

**SPECIAL MEETING  
BOARD OF MAYOR AND ALDERMEN  
(RE: FY2008 & FY2009 BUDGET)**

**May 12, 2008**

**5:30 PM**

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, Smith, Domaingue

Absent: Aldermen Garrity, Ouellette

**Mayor Guinta** advised that the purpose of this meeting is to discuss the FY2008 and FY2009 municipal budgets and related programs in the City.

**Mr. Leon LaFreniere**, Building Department, was called forward.

**Alderman Lopez** asked Leon, can just give us a brief explanation as to what you are short and what that means? We will go from there.

**Alderman O'Neil** asked just for clarification, Alderman Lopez, you are talking fiscal year 2009 or 2008?

**Alderman Lopez** stated 2009.

**Mayor Guinta** stated the only reason I said 2008 is because that's what stated. I thought our intention was to do 2009 all week but the agendas say 2008 and 2009.

**Alderman Lopez** stated that's correct. You can do one or the other if somebody has a question, Your Honor. I want to get on record because Leon has to go out of town Wednesday, I believe.

**Mr. LaFreniere** stated thank you for this opportunity. I won't go into significant detail beyond obviously the fact that you have all received, I am sure, my April 22<sup>nd</sup> memorandum that outlines the effects of the Mayor's proposed FY2009 budget. As succinctly as possible, this budget is short \$155,643 from what we need to be made whole. We feel that we proposed a minimum budget for what is necessary to carry out our mission. We have a very small operating budget compared to our salary expenses and therefore any reduction in our requested appropriation will go directly to the salary line item. The Mayor's budget represents a labor force reduction of three and a half positions from our full complement. I would anticipate that that would be distributed between the administrative support section and our field inspector positions. There's no way to really do this without, not only having a significant impact on our safety services program, but it will as well have an effect on our revenue generating capacity. I think that one of the first areas that would be taking a hit because it is the only area that we have any redundancy at all in terms of our field capacity is to put us in more reactionary mode instead of a proactive mode with regard to our Housing Standards Program. The Certificate of Compliance Program would suffer significantly and the revenues also would suffer. We would probably have to look at actually taking this program and making it more of a complaint base program as opposed to a proactive certificate program where we actually go in on a scheduled basis to inspect housing units.

**Alderman Lopez** asked is it \$156,000 or \$155,000?

**Mr. LaFreniere** responded \$155,643 is the total.

**Alderman Lopez** asked and that makes you whole, filling those three and a half positions?

**Mr. LaFreniere** responded yes it does.

**Alderman O'Neil** asked Leon, today how many vacant positions are there?

**Mr. LaFreniere** stated I have two vacant positions. I have a Customer Service Representative position that has been vacant since September and then I have a Housing Standards Division Supervisor position which has been vacant since a retirement at the end of the year, and we are currently interviewing for that position. We have received authorization to fill.

**Alderman O'Neil** asked would it make some sense to hold off on that until we know where this budget is going?

**Mr. LaFreniere** stated I certainly will take that into consideration before offering a position; however, it is a critical position for us. There is no question in my mind that it does need to be filled to the point where I would probably make some shuffling and reorganization attempts before not filling that position because it is so critical.

**Alderman O'Neil** asked do you happen to know tonight, or you could get it for us tomorrow, what the salary and benefits would be for the Customer Service Representative position and the Housing Supervisor Position?

**Mr. LaFreniere** responded I can give you those now if you would like. The salary that we had programmed in to the FY2009 budget for the Customer Service Representative position was \$29,832 plus benefits, and because the benefit percentages have varied significantly, I can tell you what we targeted but it may be better to get those from Finance. The Housing Codes Supervisor position is \$56,263.

**Alderman O'Neil** asked plus benefits?

**Mr. LaFreniere** stated correct.

**Alderman Shea** asked Leon, you do have vacancies now. Are you counting those vacancies with the three positions or do you need three more in addition to the vacancies?

**Mr. LaFreniere** stated no, I am counting those so I would be looking at approximately another two positions in addition to those two.

**Alderman Shea** stated now, the Mayor has spoken about consolidation and cross-training. Have you discussed any of this with any of the other departments? Is it discussed at all at this time?

**Mr. LaFreniere** responded we have discussed these issues with the Planning Department. Cross-training would be difficult for what we do in the field because the Planning organization, as I understand it, as well as Economic Development,

doesn't really have trained field inspectors and so if we were to utilize other staff for those purposes it would require some pretty significant training and would take them away from other duties.

**Alderman Shea** asked how about administration? Would you be able to utilize anyone from the Planning Department or any other department that is part of this consolidation to possibly not have to have that?

**Mr. LaFreniere** responded certainly if there were surplus staff from those other departments we could take advantage of those resources to support our efforts. If you are asking me if I have surplus resources in our administrative support section to provide for other departments I would say no.

**Alderman Shea** stated I am not speaking about the word surplus; I am speaking about maybe better utilization of people services. I think that's a better way of looking at it.

**Mr. LaFreniere** stated I think you have to take a look at where the redundancies are. How can you take advantage of efficiencies by moving those administrative functions together? All of the people that are in my administrative section are dealing directly with the customers. They are dealing directly with people coming in, taking out permits, applying for variances, securing other permits as are required and as we issue. If we don't have those resources available to provide those services, we will end up with delays in the issuance of certificates of occupancy. We will have businesses that will be delayed in opening. We will have permits that will be delayed and construction projects that will be slowed as a result. So yes, I am sure that there are some efficiencies that could take place, but it is difficult to identify those now without any structure in front of us. I would be concerned from the fact that everybody has a specialized task right now and so if

we have them doing something else we are still going to have to get what their job is now, done.

**Alderman Shea** asked just for my own information, how many are there in your department right now?

**Mr. LaFreniere** responded there are 21 positions.

**Alderman Gatsas** asked Leon, can you tell me, the \$2 million in revenue that you have, can you tell me what that accommodates for building permits roughly? Ball park. I know you are not going to be able to give it to me on an exact dollar because you've got variations.

**Mr. LaFreniere** stated the number carried for 2009 is somewhere around 1.3 million, just for building permits.

**Alderman Gatsas** asked what does that constitute for projects?

**Mr. LaFreniere** responded that's anything from a bathroom remodel to the Elliot Riverside project.

**Alderman Gatsas** stated that can't be in here.

**Mr. LaFreniere** stated we have anticipated that some of that will make up this number, yes.

**Alderman Gatsas** asked so you are assuming your number is going to be roughly the same as last year with a \$100 million project coming in to fold?

**Mr. LaFreniere** responded in speaking with the developers for the project, we wouldn't anticipate that all that permit revenue would come within the single fiscal year. It would be spread over at least two fiscal years.

**Alderman Gatsas** stated but the biggest parts got to come in the first end if they are pulling permits.

**Mr. LaFreniere** stated well we have had this discussion before where making these projects is not an exact science. What we do is we try to anticipate what the big projects are that are coming down the road. There aren't a lot of them and what we are doing is taking a look at the Elliot project as making up for the two and three and four larger projects that have taken place in previous years. If the Elliot project came in at \$100 million and was all permitted in FY 2009, then I would anticipate that we would potentially exceed this number but that's not the signal that we have been getting.

**Alderman Gatsas** asked can you give me for the last five years and deliver it to the Finance Office by tomorrow noon any project that was \$20 million or in excess and how many we had in that year?

**Mr. LaFreniere** responded I should be able to do that. I would have to figure out exactly how to extract that because we don't track them in that manner, but yes, I think we can put that together.

**Alderman Gatsas** stated because if you don't have any then the \$100 million projects... then I would like to know what permits on \$100 million project if 75% of them were drawn on this year, what that number would look like.

**Mr. LaFreniere** stated I apologize. I need a little clarification on that.

**Alderman Gatsas** stated let's assume there was a \$100 million project that was coming forward as we are talking down at Jac Pac. Assuming that 75% of that project will be drawn down in the initial permits of this year, can you tell me roughly, and I am not looking for an exact science because I know there isn't one, a number that would be in that number for this fiscal year as a revenue?

**Mr. LaFreniere** stated okay, so try to break out what 75% of what we understand Jac Pac to be would be if it landed in 2009?

**Alderman Gatsas** stated correct.

**Mr. LaFreniere** stated certainly, that's easy.

**Mayor Guinta** asked can you just tell us what you expect for the total permits of the project? If it were a \$100 million project, give us a ballpark of what the permitting dollars would be.

**Mr. LaFreniere** responded for the portion that would require permits, and certainly out of a \$100 million project, not all of it requires permits; it's approximately one percent.

**Alderman M. Roy** asked Leon, I am not sure you have the same information we have but your telephone line item went up 634 percent. The entire City barely went up \$14,000. Explain that?

**Mr. LaFreniere** stated yes. One of the aspects of the analysis done by the UNH grad students in studying the NET Team Project talked about the fact that there were communication problems with each of the agencies being able to

communicate with each other and being able to provide for internal communication. What that number represents is wireless communication, service and devices to be purchased and implemented in FY2009, and we did talk about that with the Mayor and made our case there and he felt it was apparently worthy enough to be brought forward in the budget.

**Alderman M. Roy** asked now when you say wireless communications, sitting behind you is our Fire Chief and our Police Chief and no one's communication is more important than theirs, no offense. Why would you not go with a radio system like Highway and many of our other departments do?

**Mr. LaFreniere** responded effectively that's what we want to do is utilize...either we have talked about a Nextel type system like Highway uses but the devices we've identified with the assistance of Information Systems are more like a Blackberry type of device that would provide for data communication.

**Alderman M. Roy** stated Mr. Mayor, I am all for increased technology in our Building Department as I think it's sorely lacking, and I think it we will add efficiency, but I have great concerns that we would undertake this type project with the potential of laying off employees and that also being said, the Highway Department telephone budget, now mind you they probably already have the equipment, but I am sure they have a few more bodies than you do, is only \$14,000 per year. So I would ask for that number to be revisited and careful prioritize whether it's a 2009 expense and whether that comes from you or from Information Systems or combined is fine.

**Alderman Gatsas** asked Leon, let me just understand: \$2,000 a month for a Blackberry. How many employees do you have?

**Mr. LaFreniere** responded that was for 14 field personnel.

**Alderman Gatsas** stated well if I do simple math, most Blackberry's cost you about \$49 a month for a cost. And if I divide the \$2,000 by 50, I come up with 40 Blackberry's. I guess you must be paying for other departments.

**Mr. LaFreniere** stated what I will probably need to do...

**Ms. Jenny Angell**, Information Systems, stated actually we do need to revisit that line, but let me give you a little information. That line actually includes two things. One was putting a cell phone in the inspectors' hands so they can actually communicate with the Building Department and their peers when they are in the field, but it also included putting a data card in laptops that we are hoping to deploy and those are \$50 a month. This is the same technology that is being utilized by our Police Department. The CIP project for those laptops has not been funded so what we will have is actually two laptops that we have put in the field. Information Systems is carrying the mobile this year so we are hoping Building could taking it next year so that would be two laptops at \$50 a month for data connectivity and then the other amount was the cell phones. We do not need the data connectivity in the laptops that we are not getting, so Leon and I can go through and revisit that number. Does that help?

**Alderman Gatsas** stated that certainly does but it's not \$25,000 worth. But that's okay. Not a problem. We can give them the old radios that we transfer from the Police. They can get the old ones because we are buying new ones.

**Ms. Angell** stated actually Police is, well...let Leon and I go through the numbers again because things have changed.

**Alderman Smith** stated I'd like to have the Assessor, David Cornell, come up, please. On April 10<sup>th</sup> you sent a memorandum to the Committee on Accounts, and your current balance in your overlay account is \$2,187, 160.31. The Mayor's proposal for the budget in 2009 for the overlay is \$1.6 million. As you know in our previous conversations that I think that it is not necessary to have \$1.6 million in the overlay account because I assume you will not be using it next year. Just to follow up on it, your rate of success is over 96 percent in the cases that you've appealed. Could you answer all of these questions because we're trying to find some money to help out other departments that don't have it.

**Mr. David Cornell**, City Assessor, stated let me take those one at a time. The 96 percent success ratio is the success ratio for the cases that have either gone to the BTLA or Superior Court. For those types of cases, the way the negotiations work is an appeal is filed. And then if we feel that the property is over-assessed, we grant an abatement. For those properties that we think are properly assessed, we'll deny the abatement. So for the properties that typically go to court, we feel very strongly that those properties are properly assessed. The success rate for the properties we have in court will be a little bit higher than the assessments in general just because if they are truly over-assessed, we will dispose of the case with a settlement. As far as the current account balance, we have the \$2.1 million in the current funds. That money is the money that we have to pay off outstanding cases for 2004, 2005, 2006 and 2007. The \$1.6 million that we're requesting, that's the dollar amount that we think would be the total accrued liability for tax year 2008 that we'll be paying out in 2008, 2009, 2010, 2011, and probably 2012 because many of these cases take three or four years to go through the local process and the BTLA and to Superior Court. Since our conversation in the last few weeks, we have been working extremely hard on identifying all of our outstanding liabilities, identifying the current funds that we have available and matching those up with the current liabilities that we have. Also, in the last

several weeks we've had 130 cases withdrawn. That has reduced the outstanding liability that we had for those previous years, so we feel relatively confident that we'll probably have about \$500,000 or \$600,000 in the previous years that we could bring forward to help account for that \$1.6 million accrued liability that we think will be the accrued for 2008.

