mr. Sheppard stated that \$2.5 million request includes if I did not get that...what I really mean is that I need is \$3 million. But I am saying, give me \$2.5 million because I will manage that 3.7% salary and benefits within my budget.

Alderman O'Neil stated so the real request is you're off \$3 million, but you are willing, through managing your budget, to make up that \$ 500,000.

Mr. Sheppard replied correct.

Alderman Osborne stated I think we all know this is not going to happen anyway. A couple of years of this and we might as well shut the City down. This is absolutely ludicrous in a sense. I think, Highway Department, you know, I've been an Alderman for a while and way back in the early 80's and getting into the asphalt situation, \$500,000 is earmarked from registration and I have been on this now for six years saying why we should put more money into it. Back then we put \$800,000 out of the General Fund and they did away with that and they relied on the \$500,000. If we would have stuck with this \$800,000 like I said six years ago, we wouldn't be talking about bonding \$2 million. So we are spending our monies in the wrong directions here it seems like, this City. This is the way I feel. I'm a very quiet person, but this is the way I am looking at it. I think we are just beating a dead horse to death, sitting here all night long and discussing all of this. This is the way I feel. It's not going to happen. I think the Mayor knows this as well. We just can't do this. There is just no way we can not layoff all of these people.
Motion to adjourn, thank you.

Alderman Gatsas stated Kevin, I guess the most difficult question has probably not been asked yet. In 2008 when are you going to run out of money, before you are into a deficit spending?

Mr. Sheppard replied sure. I work with my Business Service Officer on a weekly basis and also the Finance Director and the Mayor's Office.

Mayor Guinta asked excuse me, are you talking fiscal year 2008 or calendar year 2008?

Alderman Gatsas replied I am talking about fiscal year 2008 because that is where the budget is. The question is, fiscal year 2008, in the budget year that you are in right now, when are you running out of money?

Mr. Sheppard replied I am anticipating towards the end of May, beginning of June. I have been working with the Finance Director as well as the Mayor, and they understand that by that point I need that allocation in my budget because I can not.....

Alderman Gatsas interjected let's assume that it is June 1st. For the 30 days of June what are you going to need?

Mr. Sheppard replied our latest projection to the Finance Director is \$ 950,000.

Alderman Gatsas asked for the month of June?

Mr. Sheppard replied, for the month of June, yes, I guess that is the way to put it, correct.

Alderman Gatsas stated that I am looking at the number...the sheet that I showed you had you down \$811,000 in revenues and \$950,000 down in your line item.

Mr. Sheppard replied correct.

Alderman Gatsas stated that is a total of \$1.7 million. Looks like you are running out of money before June.

Mr. Sheppard stated the Finance Director could probably...revenues go into the General Fund so they do not hit our operating budget so if our revenues...I don't want to say if they are short, but if they are short, they are not hitting our operating budget.

Mayor Guinta stated and you cut other areas to. You have been managing in anticipation of this, so there are other things that you originally planned to accomplish in fiscal year 2008 that you haven't been able to.

Mr. Sheppard stated right. There is no question. The Highway Department is...I guess I still considered us out of the hiring freeze. The Mayor has thrown on the hiring freeze again and I consider us...but I have not been filling positions. I understand the situation.

Alderman Gatsas questioned how many vacancies do you have today?

Mr. Sheppard replied we have eleven vacancies right now.

Alderman Gatsas stated so the 47 really only 36.

Mr. Sheppard stated and I knew if someone asked that question you have to understand out of those eleven vacancies, four of those are refuse collectors. I'm going to be filling those; those aren't identified.

Alderman Gatsas stated you are saying the 1st of June. So, somehow...and I guess I asked the Finance Officer...under whose direction do we move money into the Highway Department so that they don't deficit spend. Who has that ability?

Mr. Sanders responded the Mayor has the ability to approve a request for a transfer from the Salary Adjustment account to the Highway Department. We also I think have the ability to move the pension adjustment, which is principally related to the Highway Department and the overtime retirement contribution that they are expensing.

Alderman Gatsas asked you are saying that the Mayor has the ability to move the pension or just the Salary Adjustment?

Mr. Sanders replied I believe he has the ability to approve line item transfers; I believe that is the case.

Alderman Gatsas asked can you show me that in the Charter please? I know he can probably do it with Salary Adjustments but that still leaves a \$250,000 hole.

Mayor Guinta stated I believed that is what the Solicitor has recommended to the Finance Officer.

Alderman Lopez stated the way I recall it, the Salary Adjustment account, line item to line item, working with department heads but the strict salary account, if you wanted to move money out of there to put it into line items, then I think you have to come before the Board.

Mayor Guinta stated however, for the meeting that we are having next week in fiscal year 2008, if the Finance Officer would craft a response from you and the Solicitor as to what the different allowable responsibilities are under the Charter so that everyone has that going forward.

Alderman Gatsas stated along with the indentified item in the Charter that allows it, or ordinance.

Alderman O'Neil stated Your Honor, not on a specific request, just for this meeting next week, we need to make sure proper staff is here, the Solicitor, for an example. I don't know if HR will be needed. Everybody needs to be here so we have answers for night, and they need to be prepared.

Mayor Guinta questioned are we asking full staff to be here including every department head?

Deputy City Clerk Matt Normand stated I have already sent out the emails, actually, while I've been sitting here.

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

A True Record. Attest.

City Clerk