

BOARD OF MAYOR AND ALDERMEN

February 17, 2009

7:30 PM

Mayor Guinta called the meeting to order.

The Clerk called the roll.

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

Messrs: P. Pitaco, T. Soucy, T. Clougherty, T. Clark, K. Kelly, W. Sanders, J. Gile

Mayor Guinta stated before we get to the Consent Agenda I just have two items that I want to bring to everybody's attention. First and foremost, we do have Paul Pitaco here, who is the plant manager from General Cable. I wanted to make sure that all the Aldermen were aware and the City of Manchester was aware that General Cable right here in Manchester did receive from *Industry Week* a very high and distinct honor. They were named one of the ten best plants in North America, something that they have been trying to achieve, an objective they have been trying to achieve, for a number of years. Through a lot of hard work and dedication, with not just their management but also with their union and their employees and their staff, they have been able to win that distinction. I was honored to accept an invitation to come and speak to their employees at General Cable. I did want Paul to come here this evening to also be recognized. Paul, I believe you have your son with you, if you want to you can bring him up as well. I did want to commend General Cable and Paul and his hard work. The commendation reads:

For being named by *Industry Week* magazine as one of the ten best plants in North America, this extremely prestigious award comes from years of upgrading your facility, working hand in hand with management and staff with an unwavering focus toward producing a world-class product. I salute you for this recognition and to your commitment to the economic engine of our city, Manchester, New Hampshire.

Mr. Paul Pitaco, General Cable plant manager, stated thank you very much. I can guarantee there are at least 145 people watching television tonight. First of all I'd like to thank the Honorable Mayor and the Board for this award. I represent Manchester Associates on McGregor Street, the building known as Building #11, the old Coolidge Mill. It's kind of neat that 100 years later there's still a manufacturing facility in that building, which was the original intention of the building. We're very proud of that. Thank you for the recognition, and I have to say thanks to the 145 associates. We have a couple of them here today, as well as those watching Community television. If it weren't for them, that hard work, dedication and the willingness to change, because during these economic times, you have to do things differently, this award would not have been possible. I do want to thank the Manchester Associates for all of their hard work and to be named one of the best manufacturing plants in North America is a great honor. We're very proud of that and I'm very proud to be the plant manager. Thank you very much for the recognition.

Mayor Guinta stated I also want to bring Tim Soucy from the Health Department forward. One of the things that we like to focus on each and every year is trying to improve on our health. Sometimes we do well; sometimes we don't do as well. One of the things that I like to do is remind everybody each and every year of some of the challenges that we have and what we can do to try to improve our health. For that particular reason I do want to proclaim this year, 2009, the year of the heart. I wanted Tim Soucy to be up here with us to talk a little bit about the things that we can be doing to improve and sustain our lives. I will read the Proclamation:

Whereas cardiovascular disease is the nation's leading cause of death, with direct and indirect costs estimated to be \$475 billion nationally; and

Whereas nearly 2,400 Americans die of cardiovascular disease each day, and an average of one death every 37 seconds; and

Whereas cardiovascular disease accounts for nearly 34% of all deaths in Manchester; and

Whereas nutritious diets and physical activity are important components to living healthy lifestyles and reducing disease; and

Whereas the research is clear that these tools are available to increase the survival rates from cardiovascular disease; and

Whereas February 2009 is designated as American Heart Month to promote education and awareness by encouraging residents to learn of the warning signs of heart attack and stroke;

Now, therefore, I Frank Guinta, the Mayor of the City of Manchester, in recognition of the importance of the ongoing fight against heart disease, do hereby proclaim 2009 to be the year of the heart in Manchester, and I urge all City residents to recognize the critical importance and prevention of screening to reduce heart-related health concerns.

With me is Tim Soucy, our illustrious Health Director, who will say a few words about heart disease and what we can be doing as a community to improve on that very important issue.