**Alderman Smith** stated that was my original proposal when I talked to you and you weren't sure whether there was going to be a surplus or not. We're trying to find money. And I firmly believe if you're not going to use it, and you're stating that you're not going to use it, we need to bail out some of these departments that need money. I really think, if I'm following what you're saying to me, you could probably live with \$1 million instead of \$1.6 million.

**Mr. Cornell** stated the net appropriation for 2008 would be \$1 million, and just so I'm clear on this, we still feel that the total accrued liability for 2008 will be the \$1.6 million, so we haven't changed on that. It's just how to fund it. One million dollars would be funded by the current budget; the \$600,000 would be funded by the surplus that we're bringing forward.

**Alderman Smith** stated simple and direct, are you going to use the \$1.6 million next year?

**Mr. Cornell** responded no, that would be...over the years...for a case that's filed in 2008, some of those cases may go until 2011 or 2012.

**Mayor Guinta** stated he's saying he needs \$1.6 million, but from the appropriation he only needs one million.

**Alderman M. Roy** stated I just want to hear it crystal clear again. David, if the bottom of the budget summary says \$1 million for overlay, are you content with that?

**Mr. Cornell** responded correct, because we will be bringing some of that money forward.

**Alderman M. Roy** stated the report that I asked for two weeks ago regarding the actual expenditures for the last five years for overlay, is that in the works?

**Mr. Cornell** responded right. If you want, we have printed out a sheet that gives from 1990 forward the actual expenditure.

**Alderman M. Roy** asked what we have rebated or paid back.

**Mr. Cornell** stated we don't have the actual expenditures because, especially through the 1990's, if an abatement was granted over multiple years, it was taken out of one account. It's just in the last few years where if you had a property under appeal and it was appealed for three years, now we have separate accounts for every single year.

**Alderman M. Roy** stated that's fine. Do you have that tonight?

**Mr. Cornell** responded we do. If you'd like us to pass that out, we certainly could.

**Alderman M. Roy** stated some of the increases in your budget this year, one was significant for data processing. Can you explain that?

**Mr. Cornell** responded the increase for data processing is twofold. The first item is for the software that we use for our camera model; after the revaluation we got two years for free. So that kicked in. The other thing is, to post all of the properties on Visions website, we received two years free and that figure kicks in for this year.

**Alderman M. Roy** stated so if we were to not post on the Vision website, direct people to our City website, what would that do, as far as convenience or savings?

**Mr. Cornell** responded the Vision website is very convenient for people. We've had various people say that it's very convenient.

**Alderman M. Roy** stated thank you.

**Mr. Cornell** stated under the accrual system for the overlay account, you will have significant balances in your account because the lag time for when we are collecting the money and then the cases to make their way through court. That's why even now, here we are in 2008, and we're still getting ready to write checks for tax year 2004 cases, so there is quite a lag time.

**Alderman Gatsas** stated right but in 2004...I don't know what you put in your overlay in 2004 but I bet if we added up the overlays from 2004 to 2009, my estimate is going to be somewhere around \$ 3 million. Including 2008, you're going to be at about \$4.6 million, in overlays that we've laid over that same time period.

**Mr. Cornell** stated right, and so...

**Alderman Gatsas** interjected if I asked you what the payouts were from 2004 to current, off of that \$4.6 million, you might still have \$2 million in that account.

**Mr. Cornell** stated our current account balance is \$2.1 million. For 2005 we've already had to move an additional \$750,000 back to 2005. For 2004 we've already had to move an additional \$500,000 back to pay for some of the 2004 cases.

**Alderman Gatsas** stated but one of those years we put \$3 million in there.

**Mr. Cornell** stated right, \$3.2 million. That was in 2006. And one of the reasons for putting that amount in was in 2006 we realized we had an unfunded liability out there. So, in changing to the accrual method, to get everything caught up to date, plus there was a revaluation that year too, you did have a fairly good spike in the dollars that went to the overlay account that year, the \$3.2 million.

**Alderman Gatsas** stated my question is if we go to...and this is more for Mr. Sanders because I know he's going to tell me he has to verify something before we go forward, and I want to make sure we get it verified tonight. Mr. Sanders, can you ask the question that you may feel more comfortable in asking the Assessors if we went to a cash basis because you know the number I'm looking for is about \$1.2 million. That is \$602,000 from the 2008 budget and \$600,000 from the 2009 budget. So for your verification, can you ask the question, please?

**Mr. Bill Sanders**, Chief Finance Officer responded I guess what I would like to ask for is a schedule that would show what's been established in the overlay account and what's been spent. And, if amounts have been moved back and forth, what that has been, and then what the remaining balance is at the present time.

**Alderman Gatsas** stated so if Mr. Cornell can verify to you that if we go to a cash basis, a million dollars is enough for the 2009 budget, along with the \$600,000 in surplus that he gave us in 2008, which is a total of \$1.2 million, can he verify that to you in writing some how with the numbers so that you can have that by noontime tomorrow?

**Mr. Sanders** asked can I, Mr. Cornell?

**Mr. Cornell** responded I think we can get to you by noon, but just so I'm clear, your request is, assuming we're using a cash based system, how much money would we need in next year's budget, strictly on a cash basis.

**Alderman Gatsas** stated on a cash basis because you've already given us \$600,000 from the 2008 number.

**Alderman M. Roy** stated David, nice printout, and I'm glad you're going to have that report for noon tomorrow. What is the balance of your overlay accounts currently?

**Mr. Cornell** responded basically about \$2.1 million.

**Alderman M. Roy** stated and every account dating back as far as you might have to write a check for.

**Mr. Cornell** stated that's correct.

**Alderman M. Roy** asked where's that money sitting physically, and it is earning interest?

**Mr. Cornell** responded I'll defer to the Finance Officer, but I assume it's earning interest but the interest doesn't accumulate in the overlay account.

**Alderman M. Roy** stated so it's not a segregated account. It's sitting with other General Fund dollars.

**Mr. Cornell** stated I'm not sure, but the interest doesn't accumulate in the overlay account.

**Mr. Sanders** stated it is invested as General Fund cash. The interest is not applied to the overlay account. It is taken to the General Fund.

**Alderman Shea** stated with all of this adding and subtracting, we haven't multiplied yet but you would be left as an overlay of \$2.5 million, according to what I have, assuming we took \$1.2 million out of the \$2.1 million and the \$1.6 million that you were asking for, added those two together, and then subtracted \$1.2 million, you would have \$2.5 million in your overlay.

**Mr. Cornell** stated that's correct.

**Mayor Guinta** let me just follow up though. Let's assume this Board does that. As the Assessor, are you going to support that?

**Mr. Cornell** responded it's been the practice of what we have been instructed to do is that we should use the accrual method. The rationale behind that is under the accrual method you would want to time the money you were taking in with the same year that you would be paying those funds back from, and I think that's why the accrual method in the past has been the preferred method, and that's why the

auditors have recommended that we use the accrual method. We feel, for 2008, the total liability that will accrue is the \$1.6 million.

**Alderman Lopez** stated let me try to make it very simple, David, and then I'm questioning the fiduciary responsibility of the \$1.6 million, but I think all the conversation builds around it, the \$1.6 million and whether it's cash basis or not. The City is in financial downfall and we're looking at everything. I think back, and I really didn't want to get too much into this, but in 2000 your predecessor gave zero to help out the City. And I think that Tom Clark is absolutely correct, if you go up to DRA and you've got a million dollars in that overlay account, they're going to sign off unless you speak up and say you want more money. You could go up there and say you want \$3 million in that account and they'd have to give it to you. What I would suggest, the document that you gave us, in reviewing it, and some of the numbers have been thrown out by some of the Aldermen, that I believe in the spirit of cooperation, we understand, we understand completely that going into 2010 or 2011 we're going to have to put some more money in there. There's no question of that. So it's all up to the three of you, not just one of you, as the Assessors, that if we put a million in the overlay account, and when you go up to the DRA and sign those document papers with the Finance Officer, they're going to sign it up there unless you speak up.

**Mr. Cornell** stated right, that's correct. Typically, when we go to set up the tax rate they ask the Board of Assessors the amount being requested for the overlay account and if we tell them it's a million dollars, they put a million dollars in there, and if we said five million they'd put five million in there.

**Alderman Lopez** stated I'm just saying, search your soul and see if we can help out the City, that's all.

**Mayor Guinta** asked how many municipalities use the accrual method and how many use the cash method?

**Mr. Cornell** responded I'm not sure.

**Mayor Guinta** asked would the DRA know that? Do they know if we use accrual or cash?

**Mr. Cornell** responded to my knowledge they don't ask. They ask for the dollar amount.

**Mayor Guinta** asked so is there any way to determine how many municipalities use the cash method?

**Mr. Cornell** responded I'm not sure.

**Mayor Guinta** stated I think the question Alderman Lopez is getting at is if this Board adopts a number less than \$1.6 million, the Board wants to know what if any assurance is there that what's budgeted is what you ask for from the DRA. I think the only way to do that is for this Board to direct you to move from an accrual to a cash basis.

**Mr. Cornell** stated right, and I think...

**Alderman Lopez** interjected I don't believe so.

**Mr. Cornell** continued just so we're clear, we believe our fiduciary duty is to inform the City of our best estimate of what is the accrued liability for 2008.

**Mayor Guinta** stated what I'm trying to avoid is you telling us one thing and then telling the DRA something different.

**Mr. Cornell** stated how we get that money is, if there is another account...but we feel our fiduciary duty is to inform the Board what the liability will be. We still feel that the liability is going to be the \$1.6 million.

**Alderman Gatsas** asked what's your liability on a cash basis? That's what I want an answer to. The cash basis for the 2008 and 2009 budgets. What is your cash basis?

**Mr. Cornell** s responded it would be significantly less...

**Alderman Gatsas** stated I don't want to hear 'significantly'. I want to hear a number from you.

**Mr. Cornell** stated if you could let me just tell you the challenge...

**Alderman Gatsas** interjected we've done this enough times. Give me a number of what you as the Assessor believes the cash amount is. You only need to give me a number. You don't need to give me an explanation, just as answer.

**Mr. Cornell** stated some depends upon where the real estate market is heading but just for a number I'll throw out there anywhere from \$700,000 to \$1 million.

**Alderman Gatsas** stated so if I give you \$1 million, you as the professional, on a cash basis, we're giving you the top of the number. If I gave you \$1.2 million, would you feel comfortable would you feel comfortable?

**Mr. Cornell** asked on a cash basis? Probably so, just because of the lag time.

**Mayor Guinta** stated I still think there's an issue here.

**Alderman Gatsas** stated on a cash basis, he's fine, with that number being looked at as \$1.2 million, Your Honor, with \$600,000 coming back and \$600,000 from the previous budget, that gets us \$1 million that we can move in different line items to help your budget out.

**Mayor Guinta** stated I don't disagree. However, my question is, so next year let's assume the liability is \$1.6 million. Is that an accrued method or a cash basis?

**Alderman Gatsas** responded we're always going to move forward on a cash basis. Everything on this sheet that we do on the budget is all cash. There is no question that our budget is a cash budget. So why would we look at one of the line items that's the largest and use that as an accrual basis, and that's \$600,000...what's \$600,000 on a tax rate?

**Mr. Cornell** responded probably about six cents.

**Alderman Gatsas** stated so that six cents we're throwing out, the taxpayer is paying for it, but it's not utilized dollars. They're just paying it and it's not coming back to them. There's no reason to tax them six cents if they don't need the money.

**Mayor Guinta** stated I'm trying to determine...the Assessor gives me a recommendation when I'm putting my budget together, and he and I had this discussion when he first became an Assessor and I first became a Mayor about

accrual versus cash. Obviously, I felt I had lost the argument because we've been going accrual. My preferred method, I think, is cash, for the exact statement that you're making. I want to make sure that if the assessor gives me or this Board a number and we budget differently, what is the effect when the tax rate is set in November. That's what I'm trying to get at.

**Alderman Gatsas** stated the tax rate that's set on a tax basis, I think we just had a statement from him, that on a cash basis, he would be convinced that \$1.2 million on a cash basis for that number would be fine when he goes to set the rate with the DRA, that if he says that we are on a cash basis and it's \$1.2 million, I don't think there is going to be any discussion.

**Mayor Guinta** stated he doesn't even need \$1.2 million though.

**Alderman Gatsas** stated I'm giving him \$1.2 million to give him a comfort level so he doesn't squeeze his lips as hard as he's been squeezing them.

**Alderman M. Roy** stated David, earlier in your statement you confirmed with Alderman Smith that we could put \$1 million on that line item. And when you go to Concord in November you'd support that, knowing that should it run over three, four or five years down the road that the City is not going to leave the Board of Assessors hanging. Isn't that your statement from earlier?

