

**SPECIAL MEETING  
BOARD OF MAYOR AND ALDERMEN  
(BUDGET)**

**May 14, 2008**

**5:30 PM**

Mayor Guinta called the meeting to order.

Mayor Guinta called for the Pledge of Allegiance, this function being led by Alderman O'Neil.

A moment of silent was observed in memory of Jerry Rochette.

The Clerk called the roll. There were thirteen Aldermen present.

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

Absent: Alderman DeVries

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

**Alderman Lopez** stated I would like to have Parks & Recreation come up to start off and then the Police Department and then any other department.

**Mr. Chuck DePrima**, Interim Parks, Recreation & Cemetery Director, stated thank you for talking to us tonight. I really appreciate it. Let me just first start by saying that we both...our whole department is very grateful for the work that

Aldermen Gatsas and Lopez have done because the money that they have put back into our budget has been extremely helpful in helping us overcome a lot of the difficulties that we were first faced with. Also, in the interest of being prudent I want to bring to everybody's attention some other shortfalls that will mostly likely still occur even with that budget. Basically what we did was we started out with our FY2008 budget, which was \$2,601,670. We took into account salaries, shortfall in COLA's and steps, increases in overtime and increases in utilities and fuel and increases in other spending to get to our department request of \$2,995,577. In order to get to the proposed budget of Aldermen Gatsas & Lopez, we...

**Alderman Lopez** interjected why don't you just call it the Aldermen's budget. That would be fine.

**Mr. DePrima** replied sure that would be fine. From there we were still approximately \$340,000 short from our request of \$2,995,577. So what we propose to do in order to meet that is reduce some of our overtime by roughly \$80,000, which could be made up in...most of that is for plowing at the schools. That is really the lion's share of it so an agreement may be able to be worked out with the schools regarding putting it in our budget or something creative in that area. We would have to eliminate three seasonal people. Right now they work at the Cemetery Division and that comes out to \$85,012. These are three Grade 13 staff who have been there for quite some time and they are very valuable at this time of year as we are trying to prepare the cemeteries for the upcoming Memorial Day weekend. We would also eliminate our Recreation Program, which has been in place for many years. That would save us about \$39,246, which employs about 20 kids age 17 and under. They do a lot of work for us out in the City that most of our full time staff can't really get to because they are working on more of the skilled labor of taking care of the parks, the tree work and the athletic fields. We

eliminated the line item we use for weed control, which is roughly \$31,689. That is the money that we use to hire a contractor to spray weeds in the traffic islands, poison ivy in the ball fields and mulched areas in parks like Livingston Park and Veteran's Park and Victory Park...places like that that have large mulch beds. Finally, we would have to reduce our temporary manpower by approximately 18 people, which would give us six to ten people to get us through the summer. That would allow us to meet the proposed \$2,655,465 budget from the Aldermen.

**Alderman Lopez** asked can you explain how the summer works for some of the new Aldermen so they understand about the part-timers and all of that?

**Mr. DePrima** answered basically the way our department is structured we have a core of full-time employees and these are people who have been with our department for quite some time. They are very experienced in running most of the equipment; they are cross-trained and also able to perform many duties and they focus on the work that really makes the most difference in the day-to-day function and operation of a park throughout the season. In the summertime when our workload increases exponentially as the grass grows and as the baseball and athletic leagues play, those guys continue to focus on that and we have usually 20 or 30 part-time staff that go out into areas and cut brush, pull weeds, and do other things in the periphery that our full-time crews wouldn't normally be able to get to so they are an extremely valuable complement to our full-time staff.

**Alderman Ouellette** stated as Alderman Lopez alluded to, I am one of the new Aldermen. Can you explain to me how the Enterprise system works and does that affect or help or hurt your budget in anyway in terms of revenues from the Enterprise system or is that kind of two totally separate...

**Mr. DePrima** interjected they are separate divisions. Some of our employees do go back and forth between the two entities. For example, a lot of our part-time staff that works at McIntyre Ski Area in the winter will work at the pools in the summertime, which is non-Enterprise. For the most part though, the two entities are separate funding-wise and revenue-wise.

**Alderman Ouellette** asked where does the funding for the Enterprise come from if you have a shortfall in the Enterprise fund?

**Mr. DePrima** replied fund balances in the Enterprise.

**Alderman Ouellette** asked what is in the Enterprise? The golf course is.

**Mr. DePrima** responded McIntyre Ski Area and the two ice arenas.

**Alderman Ouellette** asked and the revenues from those facilities, is that enough to fund the Enterprise?

**Mr. DePrima** responded no.

**Alderman Ouellette** asked so you have a shortfall. Where do the revenues...how do you pay for that?

**Mr. DePrima** replied we are essentially deficit spending in that division right now.

**Alderman Ouellette** stated we will have to get together in your office and go into more detail about that because I don't quite understand how that works and to my knowledge that doesn't affect your operating budget.

**Mr. DePrima** responded correct, it does not affect our general fund operating budget.

**Alderman Ouellette** asked the lease for the Derryfield Restaurant, does that go into the Enterprise fund?

**Mr. DePrima** answered yes it does.

**Alderman Ouellette** stated on my day off or whatever I will have to come in and we will have to spend some time because I really want to get a grasp on how your Enterprise fund works.

**Alderman Domaingue** stated Chuck we have spoken before several times at the beginning of the year so I have somewhat of an understanding that the pools are in the Enterprise fund...

**Mr. DePrima** interjected no.

**Alderman Domaingue** asked they are not? The parks are not in the Enterprise fund correct?

**Mr. DePrima** replied correct.

**Alderman Domaingue** asked does that money go to the general fund?

**Mr. DePrima** asked what money?

**Alderman Domaingue** replied from the rental fees for the parks.

**Mr. DePrima** stated yes it does.

**Alderman Domaingue** asked do we charge fees for the pools at all?

**Mr. DePrima** responded no, we do not.

**Alderman Domaingue** stated and the permit fees for the parks, it is my understanding are \$10 per day.

**Mr. DePrima** answered yes. It is a minimal charge and it does go into the general fund.

**Alderman Domaingue** stated I know I am attacking this less from a spending standpoint and more from a revenue standpoint but I think I had mentioned to you, and I know I had mentioned to Alderman Lopez at the beginning of the year, that I actually sat down and did the math on switching up those park rental fees from the \$10 per day permit fee to say \$5 per hour. I know that you have a shortage on park time right now for people to utilize on a regular basis so not only would that free up more park hours but it would also dramatically increase the revenue even though it goes into the general fund. City revenue is City revenue. The more we have, the more we can let you spend. I think that this is something especially this year that needs to be taken very seriously and looked into because even a slight modification and I certainly don't think...I would push for \$10 per hour and I don't think \$5 per hour is unreasonable whatsoever for these groups to be paying, would result in a large revenue increase. So as we go through this budget process, I would ask that you keep that in mind because I am certainly going to push hard for it and I am going to push my colleagues to support that as well.

**Mr. DePrima** replied we would be happy to look into that.

**Alderman Gatsas** asked Chuck, can you tell me exactly...there is \$992,000 of revenue in your line item. Can you tell me how that breaks down please?

**Mr. DePrima** answered most of that is from the Trustees of Trust.

**Alderman Gatsas** responded when you say most give me a number please.

**Mr. Rick Riddle**, Business Services Officer, Parks Administration, stated about \$500,000 from the Trustees of Trust for the Cemetery.

**Alderman Gatsas** asked and how much is in that Trustees of Trust account.

**Mr. Riddle** replied I would probably defer that question to Sharon Wickens in the Finance Department.

**Ms. Sharon Wickens**, stated about \$13.5 million. **Title????**

**Alderman Gatsas** asked how does \$500,000 come out from that account and why isn't it \$200,000? Who dictates the amount of money that comes out of that account?

**Mayor Guinta** answered I do. Typically it has been a number that has been recommended in years past by Finance and the Mayor has to decide what the number is. I think in previous years it was about \$300,000 and I increased it this year to \$500,000 based on the amount of money that was in the account.

**Alderman Gatsas** asked you increased it by \$200,000?

**Mayor Guinta** replied yes.

**Alderman Gatsas** asked what is that growth rate?

**Ms. Wickens** answered obviously with the interest rates we have been getting, they haven't been really good. I want to say last year we probably earned about \$700,000 or \$800,000 after expenses, which was decent but then the interest rates started to fall. I don't anticipate we are going to have much in income after expenses. Maybe about \$500,000 so it would be a wash.

**Alderman Gatsas** asked what happens if that \$10 million tomorrow goes away?

**Ms. Wickens** responded you can't spend the \$10 million. You can only spend the interest in the trust.

**Alderman Gatsas** stated so the interest stays and it doesn't matter so is there a reason why we wouldn't find a safer...well you are not going to find a safer vehicle obviously if you are using money markets but why wouldn't look at something that is generating like a NH Municipal Bond that is tax free that might be returning 7% or 8%.

**Ms. Wickens** stated this is in various investments and we do have a financial advisor for the Trustees of Trust Funds who recommends how to do the break out. We have to be very careful to protect this money because we can't dip into principle, so a good share of it is in fixed income, which just isn't doing well. We constantly change who we invest with.

**Alderman Gatsas** asked what is the rate they charge you for investing?

**Ms. Wickens** responded \$30,000 a year I believe is what the investment advisors charge us.

**Alderman Gatsas** asked so that is somewhere around 20 basis points?

**Ms. Wickens** answered probably.

**Alderman Gatsas** asked have we looked...

**Ms. Wickens** interjected without the contract in front of me and reviewing it I am not sure, to be honest.

**Alderman Gatsas** responded is that a yearly contract so you have shopped it.

**Ms. Wickens** replied we did an RFP yes. We sent out a Request for Proposal to see what the best deal would be and we chose Wainwright Investments.

**Alderman Gatsas** asked were they the only ones who participated?

**Ms. Wickens** responded they weren't but off the top of my head I don't recall who the others were.

**Alderman Gatsas** stated and the other \$3.5 million...you said there was about \$13.5 million.

**Ms. Wickens** answered we have scholarships. We have smaller accounts. Central Business District money is sitting there.

**Alderman Gatsas** asked are any of those funds used in the cemetery or not?

**Ms. Wickens** answered they are not.

**Alderman Gatsas** asked and what are those funds...

**Ms. Wickens** interjected for the scholarships again the principle is protected but any interest that is earned is use to give the various schools scholarship money for the year.

**Alderman Gatsas** responded so that has nothing to do with Parks.

**Ms. Wickens** replied no it doesn't.

**Alderman Gatsas** stated I will come back to Parks. The other \$422,000 in revenue, can you tell me what that is comprised of?

**Mr. Riddle** responded we probably get about \$150,000 from school grounds.

**Alderman Gatsas** asked is that a chargeback?

**Mr. Riddle** answered yes and that is actually related to that \$79,000 for example of overtime. We get that back basically plus some administrative fees from the School Department. The remainder would be things like sale of plots and graves and burial fees at the cemetery.

**Alderman Gatsas** replied so if I am reading the obituary page and there are a lot of them on there that means you guys are doing well.

**Mr. Riddle** answered if they are buried at Pine Grove.

**Alderman Gatsas** asked are you saying you collect somewhere around \$272,000 for that each year?

**Mr. Riddle** responded not that is probably like \$150,000. There is probably \$125,000 for Gill Stadium in there. The School Department pays us \$1,200 a game and \$450 a practice for Gill Stadium.

**Alderman Gatsas** asked how much do we get from Babe Ruth and Legion?

**Mr. Riddle** answered one group pays us \$75 and I am not sure which one.

**Mr. DePrima** stated the Babe Ruth doesn't pay a fee and Legion ball pays \$75 per game.

**Alderman Gatsas** replied so Central High goes to play a baseball game and it is \$1,200.

**Mr. DePrima** responded that is correct, and it's \$450 for a practice.

**Alderman Gatsas** stated let's talk about your Enterprise fund because you just mentioned that it was running at a deficit. Explain to me what...is it within our budget book here or am I just going to shell out questions that I know the answers to?

**Mr. DePrima** asked could you repeat that?

**Alderman Gatsas** asked is the Enterprise fund in this budget book? If I flip through this and I go to the back because you said to me we are deficit spending, that means the modified budget you had for FY2008 was \$5,659,000.

**Mr. Riddle** responded that is both funds I believe.

**Alderman Gatsas** stated no that is not even your fund; that is the Parking Enterprise. I find it strange that you would react that quickly to it. I guess I am going to have to flip through to find where it is. Now I have it. So can you tell me where your revenue number is on this sheet?

**Mr. DePrima** asked can we get a copy of that? We weren't really prepared to talk about Enterprise tonight.

**Mr. Riddle** answered it is two pages before the page you are on.

**Alderman Gatsas** stated let me help you out. Your revenues in 2007 were about \$1.7 million. I am looking at revenue estimates that the Mayor gave in the modified budget of \$2.3 million. That is somewhere in the vicinity of a 40% increase in revenues. At the end of March, you were somewhere around \$1.4 million. Are you going to achieve the \$2,252,000 that you had in your modified budget for revenues?

**Mr. Riddle** responded a lot of those revenues come in from Derryfield Country Club. That is the largest revenue generator and those revenues pretty much come in during May and June.

**Alderman Gatsas** asked do you think you are going to hit the \$2,252,000?

**Mr. Riddle** answered we will probably be pretty close.

**Alderman Gatsas** asked so what is that portion that comes in from Derryfield?

**Mr. Riddle** answered it is probably about \$700,000 or \$800,000.

**Alderman Gatsas** asked and what about lease?

**Mr. Riddle** answered I think they pay about \$150,000 a year.

**Alderman Gatsas** asked is that over and above debt service?

**Mr. Riddle** answered they pay 74 ½% I believe of the bond payment for the Derryfield Country Club. That is what their lease payment is.

**Alderman Gatsas** asked and the balance you take out of your proceeds?

**Mr. Riddle** responded right.

**Alderman Gatsas** replied give me an idea of what it costs to play a round of golf. Wait, before I ask you that question how much did we spend at the golf course last year?

**Mr. Riddle** answered I can't give you what we spent exactly last year but for example as of the end of April we probably spent \$650,000.

**Alderman Gatsas** asked and where do those dollars come from?

**Mr. Riddle** answered they come from the Enterprise fund. They come from greens fees and memberships at Derryfield.

**Alderman Gatsas** asked and what do you get for a total in greens fees and memberships? If I remember, the last time we went down this road it was about \$17 for a round of golf.

**Mr. Riddle** responded it is \$37 to play 18 holes.

**Alderman Gatsas** stated I am talking about membership.

**Alderman Smith** stated I have that here.

**Mr. DePrima** asked what membership costs are you looking for?

**Alderman Gatsas** answered you can give me either one because I can remember when we did this exercise; members play for about \$17/round. How many rounds are played per year there?

**Mr. DePrima** replied for a single resident it is \$787 a year for a membership; single non-resident is \$1,074; a family is \$1,068 and a family non-resident is \$1,384.

**Alderman Gatsas** asked if the Enterprise fund created a fund balance where does that money go? Let's say you had a profit this year. I know it is hard to understand but let's assume you did.

**Mr. Riddle** responded it would go to fund balance. Fund balance is basically cumulative from year to year.

**Alderman Gatsas** asked how much do you have for a fund balance now?

**Mr. Riddle** answered I believe we are in a deficit of a little over \$1 million.

**Alderman Gatsas** asked can you explain to me how you can spend a deficit in a fund balance?

**Mr. Riddle** replied actually we are borrowing money from other funds at this point.

**Alderman Gatsas** asked where are you borrowing the monies from?

**Mr. Riddle** responded whichever fund...the City pools all of this money together for a pool cash account, so if EPD for example had extra cash we would basically borrow from EPD. We get charged interest expense and EPD would get credited with interest revenue.

**Alderman Gatsas** asked how much was your deficit last year?

**Mr. Riddle** replied I am not sure what the exact amount was but it was several hundred thousand dollars. Most of the deficit is coming from debt service right now.

**Alderman Gatsas** stated I will let my colleagues ask questions, Your Honor. I think we can see that this is not an operation that we should allow to continue to exist the way it exists because there is no light at the end of the tunnel. They are just operating to operate and they probably would have filed Chapter 11 a lot. This should be our first priority, figuring out how to rectify that situation.

Whether we turn around and sell the golf course or lease the golf course or lease McIntyre or lease the rinks or do something or tell them to charge appropriate rates so we are not in a deficit.

**Alderman Domaingue** stated I think the solution here is what I have been advocating for some time, which is taking a hard look at the rates. If you are a business and you sell a service to consumers and you are not making ends meet, you raise your rates. Everybody including the local grocery store is raising their rates today to make ends meet. I may get some dissent here from my colleagues but I think what makes sense to me from a business standpoint is that we raise the greens fees and we raise the membership fees and we raise the ice fees and we raise the park fees – not outrageously or unreasonably because no matter what we raise them to they are still going to be below market rate but to a point where we are generating revenue and we are not running into this problem. It is compounding year after year and it is only getting worse.

**Mr. Riddle** responded some of the problem, Alderman, is some of these facilities are not really in businesses that can make money. Ice arenas are very difficult to make money on at this point in time. Our arenas are old. They don't offer some of the amenities the new ones do. You have seen many of the arenas that have been built over the last 20 or so years have gone bankrupt several times over.

**Alderman Domaingue** replied my response to that then is why are we maintaining them? This is what private communities are for. Let the private community fund the ice arena and build it and pay for it. Why are we holding on to things that aren't making money for the City? It doesn't make any sense.

**Mr. Riddle** stated I believe when they were built they were built as a service to the taxpayers and the constituents. It would be almost impossible at McIntyre to make money. It is something you do for the people of Manchester.

