

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN**

June 10, 2008

5:00 PM

Mayor Guinta called the meeting to order.

Mayor Guinta called for the Pledge of Allegiance, which was led by Alderman O'Neil.

A moment of silence was observed.

The Clerk called the roll. Twelve Aldermen were present.

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

Absent: Aldermen Sullivan, Garrity.

4. Discussion relating to the Charter Amendment questions to incorporate the School District as a department of the City.

Mayor Guinta stated if the school administration would like to come forward, we will entertain any questions or comments from the Board.

Alderman Lopez stated Your Honor, I was wondering if the City Solicitor could give us the legal interpretation first. Is that possible?

Mr. Tom Clark, City Solicitor, stated I had the Clerk pass out a quick sheet. Currently the district is not a department of the City, and pursuant to the Charter, and the way things work under state statute, they are given a bottom line budget. Back in 2003 there was legislation passed, a special act for Manchester, which would allow the City of Manchester to incorporate the District as a department. This would basically give the City control over the form and procedures of the preparation of the adoption of the budget, but that's as far as it goes. If the Charter Amendment were to pass, the Board of Mayor and Aldermen would still continue to appropriate the School Department budget as a single line item. The School Board itself would have the control over those funds and would be able to transfer them without coming back to this Board. The Board of School Committee would continue to hire the Superintendent, and they would continue to hire the teachers and to terminate teachers under state statute. The state statute is fairly clear that it is the School Boards in the state that have control over spending education funds and not the appropriating body of the Board of Mayor and Aldermen.

Mayor Guinta asked are there questions from the Board for the Solicitor? Would the administration like to make any sort of statement?

Dr. Henry Aliberti, Superintendent of Schools, stated we do have a brief presentation for the Board of Mayor and Aldermen. I would like to thank the Board of Mayor and Aldermen for inviting us here this evening to address the support in question, of departmentalization of the School District. This is an important question and we appreciate that you are considering carefully this question before recommending that this occur. We do have some question that we would like to have the Board of Mayor and Aldermen consider when they do deliberate on this particular issue. Those questions are listed on the front page of our presentation packet: What problems would be resolved by making the School

District a City department? What additional educational benefits would result from this change? What efficiencies would result? What would be the transition plan for this change? What role would the School Board and Board of Mayor and Aldermen have, if this was a result? Presently, as indicated by the City Solicitor, there are state laws that do preside and regulate the School Board and its functions. There are other RSA school approval guidelines and the City Charter itself. How would these all merge together? Financially, I'm going to have Karen DeFrancis describe some of the financial implications.

Ms. Karen DeFrancis, Business Administrator, stated some of the financial concerns are based on when we were a City department. Some of these concerns could have been addressed over the pass years or maybe there are new concerns that we're not aware of. The first concern is whether or not we would have to go on to the HTE system. Can the HTE system account structure accommodate us? Would we be able to access the database to print reports for both our DOE-25 year end report as well as our quarterly grants? There would be a training and conversion cost to converting over to the HTE system and there would be some concern about the financial reports. When we were a department of the City, we were not allowed to access the balance sheet accounts, so we did not reconcile cash, accounts payable, receivables. As a financial person that would be difficult to be in charge of a financial report without having access to those accounts. We also did not have the ability to enter journal entries. There would be a question as to whether or not the non-affiliated school employees would go on the Yarger Decker plan; there could be a cost involved in that. Another question would be our audit. Would it be the current structure or would we have a consolidated audit along with the City? Our current auditors do audit our financial reports as well as 23 of our student activity funds. Those 23 student activity funds have separate checking accounts that are in control of the principals right now and they are reported on our financial statements. There would be a question about the interest

income. Would there be an allocation of interest to the District if all the cash was combined into one account? There would be a concern about the City controlled accounts. When we were a department of the City, the City controlled the debt service, the City services, and the benefits. They budgeted for those accounts and also controlled those accounts. The question would be how will those account balances get on to our financial statement? We would definitely want to include those balances, because in order to come up with an accurate per pupil cost we would need to include that \$15 or \$20 million. Would the expendable trusts continue? Would the balance have to be retained or would it be returned to the taxpayers? Our current lease agreements: Who would have the authorization to sign those lease agreements? Our fixed assets: Would they be the property of the City or would the School District still control and do inventory on those items? The bidding procedures: Would we follow the Board of School Committee rules or would we follow the Board of Mayor and Aldermen rules? And finally our surplus: Would any surplus be returned to the taxpayers on our MS-24 as we currently do or would those funds be returned to the rainy day fund?

Dr. Alberti stated considering Human Resources and our Human Resources department, on the school side we have four employees in that department and we allocate three payroll employees to that department. City responsibilities prior to the declaratory judgment included payroll administration for all employees, a process for conducting deductions for those employees, recruitment of all non-certified employees and criminal background checks which were processed through the Police Department. Presently the School District has five collective bargaining agreements and we participate in the negotiation of those agreements. When you look at the conversions to the HTE system, we have 2,100 full time employees that would have to be converted. Calendar year, we processed over 2,900 W-2 forms. We presently offer 28 Tax Shelter Annuity (TSA) options for our employees and we also conduct training. This school year we processed 600

criminal background checks; we processed 460 certification renewals or renewals for certified staff. We track 112 alternative certifications and we processed over 1,500 applications for jobs.

Ms. DeFrancis stated on the technology end, Kevin Smith has provided us with a list of computers and other items that he is in charge of in the technology department. We do have six employees in that department. We service over 5,000 computers in 24 locations; we have over 50 servers; 50 switches, hubs and routers; 150 network laser printers. You can read the list down here. We have e-mail systems with 2,000 users, and jumping down a bit, we have our student information system which is currently a Rediker Sytem. We have our Munis Financial system, our Winnebago Library Automation system and our Help Desk System. Those are some of the systems we would have to consider converting. The technology department is also responsible for maintaining the 22 telephone systems with voice mail and also the 21 intercom systems in our schools.

Ms. Karen Burkush, Assistant Superintendent of Student Services, stated the next section on our handout is about legal services. What we see as the requirements of the Manchester School District are to have legal counsel that advises the School District on a broad range of legal issues and advises us on policy options that play out under a mix of state and federal laws so that we avoid unnecessary legal problems. An important part of legal counsel for the Manchester School District is to assist us in preventative-type law for activities that we would look to in terms of the decision-making process. We have some things that are unique to the School District that City Hall doesn't deal with and those are all of the different acronyms, such as No Child Left Behind, IDEA, and FERPA. Each one of these requirements is actually regulated to a degree, greater or lesser, by state and federal laws, courts and constitutions. The expertise that we require at the School District with regard to contract and general business affairs

involves human resources, collective bargaining issues, employment, student issues, policies, board procedure and oversight, state and federal constitutional provisions, state and federal statutory issues and case log that may impose liability on the School District. The counsel that is required for the Manchester School District has to have expertise in New Hampshire education laws. Some of those areas are special education, general education, vocational education, school district, school administrative units, home education, charter schools, transportation, pupil safety, and teacher certification. Our current services, as you all are aware, the majority are from the Wadleigh Law Firm with very competitive rates, with partner Dean Eggert for \$155 per hour and associates at \$125 per hour. The benefit that we have by using Wadleigh Law Firm is that there are 21 partners, four associates and support staff that provide expertise in education, construction litigation, complex multi-party litigation, civil rights defense work, tort, personal injury defense, commercial litigation, constitutional issues and contract litigation. They also have commercial and transaction attorneys with experience in bond issues, commercial transactions, real estate development and land conservation; and they have a highly specialized legal library that the district has access to. Wadleigh also has 30 years experience in school law. They provide consultation, litigation, mediation, professional development in school law, various school law publications by Dean Eggert. They assist in policy development, advocacy and legislation. They also provide professional development with in-service for our School District staff and our Board of School Committee. They also have professional affiliation with the New Hampshire Association of School Attorneys and the New Hampshire Association of School Administrators.

Dr. Alberti stated in conclusion, there is a change that is occurring in the School District at this time. There is a new superintendent that is coming on board and we have had some other administrative changes that have occurred at that

particular level. We included in the packets some previous studies that were done, one in August of 2001 and one in March of 2002, and we would urge the Aldermen to consider the time and cost that would be involved in undertaking another adventure into this area of looking at this particular issue. Thank you.

Alderman Lopez stated thank you, Your Honor. It seems that you have more question of us than we probably have of you. Looking at the perception, and I'm sure we're going to hear from our Finance Officer and HR Director too, the total cost, and the numbers here... Did you put in any total costs of the number of people here on the sheet that you gave us on the salaries of the Finance Department, the Payroll Department, and the HR Department?

Ms. DeFrancis replied on the fourth page of this presentation there is a listing of all of the staff, the staff that we had in fiscal year 1999, which was before we became a separate district, and then where that staff is today. I do have current salaries but have not totaled them.

Alderman Lopez stated roughly, this is off-hand, let's say \$500,000 to \$600,000. Is that reasonable, or is it more than that?

Ms. DeFrancis replied it may be more.

Alderman Lopez stated maybe we can get that later. I just want to wait until I hear whether or not Human Resources or Finance could take over these and how many positions they would absorb. I think that's the big key as to whether or not we can save some money. We are under two different systems; we are under HTE and you are under another system. Do you have any cost for your system as to whether we transfer to that system or transfer from your system to our system?

Ms. DeFrancis replied I don't know. The conversion, I'm sure, would take a few months. We would have training cost involved and the cost of the actual conversion of the data. We just recently went through Munis implementation, which is the name of our financial software, about three years ago. Currently, on the maintenance side of things, we pay \$40,000 to \$50,000 for the maintenance of that system. I am not sure what the annual cost on the HTE side would be. Those are things we would have to look at: the cost of conversion of the data, the cost of the training and the annual maintenance of the software.

Alderman Lopez stated I think the other question ...I've had some conversations with you in the budget process that we have now as to whether it's so complicated as to where everything is and how that could be done in layman's terms so everyone understands the tax dollars versus the grants versus the teacher grants, versus this and that. I think that is where the complication really comes in, the \$14 million you get in CIP and stuff like that. How can that be solved so that we get a true picture?

Ms. DeFrancis replied we actually have our auditor, Steve Kopic, coming before our Finance Committee on July 7th to talk about gross budgeting. It has been a comment in our audit reports in the past years that we should be gross budgeting. If we were to gross budget, we would be coming forward with a presentation of, instead of a \$150 million budget, it would be more like a \$170 million budget. However, on the revenue side we would have the grant revenues to offset that, so the bottom line to the taxpayers would be the same, but it would be gross budgeting and it would be including everything that the School District does. I think heading in that direction is a good idea for the School District. I realize throughout this budget process especially there were a lot of questions about the grants, where some of these employees were funded and why they were not in the presentation. There are 125 grant employees; why aren't they in the budget

book? So I think with an auditor coming forward on July 7th and the Board understanding that we should be heading in that direction, this could answer some of those questions in the future.

Alderman Lopez stated I have one final question for the City attorney. Are you going to need more people or more lawyers? Can you give me some type of synopsis?

Mr. Clark replied my office does have three attorneys doing civil work now. That includes handling the 20 or so City departments we have, plus the Board of Mayor and Aldermen. If we were to take over special education matters, it would require more attorneys, yes. There is no way we could absorb that in our budget currently.