**Mr. Cornell** responded right, for this...

**Alderman M. Roy** stated yes or no. It's going to be a long night, trust me. So yes, that was your statement. While I agree that we don't...and I didn't like it when we switched the way we budgeted this because all of a sudden we can't account for money each year. I'd much rather use the \$1 million number, give

you that, have you back it up in November at the DRA, and that's a six cents savings on the tax rate.

**Mr. Cornell** stated for this year we'd use the \$1 million. One million dollars in the budget and bring \$600,000 forward to get to the \$1.6 million.

**Alderman M. Roy** stated and whether we change it to a cash or accrual, you'll live with whatever we do.

**Mr. Cornell** stated if you change it to a cash basis, clearly our analysis would be different. The analysis that we performed is based upon an accrual based accounting system. If we switched to cash our number would be significantly less.

**Mayor Guinta** stated there are two different things we're talking about here.

**Alderman M. Roy** stated I realize that. I'm trying to get to the lowest number.

**Mayor Guinta** stated if it's a cash basis then in that case we have a surplus in that fund.

**Alderman M. Roy** asked what can we do with that surplus? The question is for the Solicitor.

**Mr. Cornell** stated previously all of the funds that have gone into the overlay account have always stayed there. If there was any surplus, it would be moved forward, or in many cases, each year there was a deficit because it was on a cash basis and each year you were putting money into the account and then instantly rolling it back into the previous years.

**Alderman M. Roy** stated right, so you're accounting for it that way. But if you end up with a \$2.4 million surplus, my question for Finance or Solicitor's is what can the Aldermen do with that?

**Mr. Tom Clark**, City Solicitor, responded the overlay can only be used for tax abatements.

**Mayor Guinta** stated the question is, if we move to a cash basis, there is existing money in the overlay account that theoretically would be surplus funds because they were appropriated under the accrual basis, but we would be moving to a cash basis. So the question is can the Aldermen utilize those funds?

**Alderman Gatsas** stated the \$600,000 that you have as surplus in the 2008 budget, not 2009, 2007 year, you have a surplus, that number must move into the overlay account for the budget we have before us in 2009. So if I look at the 2009 budget, you have \$1.6 million plus \$600,000 that's coming in from the previous year. That brings you to \$2.2 million in 2009. If we subtract from the 2009 number on a cash basis, you would have \$1.2 million to go forward within this budget.

**Mr. Cornell** stated right, for the \$1.6 million in the Mayor's budget, we would reduce that by...

**Alderman Gatsas** interjected no, no. I don't want you to reduce anything. We'll do the reductions. When you bring forward the number into the Mayor's budget, that brings his number up to \$2.2 million. Do you agree?

**Alderman M. Roy** asked can I interject there?

**Mayor Guinta** stated let him finish.

**Alderman Lopez** stated we're really making this difficult. It's so simple. I don't know why we're making it so difficult.

**Mayor Guinta** stated I think there are two different things we're talking about here. We're talking about an additional \$600,000 that could reduce the proposed overlay for this year, but then there is a secondary issue we're talking about which is moving from accrual to cash.

**Alderman Lopez** stated that's correct, which would be \$1.2 million.

**Mayor Guinta** stated not necessarily, no. I think it would actually be more.

**Alderman Lopez** stated I think you have to go back to the abatements that he has to take care of from the previous years. That's where you have the \$600,000 that he's moving forward. He's got to have something. You just can't take all that surplus away from him. He would not have anything to pay if something happens. We would have to fund the money. If we go into the 2009 budget...it happened one year, we had to find almost a half a million dollars because of a mistake the Assessors made. Not these Assessors, okay. We had to take it out of the department heads. So we have to be very, very careful moving forward. I think the simple math is there is \$600,000. If he puts \$1 million in the overlay in 2009, that's \$1.2 million, simple. And let him have the previous ones that was already audited.

**Alderman Gatsas** stated if the Mayor's budget were only \$600,000 for 2009, and we changed to a cash basis, and you moved your \$600,000 into the \$600,000 the Mayor had in his line item, that would give you \$1.2 million on a cash basis for 2009.

**Mr. Cornell** stated or we'd reduce that number down to zero.

**Alderman Gatsas** stated let's not go there. The Mayor's budget was only \$600,000, not \$1.6 million but \$600,000, and we moved \$600,000 going forward, that's \$1.2 million on a cash basis. Would you feel comfortable with \$1.2 million on a cash basis?

**Mr. Cornell** responded on a cash basis that would probably be sufficient.

**Mayor Guinta** stated you're actually identifying one million dollars.

**Alderman Gatsas** stated what I'm saying is if your budget only had \$600,000, and if we moved \$600,000 from the 2008 budget into that, that's \$1.2 million.

**Mayor Guinta** stated that actually saves \$1 million in 2009.

**Alderman M. Roy** stated I agree with Alderman Gatsas except for his starting point. If we're switching to a cash basis, my understanding would be, we take the overlay account and zero it out. Whatever you're going to spend in fiscal year 2009, we would have to appropriate. Is that correct? And Mr. Sanders can answer that.

**Mr. Sanders** stated that's one of the reasons that I asked for this schedule earlier.

**Alderman M. Roy** stated just so I'm clear, and this is where I have a problem with it. Alderman Gatsas is using the \$600,000 that you had identified to Alderman Smith earlier as money not spent in 2008. What I'm saying is the number, counting the last ten years is significantly different than just the monies that you didn't spend in fiscal year 2008. And I believe you said earlier there are \$2.4 million. So if we were to start today with a cash basis at close-your-books, you would have \$2.4 million in your overlay account and we would have to fund every dime that you spend in fiscal year 2009. Is that correct?

**Mr. Cornell** responded under the cash basis.

**Alderman M. Roy** stated we're not talking about what the dollars are, but we would have to fund 100% of that in order to keep you whole, and then you would report that to DRA and that would become part of our tax rate. My problem with this is where we're starting. You can't start at \$600,000. You have to start at the full amount, which is, as you quoted, right now \$2.4 million.

**Mr. Cornell** stated we have the \$2.1 million currently set aside. Of that \$2.1 million, basically all of that except \$600,000 will be used to pay off these previous years' abatements. So, I would look at that money as basically spent because it's a liability that's accrued. We're probably going to be writing the checks back, so all of that money is spent except \$600,000.

**Alderman Gatsas** stated if the City closed down June 30<sup>th</sup> of this year, you would have \$2.7 million in an account, of which you're saying \$2.1 million has to pay from the years behind and there would be an extra \$600,000 sitting in that account.

**Mr. Cornell** stated that's correct.

**Alderman Gatsas** stated that's the simplest method, so if we took that \$600,000 and we wanted to start the City up again, we could take that \$600,000 and tell you to go on a cash basis. If the Mayor had \$600,000 in his account, we'd put \$600,000 from when we closed with his \$600,000, and we'd have \$1 million that we could withdraw from the Mayor's line item. Correct?

**Mr. Cornell** stated under that scenario, that is correct.

**Mayor Guinta** stated you're still giving him a cushion though.

**Alderman Gatsas** stated I'm giving him a cushion, yes, Your Honor.

**Alderman M. Roy** stated in your April 22<sup>nd</sup> memo, switching gears from the overlay, if you add the technician you can add \$3 to \$5 million in tax base, right?

**Mr. Cornell** responded that's correct.

**Alderman M. Roy** stated your current staffing, if you get out and start performing some of these inspections, what do you feel you can add to the current assessed valuation?

**Mr. Cornell** responded we're doing it now. It's just we feel that with this additional position, the extra properties we can get to, annually we think we can pick up between \$3 and \$5 million.

**Alderman M. Roy** asked in your professional estimation, how much do you think is out there if you were to pick up 100% of it, in missed evaluation?

**Mr. Cornell** responded for the big stuff...let's just say \$30 million, and most of that is all really small stuff because anything big that requires anybody to see, typically they always pull a permit. So that's just minor stuff like interior improvements, basement finishes, those minor \$10,000/\$20,000 at a time adds up when you have 32,000 properties in the City.

**Alderman M. Roy** asked do you feel that's \$30 million that's missed currently?

**Mr. Cornell** responded that's an estimate. It's actually probably higher than that.

**Mayor Guinta** asked for each million that you can find in valuation, what does that translate to in a dollar amount in lost revenue?

**Mr. Cornell** stated a little under \$17,000 right now.

**Alderman Smith** stated I'm sorry I brought this up! David, we've had some brisk conversations, as you know, and I apologize for my actions on one day, but I just want to go back on some of the figures that I had because I was on the Committee on Accounts for six years. The year 2003, everything is done with. Every case is done and you have \$30,000 to the plus. For 2004 you have right now \$37,000 some odd, with about 19 cases pending. Is that correct?

**Mr. Cornell** responded for 2004 we have two cases.

**Alderman Smith** stated in regards to 2008, I think the actual figure for the budget overlay was \$1,640,360.

**Mr. Cornell** stated yes, \$1,639,685.

**Alderman Smith** stated what I'm getting at is that we have this money and we haven't utilized it, and I think you can bail out a few departments and if you say a surplus, I'll certainly take what we can get because we certainly need everything we can possibly get for the various departments. Anything you can do, I certainly appreciate, and I thank you for your time.

**Alderman Gatsas** stated Mr. Sanders, I had asked you for two things last week: one, to show us one of these sheets, the Mayor's budget sheet that pulls out workers compensation...

**Mr. Cornell** interjected if I could just point out one thing, it's been our understanding that the accrual method is the preferred method and the appropriate method. If you would like us to go to a cash method, if you could just vote on it so we know this is the direction we're supposed to be going, because our analysis has been based on an accrual method.

**Alderman Gatsas** stated we'll certainly give you that opportunity. If you can find \$1 million, you'll be on a cash basis. Your Honor, what we have here is when I asked Mr. Sanders, he prepared a document that we're somewhat familiar with. It shows the expenditures and the revenues as you presented them to us, and then removing, as I had asked him, so that your budget would be an apples to apples comparison with any changes that might be made by the Aldermen, to pull out from the departments the workers compensation, the CG&L, the retirements, FICA and unemployment and look at that from the basis. They add up to the same thing. It's a zero increase, no matter how you do it on either side. But I just wanted to make sure when they were...as you can see when you pull out, I'll give you an example. If you just look at the Aldermen, they go from \$77,000 as you had shown in your budget, to \$70,000 because the benefits drop down to the

bottom lines for health insurance and workers compensation. Those are the calculations that Mr. Sanders has done, and if anybody wants, I'm sure he can give you verification that he has done those numbers, and they add up to where the budget is. The following pages, Your Honor, just so there is no confusion by the departments, these were done so that each department would look at their salary line and their overtime line, and their budgets would be released of the CG&L, the workers compensation, and unemployment, so their numbers are the numbers that we see on the front for their departments. So I think it's only fair, when somebody says 'give us a number that's two percent less' that it's truly a reflection of what they can reduce by two percent because they don't have the ability to reduce workers compensation, unemployment, or retirement because those are line items that are not adjustable to them. So now I think that if we say to them, 'give us a number that's based on a two percent reduction,' they can go through their line items and say they are pulling out \$20 for paper because that's two percent of a number. I think that is a clarity position for the departments, and at least an apples to apples comparison when we look at what we can do with the departments and where they're at. The numbers in the next pages at least give the departments the opportunities to look at their line items in their budgets. The other thing that I would ask him to pass out is we had talked last week about the possibility of looking at pre-spends from the 2008 budget so that there is absolute clarity, that we would ask every department without playing, without moving or hedging one department to another, because some departments may have more line items in their budget than others, that we ask for a description, and I'm not looking to...whatever department comes back with a number that they can describe the amount and the line in the Mayor's budget that they can buy for cash in 2009, I'm asking them to look at the 2009 budget and purchasing whatever they can purchase and give us a list so that we can go through it as a Board.

**Alderman O'Neil** asked Alderman Gatsas could you give a few examples?

**Alderman Gatsas** responded let's go to the Building Department, which is on page three or four of the report you just got passed out, and let's go down to Printing and Publishing, line item 0550. In the Mayor's budget he's got \$3,000. They would describe it as line item 0550, Printing and Publishing, the amount of \$3,000 and then they would pre-buy it in 2009. So I'm looking at the 2009 budget. That could be a pre-buy for that department in the 2009 budget. So whatever they find that they can find in their line items, either in CIP or in cash, then I would recommend that they put this on the sheet and get it back to Mr. Sanders by noontime tomorrow.

**Alderman M. Roy** stated while I appreciate some of the things that department heads can't control coming out of their budgets, I just want to make a statement that there are things left in the budget, Street Lighting in the Highway Department comes to mind, well over a million dollars, that we still need to be cognizant of. When we say two percent cut, there are departments that still have some significant numbers left in their budget that the department head still has no control over. And while I appreciate these coming out so we can compare apples to apples, let's be careful with our thoughts when we start saying two percent here or four percent, because there are still some very large ticket items. Solid Waste and Street Lighting come to mind as two very significant numbers that the department head cannot change.

**Alderman Gatsas** stated with all due respect to my colleague, I'm not looking to subtract numbers; I'm trying to give them numbers.