**Alderman Domaingue** responded it is a bad business decision.

**Alderman Shea** stated I would like to review a little history for everybody here. This fund that we are speaking about started in about 1994 under Mayor Wieczorek. At that time they had a slight surplus because nothing was being spent on facilities but as facilities age so did the need for repairs. It should be noted that both Water Works and Airport Authority are Enterprise funds; however, they both enjoy a constant stream of revenues whereas no stream was identified with the Recreation Enterprise fund and serious debts have resulted with serious bond rating concerns. It should be noted that both the swimming pools and Gill Stadium, once part of the Enterprise fund, have been transferred to the general fund. Also, both expenses relating to the parking garage facilities and aggregate funds have been absorbed either in payments by general fund monies or Enterprise funds. In other words, these were two previous types of Enterprises that have been absorbed by payments by the general fund. My thoughts on this would be that there should be a committee consisting of Bill Sanders, Kevin Buckley, Rick Riddle, Chuck DePrima, Alderman Lopez and Alderman Gatsas, Tom Clark and Mayor Guinta to examine the Enterprise and make a recommendation to what is best for the City to protect our bond rating and resolve debt and interest payments in this Enterprise. That really would be the way to approach it and if some of the thoughts and ideas that were spoken of by Alderman Domaingue or Alderman Gatsas...turn these things into either money-making enterprises or lease them out as you have talked about doing whether it be McIntyre or the ice rinks. The dynamics have changed since this Enterprise fund was established and it was established without any revenue stream that could be identified. It was just passed

on to your predecessor and he was told to go with it but nothing was identified. When the Water Works charges me for EPD or water rates, that is their stream. When you go to the Airport they get federal funding plus they have garages and so forth. There is no revenue stream involved in this particular Enterprise so it is really, without being too negative, a no-brainer. In other words there is no way to get out of the dilemma you are in unless this situation changes. Basically, your Honor, this is what has to be done. There is no way because next year you will come back with a debt of...instead of \$1 million it will be \$1.1 or \$1.2 million. So the ball keeps rolling in the wrong direction.

**Alderman Garrity** asked Chuck, did McIntyre lose any money this year?

**Mr. DePrima** answered yes this year we lost approximately \$87,000.

**Alderman Garrity** responded how do you lose money at McIntyre when we had snow on the ground from November until April?

**Mayor Guinta** stated advertising and utilization.

**Alderman Garrity** stated something is broken up there.

**Mayor Guinta** stated I don't mean to interrupt but we have talked about this as a Board from time to time. I think when I was an Alderman Ron Ludwig was here looking for direction from the Board and the Board was, for whatever reason, unwilling to give specific direction. After I became Mayor and I went to New York to meet with the rating agencies, this issue came up and I came back to the Board and said we do have to do something about this issue. I think that there is a combination of things. First of all, I believe we are close to issuing an RFP for management services at McIntyre right?

**Mr. DePrima** replied very close yes.

**Mayor Guinta** stated so that will happen in June. I think we need to really take a look at the entire parcel, not just the ski area portion, and completely utilize it. I think it should be a 12 month full service option on the table and I think you have to have an RFP established to have professional management of that operation. I think we have to maximize our...we have to look at all of our rates, and to be honest with you to rent a park for \$10 doesn't even meet anywhere near the obligations. When people say to me, it is only \$10 to rent a park...I mean, they are more than willing to pay a reasonable fee. I am not saying let's charge them \$1,000 but let's charge them something reasonable. Secondly, you need to have a better plan for utilizing advertising. We need to probably review all of the scheduling. We probably need to review all of the fees and determine what is fair and appropriate. I think in years past the concern was not raising fees because we wanted to make sure that families and kids particularly from the inner City had access to these assets. I think we can come up with some reasonable fee structure to insure that everybody, regardless of their means, can access these assets. I think as we move forward with making at least a final determination about Parks and whether it is going to remain as is or whether it is going to be merged with Building Maintenance or if there is going to be some sort of combination thereof that will play into this but we absolutely need to put a plan forward and address the issue. We have over \$5 million that we have to pay back the City.

**Mr. William Sanders**, Finance Officer, stated it is about \$2.5 million right now Mayor. That is the net of the advances that have been made.

**Mayor Guinta** asked is that a total? I think it is higher than that.

**Mr. Sanders** replied well, advances have been made of higher amounts but when we transferred Gill Stadium back from the Enterprise fund to the general fund, that was treated as a...

**Mayor Guinta** interjected so all of that debt came back.

**Mr. Sanders** stated it was treated as a payment.

**Mayor Guinta** stated so we still have about \$2.5 million and you are right, if we don't do something each and every year we are going to accrue more of a liability and at some point that is going to contribute to the decision-making of the rating agencies as they look at all of the factors of our bond rating. So I certainly welcome Alderman Shea's idea about putting this on the forefront and having a committee and recommendations moving forward.

**Alderman Sullivan** stated Mr. DePrima, I just want to follow-up on what we have been talking about here. Obviously we just heard that you are sending out an RFP for management services at McIntyre. Has there ever been a study performed on different options for the management of the facility? Have you looked into privatizing it or outsourcing it to a private company in the past? Has it been studied in any depth?

**Mr. DePrima** replied not it hasn't. We are hoping that the response to the RFP will provide us with that insight as to what best to do.

**Alderman Sullivan** asked has anybody ever spoken to the management up at Gunstock, which is another publicly operated ski area?

**Mr. DePrima** answered no. We have been in contact with the NH Department of Resources & Economic Development who are actually involved with Sunapee Ski Area, which is state owned and privately managed.

**Alderman Sullivan** stated you said earlier that American Legion teams are charged \$75 per game and Babe Ruth is not charged. I guess my question is how come some leagues are charged and others are not? Is there a written policy for rentals at the facilities?

**Mr. DePrima** replied there is not a set policy. The only fee structure that we have is for the School District.

**Alderman Sullivan** asked what about practices? Is anybody charged for practice time on these facilities?

**Mr. DePrima** answered the School District is charged \$450 per practice and the leagues are not charged for practices.

**Alderman Sullivan** asked so American Legion and the Northeast Football League teams are not charged.

**Mr. DePrima** answered I don't believe they practice there actually. They only pay games there but the School District does practice there.

**Alderman Sullivan** asked so the School District is charged but Legion and Babe Ruth are not charged for practices?

**Mr. DePrima** answered they don't practice there.

**Alderman Sullivan** asked Legion doesn't?

**Mr. DePrima** answered no.

**Alderman Lopez** stated I am going to yield to Alderman Smith. He is going to say some things I am going to say but he can say them a little bit better.

**Alderman Smith** stated it seems like we go through this every year and I would just like to say one thing. We took Gill Stadium out of the Enterprise and that is what we should do with the Parks & Recreation, take it out of the Enterprise. Outside of the golf course, we do not take any revenue in. I looked it up and golf fees were raised. You do have creative marketing. They do marketing. People who say you aren't marketing, I know you have. I have been at one or two meetings. In regards to the School District, I will say this once again. We give the School District a certain amount of money. If they want to use Gill Stadium that was the fee set. I just want to go into the non-profits. Can you imagine Babe Ruth where people volunteer their time are going to pay \$1,200 to use Gill Stadium? All of these non-profits...I am involved with American Legion. We pay \$75 per game, which I think is a bargain, but programs like Pop Warner...we will have a stadium with no one using it. Everybody says raise the rates. I will tell you right now on the golf fees I bet we lost 200 memberships in the last two or three years. Some might have been due to the drainage programs but you have to realize you are in competition with all of these small towns like Bedford and Hooksett who have their own ice arenas. Before JFK was the only ice arena around. I really believe that this is something that the taxpayers get for their leisure time. The Babe Ruth league, Legion, Pop Warner, Senior Football...I think Senior Football pays their costs like the School District does. If somebody is asking me about the School District and I get hit with this all of the time but if we say we are going to subsidize the School District like we subsidize the non-profits this comes out of

the Board of Mayor and Aldermen so we are all paying \$1,200 no matter which way you look at it. When somebody says that they are not paying, I would hate to charge a non-profit agency, like the Boys & Girls Club and YMCA. These people put in their time and they volunteer. I would like to say one other thing. You do not have the manpower to take care of fields. The Central High Annex field is like a dust pit. The only reason why is because it is used seven days a week from 8 AM until 8 PM. You can go there on Saturday and it is flag football. You go there Sunday...I went by Sheridan-Emmit Park the other night after the meeting and there had to be 200 kids there playing basketball or soccer. So when somebody says you want to charge non-profit agencies, I am offended by it. I think we are treating everybody, whether it is the School District or the non-profits, we subsidize and everybody pays the same amount. I am getting sick and tired...it comes out every single year. This whole P&R Department should be taken out of the Enterprise. It is a joke.

**Alderman Lopez** stated I yielded to Alderman Smith because he is very passionate about it. I sat in that same chair or a similar chair and fought with Clem Lemire not to put P&R in the Enterprise. After 18 years on the Commission, I can tell you that the Board of Mayor and Aldermen and this is where it lies okay...they would never get any money to fix things. JFK Coliseum went 25 years before we fixed the roof. It had to almost fall down and so on and so on. Now do I believe the Enterprise does serve a purpose? Absolutely. We just bonded \$1.7 million to fix JFK Coliseum. Had we not had an Enterprise it would have come out of the City side. I think Alderman Shea is right to get it a committee and get all of the true facts before we make a decision but Alderman Smith is also right. As I said last night, we have put Parks in this situation. I think one Alderman said charge more money. We tried that. The senior citizens came down and said they don't want to pay anymore money and they lobby everybody and then we call Parks in here and ask them to bring the fees down. We can't

have it both ways and I have been there. I have worked with these people. We have destroyed parks, literally. I don't know how they do it but other than being recreational people who work for Parks they are very concerned with the golf course and they are very concerned with the cemetery to try and get it fixed up for Memorial Day. It is a tough time and you have cycles. In the wintertime the obvious solution...you had a lot of snow. Maybe a lot of people didn't go skiing. I don't know what the situation is but it is a good family recreation. The Mayor has already alluded to the fact that you are going out with an RFP. That is going to help. We tried to increase the golf fees and we lost people. We have tried every imaginable thing that people can think of. You can tell me something and I can prove that we have tried it. We tried to institute a fee for going swimming. You have to pay somebody to collect the money. We tried tennis courts to put lights and a machine. Kids break it and you have to go and repair it. At some point we are just going to have to make a decision but does the Enterprise serve a purpose? To some degree yes otherwise we have to take all of that bond debt and put it on the City side and that is fine too but Alderman Smith is right. We subsidize you for Gill Stadium and if the School District and one suggestion from an Alderman and I don't know how it would work but it is something we have to discuss in committee...maybe we will just fund Gill Stadium and let anybody play there who wants to. They pay taxes. We put a lot of money in our parks. I think you alluded to it, Mayor. How much money did you say?

**Mayor Guinta** responded millions of dollars over the last ten years.

**Alderman Lopez** stated the people have passive parks, Veteran's Park, everything. At least they enjoy something. The buck stops here. It doesn't stop at Parks. They are just the victim. I hope that we can solve this one way or the other. Alderman Smith is right. I was on the Commission for 18 years and the

Board of Mayor and Aldermen talked about it for 18 years and I am on here now and it has been talked about for the last eight years. We are to blame.

**Alderman Ouellette** stated I appreciate the comments from Alderman Smith in terms of how much the School District pays in terms of the non-profits. I sat on the School Board for nine years before I became a member of this Board and I can tell you on nine separate budget talks on the school side this issue came up. It does come up over and over and over again. I was quite appalled reading in the newspaper that the former Chairman of the Athletic Committee that I served on while on the School Board...it seemed like this was news to the School Board that they paid these fees. We have been paying these fees ever since the declaratory judgment. That is why we got the declaratory judgment because a lot of it had to do with back in the 1990's the School District was charged for swimming pools that they weren't using and the School District was very upset and rightfully so. That is pretty much one of the things that predicated this whole thing and the chargeback system. So now P&R gives a detailed billing...I don't know if any of you Aldermen have ever seen it but it is quite a document. It is a lot of paper that they present to the School District quarterly. It tells everybody who has worked there. It has their timesheets. It has a tremendous amount of detail to prove the cost for running Gill Stadium and to actually come up with the proper number. I think Parks & Recreation does a good job and quite frankly I think that if they didn't manage the facility so well it probably would be more money. So to say that I think this is coming from the school side is the first I have heard of it and why these talks come up every year I have no idea but it is clear the reason why the non-profits don't pay is because this Board subsidizes it. Alderman Smith is exactly right and that is the same answer we get every single year so nothing has changed since I was on the School Board and since the declaratory judgment anyway in terms of the way we are doing it. Is it a very difficult system to maintain? Is it cumbersome? Absolutely no doubt about it, but to say that the

School District is paying too much compared to the other one it is unfair and it really needs to stop and it needs to stop right now.

**Alderman Domaingue** stated I am going to take a slightly different tact here and suggest that rather than taking things out of...and I have considered this for awhile now but rather than taking things out of the Enterprise fund like McIntyre, we ought to put Parks into the Enterprise fund. I think that what we need here is a comprehensive audit of the Parks Department and sit down and think about how we can generate revenue on an ongoing basis from parks fees and from these other things. Some suggestions...I am sort of baffled because they are coming up year after year but it doesn't seem to me like they are being acted on or that we are moving forward with any sort of background research on them. If there is one pet peeve I have about City government it is that it ought to run more like a private business. No private business would stand for this kind of insufficient revenue generating. It just wouldn't be tolerated. It wouldn't be an issue of subsidizing and I don't think it is anybody's fault per say but I do think we need to take a hard line look at generating revenue I really do.

**Alderman Lopez** asked can I respond. Alderman, there are reports to that effect. Everything you just spoke of there are reports and I think at your convenience Parks & Recreation can show you all of that stuff. You have to remember on the City side the taxpayer has already paid for all of this stuff. We have improved all of the fields and the passive parks and the ball fields. We have paid for it or the taxpayers have paid for it. The Enterprise is a different story. I don't want to debate you on whether the Enterprise can charge a little more money. The problem is the Board and that is us. They could charge \$100 to use a field for somebody to play ball out there but I will be you everybody will be knocking on your door or calling the other Aldermen and saying you are crazy. There used to be a time when you had a ball team...and I can go back to the 1980's when you

had a ball team and if you had four people on a ball team who lived out of town they paid \$50 more than the other people that lived in Manchester. We did all of those things but we can do more and we can show you. I think Alderman Ouellette is going to go up there and at your convenience if you want to do it after 5 PM I am sure they can accommodate you. Compared to all the other departments in this City, Parks is the one most talked about because they are visible. When spring comes, people jump on the fields. They don't want to wait until they are dry. They just jump on the fields. There is a period of time that everybody screams at Parks & Recreation and in the winter they are forgotten.

**Alderman Domaingue** responded I would agree with you that there is a lot to Parks & Recreation, which is why I am looking at it so intensely. There is a lot to work with. There are a lot of things to consider. I think there are a lot of good ideas out there. I would beg anybody putting together a committee to please put me on it because I would love to be able to work on this. As far as people knocking on my door about fees, we have a Board of Mayor and Aldermen meeting next Tuesday and I would invite any constituent to call me between now and then if you would rather pay \$10/hour as opposed to \$10/day in parks fees or see your taxes increased.

**Alderman Osborne** stated I think most of the department heads this evening came here to bring their proposals or concerns. Anyway we all know we can't get rid of Parks & Recreation so we can sit here all night long and co-manage everything here but this has been going on for years like you said. It doesn't matter. We can't get rid of it. Trying to get all of the answers is quite difficult. I have been in business 40 years so I know you have to advertise, that's for sure. Other than that I think even if Parks & Recreation was to be combined with Highway or another department you are going to have the same problems. You still need bodies out there. You need the work done. You need the weeds pulled. You need the pools.

We just can't stop it. What I wanted to do this evening is just have him bring in his under funding of \$340,000 and find a way to get this money to keep this department going and next year if we want to go through all of these things that's fine. We can't add, multiply, divide and subtract here tonight all night long. This is what I am trying to get at. Chuck, how do you feel? The \$340,000...what is going to happen next year? It is going to cost you more money because the weeds grow higher or this is going to happen or that is going to happen? Is it going to take more money to get back on your feet the following year?

**Mr. DePrima** responded generally yes. If you defer maintenance then there is a certain amount of catching up that has to be done if things get too far out of hand.

**Alderman Osborne** replied you talked about the cemetery. People pay good money and they like to see that place picked up. They don't want to see high grass there when they go and things of that sort so if you get rid of a lot of your summer help what is going to happen over there?

**Mr. DePrima** answered one of two things will happen over there. Either we are going to have to get to the most important core elements that we can and leave the other things for later, which essentially is deferring maintenance on certain aspects of the park or we take our existing employees and pay them overtime to accomplish everything that we need to.

**Alderman Osborne** asked by paying overtime how does that compare to just keeping some of that summer help to begin with?

**Mr. DePrima** answered if I understand the question, it is less money to pay part-time people to be out there rather than pay a full-time employee overtime.

**Alderman Osborne** stated well we can go on and on and on here but we need \$340,000 at least to keep you online this year until we can figure out next year what is going to happen. That is all I am after.

*Alderman Shea moved to establish a committee to review the Parks, Recreation & Cemetery Department. Alderman Domaingue duly seconded the motion.*

**Alderman O'Neil** asked who is on the committee?

**Mayor Guinta** asked do you want to list off the committee members again?

**Alderman Shea** answered the committee members were Alderman Lopez and Alderman Gatsas, and if somebody else wants to be part of that committee they can establish that criteria. Right now these are the people who have been involved...

**Mayor Guinta** interjected can you add Alderman Domaingue to that list?

**Alderman Shea** responded yes.

**Alderman Gatsas** stated I would like to recuse myself and put Alderman Smith on there.

**Alderman Smith** stated I would just like to go back...Gill Stadium was paid for by the City of Manchester. We just did renovations to Gill Stadium. It wasn't the School District. It was bonded money by the City for our use and that is why Gill Stadium was put up. Now if someone is going to have a committee and charge various groups coming in there, you won't have anybody playing in a brand new ballpark. Next year I will say this much. I am in charge of the Northeast

Regional. There are six New England states plus New Jersey coming in. If it is going to be \$1,200 per game then there won't be any regionals here. They bring money into the City – the hotels room and so forth. I have gone through this year after year with everyone. If you guys want to have a committee and charge, that's fine but nobody will be playing at Gill Stadium.

**Mayor Guinta** replied I don't think anyone is saying we should charge groups \$1,200 per game. I think right now the discussion is should we put a committee together to study the issue.

**Alderman Smith** responded that's fine but I think you should just do away with the Enterprise because I don't think Parks & Recreation belongs there because the only thing that brings in revenue is golf.

**Alderman Shea** stated this is why I am trying to get a committee to discuss whether or not the Enterprise should stay.

