

BOARD OF MAYOR AND ALDERMEN

August 5, 2008

7:30 PM

Mayor Guinta called the meeting to order.

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

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

Absent: Alderman Garrity

Mayor Guinta stated I have a sense that this meeting will last a long time tonight. If there are no objections, I'd like to take a couple of quick items up front so we don't make people wait an entire evening. Then we will begin at the beginning of the agenda. If I could first take item 7, I would recognize Alderman Domaingue.

7. Nomination of Eric Fischer to represent Ward 12 on the Board of School Committee submitted by Alderman Domaingue.

Alderman Domaingue stated as you know, Jonathan Cote has resigned from the School Board effective August 4, 2008. After an extensive process where I spoke to 19 interested candidates and interviewed the top three, it is with a lot of pleasure this evening that I recommend the appointment of Eric Fisher to the School Board to succeed Mr. Cote. Eric is here tonight in the audience. He went to Memorial High School with me, graduating in 1993. He is here with his daughter Emily, who is a student at Northwest Elementary School. He is here with his wife Karen, who actually worked with me at my first job, and his mother Sue. Eric is an

electrician by trade and a part-time DJ. He is very interested in the educational process in Manchester. He is one of the only people that I have ever met that religiously watches all of the School Board meetings on TV. So he is familiar with the issues and he is up to speed. He has coached youth hockey at the junior high school level in Manchester for the past 15 years and for 12 years has directed the City's hockey tournaments. I have met few people as energetic and committed to making a difference in education as Eric. I would ask this evening that this Board not only move the nomination but waive the rules and appoint Mr. Fisher so he can be available to attend the August 12th meeting of the School Board and jump right in the midst of the action.

On a motion of Alderman Domanigue, duly seconded by Alderman Lopez, it was voted to suspend the rules and confirm Mr. Eric Fisher as a member of the School Board.

Mayor Guinta stated the next item which would appear under new business is a communication from The Way Home. I believe everyone received the documentation regarding HUD's One Dollar Good Neighbor program. There is property which is being foreclosed on by HUD and is being made available to the City of Manchester for \$1.00. It is a four family located at 85-87 Lowell Street. The motion I believe before us is to authorize the purchase of the property in accordance with the contract.

Alderman DeVries moved to authorize this purchase. The motion was duly seconded by Alderman Smith.

Alderman O'Neil asked how long has this been out there that we need to move on it this quickly? I received the communication yesterday.

Mayor Guinta replied I think that there are some banking requirements that require this to happen very quickly. Otherwise The Way Home would lose the opportunity.

Alderman O'Neil stated that doesn't answer my question. When did the City become aware that this might be a possibility?

Mayor Guinta responded within the last 30 days.

Alderman O'Neil stated it would be appreciated if we had received this information a little earlier than yesterday.

Alderman M. Roy stated staying on that topic, when I read the information that came from HUD it seemed that the dates have already passed for us to take action and I hear a colleague agreeing. Like Alderman O'Neil, I think I got this Wednesday, and while I support it, I just would like to see these things get to us a little quicker so that we are not fighting dates and fighting getting information.

Mayor Guinta stated so noted.

Alderman Gatsas asked the purchase price is a dollar?

Mayor Guinta replied yes.

Alderman Gatsas asked do we have a clear understanding that HUD has extended the dates?

Mayor Guinta replied yes they have.

Alderman Gatsas asked do we have something in writing?

Ms. Katherine Corento, The Way Home, replied no we do not have anything in writing. It has been an understanding with the management company as long as I keep them in the loop in moving forward with the process.

Alderman Gatsas stated that was just my question.

Mayor Guinta stated the understanding, Mary, is if we authorize the purchase this evening we can still move forward with the conveyance of the property to The Way Home.

Ms. Mary Sliney, The Way Home, replied yes.

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

Mayor Guinta stated the final item at the request of Aldermen DeVries was Item Q. Then we will go back to the presentations.

Report of the Committee on Human Resources & Insurance

- Q.** Recommending after due and careful consideration, that the provisions of Michelle's Law which would ensure that seriously ill college students can continue to receive health care insurance through their family's health insurance even if they are unable to maintain their full-time status, be adopted.
(Unanimous vote)

Alderman DeVries stated I would like to pull Item Q off of the consent agenda and invite Anne Marie Morse to come forward and join us out of privilege. Item Q is a report coming out of the HR committee. I asked Anne Marie to come

forward because she has had some pretty significant accomplishments this week on a federal level with Michelle's Law, which I helped with. Earlier I saw Representative Infantine. I don't know if he is still here; he may have left. We worked to pass this in Concord a few years ago. You have been bringing it forward with effectiveness across the country. So if you would like to have the opportunity to tell us your progress, go ahead, Anne Marie.

Ms. Anne Marie Morse stated good evening and thank you for your time. As Alderman DeVries has said, Michelle's Law was introduced in Concord and finally passed into law in June of 2006. What Michelle's Law does is it allows seriously ill or injured full time college students to take a medical leave of absence for up to 12 months and not have to leave their parents' insurance and have to pay COBRA. It is named after my daughter Michelle who was diagnosed just shy of her 21st birthday with colon cancer; advanced colon cancer in fact. Her doctors recommended that she take a medical leave of absence from school, and that is when we found ourselves in the catch-22 that you can not take the leave of absence. So New Hampshire passed the law and I am happy to say that there are other states that have passed the law. I just heard tonight that California has passed it also. We have about six other states that have passed Michelle's Law, or a version of it, but we were not done at that point because I found out if you fall under ERISA or if you fall under the self-insured groups that you are not covered by state law. I happen to be one of those people. Luckily the self-insured grouped that I am with voluntarily adopted Michelle's Law when it passed. We brought our case to Washington DC and on Wednesday my son and I traveled to DC and we were honored and privileged to be able to witness the House pass Michelle's Law. So the next step is once we get back from our recess that we will pursue more with the Senate. We do have 28 sponsors in the Senate. We are hoping...we have a very short time frame but we will get it passed. I know this is something that you will be looking at tonight, and I certainly hope that the City of

Manchester will vote to pass and implement and adopt Michelle's Law. Thank you for your time.

On motion of Alderman DeVries, duly seconded by Alderman M. Roy, it was voted to voluntarily adopt Michelle's Law for the City of Manchester's self-insured plan.

Mayor Guinta stated that we will now go back to the beginning of the agenda. Jack, if you could wait just a few more minutes I am going to bring up Helen Closson and Dr. Row. I know their presentation is going to be fairly brief and quick.

5. Discussion relative to communication by Attorney Robert Dastin, regarding the transfer agreement between Hands Across the Merrimack, Inc. and the City of Manchester.

Ms. Helen Closson asked do you all have a copy of transfer agreement or do you want me just briefly talk about it?

Mayor Guinta stated I think everyone has reviewed the transfer agreement.

Ms. Closson replied as you know, Hands Across the Merrimack worked with a group of volunteers for seven years to accomplish our mission. I think we have done that and now we would like to fold our tent. In order to do that we would like to transfer the responsibility for the sculpture to the City of Manchester. It's underway. I think the artist has begun work on it or at least he has gotten the materials, and now we feel it is time for us to give it to someone else. We hope you will agree to take this responsibility on. The monies are there. The original donation was \$61,592. The cost of the sculpture is \$50,000 which leaves \$11,592. That money will be used for a base and two plaques. One will recognize the artist

and the other is commemorative for the Jac Pac foundation and their employees and of course there will be plenty of money for maintenance. We hope that you will accept this, as we are anxious to turn it over.

***Alderman O'Neil** moved to adopt the transfer agreement for the Hands Across the Merrimack sculpture project. The motion was duly seconded by **Alderman Pinard**.*

Alderman Shea stated I have a concern in my mind as to why at this time, rather than seeing through the agreement that your particular group made with the people who are responsible for the structuring of this, you want to turn it over to the City now. In other words, the agreement that you reached with the people, the artist as well as Jac Pac who contributed this to you, the monies...why you would not want to do that rather than have the City do it? First of all, I feel that it was your contractual agreement that began the process rather than the City's, and therefore once it is completed I see no reason why this shouldn't be turned over to the City. Why before it is completed would you want to turn it over to the City?

Ms. Closson replied we feel confident that it will be completed and I think frankly that we are volunteers who are pretty tired of working on this and I think we are ready to close our Hands Across the Merrimack. I think it is time for us to say that we have done our work. It is time for us...I think that this probably could have been done a little sooner. Unfortunately there are reasons. As you know, it is always difficult to get things done. We have to go before a committee and then another and another. I think that is why it has been delayed a little bit. I am confident it will get done, and I know that Mr. Muskat and Lee Forgosh are working on this. Of course they are the people responsible for donating the money and I know that they will see the thing through. We are confident that will happen and are quite happy to do it. We feel that the City will take it over.

Alderman Shea replied that I am not in favor of the City taking it over but I thank you for your volunteer work.

Alderman Smith stated this item was discussed in Lands and Buildings and it was approved back, I would say, two months ago.

Alderman Lopez stated I was going to say I remember it two months ago. Will the money be transferred to the City?

Ms. Closson replied \$12,500 has been given to the artist. That was the agreement. The rest of the monies will be given to the City.

Alderman Lopez asked will that be given to the City prior to signing the agreement?

Ms. Closson replied it will be given to the City as soon as this agreement is approved.

Alderman Gatsas stated my understanding was that a 501(c)(3) was set up to do this whole Hands Across the Merrimack. Is that also relinquishing the maintenance of the Hands Across the Merrimack? So is everybody walking away? My understanding is that in a year it is going to need a paint job and my understanding was that it was going to be maintained by the people who were involved in Hands Across the Merrimack, the maintenance of the bridge itself.

Ms. Closson replied the monies had to be given to a 501(c)(3) , and we were a 501(c)(3) and we accepted that but now we have gone through the legal ramifications of that and it is quite proper for us to transfer it to the City.

Alderman Gatsas replied but I guess my question is about the maintenance of that bridge. Does that fall into...

Ms. Closson interjected we are not talking about the bridge; we are talking about the sculpture. The bridge is not part of this at all.

Alderman Gatsas stated okay, that makes life a lot easier.

Mayor Guinta called for a vote on the motion to adopt the transfer agreement between Hands Across the Merrimack, Inc. and the City of Manchester. The motion carried, with Alderman Shea being duly recorded as voting in opposition.

3. Presentation by Jack Sharry, Insurance Consultant, regarding increases in Health insurance costs.

Mr. Jack Sharry stated thank you, Your Honor and members of the Board. I am here tonight to shed some light on what happened with the rates for July 1st, and I speak to the Board and Mayor and employees and retirees of this City who are either sitting behind me or watching on television. I understand that the cost of health insurance is a burden to everybody. On that score I would like to begin by rolling the camera back to fiscal 2006. In fiscal 2006 our sole carrier at the time and years prior to that was Anthem Blue Cross Blue Shield. Anthem, whose headquarters is here in Manchester, had been a good partner to the City, supporting the City in many endeavors. In July of 2006 Anthem, as part of the renewal with no competition, increased their administrative charges by approximately 5.9%, from about \$678,000 to \$718,000. I don't have a quarrel with that. They can do what they want. They have reasons for doing it, but members of the City, Administration and myself and I know members of the

Board felt that maybe it was time to create a little competition here in the City. So we set out to put together a very extensive well-written complete RFP (request for proposal). In the RFP we concentrated on the schedule of benefits. We were not looking to change the schedule of benefits. We were not looking to take away any of the benefits that the City employees and retirees have earned. We were simply trying to create a competitive environment to see if the City could save some money at a time when, like now, budgets were in deep crisis. We sent the RFP out and we received six responses. Two of the six responses were from companies that we anticipated would do battle. One was the current incumbent, Anthem, and the second was CIGNA. CIGNA had, just prior to this period, removed Anthem Blue Cross Blue Shield from the state plan. They had been successful in taking over the state plan and they were aggressively looking for more business. So they responded to the competition. Blue Cross and Blue Shield...and before I say what I am about to say, I think there is a representative of Blue Cross and Blue Shield in the audience tonight. John O'Leary is the account executive for Anthem Blue Cross and Blue Shield and is a fine person and does his job well. He doesn't set the rates. He doesn't set the administrative charges. He just delivers the message. So I am not here to shoot the messenger, but I am here to say as part of that RFP process, shame on Anthem Blue Cross and Blue Shield for taking the City of Manchester for granted; shame on them. They came in with a response to the RFP with a 12% increase in their administrative charges. That is almost 18% over two years. That amounted to a significant rate. It went from \$678,000 to \$804,000 in a two year period, at a time when times were tough. Again, that is their right. Nobody is going to tell them what they can or can't do. I believe, in fact I know, that they underestimated what the City would do. What happened was CIGNA came in very aggressively. CIGNA created the competitive environment that members of the Board of Aldermen, the Mayor, and all of us were looking for. They came in and took their administrative charge that they were presenting for the first time and they actually reduced it by 6.3%. You have Anthem coming in

12% over what was current and CIGNA coming in with a 6.3% reduction. That did not set well with the members of the Board of Aldermen that were working on this as well as anybody else. They wondered what Anthem was thinking knowing that CIGNA would come in like this. CIGNA came in well prepared right from the start, not playing catch up, not retrospectively. They came in with a \$150,000 prescription drug rebate on the table. They came in with performance guarantees. If they blew the performance of the implementation of the plan, they would pay the City up to \$50,000. They came in with a wellness stipend of \$40,000. They came in with a \$50,000 ongoing performance guarantee. It was very unusual. They put their discounts that they negotiated with hospitals and doctors at risk. They said Manchester, if we pay claims above our discounts we will work out a rebate program for you. We stick by our discounts. They put them up front right on the table. They told us what they were. You do not always get insurance carriers that will do something like that too. Not only did they come in with an aggressive administrative charge, they came in and they guaranteed that next year they would have two years, no increase...excuse me, year two would be the same, with no increase, and year three would be 3.5%. I think myself as a consultant and I think the committee members that worked on this were very pleased with CIGNA's approach and disappointed that the incumbent took you for granted. These are my words by the way, and I don't use them lightly, but I am perturbed by that and I am perturbed as to what it has done to the employees and the retirees here in the City. After an extensive review of the rates, of the claims, of the administration, of the re-insurance proposals...frankly when it comes to the re-insurance of a stop-loss as you know it by, I wasn't overly impressed with either Anthem's numbers or CIGNA's so we took the stop-loss and put it out to bid separately and saved several thousand dollars over what we would have received if we went with Anthem or CIGNA. But what we did is we recognized that in the first year of a new plan starting, there is just by its nature a lag time. You don't necessarily see fully incurred claims pop up in the first month. It takes a couple of

months to phase into what the claims are going to eventually matriculate to, but they come in a little bit low in the beginning. Second, the City had said, 'we know we are going to have some run out exposure', and to be less than technical it means claims that were incurred before July 1st, before we made the change, that we were coming in. We know we have some responsibility there and the City, without once suggesting that the employees or retirees would participate in the cost of that run out, put that into the budget projections for fiscal 2008. We saw some of the guarantees that CIGNA put forward and we felt that because the benefits were so strong, because the networks are so strong, that we would use rates for CIGNA in the first year that were lower than a fully incurred year would be because we knew a couple of factors. We had money for the run out and it was going to take some time for the claims to accelerate. This may be some information that has not been properly passed on to either the full Board or the Mayor or the employees or the retirees. What we did is during this period of time there were some retirements from within the administration. I will take part of the responsibility for what happened. My suggestion is communications were not as good as they should have been at the time of the changeover. What we did is we decided that when we implemented the CIGNA plan we would actually...instead of what Anthem was looking to do by their numbers...as part of the RFP they were looking for an overall 14% increase. That is a combination of their re-insurance, their administrative and their claims projections. That would have taken the employee contributions...at the time employees were paying \$69. I am talking about an individual in a Point of Service (POS) plan. A Point of Service plan, for those who are not familiar with the term, is a POS. At the time of service when he or she or a dependent needs to be treated, they have to get a doctor at that point, at the point of service, and the other plan is the HMO plan that's been in effect. Had Anthem gotten their way, we would have seen a 13% increase and we would have seen the individual employee's monthly cost go from \$69.11...you might just jot this down because I intend to get into this hopefully in depth with what I hope to

be a combination of management and labor to really show where these numbers come from...to \$78.10 for an individual on a POS plan. That is a 13% increase. On an individual with an HMO, he or she would have gone from \$19.83 month to \$22.41 a month. Instead, because of all the information that we had available to us at the time, we decided that we would not increase the rates, that we would introduce CIGNA and instead of a 13% increase we were firm in the position that we could lower the employee contributions by 14% over the current which was \$69.11. We introduced an individual POS rate of \$59.11 per month, a \$10 per month savings to the employee on the individual, and for the HMO, their one person went from \$19.83 to \$17.28. Just to hit the real significance, a family member on the Point of Service went from \$186.60 a month to \$159.59. What is upsetting is that probably as these changes were made there wasn't much if any discussion about the positive impact to the employees at the time, what the City was doing as part of the rate setting structure for July of 2008. And, the family member on the HMO, he or she was paying \$53.55 and we reduced that to \$46.65 a month. We set out and put the rates in place. I was not a part of any so-called collective bargaining meetings with the unions. I know that people in the administration were. Some of them unfortunately have left so what we don't have are those folks to call upon, but they went over the benefits. Change is always difficult; it is never easy. Anthem at that point decided to be reactive not proactive. They started to turn their screws and put some pressure on us by contacting individuals and contacting the City and contacting the employees, and they started to gradually attempt to match what CIGNA came in with in the beginning. They moved and moved and moved. They changed their administration, they changed their claims projections. Sometimes we were not sure what we were looking at, but again they were trying to save the business. So they had a full right to do that and they did it at that point above board. They came in but they were being reactive and they did recognize that they missed the boat. They had made a mistake in the beginning. How do I know that? I will tell

you how I know that. What the City did by making the change from Anthem to CIGNA is it created the situation when the schools, on the suggestion of the Board, put their health plans out to bid. Anthem, recognizing what CIGNA did in the City, came in very aggressively with the scores, very aggressively. In fact so aggressively it shocked everyone. I don't have much to say to you other than they learned their lesson by what they didn't do to the City. That increase over in the schools was in the 3% to 5% range. That would never have happened if the City hadn't put the health insurance out to bid in the first place. So then what happened...nobody could really tell ahead of time...what happened during the open enrollment period was we saw, which was very surprising to us, a significant migration during the open enrollment period of employees and retirees from the POS plan, the plan that they were contributing 12½% to, to the HMO plan. When I say significant, we had 24 individuals, 18 of the two-person and 52 families, move over to the HMO during that period of time. After the rates had been set...we set rates based on...we knew that there would be a little migration because there is always a little migration during every open enrollment period. There was this year but not to this degree. We saw the numbers of individuals on the POS plan that CIGNA put in drop from 163 to 139. That was a 24 person drop, from two-person 183 to 165 and the family from 210 to 158, about 15% change in enrollment of folks that went over to the HMO. Now, during the open enrollment period people made decisions that they would go to the HMO and they also were going from paying 12½% to 5%. Again, they had every right to do that. We hadn't expected that type of migration, but during the open enrollment period they decided that they would make that change. It had an impact. It had an impact, and the impact it had was there were fewer people in the POS plan than when the rates were first set. So, over the next 12 month period...and we have the whole 12 months in, we actually ran about \$475,000 over what we anticipated mainly because we had fewer people in the plan, and some of the healthier people, and they have every right to do so, I do not blame them, went over to the HMO.