Mr. Tim Soucy, Health Director, stated thank you, Mr. Mayor. Once again, heart disease is the leading killer for Manchester residents. So we certainly appreciate the Mayor's initiative to name 2009 the Year of the Heart. We want to encourage everyone to modify their behaviors that put them at risk for heart disease. We need to get folks to continue to quit smoking, to exercise more, and to eat healthy. By doing those three things you can greatly reduce your risk of heart disease, heart attack or stroke. We are very fortunate to have a number of partners in the community engaged in this process – our hospitals, our acute care centers, the American Heart Association. So we certainly appreciate you, Mayor, taking the time to proclaim this year the Year of the Heart. We will continue to make those strides to decrease the rates of heart disease in the City of Manchester.

Alderman Osborne stated I just want to say this. I don't want to make a motion to reconsider, but I'd like to reconsider my previous commitment to the Planning and Building consolidation. On February 3rd, I think it was item G, I overlooked that particular item that evening and it went through as a unanimous vote of the Board. I was really dead against this from the very beginning. I overlooked it, and I would like to be on the record as being opposed to this particular merger.

Mayor Guinta stated that will be so noted by the Clerk. Thank you, Alderman.

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.

Accept BMA Minutes

- A. Minutes of meetings held on November 7, 2007 (two meetings), November 20, 2007 (two meetings), and November 26, 2007 (one meeting).

Approve under supervision of the Department of Highways

- B. Pole petitions:
#11-1236 Located on Trolley Street

Informational to be Received and Filed

- D. Communication from Matthew Normand, Acting City Clerk, advising that the Secretary of State has chosen the letter sequence for initiating the rotation of names on the ballots.
- E. Communication from Bryan Christiansen, Comcast, regarding service changes.
- F. Communication from Will Infantine, MCAM Board of Directors, submitting annual reports and audit.
(Note: Report previously forwarded to Mayor and all Aldermen on February 4, 2009.)

Referral to the Water Commission

- H. Communication from Traci Sullivan regarding 84/86 Hudson Street 4th Quarter water bill.

**COMMITTEE ON BILLS ON SECOND READING
AND
PUBLIC HEARING TO BE SET BY CITY CLERK**

- J. Ordinance:
“Amending the Zoning Ordinance of the City of Manchester by deleting the references to “Building Department” or “Planning Department” and replacing all with the name “Planning and Community Development Department”.”

COMMITTEE ON FINANCE

K. Resolution:

“Amending the FY2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for the FY2009 CIP 610809 Manchester Emergency Housing Capital Improvements Project.”

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

- C.** Approved minutes from the Commission meeting held December 30, 2008, December 2008 Financial Report, and December 2008 Ridership Report submitted by Carey Roessel, Executive Director MTA.

Alderman Smith stated I was wondering if the representative from the Transit Authority is here.

Mayor Guinta stated I don’t see Mr. Roessel here this evening.

Alderman Smith stated maybe, Your Honor, you can answer. I’m very concerned about the school busing and so forth. I understand that the School Board might be going out for bids. If they go out for bids, that takes care of the subsidy with the MTA, and I’m very, very concerned about it. I was wondering what the situation is. Maybe you can enlighten me.

Mayor Guinta stated as I recall, this discussion did occur at the School Board level where I believe...and we can verify this for you, Alderman, and get you the formal response tomorrow. I believe the School Board has chosen to move forward with MTA for another year, and they will research the issue regarding RFP’s and if MTA is actually

able to respond to an RFP, based on their status as a federal entity. At this point no change has been made. There is going to be research done by legal counsel and provided to the Board. But, it's the understanding at this point that they would not be able to respond to RFP's because of their federal designation status. But, we can verify that information for you and get that to you tomorrow.

Alderman Smith stated thank you very much.

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

G. Communication from Kevin Sheppard, Public Works Director, submitting an update on the current status and schedule of the contract with Corcoran Environmental Services.

Alderman Ouellette stated this is the item regarding the Corcoran public hearing. I just noticed over the weekend that this is scheduled for March 3rd, which is the same night as our next full Board meeting. I want to pull this off as a courtesy to Alderman DeVries and Alderman Garrity because we may not be able to attend because of the full Board meeting. I just wanted to bring that to the Board's attention and I would prefer to see the public hearing, because it's such an important issue to our City, be moved to another night if possible.

Mayor Guinta stated I believe that is set by DES. Would it be inappropriate for us to ask if they could move it? Is there a general feeling that the Aldermen would like to attend that?