**Mayor Guinta** asked are these committees supposed to be recommended by the Chair?

**Alderman Shea** answered yes and I am passing it through him of course.

**Mayor Guinta** replied sounds like it is news to him.

**Alderman Shea** responded no we have been conferring privately.

**Mayor Guinta** replied well it was a surprise to Alderman Gatsas.

**Alderman Shea** stated well sometimes people are not present when these discussions are taking place.

**Alderman Lopez** stated I have no objection to a special committee but I can assure you that any information that any Alderman has in reference to this and Your Honor, you will remember that we had a conversation last year at this time too. We all know the situation. The documentation is there. I think that Alderman Smith or myself can advise anybody on the committee. I think maybe new fresh eyes looking at it would be good and I don't mind putting together a committee if that is the wish of the Board. I have a Chairman in mind but I will wait to see if the Board wants a committee.

**Mayor Guinta** asked can this be worked out for Tuesday night's meeting? Could you try to work it out?

**Alderman Lopez** stated well the Board would have to vote to have a special committee.

**Alderman Shea** stated that is what I am asking for.

**Alderman Lopez** stated the Board has to authorize me to do this.

**Mayor Guinta** responded oh I'm sorry. What was the motion again?

**Alderman Shea** replied to establish a special committee.

**Mayor Guinta** asked so you are not necessarily naming anyone?

**Alderman Shea** answered no. I just made some suggestions.

**Mayor Guinta** responded I misunderstood. So the motion is to establish a special committee and members would be named at a later date?

**Alderman Shea** replied that's right.

**Alderman Sullivan** stated I would offer a suggestion or a friendly amendment to Alderman Shea's motion that there would be one or hopefully more than one members of the business community who come from outside the City government realm named to this committee so we could hopefully bring some private sector management perspective to this and maybe tap their expertise and their ideas to see how we could run this as a more cost-effective process.

**Alderman Shea** responded the more help the committee can receive, the better.

**Alderman Lopez** stated that's fine. If anybody knows anybody who would like to serve on this committee they are welcome but it is a committee of the Board of Mayor and Aldermen and if they wish to have private individuals, I have no objections. If you have some names, somebody is going to have to contact them. Do you have a name Alderman?

**Alderman Sullivan** replied I do but I am a little hesitant to do it with the cameras rolling without having consulted with them beforehand. I will talk to you later. I have a few names of people who I think would be very helpful.

**Mayor Guinta** called for a vote on the motion to establish a special committee to review the Parks, Recreation & Cemetery Enterprise. There being none opposed, the motion carried.

**Alderman Gatsas** asked Chuck, what was your severance pay last year that you had to deduct from your budget?

**Mr. DePrima** answered in the two funds, Enterprise & general, we paid out roughly \$104,000 in severance.

**Alderman Gatsas** responded I am just looking for general fund.

**Mr. Riddle** stated about \$68,000.

**Alderman Gatsas** asked if I look at your number for your actual expenditure in 2007 for wages, it was roughly \$2.1 million.

**Mr. DePrima** asked what number are you referring to exactly?

**Alderman Gatsas** answered I am looking at regular salary, the actual expenditures in 2007 and \$83,000 in overtime. Just those two line items under Parks, Recreation & Cemetery.

**Mr. DePrima** asked what tab is that in the budget book?

**Alderman Gatsas** answered it is in the book that was passed out last night because that is the apples to apples where it doesn't have benefits in it.

**Mr. DePrima** asked the \$2,082,730?

**Alderman Gatsas** responded correct. I am trying to understand your sheet that you have here because you are showing a reduction in overtime of \$79,000 and the overtime line item that you have in your FY2008 modified is \$51,000. These

numbers...if I just take the \$265,000 that you had additional in the Mayor's budget and just put it on your salary line because the items that I am looking at here are reduce overtime by \$79,000 and three seasonal employees at \$85,812 and reduce temporary manpower by \$104,000. If I take those line items and I put them in the Mayor's salary line for \$265,000 you are at \$2.1 million. Are you saying that your salary account needs to be higher than \$2.1 million to function?

**Mr. DePrima** replied that is based on the Mayor's number.

**Alderman Gatsas** responded if you take the Mayor's recommended regular salary line and what we did was added \$265,000 to that line item, that brought you to \$2,121,982.

**Mr. DePrima** stated it will cover our salaries but it will...

**Alderman Gatsas** interjected that is including the temporary manpower. That is including the overtime. That is including the three seasonal employees. The only thing it doesn't include is line items that we control and the Workrecreation Program. It covers everything else in your budget for those employees. Is that correct? It took me a long time to get there but I had a lot of questions to ask you before.

**Mr. DePrima** replied you are correct.

**Alderman Gatsas** asked so is there no \$340,000 shortfall for you to hire staff to do these things? You may have a shortfall in a line item like...let's give you an example. Contracts has a \$31,000 reduction. Now is that the weed control?

**Mr. DePrima** responded yes.

**Alderman Gatsas** stated okay. You have other line items here so basically if we are looking at what you need it is about \$70,000; not \$340,000. I guess I take some exception to the sheet you have given us because it sounds like I might know your budget a little better than you do. It is \$70,000 that gets you whole to put in the Workrecreation Program and the weed control.

**Mr. DePrima** replied you are correct in...

**Alderman Gatsas** interjected and you don't have \$64,000 in severance that you have to pay out of that budget.

**Mr. DePrima** stated correct. It will leave us short though in line items. We will have our salaries covered but it will leave us short in line items.

**Alderman Gatsas** responded I understand that. The shortfall is \$70,000. I am looking at two line items. The Workrecreation for \$39,000 and Weed Control for \$31,000. It is a little over \$70,000...let's call it \$80,000. I noticed that within that line item the only one that I see that is the big one is the \$30,000 for weed control. The rest of them I think are probably things within that budget of somewhere around \$400,000 that you should be able to move around. I don't think that shuts down your operation. I don't think that stops you from running the Parks Division. I don't think that stops you from hiring three seasonal workers. I don't think that stops you from hiring the temporary manpower that you need to do the work at the cemetery or anywhere else.

**Mr. DePrima** replied again we can cover those salaries but it is going to leave line items severely short. I mean the numbers that we presented in those line items were as low as we felt comfortable putting in things that are fairly volatile right now like gas and electricity.

**Alderman Gatsas** stated I hear you but it is not \$340,000 short.

**Mr. Riddle** stated just one example is that we spent \$66,000 for gasoline and we project it to be over \$100,000 for the year. The Mayor's recommended number is only \$60,000 so that is a \$40,000 line item right there.

**Alderman Gatsas** asked then how about if I do this for you? How about if I take \$21,000 out of your salary account and let you distribute it to the line items you want and we have a salary adjustment account that is available so if you are in a shortfall that is what it is there for. You have the ability to remove salary dollars to correct your other line items don't you?

**Mr. DePrima** answered no.

**Alderman Gatsas** asked you can't move out of salary...you can move outside of salary into salary. So I just put the number there. You tell me if you want to only put \$200,000 in your salary line and take the \$65,000 and move it in other line items that is certainly your decision. I am not micromanaging where you are going to put that money but if you are at roughly \$2 million in salary there is no reason to say that you can't do the work. Alderman Lopez and I didn't go back into every department and say here is \$300,000 how are we going to distribute this on line items. We said here is the money. If you came back and said okay we are going to put \$200,000 in salary and \$65,000 in other line items in your budget, I don't think we have a problem with that.

**Mr. DePrima** answered if that is the number that we end up with we will do everything we can...

**Alderman Gatsas** interjected if you come back to the Board and say we are short in the line item for wages and you haven't hired everybody for a full complement as of yet I would assume...I don't know how many vacancies you have. Are they all the seasonal help and all the other positions are full?

**Mr. DePrima** replied correct.

**Alderman J. Roy** stated I hope I am misunderstanding here. You just quoted that you have a deficit in fuel but the paperwork you gave us tonight didn't reflect that. You said fuel is okay. I am reading this as business is usual and you are coming in here with the worst case scenario trying to scare us with the fact that people are going to be laid off. I hope I am reading it wrong but that is the message I am getting right now. Why didn't you put down in here that there is a fuel issue and not an issue with overtime and seasonal help and all that kind of stuff?

**Mr. Riddle** responded the first sheet we gave you, Alderman, the one that starts with the \$2,601,670, the FY2008 budget, we added in there \$75,000 to bring us to what we really need for utilities and fuel.

**Alderman J. Roy** asked the deficits here are in red correct.

**Mr. Riddle** answered this is what we would cut if we were to live with the Aldermen's budget.

**Alderman J. Roy** asked and the sheet with the employees, are the deficits in red? Are you telling me that on this sheet the deficits are in blue?

**Mr. Riddle** answered those are the additions that we would make to the FY2008 budget to bring us to an FY2009 budget, which we suggest should be \$2,995,577.

**Alderman J. Roy** stated so instead of telling us that you had a problem with fuel, you have taken the money from employees and increased those other line items and then put in red we have a problem with maintaining employees. Is that how I am reading it?

**Mr. DePrima** replied that is not exactly what we did.

**Alderman J. Roy** responded well that is why I am asking for an explanation because that is how I am reading it and it really irritates me.

**Mayor Guinta** stated Chuck on sheet one, the green number, department request of \$2,995,577, that is your request to me and the way you came up with that was your FY2008 budget, which was \$2.6 million and you added the salaries for the shortfall COLA's and steps and then you added an additional request of overtime for \$79,000 and an additional request for utilities and fuel of \$75,000 and other operating requests of \$18,500 for a total of \$2,995,577?

**Mr. DePrima** replied correct.

**Mayor Guinta** stated so that is their request. The second sheet shows that request at the beginning and what you would reduce in red to get to the proposed number in the Aldermanic proposal.

**Mr. DePrima** responded correct.

**Mayor Guinta** stated I think the question is why are you saying you are still short on fuel if you are not showing it on the second sheet.

**Mr. DePrima** replied we could swap that out for...I mean if we were to say we were fully funded and what we anticipated the fuel costs are going to be then that would be money that would ultimately have to come out of the salary line item.

**Mayor Guinta** asked can you live within the budget that was proposed yesterday?

**Mr. DePrima** answered we can.

**Mayor Guinta** stated every department head has been asked that question and I think every department head has issued a written response that all of the Aldermen have. I think the Aldermen are trying to find out can you live within that number. There was a proposal put out last night and every Alderman has asked the departments can you live with that yes or no. So if you could just answer that. Everyone I think understands that there are other requests that aren't being fulfilled with that recommendation.

**Mr. DePrima** responded we can live within that budget number but in order to do that these are things that we would have to reduce the department by in order to meet that number.

**Alderman Osborne** stated let me just clarify that. In the red is what you have to do in order to meet that number?

**Mr. DePrima** responded correct.

**Alderman Osborne** stated this is going to happen if we stick to the budget we gave you. The grass isn't going to be mowed at the cemetery, etc.? I am getting a little confused between Alderman Gatsas and you because he says you have the money for the employees and you are saying you don't. Which is it?

**Mayor Guinta** stated the department head is saying this is how they would cut it and Alderman Gatsas is saying there are other options.

**Alderman Osborne** responded in other words he has a twisted budget. Rob Peter to pay Paul, is that what you are saying?

**Mayor Guinta** replied no, I am not saying that.

**Alderman Osborne** stated I don't know how else he can do it. He only has X amount and he is saying he is \$340,000 short.

**Mayor Guinta** responded the offer is \$2.65 million and you want \$3 million. Take it. Let's move on here.

**Alderman Lopez** stated I think what you are saying, Chuck, and we have had some conversations but let's go to this copy here. The effects of the proposed Aldermanic budget. Those things are going to happen. We understand as I told you today. We didn't fund operational items. If you look at the \$265,000 we gave you, you can do whatever you want with it but it was for salaries so you would have manpower to do things. What you are saying is that with the money we gave you, the items in blue are a possibility. Weed control, etc. are probably not going to happen because you don't have the funds to that is that correct?

**Mr. DePrima** replied that is correct.

**Alderman Lopez** asked then the question since you didn't respond is can you live with the budget that we prepared with the understanding that these are some of the items that are going to suffer?

**Mr. DePrima** answered yes we can, with the understanding that those are some of the items that will suffer.

**Alderman Lopez** responded we understand if we see weeds growing in the islands and they aren't being taken care of that Parks didn't have any money. We will probably get phone calls and call you in and say take care of it and do you need some money. I think that after about an hour here everybody completely understands that you said you can live with what we gave you but we are going to have some effects because you didn't get all of your budget request.

**Alderman Shea** stated maybe if somebody in your department was very creative and sat down and tried for a few grants that might happen. Who knows? That is what I am suggesting. You could maybe get some help from the state or some of our Congressional people might be able to throw some money your way because they throw it some other way. They have a name for that but basically I think you can maybe try to get some money from the state by applying for grants.

**Alderman Lopez** stated I do have one follow-up. I just want to clear it up so there is no doubt when you leave here that it is either \$70,000 in the operational budget or is it \$340,000. I know that the \$340,000 is what you say you need but \$70,000 is what you are really talking about for some of these items. Do you agree with that?

**Mr. DePrima** answered yes.

**Alderman Gatsas** stated Chuck, I want to make sure that I understand that the numbers in red...what you did was you took the \$265,000 and went back into your budget and worked on the operating part of your budget with the \$265,000.

**Mr. DePrima** responded yes.

**Alderman Gatsas** replied so your choice was to make sure operations was completely funded and the shortfall would be with staff.

**Mr. DePrima** responded correct.

**Alderman Gatsas** replied well my recommendation to you would be to go the opposite way or at least the best part of the \$265,000 goes into your salary line item because cutting grass at the cemetery needs to be done by a person. You can pay for the gas for the lawnmower but if there is nobody to push it you aren't going to burn the gas. I would tell you that \$200,000 out of that budget or \$225,000...I am not trying to tell you how to run your department but I would put the money into salary and adjust my line items below.

**Mr. DePrima** stated as we were doing this we were afraid that we would have people to push the mower or drive the truck but no fuel to put in it. It was a balancing act that we tried to do.

**Alderman Gatsas** stated I am sure if you came back to the Board next April and said I have the bodies but I don't have any money for gas and we need \$30,000 we would probably find it in contingency so that you could maintain the parks and cemetery in the same condition you have maintained them in the past.

**Alderman Smith** stated you would not be laying off any permanent employees but I noticed that one of the effects eliminates two thirds of your complement at the cemetery and I know you have youngsters out there working in the parks right

now. Those positions would be eliminated? Who would be maintaining the parks?

**Mr. DePrima** responded our full-time personnel.

**Alderman Gatsas** stated there are no lay-offs.

**Alderman Smith** replied the effects of it.

**Mayor Guinta** stated he is talking about current part-timers. Are you laying off current part-time employees with this number?

**Mr. DePrima** asked for FY2008 or FY2009?

**Mayor Guinta** answered for FY2009.

**Mr. DePrima** stated all we would be able to afford are the seven or so we have currently. We wouldn't be able to hire back our full complement, which is 20.

**Mayor Guinta** replied but Alderman Smith wants to know if you are going to lay off current personnel if this budget number is adopted.

**Mr. DePrima** responded no.

**Alderman Smith** stated regarding the temporary employees, you are saying that you are eliminating two thirds. Who is going to do the work in the fall? The leaves drop from the trees? That is all I am asking.

**Alderman Gatsas** asked can Parks come back? Put \$200,000 in your salary line and then tell us who you are eliminating. Can you go in the back of the room and do that now because we have other departments to talk to?

**Mr. DePrima** answered yes.

**Alderman Gatsas** stated so apply the number that we gave you so you are not going to lay anybody off and then come back with this red sheet cleaned up.

**Mr. DePrima** responded okay.

**Mayor Guinta** stated let's move to the next department.

**Alderman M. Roy** stated as the Police Department is coming forward, a number of Aldermen have asked the Assessors for a report on overlay and if they have that could they hand it out at this time. David, do you have that?

**Mr. David Cornell**, Assessor, stated you should already have it.

**Alderman Ouellette** stated Chief, last night I asked the question pertaining to the new hires that the Mayor approved and I asked if those hires were to happen would you have the number in your budget to fund those new hires? I don't know if there was some confusion or not but I think your answer to the question was that the \$300,000 reduction was money that you have historically returned in a surplus and that you would have the monies for the new hires. If we were to pass the Aldermen's proposal, would you have the numbers and the money to support those new hires?

**Police Chief David Mara** answered no. Based on our numbers no. If you take the \$300,000 and subtract it from the Mayor's proposed budget we would not have enough money for our current complement, not even counting new hires.

**Alderman Ouellette** asked how many vacancies do you see having crunched numbers today with Deputy Chief Simmons? How many vacancies do you see going forward if this budget proposal passes as is?

**Chief Mara** answered without filling those eleven, I know for a fact that by September we are going to have three more vacancies.

**Alderman Ouellette** asked and those would be front line police officers...how would you manage that?

**Chief Mara** answered we would fill in with our other employees.

**Alderman Ouellette** stated that would obviously increase your overtime costs.

**Chief Mara** replied yes, I believe it would.

**Alderman Lopez** asked if you got the \$300,000 back could you hire those eleven police officers?

**Chief Mara** answered yes, with the understanding that we are still a little unsure about what is going to happen as far as the severance. If it is going to be coming out of our budget and also the contingency fund – would we be able to come back? Those are the questions that we need to understand. With the \$300,000 that would bring us back to the Mayor's proposed budget and when we did the numbers for

that budget we would be able to hire three. That is without anything else added. We looked at it as we would be able to hire three new police officers.

**Alderman Lopez** asked so if we put the \$300,000 back into the Mayor's budget you would only be able to hire three, and he gave you permission to hire eleven?

**Chief Mara** replied that is correct.

**Alderman Lopez** asked and you are on a five year vacancy rate and anywhere from \$350,000 to \$450,000 every year?

**Deputy Chief Gary Simmons** answered yes, and Alderman Gatsas brought that up last night. We would agree with that. We historically have about a \$300,000 savings. We don't dispute that. What our thought process was is when we came in with our original salary line we have since adjusted that several times, which reduced our original input by \$355,000, to take the \$300,000 that Alderman Gatsas is referring to for additional savings, we believe we could live with that if we took that from our new input line. In essence, our original input minus what we adjusted minus what Alderman Gatsas included, the \$300,000, that reduced our input by \$655,000. Now we believe we can live with that. What that does is it brings us about \$164,000 ahead of the Mayor's number. We believe we could live with that if we can go to contingency if necessary.

**Alderman Lopez** stated so in reference to your letter, Chief, you have a total of \$764,687 in order to hire those 11 police officers for a full complement. Is that correct?