We did have an unexpected increase in the claims because of the fewer people involved, and then of course the HMO...again, they picked up subscribers that we didn't expect they would have. They went from 224 individuals to 268; 187 to 222 on the two-person, and 381 to 416 families. That also, even though there was less money coming in because it went from 12 ½ to 5%, bolstered the HMO contributions in general so after 12 months those claims came about within \$100,000 of what we anticipated. It was \$100,000 higher but a little bit more than we anticipated. In addition, members of the Board of Aldermen...nobody did anything wrong, but because of what happened in the switch, the employees who are on the HMO plan, their rates have already been set so at the end of 12 months instead of them contributing a 5% premium, they actually came in at about 4.3%. That is because of the way the claims went, based on what happened. The folks on the POS plan, instead of contributing 12.5%, their total contribution came in at 10%. There was a swing because we had set rates based on what we expected to happen and we were not expecting this type of migration. Again, just a point, their rates were lower and their overall contributions for that year were lower. Where the rubber hits the road, where the dilemma suddenly appears, is now that we have seen what has happened, what are we going to do for July of fiscal 2009? We were now looking at CIGNA on a fully-matured basis, not immature, not waiting for claims to come in. We knew at this point...we thought there would be about \$1.1 million in run-out claims when the numbers ended, and the total was only about \$668,000. The claims were being paid faster so we were seeing what we thought was going to be a higher number and it came in a little lower. The dilemma was we can't afford to set the rates lower this time. We need to set the rates as fully incurred rates for July 1st. Now again, the poor folks that are paying 100%, that maybe even didn't realize that they received a reduction in their rates in the year prior, suddenly got hit with a big increase. The big increase...had we used...and this is important because hindsight's 20/20 and again I take very seriously my role and I am very concerned about the impact that is on the

employees and the retirees, but had we used the Blue Cross Blue Shield 13% rates at the beginning of 2008 for the POS plan, if we had used \$624, we would have increased the rates to \$671 (about a 7% increase). But because we had dropped them 14% below current, we had a 27% swing. We dropped them 14%. Blue Cross was saying 13%. Then we had to come in to make up the difference so that we didn't create this type of situation in fiscal 2009. The impact to the employees was significant because we were jumping from where we were at a 14% decrease over current on the POS. We had to increase that so that we would be able to have fully incurred rates for July 1, 2009. Therein lies the concern and the shock that went through. You can't take away from them. Now they're looking at their pay check and seeing they are going from paying \$59.11 to \$83.92 on a POS. Forget about what happened last year because they might not have even realized it. Now they are looking at what appears to be a big rate increase. We had no choice. We had to bite the bullet and come back up to where the rates are and I'll stop at this point because we have had many, many meetings Mayor, and one of the things that we talked about, and Alderman DeVries was at one of the meetings, is that we restore the Management Labor Committee. I think the Mayor is going to do that so we can sit down face to face and go through these issues. That is in fact what happened over that period of time. What is lost is that we had a significant decrease before we had the increase. Are there any questions?

Alderman DeVries stated the additional piece is not only to re-engage labor in the discussion of insurance because utilization is a big piece and there are very significant health plans that we are trying to put into place, but bringing the employees back into the fold to be part of the process. I think it is important that we do start up the Management Labor Committee again, not only because they would have had certainly not had as much shock but they would have known about the rate increase coming down the pike this year. I don't know that that would have relieved any anxiety because a 42% increase is significant

Mr. Sharry stated I agree. I think what we need to do our best to try to restore some creditability because of the fact that there was such a gap there and information wasn't being presented.

Alderman DeVries stated that being said Jack, what I heard you explain tonight, and you addressed the run out...I guess I call it the tail...but the run out of the claims that were already in existence as of July 1st. Do you know when we compared the CIGNA quotes way back when whether or not the Anthem quotes had that tail, that run out built into them? Were we comparing apples to apples? It sounds like we subsidized by building the tail and that artificially deflated the CIGNA.

Mr. Sharry stated the tail was part of an incurred rate, the tail was there as part of Anthem. The tail was not there as part of CIGNA because we decided we would pay for the tail for the end of the claims.

Alderman DeVries stated so we artificially deflated what might have been the difference between the CIGNA and the Anthem at the time. I don't think I was aware of that as an Alderman when we were looking at the differences between the companies, that we were actually paying somewhere else what might have been part of the bid coming in from Anthem, because we deflated that run out. I guess the other piece that I just wanted to bring home is the reasons are great. It's nice to hear...I'm not sure too many of our employees understand much of what you said for the explanation. It's a huge shock, especially for the retirees on a fixed income, to get those kind of rate increases. The other part that I worked into my decision is Anthem is a company based here in Manchester. I wish I had known when we were making those decisions back then whether we were truly

comparing apples to apples, and what I heard from you tonight is we probably were not at the time.

Mr. Sharry replied everything is complicated. We were certainly comparing apples to apples on administrative charges; on claims we were not.

Alderman DeVries stated but the employees don't pay the.....

Mr. Sharry interjected yes, it is part of the rate.

Alderman DeVries stated I understand what you are saying, but it is mainly the run-out or the tail that changed it, because the majority of the rate increase is due to the amount of claims that come in. I guess the other piece that confused me, and I have heard your explanation and it just hasn't sat home, is if with the POS we had a migration from the POS plan into the HMO plan so that caused those claims to go up, why conversely wasn't there some sort of a decrease of the HMO because there are more people paying? How do they pay less than the full 5% and 12.5%? I don't think I have heard that explanation and I would love to hear it.

Mr. Sharry replied let me back it up then. I think that is a good question. The majority of the subscribers that moved over from the POS plan from the HMO were for the most part people that were fairly healthy. They were not having a lot of claims experience so it left fewer people in the POS group to pay for the claims. That's what happened to the claims. Those people that moved over to the HMO were still healthy when they moved over to the HMO. Their claims experience probably was not a big issue there. They added money to it. They were paying monies that were not expected.

Alderman DeVries stated the HMO went up by 32% as well. I guess that's what is confusing me right now, 31% plus. I'm going off memory because I don't have that open.

Mr. Sharry replied it went up but it had gone down 26%. It had gone down 13% over the prior year and it went down 13% from what it would have been if we used the Anthem claims. We made a swing of 26%. We increased by 31% and it is a good point because, again, hindsight is 20/20. If we had used fully mature rates last year we would have had probably about a 5% or 6% increase instead of a 31%, but we had to make up a swing of 26%.

Alderman DeVries stated if nothing else, Your Honor, and I know we have a lot to cover tonight and I don't want to belabor this here but I personally believe we need to institute the committee once again that is made up of labor and management. I believe we had individuals from the school represented at one point because we were hoping we could have one large group and see a cost savings. With their stabilization of rates and ours being somewhat higher, I don't know that we will convince them of that but it is so worth inviting them to the table once again to see. If we operate as one large group, I think that we can all see a savings. I hope that can be accomplished under new business this evening, Your Honor, is at all possible?

Mayor Guinta replied that I am not comfortable moving forward with that at least until I have a separate or additional conversation with Jack as well as the HR Director. I just would prefer to have the time to have that conversation prior to the establishment of it. It is an issue that you and I have talked about but I haven't made a decision on it. I haven't had a proper chance to research the committee itself, what the purpose of the committee would be and if an existing committee which is a standing committee could take on that responsibility. It may turn out to

be the right focus and the right way, but I just want to have a follow up conversation.

Alderman DeVries stated it is truly an advisory committee, Your Honor. It's not like they have any real authority to accomplish anything.

Mayor Guinta replied I understand. I do just want to talk with Jack and the HR Director prior to make a formal recommendation to the Board.

Alderman Gatsas stated thank you, Your Honor and thank you, Jack. I think this Board made a very cognizant decision to reduce rates to the employees for a year. We could have left the rates at the number they were at in that current year and that savings would have taken care of the tail that was behind it. We as a City decided, because there was \$1.1 million on the table and we thought the run off was going to be \$500,000 when we looked at it, that it would behoove us to reduce rates to the employee. There is nothing wrong with doing that. We could have left them there, because if we take the average over two years of \$59 and \$82 it comes out to about \$70. The rate that was being charged three years ago was \$69. So, over a three year period the rates were the same. However, we gave them that savings on the front end; we could have retained it and left the rates at \$69 for the three-year period. That was a choice this Board made. That had nothing to do with claims, it had nothing to do with run-offs; it had nothing to do with making any decisions. I guess probably what happened was that Anthem took a play out of CIGNA's playbook when they regained the state contract, because they would have the short amount running forward only with nine months of claims and not twelve. It kind of works on whatever direction you go in. Certainly we had an opportunity that the bids came forward. People swapped from the POS to the HMO. Why? Because the network in the two plans were pretty close to being the same. If you know that your doctor is in the HMO plan and it is only costing you

\$12 month, I guess you are probably going to be going to that plan where the cost is a reduced number to you from \$59 or \$70 a month to \$12. So I think that had a lot to do with it. It had to do with where your doctor was. People looked at it. People are very smart at health insurance now in shopping and finding out where their doctors are and what plans that they are in so that they can see if it is a savings. They did that and I applaud the employees. They saved themselves some money. In retrospect it cost the City money because they went from a point of service plan to an HMO for which the contribution by the employee is less, so the City is absorbing more. That is why the switch in the rate that the City picked up. It's not for any other reason. It's because the money that is being contributed by the employee is less than the HMO, and the claims are the same if that person goes there. The monthly premium, as we look at it, is the same. With that I thank you for your explanation. I don't know if it did anything and certainly it will be interesting in a year from now when we go back out again.

Alderman O'Neil stated Jack, you used a term early in your presentation about the lag time and said that there are usually some challenges in that. At what point should lag time no longer exist? When is the transition period over?

Mr. Sharry replied the lag time...that is a good question. A few years ago the lag time wouldn't really mature until close to the six month but claims are being paid so much quicker today. Literally, if you go in for an appendectomy, before you get up to your bed, the carrier has already been paid or the hospital has been paid, so the lag time which was six months now is actually two months. I saw on this particular changeover from Anthem to CIGNA that the lag time became about a month and half before they started to mature. So it happens quicker today, and that is part of the problem.

Alderman O'Neil asked you mentioned, and I want to make sure I heard the numbers right, is the migration from the POS to the HMO was about 24%?

Mr. Sharry replied no, it is 14%.

Alderman O'Neil asked what would you expect that migration number to be in a situation where the number of employees a municipality or a public entity might have would be similar to Manchester?

Mr. Sharry replied three normally, but again, the circumstances here were a little different with the change in the carriers. You usually do not see a big migration between plans. Certainly not like this. You will see a few and the next time that I am here...if I had thought you were going to ask that question I could have actually told you. Now we have already seen the open enrollment period pass for this particular year right now, and I took a quick look and I don't see a big change in the enrollment between plans. I don't know Jane whether you had a look at that.

Ms. Jane Gile, Human Resources Director, replied it is not as significant as the first year. About 68% of our employees are on the HMO and 32% are on the Point of Service.

Alderman J. Roy stated thank you for your explanation, Mr. Sharry. I have two questions: When we had the reduction at the beginning of this program did the co-pays go up?

Mr. Sharry answered they stayed the same.

Alderman J. Roy asked are the new hires able to get onto the POS program or do they have to go with the HMO?

Ms. Gile replied new hires are enrolled in the HMO.

Alderman J. Roy stated so they don't have the option to go on the POS.

Ms. Gile replied not initially. After a year they can.

Alderman J. Roy asked so that may compound our problem?

Ms. Gile replied sure.

Alderman J. Roy stated if we don't have enough people in the POS, it would make sense to me that it is going to compound our problem.

Ms. Gile replied it has an impact, yes.

Alderman Lopez stated I just to have a follow up on two things on the HMO. When you did the contract, were you aware that all our new employees had to go on the HMO in order to make your calculations?

Mr. Sharry replied we always build that in. We expect that there will be new growth. It is not like it used to be but you do anticipate there will be new employees coming on. However, you don't anticipate that there will be the number of people that were on the POS plan that move over to the HMO in these type of numbers - 14%.

Alderman Lopez stated I think that the other comment I would make, and you can respond to it if you want, is that the reason we hire consultants is because it is a complicated issue to understand. There are a lot of mechanisms and terminology in the insurance industry. Most people only concern themselves with how much it is going to cost them. Whether we pay up front, whether we wait or pay later I think all of those things and good communication should be up front with all due respect. It should be up front so we can make a logical decision and maybe that management portion...in the union people understand that the first year this might happen and the second year this might happen. We're here tonight understanding more about the insurance and how it went. I think that you are absolutely correct that as we move forward into the process there has to be a better communication to the City employees so that they are not caught off guard. I've probably have had at least ten or eleven calls in reference to it, and it's hard to explain the 42%. I know union people are very upset about it, but had they known up front, we could have made a better decision, if there is such a thing as making it on this. But that is the past. We have a contract. Further, in order to add to what Alderman DeVries said, is it true that having more people on the plan does not necessarily mean that you have a lower payment? I have heard pros and cons. Do you find that in other cities where there are more people in comparison to Manchester that it is less because they have more people?

Mayor Guinta replied it probably depends on the type of coverage you have.

Mr. Sharry replied it is tough to answer that, but I would say that I have seen municipalities with significantly more people than we have here in Manchester have the same types of claim experience. We are living in a time...I'll just take a minute, Mayor. I know you have to get me out of here. We are in the backyard of a part of the world where health care costs are the most expensive. We see increases every year. It is not unusual here in the City of Manchester, Nashua,

Boston or any place else to see individual claims from a person be \$300,000 to \$500,000. It's the times we are living in. The medications are better and equipment is better, so it really doesn't have an impact on the number of people in the plan. It has to do with the percentage of people that get sick and can be kept alive, if I can say that, and get healthy again because of where we live and the technology involved. So I do not think it's really a big impact, the number of people in a plan.

Alderman Gatsas stated let me give you a clearer question. Alderman Lopez was trying to go down this road. Obviously, there is a discussion about possibly making the School District a department in the City. If we went from 1,200 lives to 3,000 lives...I'll give you a clearer question. That is the real question. Would it change the cost in the plan? Obviously if you have 3,000 lives to distribute claims across, the number changes verses the 1,200 that you could distribute claims across. So I think that is the question he wanted to ask you. I will ask it directly to you.

Mr. Sharry replied we are talking about the economies of scale. The bigger the group is, the better chances you have of getting lower administrative charges, lower stop-loss charges and having a clearer, not necessarily always better, understanding of where the claims are coming from. The larger the group and the economies of scale do benefit.

Alderman Gatsas replied thank you.

Mayor Guinta stated thank you for spending some time with us, Jack.

Alderman Gatsas stated Your Honor, I would like to bring up one other item. It is going to come up under HR, but seeing that Mr. Sharry is here...the contract

that he had come before us in the City for \$35,000. He agreed that we had only \$30,000 in the budget for him, so he acquiesced to a lower price and I think we should thank him and approve that contract now before he leaves so he knows that he at least has money in the bank when he leaves the building after he gave us \$5,000.

Mayor Guinta asked is that a report coming out of HR?

Alderman Gatsas replied yes, that is a report that is coming out of HR.

Mayor Guinta asked procedurally, can we just take that portion of the report?

Mr. Tom Arnold, City Solicitor, replied you control the agenda, Your Honor, so if you want to move that up, you can.

Report of the Committee on Human Resources

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that the Basic Service Contract between the City of Manchester and Group Benefits Strategies be renewed July 1, 2008 to June 30, 2009.

(Unanimous vote)

Mayor Guinta stated I will take that one item from the HR Committee. The recommendation was unanimous for a \$30,000 contract.

Alderman Gatsas stated as opposed to \$35,000; he reduced his cost.

Alderman Gatsas moved to approve this contract. The motion was duly seconded by Alderman Shea.

Alderman DeVries stated unfortunately, we do not have that open and in front of us yet. What are the dates of the contract? When is that running through?

Mayor Guinta replied it is fiscal year.

Alderman DeVries asked so this is running through June 30, 2009?

Mayor Guinta replied yes.

Alderman DeVries asked Mr. Sharry, you expect what to occur between now and then? Do you expect to go back out with an RFP? You alluded to next year.

Mr. Sharry replied next year would be the third year of our contract with CIGNA but we can. It doesn't prevent us from going out with an RFP. I would leave that decision to the members of the Board, and your health advisory committee to see what you would want to do. I am going to, as a result of a prior meeting today, put the life insurance out to bid. To answer your question, I certainly would be prepared to put it out to bid again.

Alderman DeVries asked if we did go back out to bid in 2009, are there penalties with the existing contract?

Mr. Sharry replied I don't believe that there are but I will review it. I don't know that there are penalties that we have to deal with, with CIGNA.

Alderman DeVries stated we certainly want to have you on board if we are going out to bid. Thank you.

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

CONSENT AGENDA

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

Approve under supervision of the Department of Highways

- A.** Pole petitions:
#11-1212 1 pole 687 Hall Street
#11-1214 1 pole 651 Hall Street
#11-1213 1 pole Karatzas Avenue
#62991/1.5 1 pole Bemis Savoie Road

Approve under supervision of the Department of Highways; subject to funding availability

- B.** Sidewalk petitions:
439 Proctor Road
63 Lynwood Lane
52 Roy Avenue
72 Ellis Avenue
355 Rockland Avenue

Informational to be Received and Filed

- E.** Communication from Jay Minkarah, Director of Economic Development providing an update on the Manchester Transportation Center.
- F.** Communication from Stephanie Lewry, Executive Director of Intown Manchester, endorsing the proposed Downtown Parking Plan.
- G.** Communication from Keith Murphy, Murphy's Taproom, regarding the proposed Downtown Parking Plan.

- H.** Communication from Bryan Christiansen from Comcast with notification of the franchise fee payment for the 2nd Quarter of 2008, along with a backup detailed accounting sheet.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

I. Resolutions:

“Rescinding authorization on unissued Bonds, Notes or Lease Purchases for a Environmental Protection Division- CIP Project that is no longer required.”

“Amending the FY2009 Community Improvement Program, authorizing and appropriating funds in the amount of Five Hundred Sixty Five thousand Dollars (\$565,000) for the FY2009 CIP 612409 788 Elm Street Redevelopment Project.”

“Amending the FY2006 Community Improvement Program, authorizing and appropriating funds in the amount of Six Million Dollars (\$6,000,000) for the FY2006 CIP 710306 Residential Sound Insulation Program.”