Alderman J. Roy stated just to follow up on that, how many lawyers does the school district employ? None. So we are spending how much every year?

Ms. DeFrancis replied between \$100,000 and \$150,000 per year, depending on the cases that are in front of us.

Alderman J. Roy asked would we be able to hire that individual for less than that?

Mr. Clark responded they don't hire an individual; they hire a law firm.

Alderman J. Roy stated I understand that. Can staff take care of that and save money that way?

Mr. Clark stated we could absorb some of the general municipal school work. As for special education matters, they are specialized. I would have to hire someone with experience. I don't know what exactly that would cost at this point.

Alderman J. Roy asked your Human Resources Department has four people? How many employees?

Dr. Alberti responded we have 2,100 employees.

Ms. DeFrancis stated if I could just clarify, that would be our current full time employees. The W-2's that we issue, as Dr. Alberti stated earlier, were over 2,900 last year due to the turnover of the staff as far as our substitutes and those individuals.

Alderman J. Roy stated I have a follow-up question for our Human Resources Department. If you were to join those two departments together, first of all, how many people do we have in our Human Resources Department?

Ms. Jane Gile, Human Resources Director, stated we have a couple of people that actually are crossovers. We have a Security Manager who also performs some functions for the School District and our former Chief Negotiator was also involved with the negotiations with the School District. As you know, that position has not been funded. Currently we have a Director and an Administrative Services Manager. As far as compensation, we do payroll out of our office which is different than the School District, I assume. When you are talking about the four people, you are not talking about payroll people, correct?

Ms. DeFrancis replied correct. We have three payroll people in addition to the four HR people.

Ms. Gile stated I think we would have five in comparison to that on a fulltime equivalent basis.

Alderman J. Roy asked and if the two departments were combined, obviously you would have to take on some extra people?

Ms. Gile responded definitely.

Alderman J. Roy asked any idea as to how many?

Ms. Gile stated my understanding is that the teacher certifications and the superintendents and all of that have to be done by the School district. That is not something that can be done by a municipality, if I heard you correctly initially, in terms of the HR function, that the School District has the authority to...

Alderman J. Roy interjected what I am thinking of is if you had an organizational structure where you had one department head and you had a City branch and a School branch under you. Would that be something that would be feasible?

Ms. Gile stated I don't think we would do it with any less staff than the full complement of both departments, if that's what you are asking me. If it was to be absorbed under the City umbrella, if I understand you correctly, then those four people would almost have to come over to the department. It would be almost a 150 % increase in the numbers of employees that would have to be served. We are currently about 1,300. If you add another 2,100, that is over a 150% increase.

Alderman J. Roy stated on the School Department side, that Human Resources number of four, does that include a department head?

Dr. Alberti replied yes, that's our total Human Resources Department.

Ms. DeFrancis stated if you look on page four of the presentation you can see the listing of the employees with our job titles and salaries.

Alderman O'Neil stated Jane, just for clarification, I just want to make sure we are talking about apples to apples. Would you say for our 1,300 employees we do it with five full time staff including payroll?

Ms. Gile replied no, I did not included payroll in those figures. I was trying to do the apples to oranges comparison.

Alderman O'Neil stated so we do 1,300 employees with five full time staff. They do 2,100 with four, if we take payroll out. How many do we have for payroll?

Ms. Gile responded we have three.

Alderman O'Neil stated so we're equal on payroll.

Ms. Gile responded yes.

Alderman O'Neil stated I didn't pick up on this Jane, but I thought you referenced a comment that the Superintendent made regarding the fact that the School District would still need to maintain one or more people because of specialized certification. Did I hear that comment?

Ms. Gile responded I would have to ask the School District that question because, as I understand, in the past when the School District was a department of the City, they retained that function of hiring teachers, as well as superintendents.

Ms. DeFrancis stated when we were a department of the City, we had a supervisor and two payroll clerks. We still have those same three positions, and when we were a department of the City, we had three Human Resources employees and now we have four. So, in the past eight years, we have added one person.

Alderman Lopez asked could we get a clarification, Your Honor, of the question from Human Resources in reference to the teachers?

Dr. Aliberti responded we process those certifications. My assumption is that we would need to continue to do that. I don't know whether it's a requirement, but we process those certifications now through the State Department of Education, through their certification department. So that service link, that responsibility, I would assume would remain with us, even if we were a department.

Alderman Lopez asked could we have clarification from the City Solicitor if he has any knowledge of whether that would continue?

Mr. Clark responded the Board of School Committee would have responsibility for hiring, firing and disciplining teachers. They would still have to have that control. Even when the School District was a department, the Human Resources Department for the City of Manchester did not have anything to do with the teachers as certified employees.

Dr. Aliberti stated to maintain a teacher's employment they have to be certified.

Alderman O'Neil stated I don't know how we're going to be able to do an apples to apples comparison on the legal issue, but do you know how many different cases the District may have in a given year?

Ms. Burkush responded we would have to research that.

Alderman O'Neil asked is that something you could get back to us on?

Ms. Burkush responded yes we can.

Mr. Clark stated as far as the legal services, the numbers that they put down in here for salaries include the criminal division in my office, the prosecutors. It's not an apples to apples application.

Alderman O'Neil stated I was trying to get a handle on the number of cases they handle using the law firm.

Mr. Clark stated I was just referencing the fact that they mentioned salaries as total salaries for the attorneys for the City and the law firm.

Alderman O'Neil stated I guess I missed that, Tom. I didn't see that. Bill, how many employees in our Finance Department?

Mr. Bill Sanders, Finance Director, responded we have twelve full time employees and two part time employees in the Finance Department. Then there are some business officers at the various departments.

Alderman O'Neil asked and what is the total budget of all the departments you have responsibility for? I guess you should back out the Airport because it might not be fair to include it. If we backed out the Enterprise funds...

Mr. Sanders responded about \$119 million or \$120 million.

Alderman O'Neil asked having served on both sides, do you see any potential for savings here?

Mr. Sanders responded I gave the City Clerk a piece of paper to hand out addressing possible consolidations in three or four departments with very limited information and in some cases none. I'm not an expert in Information Technology and Human Resources to some degree. There may be opportunities for savings and efficiencies in the four departments that are listed: Finance, Human Resources, Information Systems...I'll leave aside legal. I do believe they would be modest. I don't think they would be substantial. I think they would probably be more in the range of 10% to 15% of the budget. I have a couple of reasons for saying that, one of which was the chart that Ms. DeFrancis just referred to in the School District's package. If you look at the growth in the School District's head count in the relevant departments over the last eight years, it has been very modest. It's only been four or four and a half people, if I counted correctly. Assuming you could bring down those four and a half people that we've added, you would be in the high teens in dollars and cents, if that all worked, and there would be a lot of work needed to be done to see if I was correct. That might work out to be about 15% to 20% of the total budget. When I added up the salaries on page four of the document, it worked out to about \$1.2 million for all of those departments, so if you saved 10% it would be maybe \$120,000. If you saved 20%, it might be more like \$250,000 or \$300,000. I would say on a budget of \$140 million on the School side and \$120 million on the City side that would be very

modest. And that doesn't include what we may have to go through to get that. I also believe that overall the School District is reasonably lean in terms of how they administer their payroll, the Human Resources Department, and how their Financial Department works relative to all the boards that they serve and superintendents that they serve, and Concord as well. So I think they're reasonably lean. Maybe you could get those four and a half heads somewhere out of there, on the City side or the School side. I don't mean to point to one or the other, but I don't think it would be significant. And then I pointed out some issues that go along with that. Of course to make this an efficient operation, I think there would be some substantial transition costs and one-time payments that we might have to make. We definitely would have to get our accounting and human resources systems synchronized. They are not today. One is on HTE, which already has been mentioned, and the other is on Munis. Whether one is better or not, for all of the multiple purposes of the City, I wouldn't want to say here today. I wouldn't say we should go on Munis. There would have to be quite a bit of work done at Police and Highway and many City departments to decide whether or not that's the case. I'm not altogether sure in my knowledge whether the School District was ever really satisfied with HTE, and I don't know whether the City is entirely satisfied with it, but at the moment, to replace a system would be a very expensive proposition. This would be well in excess of a half a million dollars to do it, I'm sure, and it would eliminate most of the savings that you're trying to achieve. We would have to go with that very carefully, I believe. There is also a lot of technical knowledge, which has already been mentioned. There are several departments, from special education to teacher certifications to special financial reports that the School District maintains with the Department of Education that have very explicit ways they have to be prepared. Then there are just a couple of things that I would like to point out very quickly. One, I wasn't exactly sure what the organizational structure would be. That is, if we combine Finance Departments, exactly who does the Finance Officer work for? I think I

still work for the Board of Mayor and Aldermen, so that would have to be worked out as to how I would report to the Board of School Committee or conversely, if I worked for Ms. DeFrancis, how she would do that. How we would work for two masters is always a difficult thing for anyone. You always have to prioritize, the Board of School Committee, the Board of Mayor and Aldermen, and Superintendents. It would be complicated, I think, not to say it can't be done. And the last thing I would point out is the entire timeline of implementation for this. There is no money in this year's budget to spend much on such a project, and I think if this went to vote and was approved, there would need to be a budget established for such a combination if we intended to do it and achieve savings and do it in an efficient way that preserved the financial integrity of both the School District and the City. I don't know what that budget should be, but I know that there should be one because there will be costs involved, in information technology and elsewhere, that will need to be charged somewhere that will be directly related to this project.

Alderman O'Neil asked Bill, if the School District became a department, would chargebacks go away? I guess there are going to be two questions.

Mr. Sanders responded I was actually going to talk about chargebacks, but it didn't seem specifically related to deciding whether there should be a Charter issue or not. It would have to be decided by the Board of Mayor and Aldermen whether they wanted to proceed with chargebacks. I would just make one point about chargebacks: Today the City charges the School District about \$8.5 million for a variety of work, primarily Facilities, but the Police Department, the Health Department and Parks & Recreation have chargebacks. So, one way to look at it today is that the School District is fully responsible for all their services. They pay for them 100%. Salaries get increased, they pay for it; if it costs more to fix a window, they pay for it. If we don't charge them back and the City provides those

services without chargeback, the City will be responsible for all of those costs in its own budget. We'll be responsible for the salary increases; we'll be responsible for the window that's more expensive to fix.

Alderman O'Neil asked Bill, would you agree that no matter who has responsibility, it's a matter of which pocket it comes out of? Wouldn't it still be coming out of the same pair of pants?

Mr. Sanders responded yes, it is coming out of the same pair of pants, but if there is a hole in your pocket, I'd rather it be coming out of someone else's pocket, not mine.

Ms. DeFrancis interjected may I make a comment on chargebacks? If we're not charged for those services, the \$8 million would not get included on our DOE-25, which is the document which decides our per pupil cost. This is the document that we use to bill our sending towns for tuition. So if our tuition cost was lower by that \$8 million, we would be bringing in less revenue from the sending towns.

Alderman O'Neil stated Bill, I guess I'm not clear...if they became a department then...chargebacks are not an issue one way or another, is what I'm hearing. It's not a factor in this decision.