**Chief Mara** responded that was the number that we came up with after adjusting our input.

**Alderman Lopez** replied so if we go back to the original discussion about putting the \$300,000 back will you hire eleven police officers.

**Chief Mara** asked could you clarify that. Are you saying put the \$300,000 back that was taken from the Mayor's budget?

**Alderman Lopez** answered correct.

**Chief Mara** stated that brings us back to the Mayor's number and with us having to deal with the projected severance and not being able to go to the contingency fund, we are still back to only being able to hire three.

**Mayor Guinta** stated let's assume that the Board adopts the severance line and let's assume the Board adopts the contingency line and the directive was hire the eleven officers immediately or stagger them to get to the eleven. Assuming there was an opportunity for a portion of your severance to be paid out of the \$250,000 because it won't be all of it...I assume there will be a portion for every department.

**Alderman Gatsas** stated Your Honor, if you are asking me the question and we gave him his \$300,000 he would not be able to participate in severance. I can get through the question. You asked me a for an honest answer and I gave you one.

**Alderman Lopez** stated I had the floor so I would appreciate it back when you are finished.

**Alderman Gatsas** responded I hear what you are saying.

**Alderman Lopez** stated the other question is do you have enough money for a full complement and for how long? Fifty weeks?

**Chief Mara** replied you are referring to if we got the \$300,000?

**Alderman Lopez** responded yes you got the \$300,000 and you hired eleven new police officers. You could pay them for how long?

**Chief Mara** replied 51 weeks.

**Alderman O'Neil** stated let's see if we can simplify this. To hire a full complement, which would be eleven officers currently, you are short \$764,000. You are willing to say that Alderman Gatsas' suggestion that there is about \$300,000 in vacancies throughout the year and you can use that as part of your management tool, that you really need \$464,000 to hire the eleven officers. I think based on conversations after the meeting last night and in conversations today if we restored the \$300,000 and you had the ability...whatever the funding source is, whether it is contingency or salary adjustment, if you had the ability for the \$164,000 on top of that for some insurance in case you needed some or all of that money you would hire the eleven police offers correct?

**Chief Mara** responded that is correct.

**Alderman O'Neil** replied regarding staggering the hiring, you have one shot this summer until January of 2009 to get candidates to the academy correct. Is that an August academy class?

**Chief Mara** stated that is correct. The next academy after that would be January.

**Alderman O'Neil** asked so if we don't take advantage, they don't go to the academy until January and probably won't be available until March or April of next year for us.

**Chief Mara** answered after they are done with their training, we wouldn't get them back until the summer.

**Alderman O'Neil** stated so it is either we make the move now so that you have them as soon as possible and do I understand that all of these candidates...you seem to be pretty pleased with the quality and the number of people who have gone through the process but none of them are currently certified police officers. I think you have seven or eight as of today that have to go to the academy correct?

**Chief Mara** replied that is correct. We have been pleasantly surprised at the crop of candidates. We have seven who have passed everything or actually we are up to eight today.

**Alderman O'Neil** stated Chief, both you and Deputy Chief Simmons have mentioned to me that over the last few weeks your feeling is generally speaking and I don't want to quote you on this, but they are not just testing for Manchester but the usually test for a number of city agencies as well as state police and if we don't grab them they are probably not going to be waiting around for jobs in January.

**Chief Mara** responded that is correct. Anytime we go to a police function and as a matter of fact I was at one today, one of the topics of discussion is how are you doing getting repeats. We are competing with the same pool.

**Alderman O'Neil** replied so you are looking for two actions from us: restore the \$300,000 and commit that if necessary there would be another funding source throughout the year if needed for up to \$164,000.

**Chief Mara** stated correct.

**Alderman O'Neil** asked and you are willing to make up \$300,000 per Alderman Gatsas' suggestion?

**Deputy Chief Simmons** answered that would be part of that. To explain that, adding the \$300,000 back to the Mayor's number, looking at what...we originally came in with a salary input after we made our adjustments. What we did was we looked at that and knowing Alderman Gatsas was going to want to forecast out we took the \$300,000 away from our adjusted input on the salary line, which brought us down to a new salary line of \$16,760,000. We forecasted that out to be about \$322,000 per week. That would cover about 51.4 weeks under the Mayor's number and leave us short about \$164,000.

**Alderman O'Neil** asked the same \$164,000 when we talked...

**Deputy Chief Simmons** interjected no.

**Alderman O'Neil** asked the bigger number.

**Deputy Chief Simmons** answered correct. That is taking into account the anticipated savings we will have in vacancies throughout the year.

**Alderman O'Neil** asked which could be actually more than...you don't know that now but it could be more than \$300,000.

**Deputy Chief Simmons** answered it could be but it could be less as well. As the Chief was discussing the number of applicants we have, our biggest stumbling block has always been the polygraph. We have eight who have passed the polygraph. The only anticipated vacancy we have leaving anytime soon would be an officer leaving the third week of July. We are hiring these individuals the second week of July so it would make a lot of sense to add that additional body so that on Monday the 14<sup>th</sup> of July we have 12 new bodies and we lose one officer three days later or a week later or whatever his actual day is and it keeps us at the full complement.

**Alderman Gatsas** asked are you ready? Let me ask you a simple question first. The 2008 budget that was modified, did that accommodate a full complement in the Police Department? When you were here one year ago and you requested a number and you received that number was that number an accommodation for 225 officers?

**Deputy Chief Simmons** asked in the salary line or all together? I would say no. Well it was and it wasn't. The salary line incorporated 220 officers. You did fund an additional five, which was put into our special projects line.

**Alderman Gatsas** stated for \$362,000. Is that correct?

**Deputy Chief Simmons** responded yes. That wasn't all for officers but yes.

**Alderman Gatsas** stated the adjustments in that line were \$692,000 and you only needed \$362,000 for officers.

**Deputy Chief Simmons** replied you are correct.

**Alderman Gatsas** stated that is just by memory. So if I move that line item and take that \$362,000 and move it up into your budget...so why don't we do that for a second.

**Deputy Chief Simmons** asked is this the 2008 number?

**Alderman Gatsas** answered well that is where we have to move it. I am not going to move it into the FY2009. So if we move it into the FY2008 number we have \$15,840,263 plus another \$362,000. Is that correct? So for your salary line, just your salary, let's forget about overtime, you had \$16,202,263. Do you agree with that number?

**Deputy Chief Simmons** replied yes.

**Alderman Gatsas** stated now I am going to take you to the next line where it says \$12,956,524.

**Deputy Chief Simmons** asked are you on the HTE sheet?

**Alderman Gatsas** answered I am on the little book right here, the book we gave you last night.

**Deputy Chief Simmons** responded we didn't get that book. Go ahead.

**Alderman Gatsas** stated if I take that number and divide it by 43 because that is 43 pay periods and I multiply it by 52 do you have a number.

**Deputy Chief Simmons** replied \$301,314.

**Alderman Gatsas** stated hold on a second. Do you have a number if you add those two together? I will help you. It comes out to \$15,668,354. If I annualize your number on 43 weeks...do you understand what I am doing or not because that is the way you look at payroll. When you are in a business you kind of look and say where does my annualized cost go after 43 weeks.

**Deputy Chief Simmons** responded so your final number is \$15,668,354. Yes, we are with you.

**Alderman Gatsas** asked so you understand that?

**Deputy Chief Simmons** answered yes.

**Alderman Gatsas** asked how much is that over the \$16,202,263 that you received for a full complement? It is about \$550,000.

**Deputy Chief Simmons** answered okay.

**Alderman Gatsas** stated really if everything was pure and clean...you paid \$450,000 of severance pay out of that correct.

**Deputy Chief Simmons** responded yes.

**Alderman Gatsas** replied so your overage for this year is roughly \$100,000 because you have \$550,000 too much because you didn't meet full complement and you don't have enough people to fill the wage number so the \$550,000 minus \$450,000 is about \$100,000.

**Deputy Chief Simmons** stated we did a similar analysis to you without adding the five officers that you took from the special projects line. I would agree with you, whether you use your numbers or ours that with the extra bodies there was a positive in there. Averaging that out I would agree with you that it would show a positive balance. However, we have additional funding. Even averaging it out we showed about \$161,000 difference just in our numbers because the average doesn't figure in. We primarily pay most of our holiday pay through 43 weeks. We still have about 40% to pay in the remaining nine weeks so averaging it out we were still short using the average as to what our obligations are. So we came up with a total of about \$161,000 that had to come off that balance.

**Alderman Gatsas** stated you said you paid your majority on the front end. Isn't that what you just said to me?

**Deputy Chief Simmons** responded well 60%.

**Alderman Gatsas** stated well if you paid 60% and you have 40% in the last nine weeks then the number...I gave you \$100,000 and you have \$161,000. I am just looking...when I did your budget...you were here the very first night before we got into any discussions on what we were going to take. If you remember correctly, I said to you that line item is about \$200,000 too high and maybe \$300,000. That was the direction I was going the very first night you sat before us so all I have done is create your budget. You told me you had the money for a full complement. You had the money for a full complement in last year's budget – 220 in the salary line and 5 in the special line. We just went through that. Is that correct or not?

**Deputy Chief Simmons** responded bottom line yes I think. We didn't have a full complement though Alderman.

**Alderman Gatsas** stated when you came in last year at this time for your budget this Board voted to give you a full complement of 220 plus five on a bottom line and we said go hire them. So if you would have hired them on July 1<sup>st</sup> did you have enough money to pay them?

**Deputy Chief Simmons** replied we would have transferred that money.

**Alderman Gatsas** asked so you would have had enough money to hire 225 police officers?

**Deputy Chief Simmons** answered yes.

**Alderman Gatsas** stated so if we are all in agreement with that, then let's start backwards again and we will a little bit slower this time. The full complement brings you to a line item of \$16,202,263 if you hired a full complement. Is that correct?

**Deputy Chief Simmons** responded give me two minutes.

**Alderman Gatsas** replied okay. I got that from taking your \$15,840,263 plus \$362,000. That is \$16,202,263.

**Deputy Chief Simmons** answered okay.

**Alderman Gatsas** asked if we go back to your actual expended line, which is \$12,956,524 and divide that by 43 and multiply it by 52 that number comes up to \$15,668,354. If you were at full complement that is what you would have been paying because you had numbers that you didn't have a full complement so you

had additional funds of roughly \$550,000. If you like, I can give you an exact number.

**Deputy Chief Simmons** answered that is our final projection of salary expenses - \$15,668,354. We have that.

**Alderman Gatsas** responded so the difference is \$533,909. If you would have hired the full complement and spent the money and let's say that your severances came in June of this year you would be drastically short.

**Deputy Chief Simmons** replied correct.

**Alderman Gatsas** stated so if we assume that \$450,000...because if you look at your annualized basis for over the last five years your severances have been somewhere around \$150,000 to \$180,000 a year.

**Deputy Chief Simmons** replied about \$225,000 is what we have averaged over the last five years. The last two years were higher.

**Alderman Gatsas** responded so that was a pretty good guess on my part.

**Deputy Chief Simmons** answered a very good guess but I am sure it wasn't a guess.

**Alderman Gatsas** stated it was a guess. Sometimes I guess and sometimes I am right. So \$225,000 is your severance on an average so if I go back to this budget and I guess it comes back to where we were with Parks. If you look at your salary line that the Mayor gave you of \$16,595,000 is that more than the \$16.202 million?

**Deputy Chief Simmons** replied yes it is.

**Alderman Gatsas** asked by about how much?

**Deputy Chief Simmons** answered by about \$250,000.

**Alderman Gatsas** asked how about almost \$400,000? Because one is about \$600,000 and the other is \$200,000 so it is about \$400,000. I did the simple math and said if we don't have to meet a \$450,000 severance package this year then that line item less three is ample for you to go forward and hire your full complement. I mean I didn't just pull a number out of the air to say you know today I woke up and Police...

**Deputy Chief Simmons** interjected I appreciate that and I know you are very good with numbers and when we come up with our figures we don't just pull it out either. We analyze it probably different than you do.

**Alderman Gatsas** replied so I am sitting there saying you have enough for a full complement.

**Deputy Chief Simmons** stated we also have to include that from last year's numbers to this year's numbers our salaries are going to increase based on contractual obligations as well.

**Alderman Gatsas** responded I assume the Mayor has included contractual obligations.

**Deputy Chief Simmons** stated not based on the figures we came up with.

**Alderman Gatsas** replied then obviously and Chief I apologize that you didn't have the people to your right with you but the other night when they said hire eleven police officers, let's assume we voted the Mayor's budget in, how were you going to do that?

**Chief Mara** stated the way I looked at it when you asked me that question the other night...I know you and the Mayor were still in the budget process and I didn't anticipate that it would be the Mayor's number that we would be working with. I was looking at it from the point of view as I said that night, I needed to get the ball rolling. I needed to get some sort of assurance that I am going to be able to hire these eleven officers so we can get them into the academy and make sure the process kept on going where we could get them hired. I didn't anticipate that it would be the Mayor's budget that would get passed by the Board and I certainly didn't anticipate that it would be a budget \$300,000 lower than that when I answered that question. So at that point in time, I was looking at it and saying we need to get the ball rolling and we need to get these officers in the process and hired. That is the way I was looking at it that night.

**Alderman Gatsas** responded I hear you Chief, and I respect your answer but I am sure that you didn't become the great police officer that you are today because you anticipated. You based it on facts. I understand that in here sometimes it is tough to base anything on facts. All I am saying is that I understand another \$300,000 in your account allows you to draw down. The reason that we put some of that salary adjustment and severance package in there and the worker's compensation was so that people weren't going into your accounts and pulling out wages without having any authorization to do it only because they had the ability to do it. Now I don't think anybody in this building or at least on this Board would ever not allow you to have a full complement because of the problems we have in this City. I being

the first one. I am not looking at this as a 51 week payroll because I would never create a budget for a 51 week payroll. I looked at the numbers in a rational way and understood what your complements were and what your severance packages were and in doing that...now can you have \$700,000 in severances? You could and if you hire the eleven and we give you the \$300,000 you are still going to be way short. What do you think this Board is going to do?

**Chief Mara** replied I am waiting to hear.

**Alderman Gatsas** stated you know what. I appreciate your humor but you tell me what you think they are going to do because you have been here longer than I have. Have they ever let the Police Department down?

**Chief Mara** responded no.

**Alderman Gatsas** stated some Board members even say buy brand-new radios even if you have to buy 250. Is that true?

**Chief Mara** replied yes.

**Alderman Gatsas** stated and you come back and say no we will just piecemeal it. Is that true or not?

**Chief Mara** responded I was in agreement with you.

**Alderman Gatsas** stated so let's understand that everybody looks to protect Fire and Police as the number one items. So never when I put these numbers together with Alderman Lopez was there ever an intent for a 50 week budget or a 51 week budget and not having the funding there. I did it in a very rational way. Now that

you have seen the way I have done it, you can't disagree with the way I came up with the number.

**Deputy Chief Simmons** replied no, but can I offer you our calculations a little bit to explain where we were coming from with this. It is similar to what you are saying. Maybe you will show us where we are wrong.

**Alderman Gatsas** responded I will show you where you are wrong right away. I am going to tell you there is \$541,000 that you have had increased in your line items. \$541,000. When I go through these line items you have had increases.

**Deputy Chief Simmons** asked since last year?

**Alderman Gatsas** answered according to the Mayor's budget. Right here. Uniform allowance from \$100,000 to \$110,000. I look at those numbers and I say you can manage the budget if you moved \$100,000 of that into the salary line.

**Deputy Chief Simmons** stated I don't know where that number came from. Our number is about \$167,000.

**Alderman Gatsas** responded well he gave you \$245,000 in overtime. That is the number I am looking at. If you were at full complement your overtime should be down.

**Deputy Chief Simmons** replied I agree; however, we have always had a problem with overtime.

**Alderman Gatsas** stated but you have never been at full complement. Chief, I know what you are going to tell me. The more officers you have, the more arrests you are going to have and the more time they have to spend in court but I have to believe you can reduce your overtime by \$100,000 to \$150,000.

**Chief Mara** responded what I was going to say...and we did have that discussion and that is true but there are some things we just don't have control over. Verizon. Right now in FY2008 the overtime for the Verizon Arena is up by \$87,000. Court, which we do a pretty good job of cutting down, we are anticipating \$450,000 in FY2008. There are some things we don't have control over.

**Alderman Gatsas** replied and there are other ones here in overtime and I am not looking at the one below. I am looking at overtime and saying if you have a full complement you should be able to reduce overtime.

**Chief Mara** stated I agree when you are talking about an eight hour shift filling in for an officer.

**Alderman Gatsas** responded I am just showing you how I justified the number I came up with.

**Chief Mara** stated at no time did the Police Department ever say you or anybody else on the Board was trying to do anything to shortchange us or anything like that. We never thought that. What we were looking at was we didn't think we could prudently manage our budget and hire these officers based on the numbers. That is why we are back up here tonight. We are not saying anyone is trying to shortchange us. We are just trying to be prudent.

**Alderman Gatsas** replied I think I just showed you how prudently you can do that and have a full complement and not be shorthanded or short funded.

**Alderman M. Roy** stated Deputy Chief, one of my major problems with how we do our budgeting is in the budget book we receive – a schedule of 43 payrolls with nine left. Everyone starts with that number and calls it the base number and that is what you have been living with. We had a conversation after a presentation to this Board where you mentioned that even though you had 225 officers technically on payroll some of those were grant funded and won't show up in your salary line item. Is that correct?

**Deputy Chief Simmons** responded that is correct.

**Alderman Mark Roy** asked can you name a date this year whether it was with full salary or salary and grant money that you had 225 officers that would have appeared in those 43 payrolls?

**Deputy Chief Simmons** answered the highest was...we did get up to 221 at the end of November. That 221 stayed until March 29.

**Alderman M. Roy** responded so if we are talking about a full complement, the highest number you got to was 221 and that was for a brief period of time correct.

**Deputy Chief Simmons** replied yes.

**Alderman M. Roy** asked do you know what the full complement number that came from HR of 225 officers was? I don't believe that is a number that your department generates. I believe that comes from the HR Department.

**Deputy Chief Simmons** answered the original input number was \$17,415,975.

**Alderman M. Roy** asked did they adjust that at all.

**Deputy Chief Simmons** answered we adjusted it. Our final number after we backed out grants and etc. and made the adjustments for new hires our new number was \$17,060,130.