Alderman M. Roy stated as chair of the subcommittee in charge of that, I have asked the Clerk to limit or not have meetings ahead of time. It does start at 6:00, so we could at least be there for the first 45 minutes. That has been a published date. It would be much easier for us to move our meeting than for the DES to move theirs.

Alderman DeVries stated Tim, I'm hoping that you have advised Corcoran or their attorney that that meeting is likely to be less contentious if the items asked for in the contract are finalized in language prior to the meeting, because they haven't been so advised.

Mr. Tim Clougherty, Facilities Manager, stated I think that question would best be answered by Mr. Clark. My understanding is that the City Solicitor's office and Mr. Corcoran's attorney have corresponded and the ball is basically in Corcoran's court right now. Perhaps Tom could expand on that.

Mr. Tom Clark, City Solicitor, stated I received an email from Mr. Corcoran's attorney today. They are meeting on Thursday and will be back to me by Friday to discuss the finalization of the terms that the Board has requested.

Alderman DeVries asked the meeting on Thursday is with whom, Tom?

Mr. Clark responded it's with Patrick Corcoran and his attorney.

Alderman DeVries asked with you?

Mr. Clark responded no, Patrick Corcoran is meeting with his attorney.

On motion of Alderman Ouellette, duly seconded by Alderman J. Roy, it was voted to receive and file this item.

REFERRAL TO COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

- I.** Communication from Pamela Goucher, Interim Planning Director, and Leon LaFreniere, Building Commissioner, regarding necessary amendments to the Code of Ordinances relative to the approved consolidation of the Building and Planning Departments.

Alderman Lopez stated I believe the Chairman of that Committee signed off, didn't you Alderman? I was wondering...does this really have to go to Committee? It's just technical changes, and the City Solicitor and HR Director could review these two documents. I believe at the last HR Committee it was sort of instructed for the HR Director to review the title changes. Is that all we're doing is submitting the changes?

Alderman J. Roy stated I think that Alderman Lopez was looking for an answer from staff.

Mr. Tom Clark, City Solicitor, stated the basic changes here are title changes in the Ordinances and removing a few obsolete Ordinances that no longer apply. It's the will of the Board whether or not they wish to suspend their rules and pass it tonight or submit to Committee.

Alderman Lopez stated that's what I was going to offer is to suspend the rules and move it if it's just technical changes and title changes.

Mayor Guinta stated let me just ask, is the referral to Committee a different issue than item 12 on the agenda?

Mr. Clark responded item 12 is the personnel Ordinances. Item I is the departmental Ordinances and Housing Code and changing of titles.

Alderman J. Roy stated I agree with Alderman Lopez. The reason I was asking to pull it off is there's nothing substantive in that. It's just a matter of changing the title of that department, wherever you see Building and Planning in the Ordinances. At the same time, it will facilitate the intent of the HR Committee to have this in place by March 1st so we can start saving that \$175,000 per year. Actually, I think it's going to take two motions. Matt, you can give me the language if you like.

Alderman O'Neil stated I was greatly surprised...I got called away due to a family illness and the eventual passing of an aunt that I had lived with for some period of time...at the last full Board meeting to learn that it had taken a turn different than what I thought. I thought this item was going to go back after the HR Committee worked on the grades, which was what it was asked to do by the Administration Committee. I was quite surprised that it passed entirely without going back to the Committee it came from. I was also surprised that it was a unanimous vote because it completely contradicted conversations I had had with members of the Board. All I was looking for was to make sure we've done this right, and I'm not sure we have. There seems to be intent to rush to get this done. In my opinion, in conversation with folks in the community, it doesn't have the support of the business community right now. They want to know what's going to be different, other than saving one position. They want to know how it's going to change. I actually heard Alderman Shea talk about that at one of the HR Committee meetings that I caught on TV. He was talking about measurable goals. None of that was clearly defined. That was one of the things I was hoping, that if it went back to the Administration Committee we could work on. I don't know what we've actually done here. I don't think we've improved government, to be honest with you. We've taken two departments that I think we've all heard complaints about over the years and just thrown them together and said it was going to work. I've shared this with Mr. LaFreniere so I'm not speaking out of turn. As a matter of fact, he and I met that Monday before the meeting. I guess I'm very disappointed in how this thing proceeded and the intent to rush

it. We have an obligation to do the job right, not to rush it so we can see if we can save one position. The business community, citizens, have called with concerns and issues. In my opinion we've done nothing to change the way business is done. And more than ever we want people to do business in the City of Manchester. So I'm going to vote against this just on the principle that it never went back to Committee for those discussions.