Mr. Sanders stated I don't think you have to decide that today, whether they want to be a department, but ultimately it would need to be decided, and I would agree with Ms. DeFrancis. If we don't charge back to the School District the cost of maintaining the buildings and providing the resource officers and providing school nurses, they're not going to get into the cost structure of the School District, which they do today. This influences our tuition rates that we charge to the sending districts. If we didn't do the chargebacks, the tuition rates would fall, without our

cost structure actually changing at all. It would just be that some of the money was still on the City side. I don't know under the agreement if we could still allocate if we didn't do chargebacks, but we definitely would be creating inefficiencies by doing that. It's more straightforward today to do the chargeback and for the School District to pay for it.

Alderman DeVries stated I heard mention, it's part of the School handout, that it's not clear whether or not you'd have to adopt the Yarger Decker study, which has been implemented on the City side. Who would be making that determination?

Ms. DeFrancis responded I believe the Charter states that the City would follow the Yarger Decker. So, we have non-affiliated employees. We have five unions and they currently have a payroll structure. But we do have employees who are non-affiliated. So the question would be, do those employees now follow the Yarger Decker schedule, and if they do, is there in an increase in salaries, based on their responsibilities? That is something that would have to be determined.

Alderman DeVries stated then I guess I would ask the Solicitor, is that part of the Charter? Would you agree with that statement?

Mr. Clark responded no, I don't believe that whether or not they would go on Yarger Decker would be a part of the Charter issue. If they became a department, it would be up to the Board of Mayor and Aldermen to decide which pay scale they would be on, whether they could leave them where they are. I assume you're talking just non-affiliated employees at this point. That would be up to the Aldermanic Board.

Alderman DeVries stated I guess my final question...and I apologize if you're not ready for the question, but it would seem to be a matter of equity between equivalent positions, both with the schools or with the City side. If somebody has a similar job description, they would have to have similar payrolls. Would the HR Director agree with that?

Ms. Gile responded that would seem reasonable.

Alderman DeVries asked is there a way that we can compare positions that are similar to see if there is a cost benefit or additional expenditure that would be incurred by the absorption? Because this is really what this exercise is all about, trying to determine the potential savings or the potential costs. Is that something that can be reported back to the Board?

Ms. DeFrancis responded yes, we could work with the City Human Resources Director to compare the positions that we're talking about and see what the cost is, if there is a cost.

Alderman DeVries stated thank you. And I did see that the last time you took a look at this was back in 2002. Would you be looking to see if there are any statutory changes that maybe have occurred since that last letter to us? I heard you reference also the declaratory judgment, which would have been prior to the 2002 report.

Dr. Aliberti stated I think that is something we would certainly explore if the Board of Mayor and Aldermen are considering this. We certainly would explore that aspect.

Alderman DeVries stated I could use a better explanation of the something that was on the August 10, 2001 report that was part of your handout tonight, item 4, which is talking about the statutory interpretation from Judge Nadeau. I could use a little bit better explanation of exactly what that finding means to the District and exactly, if you are a department of the City, how does this particular decision weigh in? And I'm not looking to make you incur a lot of legal costs to go there, but these two paragraphs just doesn't quite...the question remains for me, if you are a department what exactly does it mean? I've heard that we will be allocating still just the bottom line. Because of, I assume, this decision, the District would still have control over line item. I don't know if that's a correct statement or not, but it's certainly something I would like to have answered. I also am not sure, if there is a shortfall on the City side in any given year, does that mean if we go back and implement a 2% across the board cut, does that automatically get implemented to the schools or are they immune? Just generalized questions, and if our Finance Director already has answers to these questions that I have tonight, please chime in. I don't know if they've already been considered. Has anyone in the audience already weighed in on these?

Mr. Sanders stated I would just like to consult with the City Solicitor on the last question about the shortfall and whether we can direct the School District to reduce spending like we would another department. I don't think that we could do that.

Alderman DeVries stated I'll wait just a minute because I do have a couple of other questions that I'd like to ask before we move on.

Mr. Clark stated under state law they are going to have exclusive control over their budget. Now, if they were a department, there is a possibility that you could issue a directive to cut spending, but it's not absolutely clear.

Alderman DeVries asked what would make it clear?

Mr. Clark responded two ways. It could be legislation or a court case.

Alderman DeVries stated okay. One is more expensive than the other. I've heard about a lot of potential costs. To synchronize our two financial reporting systems for one entity or the other is potentially a half million dollar cost. I've heard that the possible efficiencies might be 10% of the School payroll. It might save us \$120,000. It still sounds like we're \$300,000 plus. If we throw Yarger Decker in there, it could easily be costing us close to a million dollars, never mind the chargebacks and the loss from the tuition towns, which some percentage of the \$8.5 million... I guess I would like to hear what percentage is actually built into the \$8.5 million, what we're actually looking at. Is it 10% of the \$8.5 million that's charged back to the tuitions? But I think the voters ought to have some idea of savings versus costs. And it sounds like we could be losing millions of dollars to make the conversion. I don't know, Your Honor or somebody else, who wants to give us more detail of what we are going to gain that might be a true offset for the potential cost. I don't think I've heard it yet. Is that going to be part of somebody's presentation tonight?

Mayor Guinta stated I think the purpose of this meeting was due to the fact that earlier in the year there was a unanimous vote by this Board to take the next step in the discussion and dialogue about this subject matter. So, I think this is the first meeting where this Board and the Administration, as well as the Finance Officer and the Solicitor, have convened just to have a general discussion. So it appears to me that there are some initial issues that are coming forth. Some questions are getting answered and probably some items are creating further question. I think right now the focus has been primarily on potential cost savings as a result of co-

mingling some of the departments. I suspect that part of the original decision or thought process for the Aldermen to move forward to get to this point were some of the...I think probably the relationship between the Aldermanic Board and the School Board was taken into consideration. I suspect that some of the decisions or lack thereof on the part of the School Board were taken into consideration. I'm not sure that the answers to those issues are provided in the documents before us, so there might be additional discourse that's going to be required. I think one of the things that has to be pondered is, if this were to take place, how would it change the relationship between the appropriating body and the educational policy body? Would it improve? Would it change? Would it create a deeper dialogue? Would there be, not financial gains, but potentially educational gains by making this move? So I think there is probably a financial component, but there is also a philosophical discussion that I think, if it doesn't occur tonight, should probably occur. I recall when the Board originally took their vote, I think those were some of the things that were being at least considered at the time. Obviously since that point, from that point to today, we've been engaged as a Board on solely the budget. As a matter of time requirements, if we want to move forward, these discussions do need to occur because there are time requirements for the public hearing, if this were to move forward to the ballot.

Alderman DeVries stated Your Honor, I thank you for the clarification that there are going to be additional informational meetings that we are going to have before we're asked to make this decision. I might also suggest that somehow we gain some insight from Nashua, which I believe is one of the only...at least to my knowledge one of the few departments, so it's a School District running as a department of the city. We can try to make a comparison to what we have here in Manchester, which is truly a hybrid. You're not an independent district. You don't raise your own taxes. You're a hybrid between the two. But I can't say that I've been able to gain the insight as to how much better things function in Nashua,

and I would appreciate your office maybe doing some outreach, and I'm sure the Department of Education or others can help us complement any outreach that you are able to do to bring somebody up to explain whether some of our questions actually occur in Nashua.

Mayor Guinta stated I would be happy to do that.

Alderman DeVries stated and I thank you that we will have further meetings beyond tonight because I think tonight is just, as you said, stating many more questions rather than answering things for any of us.

Mayor Guinta asked as a matter of clarification from the Clerk, what's the last potential day that a public hearing could take place in order for this to be placed on the ballot?

City Clerk Carol Johnson responded my recollection is that it was September 5th. I'd have to go back and look again, but it's not until the end of August at the latest anyway.

Mayor Guinta asked and that would be for the November ballot?

City Clerk Johnson responded correct.

Alderman Lopez asked is this going to be a team effort? Who is going to do what as far as getting the dollar amount as to whether it's a good idea or a bad idea? The public has the knowledge or perception out there that the Mayor is going to have line item veto and that's not true, and this is going to...What about the dollar amount? The perception is we're going to save a lot of money if we do this. That's the real issue. And who is going to do that?

Mayor Guinta responded there are a number of ways that we could provide information to the public. First of all, as the process moves forward, we could have a frequently asked questions section posted on the website and provide that as a public document to anticipated questions about dollar savings, administrative and functional oversight, responsibilities of both boards, responsibilities of the administration on the School side versus the department heads here in the City. Not opinions but facts...factual questions that would be frequently asked. And at the very least the public would have an opportunity to educate themselves on whether this is an appropriate step for the City to take. But beyond that I would hope to gain additional knowledge, as Alderman DeVries suggested, from Nashua. And after this initial conversation, we would have a dialogue amongst the Board of Mayor and Aldermen to decide what are the goals and accomplishments we would have as a body, should this move forward and should it be supported by the City. And I think that's a further discussion that we need to have.

Alderman Shea asked why did Manchester change from a school department to a school district?

Mayor Guinta asked was the question when or why?

Alderman Shea asked why did it change? I know when it changed, obviously, but why did it change? What was the reason for it being...I know when I worked it was a department and then subsequently it became a district.

Dr. Aliberti stated I'm not sure what precipitated the initiation of that.

Alderman Shea asked is there a reason for it being a district? In other words...

Alderman Ouellette interjected if we could defer to the vice chairman, I'm quite certain she understands the issues, as she was a member of the School Board back when the declaratory judgment was made.

Ms. Katherine Labanaris, Vice Chairman of the School Board, stated the reason that the District went forward to become its own entity was because of the fact that the HTE system was not providing the financial reports that we needed. We needed to get better control of the finances of our district, and the only way we could do that was to go forward and become a district, based on a declaratory judgment of Judge Nadeau.

Alderman Shea stated as I recall the HTE system was only operative in Alaska at the time. Norm Tanguay was familiar with it because he had come from Alaska. So you're saying that the reason it became a district was solely on the basis that the HTE system did not function with the school department; it couldn't become adaptable to that.

Ms. Labanaris stated correct. We were not able to get financial reports that we needed, and that precipitated...we had a no-fund balance and we were in deficit, and then we decided going forward that since HTE would not work for us and we couldn't work with the Board of Aldermen in the City, that we would go forward and become a district of our own.

Alderman Shea stated let's assume...jump ahead and we decide that you are going to be a department. Are you going to have the same problem, without being able to operate, as you are now, in your system versus the City's HTE system?

Ms. Labanaris responded I would presume that since HTE is still being used by the City, whatever problems we were having with regard to getting the financial

reports that we needed in order to run our district, then I think that the same problems would present themselves.

Alderman Shea stated so that is one problem that would have to be resolved.

Ms. Labanaris stated it would indeed. That would be the most germane problem of all going forward.

Alderman Shea stated thanks for that clarification. I would assume that is something that would be on a list that Mr. Sanders would have to resolve. It's like a dilemma. In other words, you brought it up before, but somehow or other that would have to be part of the amount of money that has to be spent to convert the School District into a school department so that some system would be compatible with what they could use that the City is using. That's what I'm saying, Bill.

Mr. Sanders stated that is correct.