**Alderman Lopez** stated we need a clarification on something here because I know what is happening. Solicitor Clark, we need a clarification. My interpretation is when you have money in the salary line item you can't move it anywhere without permission and you can move the money in operation line items around but you can't put it into the salary line item without someone's permission. I don't know what the authority is. Can you help us out here?

**Mr. Thomas Clark**, City Solicitor, responded that is the policy that was in effect for many years when this Board adopted budgets without a bottom line. You used to adopt budgets without a bottom line for the department. They used to adopt, say in my department, X amount of dollars for salaries and X amount of dollars for expenses. Under that scenario we couldn't transfer back and forth. I believe when the last couple of budgets have been passed with a bottom line this Board has told departments to go ahead and manage that and they could transfer. I will have to go back and take a look at that.

**Alderman Lopez** replied my recollection is that if it is in the salary line they can't transfer money out unless they get permission and the only money they can transfer is under operational line items. For example, you can't take \$110,000 and say I am short in salary and I am moving that in there without permission otherwise your number is always going to be higher. You are going to get a

budget of \$16 million or whatever the case may be and they are going to keep transferring operational items in the salary line item just to do something. That is why you have a salary adjustment account. That is why you have a contingency account. If you want to move some of the operational money...let me throw that question to Mr. Sanders, the Finance Officer. How do you look at this? If this is happening all over the City, it is wrong.

**Mr. Bill Sanders**, Finance Officer, stated I only have experience with one budget and that is the one that was approved a year ago for FY2008. I think immediately after the budget was approved, the department heads were given an opportunity to adjust some of the amounts as long as they stayed within their total appropriation. I can't say right now whether salary was one of the line items they changed or not. During the course of the year since that initial budget adoption, I am not aware of any transfers that have been made unless they have been approved by the Mayor. There have been requests that have come in from department heads to move money from expenses to salary but we have been waiting for later in the year to see what was actually required. I would need to go back and check what was done during the last budget. I know it hasn't happened throughout the year.

**Alderman Lopez** stated I think when we are talking about the bottom line, we are talking about the operational bottom line because salaries are a restricted item and controlled by the Mayor. You can't be putting more money in there. That wouldn't make sense.

**Solicitor Clark** responded the department heads can't touch the restricted lines. That is clear. They never have. I was just talking with the City Clerk. Several years ago this Board did go to adopting one bottom line for departments but she recalls that at the same time they should have directed that you don't transfer

between salary and expenses but that may not have happened in the last budget or two.

**Alderman Lopez** stated I think we need to make it clear to the department heads that they can't add to salary and increase our budget line without somebody's permission.

**Solicitor Clark** replied that can be done by a directive when you adopt the budget.

**Mayor Guinta** stated I think once the budget is adopted we can issue that directive.

**Alderman Lopez** stated I am sorry for interrupting Alderman Mark Roy.

**Alderman M. Roy** stated we are just having a little dispute that has bothered me now for three or four budgets. Deputy Chief, when you look at the number for a full complement, and we had this discussion regarding grant personnel and regular salary line item budget for 220 officers. When was the last time your budget had enough for you to run your full complement all year long?

**Deputy Chief Simmons** replied never because vacancies always come into play. I would say if we were at full complement throughout the whole year it may have been a problem.

**Alderman M. Roy** stated well it would have had to be funded.

**Deputy Chief Simmons** responded right.

**Alderman M. Roy** replied so the problem is not you having the right amount of officers. The problem is that you don't have the funding to have the right amount of officers. Is that correct?

**Deputy Chief Simmons** stated yes, but again as we have all discussed, historically vacancies create that.

**Alderman M. Roy** asked do you know the policy that the Fire Department has regarding their vacancies or anticipated vacancies and that the Chief can hire over his complement in order to anticipate and replace positions?

**Deputy Chief Simmons** responded I didn't know that.

**Alderman M. Roy** asked and if I can get a nod from the Fire Chief am I correct on that?

**Fire Chief Burkush** answered yes.

**Alderman M. Roy** stated I recommend that we implement that at the Police Department with this budget. It is extremely bothersome to me for us to sit here and talk about full complement and have the public out there thinking that we are saying full complement when I am getting a report from the HR Department that has your full complement without vacancies at \$18,700,426, which is significantly different than the Mayor's number, which we have disagreed on and still significantly different than Aldermen Gatsas' and Lopez's number. So if we are going to use words like full complement, then we should take every officer you have and put their salary on a line and add it up and start with the new officers as they are coming in to fill up your complement. I believe you should be operating at 220 general fund salaried officers. Not a certain amount with grants and then

making up the difference with vacancies. That is where I believe Alderman Gatsas and I disagree. The Mayor and I have disagreed on this for years. If we are going to take the Police Department seriously, we need to fund a full complement. Unanticipated vacancies as they occur will help your budget and hopefully you can get people through the academy quickly.

**Deputy Chief Simmons** stated to use that number, that \$17.415 million which was the original input number from HR, that number came about around November when this whole process started. That was based on the complement we were going to have at the time as well as additional hires that we anticipated. Since then as I indicated we have adjusted that number down by \$355,000. We did that because of the various changes that have taken place since November. The eleven individuals that we anticipate hiring we put in as entry level salary and that is where the major adjustments have come from the HR number. The adjusted number we have of \$17,060,130 would be for a full complement.

**Alderman M. Roy** asked full complement of general fund non-grant employees?

**Deputy Chief Simmons** answered that is correct. We still have grants but that number is removing any grant money. Again, that is back to your argument.

**Alderman M. Roy** responded that makes my point.

**Deputy Chief Simmons** stated there will come a time when those grants expire that a decision will have to be made whether those officers can be funded.

**Alderman Gatsas** stated I really take offense to some of this discussion because never did I believe that anything but general fund dollars would fund 225 police officers. Now if there were private conversations happening that five police

officers were going to be funded by anything other than general fund dollars...and I didn't want to push the envelope but you are going to force me to push the envelope because I am going right back to where Alderman Mark Roy was and I am going to push the envelope real high. I am going to take your number that we started with and I am going to reduce it even more than that. I am going to take your \$12,956,524 that you have got in your salary line for the first 43 weeks and I am going to pull out your severance package because we can't annualize that number. I am pulling out \$450,000 for your severance plan. That is true that you can't really figure that as part of weekly salary. That is a whole set aside.

**Deputy Chief Simmons** replied okay.

**Alderman Gatsas** stated so that number divided by 43 and multiplied by 52 brings you to a number of \$15,124,168. Add your \$362,000 to that and that drops you down even another \$300,000. I am going to get the minutes right now because I believe a budget that a lot of Aldermen voted for in here, I did not vote for that budget last year but the discussion was that you would be at full complement with the amount of money that was given to you in this budget.

**Deputy Chief Simmons** responded I am not denying that. I don't understand.

**Alderman Gatsas** stated if you are not denying it then somebody is wrong here. It is either Alderman Mark Roy...you couldn't hire a complement of 220 with \$15.280 million.

**Deputy Chief Simmons** replied maybe I am misunderstanding something here. The conversation we are having is Alderman Mark Roy is asking us what our complement is. We are saying our complement is 225. I think the whole Board agrees with that.

**Alderman Gatsas** stated but you are getting five of them paid outside by another funding source. So this number here is only funding 220.

**Deputy Chief Simmons** responded that is correct. We made that adjustment in our adjustments from the HR number. The grant money had been put into the HR number so we thought or we believe. That is why we made the adjustment to \$17,060,130.

**Alderman Gatsas** asked for FY2009

**Deputy Chief Simmons** answered that is correct from our original input number of \$17,415,975.

**Alderman Gatsas** asked and that is for 220 people?

**Deputy Chief Simmons** answered I guess the answer would be 220 because some of those are grant funded. Correct.

**Alderman Gatsas** replied so it is 220. So you are telling me that your average wage in the Police Department and I am sure the people at the low end in this department are going to like to hear this number is \$77,545 without benefits.

**Deputy Chief Simmons** responded no. That salary line also includes certain benefits. It includes over \$500,000 that is paid out in holidays and things along those lines that come out of our salary line. It includes personal days, severance, clothing allowance and night premium.

**Alderman Gatsas** asked so the uniform allowance that I am seeing down below...

**Deputy Chief Simmons** interjected it is not the uniform allowance. There is a clothing allowance that a plain clothes officer...

**Alderman Gatsas** interjected can you give me those numbers?

**Deputy Chief Simmons** asked can you give me a minute?

**Alderman O'Neil** stated while Deputy Chief Simmons is looking for that, based on their presentation there are actually six grant funded positions. The cash complement is 219. Alderman Mark Roy do you agree with that?

**Alderman M. Roy** stated I would just like to ask the question because there may be somewhat of a misunderstanding between myself and Alderman Gatsas but why are we reducing their number further when I am pointing out that they are underfunded to start with?

**Alderman Gatsas** responded if that is a question and you are looking for an answer I guess I am going back to a number that last...everybody on this Board that voted for a budget understood one thing. If the Chief and not this Chief but the previous Chief along with Deputy Chief Simmons...if the next day they could have found...I don't know...what did we have 11, 12 or 15 vacancies at that time? But if you could have filled them that day you had the wages in there to pay them. That was exactly what everybody on this Board was led to believe. Even the people who didn't vote for the budget.

**Mayor Guinta** asked are you talking about the FY2008 budget?

**Alderman Gatsas** answered yes. That is what everybody was led to believe. That you could hire whatever you needed to get to 220 and there was an additional five on the bottom line. At that point you would have been at a complement of 230 because you had five more on the 220 and five on the bottom and five funded outside with whatever other funds you have.

**Mayor Guinta** stated well I assume when they answered that question a year ago they assumed a vacancy rate.

**Deputy Chief Simmons** replied yes.

**Mayor Guinta** stated I do seem to recollect what Alderman Gatsas is saying because I think Alderman Lopez asked the question – can you live with this number yes or no, and the answer was yes.

**Deputy Chief Simmons** asked last year?

**Mayor Guinta** answered yes.

**Alderman M. Roy** stated that poses my question, Your Honor. If we take their full number and assume some vacancy why would moving backwards now help the department? We have cleared up the misunderstanding of whether they are general fund or grant employees. My belief is that they should be general fund and then we add the grant employees onto it. I don't understand now how taking another \$400,000 off the number gets us any closer to having the right number of officers on the street whether we call it a full complement general fund or a full complement of all funds. I don't see how that gets us any closer.

**Mayor Guinta** stated the grant positions are not lifelong grant positions. At some point, they transfer over to the City side so it is difficult to just completely separate them out. Now the second part of your question...I think we are trying to get to a resolution of how to manage that.

**Alderman M. Roy** responded I don't understand the going backwards part.

**Alderman Lopez** stated I think it is going to be a long night if everybody keeps throwing numbers out there because everybody is writing their numbers and that is what is happening here. I remember the conversation last year and I remember the budget very clearly and you said you had enough money because I was the one who put the five officers in the special fund and all of that stuff on recommendations from some other Aldermen and to give you a full complement. I am concerned with the numbers that are being thrown around more so whether it is the right numbers that were approved in the budget and if things were moved around. Let's get all of that out of the way for now so we know exactly what we are here for tonight. The Mayor has authorized you to move forward with eleven police officers for the schools and it was said that we want 225 and we want you to do your job and we are going to take care of whatever the case may be. The \$300,000 that we took out of your budget you can still move forward and if the Aldermen want to put it back I will yield to them but you can still move forward with the understanding that you are short \$300,000 or \$200,000 or whatever the case may be going throughout the year if we do this, and you do severance you are going to have to pay your severance and all of that but we don't want you to be short the police officers. I dispute the \$764,000 that you need. That is my problem. I am not going to hold up you hiring eleven police officers. So working with those numbers in the budget we gave you, I think you have enough money to move forward. If we want to put \$300,000 back, I have no problem doing that either if that is going to be more comfortable for you moving forward. Once we

give those numbers they shouldn't be changed whatsoever and if you have a problem come back and tell us about it and I am sure in week 40 we will do something about it. If you have 225 come April of next year we will find the money someplace. I don't know where we are going here tonight. We know about the schools. We know you have to get them up and we have to make a decision as a Board here. The budget that you have presently, can you move forward or do you need that extra \$300,000 to hire the eleven police officers?

**Chief Mara** responded currently with the budget that was proposed...I mean presently we have the money in our budget of course to hire them and pay the full complement of 225. We are saying that we wouldn't have the money in the budget to do that the whole year and based on what you are saying you are telling us if I understand this that we can come back if our numbers are right and your numbers are wrong and ask you for more money. That is the direction you are giving us here.

**Alderman Lopez** replied that is my particular direction but I will leave it up the Board and the question was do you want the other \$300,000. The most important thing is for you to hire the officers.

**Chief Mara** stated I agree.

**Alderman Lopez** responded if we can get that problem out of the way and say go ahead and hire the officers and get going, do you have enough money to move forward. The Finance Officer and your finance person can coordinate week to week or month to month to make sure that everything is on target and when you lose somebody you still have some money or whatever the case may be. A 5% vacancy rate is going to happen unless there is a miracle. As far as I am concerned

and if any Alderman disagrees they can speak up but let's give you the budget that you have and have you hire eleven police officers.

**Chief Mara** replied if that is the direction the Board wants to take with all due respect I am saying from a management standpoint I would rather not start off a fiscal year operating with what we feel is going to be a deficit of hundreds of thousands of dollars. That is the way we were looking at it.

**Alderman Lopez** asked so the \$300,000 or the \$764,000? I have heard a lot of numbers.

**Chief Mara** answered that \$764,000 was the number that we adjusted and knocked down from \$900,000 or so. We felt that was our bottom line as far as cutting everything from our budget that we could.

**Mayor Guinta** stated if I can just clarify, the \$764,000 number encompasses the \$300,000 that was removed yesterday plus \$400,000 and change and you are saying in order to hire the eleven on schedule that is what you are saying you need.

**Chief Mara** responded that is correct.

**Mayor Guinta** asked so if you get \$300,000 back as a hypothetical you are saying you could hire three and that is it of the eleven.

**Chief Mara** answered yes with the understanding that we are absolutely 100% responsible for our severance pay and we are not going to be getting any assistance in the future.

**Mayor Guinta** stated and if you wanted to hire additional officers we have to make a policy decision about the salary adjustment account. Now, I know some Aldermen don't agree with that assessment but that is the assessment from the Police Department.

**Alderman O'Neil** stated I want to be clear on the \$764,000 number. They have agreed that they are committing to do their absolute best to make up \$300,000 in salaries through vacancies throughout the year so that brings it down to \$464,000. I asked this question last night and I am asking again today. So the number is \$464,000. If they receive the \$300,000 that they asked for, that leaves \$164,000, and all they have asked with that is that somehow in that number and it may be all of it or some of it or none of it but if they could use the contingency salary adjustment account for up to that \$164,000. Now if that happens, those two things, we give them the \$300,000 and there is an agreement that they could come to the Board to use salary adjustment money for up to \$164,000, they will hire eleven although I did hear the Chief say the smart business decision would be if they put the eleven on the second week of July and they know they have a retirement they might as well bring twelve on. That makes all the sense in the world. That is what I am hearing.

**Mayor Guinta** asked is that accurate?

**Chief Mara** answered we anticipate with this pool that we will be able to do that. Alderman Gatsas is shaking his head but we believe that we are going to get twelve out of this pool and historically I will admit that we don't usually get a full complement based on a pool but this seems to be a unique opportunity this time around.

**Mayor Guinta** asked and you are not lowering your standards at all?

**Chief Mara** replied absolutely not.

**Alderman O'Neil** stated I believe that we can bring closure to this for \$300,000 and they can hire twelve officers for \$300,000. Then they are going to have to monitor daily or weekly and we are going to have to check in with them every so often to see how they are doing.

**Mayor Guinta** asked does that complete the questions for Police?

**Alderman Gatsas** stated I have a question for Alderman O'Neil. Can you tell me where you want to get that \$300,000?

**Alderman O'Neil** responded I don't know tonight. I don't have any idea. I was surprised it was pulled last night.

**Alderman Gatsas** stated it wasn't pulled. It was justified. There is a difference between just pulling and justifying a number.

**Alderman O'Neil** replied pulling can be justified.

**Alderman Gatsas** stated that is correct. I justified how I pulled it.

**Alderman O'Neil** responded I didn't say you didn't justify it but it was pulled.

**Alderman Lopez** stated why don't we put some closure to this and Chief go hire your eleven officers. Does anybody have an objection to that?

**Alderman O'Neil** stated part of the eleven and now twelve is that there are three promotions involved correct. If you don't make the promotions that is three less patrolmen you need, right?

**Chief Mara** replied that is correct because what will happen is when three current patrolmen are promoted to Sergeant that creates three patrolmen openings.

**Alderman O'Neil** asked are we okay with him making the three promotions?

**Mayor Guinta** answered I haven't authorized those yet.

**Alderman O'Neil** stated we can't wait because the three promotions are part of the eleven positions. If we don't want him to make the promotions then we should say hire eight officers then.

**Alderman Gatsas** asked why couldn't you tell him to hire eleven and not make the promotions? You just put more foot soldiers on the force.

**Mayor Guinta** stated I had a meeting with the Chief...when was that. It seems like a year ago. Was it yesterday?

**Chief Mara** responded Monday.

**Mayor Guinta** stated today is Wednesday. We met yesterday afternoon and we talked about the vacancies that you are asking to fill. What I said at the time was that I would like to wait on the promotions until a budget is adopted.

**Deputy Chief Simmons** stated we will have the eleven vacancies. The only thing that shifts without making the promotions is the rank structure. The vacancies will exist with these last two guys leaving. So we can hire eleven. The promotions can be frozen until whenever.

**Alderman J. Roy** stated at one of our recent meetings didn't we ask that the Police Department work parallel with us and not do this move but continue to pursue finding the candidates?

**Mayor Guinta** responded yes, and that is what they are doing.

**Alderman J. Roy** replied what I am hearing now is we want to tell them go ahead and hire them. Again, I have to tell you that we need to hold the line until we actually have a budget in place because there is nothing that says this budget is going to pass. I will caution you just like I did the Fire Department that if you hire those people now and this doesn't happen and we have to revert to the Mayor's budget on June 10<sup>th</sup> you will have to send those people home. I just can't justify doing that. I have to caution this Board again to proceed very carefully.