Alderman J. Roy stated I value your opinion. Let me clarify a few things. I've also talked to people in the business community, in particular developers and construction people. They are in favor of this. They have been asking for one-stop shopping. I think it was Mayor Baines who first brought it up, maybe even before that. This is a significant change. That has come from within. It wasn't us Aldermen saying to a couple of departments, we're going to blend you together. You can call it a merger or whatever you want to call it, but it's going to improve efficiency. Those efficiencies are well-documented in three or four different documents that were produced during the three months that it was in Committee. One of those that I particularly remember deals with inspectors. The inspectors are going to be in the field. That's what we are paying them to do is inspect. They are going to be in the field 50% more than they are now because they aren't going to have to answer telephones anymore. When they consolidate there will be efficiencies found by blending the people who do the note taking and the transcribing. It's going to save \$175,000 a year. I believe that was the last count. There was a comment made that we're going to rush this thing through. Well, it's been four months. I believe it was in Committee for three months. The way I figure it, it's costing us about \$3,400 a week. In those months it has cost us about \$40,000 because we haven't merged these two departments. That's why I bring forward tonight the motions I would like to make to put this through so it's in line to go on and be one department March 1st.

Alderman O'Neil stated I think it's been in Committee for three months because every time we met we got new information. That was part of the problem, including the night that we referred it to HR Committee; we received new information. This isn't the same

plan today as it was when it was given to us. There seems to be some indication that we were trying to stall this. We weren't. We were trying to gather all the information. Having been here a little bit, I know you've got to take your time and do it right. The savings are happening today. This change is not going to save us \$175,000. Those savings are there today. There is no Planning Director right now, so we're saving money. There's no Planner III...those positions all changed as this thing progressed, so we shouldn't imply that by approving it all of a sudden we're going to save a new \$175,000. That number has changed. It was \$140,000 one night at City Hall in an Administration Committee meeting. So, the savings are there today if we don't make any changes. And, improved efficiency...Alderman Roy has some experience, having been a licensed plumber; he's worked with building regulation departments, not only in Manchester but in other places as well. We certainly know that plumbing and electrical were not the problems over here. But he talked about these efficiencies. We need to know where we are today and what those changes are going to bring, and that goes back to my comment where I thought Alderman Shea was going in the HR Committee about measurable goals. I don't know what's measurable. I just needed to respond to that, Your Honor. Thank you.

Alderman J. Roy stated just one other thing that I forgot, these savings of \$175,000 are going to take place even though they are going to hire people to be back to full staff. Right now...I'm not sure I'll get this number right, but I think Planning is supposed to have 13 people; they have seven. There are times that they don't even have a receptionist there who can greet people when they come through the door. All of those positions will not only be filled...and that's not a possibility today. If this doesn't go through, in this economy there is no way that we are going to fully staff those departments again. The money's not there, because there won't be any savings. We haven't got the money to spend. That \$175,000 will be a savings even though we'll go back up to full staff.

Alderman Shea stated I did question Leon LaFreniere at length at the HR Committee meeting. I did later meet with Leon and with Pam Goucher, and they reviewed some of the concerns that I did have, and they addressed them. I felt that because of what questions were raised and because of what the Ward 4 Alderman has indicated that certainly it seems to me, as one vote on the Aldermanic Board, that it does make sense for these two departments to be combined at this time. The value is not only going to be expressed in savings. That is a very important consideration, but I think the more important consideration is the fact that it will bring, in my judgment, more efficiency within the two departments. I believe that because of how the arrangements were made in the Planning Department, who are significantly short of personnel now, as well as what will happen in the Building Department, it does make sense for this particular concept to move forward. Certainly the Administration Committee did send it to the Human Resources Committee and again, the job that we did, with the leadership of the Ward 2 Alderman, who was very instrumental in trying to sort out the different ideas and concepts, as well as Alderman Lopez, I felt that it would make sense for this Board to adopt this concept. So again, everyone has to express their own judgment and opinion in this matter.