Alderman Gatsas stated correct me if my memory is wrong, but I think when you got the declaratory judgment May 22, 2000, and I remember that distinctly because that was my birthday, that you put in a system to the cost of \$350,000 which lasted for how long? And you had to change it because it wasn't doing what you wanted it to do. And then you spent an additional \$500,000 on the next system in a year and a half span.

Ms. Labanaris asked are you talking about the Rediker system?

Alderman Gatsas stated I don't remember the names. I just remember the dollars.

Ms. Labanaris stated I don't remember. I guess Ms. DeFrancis has to answer this.

Alderman Gatsas stated I just want clarity because the HTE was why you left. I just want to make sure that the first \$350,000 that you spent on a system that didn't work either...

Ms. DeFrancis stated the system we converted to after HTE was the AMASE system. I don't recall the cost but I would say \$500,000 is a reasonable number. And then we were on that system for about five years, and the past three years, I believe, we've been on the Munis system and that was the \$300,000 number.

Alderman Gatsas stated so in five years you've found two systems, so HTE maybe at this point... and you spent close to \$600,000, so transferring back may be a lesser problem, seeing that HTE may not be the optimum, but certainly works at a level that gives Bill Sanders a comfort level.

Ms. DeFrancis stated I'm not sure. Bill would have to answer that, but I know that the School District did not have a comfort level with HTE at the time that we did utilize that system. One of the biggest problems was getting reports out of the system. We were not allowed to access the data base. We had to go through the IT department in order to get reports....

Alderman Gatsas interjected kind of like the report I asked you for the other day when we were sitting together and talking about health insurance, and I asked you for cost and you gave me a report that showed \$20 million and in the budget it only shows \$15 million budgeted. Kind of like those reports?

Ms. DeFrancis stated that report was actually an Excel report, so that was not out of the computer system.

Alderman Shea stated combining the health services...and I'm not sure whether it's HR...certainly in my judgment would be a plus financially in terms of the same health provider providing services both to the City employees as well as to the School employees. I assume that there is a cost differential between what the School District pays now and what we pay, but again, is that something you would concur with?

Ms. DeFrancis responded we would have to work with the City Human Resources Department to determine what their current rates are versus what our current rates are.

Alderman Shea stated basically, when I was part of a team that studied the problems, we discussed the four areas that were discussed this evening: health, human resources, finance, and legal services. And I concur that you do need an expert when it comes to special education. There's no question about that. In other words, you have to have someone that's going to be knowledgeable because lawyers come in from Vermont and other places and they are advocates for parents, which they should be, and therefore obviously the District has to be represented. There are other legal services that we all have noted in recent years that probably could be easily handled by the City Solicitor when it comes to different types of concerns that are raised by Board members. So again, that's something else that has to be ironed out. The other concern is Yarger Decker, and certainly that's a system that obviously I can say I didn't vote for because I didn't think at the time it made much sense, when we didn't know the cost. If City employees are treated one way by the City, certainly people coming into the City, if there were to be a School District as a department, they should receive the same

benefits or the same concerns. I think that that's only fair. So that might be an added cost, which was brought up by others. We can kick this issue around forever and a day, but I think the answer is that we really have to find out if it's going to be financially beneficial, because educationally you certainly do a good job. All of the people and nobody on this Board would want to take any responsibilities away. But the point of the matter is that if it can save a substantial amount of money and there is not going to be any diminishing in the services the children are going to receive, then I think we should explore it.

Alderman M. Roy stated my request is simple. Thank you for your handout. The report from March 7, 2002, I would just like to see that updated. One of my concerns, as we look at the trending of what's going on with the School District versus when it was a School Department, is though we appropriate the money, we don't have any responsibility for the end product. But we do get the criticism of the end product as we just looked at through our budget process. Historically, the Mayor puts out his budget by Charter. It then becomes the Board of Mayor and Aldermen's budget, and we take the criticism for proposed cuts, such as ending music, laying off principals and teachers, on and on and on. We don't have any control over that. I made a statement recently that I've been criticized for, and I'll stand firmly behind for the rest of my life about not laying off teachers. I've been criticized for it because it's a common practice in the private sector. Well, in my opinion it's the right thing to do when you have large class sizes and want to provide good education, not to lay off teachers. That one comment has been publicized and talked about. But the many things that we don't talk about that go with that are creating the efficiencies, going through the process that I know my School Board member from Ward 1 is going through now. And that's where we find, or I find, the gap. We appropriate the money and then after we write that check, we have no control over what the best educational value for that dollar is, but we take all the criticism. So I would just look to have this March 7, 2002,

report updated to see where the trending is, possibly with the line of 2002, comparing it to 2008 and see where we were, where we're going, and where we can end up. I'd like to see that, not tomorrow, but in the near future, so that when we have the public hearing, people will have had a chance to digest it.

Alderman Ouellette stated as someone who has lived this for the past nine years or so, I think that coming to a significant change...kind of like what Alderman Roy was just talking about, the frustrations about the process...I think in terms of the budget process and the right information, or whatnot, in terms of the School District side, I'm not sure that you'll ever get a clear picture as to what goes on by just appropriating a bottom line number. I myself...and I'm not sure how many of my colleagues would agree with me, would advocate that if we really want to make significant change in the City, then I think that the Board of Mayor and Aldermen and the School Board should be...the ties should be separate all together. I think that we are both elected by the same people; I am elected by the same people Steve Dolman is elected by; Alderman Roy is elected by same people Committeewoman Craig is elected by. So I think they should be held accountable to the taxpayer as well. I think that is not unprecedented. That is the way Concord does it. Concord's school board sends out their tax bills. If this year a 16% hike in the School District's budget were to happen...I don't foresee that, but if that were to happen, then I would tell you that there would be public outrage and there would be probably 14 board members replaced the following election cycle. It's very different having sat on that side and crafting budgets and advocating for children and it's very passionate. You are advocating for the best education that you can advocate for. It is very different sitting on that side, so I would have voted for the \$153 million budget. I would have had no qualms about that if I was sitting on that board because it was a progressive budget. I think that having been said, in terms of the legislation, my concern is that we pass this on to the voters before we get all of that information because we are asking for a tremendous

amount of information in a short period of time. I just want everybody to know that this may not be completed by the time we have to vote and send it to the voters. My concern would be to the City Solicitor. If this legislation gets put on the ballot, the minute we send it to the ballot I would think that the School District is going to appeal to a higher court as to whether or not this legislation that was passed is constitutional. Tom, have you looked at that possibility and have you thought about that? It just seems to me for a little bit of change, and not saving a whole lot of money, that we could be incurring legal costs again, significant legal costs and continue in court. We haven't been in court for four or five years now and it has been a lot better, our relationship between the District and the City.

Mr. Clark stated I cannot predict whether or not we will have a court challenge. That would be up to the School Board and its decision-making process. The state legislature did pass a law, a special act for the City of Manchester allowing the City to incorporate them as a department if it so wished through the Charter amendment process. We've looked at it generally. We believe it complies with the constitution. There are departments in the state, as in Nashua, where the school districts are a department. So it would be hard to say that it's not constitutional. But where a court case could go you never can predict.

Alderman Ouellette stated thank you, Your Honor. I appreciate your time this evening. I think you guys are responsible over there and I think you are responsible enough to send out your own tax bills.

Alderman Smith stated I've got more questions than answers tonight. I have my doubts that there will be any cost savings making it a department. I think I was the only Alderman that voted against this proposal at the beginning, and I will continue to do so because there are quite a few answers that have not been

received and cost is mandatory. I would like to ask Carol Johnson a question. The first election is September 8th I believe; is that correct?

City Clerk Johnson replied there is a primary in September, yes.

Alderman Smith stated in a Charter...if we're going to change the Charter, I'm not quite sure, I know it's 60 days and we've got to have a public hearing. Is that correct? Because, time is of the essence.

City Clerk Johnson stated statutorily there are two limitations: one is there have to be so many days before the election and you can't order it so many days...there is a time set by law. However, I also wanted to caution that the interpretation in the past has been that the general election is the election and I don't know that it would be...I would have to confer with the Solicitor further and perhaps the Attorney General's office and the Secretary of State's office if we were going to interpret it differently. The interpretation of law per Charter amendment purposes has been that the general election is the election that you would hold that at, unless you hold a special election.

Alderman Smith asked Carol, I was under the assumption that it was the next election and the next election is the primary in September. I could be wrong. I am not an expert on Charter revision.

City Clerk Johnson stated the primary election is the next election being held in City. That is a state election; it is a primary. The interpretation and my understanding of the interpretation has been that is not considered the next biennial election, which is what is referred to in the statute.

Alderman Smith stated thank you very much. The only reason why I was following up with this is that I don't think the potential cost savings are here. I am really an advocate of education and I have more questions than answers and I think that we should pursue this as soon as possible and get it over with one way or another.

Alderman Shea stated I think that the reason that you would tend to have it in a general election rather than a primary election is because there was a discussion years back when the Charter was going to be adopted. There was a discussion at the state level, and I testified along with others because there were unintended consequences if in fact something were decided at a primary level rather than a general election level. I'm not sure if the City Solicitor could clarify that. That is the reason why that decision would be at a general election rather than a primary. The fact that if we did it at a primary, then every other constituency in the state would decide that when they wanted to decide an issue and wanted to kind of sneak it through they would have it at a primary. So a general election is really where that was decided.

Chairman Lopez stated unless the City Solicitor and the City Clerk are prepared to answer that question, make sure you confer and get back to the Board of Mayor and Aldermen in writing.

Mr. Clark replied we will be able to answer in a minute.

Alderman Gatsas stated the law is pretty clear, Mr. Chairman. The law says special, primary, or general.

Chairman Lopez stated that is true but let's get the interpretation here, legally, and we'll be all set. I have a couple of questions. If I recollect the Supreme Court ruling, if there was an agreement with the School District, a written agreement that we could combine health in order to get a better deal...I know you're not prepared to answer that question, but I believe in the Supreme Court ruling they authorized the City...in order to charge its School District something, it has to have an agreement. I will give you an example. I believe that the janitors that you have in the school, you write an agreement that you will pay these janitors. Is that correct or not?

Ms. DeFrancis stated the janitors go through the City Facilities Department, through Aramark.

Chairman Lopez stated but the School Board approved an agreement that they would pay those janitors.

Ms. DeFrancis stated correct.

Chairman Lopez stated if there was some exploratory ways that we can have agreements to accomplish maybe some of the things that we would want to do to save money, which is the end goal...you're probably not prepared to answer that but if you want to comment on it that's fine too. The second thing that I want to bring up, I believe that there are some school employees that belong to unions that are under Yarger Decker, am I incorrect?

Ms. DeFrancis replied that is correct.

Chairman Lopez asked how many employees?

Ms. DeFrancis replied I would have to research that. I know under our MSPA contract there are probably about 75 employees. However, they did adopt a separate increase outside of what the City accepted this year. So I think that the percentages may have been different, but it is the MSPA employees that are on Yarger Decker, and I believe that is it. The principals have their own pay scale, the teachers have their own pay scale, the directors and coordinators have their own pay scale and then the paraprofessionals. No, the paraprofessionals are under Yarger Decker. So there would be two groups: the MSPA employees, who are the school secretaries and some administrative staff at our building, as well as the paraprofessionals, who are following Yarger Decker.