**Alderman M. Roy** stated I'm just letting the Board know.

**Alderman Gatsas** stated and I guess the only questions I have after that, Your Honor, if I can have Fire up here and ask them some direct questions.

**Alderman Gatsas** asked Chief, is it my understanding that the shortfall you had talked about the last time we were all together, you have found the ability to find \$700,000 in those line items?

**Fire Chief James Burkush** responded I guess you need to restate the question.

**Alderman Gatsas** stated Your Honor, maybe I misunderstood your comments this morning. My understanding was that you met with Fire on Friday and that you had worked out some additional...

**Mayor Guinta** stated I didn't meet with Chief Burkush.

**Alderman Gatsas** stated I apologize then, Chief.

**Mayor Guinta** stated I believe right now the request, over and above the proposal, was \$1.8 million. Is that a rough number? I think there are \$700,000 worth of savings that we could achieve. I'm not sure that Chief Burkush would agree with them at the moment, but I think there is \$700,000 worth of savings that we could look at. It has to do with looking at the overall complement of each shift, looking at what if any apparatus have additional members that we could move from full time shifts to the floater positions, increase the number of floater positions and use those positions to backfill vacancies. I'm not sure that Chief Burkush has agreed to that at this point, but it's something that I think we could consider. It would also require us not to make the promotions and it would require us to have an additional number of uncommitted or floaters.

**Alderman Gatsas** stated so, Your Honor, if I understand you correctly, of the \$1.8 million, you said you found...or you assume \$700,000 if you sat down with the Chief and moved numbers around. What do we do with the other \$1.1 million?

**Mayor Guinta** responded I think the number comes down to \$1.1 million.

**Alderman Gatsas** stated that's what I'm saying. From \$1.8 million, if the Chief is saying, versus your budget, they are short \$1.8 million, and you think that you've found \$700,000 in savings in moving shifts around and things like that, are you telling us to come forward with \$1.1 million? Is that what you think is the number?

**Mayor Guinta** stated I think we could come down to \$1.1 million from what the Chief is saying.

**Alderman Gatsas** stated from \$1.8 million, take \$700,000, that would be \$1.1 million. So that would be increasing your budget by \$1.1 million.

**Mayor Guinta** stated I'm not saying I would increase my budget, I'm saying...

**Alderman Gatsas** interjected I know what you're saying, Your Honor. I hope you just found it in the million dollars you just took from the Assessors. I applaud you for being that kind to me. So let me ask direct questions of the Chief, and Chief, there's no question that Chief Kane used to come before us and I used to really bang on the table and say when I look at an overtime line as high as the ones that are in Fire, then it's cheaper to hire a body. And I know that some of the units might say no because that's their overtime. I would say to you that if we could

find ten employees at \$55,000, which would be \$550,000, I could write your overtime line to zero.

**Chief Burkush** stated that wouldn't happen.

**Alderman Gatsas** asked that could happen why? In the private sector that's what you would do.

**Chief Burkush** stated when you're running an operation 24/7...that would be okay if you had everybody working the same shift.

**Alderman Gatsas** stated that's not true. If I had three shifts, that's what I would do.

**Chief Burkush** stated well, the structure of the Fire Department, it just doesn't operate that way.

**Alderman Gatsas** stated the structure of the Fire Department I understand. If you hired ten bodies then you shouldn't have any overtime because that money would go into accommodating the vacations that you have. We've had this discussion with Chief Kane an awful lot.

**Chief Burkush** stated it wouldn't work out that way. We have to start...

**Alderman Gatsas** interjected tell me how you'd like to start.

**Chief Burkush** stated the difference between our budget and the Mayor's proposed budget is \$1.852 million. Of that, that is 31 positions eliminated: 21 layoffs and nine vacant firefighter positions if we are allowed to promote and one

administrative assistant position. To save the 21 positions we need \$1.132 million.

**Alderman Gatsas** stated I'm going to give you 26 positions and I want you to cut the overtime. I'm going to give you five more firefighters, and then I want you to tell me what you're going to reduce overtime by.

**Chief Burkush** stated we estimate if we had six positions we could save \$51,000 in overtime in July, because we estimated that the July cost would be around \$70,000 and the six positions would save \$51,000 for vacations only.

**Alderman Gatsas** stated if that's what it is, if it's \$68,000 that you could save in overtime in July and you told us the biggest months are July and August for vacation, tell me where the other \$700,000 goes for overtime, or the other \$640,000 for overtime.

**Chief Burkush** stated we have 46,000 hours of leave in calendar year 2007.

**Alderman Gatsas** asked and how many hours is it per week per firefighter?

**Chief Burkush** responded if you take the 46,000 hours times \$35 an hour, which is the average overtime salary...

**Alderman Gatsas** interjected that's not the answer I asked you.

**Chief Burkush** stated 42 hours a week.

**Alderman Gatsas** stated so 46,000 divided by 42 hours a week gives me 1,095 hours that I have to find somehow. So if I divide that number by the number of firefighters I need, that's 1,095 hours for 42 firefighters. Is that the number I'm coming up with?

**Chief Burkush** stated probably. We've done studies. The Buckley report has done studies on whether to hire firefighters or just to do it strictly on overtime. That report I studied; it was basically inconclusive. You have to have a mix in the department, and the department has 16 what we call uncommitted personnel to cover the staff, to cover staffing when we need to cover our positions. With the 16 that we had last year we were able to keep our overtime under...we had \$770,000 in our overtime account. If we maintain those positions, we would continue to control overtime costs. Anything less than that amount, our overtime will go up. If you hire additional people, the overtime will go do, but your costs are going to go up. The salary line will go up.

**Alderman Gatsas** stated right, but if I gave you five firefighters times 42 times 52, that's 2,184 hours that we would give you.

**Mayor Guinta** stated and they would go to the uncommitted list. Are you saying that the uncommitted list is the floaters?

**Alderman Gatsas** stated you could bring them on full time. If that's what the vernacular is, that's fine. If you manage your overtime, that means that a Chief or a Captain isn't going to go in for a person that's at the lowest level that might be getting paid...I don't know, what's the lowest level hourly wage, \$35?

**Chief Burkush** responded it's a firefighter's rate. You're correct.

**Alderman Gatsas** asked and what's a Captain's hourly wage?

**Chief Burkush** responded it's significantly more.

**Alderman Gatsas** stated give me a number, because we should hear it in public.

**Chief Burkush** asked you want to know the hourly rate of a Captain on overtime?  
It's \$44 an hour for a Captain.

**Alderman Gatsas** stated so at time and a half...

**Chief Burkush** stated that is his time and a half rate.

**Alderman Gatsas** asked he's less than \$20 an hour?

**Chief Burkush** stated time and a half is \$44.

**Alderman Gatsas** asked he's less than \$30 an hour?

**Chief Burkush** responded the average Captain, yes. We have some that are paid more, but you have to take an average of seniority.

**Alderman Gatsas** stated most Captains are over \$52,000.

**Mayor Guinta** asked what's the average salary of a Captain? Isn't it over \$90,000?

**Alderman Gatsas** stated the point I'm making, Chief, let's assume it's the \$10 that we were just discussing, \$45 to \$35. Does it make sense that when we can find somebody to do the job of the \$35 per hour that we would pay him \$18 because he would be on regular time as a new hire?

**Chief Burkush** responded that's correct.

**Alderman Gatsas** asked wouldn't you do that if it were your company?

**Chief Burkush** responded absolutely, but not everybody works on the same day. That's the problem. You might have your needs all on a Saturday for the following week. You have to schedule your people in, and a need might arise, a vacancy might arise on a Sunday. We do our staffing the week before for the following week. You do all your assignments of your uncommitted personnel. You cover your vacations. You cover your sick leave and your single shift vacations. And then those assignments are given out the previous week. You might have a vacancy that comes up on a Saturday and you've got them all covered and you're still going to be in an overtime situation. So you cannot eliminate the overtime totally. That's why I say you have to have a balance of uncommitted.

**Alderman Gatsas** stated let me give you a number because this is the only way I can look at it. If your gross wages were \$15, 215,000, do you think it's reasonable that we should give everybody a four percent increase on this number? That's what the overtime accumulates to is an additional four percent on wages.

**Chief Burkush** stated if you look historically back at the department...

**Alderman Gatsas** interjected don't ask me to look at 2006 because our complement was higher and the overtime was less. I've already looked at it.

**Chief Burkush** stated I think right now we're going in the right direction as far as having a balance of people, per overtime and staff.

**Alderman Gatsas** stated if we want to keep the overtime where it's at, I agree with you. The same philosophy I had with Chief Kane, and it took five years for him to hire an additional five people to reduce overtime from \$1 million to \$700,000. It might take me four years, but sooner or later, you might be convinced to hire five more people and reduce the overtime an additional \$300,000.

**Chief Burkush** stated we've looked at other communities. We've looked at Nashua; we've looked at Salem; we've looked at Derry. Small communities have had a larger overtime budget than ours for the simple reason that they don't have floaters to cover. We looked at those 46,000 hours. It would be \$1.6 million in overtime, and we're paying \$700,000 in overtime per year. So we feel that we're managing it. It's a number one priority. We're on it every day.

**Alderman Gatsas** asked so you don't like the idea of hiring five more firefighters to reduce your overtime?

**Chief Burkush** responded I'd like to have a full staff and complement...

**Alderman Gatsas** interjected I'm giving you full staff and five more.

**Chief Burkush** stated I'll take it.

**Alderman Gatsas** asked five more and you'll reduce overtime by how much?

**Chief Burkush** responded if you gave us five more positions they would certainly pay for themselves.

**Alderman Gatsas** stated from 21 to 26.

**Chief Burkush** stated I don't know where you're coming up with 21.

**Alderman Gatsas** stated 21 is what you told me you needed for full complement. All right, let's just deal with firefighters.

**Chief Burkush** stated if we're allowed to make the promotions, we'll have nine firefighter vacancies.

**Alderman Gatsas** stated forget about promotions. How many vacancies do you have without them?

**Chief Burkush** responded six.

**Alderman Gatsas** asked so if I gave you eleven, if I gave you five more without promotions, how much would you reduce your overtime budget by?

**Chief Burkush** responded probably \$250,000 to \$300,000.

**Alderman Gatsas** stated you've got to give me more than that, because the five guys are going to cost me \$275,000.

**Chief Burkush** stated I can't give you more than that because not everybody works on the same shift.

**Alderman Gatsas** asked are you saying it's a negative effect?

**Chief Burkush** responded no, it's probably a wash, just like the Buckley report stated.

**Alderman O'Neil** stated Alderman Gatsas, I think you're the one many years ago that led to the Buckley report. That just confirmed what we always thought. The Chief used the term that it's a wash. I think no matter how you lay the numbers out, it's either floating or uncommitted staff versus overtime and it equals out. Where the significant savings can come in with the uncommitted staff is with two factors that we're not talking about: sick leave and whether someone is out for a day or somebody requires...I don't know, you had a firefighter...I'm trying to think of one that was not a workers compensation related injury, but you've had firefighters out with medical issues that were not related to the job for an extended period of time. Those firefighters need to be covered. And then we also need to factor, when there are firefighters out, this is the best scenario, with nobody out on injury leave. I recall a fire a number of years ago where four firefighters went through a porch up by Central and all four of them were out for an extended period of time. All four of them needed to be covered. Their shift needed to be covered for an extended period of time, so I think if we lay out just overtime versus uncommitted, as the Chief used the term, it's a wash. But then the factor that he has no knowledge of...if he does know what his number of sick leave hours are going to be for the next fiscal year, or his workers compensation, he probably shouldn't be the Fire Chief. He should be doing something else and making some money. The other thing that enters in here, maybe, Chief, you should explain the

contractual obligations. You can't just decide tomorrow...there is a schedule that has to be laid out regarding the contract, which we all voted for on the City side.

**Chief Burkush** stated I tried to illustrate the fact that the assignments are made and you just can't move personnel. You have to follow the seniority clause in the contract, to cover...but that doesn't entail too much cost. You're able to manage that issue. It does occur, but we control the costs the best we can.

**Alderman O'Neil** stated but you usually try to split up the uncommitted to the four working groups. You can't just put them all on one work group. I think you made that statement earlier. It might help one shift but it doesn't help you on the next three shifts. Your request a week ago, maybe two weeks ago now, was give me approval to put the...you mentioned 16 uncommitted. How does that break down?

**Chief Burkush** responded it's usually full staff is nine firefighters, three captains and four lieutenants.

**Alderman O'Neil** stated and again, the officers - the Captains and the Lieutenants - it falls into the same situation as the firefighters. Is that correct?

**Chief Burkush** responded that's correct.

**Alderman O'Neil** stated they would cover other officer positions. And I think the Buckley report confirmed that.

**Alderman Gatsas** asked has that infamous Buckley report been circulated to everybody? I've never seen it.

**Alderman O'Neil** stated the author is here. You have seen it. The author is here and he made a presentation on it a few years ago.