***Alderman Lopez** moved to suspend the rules regarding necessary amendments to the Code of Ordinances for the consolidation of the Building and Planning departments on technical changes. The motion was duly seconded by **Alderman Sullivan**.*

Alderman M. Roy stated Mr. Chairman, you're looking to move this without Bills on Second Reading, or is it still going to Bills on Second Reading?

Alderman Lopez stated I'm looking at item I. From what I understand it does not have to go to Bills on Second Reading. Is that correct, City Clerk?

Acting City Clerk Matt Normand responded it doesn't have to. If you suspend the rules tonight, and the place the Ordinances on their third and final reading, then we'd look for a second motion stating that the Ordinances ought to pass and be Ordained.

Alderman M. Roy stated okay, so a vote on I affects the vote on J.

Alderman Lopez stated no.

Acting City Clerk Normand stated item J has to go to a public hearing because it's a zoning ordinance.

Alderman M. Roy stated and Bills on Second Reading.

Acting City Clerk Normand stated correct.

Alderman M. Roy stated so suspending the rules on item I has no effect on item J.

Mayor Guinta called for a vote on the motion to suspend the rules. The motion carried, with Aldermen O'Neil, Osborne, and Garrity being duly recorded in opposition.

On motion of Alderman J. Roy, duly seconded by Alderman Lopez, it was voted that the ordinances ought to pass and be Ordained. Aldermen O'Neil, Osborne, and Garrity were duly recorded in opposition.

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

- L.** Recommending that the expiration date for the ordinance amendment increasing current taxi rates from \$.25 per one-sixth of a mile to \$.40 per one-sixth of a mile, be extended until March 31, 2009.
(Unanimous vote conducted via phone poll February 9, 2009)

Alderman DeVries stated I did pull this off of the Consent Agenda looking for a clarification from the Chair of the Committee on Administration. I just want to be sure that this is only an administrative function that needed to occur this evening to allow the Committee time to meet to discuss this issue, as opposed to condoning the continued increase in the taxi fares.

Alderman O'Neil stated I don't know if we're condoning. The fact is the Board voted for the increase. It was supposed to sunset or be reviewed in February with a possible sunset at the end of February. Due to scheduling of Committee meetings and the holiday, the Committee just couldn't meet so the Clerk did a phone poll. All we're doing is extending it one month to give the Committee on Administration a chance to meet, to sit down with the taxi cab drivers. I don't know if condoning it is the right word, but it's something that this Board voted for, to approve the increase when gas prices were through the roof. It's just that we didn't have enough time in February to meet to consider whether or not we grandfather it or not.

Mayor Guinta asked is it the intention that the Committee will meet and have that dialogue sometime?

Alderman O'Neil responded hopefully we'll have a report by the second Board meeting in March so that the Board can either extend it or to pull it back to where it was.

Alderman DeVries stated thank you for the clarification.

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

4. Nomination(s) to be presented by Mayor Guinta, if available.

Mayor Guinta stated pursuant to Section 3.14 (b) of the City Charter, please find below the following nominations:

Robert Champagne to succeed himself as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2012;

Toni Pappas to succeed herself as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2012;

Tricia Lucas to succeed herself as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2012;

Anthony Porter to succeed Carol Johnson due to term limit as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2012;

Lisa Michaud to succeed Catherine Allard due to term limit as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2012.

On motion of Alderman M. Roy, duly seconded by Alderman Osborne, it was voted to suspend the rules for the nominations of Robert Champagne, Tony Pappas, and Tricia Lucas.

The nominations of Anthony Porter and Lisa Michaud will layover to the next meeting, pursuant to Rule 20 of the Board of Mayor and Aldermen.

Alderman O'Neil asked Your Honor, just a point, do I understand that when I was away, one of my meetings I was away, you actually confirmed people the same night? The Aldermen know what I'm talking about. Fortunately he had been a colleague of mine so I would have voted the same way. Remember, I'm the conscience of the Board on that.

Mayor Guinta asked who made the motion? It might have been Alderman Roy who made a motion.