**Alderman Lopez** asked what is the last day you can hire?

**Deputy Chief Simmons** answered we want to hire them for the 14<sup>th</sup> of July so two weeks prior to that so they can give two weeks notice if they are working.

**Alderman Lopez** stated you will have plenty of time.

**Alderman M. Roy** stated I just again would like the new Chief, Deputy Chief and Business Officer to go ahead and put in writing to us what are general fund positions and what are grant positions and what the definition of a full complement is because I believe we are doing a disservice on our part and I will take full blame on the Aldermanic side that up until recently when I was fighting for 220 and 225 full complement my understanding was those were general fund positions. Through your presentation and through this budget I have learned that there are grant positions. If I had known that last year, I would have been fighting for 231 or 235 and letting you fund six, seven, eight, nine or ten out of whatever grant money you have. So I would ask...I know the Chief is doing an assessment of his department as he gets into the office so I would ask that we all get that in writing - where you plan on hiring this year with this budget should it pass in the beginning of June.

**Alderman Lopez** stated if it is okay, Your Honor, they can go and chase some criminals now.

**Mayor Guinta** asked can we move on?

**Alderman Gatsas** stated can I just read into the record because I want to make sure that it is clear that Alderman Mark Roy stated "Thank you, Your Honor, thank you Chief, Deputies and staff for being here. So right now the number that is put forward just for clarification is based on 220. Chief Jaskolka replied the salary line yes is 220." So my question to you again is if you went to 220 did you have enough money to pay them?

**Deputy Chief Simmons** responded yes. In FY2008? If we went to 220 and had a full complement?

**Alderman Gatsas** replied yes.

**Deputy Chief Simmons** stated I can't give you that answer tonight.

**Alderman Gatsas** stated the Chief said he did.

**Mayor Guinta** asked I assume that was during the budget deliberations last year.

**Alderman Gatsas** answered yes that was just before we passed the budget and Deputy Chief Simmons responded "to go to 225 we would need additional funding" which we gave you on the bottom line. So you had enough to hire?

**Alderman M. Roy** stated to quote my colleague and friend some of us voted for that budget.

**Alderman Gatsas** replied yes and that budget was fully funded so if we work back on that number, the \$300,000 is not letting you fully fund your budget and move forward with your complement.

**Alderman Lopez** stated I think we are done with this. We have MTA coming up but I have a suggestion. A lot of department heads have given us in writing whether they are satisfied with the budget we presented last night – Alderman Gatsas and myself. If nobody has any objections, all of those department heads that don't have any problem with the number we gave them...I know MTA is coming up but if others are satisfied I am recommending that they leave.

**Mayor Guinta** responded I think the only other Aldermanic request for a department was by Alderman Osborne for MTA.

**Alderman Lopez** stated I am saying if there is any other department head out here who wants to speak...if they are all satisfied they can leave.

**Alderman M. Roy** stated in my notes I have the revenue concern regarding the Building Department. That is the only other note I have.

**Alderman Lopez** responded okay Building can stay.

**Alderman O'Neil** asked in the budget that Aldermen Gatsas and Lopez produced, are there freezes or do the departments manage personnel within the budget if it is approved?

**Alderman Lopez** answered no, there is not a freeze in our budget.

**Alderman O'Neil** asked so the departments get their complement but they have to manage it?

**Alderman Lopez** answered again they can't move money from salary into operations or from operations into salary without somebody's permission whether it be the Mayor or this Board.

**Alderman O'Neil** responded but your intent is that it would be like we have had with Highway for the last couple of years where Highway manages their own budget. Your recommendation is that all departments be allowed to manage their budgets?

**Alderman Lopez** replied we haven't come to that conclusion yet because we have to remember that if there are vacancies in FY2009 we have authorized the Mayor to control those vacancies and we don't know what the forecast is going into FY2009. We might have to save some money someplace for vacancies in order to pay severance or whatever the case may be.

**Alderman O'Neil** asked are you talking for FY2008.

**Alderman Lopez** answered no FY2009. You are talking about the FY2009 budget correct?

**Alderman O'Neil** replied yes I am.

**Alderman Lopez** stated what I am saying is that our budget authorizes the departments to move forward, manage their department in operations, salaries and everything else but they can't move certain items. If a vacancy comes up, then that authority was given to the Mayor to manage. If the Board of Mayor and Aldermen wants to change that, then we have that prerogative.

**Alderman O'Neil** responded well that may change some of the issues with the departments then because I thought last night it was said that they would manage their own vacancies.

**Alderman Lopez** replied I understand that. I just feel in my opinion that they can manage their own vacancies but I think we have a policy in place where the Mayor on a day-to-day basis might have to save some money for a month or whatever the case may be in order to pay a severance pay within a department. I think that communication has to be between the department head and the Mayor and if the

department head disagrees with the Mayor they have the option to come before the Board.

**Alderman O'Neil** stated well that may affect and I am only going to speak for myself but in some conversations last night with several department heads that wasn't clear. I am not sure if that would have changed their opinions on what they wrote. So there is a freeze on?

**Alderman Lopez** responded not a freeze in the FY2009 budget. What I am saying is if there is a vacancy they can go out and hire. If we pass the FY2009 budget they can hire whoever they want in my opinion. They can hire what we gave them. If they have the money they can hire. If a vacancy occurs then they have to communicate with the Mayor because of those unforeseen thing that happen during the year. You may have to wait a month or two months but we have to have some control. We are not here every day.

**Alderman O'Neil** replied you lost me because you said they can fill vacancies when they occur yet they have to go to the Mayor. You lost me.

**Alderman Lopez** stated no I said if we pass the budget a department head can go if he has a vacancy and he has the money there he can go hire that individual. On the second phase, if he hires somebody and somebody else leaves and he wants to hire somebody that communication has to be made because there is a pay out. We have given the Mayor that authority. If we want to take that authority away from him we can.

**Mayor Guinta** stated he is distinguishing between current existing vacancies and future vacancies. He is saying that they can fill a current vacancy but if a future vacancy occurs they have to come to me because there might be severance issues or other issues.

**Alderman Smith** stated I know one department was in here last night and they assumed that they could manage their vacancies.

**Alderman Osborne** stated I want to here where the MTA stands on their budget. Are you still at the \$378,158 mark?

**Mr. David Smith**, MTA Director, stated with me tonight are Karen Bennett, Operating Manager; and Bill Cantwell, our Finance Officer. Could you repeat the question please?

**Alderman Osborne** asked what shortage are you at right now.

**Mr. Smith** answered in our response today we indicated that we felt we could live and this is also as we reported in our communication on April 30 that we could live with the current level budget of \$1,176,000. That would be with a fair increase and a minor reduction in the service level. We appreciate the offer last night for either an advance or a loan on our Federal funds receivable and we think perhaps that can help reduce our cash level. I am not sure it would reduce the cash level enough to meet the contingent circumstance of the Mayor's budget. I think we may be able to reduce our cash level with some planning or an advance on the local contribution but I don't think we can make up the difference of \$378,000.

**Alderman Osborne** asked so reducing some sort of time or ridership and things of that sort is that what you are going to be doing if you are funded at this level?

**Mr. Smith** answered we would consider under either option and that is either current level funding or the \$900,000 contribution level, increasing the fares to \$1.25. Fares have not been increased since 2003.

**Alderman Osborne** stated that would be a dime for the elderly and \$.25 for everyone else, right?

**Mr. Smith** responded yes on the base adult fare of \$1 it would increase to \$1.25 and the elderly and disabled would go from \$.50 to \$.60.

**Alderman Osborne** asked by doing this where do you stand?

**Mr. Smith** answered as I said, I believe we could live with current level funding of \$1,176,000 if we took those actions.

**Alderman Sullivan** stated you mentioned a moment ago minor service reductions. What routes are you referring to and what times?

**Mr. Smith** responded the Route 9 DW Highway and Northside Plaza routes are the least productive. There are no real heavy trips. It generates two to four passengers per trip and that is fairly consistent all day, unlike some of the other routes that do have very heavy trips. We did have a public hearing today and had comments from citizens who use it for going to work up at the plaza and it would affect them but that is...if we need to trim service that is probably the first that should go. Also, in the implementation of our service improvements last year we split one circular route in two so that we have direct service to two areas. That

combination is the Route 1 Bridge Street Dartmouth Hitchcock Clinic route and the VA Hospital route, which now are separated and go directly to those destinations. At one time they were combined in a circular form of service that wasn't as direct but we can save some money by going back to that.

**Alderman Sullivan** asked so those routes would be consolidated again to where they were before the split?

**Mr. Smith** answered yes.

**Alderman Sullivan** asked just to clarify, there is no anticipation that the service to either the VA Hospital or to Dartmouth Hitchcock would be terminated, because I know there is a rumor that has been floating around. I just want to make sure we are on the record that those routes will not be cut. They may be consolidated but service to those facilities will still exist, correct?

**Mr. Smith** answered it is a little unfortunate because when we first addressed the \$900,000 funding level we estimated an impact in service and we said it is equivalent to Saturday service and these lowest five routes and it was taken to indicate that we would eliminate that service. As we did further service planning we realized that we needed to preserve all routes but we are unable to maintain the span of service that we operate now if we were at the \$900,000 funding level.

**Alderman Sullivan** asked will Saturday service be affected at all?

**Mr. Smith** answered not at the current level funding.

**Alderman Sullivan** stated I have spoken to the Economic Development Office and they discussed a federal grant that is coming in for a downtown circulator. I know the federal government is picking up a large part of the start-up costs on that. Are you going to have any problems maintaining the circulator service under your current budget?

**Mr. Smith** responded actually the circulator service is not in our budget. We were asked sometime in 2005 by the Mayor's Office and Economic Development and Planning to take the lead in an application for a CMAQ Grant, which is called Congestion Mitigation Air Quality. It is a DOT funding program for a downtown circulator and we did take the lead. We made a state application and were awarded the grant contingent on funding becoming available and at that time funding was not available. I think that was early 2007 or late 2006. We were told that perhaps in 2009 funding would be available and to put it on the back burner. Apparently it is going to be available next year, so we have taken steps to put the local contribution into the CIP. That is an amount of \$40,000 for the capital, realizing that it would be sometime before those vehicles were produced and that sometime during the year an operating requirement would begin. We understand that that would be funding by Parking or Economic Development.

**Alderman Sullivan** asked so the funds that are coming in CIP is for capital expenses and purchasing one of the trolley style buses. Is that what you are looking at?

**Mr. Smith** answered at this point it looks like two trolley replica-type buses. They are a little cheaper than full size transit buses.

**Alderman Sullivan** asked and when would you anticipate that service beginning or is that contingent on finances?

**Mr. Smith** responded it is contingent first on the CIP and having approval of funding. We would need to quickly get specs out and a bid for vehicles. There are some manufacturers in the area so I don't anticipate that bidding would take very long or be a problem. Concord just recently received similar vehicle and I understand their production lead time was about six months.

**Alderman Sullivan** stated I have one final question. What did Concord pay for the vehicles?

**Mr. Smith** answered \$160,000 each.

**Alderman Ouellette** asked do you acknowledge as Alderman Gatsas stated in his budget presentation last night that your MTA has approximately \$1 million plus in an escrow account?

**Mr. Smith** answered we don't have an escrow account. We have a checking account which we use for management of our cash payables. Within that checking account we also have an impressed payroll account but the checking account funds our ongoing operation and we need to maintain a certain amount of funds in the checking account to continue operating. The cash flow is about \$500,000 per month and the total operating budget going through is about \$6.5 million a year both for the school and the transit operation. So on the average, as I reported in my communication with you last week, the amount of cash in that account is about \$531,000. It goes up and down largely because of federal grant timing. I think the Alderman's suggestion yesterday was that we can reduce MTA's cash requirement

perhaps by doing different timing on the City contribution or allowing MTA to borrow and that may assist us to some extent.

**Alderman Ouellette** stated I don't want to put words in Alderman Gatsas's mouth but I believe that he said that if there was a problem there was \$200,000 and you could come to this Board and we could try to help you out with that. Do you have any comments on that?

**Mr. Smith** responded the difference between our budget proposal for local support of transit and the Mayor's proposal is \$378,000. That is equally matched by federal funds so the impact on our budget were it to be \$900,000 would be significant. It would be close to \$800,000. I heard the \$200,000 but I don't know what that was referring to.

**Alderman O'Neil** stated just to review...and I think your latest memo to us is dated today, and I am going to work off the back. Do I understand that there are three actions you will take if there is no a higher appropriation? It is on the back of your memo. It says without an additional appropriation it would be the intent of the Authority Administration and I am guessing the Commission would have to approve a rate increase.

**Mr. Smith** replied definitely.

**Alderman O'Neil** asked what would be the timeline on that?

**Mr. Smith** answered we would attempt to implement it early in the fiscal year; as early as we could, perhaps July 1<sup>st</sup>.

**Alderman O'Neil** asked would there be some notification? Let's say we don't approve the budget by the second Tuesday in June. Do you think two weeks is a fair notification to the ridership that there will be a rate increase?

**Mr. Smith** replied actually there has been some notification. We had our public hearing today because having a public hearing is an obligation if you consider increasing fares or reducing service. So there has been some notification of that. I would need to go back and look at the Board's policy regarding that to determine what the lead time would be but it is our intention...

**Alderman O'Neil** interjected can you keep us informed of that? When was the last time there was an increase?

**Mr. Smith** answered in 2003 we increased the base fare from \$.90 to \$1.00.

**Alderman O'Neil** stated I rode a bus for the first time in many years last week and it was pretty good. I should do it more often. It was very convenient and I put a dollar bill into the machine. Is there a factor of convenience? They don't make change so you have to come in with either \$1 or five quarters or something. Is there a convenience factor? Obviously \$1 is a very easy number to work with.

**Mr. Smith** replied yes there is a convenience factor. You want to make it the least number of bills and coins that you can. \$1.25 is fairly workable, although the half fare requirement is not quite half fare because it can't be evenly divided. The amounts of \$.25 and \$.50 are workable. The amounts of \$1.10 or \$1.15 would not be very workable.

**Alderman O'Neil** stated just to review, the elimination of the route and then the combination, you said Route 9, which is the D.W. Highway is the least productive route in the system. That does not include...I guess by your follow-up on Route 1 that it does not include the VA Hospital on that route and it does not include Southern NH University?

**Mr. Smith** responded that is correct.

**Alderman O'Neil** asked what would be the timeline for the elimination or the combinations - as early in the fiscal year as possible?

**Mr. Smith** answered stated yes, as early as possible because we need to achieve all possible savings from it.

**Alderman O'Neil** stated can you walk me through the probable, quick...you know would they leave downtown...this is regarding Route 1 that I think you referred to as the VA Hospital and Bridge Street. Bridge Street might have been Route 1 and the VA Hospital might be another number but you talked about combining them. It will leave downtown and the expectation is that it goes to Dartmouth-Hitchcock first and then the VA or the other way around, right?

**Mr. Smith** replied I will let Karen answer that.

**Ms. Karen Bennett** stated it will leave downtown on the hour, hit Dartmouth-Hitchcock first going up Bridge Street. It will get there at about 20 minutes past the hour and come back down Mammoth Road and go to the VA and get there at about 40 minutes past the hour and be back downtown on the hour.

**Alderman O'Neil** asked is Route 1 Bridge Street/Dartmouth-Hitchcock now?

**Ms. Bennett** answered yes.

**Alderman O'Neil** asked what is the VA Hospital route?

**Ms. Bennett** answered Route 7.

**Alderman O'Neil** asked where is Route 1 or 7 in the rank of all of the routes regarding ridership?

**Ms. Bennett** answered on the bottom five.

**Alderman O'Neil** asked both of them are?

**Ms. Bennett** answered yes.

**Alderman O'Neil** stated so combining this is a little less convenient but it might make some business sense.

**Ms. Bennett** responded correct.

**Alderman O'Neil** stated originally, David, in your first memo that you sent regarding service, you talked about the elimination of early morning bus routes and maybe starting at a later time. I don't see that on your most recent memo.

**Mr. Smith** replied correct. With current level funding that would not be required. With a \$900,000 contribution level we would essentially be running a Saturday level of service on weekdays. That is basically 8-5 or 8:30-5:30. We would be

mostly a shopper service. In addition, the difference from Saturday service is that we currently do not operate the Front Street route and the Hanover route on Saturdays. The extension out to Massabesic circle is covered by another route. We would operate those on weekdays but also operate on the Front Street and Route 3 Airport route on two trips in the a.m. and p.m.

**Alderman O'Neil** responded I guess I am not clear on this. With the \$900,000 as proposed there will be no a.m. bus service?

**Mr. Smith** stated the proposal is basically service from 8-5 or 8:30-5:30. There would be no a.m. bus service. One issue that came up during the public hearing today is that 42% of our riders are going to and from work. That is the most important purpose that people use the bus for. One suggestion that didn't receive uniform approval among the people at the hearing was to operate for four hours in the morning, say from six to ten and then four hours in the afternoon from two to six, covering many people who have day shifts.

**Alderman O'Neil** asked was that a proposal from the Authority at the public hearing?

**Mr. Smith** answered no, that was a proposal from some customers at the hearing.

**Alderman O'Neil** asked what was the Authority's...

**Mr. Smith** interjected that is something that we could consider for some routes but we have other routes that are heavier in ridership during the day that serve shopping and medical appointments much more than work so it is not universal.

**Alderman O'Neil** asked so even with the fare increase, the elimination of a route and the combination of Routes 1 and 7, there will be no bus service between 6 AM and 8 AM in the City of Manchester?

**Mr. Smith** answered no, that is not correct. What I am saying is with the \$900,000 contribution level...not the current level funding but the \$900,000 proposed by the Mayor, it would be that extent of a service reduction.

**Alderman O'Neil** asked so you are talking if it was the almost \$1.2 million? So we are off \$300,000 to keep morning service. I just have two final questions. The loss of any operations jobs meaning drivers or loss of any administrative jobs?

**Mr. Smith** answered yes with the \$900,000 contribution level we anticipate the requirement to cut three staff out of fourteen and the reduction of service would result in the lay-off of thirteen drivers.

**Alderman O'Neil** responded to make sure I understand, there would be a loss of three people on the administrative side.

**Mr. Smith** replied yes.

**Alderman Pinard** asked are you going to eliminate the service to Massabesic Lake on Saturday?

**Mr. Smith** answered with current level funding we don't plan to.

**Alderman Pinard** stated I had read that you were thinking about it and I know that Industrial Drive on Saturday has a lot of riders. I would like to know if that changes because there are a lot of industrial plants there that have good ridership for you.