“Amending the FY2009 Community Improvement Program, authorizing and appropriating funds in the amount of Fifty Eight Thousand Five Hundred Sixteen Dollars and Thirty one Cents (\$58,516.31) for the FY2009 CIP 510907 Parks Improvement Project.”

“Amending the FY 2009 Community Improvement Program, authorizing and appropriating funds in the amount of Forty Four Thousand Eight hundred Twenty Four Dollars (\$44,824) for the FY2009 CIP 213709 Cities Readiness Initiative- Phase IV Program.”

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

- L.** Advising after due and careful consideration, that it has accepted the City's Monthly Financial Statements (unaudited) for the nine months ended May 31, 2008 and is forwarding same to the Board for informational purposes.
(Unanimous vote)
- M.** Advising, after due and careful consideration, that it has accepted the following Finance Department reports:
- a) Department Legend;
 - b) Open Invoice report over 90 days by fund;
 - c) Open Invoice report all invoices for interdepartmental billings only;
 - d) Open Invoice report all invoices due from the School Department only;
 - e) Listing of invoices submitted to City Solicitor for legal determination; and
 - f) Accounts Receivable summary
- and is forwarding same to the Board for informational purposes.
(Unanimous vote)
- N.** Advising after due and careful consideration, that it has approved travel summary reports from various City departments.
(Unanimous vote)
- O.** Recommending after due and careful consideration, that a request from the Franco-American Centre for forgiveness of false alarm fees be denied.
(Unanimous vote)

COMMITTEE ON HUMAN RESOURCES/INSURANCE

- R.** Recommending after due and careful consideration that the following ordinances amendments:
- “Amending Chapter 33: Human Resources of the Code of Ordinances of the City of Manchester by amending Section 33.061 (B) Temporary Assignments, compensating acting department heads while so assigned.”

be approved.
(Unanimous vote)

- T.** Advising after due and careful consideration, that the proposal submitted by Mayor Guinta of a new department of Facilities, Grounds and Recreation has been received and filed.
(Unanimous vote)
- U.** Advising after due and careful consideration, that communication from Vincent A Wenners, Jr. requesting the Committee to reconsider position details for Edward Pepin, Inventory Specialist with Water Works has been received and filed.
(Unanimous vote)

HAVING READ THE CONSENT AGENDA ON MOTION OF ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN SHEA, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

Information to be Received and Filed

- C.** Communication from Joseph Lahr, Executive Director of MCAM, regarding financial reports year ending July 30, 2008.
Note: Report previously forwarded to Mayor and all Aldermen on July 30, 2008.
- D.** FY08 & FY09 Financial Reports for MCTV
Note: Report previously forwarded to Mayor and all Aldermen on July 31, 2008.

Alderman Gatsas stated if I may I would like to take C & D together because I think those two financial reports, one for MCAM and one for MCTV, if we stood here and asked questions and went through these reports this evening it might take an awful long time. My suggestion is that we take them as a combined report only because I am looking at next year's budget and the allocation of funds has increased from \$400,000 to close to \$800,000 for those two ventures. We need to take a look at where we are in the financing of the City's funds for the next bienium or the next year in the budget. So I would ask that we would set up a meeting...I think that there will be some other items that we are going to have to

back here in August for, and maybe we can put them on that night's agenda to take these in combination.

Mayor Guinta asked without objection?

Alderman O'Neil asked if we were going to do something other than take this up for discussion...all kinds of people representing both organizations have sat here and came here prepared to talk about it. I do not know why we would put it off.

Alderman Gatsas replied with all due respect to my colleague, I did not think we were going to take an hour and a half...

Alderman O'Neil stated I was concerned about the length of the agenda but look at all of the people that came here to represent both organizations. Are we going to ask them to come back another night?

Alderman Gatsas replied I do not disagree with you Aldermen; I agree with you whole-heartedly. The problem is I did not think the insurance thing would take more than an hour. If you want to discuss it tonight we can do. It is going to take probably an hour on this.

Alderman O'Neil replied out of fairness to them, it is what they want to do I guess.

Alderman Lopez stated I agree with Alderman O'Neil but I am willing to compromise if there is a compromise but I think what the Alderman...having a special meeting on this I think we have to understand the legality of both contracts first before we move forward. Whether we are going to go into the 2010 budget makes no difference if we have a legality issue with MCTV and we can't change

the contract with them or with the other one. I don't understand what the issue is so I would like to have a legal opinion first if we are going to have a special meeting and go through all of this and talk about numbers and we can't do anything about it because we have a legal contract. What are we doing?

Alderman Gatsas stated my understanding is the contracts are 30-day clauses.

Alderman Lopez asked may I have an opinion from the City Solicitor please?

Mayor Guinta replied yes you may.

Mr. Arnold replied I believe that the two agreements...and we do have two agreements, one with MCAM and one with MCTV...the contract with MCTV does not have a notice clause for termination. It provides for a term that can be extended by MCTV. With respect to the MCAM contract, I believe that agreement...the agreement provides that it went through June 30th of this year. It went on to provide that it could be extended for another term provided that notice was given to the City 120 days prior to June 30th of this year. I do not believe that notice was ever given. The agreement calls for it to be sent to the Clerk's office with copies to the Solicitor and Mayor's office. I have checked with all three of those and none of us have any notice of extension of the contract, so most likely the contract with MCAM expired on June 30th of this year.

Alderman Lopez asked so Tom in reference...let's talk about MCTV first of all, they have a contract until 2015 I believe?

Mr. Arnold replied I could look for the date but I do believe that's in the area.

Alderman Lopez asked in your legal opinion is that a legal contract that we do not have any right to change unless something is wrong?

Mr. Arnold stated I have not reviewed it in detail but I do not believe that any of the grounds for termination have occurred.

Alderman Lopez stated in the case of MCAM we have an issue with the 120 days.

Mr. Arnold stated with not having received the notice of renewal, yes.

Alderman Lopez stated that has to be cleared up somewhere along the line. I think in the financial reports that they provided, both MCAM and MCTV, one gets 2 % and the other gets 1%. I just don't see any need unless...I mean, I am willing to sit here and listen to whatever questions Aldermen have about the financial reports. They received them. We have a legal obligation to give them 2% and I think it comes up to \$537,000 in FY2009 so that is a legal contract that we have with them and the City. I just do not understand where the Alderman wants to go.

Mayor Guinta stated it sounds like there are a couple of issues here. It sounds like for informational purposes there are financial questions or concerns relating to the escalators in the contract, which is not necessarily in the Board of Mayor and Aldermen's control because it is based on a percentage of the Comcast revenue, but that may be more informational. Then generally speaking, what if anything can be done to try to maintain reasonable costs to taxpayers? The second issue sounds like there is an issue certain with MCAM that requires our attention and MCAM's attention to deal with a contractual issue. So we can do a couple of things. We can try to hash it out this evening or we can give the Solicitor some

time to go through both contracts and provide a memo to the Mayor and Board of Aldermen on both. Then if necessary, I would be more than happy to have a special meeting for both contractual issues as well as financial or fiscal questions should any exist. At the very least, we have to do something with MCAM.

Alderman Gatsas stated I do not disagree with you, Your Honor. If that is something you want to do that is fine with me. I think that it will certainly give us an opportunity. When does our contract with Comcast expire or have to be renewed?

Mayor Guinta stated the expiration date is in several years...2015.

Mr. Arnold stated it is 2015.

Alderman Gatsas stated so if tomorrow we decided to alleviate the 5% that we charge the consumer and let him hold onto it, that means we would have zero revenues. That would be a choice of this Board.

Mayor Guinta asked is there a separate contract with MCTV and the City of Manchester?

Mr. Arnold stated there is a contract with MCAM but not with MCTV. There is a contract with the City and the School District to provide funding to MCTV.

Mayor Guinta asked so there are two separate contracts?

Mr. Arnold stated yes, for the two organizations.

Alderman Lopez stated Your Honor, I think if the issue is with MCAM why don't we send it to the Committee on Administration and let them deal with it? Also, whatever the Solicitor's Office wants to provide the Board of Mayor and Aldermen, we can go from there unless someone has a question on MCTV. They provided all of the requested documents we have. I just do not understand.

Alderman O'Neil stated regarding the issue of the MCAM contract, this is the first that I heard of it that it has legally expired but what bothers me is that this Board voted to ask both organizations to prepare financial reports, and I am guessing some people might have given up vacation time to do this and they take the time to come here tonight and then we are going to tell them we have a long agenda so we are not going to ask any questions. You know what? I did not ask them to come in and I am happy with the status of everything in the City of Manchester. I will work to help straighten out this MCAM thing but if people have questions ask them. They worked for four weeks or so to prepare all this and people should ask the questions and not tell them to come back again another night.

Alderman Gatsas stated I am prepared. Let's start with MCTV.

Dr. Grace Sullivan, Director of MCTV, stated thank you very much, Mayor and Board of Aldermen. Karen DeFrancis is the Finance Director from the Manchester School District and Jason Cote is the Operations Manager. We have Freida Hawkins who is the Treasurer for the School District and has worked on materials for us in terms of what we are doing with our money, what we have gotten through the cable grant and also through the 2%. As you may be aware, there is an agreement where MCTV is operated through the School District and funded by the Board of Mayor and Aldermen's vote of giving MCTV 2% of the cable gross that the City receives until 2015. All of our finances are run through

the School Department, through the Finance Department, and that is why Karen is here to answer any questions about that, including the structure of that and also any money that we spend over \$20,000, as we did when we asked to rent the space that we are currently in now. It's anything over \$ 20,000 as per the agreement between the City of Manchester and the School District; we come to the Board of Mayor and Aldermen ask for approval to spend that money. Jason Cote the Operations Manager put this together. We spent a lot of time going through this so Jason could answer any questions if you want us to go through it.

Jason Cote, MCTV Operations Manager, stated whatever questions you have I would be more than happy to answer.

Alderman Gatsas stated I would like to turn the clock back and ask you what your total budget was three years ago.

Mr. Cote replied I can get that for you. I do not have that readily available for you.

Alderman Gatsas stated let me help you because I've got it right here. You used to be funded through the City. Is that correct?

Mr. Cote replied correct. We used to come before the Mayor and Board of Aldermen.

Alderman Gatsas stated and if I remember correctly the discussion was...in your budget, Your Honor, you had removed them.

Mayor Guinta replied \$380,000 or something like that.

Alderman Gatsas replied it was about \$396,000. You had taken them right out of that budget and we put them back in. So at the time you were receiving from the City

Mayor Guinta interjected I moved them over to the School District.

Alderman Gatsas replied correct. You moved them over to the School District and we brought them back in and we funded you at \$396,000. That was the total and you were running both stations.

Mr. Cote replied correct.

Alderman Gatsas asked same amount of labor?

Mr. Cote replied at the time, three years ago, or technically that was two years ago, I believe we were at four employees not five. Currently we are at five employees.

Alderman Gatsas stated if I look at your labor number, gross wages, you are at somewhere around \$354,000 just for wages.

Mr. Cote replied correct, benefits and wages.

Alderman Gatsas stated which at that time you had \$396,000, which included wages, benefits and operating expenses.

Mr. Cote replied yes, but operating expenses were much lower then.

Alderman Gatsas asked to the tune of how much lower? It looks like this wage number is in excess of 150% of what your wages were back then.

Mr. Cote replied that is incorrect. I will use last year, which was \$354,000. This year will be roughly \$400,000 because we finally added a fifth employee, which is what we were looking for. The increase from last year to this year was...if you look at another employee it comes out to be that increase. From the year prior to that I can't speak to because I do not have those numbers in front of me and I apologize.

Alderman Gatsas replied so what you are telling me is that the \$354,000 was for four employees and

Mr. Cote replied no.

Alderman Gatsas stated you just told me it was going from four to five employees.

Mr. Cote replied it was five employees but we actually...throughout the year if you look at what we sent you we had a person leave...an individual left at the beginning of the fiscal year then another one left two months into that and we hired another individual so at one time we were actually down to three employees. We hired a fourth in and now we are finally getting the fifth.

Alderman Gatsas stated let me understand. Who is the director? Who is the MCTV Director?

Mr. Cote replied Dr. Sullivan.

Alderman Gatsas asked Dr. Sullivan, this \$74,000 that I am looking at next to you is that a School District payment?

Dr. Sullivan stated that is my salary that comes through the school; we are operated through the School District yes.

Alderman Gatsas asked but is that a payment that is paid as a...I want to say that you were a teacher. I don't want to say the wrong thing because I am asking the question. You weren't receiving \$74,000 when you were under the guise of the City receiving the \$396,000 were you?

Dr. Sullivan replied I do not have the numbers. I could get you those numbers going back to 2005. What we gave you is 2008 and 2009, so to speak to that I am really not going to...we can get you those numbers.

Alderman Gatsas stated there is a \$74,000 payment here and there is also a family plan that we are paying back to the School District. My understanding was that when you were a department of the City and we were allocating funding.....

Dr. Sullivan interjected we have never been a department of the City, Alderman.

Alderman Gatsas replied when we were allocating money out of our budget, the \$396,000, your benefits and your wages were on the School side.

Dr. Sullivan stated my salary was paid through the money that came through that line item, in that special line item in the general fund. If you can remember, we could go back to the year 2000. From 1992-2000 we had a guaranteed percentage of the gross. To be honest with you, I can get you those numbers but the money has come from the school.

Mr. Cote stated the monies that you are referring to of Dr. Sullivan's salary came from the same funding source then. The actual amount is 183 days - a teacher's contract plus another 17-plus per diem days.

Alderman Gatsas responded so that is the total of \$74,000, so the School District somewhere in their budget has an additional \$69,000?

Dr. Sullivan replied no, the School District has no money in their budget for my salary.

Alderman Lopez stated I need clarification. Karen can you as the Business Officer clarify this whole thing?

Ms. Karen DeFrancis, Business Officer, stated Dr. Sullivan is correct. MCTV has always been treated as a special revenue fund for the School District. Her salary has always come out of that special revenue fund. I should not say always but for as long as I can remember.

Alderman Lopez stated the money we gave to MCTV.

Ms. DeFrancis responded exactly.

Alderman Gatsas stated I guess what I am looking at is revenue sources. If you look at the third page, it says the MCTV operations budget \$390,000. If you look at that operating budget and you add the surplus...if you are running at a surplus from prior years of \$19,006. I would think that any surplus...

Mr. Cote interjected no.

Alderman Gatsas responded that is what it says here; MCTV surplus from prior years.

Mr. Cote stated the \$19,616 was from the 1992-2000 grant of \$250,000. That was actually left over from there that we had carried over. It had somehow gone and it was told to us that it was there in the account last year.

Alderman Gatsas asked who told you that?

Dr. Sullivan replied we had always maintained that there had been...there have been a lot of changes through the years, Alderman, as you can remember, but we have always maintained that the original grant from 1992 to 2000 under the original contract with United Cable that we were very frugal with the \$250,000 and that we had \$20,000 left at the end of that period. Somehow through financials that we were not aware of...but we maintained that the money was there. The Finance Department under Karen DeFrancis found that money. We were always operating...we never go over budget, Alderman.

Alderman Gatsas replied I guess this Board needs a clarification because I think it is taxpayers' money. So somebody needs to explain to me how this money...how this mysterious...not that it is a lot of money but it is \$20,000 and we have a fiduciary agreement to know where these monies are.

Ms. DeFrancis replied absolutely and we can get that information. A balance has been carried on the books for many years and as Dr. Sullivan has addressed, the funding for MCTV has been done differently over the past years. I can absolutely get that information as to how that surplus came on the books.

Alderman Gatsas responded so we would allocate the School District an amount of money and if it was not all used it would fall into a surplus account?

Dr. Sullivan replied that was the cable grant money. That was a separate...that was \$250,000 of cable grant money, a lump sum that came in 1992 with United Cable money. So we had that \$250,000 allocated grant money there.

Mr. Cote stated for equipment.

Dr. Sullivan stated for equipment that we utilized from 1992-2000.

Alderman Gatsas asked that was the equipment account along with \$1 million?

Dr. Sullivan replied yes.

Mr. Cote replied that was a different contract. The \$1 million was in 2000.

Alderman Gatsas stated you know we find parking garages here that we lease, we end up finding \$20,000...it is incredible the things that come up when you least expect them to come up.

Dr. Sullivan replied well if you had asked, Alderman, we would have told you. I have been looking for that money for four years.

Alderman Gatsas stated talk to me about the professional services of \$4,000.

Mr. Cote replied the professional services of \$4,000 were for the architectural plans that we presented to the Board of Mayor and Aldermen during the lease proposal. It was \$4,000 to the architectural firm.

Alderman Gatsas stated this is going to sound a little nit picky but tell me about the \$600 worth of food.

Mr. Cote replied that was a donation by Sheehan Finney, Bass and Green for our opening. So the actual \$600...if you look at the bottom of that you will see it says a donation of \$600 from Sheehan Finney, Bass and Green.

Alderman Gatsas asked why would you put it in as an encumbrance?

Mr. Cote replied because that was an encumbrance...the way that the books were presented to us in the finances, that money was spent but the donation went in as a revenue account.

Alderman Gatsas stated so you operated these accounts at somewhere around \$396,000 two years ago and it is costing you \$535,000 to do that same thing this year. Is that what you are telling me?

Dr. Sullivan asked in regards to the rent, because of the rent money...

Alderman Gatsas stated I am saying to you that the number I see before me is \$396,000 that you operated MCTV with two years ago and you are now at \$535,000 with an increase coming because the rates just went up. So your increases continue to go up every time the rates go up to the consumer.

Mr. Cote replied if you look at the numbers for prior years, the largest increase in the budget from last year to this year is operating funds, which would be the increase in rent, electricity, phone and other things that we did not have to pay for before in the other location. That is where the increases came from.

Alderman Gatsas replied but let's try again. It is a yes or no question. You operated at \$396,000 two years ago and now you are spending \$535,000?

Mr. Cote replied yes, Alderman.

Alderman Gatsas stated and we cut the school budget from where they were last year and we have cut City departments from where they were last year and now we are looking at an increase of almost 50% of taxpayers' dollars and you do not think we should be questioning why we are doing this?

Mr. Cote replied I would never tell you what to think, Alderman.

Alderman Gatsas replied okay, thank you.

Dr. Sullivan stated we did need to have money for the rent because we were dislocated from the Manchester School of Technology. We, at the time, when they went to the plans for the Manchester School of Technology, we went in good faith and said we will be happy to stay. Unfortunately we were not part of that plan and because of the support of the Board and Mayor of Aldermen, we now have a place in which we can conduct our business and help the communication needs of the City.

Alderman Lopez asked Karen, does the School Board approve the money that MCTV gets or is it just a transaction between you or do they have to go before the School Board?

Ms. DeFrancis replied are you talking about the expenditures?

Alderman Lopez replied the \$537,000, the expense they have for going into 2009.

Ms. DeFrancis responded I believe...did the School Board sign the contract?