Alderman M. Roy stated and I'm usually the hawk on making people layover.

5. Confirmation of nominations made by Mayor Guinta:

Board of Health

Robert A. Duhaime, RN, as a member, term to expire July 1, 2010.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to confirm this nomination.

6. Legislative Update presented by Mayor Guinta.

Alderman O'Neil asked are we staying right on top of the retirement legislation? That is one that I know Local Government Center takes a position on. It may not necessarily be the same position as the City of Manchester because of the impact it would have on...If they change anything we're going to have a mass exodus of police officers and firefighters. And that may not be in the City's best interest right now.

Mayor Guinta stated you are correct and that is not a particular area where we were relying solely on the Municipal Association for information. I have asked Mark to brief me particularly, and then obviously members of the Board as we would so require updates.

On motion of Alderman Garrity, duly seconded by Alderman Shea, it was voted to accept the legislative update presented by Mayor Guinta.

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

Mayor Guinta called the meeting back to order.

9. Report of the Committee on Finance

A report of the Committee on Finance was presented recommending, after due and careful consideration, that a Resolution:

“Amending the FY2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for the FY2009 CIP 610809 Manchester Emergency Housing Capital Improvements Project”

ought to pass and be Enrolled.

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

10. Report of the Committee on Community Improvement

A report of the Committee on Community Improvement respectfully recommends, after due and careful consideration, that \$25,000 be moved from the contingency account to the Police Department for the Drugs and Guns initiative.

Alderman Garrity moved to accept this report and adopt its recommendations. The motion was duly seconded by Alderman Shea.

Alderman Lopez stated I had some conversation with Police Chief Mara and Officer Kelly in reference to this. I'm hoping...they agreed anyway, along with the Finance Officer and Accounts, that they take the \$25,000 out of their salary line and not to take anything out of contingency at this time. So I'm asking my colleagues to amend this and let \$25,000 be removed from the salary line of the Police Department in order to comply with this.

Mr. Kevin Kelly, Police Department Captain, stated I spoke with the Chief earlier on that and he had no problems with that.

Alderman O'Neil stated we had the Chief before us a few hours ago. I wish we had known that. I'm somewhat uncomfortable with them trying to get through their budget year.

Mayor Guinta asked Bill, what's the deficit right now on Police, on the expense side?

Mr. William Sanders, Finance Officer, responded the deficit on the Police projection is \$533,000.

Mayor Guinta asked and how does that compare to what it was a month ago? They were \$750,000, right? So they're moving in the right direction.

Mr. Sanders responded they were \$585,000 a month ago.

Mayor Guinta stated oh, at one point they were \$750,000 I thought.

Mr. Sanders stated I could keep going back, but probably in October.

Alderman O'Neil stated my point, Your Honor, is isn't it safer to take it out of contingency? We know we want to do this. They've got challenges to get through the budget year. I didn't know Alderman Lopez had that discussion with the Chief.

Mayor Guinta stated you give it to them now or you give it to them at the end of the year.

Alderman Lopez stated I realize that, and it's just my opinion. The Finance Officer can weigh in on this. They can work and manage within their budget. I don't like to see us taking money out of contingency for something that...the state is responsible for sending us the \$150,000. As long as they keep seeing us taking money out of contingency and

giving it to the Police Department, the state, in my opinion, is not going to give us money.

Alderman O'Neil stated that I did have a conversation with the Chief and Captain Kelly about. They believe they've identified a couple of other funding sources. I don't think they're both done deals yet, so we can't get ahead of the game, but specifically this money, it's my understanding, is 'buy' money which those other programs will not fund.

Mr. Kelly stated that's correct.

Alderman O'Neil stated we had this discussion earlier. I think this is very appropriate use and Alderman Lopez is right. There may be a couple of other sources that the Police Department has identified, but my understanding is neither of those sources will allow 'buy' money. They're out of 'buy' money. That's their greatest need right now.

Alderman Lopez stated there's one other point I'd like to make. I just believe we're scrounging to put money in contingency and we shouldn't be taking money out of there by any means. But I'll let the Finance Officer speak as to the right way to go, management-wise.