**Alderman Gatsas** asked who is the author?

**Alderman O'Neil** responded Kevin Buckley, the internal auditor.

**Alderman Gatsas** stated he might have done it in front of your Committee on Administration.

**Alderman O'Neil** stated no, he did it before the full Board, I'm pretty sure.

**Alderman Gatsas** stated I'd like to see a copy of it.

**Alderman O'Neil** stated maybe Mr. Buckley, Your Honor, can get all the members of the Board a copy of it, but I believe the Chief is right. It confirmed that the overtime dollar amounts equate to the uncommitted amounts.

**Chief Burkush** stated it talks about how overtime gets to the point of saturation, and I'll use the example of Christmas Eve. We were unable to hire people...it's not mandatory overtime so we were unable to hire a position and we had to put a company out of service because we didn't have a company officer. That's a fact and it happens on occasion, that you get a saturation point of overtime. That's why we need a balance of personnel, of uncommitted and an overtime budget to manage. Over the past few years, we've been reducing overtime through good management practices. Not too long ago our overtime was near a million dollars and it's down to \$700,000.

**Alderman J. Roy** stated thank you for bringing up the contractual stuff, Alderman O'Neil, because it's a balancing act; it's a fine balancing act between this overtime and personnel and it's a very difficult one that the Chief has got to deal with. And he's absolutely right. When you get to holidays or Saturday, which is the last day of the week, it's very difficult to move people around. So we couldn't eliminate overtime completely. In his defense, there may be a fine line in between, but I think they've been toying with that for a while and haven't been successful in getting it down any more.

**Alderman DeVries** stated Chief, when you calculate the needs for overtime, when you go through this balancing act, you're trying to look at the number of floaters to keep for the high utilization months, which are July and August, and again around Christmas, but not have so many extra firefighters for the lean months, which are maybe October and the spring months, so that you're not paying a lot of extra salary for people you don't need during those lean months, but you have enough floaters to utilize in the heavy months, in July and August. That's the balancing act I saw Kevin Buckley try to extrapolate. Are you carrying the right number of firefighters so that you minimize the summer months but not paying a lot of extra money the nine months that you don't need that high number? What I didn't see in the Buckley report that I would have liked to have seen a better breakdown of was some of the officer overtime. I believe it focused mostly on firefighters and I didn't think it really factored in the Captains and Chiefs to see if there was a way at the higher ranks to have more floaters or proper positions filled and prevent some of the overtime use. That may be something that making the promotions of District Chiefs, you may want to go back and see if there is any money that could be saved in overtime.

**Chief Burkush** stated we're budgeted 258 total personnel. As you know, 225 are line personnel. Personally, I don't look at them as extra personnel. I look at them as all necessary personnel, the full staffing, the full complement. We use these people. They provide service. It's not like they're not providing service 365 days of the year. I think the department needs to retain all of the staffing. In the off season this gives us an opportunity to send people for training without incurring overtime. We can use these people. They provide quite a bit of service as fully staffed companies rather than minimum staffed companies, as you know. I'm not looking at the 258 as being overstaffed. I think that's a complement we need to maintain up and down. It's a good number, a balance between staffing and overtime. There are some occasions where we're up...three or four companies will have that extra personnel. But that's just a big advantage when we're rolling into the many fires that we do.

**Alderman DeVries** stated Chief, what I would like you to do, because 258 is a great number to try to build the department toward because as you know, we've had the conversation, Manchester doesn't have the appropriate number by national standards of firefighters riding on the apparatus. To me, increasing to 263 is a good thing anyway, and I would never argue against that with you. But I would ask you maybe to go back and look at that once again to see if there is a number we should increase, and as I said, if making the higher promotions and/or filling out positions, if there is a recommendation you could bring back to us tomorrow, that we would save in the overtime if we would allow some of these positions to be filled out. It is expensive to cover a District Chief through overtime, and I don't know how much of that is going on.

**Chief Burkush** stated normally the District Chief rank doesn't get any overtime. They have four on shift and one uncommitted and basically they've been eliminated from overtime. It only happens when there are two of them out for an

unexplained reason. At the District Chief level, overtime is basically nonexistent. Even at the company officer level...we can provide for you company officers' overtime.

**Alderman DeVries** stated there is not a lot of overtime in Manchester. As a matter of fact, several people have indicated that they had wanted to come to Manchester until they realized that the overtime opportunities aren't there as compared to surrounding towns. So they've not come to Manchester. They've gone to Salem or Nashua where an annual salary nets them a whole lot more money.

**Chief Burkush** stated two firefighters have gone to Salem just for that reason, but that's okay.

**Alderman J. Roy** stated Your Honor, on the radio show this morning you pointed out that you could make \$700,000 in savings. And I think I heard you say here tonight that you were thinking of relocating people from pieces into the uncommitted pool. Is that what you said?

**Mayor Guinta** responded I think there are a few things we should look at. First of all we should look at not filling the vacancies. I think we have to have a discussion about whether we need two Deputy Chiefs or three. But let's assume for discussion that you have two. You would have to keep one DC vacant for the year, and what you have to do is have either Deputies or Captains fill in, should there be a need. You have to keep a floating Captain vacant, and in that situation, you'd have to require Lieutenants possibly to fill in at a pay differential. And in addition to that, you have to look at apparatus to see if there is any that is staffed at a level that you could reduce one staff member. So if you have 51 on a shift, if you go down to 49 a shift, that creates eight uncommitted. I'm not saying it's

optimal. You have to look at the quints, see what personnel you have in the quints, see if they're being used as a quint or if they are being used as an engine. If they're being used as an engine, go to what a typical company would look like with three instead of four, and that gives you two per shift, so it gives you eight uncommitted. You move the eight into the uncommitted list; you've increased uncommitted and you're utilizing the quints as one piece of apparatus instead of giving you the flexibility of several pieces of apparatus.

**Alderman J. Roy** stated I just want to caution here because the reality is that the greater majority of the apparatus that Chief Burkush is in charge of are understaffed. They've got a pump that only has three people on it. When you get to the scene, you've only got two people to work, an officer and a firefighter. Seeing that we've got a two in-two out rule, those numbers don't quite make it. So, we're taking a lot of risks there already. Ladder trucks, we've got two people on a ladder. The safe way to raise a 35 foot ground ladder is with four people. That's how we train people, to lift it with four firefighters, yet we've only got two. If we're talking about dropping the staffing down on a ladder truck or a pump or the quint, and there's two of them, if I'm not mistaken. You talk to two people and the reality is that those are on the outskirts of town in areas that it's a long time waiting for help to arrive behind you. If you get there with just three guys on a pump, where four guys really makes a difference, especially in the time of a rescue or something really significant.

**Mayor Guinta** stated I'm not saying eliminate one position for every piece of apparatus because I agree there is some apparatus that we can't do that with. I'm just looking at options here. The two quints, if you brought them down to three, it would give us a total of eight because it's one per shift. So it's four per quint, so that's eight uncommitted firefighters. So, you move those eight into the

uncommitted number. The uncommitted goes up. The result is that you have 49 instead of 51 on a shift. That's a possibility that could occur.

**Alderman DeVries** asked is that a contractual obligation though, Your Honor?

**Mayor Guinta** responded I have not looked at the contract. Are we even using a quint up at Hackett Hill right now?

**Chief Burkush** responded no. That quint has been out of service for a year.

**Mayor Guinta** stated we have four on an engine, right?

**Chief Burkush** responded we've reduced that for a year. This budget year we're at 50, so we've already made that adjustment. We have one quint left on East Industrial Park that operates with four men on it.

**Mayor Guinta** stated so if you do it for the other quint, that gives you four uncommitted.

**Chief Burkush** stated right, we haven't reduced that piece of apparatus.

**Mayor Guinta** stated to answer Alderman Roy's question, that's the road I was looking at.

**Alderman M. Roy** stated all I can say is my head is spinning a little bit. I wanted to talk about committed personnel and things like that, but I'm going to go back to the basics. The number you received from HR to have a full complement, what was that number?

**Chief Burkush** asked would that be our budget request, the one that we wanted?

**Alderman M. Roy** stated the number you received from HR. I can help you. It's \$17,635,881. The number that's in the Mayor's budget is \$1,920,000 less than that. So we're already factoring in vacancies. We're already factoring in people who are on our approved complement not being at work, whether it's through time out, vacancies, whatever. But I'm going to go a different direction because of the conversation we've taken. Chief, of the past five fires...how long has it been since we've had five fires? Are we talking a week, two weeks, three weeks? The most recent five active fires in the City.

**Chief Burkush** responded in the month of April I think we were at over 30 fires.

**Alderman M. Roy** stated let's take the month of April. How many of those did you have the right number of command personnel on the ground to work the fire?

**Chief Burkush** responded initially we operate with a District Chief. As we go an extra alarm, we have to call somebody. Somebody has to come in. So, we've had multiple alarm fires this year where Chiefs have had to come back in.

**Alderman M. Roy** stated tell me if you don't want to answer this. In your debriefings, how often, as Alderman Jim Roy has said, have the two in-two out on a piece of apparatus, how often has that been...I'll say followed? I think it will be a far less number.

**Chief Burkush** responded anytime you're outside of the inner city where one piece of apparatus shows up, a single piece, they're not operating the two in-two out rule. It's where when companies arrive together, headquarters or an engine or

a ladder arrive together, then we're following the OSHA standard of two in-two out.

**Alderman M. Roy** asked but even in the inner city, is that always followed?

**Chief Burkush** responded because we are arriving together, we have a couple of companies together, we are in compliance for two in-two out.

**Alderman M. Roy** stated your District Chiefs, how many vacations do you have coming up in the next three or four weeks, or I'll say before the next fiscal year?

**Chief Burkush** responded we have three more weeks of vacation coming up.

**Alderman M. Roy** asked what does it cost you in overtime to fill those positions?

**Chief Burkush** responded \$2,800 a week.

**Alderman M. Roy** stated so we're talking about \$9,000. And the vacation time that you have in July alone, you're talking about \$51,000?

**Chief Burkush** responded no, it's way over that. We're estimating \$78,000 overtime for July vacations only, if we run at the same level that we're operating now.

**Alderman M. Roy** asked how many vacancies will you have? I'm going to hold a few questions because I could go on for a while, but we have the forestry unit out at Engine Eight. How often does that respond to forest fires?

**Chief Burkush** stated depending upon the season, that truck is utilized probably 100 times a year.

**Alderman M. Roy** stated I'm going to ask even a more basic question: Of your entire complement, every piece of apparatus in the City, if you were to meet NFPA standard, are any of them staffed correctly?

**Chief Burkush** responded probably one piece, probably the rescue company.

**Alderman M. Roy** asked out of how many pieces?

**Chief Burkush** responded we operate eleven engines, six ladders.

**Alderman M. Roy** stated so of 17 or 18 pieces in the City, one is staffed correctly and that's your rescue company.

**Alderman Shea** stated Chief, in recent years the schedule of shifts has changed. I believe now the firefighters and other personnel are on a 24 hour period on and then is it three days off and then 24 on again. Is that right?

**Chief Burkush** responded they work 24-7's. That's correct.

**Alderman Shea** asked so how does this compare to previous shifts firefighters had? In other words, is there any difference between prior shifts versus this shift? Is this working out?

**Chief Burkush** responded this work schedule is pretty effective. It's working out pretty good.

**Alderman Shea** asked I know contractually we have agreed to this, but I'm just asking, would staffing be more efficient if they were, say, on a 12 hour basis?

**Chief Burkush** responded no, it's a wash. Instead of working ten hour days and fourteen hour nights, it's pretty efficient. They are allowed to separate the shifts if they need time off or swap or take single shift vacations. We feel it has been working out really good.

**Alderman Shea** stated so run me through. When does a shift begin for a firefighter?

**Chief Burkush** responded they begin at 8:00 in the morning and work till 8:00 the following morning.

**Alderman Shea** asked and their efficiency and so forth isn't compromised by having 24 hour shifts?

**Chief Burkush** responded no, we actually run into less problems with overtime. When we were working 10/14, sometimes you would get companies tied up from 4:00 to 6:00 in the afternoon, which is a busy time. That's been pretty efficient. It's working out really good.

**Alderman Shea** stated so your recommendation would be to keep this type of shift.

**Chief Burkush** stated actually, across the country, even on the west coast, they are looking to go to 48 hour shifts, two days in a row. So it's a pretty universal standard. It's been very efficient.

**Alderman Lopez** stated I do not believe we're going to solve the problem of \$700,000 in the period of a month. Something has got to be worked out. If the Mayor, you and the union, it is what it is. I guess my basic question goes back to Alderman Gatsas's question: With five new firefighters, you're going to save...the \$250,000 that you're going to save is not from the \$700,000 but from the additional \$500,000 that you wanted in your budget. Is that correct?

**Chief Burkush** responded that's correct. If you want to maintain the Fire Department at the staffing levels that you're operating on now, which is 50 people, we've estimated without the floaters, you're going to need \$500,000 more in the overtime line. It's been debated and we've looked at it. We've looked at the vacancies that have occurred in the calendar year of 2007, which we've discussed. Without the uncommitted people to cover the vacancies, if you want to maintain the City Fire Department, that's what we estimate the cost is going to be.

**Alderman Lopez** stated, Chief, you run the Fire Department very good, okay. I know in my eight years here, I don't know what you call it. Is it roving or uncommitted? Which is it?