Mr. Cote replied yes.

Dr. Sullivan stated the School Board signed the contract, yes.

Alderman Lopez asked have they reviewed these numbers?

Ms. DeFrancis replied yes, these numbers are audited. MCTV is a special revenue fund for the School District and is audited annually by Plodzic and Sanderson, our current auditor.

Alderman Lopez asked and do you see any problems whatsoever in the financial reporting that we have before us?

Ms. DeFrancis replied I do not because this was prepared by our Finance Department.

Alderman Lopez asked and the \$20,000 that for whatever reason was lost and recently found, you could provide an explanation to this full Board?

Ms. DeFrancis replied absolutely. I will do that.

Alderman Gatsas stated maybe they can explain also the \$20,000 in cleaning services. That is what I am looking at. That is what it says doesn't it...oh no that is the web design for \$20,000.

Mr. Cote asked would you like me to explain the web design?

Alderman Gatsas answered sure. I thought you folks were capable of doing that in-house.

Mr. Cote replied this amount was an estimate from Silvertech. We are going to be upgrading our website to have the channel stream live on the website so that people anywhere can watch the channels. We are also going to be moving our storage in-house for our On Demand system, which we are going to reinstate. We were getting over a 1,000 downloads a month when we did have it. We are going to be putting that back together. The service we had wasn't quite what we needed it to be and that is why we are going to upgrade.

Alderman Gatsas stated but I think it is important that the people that watch the great programming that you folks do, understand that for five employees with benefits and wages it is about an average of \$80,000 dollars per person. It is \$407,000. I am looking at gross wages and benefits. That is \$80,000 per person.

Mayor Guinta asked are there any other questions? Is there any kind of motion?

Alderman Gatsas stated I guess I tried to take C & D together so maybe we can get MCAM up here and I can get my questions done with them and we won't need to have anyone wait any longer.

Dr. Sullivan stated thank you very much.

Alderman Lopez asked Your Honor, do you want to take both of them at the same time or can we make a motion to receive and file MCTV's report?

Alderman Shea stated this is just information to receive and file.

Mayor Guinta stated the Alderman who pulled it off the agenda asked that they be taken together.

Alderman Gatsas stated yes we can finish this and it will not take that long Alderman. Thank you.

Mr. Raymond Buckley, President of the Citizen's Board of Manchester Community Access Media, stated joining me is Joe Briggs our Vice President, Terry Flower our Treasurer, and June Craig our Secretary. We also have Representative Jean Judy and former Representative Carol Williams here. Glenn Ouellette is the Producer's Representative on our Board and Joe Lahr, our station manager, is also on our Board. Also on the Board are Representative Will Infantine, former Representative Mike Biondo along with Attorney Art Gatzoulis and Bonnie Guevin. As you can see, this is quite a Board made up of great philosophical, cultural, and economic diversity that really, truly represents our great community. Nearly two dozen other community leaders have also given of their time and their efforts, really a labor of love for so many of us as members of this Board, over the past four years. I would like to ask the Vice President of the Board, Joe Briggs to address the Board at this time.

Mr. Joe Briggs, Vice President, stated the first thing that I want to mention is on the issue of the report and I think Joe Lahr addressed it specifically, but we do file every February. every year our report goes to the Mayor and Board of Aldermen, and it is our understanding that it is a de facto request for extension but if it is not, then we will make any necessary changes. It was filed this February. I think you will find it in your records there. I do want to intimate that it was possibly me,

through communications, that might have raised some awareness of MCAM's situation right now. I do not want to overstress that, but I think in many ways we can almost view MCAM like a city park that is a really great park but just got hammered with a lot of people and a lot of use and from that excessive use, meaning through our very large studio and very excellent resources, we have been able to extend what we do from the normal single producers and the normal talking heads kind of shows to non-profit organizations to groups to political events to a variety of different things and really go above and beyond what is traditional and what is known for normal public access. That certainly has come at a cost and we have been able to do it through extremely frugal management, as I think you will see our books and records indicate. That is why our balance is not what it really should be at this point, but it really is because of the availability of this resource to the City and the popularity of it. We have also made strides. When and where we can we do attempt to recover funds and charge for the services rendered? When it is a politician such as Dennis Kucinich, Ron Paul or a whole bunch of them...we did a lot of very pertinent work for them and we charged a fair rate. We use that money to offset doing similar types of productions for some of our non-profits such as the Red Cross and a number of other groups, but again, those types of broad productions that are very valuable to the City that have filled hotel rooms, rented cars, put people in restaurants does come at a cost. The chief reason right now that kind of limits our ability to self-fund and raise money really has to go to this issue of it being difficult to raise external sponsorship through the amount of religious and cultural programming that we currently have. Our potential sponsors feel as though it is kind of mixing a message and it would be easier to quantify our demographic were we to have a second channel to put the bulk of the religious programming on, understanding that there is some cost, not as much cost as people feel with it, but that would allow us to be more successful in raising more revenue from potential sponsors. Thank you.

Alderman Gatsas asked how many employees do you have?

Mr. Lahr replied one full time and a variety of part-timers.

Alderman Gatsas asked how many part-timers?

Mr. Lahr answered four part-timers.

Alderman Gatsas stated so you are full time and you have four part-timers is that correct?

Mr. Lahr replied that is correct.

Alderman Gatsas stated the total benefit or the total payroll expenses are \$129,000. Can you tell me how much...

Mr. Lahr interjected that is for 10 months. We gave you our report through July 30th.

Alderman Gatsas replied correct. If I look at this number, the part-timers are allocated...I guess you would be called the Director of MCAM?

Mr. Lahr replied yes.

Alderman Gatsas stated so you are the full time employee. Can I ask you what is your wage? Is that a public question? If it is not tell me that it is not and it is none of my business, but I am trying to compare apples to apples.

Mr. Lahr replied \$53,000.

Alderman Gatsas asked you are at \$53,000 for 10 months?

Mr. Lahr replied no, that is my yearly wage. We supplied you with a number of pieces of paper there.

Alderman Gatsas stated my colleague from Ward 1 just showed me and it is \$127,000. I appreciate that so when I look at these numbers the \$53,000 is the highest paid so if I do the same math that I just did with MCTV and divide your \$127,000 by the five employees, because that is just what I did just for them and it came out to \$80,000 on average. You folks with five employees are somewhere in the vicinity of \$25,000.

Mr. Lahr replied again we have four part-timers.

Alderman Gatsas stated I understand. I think they have some part-timers also or people that have come in and left when you look at their wage. I am just saying on a comparison basis you are at somewhere around \$25,000 or \$26,000 per person full benefited out and the other side is at \$80,000. I understand that they have two channels. I just heard Mr. Briggs ask for another channel because probably with another channel 1% follows or that is what the assumption would be because MCTV has two channels and they get 2%. I am trying to make this an equitable thing when you look at where expenses are. I am not trying to say that one is better than the other. I think there is a need for both in this community. I think you both do a great job at what you do. When I look at the allocation of funds, at some point we need to look at where the taxpayer is. I can't say that five employees at \$28,000 is not being frugal. I can say that five employees at \$80,000 looks like an expense that does not make sense. That is what the

taxpayers of this City should know. I know you folks are struggling and you are trying everything with fundraising to do everything under the sun. Maybe there should be a \$50,000 allocation from MCTV to MCAM so that you folks survive, because nobody wants to see anybody fail, but I don't see you surviving for much longer unless we either give you another infusion of cash or additional funds from what we take of the 5%. We are going to be looking at a non-existent situation.

Mr. Buckley stated I want to stress that although Mr. Briggs is very passionate about the second channel, we were not coming here this evening asking for the second channel, but if we were we would obviously take whatever funds were given to MCAM. We believe that the additional ability to have additional sponsors would more than cover our expenses and we would not ask for that 1%. That is not something that we would proactively do but it is certainly something that the VP of the Board has been very passionate about.

Mr. Lahr stated right. The way that our systems are designed, it is not a linear relationship. We can do it for substantially under 1%. There would be some additional cost but not times two.

Alderman Gatsas stated right, but if I truly look at this as a business, I would say that you are pretty close. If you are not running in the red, you are right on the edge.

Mr. Briggs stated one of the key issues or one of the absolute key concerns is certainly health insurance for our full-time employee. That is a critical issue and I think it is a great benefit for the employees of MCTV who work very hard and do a very wonderful job. To have the security of the health insurance is something that we all know and enjoy and it is something that our Director is not enjoying. I think it is an issue for me personally to try to find a way to address that.

Mr. Buckley stated I also think it is important Alderman to recognize that not only has the Board been working constantly but we literally have hundreds of other people in the community that assist us in our fundraising. We have tried every possible fundraising project where everyone rolls in and the response from the community has been overwhelming and I think terrific for an organization that is only three years old. To have such roots in the community and the diversity of those who are volunteers and producers and the number of shows that we produce, I think we are farther ahead than a lot of other non-profit organizations that have established themselves. We are very proud. Do we wish that we had been able to raise more from a few more bake sales and other things than we have done? I think that was certainly our intent and we will continue no matter what the Board decides regarding funding. We are going to work to insure that MCAM remains one of the greatest assets in the community. I am so proud to serve on the Board with these other terrific people to make sure that the community really has this sort of a resource and really truly represent the community. There is nobody that has been whacked by more people on MCAM than I have.

Alderman Gatsas asked what would happen if all of a sudden this Board decided to put out the government channel to bid so that we as a City could be getting the biggest bang for our buck when we are looking at how we are going to offer services to the constituents? I am just throwing that out.

Mr. Buckley replied that is not something the Board has addressed. We came here prepared to answer any questions. We certainly do not want to be in any sort of situation where we can think that we are in competition or where we are trying to do anything to the other channels.

Alderman Gatsas stated I am certainly not proposing that, but I would say wouldn't that be of interest to the taxpayers in this City if we looked at something...and I am not saying that you have. I said it; you didn't say it. You didn't come here before it. You didn't school me on it. You didn't throw it out. I am asking a simple question because I am looking at the government channel and I do not think that we need a third component of MCAM and MCTV that we break down another percentage. I am looking at something one that is failing and one looks like it has an overabundance of funding.

Mr. Buckley replied Alderman, 17 years ago when I was elected to this Board to replace Alderman Domaingue's mom I realized that was for me to decide and now it is for you to decide, and that really is the responsibility of the 15 members of the BMA.

Alderman O'Neil stated I wish we would not go into this discussion. We know we have a contract with MCTV till 2015. Why are we even going through those discussions? We should talk about what is before us tonight. What is real and what we can help with. We are not going to put out an RFP for the government channels. It is not going to happen. We should not get everyone wound up that it is going to happen.

Alderman Gatsas stated I just heard of an RFP for the first time tonight, Alderman, that went out for McIntyre. I have never heard of it and I do not know if anyone on this Board heard it other than tonight.

Alderman O'Neil stated I also heard earlier that we have a contract with MCTV until 2015. There are two issues in the many discussions that I had with both directors and staff from MCAM that got my attention. The health insurance issue for the full time employee I am sympathetic to. I do not know how we can help

address that and maybe we need to figure out a way to get a little more creative with it. I do not know what that answer is tonight but it is something I am willing to explore and secondly in a discussion with several directors, as well as Joe, I do not want to classify it as a cash flow situation but a timing on when you receive payment from the City was something that may help your financial situation. Can you talk a little bit about that?

Mr. Lahr replied sure I can address that. Specifically we are allotted to receive our franchise payment after October 1st. Generally it takes the City three to four weeks to write the check, which means that we are unfunded for three or four weeks. That is the simple math. We run a very tight budget down to zero and then we are unfunded for three or four weeks and it makes it very difficult. I do want to address a comment made earlier by Attorney Arnold. Our contract is active and I express interest in renewing it every year. I don't wait the three years. Every year I submit a report about 150 days prior to the date specified and ask the Aldermen to continue with their support.

Alderman O'Neil stated I have a question for Mr. Sanders. Is that something that you can take a look and if there is a way, because they operate on a very tight budget, that we can help them on that end? From what I understand that would be a very positive step.

Mr. William Sanders, Finance Director, replied absolutely. That is something we should be able to do. We can transfer at the very beginning of October.

Alderman O'Neil stated I don't know if we can just throw this to Jane as a way we can think about how to address or help out on the health insurance end of it. Accessibility is the biggest challenge. I do not have the answer but I am certainly sympathetic to it. I don't know what we can do.

Mayor Guinta replied I will put it on her list.

Alderman Lopez stated I think the question was already asked per Tom Arnold and you have addressed it in your report. You are indicating in your report that you already requested the extension.

Mr. Briggs replied I request it every year. I do not wait the three years that our contract requests. I do it every year.

Alderman Lopez asked is it in your report?

Mr. Lahr stated it is in our report. It is in the cover letter that we want to continue to do this and we appreciate the help of the City.

Mayor Guinta stated that is all well and good but that might be different than an actual formalized contract. What I would like is the Solicitor to work with MCAM to insure that whatever obligations and requirements by contract are expected before the Board of Mayor and Aldermen to enter into that that is being adhered to.

Alderman Lopez stated that there is a difference between government education and public access. I think it is important and I am sure you all understand that. I am sure most people do but there is a major difference and when we went through separation, so to speak, of a marriage because people wanted it and you are doing a fine job over there...you were going to have problems Joe and you knew that from day one. I call it the Taj Mahal. I know you do not like me calling it that but you have a nice place over there and it is expensive. But you have, I don't know, 50-60 producers or 100 producers?

Mr. Lahr responded we have about 300 producers of which about 110 are active.

Alderman Lopez stated I know some of them help you quite a bit in all areas and I know people have pitched in over there to paint and do other things. I think we have to understand when public access being, a 501(c)(3), moved forward to go their separate way, we sanctioned it. I agree with Mr. Buckley as the Chairman that you guys are going to do everything that you can to survive. You have four part-time employees and you have 300 producers. If you had to have two part-time employees you would probably go to two part-time employees and get other people to do the work. I do agree with Alderman O'Neil that you asked for October when you first came for the contract. That is a simple matter that we can change and we can give it to you sooner than that if you want it and it is going to help you financially by just amending the contract. I think we have to work together. We have to stop fighting each other in all other ways.

Alderman Gatsas stated the point I was trying to make is that two years ago the total number for the three channels fully funded was \$396,000. That was what was in the budget was \$396,000. They hadn't come out yet. Now it is \$802,000.

Mayor Guinta replied your math is correct and it is a result of Board actions that separated the two that increased expenses as a result of that and thirdly I think provided a direct line of dollars through the cable contract. So you are absolutely right, Alderman. I do not disagree. Those dollars have increased exponentially and I think it is very fair for us to review that information every year; not just in the context of any one given year that the budget is difficult. We have an obligation to review all that. I remember, Alderman, you talking quite extensively about the concern of not having oversight on the Board of Mayor and Aldermen because there is a public perception that these are taxpayer dollars. So

to the extent that we should have dialogue and a discussion about these costs and to open a dialogue about how we can effectively utilize them and try to maintain them I think is a good dialogue to have. I think essentially what that would require, if you want to reduce these costs when you look at the two organizations, is to somehow share space and share employees but that obviously has not been the policy direction of this Board. Unless some significant sharing occurs or cooperative effort amongst the two organizations occurs, I do not know that you are going to see a reduction in the dollars that are expended. If that is a discussion that the Board is willing to have at some more appropriate time, then I would encourage the Board to have that discussion. I don't see an alternative at this point because it is fairly clear to me how these dollars are disseminated to the organizations and it is through...it is on a percentage basis so we have limited opportunity to control that as a Board of Mayor and Aldermen at this point.

Mr. Briggs stated Alderman Gatsas questioned MCTV on their new line item, which they had this year which is unique because it is for facilities that they didn't have to pay for last year. We certainly want to again extend them the right of first refusal on an excess amount of space. Our excess space well exceeds what their total space was over at the high school. We are trying to find tenants for that but it is architected in such a way that they could have their own universe there while still not increasing the aggregate bills so that is one line item that could definitely be cost-shared. Our air conditioning is not going to increase if they are occupying that space. That truly would be a synergy there and it is isolated enough, there is enough breathing room, that they could have all the privacy to run their anonymous operation. It is very good space and they would be welcome tenants. We also have another synergy, which is we get a very special deal from G-4 Communications. We looked at what they have for Internet and we have a much better connection and it is substantially less; one that could be shared and is a very significant line item. Of course people at MCTV are very competent and they do

a great job. Without them the signal would not be going out tonight, but there is enough room that they can do their thing in their own little world and we could share some costs there.

Alderman Ouellette stated with all due respect to you, Your Honor and Mr. Briggs, I think at one time they did share space together. They worked together as one and it was the the MCAM producers who wanted to move out on their own. As a member of the Board of School Committee at the time I was pleaded with and actually lobbied to have that happen, not only by Dr. Sullivan but by the powers that wanted to be on their own with the public access producers. It just did not work. For whatever reason it just was not a good fit. I think the operation right now, although financially MCAM is having a bit of a hard time, is running smoother than in the past. I sympathize with Joe but Joe also knew when he accepted the job at MCAM that his insurance was going to be an issue. I hope, Joe, that we can rectify that because I remember several years back you called me about an issue you were having with the School District with insurance and we were able to take care of that for you. I hope we can be as successful again for you with that. Sometimes you have to look back at history and you do not want to make the same mistakes. I think if we can try and fix the area where we are at now and then move forward rather than going back to sharing this and sharing that, because it just did not work. It was not a good situation. Thank you.

Mr. Buckley stated I just want to address Alderman Ouellette's point that both Mr. Briggs and you have made and make it very clear that it is Mr. Briggs' personal position and not something that the Board of MCAM has voted on or has requested be voted on here tonight or discussed. We have an understanding that we have a great diversity on the Board and great passions for MCAM and we let everyone say what they want both on air and in the Board meetings. So we are not here as a representative of the Board requesting that sort of action. We are

simply here to respond to any questions regarding our financials and that is why one of our great treasures here as well. I just want to make sure that the record is very clear.

Alderman Ouellette replied I understand that and I respect Mr. Briggs' opinion as well as yours, Your Honor.

On motion of Alderman Smith, duly seconded by Alderman Shea, it was voted to receive and file Items C and D.

24. Communication from Glen Ohlund, Economic Development Office, relative to the Community Revitalization Tax Relief Incentive Application. (RSA 79-E) for 790 to 796 Elm Street (Map 153, lots 17 and 18).

Mayor Guinta stated without objection from the Board, Alderman M. Roy has requested that we take up item 24 because we have some individuals who are waiting for that item and I would recognize Alderman Roy.

Alderman M. Roy stated I don't think we need another presentation, or if Max and Francis would like to come up, for the tax incentive for the Merrimack Restaurant building.

Mayor Guinta responded I would just take a motion.

On a motion by Alderman M. Roy seconded by Alderman O'Neil, it was voted to grant the request for a period of five years and further authorize staff to execute all related documents.