Chairman Lopez stated the big point about the agreement... I think we have to be clear that up with the Supreme Court ruling. I think there are some things that we can agree on and have a signed document and try to work together on some of these potential savings. But again, we need to have somebody put those dollar numbers together. I believe in total health insurance. We'd be better off, for an example...take the chip off everybody's shoulders, so to speak, and say this is a good deal for everyone.

Alderman Gatsas stated I guess I have one question. I notice in your presentation... was there any one thing that you could find that would say that a consolidation as a department would be good? Just one thing... I didn't think so.

Dr. Aliberti stated what we did was we took a look at the issues that were associated with those four departments and that is what we presented this evening.

Alderman Gatsas stated so you didn't find one issue that would be a benefit to the taxpayers in this City if we consolidated it as a department.

Ms. DeFrancis responded the only thing that I would say is that when we look at the listing of employees, we have indicated, as Mr. Sanders pointed out, we have four and a half more employees today than we did when we were a department of the City. So could you consider that a savings? I think further research would have to be done as far as looking at technology. I mean we have a lot more computers today than we did...

Alderman Gatsas interjected maybe the clarity of my question should be better. I didn't ask you for savings; I said could you tell me one thing that would benefit the taxpayers in this City, and I heard one back there that your people would be paid better. Maybe that's an issue that we should consider, but certainly I am asking you folks as the administrative body of the School District if there is one thing that you found that you could recommend that would make sense to make you a department?

Dr. Aliberti responded I think the way the District operates right now, regardless of some of the opinions that are often stated or presented, and as indicated in some of the reports, we have only added four and a half employees since those were done. The district does operate in a very efficient fashion. We are a lean administrative unit and to me that is the benefit and efficiency for the people within the City of Manchester.

Alderman Gatsas stated you made reference to a study that was done or a joint study that was presented in 2001, and I know that the District had a big blue book that they passed out to everybody. Does anybody have that book so we can talk about it? Or are we still not entitled to the same information that the School District had at the time? The information was not given to the rest of us. I think Alderman Shea sat on that committee; I was on it, Alderman O'Neil and Alderman Whiby.

Dr. Aliberti stated we were asked to come this evening because the Aldermen were going to ask us questions. If you wanted us to bring specific information or documentation, you certainly could have asked us to do that.

Chairman Lopez asked is there some documentation that you require?

Alderman Gatsas replied Alderman Shea was present at the meetings. We went to four or five meetings, and we couldn't get the documentation from the School District that we were requesting that could have shown the changes and savings and cost effectiveness. I thought it was amusing at the time when we were going because I think we went to three meetings and then we stopped going because it wasn't totally genuine.

Chairman Lopez asked Dr. Aliberti, is there any type of documentation that the Aldermen is referring to that exists?

Dr. Aliberti replied I don't know what he is referring to because I wasn't here at that time. If it's a blue binder I suppose that we could look for something that is related to some type of report, but I don't know what specifically the Alderman is referring to.

Alderman Gatsas asked Alderman Shea, do you remember?

Alderman Shea replied I thought Leslee Stewart was the one that was involved with the process. As far as the material is concerned, we weren't privy to certain types of information; we were supplying information and I know that I was on the legal part and I know we met with...I am not quite sure, but we met...

Alderman Ouellette interjected I served on the legal part with Alderman Shea, and we sat down with the City Solicitor and Dean Eggert, and we basically worked on that.

Alderman Shea stated and we came up with certain savings.

Alderman Ouellette stated with certain savings, and it came up that maybe the City would handle the right to know laws and things of that nature, and look over contracts and whatnot. The special education was the big nut to crack on that one. There was going to be some sort of savings, I think between \$8,000 and \$12,000.

Alderman Shea stated it was more like \$40,000 or \$60,000.

Alderman Ouellette stated I would dispute you on that, Alderman, but that having been said, as part of the binder that Alderman Gatsas is referring to, I don't remember that because I wasn't on the committee that Alderman Gatsas was on.

Chairman Lopez stated nobody knows of a binder. I guess not.

Alderman Shea replied I don't know if the CIA has it or what.

Chairman Lopez stated I would like to thank you very much, Dr. Aliberti. Just for the record, I know the Mayor just came in, but if the Information Systems Director, Jennie Angell, could come up please for a second, I have a question. You heard some of the conversation on the HTE and the other system. Do you have any official comments that you would like to make about the cost factor? You're probably not prepared to give the cost, but the technical aspect that they indicate, what would be your version?

Ms. Jennie Angell, Information Systems Director, stated as far as the technical needs that they may have, probably what we would need to do is get together with Karen DeFrancis and Bill Sanders and go over what their needs are and work with HTE to see if there is something we can do to accommodate their needs. I am not sure what issues they were referring to in the past; some of it may have been security constraints that were placed by previous departments. It may have been those types of things. I am not sure. This is something that would take quite a bit of time to review and see if it would make sense.

On motion of Alderman M. Roy, duly seconded by Alderman J. Roy, it was voted to give unanimous consent to recess the meeting to allow the Committee on Bills on Second Reading to meet.

Mayor Guinta called the regular meeting back to order.

5. Report of the Committee on Bills on Second Reading

The Committee on Bills on Second Reading respectfully recommends, after due and careful consideration, that an Ordinance:

“Amending the Zoning Ordinance of the City of Manchester by extending the IND (Industrial) zone district to include property currently zoned R-1B (Residential One Family) located on Mack Avenue and Frontage Road, and known as Tax Map 840, Lot 9 & 22.”

ought to pass.

Alderman M. Roy moved that the Ordinance amendment ought to pass. The motion was duly seconded by Alderman Pinard.

Alderman M. Roy stated this has nothing to do with the property we are rezoning, but there was a gentleman here last night talking about an abutting property. If someone from Planning could reach out to that gentlemen and work him through the process, it would benefit the tax base of the City of Manchester, if it is agreeable with the neighbors. We can't do it under this action but if assistance could be granted to that constituent it would be appreciated.

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

6. Ordinance

“Amending the Zoning Ordinance of the City of Manchester by extending the IND (Industrial) zone district to include property currently zoned R-1B (Residential One Family) located on Mack Avenue and Frontage Road, and known as Tax Map 840, Lot 9 & 22.”

On motion of Alderman M. Roy, duly seconded by Alderman Pinard, it was voted to waive reading.

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted that the Ordinance ought to pass and be Enrolled.

On motion of Alderman M. Roy, duly seconded by Alderman J. Roy, it was voted to recess the meeting to allow the Committee on Accounts, Enrollment and Revenue Administration to meet.

Mayor Guinta called the regular meeting back to order.

9. **Reports of the Committee on Accounts, Enrollment and Revenue Administration**

The Committee on Accounts, Enrollment and Revenue Administration respectfully advises, after due and careful consideration that

Ordinances:

“Amending the Zoning Ordinance of the City of Manchester by extending the IND (Industrial) zone district to include property currently zoned R-1B (Residential One Family) located on Mack Avenue and Frontage Road, and known as Tax Map 840, Lot 9 & 22.”

“Amending Chapter 30 City Officials and Employees of the Code of Ordinances of the City of Manchester by deleting references to the marginal and alphabetical indexing of minutes of the Board of Mayor and Aldermen in Sections 30.23 Index of Board Proceedings.”

are properly Enrolled.

On motion of Alderman M. Roy, duly seconded by Alderman Lopez, it was voted to accept this report.

10. Ordinances

“Amending the Zoning Ordinance of the City of Manchester by extending the IND (Industrial) zone district to include property currently zoned R-1B (Residential One Family) located on Mack Avenue and Frontage Road, and known as Tax Map 840, Lot 9 & 22.”

“Amending Chapter 30 City Officials and Employees of the Code of Ordinances of the City of Manchester by deleting references to the marginal and alphabetical indexing of minutes of the Board of Mayor and Aldermen in Sections 30.23 Index of Board Proceedings.”

On motion of Alderman M. Roy, duly seconded by Alderman Pinard, it was voted to waive readings.

On motion of Alderman Pinard, duly seconded by Alderman M. Roy, it was voted that these Ordinances ought to pass and be Ordained.

TABLED ITEMS

11. Appropriating Resolution:

“A Resolution appropriating to the Central Business Service District the sum of \$244,000 from Central Business Service District Funds for Fiscal Year 2009.”

On motion of Alderman Lopez, duly seconded by Alderman J. Roy, it was voted to remove item 11 from the table.

Alderman Lopez stated I would like to amend this Resolution, but to be fair, I would like the president of the Central Business Service District and Intown up here so we understand what we are doing for the public and for the rest of the Aldermen if that is okay.

Mayor Guinta replied yes.

Alderman Lopez stated I read the conversation with the Central Business Service District and their correspondence and also Planning. In my opinion we should move forward on this; this has been a long time coming. I would ask the president of the Central Business Service District, who we have to advise us on the Central Business Service District, as to what he wants to do and he has done that. South Elm Street has been a long time coming to be part of the Verizon area. We have a lot of visitors coming into the City from the Queen City Bridge and we want to make them whole, so to speak. We have the Central Business Service District downtown; we have incorporated the Fisher Cats stadium and the hotel. Now we have to go south in order to be one. With that I would like to ask the president if he would like to make any comments.

Mr. Dick Anagnost, Intown Manchester Board of Trustees, stated actually Pam Goucher is going to make the initial presentation.

Ms. Pamela Goucher, Interim Planning Director, stated I want to make a couple of comments to the Board. I think there are some new Board members that may not understand all of the issues with the Central Business Service District. For those that are new to it, I just want to remind the Board that during the budget process it is the Board of Mayor and Aldermen that appropriates a budget to the Central Business Service District and that is per the code of Ordinances for the City. Currently there are about 400 properties in the Central Business Service District. You did have a letter that Alderman Lopez referred to from the Advisory Board of the Central Business Service District that talks about the goals and objectives of the district which are basically to have clean sidewalks, maintain the sidewalks, and also to increase the attractiveness of the downtown with trees,

flowers, and streetscape furniture. Also one of their goals is to make sure that there are open lines of communication between the property owners that are in the Central Business Service District and the City departments. Certainly that includes the Highway Department that takes in a lot of the concerns that the property owners have. One of their goals...again, in the letter that was attached to your package from the district it talks about the potential for expanding the district. As Alderman Lopez mention, it would continue down Elm Street and included all of the proprieties that front on Elm Street and include the Jac Pac property, which Dick Anagnost is developing with the Elliot Hospital. If that was to occur, if this Board was to endorse this Resolution, we would be looking at approximately \$13,795 more in revenue to the Central Business Service District. The amount would go from the \$244,000 that they have had to \$257,795. With that added money to the Central Business Service District, this would enable Intown Manchester to continue to manage the district. Stephanie Lewry would be looking to hire a part time person who would continue to do street sweeping and basically try to clean up the downtown. If you look through the goals for 2009 that were outlined in this letter from the Board, many of them want to make sure that there will be increased refuse pick-up, and they want to potentially look at having the recycling added to the downtown such as the residential areas of the City have. Again, they want to keep the sidewalks clean and maintained, and they go on about some of the issues with snow removal and sidewalks. Certainly increasing and maintaining those services and extending them down Elm Street. does require the Highway Department to have a larger area to concentrate on with the calls from the property owners. It is something that the board would like to have this Board's support on, and I think that's what Alderman Lopez was referring to when he started the presentation. One of the goals also is to have this Board authorize the Central Business Service District Board to circulate an RFP to continue services. I know that some of the Board members wanted to have a little bit of information on the budget, so I don't know if the Executive Director of

Intown or Stephanie Lewry wants to do that but you may want to go through some of that detail on the budget.