Mr. Sanders stated my preference would be that the money not be transferred out of contingency at this time, that the Police be authorized to spend the additional money out of their available salary budget or whatever other applicable line items there are. Contingency should be preserved till later in the fiscal year, until we see where all departments are. All departments are under a task right now to maintain and control expenses. The Mayor was correct. Three months ago the projected deficit at the Police Department was \$820,000 and today it's \$533,000. I commend the Chief, but I think that we should preserve the contingency till we're sure we know where it needs to be assigned.

Alderman M. Roy stated I respectfully disagree with my colleagues. I think as we look at our updates every week from the Finance Department, every time we tell the Chief to deficit spend and deficit spend. It reflects badly on the Police Department and it reflects badly, in my opinion, on the management of the City. They're asking us to fund something that is for the greater good of the City. We should take it out of contingency. I look at these reports and when the Chief is \$533,000 in the negative, that's not from the management of the Police Department, it's from directives that the policy makers and politicians have made. He's managing a great department, and every time we add something, as little as \$25,000 it reflects badly, in my opinion, on the Police Department. So, I'd prefer to take this out of contingency. I would like to see the full amount, because I believe in the program, and have fought for it year after year. It's something that we should do.

Alderman O'Neil stated I agree with Alderman Roy, Your Honor. This isn't looking to pass blame, but we asked the Chief to do some things. We asked to put the additional burden of \$150,000 on the Department, for the DAG to continue. We also directed, if I recall, during the discussions in the springtime...the Chief was debating whether or not to put a class of recruits on. We told him to put eleven; at the end of the day he ended up hiring ten. We gave those directives; at least there was consensus. I'm not 100% sure if there was a vote. So right then and there we kind of forced his hand on a couple of things. I agree with Alderman Roy. You don't want to give the impression that there's a fiscal management problem at the Police Department. There is not. We dealt them those two cards. And secondly, we're not managing things. So I think, with all due respect to Alderman Lopez and the Finance Officer, I believe the best place to do this is out of contingency and not put a further burden on them. I'll support taking it out of contingency, Your Honor.

Alderman Garrity stated we're going to fund this now or later, so I'll just move the question.

Alderman Shea requested a roll call vote on the motion.

Mayor Guinta called I also noticed out of the corner of my eye that Alderman Gatsas wanted to mention something.

Alderman Gatsas stated there's no question that I think the Police Department is doing a great job managing. Let's not forget for one second that there was \$457,000 in severance pay that's accommodating in that \$533,000. So if that severance pay was out of there, they'd be short by \$67,000. So this Board did a great job in putting a budget together. Obviously if anybody knew there was going to be \$457,000 in severance pay, we would have tried to adjust for that.

Alderman J. Roy stated I can guarantee there are going to be ten police and ten fire that retire every year, so you can add up the numbers and it's going to be somewhere in that vicinity.

Alderman Gatsas stated this is just the Police, but I think that's where the biggest hole is. This has nothing to do with the shortchange that we gave them or anything else. When that's in playing, you look at the salary adjustment for contingency, and you take \$457,000 out of there, it leaves us with \$150,000. I don't know what Fire got, but if you go through some of these you're going to find out that the salary adjustment that we put in place was a pretty good number, so I would think that we would move forward with the \$25,000. It has nothing to do with the Chief and I agree that looking at it that way is wrong. I think that it makes a lot more sense when you know that there's \$457,000 in contingency funds that were paid out for severance. There's a big difference there.

Alderman O'Neil stated I think we'd be remiss if we didn't congratulate Captain Kelly for the efforts of himself and his men and women. In one bust alone they took 73 or 75 guns off the street.

Mr. Kelly stated yes, that was last month.

Alderman O'Neil stated they deserve our thanks for that, for continuing to make Manchester a safer community.

Mr. Kelly stated we thank you for having the DAG program and continuing in our efforts in this endeavor. The men and women of the Police Department all thank you very much for it.

Mayor Guinta stated there is a motion on the floor at the moment, which was made by Alderman Garrity and seconded by Alderman Shea. Alderman Lopez, can you repeat the amendment?

Alderman Lopez moved to amend the motion, stipulating that the funding for the DAG program be taken out of the salary line item of the Police Department. The amendment was duly seconded by Alderman Shea.