**Mr. Smith** responded the Massabesic service on Saturday runs off of the Route 4 Elliot. It works well.

**Alderman Smith** stated I was here for a couple of hours this afternoon and it was quite emotional. I think you had about 15 people in wheelchairs. You had some people giving sign language to some of the customers and so forth. I would just like to say even with the \$.25 increase you can't maintain the amount of service. I want everybody to know that we are affecting the elderly people who need this greatly and from what I understood they are willing to pay the extra \$.25. The disabled, I don't know how they are going to get...there was one gentleman here that requires his father to get him to the bus and his bus driver helps him out in order to go to work. He has to go to work at 5:30 A.M. The working people – 42%. These are people who use our transit system to go to work and come back the same day and then you have the students at Manchester Community College and Southern NH University who depend on this. I think we are penalizing the people who need the service the most. I would just like to say that if we don't have bus service for people working on a daily basis they are going to be on workers compensation or they will end up on welfare. This is something I feel very strongly about. The reason why Route 13...it just so happens to be the route that is over on the West Side and it has 13% ridership, which is the most of any bus service at all. They have 3,810 hours, and it is 13% of the riders. I wish you would take a good look at it because we are hurting the people who need the service the most. Thank you.

**Alderman Osborne** asked as far as going to the shopping centers like the East Side Plaza and Stop & Shop, is that pretty much not going to change except for the early morning?

**Mr. Smith** responded yes. Are you talking about the shopping centers as they are served on our regular routes or our special shopper shuttle?

**Alderman Osborne** answered the regular routes.

**Mr. Smith** replied we don't anticipate any changes. I did mention the shopper shuttle. We have a very successful service that we provide courtesy of the stores. Hannaford and Stop & Shop contribute and we take people from the Manchester Housing apartment complexes and other locations to the stores. They pay the local cost of that service and we draw federal funds to match it and it is provided free to those people. It is well used.

**Alderman Osborne** asked do you think it would be wise...how can we save the early hours? What would it take to go to that midday type of thing where the ridership is very low and come in with the early hours instead? What would it take to do that?

**Mr. Smith** answered that is one possible strategy for meeting the \$900,000, to split the service four hours in the morning and four hours in the afternoon. I think that would be very difficult to do and it would leave some people stranded at their doctor's appointment for periods of three or four hours. I am not sure we can find a level of service to accommodate everybody. As I said, some of our routes are heavier during the midday than they are during the peak and that is true for the VA Hospital route for instance because we have people traveling to the VA Hospital

midday for their medical appointments. That is also true probably of the Bridge Street route.

**Alderman Domaingue** stated I don't have a question for the MTA but if we are done I do have a question.

**Alderman Sullivan** stated as a point of clarification, just to make sure everybody is on the same page, the assumptions that we have been discussing for the last 20 minutes or so, is that based on about \$1.2 million in your budget?

**Mr. Smith** replied the current level of funding is \$1,176,000. It increased between 2007 and the current year about \$100,000 and we had requested another \$100,000 for next year to meet increased costs for fuel and other things.

**Alderman Sullivan** asked so your line item in your proposed budget is \$900,000 but what we are operating under here is the assumption that we would be able to draw that \$378,000 from the existing accounts as part of the operating budget for the coming fiscal year? I just want to make sure we all understand that. We are assuming that we are going to be able to tap those funds as part of the operating budget if we are going to see the level of service that we have been discussing tonight.

**Alderman Lopez** stated let me say it this way. If the budget is approved as is they get \$900,000. If the Board of Mayor and Aldermen wants to increase it or amend it, then that is the money they will get.

**Alderman Sullivan** asked so if the budget were to pass in its current form, they would not be able to maintain the level of services that they set forth tonight? They would have to make additional reductions in service above and beyond what they are already saying they will do, right?

**Alderman Lopez** answered that is correct. Mr. Smith will manage the MTA to the best of his ability.

**Alderman Sullivan** stated okay I just want to make sure that we understood that.

**Alderman Smith** stated just to follow-up on Alderman Sullivan's comments, I have right here on the Mayor's proposal they would eliminate Saturday fixed routes – 11 routes each Saturday, eliminate Saturday Step Saver ADA, reduce the weekday service level, eliminate Route 9 D.W. Highway and combine Route 1 and I forgot to bring this up but there was a gentleman in a wheelchair and he has to get to the VA Hospital four times a week. If they don't have morning service he cannot make his appointments. In regards to the Mayor's budget, they can't operate. It would result in lay-offs of 13 bus drivers.

**Alderman Sullivan** stated my point was that the proposal that we are seeing...the Aldermen Lopez and Gatsas proposal also has a \$900,000 line item for the MTA so we are basically looking at the same scenario under either the Mayor's proposal or the Lopez/Gatsas proposal unless we somehow amend the budget to get it to that level. I think we are on the same side on this one. I just want to make sure that everybody knows that we are looking at a \$900,000 line item from either of the two budgets that are in play right now.

**Alderman Shea** stated your checking account as you explained...you are not allowed to use that for operating functions correct.

**Mr. Smith** responded we use it for operating every day.

**Alderman Shea** replied well you have a surplus there that you indicated.

**Mr. Smith** stated the impression is given that it is a savings account or it is some kind of separate account that we put aside. It is a checking account just like you would have a checking account at home. We have to have enough money in it to pay the bills on an ongoing basis. The amount of money in the account goes up and down based on our school operation and our transit operation and sometimes the money fluctuates significantly primarily because of the federal funding.

**Alderman Shea** responded that is what I wanted to go into – the federal funding delay. How much does the federal government give you?

**Mr. Smith** replied the proposed budget next year would give us \$1,684,000.

**Alderman Shea** asked from the federal government?

**Mr. Smith** answered yes.

**Alderman Shea** asked do they give it to you all at once or during the course of the year?

**Mr. Smith** answered the particular problem that we deal with is that our fiscal year begins in July each year and the federal fiscal year doesn't begin until October so even if it were available in October we could not draw federal money

during the first three months of the year. Then beyond that we have the problem of the delays in the federal processing of it. In the past few years we have not received our funds until March or nine months into our year.

**Alderman Shea** asked how much money do you have in your federal account now?

**Mr. Smith** answered this year's federal grant that was for the fiscal year beginning last July was approved in March so we have adequate cash in the account now because we have just drawn down all of that money that they owed us. During that time we borrowed money from the school bus...

**Alderman Shea** interjected how much money do you have in the account now?

**Mr. Smith** responded I will ask Bill to answer that.

**Mr. Bill Cantwell** stated I would say we have approximately \$750,000. Of that I will say \$450,000 would be dedicated to the transit function and \$300,000 is school function.

**Alderman Shea** asked so when you get a budget from the Board of Mayor and Aldermen on July 1<sup>st</sup>, how much do you anticipate having in that fund?

**Mr. Cantwell** responded approximately \$500,000, of which \$300,000 would still be school and \$200,000 would be transit.

**Alderman Shea** asked so would you have \$500,000 in that account? I think and I am not speaking for Alderman Gatsas or Alderman Lopez, but I think what they were saying in essence is you could use \$300,000 that you are short in order to

operate at your full complement assuming that when the federal grant comes in they will supplement whatever amount you need in order to keep operating. Isn't that what their thinking might be?

**Mr. Cantwell** answered that is correct.

**Alderman Shea** asked is that possible to do?

**Mr. Cantwell** answered yes, it is possible.

**Alderman Shea** stated so it is possible for you to operate...

**Mr. Cantwell** interjected I think the problem we have is not living with the \$900,000 but the City asking us to run a budget of \$1.2 million. Next year's budget increase will be say another \$100,000 and we will have to come back to the City and ask for \$1.4 million when this year's number was \$900,000. We will be asking for a 55% increase.

**Alderman Shea** asked the point is that over the course of years how much do you have to maintain if anything in that federal fund? Is there a minimum?

**Mr. Cantwell** responded there is no contractual minimum. What I like to do is I like to keep at least four months of my federal subsidy in there. So my goal is to keep the transit cash around \$600,000.

**Alderman Shea** asked for what reason?

**Mr. Cantwell** answered because I know I have a four month delay in federal funds at a minimum.

**Alderman Shea** asked is that a consistent amount that you are receiving – the \$1.6 million?

**Mr. Cantwell** answered it goes up slightly every year.

**Alderman Shea** asked how much?

**Mr. Cantwell** responded usually 3% or 4%. It is based on federal appropriations.

**Alderman Shea** replied so basically it goes up according to the amount of money you receive, so in FY2009 if you receive \$1.65 million then it would go up 3% from that and so forth correct.

**Mr. Cantwell** stated yes, something similar to that. It is based on Congressional appropriations.

**Alderman Shea** asked whose decision is it? In other words if the Aldermen give you \$900,000 and say, use the other \$300,000 and if you have a problem we will compensate you for that you can't operate under that guideline?

**Mr. Cantwell** answered that is not the issue. The issue is when we come back next year for FY2010.

**Alderman Shea** stated well we are not talking about next year. We are talking about a very tight economy and somebody may in their generosity decide to do for the Transit Authority what they did for the Currier and give you a subsidy of \$500,000. One never knows. So basically what we are trying to do is keep a certain amount of money under constraint hoping that people will understand and

work together and not against us. Basically many of the people that are dependent upon your services are saying the same thing. There may be differences of opinion but I think if you have within the guidelines of federal funds that are going to be coming consistently then it makes a very difficult decision on your part and on the other people but you have to consider where we are coming from as well. I thank you for your honesty.

**Alderman O'Neil** stated I am actually going to concur with my colleague. I think Alderman Shea is correct where this is a very difficult budget year and we are not trying to get too far ahead of ourselves either. The same issues we have with the subsidy of our Transit Authority we have in Police funding or Fire funding. So we are not trying to get too far ahead of ourselves either. We are trying to say what can we do in this next fiscal year to try to maintain service. So following up on Alderman Shea, I have to agree with him. It may be a different approach this year but let's try it this year. Let's not get too far ahead so where you are requesting \$1.4 million next year. Let's take care of FY2009. I would strongly recommend that because of the times we are in right now the Authority looks at that recommendation. I support Alderman Shea and his comments completely.

**Alderman Gatsas** stated Dave, there is no question that if I asked to see your balance sheet I would probably see a number on there that I have been touting. Would you agree?

**Mr. Smith** responded yes, you would.

**Alderman Gatsas** replied let us assume if that is correct that the balance sheet shows that \$1 million because I know that the Alderman who asked the question you gave a dissertation to but it was much longer than what I expected from a yes or no question. So does your balance sheet show \$1 million yes or no?

**Mr. Smith** stated on the audited statement for last year it does, yes.

**Alderman Gatsas** asked with the increases you have seen from the federal government over the last however many years at 3% or 4%, have you ever reduced the amount of money you were looking for from the City by that 3% or 4% or have you been collecting it and looking for additional funding and that is how that \$1 million was built up?

**Mr. Smith** answered no.

**Alderman Gatsas** asked how was it built up? I am asking the question preceding your history.

**Mr. Smith** stated back in 2002 when we were doing the 2003 budget you made the suggestion that the MTA use some of its equity to support the Transit Authority.

**Alderman Gatsas** interjected I reduced it by \$800,000 in the budget I presented.

**Mr. Smith** responded yes, and in that year we were level funded and the Transit Authority voted to maintain the service level and approximately \$140,000 of MTA equity was used in that year. In subsequent years, small amounts have been used to accommodate increases for fuels and those types of budget contingencies. We weren't coming back to the City for those things. We dealt with those within our budget. So yes we have used some of the equity.

**Alderman Gatsas** asked so if you used \$200,000 of that \$1 million that you have on your balance sheet, it leaves you \$800,000. That gets you the appropriation that you need from the federal government and if your federal funds don't come in a timely manner it has been very clear that this Board will authorize the Finance Officer to lend you the money until your funds arrive. So I think if any other department had those dollars in an escrow account on a balance sheet...

**Mr. Smith** interjected it is not an escrow account, sir.

**Alderman Gatsas** replied well balance sheet. If they had those dollars on their balance sheet within their budget, trust me we would have picked all \$1 million out so I think we are being kind to only ask you to use \$200,000 because those funds probably have accumulated based on taxpayer's dollars over the years. That is how it grew. You didn't just all of the sudden get it.

**Mr. Smith** responded on average there is about \$200,000 of transit cash in the account at any one time and I think probably Mr. Cantwell could answer better than I how that tracks.

**Alderman Gatsas** stated so I as a Board member here would ask you to change no routes except for the one that you said only has two people on it. I would assume that you would have changed that a long time ago if there were only two people riding the bus. It must cost you at least \$50 per person and it is probably easier to send them by cab and pay for it. I would also hope you wouldn't increase the cost to the ridership because next year could be another year for those discussions. This year I would suggest that you use \$200,000 out of that balance sheet \$1 million, move forward and get your federal funds, and if you have a problem with

cash flow I am sure this Board will authorize the Finance Officer to help you out with your cash flow.

**Alderman Shea** asked are you willing to do that?

**Mr. Smith** answered as Mr. Cantwell pointed out, it could be done but if it were done it would put us in the position of coming back next year to ask for a significant increase. You can only do it once. You can only burn your cash once.

**Alderman Shea** stated I am asking are you willing to do that in order to alleviate all of the concerns that everyone has – the people who may be laid-off and others?

**Mr. Smith** responded I am willing to present it to the Board of Commissioners for their decision.

**Mayor Guinta** asked then what is your request next year? Is it that \$1.4 million?

**Mr. Smith** stated typically our request to meet increased costs has been in the range of \$100,000 a year. This year's request was \$102,000 greater than the current year.

**Mayor Guinta** asked are you going to ask for another \$100,000 plus the difference that you didn't get this time?

**Mr. Smith** answered what we are saying is that the funding level is \$900,000 and if we make up the difference, then next year we are put in the position of coming back and asking for the difference between \$900,000...

**Mayor Guinta** interjected stated I am letting everyone know right now that next year I am not going to come in with \$1.4 million.

**Alderman Gatsas** stated well maybe in the next 12 months we should go out to bid to see if there is another company who wants to do the transit. Maybe Concord Lines wants to come here and do it and give us a better deal.

**Mayor Guinta** stated to be fair to you Mr. Smith, I can tell you right now because we are not going to be flushed with cash a year from now...this is an economic cycle that is going to last in my opinion more than 12 months so I am not going to even start with a recommendation of \$1.4 million next year.

**Alderman Gatsas** stated I don't disagree with you, Your Honor.

**Mayor Guinta** stated this is not personal against the MTA. We have some serious budget issues and I am asking the MTA to figure out how to hone its skill and I am going to ask you to do that again next year. At least you have that information.

**Alderman Gatsas** moved to take \$20,000 from the budget that was presented last night out of the severance pay and reduce that from \$250,000 to \$230,000 and take \$30,000 out of the contingency salary adjustment for a total of \$50,000 and move that back into the line item so you don't have a reduction in staff. He stated we will certainly pay attention to what is happening with the staff over there in the next 12 months as we have told the MTA with their budget. With that, I would like to move the budget that was presented last night to this Board.

**Alderman O'Neil** asked what are we trying to do here?

**Alderman Gatsas** stated I am trying to make an adjustment of the budget that was presented last night of \$50,000. Well, there was no budget presented last night so it is not like we are amending a budget from last night. I am amending the proposal that was brought forward last night to put an additional \$50,000 in the Mayor's budget and take those funds from severance pay and salary adjustment, to reduce salary adjustment from \$630,000 to \$600,000 and reduce severance from \$250,000 to \$230,000 and put that \$50,000 in the document that was given to everybody by the Finance Officer with the accommodating discussions and move that line item to \$203,678.

**Alderman J. Roy** duly seconded the motion.

**Mayor Guinta** stated if I could just make a comment and then I will go to members of the Board. First of all, Alderman Gatsas, thank you very much for the motion and the consideration for the staff in my office. Alderman Gatsas and I did have a conversation in the back for a few minutes about this and an upcoming motion. I do have to say that while I appreciate Alderman Gatsas's intention of moving forward with completing the City budget there are concerns that I have not publicly expressed and I am not sure if it would be the wisest move to adopt a budget this evening. I think that is a difference of opinion that he and I have but I would like that at least noted for the record before you vote on this because I think it is a vote that is meant to be collegial. I am not suggesting that I don't appreciate and accept the motion if it passes but I am not at a point yet where I want to move forward with the full adoption of the recommendation last evening where it's amended tonight because I think there are still some issues that we should try to work out. In all fairness, I would like people to know that up front.

**Alderman Lopez** asked where is the \$30,000 coming from, Alderman?

**Alderman Gatsas** answered that would come from the contingency salary adjustment that had \$630,000. That would be reduced to \$600,000.

**Alderman Shea** stated I think it is fair and just that that adjustment be made and I really mean that. That would have been a problem for me because I feel strongly that was one of the more important aspects of this budget. As far as I am concerned, I am ready to go with this budget. If you need a motion, I am ready to make it.

**Alderman O'Neil** stated I have no problem voting on the amendment. I would prefer that we don't vote on the budget tonight. I still want to clarify the numbers with Police. I am not comfortable with it leaving here tonight. I don't think they are. Secondly, I did ask the Chief for his priority and he said he would take the manpower over DAG's. There is no money starting July 1<sup>st</sup> for drugs and guns. We are hopeful that some of this federal money is going to make it to the state. It is highly unlikely we are going to get \$300,000 when I think there is only \$700,000 or \$800,000 in the whole state. We are not going to get 40% of it. I could be wrong.

**Alderman Gatsas** responded we are close.

**Alderman O'Neil** stated if you know you should be telling us tonight because it is a concern.

**Alderman Gatsas** replied I can't give you a definite.

**Alderman O'Neil** stated I have heard a lot of this. Last year we didn't get a penny. I would prefer we don't vote on this budget. I have no problem with the amendment and restoring the money to the Mayor's office, but I would prefer that we not vote on the budget this evening.

**Alderman M. Roy** stated I concur with Alderman O'Neil. We did hear from a lot of departments tonight. We have a lot of departments that are happy with this budget but as I said last night, it has been through the efforts of Alderman Lopez and Alderman Gatsas that we are here. It has been a true bi-partisan event but there are still gaps and there are still problems and I think we have the time to work on these. We still have revenue questions and we still have police questions. We have the vacancy questions and whether or not there is a hiring freeze or if departments can manage their own vacancies. I have concerns over those things and I would prefer that every Alderman is here...I know Alderman DeVries is not. I would look to maybe do this vote on Monday or Tuesday night.