**Chief Burkush** responded it's called uncommitted personnel.

**Alderman Lopez** stated former Chief Kane used to close fire stations and move firefighters around. Can you still do that? If you decided you could save \$250,000 and we gave you five new firefighters, and you wanted to save some more overtime, is that possible to do?

**Chief Burkush** responded I wouldn't recommend closing any stations.

**Alderman Lopez** stated I know you wouldn't recommend it, but if you didn't have the personnel, you'd have to do something.

**Chief Burkush** stated that's correct. We don't have any extra staff. One quint is down to minimum. The other quint is a functioning company. We don't have many options because we're 95 percent salary. We've got contractual obligations to pay people when they come to work. We pay them time and a half for overtime. Our current overtime budget...we went into last year with a good complement of floaters, so we don't have many options when you're looking at running a Fire Department. We don't have the options of shutting down at night or shutting stations. If we're forced to, we would have to close stations if we don't have the personnel. You're going to have to tell me what level you're going to fund it at. If we talk about saving...we don't want to lay off anybody, so we'd get \$1,132,000 and that's been confirmed by the Finance Department. That would leave us...

**Alderman Lopez** interjected let me stop you there. And you have the promotions. And we already said we're not going to do the promotions. You have a District Chief. How much money overtime does he save if you had another District Chief?

**Chief Burkush** responded right now we only have four District Chiefs because I was allowed to make one a Deputy. So there is going to be an overtime situation in that office. There has been this week.

**Alderman Lopez** asked how much is that if it was carried like that for the whole year?

**Chief Burkush** responded they are all senior personnel. Each Chief can take five weeks vacation, so there would be 20 weeks. There are four of them in that office. So they could take 20 weeks vacation a year, at \$3000 a week to cover them, \$2,800 a week to cover.

**Alderman Lopez** asked for how many weeks?

**Chief Burkush** responded 20 weeks.

**Alderman Lopez** stated so, making a District Chief, out of the \$56,000...does anybody know how much that is, subtracted from \$56,000? If this Board directed you to promote a District Chief, how much money would that save going into 2009?

**Mayor Guinta** asked how much does a District Chief make? Let's start with that. Alderman Lopez is talking about \$56,000 which is \$2,800 times 20 weeks is \$56,000. What does a DC make?

**Chief Burkush** responded a District Chief makes about \$95,000.

**Alderman Lopez** stated I'm talking about from what point would you make a District Chief and how much more money he would make.

**Chief Burkush** asked do you mean from a Captain to a District Chief?

**Alderman Lopez** stated I would presume you would promote a Captain, right?

**Chief Burkush** responded it's a 14 percent difference. Two steps.

**Alderman Lopez** stated it's something to look at. I think we're trying to find where we can get cut out some more overtime in order to save money. And the other thing, I think it's going to take a little while to negotiate with the Mayor and come up with that \$700,000.

**Mayor Guinta** stated maybe I can ask it a different way. If the Aldermen...if a budget approved... if an adopted budget at \$1.1 million more than the Mayor has proposed, what would you do?

**Chief Burkush** asked with a \$700,000 overtime line?

**Mayor Guinta** responded yes, let's assume right now that every other line item stays the same. You just get an additional \$1.1 million instead of the \$1,801,900. What would you do?

**Chief Burkush** responded we'd have to place apparatus out of service.

**Mayor Guinta** stated so the scenario that I suggested wouldn't be considered or wouldn't work?

**Chief Burkush** responded we would have one quint that we could pull four people off for uncommitted.

**Mayor Guinta** asked would you make the promotions?

**Chief Burkush** responded I wouldn't make the promotions if you only gave me \$1.1 million.

**Mayor Guinta** asked and are you saying that with the \$1.1 million you would still have to pull a piece of apparatus out of service? For what period of time?

**Chief Burkush** stated just in July we have 50 vacations. If you divided that by four weeks, that's ten guys a week that will be on vacation. That's not counting sick leave, extended other leave. We would be looking at, probably running instead of 50 on duty, probably 42 or something like that. We'd have to make adjustments.

**Mayor Guinta** asked for the year?

**Chief Burkush** responded no, it would be for the summertime, the highest time. The peak month is July, which we've historically done. It tapers off into September, then picks up again in hunting season, and back up at Christmas and peak weeks like that. There would be certain weeks that we would be down eight to ten people per shift.

**Mayor Guinta** asked how many uncommitted do you have now, Chief?

**Chief Burkush** responded we have eleven right now.

**Mayor Guinta** stated so if you took one off of one quint, that would give you fifteen. And what are you doing right now with the other quint up at Hackett Hill? You're saying that's actually down to three?

**Chief Burkush** responded that's correct.

**Mayor Guinta** asked how long has that been?

**Chief Burkush** responded that piece of apparatus has been out of service since last summer. It's been wholesaled, or sent to the auction. So we don't have that quint.

**Mayor Guinta** asked what replaced the quint?

**Chief Burkush** responded we're running a spare piece, 1987, a 21 year old, refurbished fire truck. We have three people on it.

**Mayor Guinta** asked you've had three people on that for how long?

**Chief Burkush** responded since last summer when we put the piece out of service.

**Mayor Guinta** stated you're already doing that, so you're running on 50 then. Let's assume you continued running 50, what number are you saying you need in order to not have a layoff running 50 people, with the \$700,000 overtime? Somewhere between \$1.1 million and \$1.8 million, correct?

**Chief Burkush** responded that's correct.

**Mayor Guinta** stated so, if you run 49, you can come down to \$1.1 million.

**Chief Burkush** stated the quint on East Industrial Park with three people, that's one person per shift.

**Mayor Guinta** stated so that's four total. You put those four in the uncommitted. I'm not saying eliminate the positions. I'm saying move them to uncommitted. Maybe Alderman Lopez is right. Maybe we should sit down and talk about it a

little bit more because I think there is a way to do it without putting something out of service.

**Chief Burkush** stated no, there is no way of doing it, Your Honor. There are 50 people on vacation in July. You divide that by four. There are four work groups. So some shifts we're going to be down probably six guys per shift, sometimes more, sometimes less, depending on sick leave. We've got the vacation list here. So I pick up one guy in Engine Four. I have to come down to a level and then start hiring with a \$700,000 account. So whatever that level is, we'll have to adjust from there. Without the uncommitted, we figure it's going to be \$78,000 in overtime in July for vacations.

**Mayor Guinta** asked and the vacations you can't control, can you?

**Chief Burkush** responded that's correct.

**Alderman Gatsas** stated Chief, I thank you for bringing the Buckley report in because sometimes, as I've learnt in this business, that when you bring something in, sometimes when you look through the report, there's other things that bring other things to light. So, I look at this and I ask the question...It says, 'Observation #1 The Manchester Fire Department should develop programs designed to reduce sick leave'. And the auditees' response: 'As of July 1, 2004 the joint wellness will be in effect as agreed by both the Department and the union.' I don't know what happened to joint wellness because we were supposed to have an agreement, Your Honor, that you were supposed to sit down with the union and that was when we passed it. I thank everybody for bringing this forward. Now, if I go to the next observation. 'Vacation scheduling allows the number of firemen on vacation to exceed the number of relief personnel.' That's an observation that he talked about. So, the observation and the

recommendation...and here's the auditees' response to that observation: 'The department honors its contractual obligations by allowing 20 line employees per week to be on vacation.' Is that the contract or more?

**Chief Burkush** responded that's the contract.

**Alderman Gatsas** asked do you allow more than 20?

**Chief Burkush** responded no, you can only have two people per company, so that's correct.

**Alderman Gatsas** stated so, it's twenty. So, all these things that we're talking about...I guess if we gave you five more firefighters, you could reduce the complement, or you could extend the vacations. And 'Observation #3 Training classes do not appear to be scheduled to minimize the amount of overtime needed to cover vacancies'. Is that true?

**Chief Burkush** responded that I think refers to the recruit school. If you read that whole report it refers to the recruit school timing, which has since been changed. We hire in January so we're not incurring overtime for recruit school. That's been adjusted.

**Alderman Gatsas** stated so you took this audit report, you adjusted one of them.

**Chief Burkush** stated that report was...Chief Kane was there when...

**Alderman Gatsas** stated I didn't mean you. I meant the department. I apologize, Chief. But everybody threw out the Buckley report, so I just wanted to look at it, and those were recommendations of 2003. So, somewhere between the number

that the Mayor threw out at \$700,000, you think there is a possibility that you could sit with him tomorrow and work out a number that you might...at least the Mayor came up \$1.1 million. So we're only looking for another \$700,00.

**Mayor Guinta** stated I didn't say that either.

**Alderman Gatsas** stated well you've been using it, Your Honor.

**Mayor Guinta** stated I'm going to find more savings, hopefully.

**Alderman Gatsas** stated I don't have a problem, but there is only one problem. We should be looking at these savings starting July 1<sup>st</sup> for next year. But for now, you and the Chief ought to sit down and see if there is anything between the number that you've thrown out and whether there is something that can be agreed upon and move forward, because at least we've got you saying that you need somewhere of a million...

**Mayor Guinta** stated I'm not sure I could do it Tuesday but I think I could do it Wednesday.

**Alderman Gatsas** stated I certainly would ask you for your indulgence for tomorrow because I think there's probably going to be a budget coming in tomorrow.

**Chief Burkush** stated the numbers are what they are. I don't know what you're looking for, for us to save. I've sat with the man for two hours, and I think it's up to the Board to tell me what level you want to fund this at. We've talked to the Mayor; we don't always agree on the utilization of personnel, and I don't see either of us changing our position on utilization. That audit also said that the

department ought to look to reduce overtime, and since that time...it was \$975,000...the Department has reduced overtime to \$700,000.

**Alderman Gatsas** stated that was reduced because they hired five more employees.

**Alderman O'Neil** stated I don't think there are five more employees since that report was done. I'd like to see that proven. Last time we hired additional firefighters was when Station Eight opened up. There have been no additional firefighters.

**Mayor Guinta** stated I know we have reduced the appropriation of overtime. We have done that.

**Alderman O'Neil** stated I think that's from management practices. Chief, I want to make sure I understand these numbers. You're \$1.1 million off to prevent any layoffs at the Fire Department, correct?

**Chief Burkush** responded the actual number is \$1,132,000.

**Alderman O'Neil** asked do you happen to know what the number is, either as group or individually, for the nine floating firefighters, what their salary and benefits are? And I'll ask the same thing for the four Lieutenants and the three Captains.

**Chief Burkush** responded the 16 uncommitted cost us \$917,084.

**Alderman O'Neil** asked do you have it broken down by their groups?

**Chief Burkush** responded yes I do. The Captains are at \$81,000. Lieutenants are at \$69,000. The firefighters are at \$44,600.

**Alderman O'Neil** stated and even if you got that additional \$900,000 you still have...the Mayor has \$700,000 of overtime in the budget, correct? Even if that \$900,000 became available, correct?

**Chief Burkush** responded we have \$700,000 in the Mayor's proposed budget.

**Alderman O'Neil** asked if that \$900,000 was not available for the uncommitted, what's the overtime?

**Chief Burkush** responded \$1.6 million is what we've estimated.

**Alderman O'Neil** stated so you need \$900,000. So there's the wash, correct?

**Chief Burkush** stated we did a study on it and we had the 46,000 hours of leave in 2007 and that's what it came out to. It's a good number.

**Alderman O'Neil** stated and if we do not provide any additional funding, if we don't provide the \$1.1 million, there will be closing of fire stations, correct?

**Chief Burkush** responded if you don't provide \$1.1 million, there are 21 firefighters going home.

**Alderman O'Neil** stated so there would be several stations closed, probably for the year.

**Chief Burkush** stated yes, we have two fire inspectors, a dispatcher...I think there was 15 firefighters.

**Alderman O'Neil** stated so that's one double company fire station completely closed. Aren't there 16 firefighters in there?

**Chief Burkush** responded with the layoffs you're looking at possibly two double companies closed.

**Alderman O'Neil** stated closed for the year.

**Chief Burkush** stated you're looking at 15 firefighters.

**Alderman O'Neil** stated without the overtime or the uncommitted there is going to be closing of fire stations, and then if there's no the additional funding to prevent the layoffs, the \$1.1 million, there will be closing of fire stations.

**Chief Burkush** responded absolutely.

**Alderman O'Neil** stated and fire service will be greatly affected in the City of Manchester, correct?

**Chief Burkush** responded you have seen the successes of the Fire Department at its current level. Nobody can argue with the work that's been done in this City. That is attributed to, number one, a rapid and efficient response. The City needs to fund the department at its current level and then trust us to manage the overtime as prudently as we can. There's no other way of saying it. We need the personnel and the trucks. And the layoffs, there's two fire inspectors, a mechanic, a

dispatcher. Our salary line went up nine percent but that was due to contractual agreements. It has nothing to do with anything else but.

**Alderman O'Neil** asked Your Honor, are you recommending in your budget that we close fire stations? How do you suggest we make up just the basic \$1.1 million that has layoffs in it? And then there's the additional \$900,000 for the uncommitted or \$900,000 in overtime.