Alderman Lopez stated thank you. Your Honor, I would like to hear from the president. I know there are going to be some questions but some will be answered as he speaks.

Mr. Anagnost stated starting with the budget, Alderman Lopez, the \$244,000 request is a level-funded budget which is the same as the 2008 budget. There is no proposed increase in the tax to property owners. The \$244,000 represents roughly two-thirds of the Intown budget. The rest is generated through other means, including the banner program and the various enterprises that Intown puts on in the Central Business Service District. So the \$244,000 represents a level-funded budget from the previous year with no proposed tax increase. The expansion to the district is essentially tying south Manchester in with the rest of the downtown. Currently the district extends from Salmon Street including the Amoskeag Bridge area, down through Granite Street including a fairly odd southern boundary that includes the ball park and part of Mr. Chinburg's property extending up to some sort of point just south of the Rockwell property. What this would do would be to square off the district and involve all three of our main entry points into Manchester, which would be the three highway exits with the three bridges. This would essentially create a square district that would involve all of the business area, including hopefully the new redevelopment areas that would be opened up as we develop Jac Pac.

Alderman O'Neil stated I'm not sure who this question should be for. When I look at the goals of the Advisory Committee, the first one is to expand the district, which I don't have a problem with. But then bullets two, three, four, and five talk about City services. The question would be is the expectation that by expanding

the district, those City services are going to also expand to those sections of the City?

Mr. Anagnost replied those City services I understand already are provided to those sections of the City.

Alderman O'Neil asked we are doing Saturday pick up on Brown Avenue down by Queen City?

Mr. Anagnost replied I'm not 100% certain of that.

Alderman O'Neil asked would it be expected, Dick, we would do snow pickup, not plowing, that those services would be expanded all the way down to Queen City Avenue?

Mr. Anagnost replied I would assume it is in Mr. Sheppard's plan now that if it's necessary to be done he already does that.

Alderman O'Neil stated my concern, Dick, is I don't think he goes any further south than the Verizon currently with any of the programs that I am aware of. My point with these four bullets is that none of the money that is collected in the district goes for those services. We actually talked about this during the budget process. If we didn't make corrections, Saturday garbage pickup was going to be eliminated. There would be absolutely no commitment that we were going to do snow pickup in the winter. I have a little bit of concern that this is the expectation. I don't believe we funded in the operating budget to provide those additional services.

Mr. Anagnost replied I'm not sure of the answer to that question. Let me explain to you the hierarchy. Intown reports to the Central Business Service District Advisory Board. Intown is made up of a number of property owners and businesses and public officials within the district. We bring our concerns to them and then they formulate their concerns in addition to ours coming to you.

Alderman O'Neil asked the goals are their goals, not Intown's goals?

Mr. Anagnost replied correct.

Alderman O'Neil stated let me share my concerns about that. Are there expectations that are included in expanding this district? I think with some of this there is some misinformation because we do have a compliance officer out there on the Highway side doing garbage compliance. That doesn't seem to be referenced; they think it's the Health Department's responsibility. I have no problem voting for the budget tonight but I think we need to clear up that issue about what is expected for City services.

Mr. Anagnost replied so noted, and I think that could be easily addressed.

Alderman O'Neil stated thank you.

Alderman M. Roy stated thank you, Your Honor. Dick, I rarely get to correct you but there are five bridges; the Hands Across the Merrimack is also with us now. My question pertains to those fringe areas. I see the carts and the sweeping and everything going on in the downtown section. When I move north towards Salmon, that northern boundary, I don't see it. I'm not sure that we are looking to provide those services all the way down Queen City Avenue to some of the small business there. Can you expand on what services...similar to what Alderman

O'Neil was looking at...this will change, that we can definitely guarantee those businesses?

Mr. Anagnost replied from the City side I don't know. We're looking at it from the Intown side. One of the main issues that we find at Intown is that business advocacy and discussions regarding the problems that involve business in the downtown area have been really good as of late. The relationship with the City in solving those problems, including Brandy Stanley and Kevin Sheppard, has been really good. We are looking at it from the standpoint that if we are going to expand south and Jac Pac is coming, the natural migration of business will be Jac Pac north to Granite Street. We are looking to include those businesses in an open dialogue as to what could be done to help those areas further expand. With respect to the actual services provided, the tax base would only provide an additional \$13,800 to Intown's budget at the same tax rate as last year which is what we are proposing in the existing budget. With that \$13,800 it wouldn't be a magnificent effort put forth to clean up that entire area; it would be more of a situation where we would get somebody part time to clean up certain areas that became eye sores. As far as the tangible dollars spent in that area, they would not be a great deal now because there is not a lot of tax base down there that would generate the dollars for Intown to be able to do it. As those projects in redevelopment march up Elm Street, more dollars would be provided with the higher assessments with the newer properties and the newer businesses to expand that effort. The real effort at hand would be to enjoin the existing businesses in the current dialog going on at Intown amongst the business and the property owners as to how to best benefit south Manchester as we have done in the Central Business Service District at least south of Bridge and north of Valley. We are attempting to do as noted in our most recent charette north of Bridge up to Salmon.

Alderman M. Roy asked was any discussion given to the mills south of Queen City Avenue? I am getting a long way from Ward 1 but those seem like areas, with your project across the street, that are prime for redevelopment and could need that assistance.

Mr. Anagnost replied it wasn't at the time. I would be lying if I told you we discussed south of Queen City. We were looking to square off the district. I have a map that I will pass around to the Board quickly and it is a yellow line that shows kind of a jagged southern district and the properties that are currently excluded. We are not talking about including that many more properties.

Alderman M. Roy stated the southern line is always... I think it was the railroad that actually created that curvature. I am in favor of this. I would just like to see the most help to the most businesses.

Alderman Gatsas stated thank you, Your Honor. I think the statement was that there were 400 properties that are currently in the business district. With the expansion what does that increase to?

Ms. Stephanie Lewry, Intown Manchester, replied approximately 75.

Alderman Gatsas stated looking at the budget, I think your banner program was generating you three years ago \$75,000. I see certainly more banners than what I saw three years ago because they were down on Commercial Street and that number looks like it is going down.

Mr. Anagnost stated yes, the response to the banner program has been significantly less as the economy has grown worst. We have the exact results, Alderman, if you'd like, of the last two years of banner sales since we have taken it over.

Alderman Gatsas asked what was it before you took it over?

Ms. Lewry replied it was about \$60,000.

Alderman Gatsas asked revenue to the City?

Ms. Lewry replied no, it was not revenue to the City.

Alderman Gatsas asked how much revenue did the City get?

Ms. Lewry replied the City got nothing. It was contracted out by an outside firm.

Alderman Gatsas asked is their less of a charge now than what it was three years ago?

Ms. Lewry replied yes.

Alderman Gatsas asked how much less?

Ms. Lewry replied I don't know the exact amount less, but we are trying to price these banners so that they sell. We are pricing the banners lower than what they were being priced before.

Alderman Gatsas stated so we've decided that with a business that was doing pretty well, to change the structure of the pricing and we're getting less.

Ms. Lewry replied Alderman, it was your recommendation that we...

Alderman Gatsas interjected I remember whose it was...

Ms. Lewry interjected it was your recommendation to take the initiative to take the banner program in-house, thereby using local businesses to manufacture the banners and generate some revenue for the organization. Before we took that in-house, we had a company who was from another state who came in and sold the banners. We did not know exactly what price any of the banners were sold for. We looked at their sell sheets and we couldn't figure out why some banners were sold for an exorbitant amount and others sold for not so much. I suspect it was the ability to negotiate as any entrepreneurial company would be able to do. As a non profit organization who is trying to sell some banners to decorate the City and present a sense of community for the businesses that are participating in the banner program, we are not out to make a killing like a commercial enterprise would have been. What we would like to do is make some money so that we can put it into some of the programs that we currently run. What we have shown you there in that spreadsheet is what we have been able to do over two years.

Alderman Gatsas stated right. I'm looking at your revenues and your revenues declined by \$21,000 in 2008.

Ms. Lewry stated I can explain that. The revenue decline probably is due to the fact that we were not able to sell any premium banners on Granite Street because Granite Street was not ready to have banners displayed. I expect that next year we will be able to do better on that.

Alderman Gatsas asked the 2007 revenue number had banners on Granite Street?

Ms. Lewry replied it had a few; it was not dotted with banners. I think on Granite Street now, with the reconstruction, we will be able to have a significant display of banners on Granite Street. The other thing is that Granite Street has now become the entrance to the City. Prior to this week when it opened officially, people were using other means of egress into the City. We hope that we will be able to make some more money on the banners.

Alderman Gatsas asked what do you sell a banner for?

Ms. Lewry replied the premium banners go for about \$800. We have other banners that go for \$500 and we are trying to sell banners in the Millyard as well, and we are finding that it is not an easy area to sell.

Alderman Gatsas asked when you say the Millyard are you talking about Commercial Street? That whole street is filled with banners.

Ms. Lewry replied it has banners on it. We really worked very hard to make those sell and you will see that there are some spaces available. We would still love to sell some more there.

Alderman Gatsas stated I guess my pertinent question is that I look at some of the side streets that are in the tax entity. I look at buildings and space up on Chestnut Street that probably haven't seen anybody clean a sidewalk in... how long has this tax been in place?

Ms. Lewry replied I have to beg to differ with you. Our service people are out and they cover...

Alderman Gatsas interjected my question was how long has this been in place?

Ms. Lewry asked the banners?

Alderman Gatsas replied no, not the banners.

Ms. Lewry asked the district?

Alderman Gatsas replied yes.

Ms. Lewry replied since 1996.

Alderman Gatsas stated I can tell you that there are people on Chestnut Street that haven't seen anyone do anything. There are people on Hollis and Kidder Street that haven't seen anybody. You may assume they're out there and they may be telling you they're out there but the businesses haven't seen them. At this point I don't believe that we need to start taxing entities out there at a time that's very difficult. I think that when Jac Pac is the cradle and completed, I think it certainly gives us an opportunity then to relook at increasing the size of the district. But I don't think we should be out there increasing taxes on people at a time that people are finding it very difficult. If anything, we should be looking at how we can get revenues increased and reducing the taxes in the Central Business Service District because it has accomplished since 1991 what it was supposed to have accomplished, putting people in buildings. We should be looking at how we can find revenues that are outside the tax revenue service. Again, I can't support

increasing taxes at a time when people are hurting. I would rather see us reduce the taxes.

Alderman Lopez stated thank you. Basically, I agree with the Alderman. Let's remember the accomplishments that without Intown...the accomplishments they've been able to do for the City and the concerts they run for the City at Veterans Park. For people coming into Manchester, our main artery is Elm Street. I see people out there every day. One of the major accomplishments that I consider a major accomplishment is Veterans Park. What they have been able to do with the flowers over there, so many comments are made. Intown people take care of those. Inside Veterans Park they have created a flower bin, if that's what you call it, by the POW/MIA monument. I think the aesthetics that they have been able to accomplish... and I agree with the Alderman that maybe some on Chestnut Street don't receive the total benefits. That is probably because there is not enough money to go around. I think we have to look at the total accomplishments that Intown has been able to do for the City of Manchester. If we were to eliminate them...