Report of the Committee on Public Safety, Health and Traffic

- J.** Communication from Thomas M. Robert regarding assigning old West side founding family names to all of the back streets on the West side of Manchester.

Alderman Ouellette stated it came to my attention that this issue was already taken up by the previous Board sometime last year, so I would like to receive and file this.

On motion of Alderman Ouellette, duly seconded by Alderman Shea, it was voted to receive and file this report.

Mayor Guinta stated I want to make a note that Alderman DeVries wanted me to convey that unfortunately she had to leave because she is not feeling well so hopefully she will be feeling better.

Alderman Lopez stated I would like to hold Item K until after we get through the parking and reconsideration.

Alderman Gatsas stated I would like a discussion on it now without objection. It is on the consent agenda and it is before us.

Alderman Lopez stated I am asking to hold it until we get to Items 11 and 12.

Alderman Gatsas stated Your Honor, with all due respect, I may have an amendment to that parking plan that I would like to present.

Mayor Guinta replied then you would have an opportunity to do it at that time.

Alderman Gatsas replied I think we can do it right now because this was on the consent agenda and it was removed.

Alderman Lopez stated this was going to go on the consent agenda directly to the Committee on Public Safety and I am asking to hold it until we get to Item 11 because it contains the same subject.

Mayor Guinta asked is it the same subject matter?

Alderman Lopez replied yes.

Mayor Guinta stated at which point an amendment could be offered.

Alderman Gatsas asked if we weren't going to discuss it now, why did we remove it from the consent agenda?

Alderman Lopez answered I removed it from the consent agenda for the simple reason that if I did not remove it, it would go to the Committee on Public Safety and Health, and I do not want it to go to the Committee on Public Safety and Health because we are addressing the parking in Item 11 if your reconsideration passes. If not, we will be going to a report of the Committee of Bills of Second Reading, which is on recess from last night.

Alderman Gatsas stated right, but this request here Alderman, Item K, is the changes from the original parking plan that is in place that has gone to Bills on Second Reading...the original plan that went to Bills in Second Reading. These are the changes and if we do not discuss these now, we may not have an opportunity to do so.

Mayor Guinta stated I do not agree with that.

Alderman Gatsas replied these are the new changes.

Alderman Lopez stated in Bills on Second Reading they have an original ordinance and I think the City Attorney can help us, but they have the original ordinance. We are not changing anything in the original ordinance and if I understand the conversation last night at Bills on Second Reading, when they come out with their technical review from the communication from Parking it will be the original ordinance and at that time the ordinance can be amended. Am I correct Deputy Solicitor Arnold?

Mr. Arnold replied yes, I believe you are.

Alderman Lopez replied thank you.

Alderman Gatsas asked does that mean that it does not have to go to the Bills on Second Reading for another hearing to make sure that the changes are public and not just...what is the word that they use in Bills on Second Reading, substantive or...technical, technical correction and not substantive? This looks like it will be far greater than a technical review.

Mr. Arnold stated the Board has the power of discretion, or however you want to put it, to amend a report from Bills on Second Reading or to take up amendments after Bills on Second Reading has made a report.

Alderman Gatsas asked and those technical changes don't have to go back to Bills on Second Reading? It always has before.

Mr. Arnold stated under the rules those changes may well go back. However, this Board may suspend those rules if it chooses to do so.

Mayor Guinta stated I am going to group that with 11 & 12.

Reports of the Committee on Human Resources/Insurance

P. The Committee on Human Resources & Insurance respectfully recommends, after due and careful consideration, that the following ordinance amendments:

“Amending Chapter 33: Human Resources of the Code of Ordinances of the City of Manchester by amending Section 33.026 (Carpenter) Class Specifications.”

“Amending Chapter 33: Human Resources of the Code of Ordinances of the City of Manchester by amending Section 33.026 (Assessors Commercial and Assessors-Residential) Class Specifications.”

be approved.
(*Unanimous vote*)

Ms. Jane Gile, Human Resources Director, stated due to an error on the job classification for Assessor-Residential, there needs to be a correction. It is a clerical error. The job classification for Assessor-Residential class code number 1161-24, under required special qualifications on page P-18, we need to insert the word “Supervisor” after Assessor and the first bullet under that category should now read “designation as a DRA certified New Hampshire Assessor Supervisor or an equivalent certification from another jurisdiction.”

Alderman Shea moved to approve the ordinance amendments with changes recommended by the Human Resources Director. *Alderman Domaingue* duly seconded the motion.

Alderman O'Neil asked Jane, could somebody be working towards that or work towards that within a certain time period?

Alderman M. Roy stated one year.

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

S. The Committee on Human Resources & Insurance respectfully recommends, after due and careful consideration, that the following ordinance amendment:

“Amending Chapter 33: Human Resources of the Code of Ordinances of the City of Manchester by amending Section 33.027 (D) Employee Recruitment and Selection, posting vacant department head positions or anticipated vacancies for five working days within the City prior to advertising to the public.”

be approved.

(Alderman Gatsas, Lopez, Garrity and Pinard voted yea.
Alderman Shea voted nay.)

Deputy City Clerk Normand stated Your Honor, Item S as indicated here is a report of the Committee but in fact this was referred to the Solicitor's office for proper language, possibly for a future ballot at the next municipal election. This is actually not up for consideration tonight but in fact is in the Solicitor's office for review.

Mayor Guinta asked is there a motion that is required?

Deputy City Clerk Normand stated no. This doesn't exist essentially. Item S is actually a referral by the Committee, which they are entitled to do.

- V. The Committee on Human Resources & Insurance respectfully recommends, after due and careful consideration, that the Department Head/City Officer Residency Requirement ordinance be referred to public hearing on a date to be determined by the City Clerk.
(Unanimous vote)

Alderman Gatsas asked is Item V in the agenda? That is something that we talked about so that it can go to a public hearing requesting the department heads to live in the City; not existing department heads but any new hires that come before the Aldermen. I am requesting that it go before a public hearing at a date to be determined by the Clerk so that we can move on this item.

On a motion of Alderman Gatsas, duly seconded by Alderman Osborne, it was voted to refer this item to a public hearing at a date to be set by the City Clerk.

Alderman Gatsas requested that the public hearing be held on August 19th.

Mayor Guinta asked does that work for the Clerk?

Deputy City Clerk Normand stated we have a number of hearings that we could accommodate on that night if the Board so chooses.

Mayor Guinta asked does that require a motion or can the Clerk just set the date?

Deputy City Clerk Normand responded no, we will set the date.

Alderman Domaingue asked what day of the week is that?

Deputy City Clerk Normand answered it is a Tuesday, I believe.

Alderman Domaingue stated I am actually traveling back from my bridal shower in Baltimore, Maryland, on that day but I will drive really fast.

Alderman O'Neil stated I know other cities have contracts with department heads. Could that be part of this language?

Mayor Guinta replied I am not sure. I think that would be a Charter amendment.

Alderman O'Neil asked is this going to be a Charter question though?

Mayor Guinta answered this is just residency. Are you saying in addition to this?

Alderman O'Neil stated no. I am just saying that is how some cities address it, through a contract with department heads.

Alderman Gatsas stated I guess that discussion can come up at the public hearing and we could change it. I never thought of it that way but certainly it is something that we can think about.

Alderman O'Neil stated I think the City of Portsmouth for one has a contract with every department head.

Mayor Guinta stated maybe for the public hearing we can have the Solicitor do a little research on that.

Mr. Arnold replied as you said, Your Honor, to extend contracts to department heads would take a Charter amendment.

Alderman O'Neil stated I am not asking to debate it tonight. I was just asking the question.

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

Conservation Commission

James O'Shaughnessy to succeed Joann O'Shaughnessy term to expire August 1, 2009.

Michael Dupre to succeed Todd Connors as an alternate member, term to expire August 1, 2011

Parks, Recreation & Cemetery Commission

Keith Murphy to succeed George "Butch" Joseph, term to expire July 7, 2011.

Alderman Domaingue stated I have a question for the City Solicitor. It is my understanding... Your Honor I understand that you have nominated Keith Murphy, who happens to be my fiancé to the Parks Commission. Alderman Lopez had appointed me to be the liaison to Parks. Is there any sort of a conflict of interest there?

Mr. Arnold replied the standards of conduct in the City Charter provide that a City official shall not participate in any way in any decision to employ or appoint any member of their immediate family to a City position or any personal action in connection with such employment or classified appointment. However, immediate family is defined as spouse, children, spouses of children, stepchildren and spouses of stepchildren. It does not include a fiancé.

Alderman Domaingue stated so we can work together even after we are married. Obviously I can't vote on the nomination but other than that, I am good.

9. Confirmation of nominations made by Mayor Guinta:

Revolving Loan Fund Board

Michael J. Simoneau, term to expire June 1, 2009.

Safety Review

Stephen Hebert to succeed Michael Skelton, term to expire March 15, 2009.

Conservation Commission

Edward O'Brien to succeed Gregg Sargent, as an alternate member, term to expire August 1, 2009.

On motion of Alderman Osborne, duly seconded by Alderman J. Roy, it was voted to confirm the nominations as presented.

10. Communication from Pamela Goucher, Interim Director of Planning submitting the Planning Board's nomination of Ray Clement to succeed himself as a member of the Southern New Hampshire Planning Commission, term to expire June 30, 2011.

On motion of Alderman O'Neil, duly seconded by Alderman J. Roy, it was voted to confirm the nomination of Ray Clement as a member of the Southern New Hampshire Planning Commission, term to expire June 30, 2011.

11. Notice for reconsideration given by Alderman Gatsas on the motion to accept the report of Committee on Public Safety, Health & Traffic relating to various ordinance amendments to Chapter 70 Motor Vehicles and Traffic of the Code of Ordinances and referring same to the Committee on Bills on Second Reading for technical review.

(Motion having carried with Aldermen Sullivan, Jim Roy, Osborne, Pinard, O'Neil, Shea, Garrity, and Ouellette voting yea, and Alderman Mark Roy, Gatsas, DeVries, and Domaingue voting nay.)

Note: Should Alderman Gatsas or any member having voted in the affirmative so desire, a motion may be in order to reconsider.

Alderman Gatsas stated I guess we heard that the Chamber is in support of this parking plan and the changed parking plan, and we have heard that Intown Manchester is in favor of the new revised parking plan. We even have some

businesses say that her tweaking has made it a little bit better and they are somewhat in favor of the new parking plan. We had one store owner who came in this evening and said he was still opposed to it. I understand that we did some other things a month ago to make sure that the revenue stream that was coming out of Parking would continue so that there wouldn't be a tax increase if this plan didn't go through. We learned during that time that we have 68-car parking under a building that I don't think anybody on this Board ever knew existed that belonged to the City under easement. Certainly what I understood was that the original parking plan that was coming forward was not about revenue but it was about getting people off of Elm Street. Now we heard from the Parking czar that it would take two years...

Alderman Lopez interjected I have a parliamentary question.

Mayor Guinta stated he does have the floor.

Alderman Gatsas stated well I guess if we can interrupt with a parliamentary question on every issue, we can do that.

Alderman Lopez replied I guess we can but I just need a clarification. This is for a reconsideration vote of the action that the full Board has sent to Bills on Second Reading. We haven't done anything with that yet. He is assuming a lot of things here. He has to get the reconsideration first before we move on.

Alderman Gatsas responded I understand that, Alderman. I have been on this Board as long as you have. I understand the procedures and sometimes I think I might understand them a little bit better. I am making my plea for motion of reconsideration and I guess I have to bring it all out because it is important that we hear the facts.

Alderman Lopez replied you are making statements that we haven't even gotten to yet. That is the point I am making here. The reconsideration is what we want to talk about here.

Alderman Gatsas stated that is fine but I guess I am making my plea for a motion for reconsideration.

Alderman Lopez responded Alderman, you are just prolonging things but go ahead.

Alderman Gatsas stated so I guess we heard from those factors. We heard from somebody who put this plan together that it is going to take two years for people to get used to it. The economy in Manchester is very fragile. I don't think people are going to sustain two years of not understanding where they are parking. We heard somebody explain that the circus is in town this Saturday, and they are not too sure where those event parking spaces are. I think it is very clear that if we are trying to get people off of Elm Street...the 29% charge on credit cards for those kiosks is costing the City money. We should increase that rate to \$1.00 and do nothing else in the parking zones throughout the City. We should look at that. Saturday parking...Ms. Stanley was not around the last time we attempted Saturday parking. I can tell you that there were a couple of us who were in opposition to it. The people in Manchester, when they started getting tickets on Saturday, there was no consideration of what we could have said to them because I can't remember for how many years there was never a charge for Saturday parking. So we have all of these things before us. There is no reason why we can't take an easy step by increasing the parking on Elm Street to \$1.00. This is going to make somebody think twice about parking on Elm Street and not a side street. We should leave everything else in the City as it is, increase the garage

parking rates if you want to. That is fine but leave the rest of the City alone until people get a very clear picture of what we are trying to do. I can tell you that the onslaught that we are going to get as Aldermen from people receiving tickets is going to be something that we don't want to deal with. I think it is important that if we are going to do a parking change that we do it correctly. There is no question. We hear a lot of stories about kiosks. We don't need to buy the \$500,000 worth of kiosks this year. We can wait because we are not sure if this plan is going to generate revenue. We do things because people tell us the revenue is going to be generated. We heard that we were going to get \$1 million in fees on tickets that weren't paid. We got \$150,000 I think. I don't know what the cost to do that was. We heard that we are going to add all of these spaces and people are going to be walking around until 8 PM.

Alderman Gatsas moved for reconsideration and requested a roll call vote.

Mayor Guinta asked is there a second? There was none.

Alderman Gatsas stated I guess we will have the discussion a little longer a little later.

Alderman Lopez stated we are here until midnight.

Alderman Gatsas replied absolutely, Alderman. It is the people's choice.

Mayor Guinta called for a recess to allow the Committee on Bills on Second Reading to meet.

Mayor Guinta called the meeting back to order.

12. Reports of Committee on Bills on Second Reading

The Committee on Bills on Second Reading was presented respectfully recommending after due and careful consideration that the ordinance amendment:

“Repealing the 2000 Edition of the *International Fire Code* adopted in Section 92.05 of the City of Manchester Code of Ordinances, and adopting the 2006 Edition of the *International Fire Code* regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices and from conditions hazardous to life or property in the occupancy of buildings and premises in the City of Manchester; and providing for the issuance of permits and the collecting of fees for hazardous uses for operations.”

ought to pass.

On motion of Alderman M. Roy, duly seconded by Alderman J. Roy, it was voted to accept the report and adopt its recommendation.

The Committee on Bills on Second Reading was respectfully recommends, after due and careful consideration, that the ordinance amendment:

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Section 70.57 Parking Rates increasing the rates of parking at various locations throughout the City”

ought to pass.

Deputy City Clerk Normand stated you would want to accept the report and then if amendments want to be made at that point you can do that.

***Alderman M. Roy** moved to accept the report and adopt its recommendation.*

***Alderman Pinard** duly seconded the motion. **Mayor Guinta** called for a vote on the motion.*

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

Alderman Gatsas stated I have a parliamentary question. If we are looking to increase the fees on the people who visit downtown we would vote yes and if we are not in favor of increasing the fees to the people who come downtown we would vote no, Your Honor?

Mayor Guinta responded that would be one way to put it, yes.

Alderman Lopez asked what is the motion?

Deputy City Clerk Normand answered the motion is on accepting the report of the Committee regarding ordinance amendment for Section 70.57. This would be the first item on the Committee on Bills on Second Reading agenda.

Alderman Lopez asked with the amendment?

Deputy City Clerk Normand answered correct.

Alderman Gatsas stated no. Nothing has been amended.

Deputy City Clerk Normand stated you are accepting the report.

Alderman M. Roy stated as the Committee on Bills on Second Reading passed it, without any amendments.

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

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

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Section 70.54 Permit Parking in Lieu of Coin Deposit increasing certain parking permit fees and creating new parking districts.”

ought to pass.

Mayor Guinta asked can we take these together or do we need to take them separately?

Deputy City Clerk Normand answered we have been doing them separately but I can do them together.

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

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Chapter 70.48 Denomination of Coin to be Deposited In Time Alloted Therefor eliminating the minimum credit card transaction and restricting the transfer of Pay and Display Receipt between parking districts.”

ought to pass.

Alderman M. Roy moved to accept the two reports and adopt their recommendations. Alderman Pinard duly seconded the motion.

Alderman Gatsas requested a roll call vote.

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

Committee on Public Safety, Health & Traffic

K. Communication from Brandy Stanley requesting changes to Sections 70.57 and 70.54 of the Code of Ordinances relative to the Downtown Parking Plan.

Alderman Lopez stated I would like to call Brandy Stanley forward. I pulled Item K off the agenda for you to make changes or amendments in order to move this along. After you are finished I do have a comment that I would like to make before we take a vote.

Ms. Brandy Stanley, Parking Manager, stated the changes that are currently on Item K had to do with the results of my conversations with the 93 business owners that I have met with in the downtown area over the last month. Incidentally, 80% of the business owners that I met with were either in favor of willing to give it a try. Fourteen were opposed and another five were in favor of the plan with a couple of changes. The response has been fairly positive over the last month. There were a number of changes that were requested which made sense. Basically, the first change that was requested was that we eliminate the event rate that we charge at the Victory Parking Garage. Currently the ordinance states that during civic center event nights we charge a flat rate of \$3 during a certain

timeframe and then after 6 PM we charge \$5. The problem with that event rate is that we don't actually get event goers in the Victory Garage so what we are doing is we are penalizing the employees who work in the evening who are doing the right thing and parking off the street with a higher rate. I also discovered that several of the business owners downtown actually send their customers to the Victory Garage. When they show up at the garage on event night, they are socked with a \$5 charge, which is counterproductive, so we would like to take it away.

Alderman O'Neil asked do you want to do questions as a group or per subject that she brings up?

Mayor Guinta answered I think there are three or four changes that are somewhat technical in nature and then we can go to questions.

Ms. Stanley stated the next change is removing two references to the Lake Avenue lot, which actually should not have been in there in the first place and that is a technical change. The next one that we talked about was the Myrna Parking Lot. The original intent of the plan was to make all parking in the Millyard free after 5:30 PM. We inadvertently forgot to change the Myrna Lot from enforcement until 8 PM to 5:30 PM so that has been added. Another thing that was brought to my attention when I was talking to some of the business owners was the fact that it was our intent not to charge the event fee to any vehicle that was already in a parking space when the event fee kicked in. That was not actually listed in the ordinance so we did put that in there to make it certain that we would not charge any of the cars that were already in the event zone when the event rate flipped over. The next change that we made...there were two other changes. One was we actually included Pleasant Street between Elm and Canal as street parking after 5:30 PM. That was not in the original plan. That was a request of some of the Elm Street business owners. There are no storefronts on

that particular street so it does not make sense to charge until 8 PM and it would provide employees with a free parking option a little bit closer than some of the other Elm Street businesses have. The last change was to remove Elm Street between Lake Avenue and West Auburn Street from the Event Rate Zone. Again, the original philosophy behind designing the Event Rate Zone was that it was not in front of any retail storefronts. This particular stretch of Elm does have three retail storefronts that don't have off street parking or significant off street parking available so it makes sense to make that change.