**Mayor Guinta** stated well I think we have to look at the entire budget as a whole. We can't just look at one portion of the budget. We've got to look at the entire budget. This exercise is requiring us to think a little bit differently than in years past, but I think we have an obligation to go through it because the alternative is something that I think a majority of this Board aren't willing to do, which is the 16 percent hike. I believe that this Board does want to try, in the overall scope of the budget, to look for ways to get more efficient. If you can find it in one area, and a majority of the Board feels it can be re-appropriated and adopted to the Fire Department, I certainly support that. Earlier today it looks like there is a possibility that some additional dollars were found. That might happen Tuesday and Wednesday of this week as well. I don't want to compromise the public safety of the City.

**Alderman O'Neil** asked would you agree with the Chief's position that if there aren't additional funds found or added to his budget, there will be fire stations closing?

**Mayor Guinta** stated well, not necessarily. I think that \$1,132,000...I'm not convinced that at \$1,132,000 you have to close fire stations. So that's one of the reasons I would want to sit down with him again this week.

**Alderman O'Neil** stated and what about...you mentioned making up \$700,000 in overtime.

**Mayor Guinta** stated the appropriation was \$700,000 for overtime. I was saying, to be whole we were around \$1.8 or \$1.9 million, if you filled every vacancy that existed. I was coming down to \$1,132,000, which doesn't require a layoff, according to the Chief, and the way I got to it was by doing a series of things. You would have to change the per shift complement. You would have to increase the number of uncommitted employees. You would have to insure that the promotions did not occur and either Deputies or Lieutenants or Captains would have to fill in at certain times of the year. There are some things that are out of his control. Vacation is out of his control. There's really no limit. Well, technically there is a limit. In the contract, it's 20. But that doesn't really help the Chief. So there are some things that our out of his control. I don't disagree. They are for short periods of time, so we've got to figure out how to close that gap for those short periods of time.

**Alderman O'Neil** asked so if you don't do the uncommitted officers, what happens if an officer calls in? Pick a fire station in the City. What happens if an officer is out sick or is on vacation, and there are no uncommitted officers? Does that fire station close?

**Mayor Guinta** stated if there's no uncommitted, that's correct, but I'm not suggesting we don't have uncommitted.

**Alderman O'Neil** stated but you said no promotions. He needs to do the promotions to create a pool of uncommitted Captains and Lieutenants.

**Mayor Guinta** stated no, no, no. What I said is you have to keep a vacancy. Is there one Captain that's vacant right now? If you keep that vacant, you have to pay a Lieutenant a differential to fill in that vacancy. I don't believe you have to make the promotion. There is a provision, I believe, where a Lieutenant could technically fill in and get the differential. I'm not saying it's optimal, but it is an option.

**Alderman O'Neil** stated you made a statement earlier that he should not make any of the promotions. Those promotions relate to seven uncommitted officers that if he doesn't have them and there is scheduled vacation or sick time, the company has to close for that shift.

**Mayor Guinta** stated he said there was a company closed on Christmas Eve. From time to time, it sounds like that happens regardless.

**Alderman O'Neil** stated well that was one company, and to the best of my knowledge, that was a company downtown. There were still three other companies in service. What happens if it's out at Station Seven, or Station Nine down on Calef Road?

**Mayor Guinta** responded I think that's why you have to have a high number of uncommitted.

**Alderman O'Neil** stated then he needs to make the promotions. Are you agreeing that in the uncommitted there needs to be uncommitted Captains and Lieutenants?

**Mayor Guinta** responded no, what I'm saying is I think for this year we've got difficult choices to make because we have reductions in revenue. So, the options before us are not options that everyone is necessarily comfortable with. We have to have a conversation about them.

**Alderman O'Neil** stated you didn't answer my question, Your Honor. If he does not have uncommitted Captains, he has to close fire stations.

**Mayor Guinta** stated you'd have to use a Lieutenant. We've got 40 Lieutenants.

**Alderman O'Neil** stated on overtime.

**Mayor Guinta** stated but it's cheaper for a Lieutenant...

**Alderman O'Neil** asked to work as a Captain for a premium?

**Mayor Guinta** responded I believe it is.

**Alderman O'Neil** stated I'd like to see the math on that one, Your Honor. And I don't know what happens contractually on this either.

**Alderman M. Roy** stated I'm going to try to break this down a little bit simpler. Chief, you said earlier that you have 20 weeks of vacation that have to be covered just at the DC level: four gentlemen, five weeks each, 20 weeks, totaling \$56,000 in overtime to cover just those vacations. A Captain you said makes 14 percent less than a DC. Just doing the math, you said the DC was at \$90,000. That puts the Captain at \$77,400. That's a difference of \$12,600. In my company, if I can save upwards of \$44,000 by promoting someone, I'm going to promote them. And that's just me. So I can't understand why one of the recommendations and

one of the things we're held up on is whether or not to have that extra DC, because to me it's a \$40,000 decision that we can use right now. So, as Alderman Lopez went through the exercise of what the difference is and what each person makes, I think the position should be filled, not necessarily on the merit of whoever you promote, but just on the simple fact that we'll save that money throughout the year. Translating that down, the difference that a Lieutenant makes when they cover for a Captain, I believe that's ten percent, contractually.

**Chief Burkush** stated I think it's three percent when a Lieutenant works up.

**Alderman M. Roy** stated and then plus the overtime for what they're doing. Could Linda or you quickly do the math on what one shift of a Lieutenant covering an uncommitted Captain or a Captain slot...I mean, I know it depends on seniority and...

**Chief Burkush** stated the Lieutenant would get his time and a half rate if there wasn't a Captain there. So if the Lieutenant is making \$1,200 a week, he'll get \$600 for covering a night shift, with overtime.

**Alderman M. Roy** stated I just want to reiterate and have you say yes or no. Looking at your staffing as it is now, ground personnel responding to fires...and I'm a little bit concerned about this because even our Auburn Street fire, it's my understanding that we had constituents and off-duty personnel making some of the saves in that building. Could you expand on that? I know the fire was put out and people were saved, but how close did we come to losing people?

**Chief Burkush** responded we were right in the inner City; we had a really good response time; the apparatus was all in service. It was just going. Had you not been in that situation, I mean, we did have three firefighters on the aerial trucks,

which is more than we normally have. So we had a lot of things going with us for that fire.

**Alderman M. Roy** asked had one of your engine companies downtown been closed, what would the result have been?

**Chief Burkush** responded you're waiting for...the next due is...some of those streets rolling in are on that, Webster Street's pulling down. You've got to wait for them, the travel time to come down, so another three or four minutes. And people were jumping out the windows when we got there.

**Alderman M. Roy** stated so just to break that down, you had excellent response time. It was a downtown fire. If one of those companies had been out of service or not manned with an officer, it would have been four or five minutes longer.

**Chief Burkush** stated the outcome probably would have been different.

**Alderman Lopez** stated I don't want to just go over everything because I think he gave us the information here. Whatever the Mayor wants to do...maybe you guys can go have a beer later and figure things out. \$1,139,000 is what you need, and keeping ten vacancies. In addition to that, if we let you keep ten vacancies, you need an additional \$500,000. That's what you said.

**Chief Burkush** that's what we're estimating, Alderman.

**Alderman Lopez** stated and it would be nice to find \$700,000, as this conversation started off. I would like that too. In the \$1,129,000, the promotions are not in that number. But it's in the \$1,852,000. Is that correct?

**Chief Burkush** responded that's correct.

**Alderman Lopez** stated so I think maybe in conversation with the Mayor, whatever is the best way...even to save \$50,000. I don't know. If you promote a District Chief, you don't have to pay the overtime. So I don't even know what that number is anymore, going into 2009, but I think we all understand the numbers and what we're going to play with here and what has to be done. And I think as a Board here, and the direction the Mayor wants us to go, and the direction we want the Fire Department to go, we have to make a decision: either give you more money in overtime, or less money and manage it whatever the case may be, and some of the recommendations in the Buckley report, take a look at next week. We're not going to solve those problems in a month, not with the union. So, we're kidding ourselves if we think anything different. I'd like to hire five firefighters, and that's going to save \$250,000 in the overtime, but you've got to pay the salaries, so it's a wash. I know the numbers. I think everybody else got the numbers. It's a case of working with the Mayor and moving forward here. And maybe you guys can solve this by noon tomorrow and come back and say, we had our meeting, we disagree, we'll make a decision and move on. Is that okay with you, Your Honor?

**Mayor Guinta** stated I have to check to see what my schedule is in the morning. I potentially have some time in the afternoon. I'm meeting with Police at 2:00, depending upon how long that goes. We've got a 5:30. I can meet with the Chief maybe at 3:30 or 4:00. I think I've got a full schedule in the morning.

**Alderman Lopez** stated play sick and cancel all your schedules.

**Alderman Gatsas** stated Your Honor, in your budget obviously you saw that we realized a million dollars tonight. If the budget were to stay at zero, would you recommend that that million dollars go into Fire? That's an unfair question. Let me verify that if the budget was at a zero percent increase, and I know we've been having a dialogue about Fire and \$1.1 million, and I guess that's a shift from what your budget was looking at, with an assumption we were receiving a million dollars more in a couple of different accounts.

**Mayor Guinta** responded if I had a million more to spend, you'd probably see different numbers in some of these lines, including Fire. They'd be higher.

**Alderman Gatsas** stated so we've seen \$2 million tonight. We saw a million come in from the Assessors and the Building Department said a million, based on Jac Pac.

**Mayor Guinta** stated assuming it's all received in 2009.

**Alderman Gatsas** stated the number for Jac Pac looked like it was going to be higher. I reduced it and said that percentage coming in this year. So, if there was \$2 million, you're saying that those numbers...

**Mayor Guinta** stated if I had those numbers in January, February, March, the budget may look different in my budget presentation.

**Alderman Gatsas** stated as long as it's still at zero.

**Mayor Guinta** stated I can check my schedule and see if the Chief and I can chat again tomorrow.

**Alderman O'Neil** stated if you can't meet with the Chief and Linda until Wednesday, there's no need in them coming back tomorrow night.

**Mayor Guinta** stated this would be whatever the pleasure of the Board is. If I can't meet with them until Wednesday, and the next time we're going to have a discussion is Wednesday night, unless the Board objects, I have no problem with Fire not being here tomorrow evening.

**Alderman Lopez** stated we'd like you to meet with him.

**Mayor Guinta** stated tomorrow.

**Alderman Gatsas** stated I would suggest that you attempt...there may be something coming forward tonight, so certainly if you and the Chief can sit down and negotiate something in between, and I'm not saying that that ends the story but...because we all know you need the votes to move something forward.

**Mayor Guinta** stated it looks like we'll meet tomorrow.

**Alderman Shea** stated this is not directed toward the Fire Department, but are you going to use the same kind of thinking in terms of one department versus another department? We do have critical shortages in different departments and I'm not sure, I guess you're adamant about your own budget, so you're kind of looking at the Aldermen to move things around so that their budgets for different departments would concur with the tax rate. Am I drawing the right conclusion here?

**Mayor Guinta** stated I don't know that any Board of Aldermen has ever 100% adopted a Mayor's recommendation. Things do change in the course of two months. Some of the issues that I was trying to grapple with are how to put a budget together meeting the needs of each department, and trying to keep in mind that a 16% tax hike was probably not reasonable to taxpayers nor to a majority of this Board. So as we go through this process, I'm more than willing to look at changes that Aldermen would like to make. I have no objection to that. I'm just trying to keep the tax rate as low as possible because it's not just this year that I'm concerned about. It's revenues for the next three years that I'm concerned about. We've got to make some tough choices now. The more tough choices we make now, it becomes a bit easier as the years progress, and if we have additional revenues that we're not anticipating, then all the better. I'm trying to balance the best I can.

**Alderman Shea** stated right, and I understand that, but I'm just wondering if, again, without necessarily putting you on the spot, but maybe I will, are you going to leave your particular budget in place and ask the Aldermen to change it or are you going to work with the Aldermen if a change is proven to be necessary to deliver City services?

**Mayor Guinta** stated I'm not going to alter the proposal that I've made. Again, I could do that. Actually, by turn, I'm not sure that I can. I have to make a presentation by a certain date by Charter. Obviously from March 31<sup>st</sup> till today, expense items may change, revenue estimates might change, overlay changes, tax valuation changes. I would expect changes to occur through the budget process and I knew that when I crafted the budget.

**Alderman Shea** stated what I'm trying to get across is that obviously there are certain Aldermen who look to certain departments as, I guess, essential to City

services, and others look upon other departments as essential to City services. And therefore, if there is only so much to divide up among resources that we may find, that are available through overlays and through health benefits and through workers compensation and every other place we can dig in to and try to get monies for, that's going to be the problem that we're going to have to fight out if, in fact, you're standing on the sidelines waiting for us to come back to you and say we have this \$16.54 million but it's going to be moved around here and so forth.

**Mayor Guinta** stated I'm more than willing to...I mean, I'm here because I want to try to work with the Aldermen, and obviously things change with more information. So I'm not saying every single line item has to remain the same. I do understand that numbers change through the process, and I'm here to answer questions, to see if I can find other efficiencies, to work out ideas that I have maybe that I haven't brought forward, so I plan on being at these meetings and trying to offer my help and hopefully we can come to...