Alderman Gatsas interjected I never said eliminate them and I didn't say their accomplishments weren't wonderful.

Alderman Lopez stated I understand exactly what you said. But I think to move forward, we have to incorporate the other part of the City so to speak, beyond the Verizon. Thousands of people come down there. There are people who have moved down there and we want to build up that area as well as Jac Pac. For example we talked about 75 new properties down there. Some research that I have done, I think there are about 50, 57, or 60 different owners of 75 properties. Most of those people live in Massachusetts. I think we're on the right track. I think they can clean the area down there. It's going to be beneficial to the City of

Manchester. I think in the long run the side streets can be addressed. Some of the businesses...I do know some of side streets on Hanover Street and other places have the benefit of Intown. I would not want to see the City have to do all of this because it will really cost us a fortune.

Mayor Guinta stated the 2008 appropriation is \$244,000. The amendment is \$257,795. Just to clarify, there is not an increase in the tax when you get to that number. That number is increasing because the district is being enlarged.

Mr. Anagnost replied you are correct, Your Honor.

Alderman Gatsas asked does that included Willow Street?

Mr. Anagnost replied yes.

Alderman Gatsas asked so it includes Willow all the way down to where?

Mr. Anagnost replied Queen City Avenue.

Alderman Gatsas asked there are only 75 properties in the district that you are talking about?

Mr. Anagnost replied not only 75 properties. There are 75 properties that would qualify to be taxed under the district. There are a significant numbers of residential and also exempt properties that are in those areas. Keyspan, MBTA... it is a significant amount of property, but the number of properties that could actually be taxed as a portion of the district is only 75.

Alderman DeVries stated thank you, Your Honor. A final comment, Pam...in the letter that you sent, and certainly Stephanie can jump in because it is addressing Intown Manchester...your final paragraph of the letter you sent us is indicating that there is going to be a public hearing held at some point in early June.

Ms. Goucher replied not a public hearing, a public meeting. They're not required to hold a public hearing. They tried to get a public meeting together. What they did do was contact a number of the property owners by phone, and Stephanie can answer to that point, how many they contacted and what the response was. The timing of it was difficult because the board doesn't meet that often. They finally got a quorum on May 5th when the CBSD Advisory Board met. The time frame to try to get a public meeting and be able to come back to this Board and say 89% of the people have discussed it and are in agreement was a little difficult. Some board members have felt that, regardless of their feelings about it, if the Board agrees to expand the district then they are part of the district. I guess I am not sure how the board in the past has felt about having the input from the property owners that would be in this district and therefore pay some additional taxes. You might want to have Stephanie answer as to how many she contacted.

Alderman DeVries stated just let me just clarify your last comment before Stephanie answers that because you are talking about the Advisory Board to the district, that they weren't so sure that they needed the feedback from the individual owners that might fall under the new district because...

Ms. Goucher interjected I thought it was prudent to have some feedback from the property owners that would be included. I had some concern about automatically extending the district without having some input. That's when Stephanie said,

from the Intown perspective, they were going to try to contact some of the property owners through a meeting or through a phone poll.

Alderman DeVries stated I would love to hear...

Ms. Lewry interjected we sent a letter out on May 27th, I think it was, to every name that was provided to us from the Assessor's Office for every property that was identified as commercial property. The letter was to inform people that there had been a proposal made to extend our district to Queen City Avenue. There were some questions on there: Do you know what Intown is? Do you know about Intown services? Do you think the inclusion of your property for the extension of this district to Queen City Avenue would be a benefit to your neighborhood? We received a number of faxes back. I think I got 13 responses and we had phone numbers for about half of those companies that are in that district. We called everybody and left messages to the extent that we could leave messages and spoke with about eight of those owners. I would say that our representative feedback was less than 25%.

Alderman DeVries asked and that feedback was?

Ms. Lewry replied we had a variety of answers. Some of the businesses that are familiar with Intown were quick to jump on. If you think about a property that may be valued at \$200,000, they did the math and they said it would cost \$75 additional on their tax to be in the district. They felt it was worth it. Another company who is perhaps an energy company that is valued at several million dollars and has a product that is delivered outside the district and nobody ever comes into that property, no customer ever comes into that door, that company owner is not going to be in favor of his representative tax. That's how he expressed it to me.

Alderman DeVries stated as far as additional services, because part of the benefit of the district is also inclusive of trash bi-weekly being picked up...Is that part of the tax assessment? Not just the snow removal that we talked about earlier.

Ms. Lewry replied the trash and the snow removal and services that are provided by the Highway Department are independent. What we provide is sidewalk sweeping, litter removal, beautification, graffiti removal, and the properties that are included in our district are automatically provided the benefit of the promotional activities that we do, which are newsletters, website, those kinds of activities.

Alderman DeVries stated one final question if I might. Has the board already considered, where you have businesses which might be subject to this that don't have any sort of customer base coming through the door... I don't know if you already find that within the existing district... Is that a common concern or is it now that you are spreading the district that you are starting to find a new type of business that doesn't have a clientele that comes to visit? Are you seeing any changes?

Ms. Lewry stated there are already some in that category where people don't necessarily come into the door because they are providing a product that gets sent out. The groundwork...I think in the early days of Intown Manchester there was some skepticism as to whether or not this was a valuable service that we provided. There was some turmoil in the mid 90's when this organization got started, until people became accustomed to the kinds of services that we do provide. I can say that maybe there are a few exceptions, but most of the taxpayers think that it is worthwhile to pay into this district whether or not they get a direct dollar-for-dollar benefit. They feel that the whole downtown is tended to on a higher level

than it would be if we did not have this district. They feel that whether or not they get a dollar-for-dollar benefit, or if they have a planter in front of their property, they feel that the downtown has a better overall feel.

Alderman J. Roy stated thank you, Your Honor. My question goes back to what Alderman DeVries and Alderman O'Neil touched on and it's the City departments that are affected by these services in these bullet points. Were they at any time included in these discussions as to what the impact was going to be on City departments, whether it was trash pick up, snow removal, or the Health Department enforcing existing regulations?

Ms. Lewry replied I guess to try to answer that, I think the intent of the letter, when the Central Business Service District board met... keep in mind we have two boards. We have the Intown Management Board and we have Central Business Service District Board. I think when they put this together it was with the anticipation that the budgets were being discussed. I think it was their way of saying these things are important to the property owners all over, but especially downtown, and we would like this Board to embrace what is necessary to give the departments the tools, and if that tool happens to be monies, to continue in that vein.

Alderman J. Roy stated I can embrace this; my concern is that these departments haven't had any input into how this is going to impact their department. Snow removal... they were strapped last year removing snow on Elm Street. I know I got a few complaints about why are they removing snow on Elm Street and not taking care of our streets. And if Kevin Sheppard hasn't had any input into this as to how this is going to affect his manpower...none of these departments that you're talking about got everything they wanted this year; they all went away from here less than whole. My angst is that we are going to hamstring these

departments by expanding this zone. I believe the people who are paying the extra fee are going to expect to have these services. If we decide this year we're not going to remove snow south of Granite Street because we didn't put it in our budget, they're not going to be that happy, I would assume, that they paid the fee and didn't get that service.

Alderman Lopez stated just a clarification for my fellow Alderman...the Highway Department does everything today as they would do tomorrow, even if this passes. They pick up the trash; they pick up the snow and everything. There is no additional cost. Had we not given them the budget, they would not have been able to do this.

Alderman J. Roy stated I understand they do everything today. However, one of the bullet points says, 'we also urge or request greater enforcement by the City Health Department'. If we're requesting something greater, it's going to impact the department, the same thing with removing snow from the sidewalks for the people who have businesses south of there. That's my concern.

Mayor Guinta stated I think downtown proper and the Central Business Service District are probably two different geographic areas. They are some services in that downtown proper geographic area that are not provided in the Central Business Service District overlay. The reason that there was additional snow removal downtown... and there was quite a bit of time spent on it...some of it was surrounding the Primary and having thousands more people here and really trying to be accommodating and welcoming. Secondly, over the years there have been concerns and complaints as the City has grown with more people being attracted to downtown. There is a greater need to improve the service to insure that the walkways are more walkable and to do it quickly, because there is more energy and commerce and people in the downtown. I think your point is noted that if this

passes tonight, there isn't a guarantee that those services are going to then be provided in the entire Central Business Service District. I believe Mr. Anagnost stated earlier that those are issues that we can reasonably work out later. I think Intown's intention was to certainly understand and accept some of the restraints that we have, but at the same time try to expand the district as we expect and anticipate the City to grow and have these areas on line so that they can participate in what has been successful to this point. There is no question that there has to be some dialogue about these services. We do want to make sure that the services in downtown proper are not necessarily going to be duplicated in the entire Central Business Service District, and I believe that's probably clear to the Aldermen and to Intown.

Alderman J. Roy stated I do appreciate what they do. I think it's vital for the City. Don't get me wrong. My last comment would be in the future I would hope that when you are having these discussions all of the stakeholders, meaning the departments, would be invited to participate.

Alderman Lopez offered an amendment to the Resolution of the Central Business Service District, increasing the budget to \$257, 795.62. The motion was duly seconded by Alderman DeVries.

Alderman Gatsas asked don't we have to first expand the district before we can move the budget?

Alderman Lopez responded and extend the district at the same time.

Alderman Gatsas requested a roll call vote.

Mayor Guinta stated procedurally I believe the expansion is still on the table.
Is that correct?

City Clerk Johnson replied that is correct. What you are setting for an appropriation is separate from setting the district. It doesn't matter which of the two... you are already in the appropriation resolution now. That is what you were...

Mayor Guinta interjected if the expansion fails then we are in trouble.

City Clerk Johnson stated if you want to, you can temporarily table it or defer action on this and move to the next question.

Mayor Guinta replied let's table 11 and move to 12.

On motion of Alderman Lopez, duly seconded by Alderman M. Roy, it was voted to table item 11.

12. Resolution:

“Continuation of the Central Business Service District.”

On motion of Alderman Lopez, duly seconded by Alderman M. Roy, it was voted to remove item 12 from the table.

Alderman Lopez moved to approve the amendment to the Resolution. The motion was duly seconded by Alderman M. Roy.

Alderman Gatsas requested a roll call vote.

Mayor Guinta stated this vote is on expanding the Central Business Service District and a roll call has been requested.

City Clerk Johnson stated this is actually an amendment to the resolution, to change it to the expanded district that is attached to the agenda.