**Alderman Sullivan** stated I have a parliamentary clarification. The motion on the floor only deals with the transfer of funds or is the pending question on adopting the plan that was given to us last night? What are we looking at voting on right now?

**Alderman Gatsas** replied what we are looking at...the motion that was made was made so that we all understood that I modified the budget that came before us last night with Alderman Lopez, changing those two lines and putting that money in the Mayor's line. I then made a motion to adopt the budget that was presented with the change.

**Mayor Guinta** stated we can only do one motion at a time.

**Alderman Lopez** stated there needs to be clarification and I think the City Clerk can do that.

**City Clerk Carol Johnson** stated if I am understanding what Alderman Gatsas is trying to do he is trying to amend the current operating budget resolution from the \$116,605,278 that it started with up to the current proposal that was presented by Alderman Lopez and Alderman Gatsas with the adjustment. That would place it as an amendment of the resolution. You need to amend it before you adopt it. It is two separate motions and it should be taken as two separate motions. So the motion would be to amend the resolution to the numbers presented by Alderman Gatsas.

**Alderman Gatsas** replied if I can correct the Clerk there was no resolution that was presented last night.

**City Clerk Johnson** stated I am talking about amending the Mayor's original numbers. So we are amending the resolution from \$116,605,278 to \$119,979,669.

**Mayor Guinta** stated so taking the updated proposal and putting it on the table.

**Alderman Lopez** responded no. Your budget resolution is given to the Aldermen. We are amending your budget and substituting our budget.

**Mayor Guinta** replied correct with one change right now.

**Alderman Lopez** stated with one change...

**Alderman Gatsas** interjected with a bunch of changes.

**Alderman Lopez** stated it is a budget change that we are offering. It is our budget and we are just offering it.

**Mayor Guinta** responded Alderman Gatsas wants to move \$50,000 into the Mayor's line...

**Alderman Gatsas** interjected that just brings it back to where your line item was your Honor.

**Mayor Guinta** replied correct and then take that proposal and replace the current proposal by the Mayor with the Aldermanic proposal.

**City Clerk Johnson** responded correct. It would amend the Mayor's resolution to the new number of \$119,979,669 to reflect the proposal with the changes that were just mentioned. It doesn't adopt the resolution it just changes the numbers that would then be on the Board's floor with that \$119,979,669 figure.

**Alderman Lopez** stated I need a clarification. If this budget passes...I want to look at the CIP. This doesn't change the CIP right? CIP is not passed with this budget.

**City Clerk Johnson** replied that is correct.

**Alderman Lopez** stated I think there are some bonding items in there that we either have to say we are going to bond those things or cut those bonds out so that we can save another \$80,000 in debt service. Do you want to help me out Mr. Sanders? In other words, if I took the \$1.4 million out of the CIP then we wouldn't have to bond and we could save some money in that particular line item. Is that correct?

**Mr. Sanders** replied that is correct, in the debt service line.

**Alderman Lopez** stated I just wanted to clarify that. For the new members of the Board I think it is only fair so that you know what we do. The budget is in our hands and it has been laid over since we took it out of Finance so at any time we can pass it and that is what we are doing tonight. The Mayor's resolution was presented and we are amending that resolution but all of the other resolutions are still on the table for us to approve like CIP, Airport, and EPD.

**Mayor Guinta** asked what about the school budget?

**Alderman Lopez** answered I wanted division on this because I am not voting for the school budget. I am voting for the operating budget on the City side.

**Alderman Gatsas** replied I think that is what the Clerk said. She said moving the \$116 million to \$119 million.

**Alderman M. Roy** stated as we go further into this discussion I still have questions. A question for the Finance Officer: Number 38 on the proposed Aldermanic budget summary of adjustments is interest on maturing debt an increase of \$145,000 for first year \$3.3 million in additional bonding. Wouldn't that only go into the budget the first year the bonds are sold?

**Mr. Sanders** responded the assumption here is that there would be one payment made. Assuming we would issue these bonds sometime in December of 2008, there would be a June 30 interest only payment is what that \$145,000 assumes.

**Alderman M. Roy** asked so you feel strongly that these bonds will be sold in FY2009.

**Mr. Sanders** answered yes, halfway through the year we would be issuing these bonds.

**Mayor Guinta** stated which would save us part of a bond payment.

**Alderman M. Roy** replied but my understanding in years past was the former Finance Director often held bonds for two to three years and funded projects with City cash in order to go ahead and sell bonds at the best time in the market. This is one of those things that I don't believe we saw on our last bonding.

**Mr. Sanders** stated I know that we will have to go out for bonds certainly for the School of Technology and some other areas this year and I was hoping that we would be able to bundle a sufficient amount of bonds to make it worth the debt issuance cost. That could be evaluated but we will have bonding needs this coming year for certain and if we were going to issue \$3 million of bonds it would be more cost effective to issue at least \$10 to \$15 million or \$20 million.

**Alderman O'Neil** stated Your Honor, I don't know what we gain by voting on this budget tonight. Now I appreciate the work that Aldermen Gatsas and Lopez did and I would vote for this budget on Tuesday night. I have some minor questions. I am still not comfortable with the Police number. That doesn't mean it is going to change but I would like to have another conversation with them. I don't know why we have to vote on this budget tonight. We have a full Board meeting next Tuesday night. It can be voted on that night. It does not need to be voted on tonight.

**Mayor Guinta** asked can we compromise and put it on the table and take a final vote next week?

**Alderman O'Neil** stated if we approve this now, my understanding is it is the budget. It doesn't layover or do anything. It is the budget.

**Solicitor Clark** stated the first motion on the table is to amend the resolution that the Mayor presented to the new numbers. You would still have to take another motion to adopt the budget.

**Mayor Guinta** stated in order to make this law there are two votes that have to be made.

**Alderman O'Neil** replied that is fine if we are only taking one of them tonight but it sounded like some want to approve the budget this evening. So some are looking to take two votes tonight I believe.

**Mayor Guinta** stated again I appreciate the work that the Aldermen have done to this point and I appreciate the work of the Board recognizing and working extremely hard to try to minimize tax increases this year. It is really amazing that we can go from where we started a couple of months ago to this number. However, there are two areas of comfort that I really need to gain and I hope all of the other Aldermen would need to gain. We still don't know what the school number is. We haven't even really discussed that.

**Alderman Shea** responded it would be your number.

**Mayor Guinta** replied it might be my number but if it is my number I would like to know that and I think it is fair for every member of the Board to know that. It could be \$143 million or \$147 million.

**Alderman Lopez** stated we are not voting on that.

**Mayor Guinta** stated I understand that, but what I am saying is why couldn't we take the budget as a whole and try to determine...

**Alderman Gatsas** interjected I can give you an answer. Certainly I don't think when anyone took a vote last week about rifting teachers they were concerned with the City budget. I don't think they were concerned with their budget. I think it is a very clear message that we need to complete our work and sit down and work on a school budget and maybe help that group along over there just as we worked very hard in doing this budget. Maybe they need to come in here every night for the next two weeks so that we get a very clear picture of what they are doing. I think it is clear with that they did. They were irresponsible not to rift teachers and they dropped it in our lap. I think we need to send a message that we just took care of the City side and we balanced the budget at zero just like you came in with. Maybe it was in a different manner but you led the charge and we came in with a zero number and we have accomplished that on the City side. I applaud you for coming forward with zero and forcing us to come back to a zero number. We have done that. We should put this budget to bed. I certainly hear where Alderman O'Neil is coming from and there is \$1 million in here and I don't think anybody is going to short change police. There is \$930,000 that has never been in the budget before to accommodate any of the things that department had taken from them. We have made those accommodations so nobody can go in and take money from them on a workers compensation salary line. It is there. So we have done things in this budget so that you truly see the numbers and we don't go

to a department and say give us a 93% and it is a deduction off of workers compensation and it is a deduction off of retirement with numbers that they can't adjust. This budget now lies before us and we understand where it is at. Certainly I applaud you for starting at zero because you forced us to come to a zero. We are not there. It is now time to put this one to bed and work on the next one because we are not having much success or cooperation from the people running the School District and I am sure the people of Manchester are going to be looking forward to making that a department of the City.

**Alderman O'Neil** stated I don't disagree with what Alderman Gatsas just said. I am asking for a courtesy that we vote on it on Tuesday. We have had split votes. We voted for the school budget earlier than the City budget in the past here. I don't think we need to have...

**Mayor Guinta** interjected I think that has happened once in the last eight years.

**Alderman O'Neil** stated well it has happened so I don't necessarily agree that we have to approve the City and school at the same time. Again, I ask for a courtesy. I will be ready to vote on this Tuesday night.

**Alderman Garrity** stated I can't support this budget. This budget increases spending and it spends 19% of our rainy day fund in one year and that was verified by the Finance Officer today. To spend nearly 20% of our rainy day funds...everybody knows it is going to be a tough fiscal year next year also so at this rate it would only take us five years to empty our rainy day fund. I think that is irresponsible and I will not support this budget in any way, shape or form.

**Alderman Ouellette** stated I can't make it on Tuesday night. It is my wedding anniversary and I have a commitment that I am not going to break.

**Mayor Guinta** responded we would be more than happy to host your wife here.

**Alderman Ouellette** replied I know that we would be happy, Your Honor, but I don't think she would appreciate it. So I am going to stay out of divorce court and tend to that. Whatever the majority of the Board wants to do I will go along with. I am prepared to vote on the budget tonight but if the majority of the Board wants to wait until Tuesday I am fine with that. I did want to get it on the record that I can't make it Tuesday night and I certainly have no hard feelings about that. That is just the way it goes. Tonight Alderman DeVries is not here and maybe we should wait because she hasn't had an opportunity to hone in on the budget. I would say in terms of the rainy day fund with all due respect to my colleague from Ward 9 I think it is raining and I think we have known that for quite awhile. Not only is the economy tight but people need the services. Spending has to increase but we did it with a zero increase on the City side and I can support that. Those things having been said, Your Honor, if we vote on it tonight or Tuesday night I am fine either way. Just so people know, if a vote is taken Tuesday night I won't be here but I am supportive of this budget. However, I do have the same concerns as Alderman O'Neil in terms of the Police. I am not convinced that come six months from now that they are not going to be coming in front of this Board for a significant amount of money. That doesn't mean that they will be but I have a concern and like Alderman O'Neil said maybe those numbers are right and maybe those numbers are good and hopefully they will come back and tell us that.

**Alderman Domaingue** stated I don't think it is necessarily fair to any Alderman here and more importantly to their constituents to take a vote on this budget without an Alderman present. I would propose that if we are going to take a vote on this budget that maybe we look at Monday of next week if everyone can make that date and time. I think this is far too important of an issue to not have all of the

Aldermen present. That was my first point. My second point is I am leary of passing the City side budget without looking at the school budget at the same time because even if we pass a zero percent increase on the City side whatever we do with the schools if we add that will be some sort of tax increase and I just want to see the whole package passed without passing bits and pieces of it.

**Alderman Lopez** stated I want to make sure, Solicitor, that this has nothing to do with directives. For example, if we want the Highway Department to manage their vacancies this has nothing to do with that and we can do that at any time. Is that correct?

**Solicitor Clark** responded correct. The Board can make that decision at any time before the new budget starts on July 1<sup>st</sup>.

**Alderman Lopez** stated I will support this because I have worked very hard with Alderman Gatsas in putting this budget together. I know the numbers. Also, if it doesn't pass that doesn't mean that the budget can't come back Monday night. I am not encouraging anyone one way or the other because I am going to vote for this budget. I think it is a good budget. I think it moves us forward. I agree with Alderman Garrity that it does take money out of the rainy day fund but we are struggling all over. We know what the difficulties are with the departments. I am very comfortable with the Police. They are authorized to hire eleven people and I agree with Alderman Gatsas that if they come back and they have that full complement of 225 police we are going to find something. We have never let the Fire Department down and we have never left the Police Department down because that is the safety of the City. In crafting this budget I think that I just have to vote for it. At this time I would prefer to wait but since it is on the floor and the Mayor has accepted the motion it puts me in a difficult position but I have to vote for it. I wish that Alderman DeVries was here.

**Alderman Osborne** stated the three departments I always have in mind are Highway, Parks & Recreation and MTA but wasn't Parks & Recreation supposed to come back tonight?

**Mayor Guinta** responded they worked it out in the back.

**Alderman Osborne** asked what does that mean?

**Alderman Lopez** stated what happened is he agreed with the numbers. He is okay. They calculated differently and they understand what they can do now. The BSO got sick and had to leave.

**Alderman Shea** stated I respect every person here but the point is that many of us have been here every night. We have not missed a meeting. We have made it a priority in our lives. We have given up certain things in our own life to be here so I am ready to move on the motion and people can vote God Bless them whatever way they want and it takes so many votes and you can veto or do whatever you want, Your Honor. Let's get to some resolution here.

**Mayor Guinta** responded I would hate to veto a zero. I would rather try to have a few more days to talk with some of the authors of the budget about some of the issues that I think are concerning. The two areas that I am concerned about are the prepayment and how that affects the current budget and not having any idea where we are on schools and thus not knowing what a potential tax impact is. Those are the two main issues. Again, I thank both of the Aldermen. There are a lot of good ideas in this proposal. There are things that move the City forward in trying to address some of the line items concerns and I think that is great. There is certainly a willingness to work together but I would prefer to have a little bit more time to

try to work with the authors to see if something can be done to try to minimize the hit to the rainy day fund.

**Alderman Gatsas** replied there is no question...let's make it perfectly clear. There is only one way we are not taking money out of the rainy day fund. The rainy day fund is affected by the 2008 budget that we are in currently. The revenues are short. Those revenues didn't appear so it has nothing to do with us taking money from the rainy day fund. I don't want anybody to misinterpret because we need to be very clear. The revenues from 2008 haven't been achieved in the budget that we are in. When those numbers aren't achieved the money comes from the rainy day fund.

**Mayor Guinta** responded I agree with that.

**Alderman Gatsas** stated so I want to make sure that there is clarify on that. I certainly understand where the Mayor is coming from but at some point to make this budget a zero we need to make sure we understand how we are operating and starting July 1 we best start operating with the best interest of the City and start understanding how we are going to put the next budget to the people of the City because if we don't find synergies in reducing costs and looking to make the School District a department of this City so that we have some oversight of not worrying about whether somebody rifts teachers because now we have a major problem.

**Alderman O'Neil** stated I have to jump in on that one. Even if they are a department I don't think we have oversight of rifting teachers.

**Alderman Gatsas** responded we don't. I agree with you. There is no question we don't but I think it was irresponsible, Alderman, what they did to us. I think it is important that we understand that we put the City side to bed and we have a CIP budget where we can reduce spending even more. If we take a look at some of those items in the CIP budget we can reduce the deficit. Now certainly my colleagues have asked to put this to a vote. Alderman Ouellette is not going to be here Tuesday so my suggestion is that we schedule something for Monday night at 5:30. We will take a vote tonight and put it in as a resolution and let it lay over for a second vote. I will make that accommodation for my colleagues.

**Alderman Lopez** stated if we vote it passes tonight.

**City Clerk Johnson** stated let me clarify for the Board. The motion on the floor right now is to amend the resolution to \$119 million...

**Alderman Lopez** interjected you are suggesting that we take the final vote Monday night then.

**Alderman Gatsas** responded I am listening to my colleagues. If that is where my colleagues want to go, I don't have a problem with that. I am willing to be accommodating.

**Mayor Guinta** stated thank you. I can live with that.

**Alderman Gatsas** stated I can tell you that if there is jockeying around with this thing and we are going to look to play a game with it, I don't have a problem going back to the Mayor's budget.

**Alderman Shea** stated me either.

**Mayor Guinta** responded that is fair. I think this is truly a collaborative effort and I think we all have good intentions. I appreciate the Alderman's consideration for his colleagues. I am certainly willing to take this vote this evening and schedule a meeting on Monday. That would theoretically be the final vote on the City side. I am going to just as a matter of courtesy sit down with Alderman Gatsas and Alderman Lopez about some of the issues that I have expressed at least privately with Alderman Gatsas. I will do that between now and Monday.

**Alderman O'Neil** requested a roll call vote.

**Alderman Lopez** stated just to make sure the new Aldermen understand, this is the resolution that will go on Monday's agenda and it can still be amended at that time.

**Mayor Guinta** responded correct.

**Alderman Domaingue** asked voting to change the Mayor's budget proposal to this budget proposal does not preclude myself for example from some amending on Monday, correct?

**Mayor Guinta** answered correct. An amendment could occur on Monday.

*A roll call vote was taken on the motion to amend the City operating budget resolution from \$116,605,278 to \$119,979,669 with the changes outlined by Alderman Gatsas.*

Aldermen O'Neil, Lopez, Shea, Smith, Ouellette, Domaingue, Mark Roy, Gatsas, Jim Roy, Osborne, and Pinard voted yea. Aldermen Garrity and Sullivan voted nay. Alderman DeVries was absent. *The motion carried.*

**City Clerk Johnson** stated I want to clarify on Monday evening when we come back we will have a resolution that is in the amended form. There is also the MTA and other resolutions like Airport. Do you wish those to appear on that agenda as well?

**Alderman Lopez** responded yes. Do you have the resolutions that I asked you to get ready tonight?

**City Clerk Johnson** stated I have the Airport and EPD.

**Alderman Lopez** asked does the Board want to wait until Monday? Okay, we will do them all on Monday. 5:30 on Monday?

**Mayor Guinta** answered yes 5:30 PM on Monday, if the Clerk could post that please. We are cancelling Friday then?

**Alderman Lopez** responded yes.

**Alderman Garrity** asked would the Board like to have a CIP meeting on Tuesday to deal with that resolution?

**Alderman O'Neil** stated I had asked for a courtesy to take the CIP resolution up on Tuesday. He was originally going to try for Monday but some of us do have jobs believe it or not. Now that we have to be here Monday night anyway if it is

more convenient for Alderman Garrity to do it Monday that is fine. Whatever the Chairman wants to do.

**Alderman Lopez** replied on Monday we can recess and let you do it or do it at the full Board.

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

A True Record. Attest.

City Clerk