**Alderman Shea** stated I appreciate that, Your Honor, and that being said, maybe we can bring up the Highway Department because Mr. Smith and I...

**Mayor Guinta** interjected do you want to do that tonight or do you want to utilize Tuesday and Wednesday?

**Alderman Lopez** stated may I suggest a couple of things. Alderman Shea, you're absolutely right. If the Mayor has some recommendations, he can surely give them to the Aldermen. His budget is in our hands and we can go from there. What I was going to recommend to the Board, if there is no objection for it tonight, I believe that most of the departments don't have to be here. Alderman Shea brought this up to me last week, and a couple of other Aldermen, most departments don't have to be here tomorrow night except for Planning, Fire,

Police, Public Works, Parks & Recreation, and Library. Now, if we want everybody here, that's what I've got to make a decision about, or we've got to make a decision, because I'm getting feedback from the Aldermen one way or the other. If we want everybody here, we have everybody here. There's no question. What are your wishes?

**Alderman Gatsas** stated Mr. Chairman, if I may, your indulgence...There's no question that department heads are very vital to this discussion. I'd hate to get to a point tomorrow night that we've attempted to put a number together and we put a number in for a certain department and they're not here to either defend, make up re-think it, acquiesce to the number, or whatever. I think it's important that during this process the department heads are here in front of this Board. If we're putting in our time, certainly we know they should be putting in theirs.

**Alderman Lopez** stated I agree with you. I just brought it up because some Aldermen approached me, and that's fine. And maybe it's a good idea because we now have this and we have that sheet that we're going to get from the department heads tomorrow and move forward in that fashion. So make sure you get your reports in by noon, and if the Mayor and the Fire Department can meet, I don't know what can be accomplished, but there's no harm in talking. We'll see where we're going with the Fire Department from there. I would ask the Aldermen, if they want somebody else up here tonight.

**Alderman Shea** stated I want the Highway.

**Alderman O'Neil** asked is the School District coming any of the nights? I don't see anybody here from the School District tonight.

**Mayor Guinta** stated the schedule was set and made public.

**Alderman Lopez** stated no, they only come when we request them.

**Alderman Shea** asked Kevin, could you explain to us where you are right now with your budget and the implications? I know we've heard it before, but just to refresh our minds. The last time you were here was probably a week or two ago.

**Mr. Kevin Sheppard**, Public Works Director, responded sure. The proposed budget was a cut of approximately \$1.6 million from this year's number, meaning the 2009 was \$1.6 million less than the 2008 number. We've looked at, based on the budget process, looking at two divisions: the Highway division and the Facilities division, and the Facilities division is very dependent upon School charge back numbers. If the School District does cut back their maintenance services through our Facilities division, then the charge back number would get reduced as well on the City side. On the Highway Division side, our request is 103% of this year's budget, which is roughly \$900,000 over this year's budget, but that also includes \$500,000. The number, again, is \$1.9 million, but it's really \$2.4 million, but if you would give us \$1.9 million, we would manage \$500,000 in vacancies and benefits over the year. If we don't get that, the existing budget, in my opinion and the staff's opinion, is about 47 vacancies.

**Alderman Shea** stated let's talk about vacancies. How many do you have right now that are not filled?

**Mr. Sheppard** responded we've got about ten vacancies right now.

**Alderman Shea** asked and how long have they been vacant?

**Mr. Sheppard** responded actually, I have not be filling positions ever since the Mayor has given us that...the biggest reason is I don't want to be hiring people if I'm going to have to be laying them off July 1<sup>st</sup>. You need to understand that because a position is vacant doesn't mean that that position will not be hired, even if we do have to eliminate positions. An example of that is a refuse collector. I would not be necessarily laying off or eliminating the refuse collector position, but some of those people may end up getting laid off because it's last in, first out.

**Alderman Shea** asked of the \$1.6 million, or the \$1.9 million, how much of that is salaries? Is that the full implication of that?

**Mr. Sheppard** responded it's about \$1.2 million in salaries, rough numbers.

**Mayor Guinta** stated excuse me. We have a quorum call. Okay. Thanks.

**Mr. Sheppard** continued it's about \$1.2 million in salaries and \$80,000 in overtime. Actually, I have a sheet if you'd like, that goes between the current recommended budget and our requested budget. I could give you the exact line items and the breakdown within those line items.

**Alderman Shea** asked of the \$1.2 million in salaries, how many employees does that entail?

**Mr. Sheppard** responded it's the 47 employees that I had discussed.

**Alderman Shea** asked including the ten that are vacant?

**Mr. Sheppard** responded including the ten, correct.

**Alderman Shea** stated so if you did not hire anyone and you only had to keep the 37 employees there, how much would that reduce that \$1.2 million by?

**Mr. Sheppard** responded well again, just because a position is vacant doesn't mean that I don't have to fill it, and I give the example of a refuse collector. I will need to fill that position, so even though it's vacant, that is a position I will have to fill. That is not a position that I can leave vacant. So even though I have ten vacancies, I believe three or four of those are refuse collectors. I'm going to have to fill those positions. So I can't say 47 minus ten vacancies, meaning 37 people. It's 47 minus say, five positions that I do have to fill and five positions that are vacant, so instead of 47 there may be 42.

**Alderman Shea** stated I'm working from the premise that we're going to try to get money from different sources to maybe keep the tax rate at a level that's acceptable so I'm working from the most minimal level.

**Mr. Sheppard** stated I understand. The other point to remember as part of that, that \$1.9 million that I asked for includes managing \$575,000 in salaries and benefits. If we get cuts beyond that, I'm not sure I'll be able to manage the \$575,000. That \$575,000 is roughly ten vacancies throughout the year. If you take away ten more positions, I'm going to need to keep my positions full just to do our day-to-day operations. I had already taken ten positions out of my complement with my budget submission. You take ten more out of there, I'm not sure I'm going to be able to create that \$575,000 in savings that I proposed. I tried to up front give you a bottom line number, and if you cut positions beyond that, it makes it difficult to manage that \$575,000.

**Alderman Shea** stated the amount that's necessary for salaries to maintain your department, that's what I'm really trying to figure, assuming that maybe we can help you, but I don't know how much.

**Mr. Sheppard** stated I understand what you're saying. I don't mean to overcomplicate it but I've already cut \$575,000 out of salaries and benefits, so if you ask me, can I maintain ten vacancies, or five of those vacancies, I'm not going to be able to manage that \$575,000, so maybe those five vacancies...maybe I can then manage only \$275,000 in vacancies. What I've said is I can keep ten vacancies right now, throughout the year, roughly, and I will manage those from season to season. I've cut my budget. That \$1.9 million should be \$2.4 million, for example. I've already cut, I'm already managing ten vacancies in my department.

**Alderman Shea** stated so you've already existed without ten for...I don't know how many months now.

**Mr. Sheppard** stated it's not months. It's probably a month. Some of them may be three months.

**Alderman Shea** stated so what you're saying is when you brought forth your figure, your \$1.9 million, if you had included this, would be \$2.4 million.

**Mr. Sheppard** stated exactly. It assumes the vacancies.

**Alderman Shea** stated so we're talking now \$1.9 million. Out of that \$1.9 million, you said that you needed \$1.2 million for salaries and \$80,000 for overtime. Where is the rest going to be spent?

**Mr. Sheppard** stated there are a few line items. For vehicle repairs, the proposed budget is \$415,000. I've increased that to \$450,000; History: In 2007 we were at \$430,000, so that's two years ago, and this year we're projecting that number to be somewhere around \$600,000.

**Alderman Shea** asked could you get together with the Mayor at some point and try to work something out in those areas that might, again, be, I guess acceptable to both? Maybe it can't be but, I guess, and I don't want to spend all night, but I'm just saying that maybe if you can get together with the Mayor there might be some area that maybe you would say okay, instead of this we could live with that. I don't know. I'm just using that.

**Mr. Sheppard** responded sure. I'd be more than willing to meet with the Mayor.

**Alderman Shea** stated as a minimum to retain the workforce, less ten, you will need about \$1.2 million. That would be salaries and benefits, correct?

**Alderman Smith** asked Kevin, in regards to fuel, have you talked with anybody? I understand we use diesel, we use gasoline. The diesel prices are over \$4.29 a gallon, I think. I'm not sure. I know you had talked to me and the asphalt price is \$6 more per ton; salt was \$9 per ton this past year. Have you figured in those essential things we use on a daily basis during the winter?

**Mr. Sheppard** responded under the existing budget we were carrying \$546,000 for fuel. Two years ago, we used \$490,000 and this year we're close to \$600,000. So I have a very big concern that if there is a big per ton salt increase when our fuel bid goes out in September...the budget presentation I gave to the Aldermen showed right now that fuel is roughly 30% higher than what we're purchasing it for at this point. If I see that again come September, my fuel line item is going to

be very difficult to manage, but I will do everything I can to manage that within the budget, but if the budget is cut, and again, that's the big thing, I'm trying to manage within the budget. With Alderman Shea, the benefit increase, I apologize. I had given you the salary and the overtime. The benefits are roughly \$300,000, so \$1.2 million plus \$300,000 is \$1.5 million. Line item increases are maybe \$300,000.

**Alderman Shea** stated so that would be \$1.5 million rather than \$1.2 million.

**Mr. Sheppard** stated right. I apologize.

**Alderman Smith** asked how are your vehicles? I saw some vehicles up there in the garage and was amazed that they were even out on the road. One was a traffic truck, number 26 I believe. I know it's in CIP.

**Mr. Sheppard** responded along with many other departments, our equipment...and quite honestly is falling apart. We've got dump trucks that are over 15 to 20 years old. We've got salters that are over 15 years old, and the average life is eight years. We've actually requested this year, under the new spending freeze, to allow us to purchase two salters because we're concerned that two of our existing salters will not be usable next year. If that's the case, it means two trucks come off the road. I've worked with the Finance Director. I've put in a request. Those two salters are within the projection that we've provided to the Aldermen, so it will not affect our proposed projection that the Aldermen have received. I'm very concerned. We've got sweepers, and I'm sure Aldermen are probably noticing that the streets aren't getting swept right now. On an average day, we've got three people in sweepers. We may only have one or two sweepers on the road because our sweepers because we can't keep them on the road. The sweepers are probably eight to ten years old. We cannot keep them on the road.

They are outdated and they're breaking down, so the streets in the City, I hate to say it, but they aren't being swept because we can't keep the sweepers on the road.

**Alderman Smith** stated a pet peeve of mine because especially this winter we had here, is the school routes, the sidewalks going in my area, Boynton Street and so forth like that. And I get more complaints with the lousy V-plow. I'd like to have the snow plowers, if it's at all possible, and I realize they're about \$80,000 or \$85,000, but it has a nice neat cut and two days later after the fellow shovels his driveway, with the V-plow, we put the snow back in his driveway, and these are the complaints I get. Have you put in a request for a few of those sidewalk plows?

**Mr. Sheppard** responded we have, but quite honestly, they are pretty far down on our list. We feel a dump truck with a plow or a sweeper or a refuse packer is a lot more important.

**Alderman M. Roy** stated Kevin, in the last year we've had two children hit in the north end, one on Elm Street and one on Union Street. How much money does the City put toward curbing outside of the 50-50 program or sidewalks, outside of school districts and the 50-50 program?

**Mr. Sheppard** asked sidewalks and curbing? I'd have to pull up my CIP but it's probably \$300,000 to \$500,000. It's \$200,000 some years and up to \$500,000 some years.

**Alderman M. Roy** asked outside of school districts?

**Mr. Sheppard** asked oh, outside of school districts? I'm sorry. Usually nothing. It's usually the school sidewalk program. It's a schools, parks, sidewalk program, you know, the radius around the schools and parks.

**Alderman M. Roy** asked I personally think that is extremely underfunded. Switching to this budget and outside of CIP, what was the number over your budget that you spent on salt this past winter?

**Mr. Sheppard** responded we ended up spending about a million dollars, and I believe our budget was probably \$625,000. The proposed budget is \$468,000 and what I was asking for is about \$560,000. We saw an increase of roughly 25%. I think it was 15% to 20% in salt this past year. If we see an increase again this coming year which...it's tied to fuel. It's a Baltic rate. Again, you can see that that line item is...that's part of the \$300,000 line item increases that I've asked for.

**Alderman M. Roy** stated so looking at 2008 to 2009, not only are you faced with a potential 25% increase in just the cost of the product, you're only being funded slightly over what you did over and above your budget. The \$412,000 as of the end of March, and you're being funded for \$465,000 I believe.

**Mr. Sheppard** stated salt usage, for example, in 2007, if everyone remembers, it wasn't a tough year, was \$400,000. This year's is roughly \$1 million. Next year, the existing budget has us at about \$470,000. And that's without increases. And our proposal is \$560,000, and that's a very tight budget. We've said that from the beginning. Obviously, if we have even close to an average winter this year, I've got concerns with our budget.

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

A True Record. Attest.

City Clerk