Aldermen Gatsas, J. Roy, Osborne, Pinard and Domaingue voted nay. Aldermen O'Neil, Lopez, Shea, DeVries, Ouellette and Aldermen M. Roy voted yea. Aldermen Sullivan, Garrity and Smith were absent. *The motion carried.*

***Alderman M. Roy** moved that the amended Resolution be Enrolled. The motion was duly seconded by **Alderman O'Neil**.*

***Alderman Lopez** requested a roll call vote.*

Aldermen Lopez, Shea, DeVries, Ouellette, M. Roy and O'Neil voted yea. Aldermen Domaingue, Gatsas, J. Roy, Osborne, and Pinard voted nay. Aldermen Sullivan, Garrity, and Smith were absent. *The motion carried.*

***Alderman Lopez** moved to amend the Resolution regarding the Central Business Service District to increase the budget to \$257,795.62. The motion was duly seconded by **Alderman DeVries**.*

Alderman M. Roy stated it's my understanding, and the Clerk can correct me if I'm wrong, we don't actually set the number; we set the formula. I believe it's like 0.369832.

City Clerk Johnson replied no.

Alderman M. Roy asked we actually set the official \$257,795.62?

City Clerk Johnson replied what you have before you now is the appropriation that the district is allowed to spend, subject to the approval of the Planning Director.

Alderman Gatsas asked so that is an expansion of taxes, is that what I understand?

City Clerk Johnson replied you have expanded the district. The tax rate that was set within the district, according to the resolution just adopted, is the same amount that it was last year; the district has expanded to an additional area.

Alderman Gatsas asked has the assessed area changed in this area since last year?

City Clerk Johnson replied no...

Mayor Guinta interjected well, yes.

Alderman Gatsas stated how about if we let someone else give me that answer because I've heard two different ones. If the assessed value of the district is changed, then the budget we were shown of \$244,000 in each year is incorrect.

Alderman Lopez stated I think you have to look at people helping people for the betterment of the City of Manchester.

Alderman Gatsas stated that's not my question, Alderman. It's clearly about the assessment.

Mayor Guinta stated the value is changing because the size of the district is changing.

Alderman Gatsas stated that is not my question. The value this year, is that the same value as last year? Is the value the same or has it changed and increased?

Mayor Guinta replied we probably actually have to ask the Assessor.

Alderman Lopez stated I think the value is still the same unless they come in next year and ask for an abatement.

Alderman Gatsas asked are you saying there was no property in this business district that was changed and increased in value? There could have been something that went up, that somebody made renovations and increased the value.

Alderman M. Roy stated my concern is that with the change in area that we make sure that all exempt properties have been identified and the number is a factual number. My understanding was we gave the percentage rate and then whatever properties were assessed, that is how it was paid. I just had a concern about a fixed number. If Pam and the President and the Executive Director are comfortable then we will move forward.

Alderman Gatsas asked what is the increase to the Manchester Gas Company? I know that was a utility that you were talking about. Do you have any idea what that increase in tax was?

Mr. Anagnost replied I don't know the amount on the exact property, Alderman Gatsas. The Assessors did provide us with a chart of information that gives total

assessments plus the tax exempt properties for the commercial properties in the neighborhood. I'd be happy to pass out this map that contains that information.

Alderman Gatsas stated we can all assume whatever that increase is, it will be passed on to the people who use that utility.

Mr. Anagnost replied if they are currently passing on taxes at this point, then I am sure they will pass that on.

Alderman Gatsas replied sure, the increase in tax is going to be passed on by the utility. Everyone who uses the gas company is going to probably see an increase in their rate because we've just done a tax.

Mayor Guinta asked how much do they pay?

Mr. Anagnost replied I'm not sure of the incremental increase. I don't have the assessment of individual properties; it's broken down by increase of the district.

Alderman M. Roy asked the total increase of the district, not by property?

Mr. Anagnost replied right. We are talking about an increase over the entire district of \$13,000.

Alderman Gatsas stated it's still a tax increase.

City Clerk Johnson stated my understanding is there is an amendment to the resolution to bring it to a total of \$257,795.62.

Alderman Gatsas requested a roll call vote on the motion.

Aldermen Gatsas, J. Roy, Osborne, Pinard, and Domaingue voted nay. Aldermen O'Neil, Lopez, Shea, DeVries, Ouellette, and M. Roy voted yea. Aldermen Sullivan, Garrity, and Smith were absent. *The motion carried.*

Alderman M. Roy stated just as a clarification so we're not scaring the taxpayer, if the property we're discussing is a \$2 million property they are currently paying over \$33,000 in City taxes and the increase they will be facing with this change is \$739. Just so that we're not scaring the taxpayers.

Alderman Gatsas stated it's a tax increase.

Alderman Lopez stated it's the big guys helping the small guys.

Alderman Lopez moved to Enroll the Resolution as amended. *The motion was duly seconded by Alderman Shea.*

Alderman Gatsas requested a roll call vote on the motion.

City Clerk Johnson stated the Clerk would just note that this is an appropriating resolution requiring eight votes. Before I took the roll call, I thought the Board should be aware of it.

Mayor Guinta asked if this doesn't get eight votes, then what?

City Clerk Johnson replied you'll have to take another motion.

Alderman Lopez stated let's see where it goes. The Mayor can vote.

Alderman Gatsas stated no he can't.

Alderman M. Roy stated only to break a tie.

A roll call vote was taken. Aldermen Gatsas, J. Roy, Osborne, Pinard, and Domaingue voted nay. Aldermen O'Neil, Lopez, Shea, DeVries, Ouellette, and M. Roy voted yea. Aldermen Sullivan, Garrity, Smith were absent. The motion failed.

Alderman Lopez moved for reconsideration at the next Board meeting.

Mayor Guinta asked is that legal?

City Clerk Johnson replied this is an appropriating resolution that needs to be adopted this evening or the Mayor's budget goes into effect.

Mayor Guinta asked what was my budget?

Alderman Gatsas responded \$244,000.

Alderman M. Roy stated Carol, just a parliamentary question...the enactment of the larger district is already done. Therefore the \$244,000 would effectively lower taxes for the larger district.

City Clerk Johnson stated unless the Board decided to change the district through another resolution.

Alderman M. Roy replied but the \$244,000 would be raised through the entire district, just a different formulated amount.

City Clerk Johnson replied actually that's not the case because the assessment has been set within the resolution that has been previously adopted. In essence you will raise the funds that you have not appropriated and the extra funding, according to state statute, would then be held and be applied against the district in the next fiscal cycle.

Alderman Lopez stated I'd like to have a legal interpretation.

Alderman Gatsas stated if we've agreed to the \$257,000 in that district and only \$244,000 happens for the entire district that was passed by this body, then there is a tax reduction to realize those funds.

Mayor Guinta asked is the \$244,000 based on the old district or the new district?

City Clerk Johnson replied it originally was based on the old district and the needs of the old district. It is now an enlarged district and you will collect funds based on what you have assessed, which is 0.369832 per thousand, what the Board just adopted previously. So you will collect on that basis unless the Board decides to come back and change that resolution to another number.

Alderman Guinta stated I'll make a motion that that number is changed to accompany the \$244,000 which...

City Clerk Johnson interjected we would need to prepare a resolution.

Alderman Lopez stated I need a legal interpretation here because I'd like to bring something up. I can remember from the City Solicitor that during the year we have changed districts without going through the budget process. I don't believe this has anything to do with setting the tax rate on the operation on the City side. This is a special resolution for the Central Business Service District which is separate from the others. I believe this can be held over till the next Board meeting.

Mr. Clark replied no, Alderman. Item 11 is an appropriating resolution. It's part of your budget, whether it's raised through assessments or taxes. Item 12, setting the district size and the formula for collecting is not the appropriating resolution and has been amended in the past to correct numbers in it. The budget appropriation needs to be appropriated tonight.

Alderman Lopez stated one other legal interpretation... could we set the resolution at the number for the amendment, which was \$244,000, and put a note at the bottom of the resolution?

Alderman Gatsas stated no footnotes in resolutions.

Mayor Guinta stated I have a question for the Solicitor. You are saying the \$244,000 is applied on the old district...

Mr. Clark interjected no. The number was developed from the old district. It is now going to be applied to the new district.

Mayor Guinta stated so that is actually reducing the amount that each property has to send.

Mr. Clark replied no, because the number is based upon the formula set in the resolution. You raise money according to the formula set in the appropriating resolution.

Alderman Gatsas stated this would be a tax cut.

Alderman Lopez interjected how about a compromise?

Mayor Guinta stated before you offer that, what happens if I recess this meeting? Let me ask the Solicitor, if I recess this meeting, it doesn't end at midnight.

Mr. Clark replied the meeting may not end, but your deadline set by the Charter ends.

Alderman Lopez stated let me offer a compromise to my colleagues and go back to the original number as suggested at \$244,000, and let us not change the district. They will operate the entire district at the set rate of \$244,000 that was in the original resolution.

Mayor Guinta stated that's what is going to occur right now; that doesn't require another vote.

City Clerk Johnson asked could you repeat what you said?

Alderman Lopez replied the original resolution was for \$244,000. Let us vote on that. The extension of the district will remain the same; it goes down to South Elm Street and they will operate on the \$244,000 instead of the \$257,000. Is that legal?

City Clerk Johnson that's what will occur without any action.

Mayor Guinta stated that doesn't require a vote. That's just going to happen because the \$257,000 didn't garner the necessary votes. The \$244,000 will...

Mr. Clark interjected it will require going back and amending the other resolution. If you only want to raise \$244,000, you will have to, in the next month or so, amend the other resolution so that the formula is reduced so that you raise only \$244,000. You can do that later.

Mayor Guinta asked can we do that today?

Mr. Clark replied you will need the Assessors to work out the formula based on assessed value. It can be done at the next meeting.

Alderman Gatsas asked it is a tax cut, correct?

Alderman Lopez stated it is a tax cut for those existing.

Mayor Guinta stated correct.

Alderman M. Roy stated it is still a tax increase for the people in the expanded district.

Mayor Guinta stated we're getting a little too informal here. There is no motion that is required at the moment.

City Clerk Johnson replied the Board can choose to Enroll it at \$244,000 or just leave it and allow it to go into law.

Alderman Gatsas stated I need a clarification.

City Clerk Johnson replied for lack of another action by the Board, the \$244,000 which was originally submitted by the Mayor will be the budget for the Central Business Service District.

Alderman Gatsas stated I have a question for the City Clerk, since she seems to be running the meeting. Does that mean 400 people get a tax cut? Those 400 property owners in the original zone, do they get a tax reduction?

City Clerk Johnson replied not until the Board takes a different action at a subsequent meeting.

Mayor Guinta stated it is anticipated; the answer is yes.

Reports of the Committee on Public Safety, Health and Traffic

The Committee on Public Safety, Health and Traffic respectfully recommends, after due and careful consideration, that the following regulations governing standing, stopping, and parking and operation of vehicles, be adopted pursuant to Chapter 70 of the Code of Ordinances of the City of Manchester and put into effect when duly advertised and the districts affected thereby duly posted as required by the provisions of that Chapter and Chapter 335 of the Sessions Laws of 1951:

RESCIND NO PARKING LOADING 8AM – 6 PM – MONDAY – SATURDAY:

On Bridge Street, north side, from a point 60 feet east of Union Street to Union Street East Back.

15-MINUTE PARKING 8AM – 6PM

On Bridge Street, north side, from a point 60 feet east of Union Street to Union Street East Back.

(Unanimous vote)

*On motion of **Alderman Osborne**, duly seconded by **Alderman Shea**, it was voted to accept the reports and adopt their recommendations.*

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

A True Record. Attest.

City Clerk