Mayor Guinta asked what was that change again?

Ms. Stanley answered Elm Street between Lake and West Auburn. We removed it from the \$1 flat rate zone because it is actually in front of three different storefronts that either don't have off street parking or very little off street parking.

Alderman Gatsas asked who are those three storefronts?

Ms. Stanley answered the Asian Market, Johnny Bad's and Murphy's Taproom.

Alderman Domaingue stated that is why I am abstaining.

Alderman Gatsas replied I would abstain too, and if every vendor on Elm Street would have met with you and had the conversation you might have eliminated parking in front of every one of those storefronts because I don't know how many of them have it any closer. It is amazing that the people who talked to you kind of got a break.

Ms. Stanley responded Alderman I talked to 93 of the people and I took all of the requests into consideration and made the changes that made sense in the context of the philosophy of the plan. This I did regardless of who it was who actually requested the change. There are three storefronts on that block of Elm and our original philosophy was not to put the zone in front of storefronts so that is why we decided to take it out.

Alderman Gatsas asked how much does that affect the revenue?

Ms. Stanley answered there are eight parking spaces there so you are probably talking about \$800 a year.

Mayor Guinta stated you said you talked with 93 downtown businesses.

Ms. Stanley replied yes.

Mayor Guinta asked about this change in its entirety?

Ms. Stanley answered yes.

Mayor Guinta asked what was the support or opposition?

Ms. Stanley responded I actually have the results of those meetings here. I apologize that I didn't get them to you sooner but I was actually meeting with business owners right up until the last minute. I do have a list of business owners that I met with, the date I met with them, and a list of comments that everyone gave me, but not attached to names per their request. I also have a list of businesses that did not call me back or schedule a meeting with me. Basically, 27 businesses did not return my calls to schedule a meeting. Ninety-three businesses

did. Of the 23 business owners that signed the petition, I was able to schedule meetings with 16 of them. Nine of them are now in support of the plan. Four of them are in partial support of the plan and only three of them still oppose the plan after I had the chance to meet with them. When you talk about the entire 93 businesses, 74 of them are in support of the plan, which is 80%. Five of them are in support of the plan with a couple of changes and there are only fourteen who remained opposed to the plan after I got a chance to meet with them.

Alderman O'Neil stated I have a couple of comments and I am only hearing these specific things tonight; otherwise I would have spoken to you previously. Any idea what removing the Event Zone Parking at Victory Garage will do? I will give you an example. I recall last spring my wife and I were going to the Palace and I am going to make this up but it was \$5 to go there at 6:45 PM and I could park on the street for \$.25 or something. It doesn't make a lot of sense. Is that what we want though? Would we want someone going to the Palace to be on the street?

Ms. Stanley responded we want someone going to the Palace to either be on the street or in the garage. Really the motivation for...

Alderman O'Neil interjected there is a significant difference in cost if you are not going to the Palace and I don't want to sit here at 10:30 PM but where does the Palace fit into the Victory Garage? A lot of people park in the Victory Garage.

Ms. Stanley replied we don't actually charge an event rate for Palace events at the Victory Garage. It is only in the ordinance for civic center events.

Alderman O'Neil stated but if there is a civic...they got hit previously when they went to that flat fee the night of a civic center event. It didn't matter where you were going; you paid it.

Ms. Stanley responded that is correct, and that is why we are proposing to take it out because there are actually very few customers.

Alderman O'Neil asked so this is for the better then?

Ms. Stanley answered yes, I believe so.

Alderman O'Neil stated for Pleasant Street you mentioned something about no need because there were no storefronts or something. The phone company is at 770 Elm and it is a very important business. What are we doing to the Pleasant Street side of their business?

Ms. Stanley replied the only difference on Pleasant Street between the last time you considered this and now is that it is actually going to be free parking after 5:30. Previously it was supposed to be paid until 8 PM.

Alderman O'Neil asked what is the change you are recommending tonight?

Ms. Stanley answered the change was to convert that street to the district that has free parking after 5:30 PM instead of including it in the 8 AM to 8 PM zone.

Alderman Smith stated Brandy, I did go down and talk to a lot of people down there and I found out a lot of people...and I don't know what it is now but several days ago...there were restaurants with a cocktail lounge and so forth and they were against it. Now unless they changed their mind...and I don't know if you have talked to them or what and we are talking about Saturdays really. I don't know if you talked to those people or not.

Ms. Stanley replied again, I have a list of who I did talk to and who didn't return some of my calls or didn't schedule a meeting and there were a number of bars that didn't.

Alderman Smith stated I am talking about J.W. Hills and Piccola, Shaskeen, Margaritas, Black Brimmer and so forth. I happened to go to those.

Ms. Stanley responded J.W. Hills did not return my phone calls and neither did the Shaskeen. I did meet with Piccola yesterday and they are in favor of most of the plan. They are willing to give Saturday parking a try but they want to see how it goes. I don't remember...the Black Brimmer typically is not open when we are enforcing parking so I didn't call them.

Alderman Smith stated I was definitely opposed to this and still am to some of the changes. I hope everything works out. I am really concerned about Granite Street to Bridge Street and Elm and want to see how that works.

Alderman Lopez asked Your Honor would you accept a motion?

Alderman Gatsas stated I have a question.

Alderman Lopez responded I have the floor and I would like my question answered.

Alderman Gatsas replied parliamentary question.

Alderman Lopez stated you can have a question but I want to get my point across now.

Mayor Guinta responded I will accept a motion at any time.

Alderman Lopez moved that the ordinances ought to pass with amendments as presented. Alderman Shea duly seconded the motion.

Alderman Lopez stated I think most of us remember this and I know you do, Your Honor. This cost us how much? \$100,000?

Mayor Guinta responded I thought it was under \$100,000.

Alderman Lopez asked \$75,000? This is a parking plan dated November 14, 2005. I want to tell you that the very first item states “The Board of Mayor and Aldermen should authorize the hiring of a parking manager” because we could not do this by ourselves. This was a consultant who had 39 recommendations for the City of Manchester that unanimously, I believe, unless somebody wants to correct me, the Aldermen voted in favor of. One of the things I want to tell you...and the Mayor I think made a proposal for an Enterprise system and I think that went to the Committee on Administration, and I know I did, and presented a complete plan to the Committee in reference to Traffic and the Enterprise system. We are saving the taxpayers. We are saving the homeowners \$5.4 million today. That is \$.54 on the tax rate. That is what we are saving. Other Enterprises, like Parks & Recreation, they don’t return anything back to the City. The Enterprise system, we were first told, was a high number by previous people. That number is not there. The other thing I want to tell you is that under 4.23 Financially Self-Supporting Parking System it says a financially self-supporting system is based upon the premises that the users of the system, the parkers, should pay the cost of providing parking. In addition, the parking system must be able to create reserves for repair and replacement of facilities, expansion, ongoing maintenance, upgrades in technology and enhancements to customer relations. Finally, the ability to

generate revenue over and above expenses enables the parking system an active and contributing role in supporting economic development. A well run system subscribes to meet these goals as part of their mission. Now this booklet is pretty thick and I am not going to read everything here but I do want to say that this has been going on now three years. We hired a Parking Manager who implemented, give or take, eight, nine, or ten of the recommendations of the consulting document, this master plan that we accepted and implemented. The idea of...what did you call them, forgivers fees? That was Item 15 or something in there. So a plan has been developed by this Board to help the parking situation. That doesn't mean all of the things we pass. Down the road we might change our minds and do something else, but I want to commend her for the job she has done for the City of Manchester. I sat in for you last time Mayor and there were some tough words and maybe there should be tough words but there were some words criticizing a lot of documentation that she has provided to the Board of Mayor and Aldermen. I count six different memos. There could be seven of explanation. Now one of the Alderman speaks about the idea of spending or saving \$500,000. It was in your budget, with all due respect. The revenue was put in there. We can buy those kiosk meters under the Economic Development account. It is very easy. We did it the first time and we can do it again. We got a letter from Ropes & Gray that the Finance Officer...last time some things were misspoken and maybe we were all tired but I want to redeem those things today because she has provided us all of the information. It was in the budget and we can buy them. That is one of the questions I asked the Finance Officer and he found the information along with the City Solicitor. We can take the money out of Economic Development to buy those things and move on in life. I tell you if she can't buy these because some people want to take the money away...if she can't fix the lighting over there and some people trip and fall; if she can't fix the cement over there and she can't fix the elevator, how much is it going to cost us if somebody gets hurt? I just wanted to bring that to your attention. Everybody has a book and maybe some of the new

Aldermen don't have this book and maybe Jay can make sure they get a copy because I think it is very important. This is the master plan that we have been following. I commend her for doing a good job.

Alderman Gatsas asked what is the date of that book?

Alderman Lopez answered November 14, 2005.

Alderman Gatsas stated I guess I have a couple of questions. Alderman Lopez, in that book did it suggest that we sell parking garages?

Alderman Lopez replied there is a suggestion that we should sell parking garages. There is a suggestion that we should...

Alderman Gatsas interjected in that book is there a suggestion that we should sell them or is there a suggestion that we should build some new ones?

Alderman Lopez responded yes.

Alderman Gatsas stated not sell them. I don't think there was a sale in there.

Alderman Lopez replied yes there was.

Alderman Gatsas stated Brandy, you talked to 93 businesses. How many parkers do we have downtown in the course of a year?

Ms. Stanley asked how many parkers do we have downtown?

Alderman Gatsas answered yes. How many people park downtown?

Ms. Stanley responded I couldn't even begin to answer that question.

Alderman Gatsas asked ballpark?

Ms. Stanley replied I can't answer the question.

Alderman Gatsas asked within 50%?

Ms. Stanley responded I don't think I can answer that question Alderman. Sorry.

Alderman Gatsas asked would you say it is more than 93?

Ms. Stanley answered yes.

Alderman Gatsas asked did you speak to any of those people and ask them for their recommendation on whether the parking plan was going to work?

Ms. Stanley answered no Alderman. I spoke to the most manageable group that was large enough for me to get the widest opinion and that was the retail and restaurant owners in the downtown who one would argue probably have the most vested stake in creating open spaces in front of their front doors. In a month I would not be able to meet with the type of audience you are talking about.

Alderman Gatsas asked so if they are going to call with Saturday complaints, what is the number at your department?

Ms. Stanley answered my number is 624-6580 and my cell phone is 289-1338.

Alderman Gatsas stated I don't suggest that you give them your cell number but you can give them your department number.

Ms. Stanley responded my department number is 624-6580.

Alderman Gatsas asked and you don't think there is going to be an adverse affect to people coming downtown?

Ms. Stanley answered honestly I don't.

Alderman Gatsas asked and you will be prepared if we hear an outcry or some survey that the majority of people don't like your parking plan, you will immediately change that?

Ms. Stanley replied if this plan does not accomplish what we wanted to accomplish which is...

Alderman Gatsas interjected which was what? What was the original...getting people off of Elm Street?

Ms. Stanley stated what we are trying to accomplish with this plan is to create more open spaces on Elm Street and the side streets in front of the retail storefronts and enhance the business community downtown. If it does not...

Alderman Gatsas interjected so it was never about revenue?

Ms. Stanley replied the plan does generate some additional revenue but that is not the main motivation behind the plan. The permit and garage increases was put in the budget and is not what I consider part of this plan. Those changes are revenue

driven but if this plan does not accomplish what it needs to accomplish and we are going to monitor it, then we need to change it.

Alderman M. Roy stated just a friendly amendment to Alderman Lopez. In Sections 26 and 27 where the reference is to Old Granite Street from Canal to Elm, that should read from Granite to Elm. Would you accept that as a friendly amendment?

Alderman Lopez responded yes.

Mayor Guinta asked is that a technical error? Is that just a technical correction?

Alderman M. Roy answered it is just a typo.

Mayor Guinta stated so it doesn't require an amendment. A technical correction is part of his motion.

Alderman M. Roy stated just so everyone is on the same page, in the written form it reads from Canal Street to Elm and it actually comes into Granite Street. So Old Granite runs from Granite to Elm and not Canal to Elm. That is the only change and it is referenced in two sections.

Mayor Guinta asked is it fair to say that was part of...the original intent was for that? That is a technical issue correct? I just want to make sure.

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

Mayor Guinta stated I just want to make sure we are clear on the motion. Is the intent to incorporate the changes to the previous report of Bills on Second Reading and then the ordinances would pass and be Ordained?

Alderman Lopez replied yes.

Mayor Guinta stated then that would be the next motion.

Deputy City Clerk Normand stated you have a series of motions. The first one would be ought to pass.

Alderman Gatsas stated I have a parliamentary question. If we are not in favor of changing the structure on how people come to downtown Elm Street and their payment, we would vote no and if we wanted to increase fees to those people in a financially difficult time we would vote yes?

Mayor Guinta responded that is one way of putting it, yes.

Alderman Lopez stated we are voting on the amendment.

Mayor Guinta stated we are voting on Item K, one of the reports of the Committee on Bills on Second Reading.

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

Mayor Guinta stated I would then accept a motion to suspend the rules and place those three plus the original report from Bills on Second Reading on the fire codes and place them on their final reading. So it would be the parking and fire codes.

Alderman Domaingue asked are we moving them all as one package?

Alderman Gatsas stated I would like to take them individually, Your Honor. The parking can go on one and the fire code can go on the other.

Reports of the Committee on Bills on Second Reading

Ordinances:

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Section 70.57 Parking Rates increasing the rates of parking at various locations throughout the City”

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Section 70.57 Parking Rates increasing the rates of parking at various locations throughout the City”

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Section 70.54 Permit Parking in Lieu of Coin Deposit increasing certain parking permit fees and creating new parking districts.”

***Alderman Lopez** moved to suspend the rules and placing the three parking ordinances on their final readings. **Alderman O'Neil** duly seconded the motion.*

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

Alderman M. Roy stated I have a parliamentary question. So if we wanted to follow the recommendations of our parking consultant that we paid for with taxpayer money and open up the viability of storefronts throughout the downtown area creating a parking free zone so that employees didn't clog up Elm Street creating a better viable product for downtown, then we would vote yes?

Mayor Guinta responded yes.

Alderman M. Roy stated I just want to make sure the taxpayer was clear on that.

Alderman Gatsas stated it is going to cost them more to park downtown, absolutely.

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

***Alderman O'Neil** moved that the Ordinances pass and be Ordained. **Alderman J. Roy** duly seconded the motion. The motion carried, with Alderman Gatsas being duly recorded in opposition and Alderman Domaingue abstaining.*

Ordinance:

“Repealing the 2000 Edition of the *International Fire Code* adopted in Section 92.05 of the City of Manchester Code of Ordinances, and adopting the 2006 Edition of the *International Fire Code* regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices and from conditions hazardous to life or property in the occupancy of buildings and premises in the City of Manchester; and providing for the issuance of permits and the collecting of fees for hazardous uses for operations.”

On motion of Alderman O'Neil, duly seconded by Alderman J. Roy it was voted to suspend the rules and place the Ordinance on its third and final reading.

On motion of Alderman J. Roy, duly seconded by Alderman Shea, it was voted that the Ordinance pass and be Ordained.

13. Reports of the Committee on Community Improvement

The Committee on Community Improvement was presented respectfully recommends, after due and careful consideration, that a request for various CIP extensions be accepted subject to a list of project balances to be provided by Interim Director Goucher, which is on the backside of the report.

Alderman O'Neil moved to accept the report and adopt its recommendation.

Alderman Shea duly seconded the motion.

Alderman O'Neil stated I want to thank Pam Goucher and Sam Maranto for their efforts. We knew you could do it. They hustled to get this information for us today.

Mayor Guinta asked what sheet are we looking at?

Alderman Gatsas asked can we have a minute to look at this? Maybe we can reduce the parking fees if we took some of these monies out. Can somebody explain what 310008 is? Section 108?

Mr. Sam Maranto, CIP Manager, responded that is the 2008 project that was requested last year and approved. Essentially they are doing improvements to what they call the French Building, which is their main administration building. They are doing electrical service upgrades and various other...

Alderman Gatsas interjected where is this?

Mr. Maranto stated the NH Institute of Art on Concord Street; it's their main administration school building. They requested these funds last year in the 2008 CIP and it was approved. It is ongoing right now.

Alderman Gatsas asked it is on Concord Street?

Mr. Maranto answered yes.

Alderman Gatsas asked Concord and what?

Mr. Maranto replied I think it is 148 Concord Street if I recall the address. It is across from the library.

Alderman Gatsas stated across from the library is Stan's Paint. How much was that total Section 108?

Mr. Maranto responded \$250,000.

Alderman Gatsas stated and they have only spent \$90,000.

Mr. Maranto replied approximately \$87,000. The project should be completed by the end of September.

Alderman Gatsas asked the whole balance of \$167,000?

Mr. Maranto answered yes.

Alderman Gatsas asked didn't we receive another \$44,000 for the Readiness Initiative-Health? Is that this year's money? Do we still have \$51,000 from 2008?

Mr. Tim Soucy, Public Health Director, responded that was a large sum of money that we received in early June. We had a month to spend it down so that money has all been expended. We are just waiting for the rest of the invoices to come in to be processed, which we expect by the end of August.

Alderman Gatsas asked but isn't that the same thing as what we approved last night? \$44,000?

Mr. Soucy answered no the \$44,000 is for FY2009 for next year.

Alderman Gatsas replied I understand that. So, the City's Readiness Initiative, it is the same title but different fiscal years for the money?

Mr. Soucy responded correct.

Alderman Lopez asked on the CIP are we just taking up this one document? The last time Alderman O'Neil and you people pulled some items out of the Enterprise system. Are we going to take that up now or when are we going to take that up?

Mayor Guinta stated we are just voting on this one item.

Deputy City Clerk Normand stated this is a report of the CIP Committee.

Mayor Guinta called for a vote on the motion to accept the report of the Committee on Community Improvement and adopt its recommendation. There being none opposed, the motion carried.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that a request from Kevin Sheppard, Public Works Director, to be authorized to execute a no cost lease to the City with Autofair for the Mayor's vehicle, a Ford 500, be approved.

Alderman O'Neil moved to accept the report and adopt its recommendation.

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

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that Tim Soucy, Public Health Director, be authorized to register a 6' x 12' trailer to be used to house and transport emergency medical supplies.

On motion of Alderman Shea, duly seconded by Alderman O'Neil, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that a request from Bruce Thomas, Highway Department, for approval of completion of projects as part of the City's chronic drain program with a cost totaling \$33,000 be accepted.

On motion of Alderman O'Neil, duly seconded by Alderman Smith, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that a petition for discontinuance of the paper street portion of Chandler Street be referred to the next Road Hearing at a date to be set by the City Clerk.

On motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that acceptance and expenditure of funds totaling \$8,022.06 for Project 411304 Facility Equipment Improvements-Fire Department, be granted and approved and for such purpose amending resolutions and budget authorizations have been submitted.

On motion of Alderman O'Neil, duly seconded by Alderman J. Roy, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that Section 108 Loan Application for 788 and 789 Elm Street be approved and for such purpose an amending resolution and budget authorization have been submitted.

On motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that Section 108 Loan Application for 22 Concord Street be approved and for such purpose an amending resolution and budget authorization have been submitted.

On motion of Alderman J. Roy, duly seconded by Alderman O'Neil, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, that bonds, notes or lease purchases for Environmental Protection Division CIP project 711703 Cemetery Brook Collector Rehabilitation Program that is no longer required be rescinded.

On motion of Alderman Pinard, duly seconded by Alderman O'Neil, it was voted to accept the report and adopt its recommendation.

The Committee on Community Improvement respectfully recommends, after due and careful consideration, acceptance and expenditure of funds for various projects outlined as #710306 Residential Sound Insulation Program; #510907 Piscataquog River Park Project; and #213709 City's Readiness Initiative-Phase IV be granted and approved and for such purpose amending resolutions and budget authorizations have been submitted.

On motion of Alderman Smith, duly seconded by Alderman Lopez, it was voted to accept the report and adopt its recommendation.

14. Reports of Committee on Lands and Buildings

The Committee on Lands and Buildings respectfully recommends, after due and careful consideration, that a conversation easement taken on behalf of the City by the State of New Hampshire be placed under the Conservation Commission.

On motion of Alderman Smith, duly seconded by Alderman O'Neil, it was voted to accept the report and adopt its recommendation.

The Committee on Lands and Buildings respectfully recommends, after due and careful consideration, that it has referred a request from Alderman Ouellette seeking a policy relating to prohibiting dogs from City-owned cemetery land to the Parks, Recreation & Cemetery Department so that they may develop a policy and place appropriate signage.

On motion of Alderman Ouellette, duly seconded by Alderman Smith, it was voted to accept the report and adopt its recommendation.

The Committee on Lands and Buildings respectfully recommends, after due and careful consideration, that the purchase of the .02 acre parcel of land and building at 316 Manchester Road, Auburn, NH be approved.

On motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted to accept the report and adopt its recommendation.

The Committee on Lands and Buildings respectfully advises, after due and careful consideration, that a communication from the Goffstown Board of Selectmen addressing resident concerns about the impact of the trestle on the Piscataquog River during the floods of 2006 and 2007 has been received and filed.

On motion of Alderman J. Roy, duly seconded by Alderman Shea, it was voted to accept the report and adopt its recommendation.

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

The Committee on Accounts, Enrollment and Revenue Administration respectfully recommends, after due and careful consideration, that the Tax Collector's Office be allowed to use credit cards for all transactions as Joan Porter, Tax Collector, deems appropriate.

Alderman J. Roy moved to accept the report and adopt its recommendation.

Alderman Sullivan duly seconded the motion.

Alderman Gatsas asked Joan, the credit card transaction fee, what is that percentage?

Ms. Joan Porter, Tax Collector, answered it would be the IRS rate, which is 2.75%.

Alderman Gatsas asked and what is the City being charged as the end user?

Ms. Porter replied my understanding from the discussion we had last night, Mr. Sanders said the City is not going to be charged. The customer is going to be charged the 2.75% separate from the transaction. We will get our tax money. We won't be charged any money and the customer will pay the fee to the credit card company.

Alderman Gatsas asked and that is 2.7%?

Ms. Porter responded 2.75%.

Alderman Gatsas stated that is a little different than to use a parking meter.

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

The Committee on Accounts, Enrollment and Revenue Administration respectfully recommends, after due and careful consideration, that a request from Joan Porter, Tax Collector, of one check payable to the City of Manchester for auto registrations eliminating the need for two separate checks for the City and State be approved.

*On motion of **Alderman J. Roy**, duly seconded by **Alderman Sullivan**, it was voted to accept the report and adopt its recommendation.*

16. Reports of the Committee on Human Resources/Insurance

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that the City of Manchester contracts with American Stop Loss for specific stop loss insurance at the current \$200,000 level for the period of July 1, 2008 through June 30, 2009 at an annual premium of \$470,528. The Committee further recommends, however, that the aggregate stop loss attachment be dropped from the contract.

*On motion of **Alderman O'Neil**, duly seconded by **Alderman Shea**, it was voted to accept the report and adopt its recommendation.*

Alderman Gatsas stated that is a savings of \$67,000.

Mayor Guinta responded so noted.

Alderman Lopez stated \$72,000.

Alderman Gatsas responded no, that contract there is \$67,000 in my budget as you said.

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that the City's group life insurance be sent out under Request for Proposal.

On motion of Alderman Shea, duly seconded by Alderman J. Roy, it was voted to accept the report and adopt its recommendation.

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that the request for the addition of Airport Operation Superintendent, Salary Grade 21 and the addition of one Canine Handler, Salary Grade 16, to be added to its complement of authorized positions, be approved.

On motion of Alderman Shea, duly seconded by Alderman Osborne, it was voted to accept the report and adopt its recommendation.

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that a full-time Custodian position in the Parking Division, job classification #5000, pay grade 8, be approved and the Part-Time Custodian position be eliminated.

On motion of Alderman Shea, duly seconded by Alderman J. Roy, it was voted to accept the report and adopt its recommendation.

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

Mayor Guinta called the meeting back to order.

19. Reports of the Committee on Finance

The Committee on Finance respectfully recommends, after due and careful consideration, that Resolutions:

“Rescinding authorization on unissued Bonds, Notes or Lease Purchases for a Environmental Protection Division- CIP Project that is no longer required.”

“Amending the FY2009 Community Improvement Program, authorizing and appropriating funds in the amount of Five Hundred Sixty Five thousand Dollars (565,000) for the FY2009 CIP 612409 788 Elm Street Redevelopment Project.”

“Amending the FY2006 Community Improvement Program, authorizing and appropriating funds in the amount of Six Million Dollars (\$6,000,000) for the FY2006 CIP 710306 Residential Sound Insulation Program.”

“Amending the FY2009 Community Improvement Program, authorizing and appropriating funds in the amount of Fifty Eight Thousand Five Hundred Sixteen Dollars and Thirty one Cents (\$58,516.31) for the FY2009 CIP 510907 Parks Improvement Project.”

“Amending the FY 2009 Community Improvement Program, authorizing and appropriating funds in the amount of Forty Four Thousand Eight hundred Twenty Four Dollars (\$44,824) for the FY2009 CIP 213709 Cities Readiness Initiative- Phase IV Program.”

ought to pass and be Enrolled.

On motion of Alderman O'Neil, duly seconded by Alderman J. Roy, it was voted to accept the report and adopt its recommendations.

The Committee on Finance respectfully recommends, after due and careful consideration, that \$500,000 be taken out of the Economic Development one-time account to buy pay and display meters for the Parking Division.

*On motion of **Alderman Lopez**, duly seconded by **Alderman J. Roy**, it was voted to accept the report and adopt its recommendations. **Alderman Gatsas** was duly recorded as voting in opposition.*

Petition for demolition and removal of hazardous buildings at 335 Lake Avenue.

*On motion of **Alderman Osborne**, duly seconded by **Alderman O'Neil**, it was voted to approvet the petition.*

25. Communication from Samantha Appleton, Director of Public Relations for Intown Manchester, requesting curtailment of parking enforcement during the Taste of Downtown Manchester event to be held on September 10, 2008 from 5-8 PM.

*On motion of **Alderman Sullivan**, duly seconded by **Alderman Domaingue**, it was voted to approve the request.*

26. Communication from Attorney Cheryl LePine Beliveau, requesting on behalf of her client, that the City eliminate two parking lot spaces on Map 292 Lot 11 and further requesting permission to access the petitioner's parking lot from this parcel.

Mayor Guinta stated we can take this up now or refer it to the Committee on Public Safety, Health and Traffic or Lands and Buildings.

*On motion of **Alderman Domaingue**, duly seconded by **Alderman Shea**, it was voted to refer the communication to the Committee on Lands and Buildings.*

- 27.** Communication from Matthew Normand, Deputy City Clerk, submitting a warrant pursuant to RSA 466:14 to be issued to the Chief of Police for civil forfeitures for unlicensed dogs; requesting authorization for the City Clerk to remove names from the listing as deemed appropriate.

On motion of Alderman Pinard, duly seconded by Alderman Sullivan, it was voted to commit the warrant to the Chief of Police and authorize the City Clerk to remove names from the listing as deemed appropriate.

- 28.** Warrant to be committed to the Tax Collector for collection under the Hand and Seal of the Board of Mayor and Alderman for the collection of sewer charges in the amount of \$265,650.34.

On motion of Alderman J. Roy, duly seconded by Alderman Shea, it was voted to commit the warrant to the Tax Collector.

- 29.** Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Ninety Seven Thousand Two Hundred Twenty Five Dollars (\$197,225) for the 2009 CIP 411709, SCBA Update & Replacement Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Seventy Five Thousand Dollars (\$275,000) for the 2009 CIP 411609, Police Portable Radio Replacement Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Thousand Dollars (\$100,000) for the 2009 CIP 510509, Rockingham Recreational Trail Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Thousand Dollars (\$200,000) for the 2009 CIP 612309, Neighborhood Revitalization Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Three Hundred Thousand Dollars (\$300,000) for the CIP 710109, Residential 50/50 Sidewalk/Curb Program.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Fifty Dollars (\$150,000) for the 2009 CIP 711109, Annual Bridge Rehabilitation Program/Design-Biron St. Bridge Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Three Million Two Hundred Eleven Thousand Five Hundred Dollars (\$3,211,500) for the 2009 CIP 711209, Annual ROW Reconstruction Program.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Thousand Dollars (\$100,000) for the 2009 CIP 711509, Sidewalk Discretionary Fund Program.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Thousand Dollars (\$500,000) for the 2009 CIP 711609, Storm Drain Infrastructure Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the 2009 CIP 711709, Storm Water Utility Study/Design Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Fifty Thousand Dollars (\$150,000) for the 2009 CIP 711809, Street Light Safety & Rehabilitation Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Fifty Thousand Dollars (\$150,000) for the 2009 CIP 712009, Elm Street Mast Arm Replacement Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Thousand Dollars (\$100,000) for the 2009 CIP 712109, Traffic Signal Reconstruction Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Million Dollars (\$1,000,000) for the 2009 CIP 810209, Strategic Planning for Facilities- Police- Fire- Highway Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Eight Hundred Thousand Dollars (\$800,000) for the 2009 CIP 810309, Motorized & Electronic Equipment Replacement (MEER) Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Hundred Thousand Dollars (\$100,000) for the 2009 CIP 810409, Hallsville School Roof Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) for the 2009 CIP 310209, Open Classroom Elimination- HGF Project.”

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

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

30. Resolutions:

“Rescinding authorization on unissued Bonds, Notes or Lease Purchases for an Environmental Protection Division- CIP Project that is no longer required.”

“Amending the FY2009 Community Improvement Program, authorizing and appropriating funds in the amount of Five Hundred Sixty Five thousand Dollars (\$565,000) for the FY2009 CIP 612409 788 Elm Street Redevelopment Project.”

“Amending the FY2006 Community Improvement Program, authorizing and appropriating funds in the amount of Six Million Dollars (\$6,000,000) for the FY2006 CIP 710306 Residential Sound Insulation Program.”

“Amending the FY2009 Community Improvement Program, authorizing and appropriating funds in the amount of Fifty Eight Thousand Five Hundred Sixteen Dollars and Thirty one Cents (\$58,516.31) for the FY2009 CIP 510907 Parks Improvement Project.”

“Amending the FY 2009 Community Improvement Program, authorizing and appropriating funds in the amount of Forty Four Thousand Eight hundred Twenty Four Dollars (\$44,824) for the FY2009 CIP 213709 Cities Readiness Initiative- Phase IV Program.”

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

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

Alderman Lopez stated I would like the Board to indulge me for a few minutes on Item 26. Mr. Arnold, this is just to give the right-of-way for the individual to build a parking lot, which has been authorized by the Building Department on the west side of the glass company, correct?

Mr. Arnold responded the request is to remove two parking spaces. That will allow access to a parking lot. I can't tell you whether it has been constructed or not. I think he plans to construct it to provide additional parking.

Alderman Lopez replied yes, the plans are to construct a parking lot with six spaces for his business but he has to drive through the City and take two parking spaces. I have been talking to Alderman Ouellette about that and I am sure he is familiar with it. The gentleman is Maurice Belliveau. It seems like a minor thing.

We are just letting him do it and if we ever build anything over there 10 or 20 years from now we can take it back correct?

Mr. Arnold responded yes this is just permission to use that and it would be revocable.

Alderman Lopez stated I would like to move on that.

Mayor Guinta stated we already voted to send it to the Committee on Lands and Buildings.

Alderman Lopez stated he has been waiting for three months.

Mayor Guinta stated first I would have to accept a motion to reconsider from someone who...it is procedure because we did refer it to the Committee.

***Alderman Lopez** moved to reconsider Item 26, which was a communication from Attorney Cheryl LePine Beliveau, requesting on behalf of her client, that the City eliminate two parking lot spaces on Map 292 Lot 11 and further requesting permission to access the petitioner's parking lot from this parcel. The motion to reconsider was duly seconded by **Alderman Smith**.*

***Mayor Guinta** called for a vote on the motion. The motion carried with **Alderman Domaingue** duly recorded in opposition.*

***Alderman Lopez** moved to approve the request.*

Alderman Gatsas asked is this a precedent that we are going to be setting? It is unusual that it would not go to a Committee so that somebody could look at it. I am not opposed to it.

Mayor Guinta stated I am trying to get a second before we have discussion.

Alderman Smith duly seconded the motion.

Alderman O'Neil asked are there any issues? Should we have Leon come up? I think sending it to the Committee is the right...I respect the man...

Mayor Guinta interjected I think this would be a courtesy of the Board to accelerate it because right now he doesn't have access to a lot that he owns. He is going to be going through a City owned lot in order to get to his spaces so it would be considered a courtesy to expedite this.

Alderman O'Neil asked can I just ask Leon if there are any concerns if we do that?

Mr. Leon LaFreniere, Building Commissioner, responded we have not been presented any plan for this parking arrangement but the plan that is in the packet does seem to contain numerous violations of the zoning ordinance so we would have to work with the applicant to try to come up with a plan that actually conformed.

Alderman O'Neil asked so shouldn't we send it to Committee just to straighten this out. To be honest with you, I read it and I didn't understand it.

Mayor Guinta stated it is at the pleasure of the Board. They are just trying to gain access to a lot that they own. If you approve it, it doesn't relieve them of the zoning issues. If you want to send it to Committee, that is your prerogative. There is a motion on the floor.

Alderman Lopez stated he made a statement...Leon, if you look at this plan and the six parking spaces in front and it was designed with Tom Arnold...you are saying there are zoning violations?

Mr. LaFreniere responded it appears there are some setback violations.

Alderman Lopez replied I don't want to know if it appears that way. Is there a zoning violation? You made a statement.

Mr. LaFreniere stated I cannot answer that question because I have not had a plan submitted that contains the detail we need to make that analysis.

***Alderman Lopez** rescinded his previous motion to approve the request.*

*On motion of **Alderman Lopez**, duly seconded by **Alderman Domaingue**, it was unanimously voted to refer the communication to the Committee on Lands and Buildings.*

TABLED ITEMS

31. A Majority report of the Committee on Bills on Second Reading recommending that Ordinance:

“Amending the Zoning Ordinance of the City of Manchester by extending the General Business District (B-2) into an area currently zoned Residential One Family District (R-1B), being a portion of Tax Map 381, Lot 47 with an address of 466 South Willow Street and abutting South Lincoln, South Willow and Parkview Streets. A majority of the property is currently zoned B-2 and the petition would extend the B-2 to include the entire lot.”

be denied at this time.

The Committee notes that the business owner should work with the neighborhood and may return with a petition after addressing issue as noted in a communication from Alderman Garrity enclosed herein.

(Aldermen Garrity, Pinard and Duval in favor. Aldermen Lopez and Gatsas opposed.)

(Tabled 06/05/2007)

- A Minority report of the Committee on Bills on Second Reading recommending that Ordinance:

“Amending the Zoning Ordinance of the City of Manchester by extending the General Business District (B-2) into an area currently zoned Residential One Family District (R-1B), being a portion of Tax Map 381, Lot 47 with an address of 466 South Willow Street and abutting South Lincoln, South Willow and Parkview Streets. A majority of the property is currently zoned B-2 and the petition would extend the B-2 to include the entire lot.”

ought to pass.

The minority advises that the proposed zoning, in its opinion, is consistent with the highest and best use of the property and that neighborhood concerns can be best addressed through the development process at the Planning Board level, therefore, that such rezoning should be considered subject to the Planning Board approving any plans for development of the property.

S/Alderman Lopez

NOTE: Available for viewing at Office of City Clerk; previously forwarded to Mayor and all Aldermen.

(Tabled 06/05/2007)

This item remained on the table.

32. Report of the Committee on Bills on Second Reading recommending that Ordinance:

“Amending the Zoning Ordinance of the City of Manchester by extending the B-2 (General Business) zoning district to include property currently zoned IND (Industrial) located on the south side of Gold Street east of the former Lawrence Branch of the B&M Railroad and including the following three lots Tax Map 875-14, 875-15, 875-16.”

ought to pass.

(Aldermen Duval, Lopez, Garrity and Pinard recorded in favor; Alderman Gatsas opposed.)

NOTE: Available for viewing at Office of City Clerk; previously forwarded to Mayor and all Aldermen.

(Tabled 09/05/2006)

This item remained on the table.

33. Report of the Committee on Bills on Second Reading recommending that Ordinance:

“Amending the Zoning Ordinance of the City of Manchester by extending the R-3 (Urban Multi-family) zoning district to include property currently zoned R-1B (Single-family) located on a portion of Tax Map 691 Lot 143-1 that will be on the north side of a proposed Gold Street Bypass and adjacent to Bradley Street and the New St. Augustin’s Cemetery.”

ought to pass.

(Aldermen Duval, Lopez, Garrity and Pinard recorded in favor; Alderman Gatsas opposed.)

(Tabled 09/05/2006)

NOTE: Available for viewing at Office of City Clerk; previously forwarded to Mayor and all Aldermen.

This item remained on the table.

NEW BUSINESS

Alderman J. Roy stated I believe Alderman DeVries had some papers passed out. She handed me this on her way out and asked me to bring it up. It is about residential parking permit zones and it has to do with school parking. I am requesting that we refer it to the Special Committee on School Parking and I would also request that we waive referring it to the Committee on Bills on Second Reading to facilitate getting this in place for the start of the school year.

Alderman Shea stated Jim Hoben who is the Traffic Director has contacted me. They are going to do a speed study on South Porter. Is that what you are talking about?

Alderman J. Roy responded no. This has to do with Ms. Stanley and the residential parking permits. It has nothing to do with the speed over there.

Mayor Guinta asked in the area of the high schools?

Alderman J. Roy answered yes.

*On motion of **Alderman J. Roy**, duly seconded by **Alderman O'Neil**, it was voted to refer the communication regarding residential parking permits in the high school areas to the Special Committee on School Parking.*

Alderman O'Neil stated I don't know if somebody is going to grab this but I want to recognize the Fire Department for their efforts in helping out...we have a letter here from the Chief, and our firefighters should be commended for their efforts in helping out our neighbors in some of the surrounding towns. Well done, Chief.

Alderman Lopez asked can I have Kevin Sheppard come forward please. I think he wanted to say something about the program we started with the prisoners.

Mr. Kevin Sheppard, Public Works Director, stated Alderman Lopez asked that I give an update on the Hillsborough County inmates that are doing the work within the City. Most of you may have seen the work that has occurred. They have done work on the islands of Wellington Road, Hanover Street, Second Street, and South Main Street. It has worked out really well. Alderman Lopez has worked with the owner of Grand Slam Pizza on Mammoth Road to donate the lunches for the inmates. For the past week or six days they have donated lunches. In talking to the representatives from Hillsborough County they are committed to getting all of the islands done in the City.

Alderman Gatsas stated for free lunch I don't blame them.

Mr. Sheppard responded well, from what I understand they feel the same way. They are looking at doing South Willow Street possibly at night with two crews to minimize disruption to the traffic but they are committed to trying to get all of the islands in the City cleaned.

Alderman M. Roy stated I wanted to follow-up on Alderman O'Neil's congratulations to the entire Fire Department but I would also like to recognize...it was reported in the paper and it has kind of gone unnoticed because we have been out of City Hall but a number of our off-duty firefighters made some very heroic saves on Suncook Lake in Barnstead earlier in the summer and I think they should be commended as well. Thank you, Chief, for your personnel.

Alderman Gatsas stated I have four different items. First are some questions on the Bridge and Elm parking and the 68 spaces. I know that you sent us an update that has kind of changed the initial...but in reading the easement lease, can you tell me what the other charges for those spaces in the upper floors of the garage are for parking?

Ms. Stanley asked do you mean the portion we don't own or control?

Alderman Gatsas answered correct.

Ms. Stanley stated the owner of the garage has told me that their market parking rate is \$75 per month. Now whether or not they actually charge that to all of their tenants or they have abated rent for some of their tenants, I have no idea.

Alderman Gatsas stated in reading the long-term lease that the City has it says 17% of the expenses...and I assume that they on a yearly basis true up to you on what those expenses are based on. Having talked to some people in the City, we as a City have an opportunity to sell those spaces. Where it is not going to cost us any money and generate \$600,000 or \$700,000 for 68 spaces on ground level parking, the owner may even be interested in buying them back from us so that they have total control of that building and don't have a land lease for 70 parking spaces that could interfere with their total building. I know it has been sold two or three times and nobody has asked us whether we have to participate in allowing the sales, which I am sure we don't but I think we just have a very long-term lease on those spaces. The value, from what I understand, is somewhere around \$600,000, which is less than \$10,000 per space. I would suggest that we start looking at the revenue generated and the loss of revenue that the City is paying as an offset, and we can probably get some money for those spaces. I guess either send it to Lands & Buildings or let Ms. Stanley come back with a proposal or an

RFP, or I guess we would have to show it in Lands & Buildings as excess or surplus. Maybe we should send this to Lands & Buildings and have it come out of there. I don't know.

Alderman Lopez asked does the owner of the building want to...

Alderman Gatsas interjected I didn't speak with the owner of the building.

Alderman Lopez asked wouldn't that be appropriate?

Alderman Gatsas answered I would say it probably is. I can tell you that there are other people who have some keen interest in buying those spots because it is a long-term lease based on the expenditure of 17%.

Alderman Lopez asked do you think we should have discussions with the owner because...

Alderman Gatsas interjected it is costing us money from what we rent them for to what it costs us.

Alderman Lopez stated what I am trying to get to is what we have done in the past; if somebody has owned a piece of property we have given them the first option.

Alderman Gatsas responded sure.

Alderman Lopez stated I think that is better than somebody else buying it and then dictating.

Alderman Gatsas replied I have no problem with that. I would just like to look at it and see if it is a revenue source that we can bring into the City. I guess you are shaking your head saying that the cost isn't what you first told us based on this analysis? Does this 18% of the operating expenses change in 2009?

Ms. Stanley stated the information that I gave you at the last meeting, the \$83,900, is actually a number that has been put in the budget for many, many, many years. The actual expenditure, the actual 17.2% that we pay the owner has...we did the numbers back to FY2003 and it has never even come close to \$83,900. As a matter of fact, the garage has been profitable since 2003.

Alderman Gatsas responded right but if it is \$12,000 per year if I am looking at that number as \$12,000 on the change of projection that you did based on \$50,000 in revenues...let's assume your number is right. If you divide that into \$600,000 it is going to take you an awful lot of years...you are probably not going to get to the nine year lease period before you break even if you could sell it and take the income in. You might even be able to pay for some of those parking kiosks. I am just asking that it go to Committee to review it.

Mayor Guinta asked which committee?

Alderman Gatsas answered Your Honor, maybe she can talk to the owner and see if they have an interest in buying them. If they do then we can send it to a Committee and take it from there.

Mayor Guinta asked do you want to report back on that, Brandy, and let us know if there is interest?

Ms. Stanley answered sure.

Alderman O'Neil asked we are talking about the garage at the Bank of America correct?

Ms. Stanley answered yes.

Alderman O'Neil stated let's be careful because I know Brandy has had some discussions with the business owners on Lowell Street, as well as Kosciusko Street, so let's not going jumping in that we need to get out of this. I don't know if you are moving forward but you at least recently collected some information not previously known about the importance of that garage to those businesses. That garage serves a very important public service. Is there a better way to operate it? Probably, but it serves a very important public purpose.

Alderman Shea stated I don't know who you are going to report back to but if you want to report back to the Traffic Committee at a later date that might be an appropriate place.

Mayor Guinta stated okay, we will refer it to that Committee.

On motion of Alderman Gatsas, duly seconded by Alderman Sullivan, it was voted to have Ms. Stanley contact the owner of the Bank of America garage to see if they are interested in buying the parking spaces and have her report back to the Committee on Public Safety, Health and Traffic.

Alderman Gatsas stated after hearing the public comment this evening about an RFP on McIntyre is there anybody here from Parks or did they leave? Can Mr. Minkarah...I guess my question is where did the authorization for the RFP come from?

Alderman Lopez stated the Mayor authorized it.

Alderman Gatsas responded I want to hear where it came from. That is my question.

Mr. Jay Minkarah, Economic Development Director, stated there has been no RFP issued on McIntyre. What was sent out was a request for anybody who may have an interest in possibly participating in the management or taking over the management of the project to submit a letter of interest. That is what went out and that is what is in the process. It is not an RFP.

Alderman Gatsas stated I can tell you that by 8 AM tomorrow you are going to have everybody around McIntyre, up and down Skyview, and everywhere else going absolutely crazy because this hasn't been done in a timely way or taking the people in that neighborhood and telling them that there is an interest. I as an Alderman knew nothing about it until I heard it tonight.

Mr. Minkarah responded I can't speak to that. We were asked to assist by Parks & Recreation and that is what we did.

Alderman Gatsas asked my original question to you is who authorized you to do it?

Mr. Minkarah replied I was asked to assist.

Alderman Gatsas asked who asked you to assist?

Mr. Minkarah replied the Parks & Recreation Director.

Alderman O'Neil stated I was aware that this was out there. I don't know when it went out. I don't think I am the only Alderman who was aware of it.

Mayor Guinta stated I have asked Chuck in public meetings when it is going to go out.

Alderman O'Neil stated just for clarification, what went out had nothing to do with leasing McIntyre and the property, correct? It had to do with a different way to operate McIntyre. The City would always retain ownership and control of the property and the equipment and everything else. At least that was my understanding.

Mr. Minkarah responded you are correct but it didn't even get to that level.

Alderman O'Neil stated it was painted that we are leasing out the whole thing and that is not what is happening.

Mayor Guinta stated it is very preliminary. As I recall, this came up during the budget process. Again, we were talking about Enterprise issues and we had talked about whether there is there a better way that we can manage and more effectively utilize the area. An ROI was issued. We can go back and research the date of those discussions.

Alderman Gatsas replied I would certainly love to see that, Your Honor.

Alderman Sullivan stated Alderman O'Neil pretty much hit on what I was going to say. There as an intensive discussion back during the budget deliberations. Actually, Alderman Domaingue questioned Mr. DePrima at some length about this

issue and it had to do with the management of the Enterprise operation over there, not leasing out the property or selling the property. It had to do with operating the ski area and the lodge and things of that sort.

Alderman Gatsas stated I remember those discussions but that was pretty far from a request for proposal.

Mayor Guinta responded an RFP has not been issued.

Alderman Domaingue stated I think I have a pretty solid memory of this. When we did discuss it I did question him extensively and he brought up at that time, Mr. DePrima did, issuing an ROI and I believe we took a vote on it.

Mayor Guinta stated that isn't necessary. A vote for an ROI isn't actually required. I would have to research that.

Alderman Domaingue stated if I recall correctly we voted to do it.

Mayor Guinta stated we can have the Clerk research that in his spare time.

Alderman Lopez stated we are here now until midnight. Just to clear up, two years ago we had a meeting in reference to Parks & Recreation and it was \$1 million. We put \$1 million back in the budget and we had that long conversation about McIntyre and can we do it a better way. As we approved the budget we said we would move forward. The Mayor issues a directive or whatever you want to call it to Parks & Recreation. Mr. Sanders, you were up there with the City Solicitor because the owner has a lease until 2015 I believe or somewhere around there and they were directed to do an ROI or put out a feeder to see if anybody was interested. At the same time, the ski area up there made a proposal which was

not accepted until they got some type of feedback from other people. Am I correct? This happened two years ago. Nothing is new. Nothing has happened. I don't know if you remember Alderman Gatsas because sometimes you do forget things but maybe we should have contacted you.

Alderman Gatsas stated my third and most important item is we have a timeline that is running past us and I know that probably people are hoping that the timeline runs past us but that is the timeline that we talked about for making the School District a department and putting it to the voters. It has to have a public hearing. The notice has to go into the paper. We already have a public hearing set-up for August 19 and I think this would be an appropriate time to set-up the legal notice that goes into the context of the amendment and the brief explanation must be published in the newspaper and we can hold the public hearing on the 19th.

Alderman Gatsas moved to send the Charter amendment question regarding the School Department to a public hearing. The motion was duly seconded by Alderman Sullivan.

Alderman O'Neil stated Your Honor, there has been a lot of discussion...we spent the good part of a night here one evening and we have had several communications from the School District and we also have several communications from our Finance Officer and our Attorney and our HR Director. In my opinion, nothing changes. There are no efficiencies. There are no savings. Most importantly, education doesn't improve in the City of Manchester. I don't know why we would send something that represents an unrealistic expectation to the voters. That is irresponsible. We have had numerous correspondences and nothing has indicated savings or efficiencies or most importantly improving education. I am reviewing some notes from the minutes. The Board of Mayor and

Aldermen would still appropriate the school budget as a single line item. That doesn't change. The School Board would still have control over the funds and would be able to transfer them without Board of Mayor and Aldermen approval. A question was raised: What happens to the teachers in Yarger Decker? That could cost us millions of dollars. That one item could cost us millions of dollars. We have had information presented to us that there could be significant costs regarding transferring financial systems and other computer systems. I just can't see sending something based on the information I have tonight and we have had plenty of time for feedback and I have feedback and I actually have a file on it. I usually don't put a file together but that is how much information I have. Nothing shows savings or efficiencies. The most important thing is nothing shows that education is going to improve in the City of Manchester. I cannot support sending this to a public hearing or sending it to the voters. I think it is irresponsible for us to do that. It is a very, very misleading questions so I plan on voting against it, Your Honor.

Alderman Lopez stated I think tonight we received some correspondence from the Superintendent and the new Superintendent has put his foot forward in trying to do something. I think we need to give him an opportunity to work with the Board of Mayor and Aldermen. The Board of Mayor and Aldermen will be here next year if that sends any type of message. I think we have to have the Superintendent come before this Board on a regular basis and give us his goals for the year and how he plans to improve education and give him an opportunity as a top notch administrator to see what he can bring. The second most important document that I received tonight...and if Mr. Sanders wants to speak to it he can but it is self-explanatory and it is questions...it seems he went to Nashua and looked at it. I think from what I understand he is comparing apples to apples. We have heard many times, or at least I have, that Nashua has a smaller budget than Manchester. That isn't true. I am not a financial analyst and I will let Mr. Sanders

speaking in reference to the bottom half if he would, please, and try to educate us a little bit in the school population versus us and the number of schools.

Mr. Sanders stated we provided a letter this evening. Karen DeFrancis and I visited with the Finance Officer and the Business Administrator in Nashua for a few hours in the month of July and we also worked with the reports that are available at the Department of Education. The Nashua School Department is a department of the city so it seemed like a logical place to compare what their experience is to how we are performing in Manchester. Without going through all of the detail, if you just focus on the bottom of the page in terms of a total budget the Manchester School District's budget is about 16% higher than the Nashua School District budget. Two main reasons I would point to are these: In fiscal year 2007 our student population was about 35% higher. We also have about 23 school buildings in the City of Manchester compared to about 17 in Nashua. That would explain, I think, the higher cost in the aggregate and on a per pupil basis the information that is available on the Department of Education website...on a per pupil basis Manchester's per pupil cost for the last three fiscal years (2007, 2006 and 2005) has been lower than Nashua. So I think we compare very favorably to Nashua currently and I would not see an opportunity for significant savings from the current operating model we are working with. There may be areas of costs where we might be able to do things together between the School District and the City in a better way, similar to how we do the custodial services today. Possibly the healthcare area could be something that we would look at putting together in a different way and there may be other opportunities in that vein.

Alderman Lopez stated I believe we had a great working relationship this year when Alderman Gatsas and I presented the Aldermen's budget to the School Board. I think that, like I indicated in the beginning, we can work with the School Department to get some of those agreements on paper because the Supreme Court

ruling is that we have to have those agreements. So if we want to move forward on the health insurance and combine it in years 2010 and 2011 then let's work up an agreement with the administrators. Every top director, department head and the City Solicitor said this is not the right time to do, something like this. So, therefore, I will be voting no.

Alderman Domaingue stated I will keep this brief despite the fact that Alderman Gatsas wants to be here past midnight. I am against this for all of the reasons articulated by Aldermen O'Neil and Lopez. I would suggest, however, and I will bring it up again in the future, what I believe Alderman Ouellette had articulated before, and that is that I think there should eventually be a ballot question to have the School District taxed separately from the City.

Alderman Ouellette stated on the other side I have kind of lived through the separation between the City and School District. The reason why the School District moved forward with the separation was because the situation was that it wasn't working. It was just too cumbersome to have the City and School District trying to work together. At the time there were a lot of trust issues as well, both on the City side and on the School District side. I think that going back to a system that didn't work isn't the answer. I feel that the system we have now also doesn't work. As Alderman Domaingue alluded to, I have advocated putting a question on the ballot to have the School District totally autonomous and send out their own tax bills and have them accountable to the same people who elect us. I also will be voting against this for those reasons. I have been very upfront and forward about my position since I have been a member of this Board, since this issue has arisen, not only now but back three or four years ago when the issue arose then as well.

Alderman M. Roy stated I am not going to speak to this issue but if this is the final thing we are going to discuss tonight can we cut our department heads loose and send them home? There is no reason for everyone to be sitting here while we discuss this.

Alderman Smith stated we have been here all afternoon and evening and now it is morning. I would like to move the question. I don't think there are sufficient votes to pass this.

Alderman Gatsas requested a roll call vote.

Alderman Shea stated I spent 32 years as a principal and teacher and I am for this becoming a department rather than a district. I speak from the fact that it wasn't cumbersome but it was very well run when I was a principal. We had no problems as far as I am concerned. Since it has become a district it has become convoluted. It is more expensive and I disagree totally with some of my colleagues who have valid concerns about the fact that the schools should stay a district. We examined certain operations maybe about six years ago and we found that we could save a significant amount of money and there would be more efficiencies. Right now we have different operations that are formally conducted by the Finance Office. We created Human Resources and other situations which in my judgment aren't necessary. So although maybe the members of the Board...and I respect their vote, every one of them, may disagree I will vote to have it on the ballot.

Alderman Osborne stated I have one quick thing. I have served six terms now as an Alderman in the City and I have also said over the years that I would never refuse a referendum question that anybody wanted to bring in. I always thought we should let the people decide. I always thought that thousands of people had to

have a little more judgment than the 15 of us. I can't change my ways now after all of these terms so I will be voting for a referendum question.

Mayor Guinta stated there has been a roll call requested.

Deputy City Clerk Normand stated just for clarification the motion is to send the Charter amendment question regarding the School Department to a public hearing.

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

Mayor Guinta stated there is a final piece of new business; it is the request for the Mayor's Youth Advisory Council (MYAC). We said we were going to take a vote...the Board of Mayor and Aldermen was going to take a vote and then we would take a subsequent vote at the School Board meeting because we didn't have a quorum.

Alderman Lopez moved that the Board of Mayor and Aldermen provide a minimum of three and no more than five Aldermen to sit on this committee.

Alderman Gatsas asked wasn't the vote to accept the report and not about telling them who should be on the Committee and letting them do it?

Alderman Lopez responded if they want to pick the three Aldermen...

Alderman Gatsas interjected they can do whatever they want. I don't think they need to pick Aldermen. They did a great job with what they have been doing. We don't need to tell them what to do. I think they can make that decision on their own.

Alderman Sullivan stated they seemed to indicate that they were willing to put members of our Board and the School Board on there but I don't think we need to...

Alderman Lopez interjected that's fine if everybody feels that way. The motion would be to accept the report though.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Sullivan**, it was voted to accept the report on the MYAC Committee.*

Deputy City Clerk Normand stated we sent a memo to the Board yesterday including the rezoning petition for Hanover and Page Street, as well as identifying the need for a road hearing for a discontinuance of Chandler Street, which the Board approved tonight. The first motion we would look for would be to refer the rezoning petition to Bills on Second Reading and a public hearing.

*On motion of **Alderman Shea**, duly seconded by **Alderman Smith**, it was voted to refer the rezoning petition to the Committee on Bills on Second Reading and to a public hearing to be set by the City Clerk.*

Deputy City Clerk Normand stated the second motion would be that with the Board's indulgence we would like to schedule both hearings on the same night this month.

Mayor Guinta replied that is fine. We don't need a vote on that.

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

A True Record. Attest.

City Clerk