Alderman Gatsas stated I don't think that's an appropriate line item. Buying drugs has nothing to do with salary. I think if we start picking and choosing and not staying with what's before us...Are you saying the salary line item or the salary adjustment contingency?

Mayor Guinta stated the salary line item for the Police Department.

Alderman J. Roy stated I'm confused. Is this coming out of contingency?

Mayor Guinta responded the amendment is for this money. Rather than having it come from contingency and transferring it to Police, he's amending that original motion by asking Police to take this out of their own salary line item for the moment. The question right now, for the roll call, is on that amendment.

Alderman Shea stated we have the Police Department telling us that they can agree to take it out of it. We have the Finance Director telling us that it's the best way to go. So the way I figure it, we should listen to these people and not micromanage what's going on in their departments. If they're willing to do that, we should agree with what they are recommending to us.

Alderman DeVries stated just a point of clarification...if you believe that the dollars should come from contingency, then that would be a "no" vote to the motion before us.

Mayor Guinta stated that is correct.

Alderman Gatsas requested a roll call vote on the motion.

Aldermen Gatsas, Sullivan, J. Roy, Pinard, O'Neil, DeVries, Garrity, Smith, Ouellette, Murphy, and M. Roy voted nay. Aldermen Osborne, Lopez and Shea voted yes. *The motion failed.*

*Mayor Guinta called for a vote on the original motion to provide funds for the DAG program from contingency. The motion carried, with **Alderman Shea** being duly recorded in opposition.*

11. **Reports of the Committee on Accounts, Revenue & Enrollment Administration**

The Committee on Accounts, Revenue & Enrollment respectfully recommends, after due and careful consideration, that the City enter into a contract with the Municipal Services Bureau (MSB) collection agency.

On motion of Alderman Lopez, duly seconded by Alderman Ouellette, it was voted to accept this report and adopt its recommendations.

The Committee on Accounts, Revenue & Enrollment respectfully recommends, after due and careful consideration, that the FY 2009 budget projection submitted by the Finance Officer be forwarded to the Board for informational purposes.

On motion of Alderman Murphy, duly seconded by Alderman Ouellette, it was voted to accept this report and adopt its recommendations.

12. Ordinance:

“Amending Sections 33.024, 33.025, & 33.026 (Consolidations of Building and Planning Departments to Planning and Community Development Department) of the Code of Ordinances of the City of Manchester.”

On motion of Alderman J. Roy, duly seconded by Alderman Pinard, it was voted to read this Ordinance by title only.

Ordinance:

“Amending Sections 33.024, 33.025, & 33.026 (Consolidations of Building and Planning Departments to Planning and Community Development Department) of the Code of Ordinances of the City of Manchester.”

On motion of Alderman J. Roy, duly seconded by Alderman Sullivan, it was voted to approve the Ordinance and ordain without referral to Committee. Aldermen Osborn, Garrity and O'Neil were duly recorded as voting in opposition.

13. Resolution:

“Amending the FY2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for the FY2009 CIP 610809 Manchester Emergency Housing Capital Improvements Project.”

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to read this Resolution by title only.

Resolution:

“Amending the FY2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for the FY2009 CIP 610809 Manchester Emergency Housing Capital Improvements Project.”

On motion of Alderman Sullivan, duly seconded by Alderman DeVries, it was voted that the Resolution pass and be Enrolled.

TABLED ITEMS

14. Recommendation from the Special Committee on Riverfront Activities receiving unanimous vote that the City purchase a certain .2633 acre parcel of land located at 2 Line Drive under the terms and conditions identified in the attached purchase and sales agreement.

(Note: The Board voted to accept and adopt the recommendation of the committee and it was then vetoed by Mayor Guinta. Additional communications have been provided by Pamela H. Goucher, Interim Planning Director and Leon L. LaFreniere, Building Commissioner, and forwarded to Board on September 8, 2008; Tabled 09/16/2008.)

This item remained on the table.

NEW BUSINESS

Alderman O'Neil stated there has been a lot of discussion by individual members of the Board over the last month or so about what we're going to do with the City Clerk. It would be my recommendation, and I would make a motion, that we start the process. It's going to take us many months as it us, but we just start the process of looking for a City Clerk.

Alderman O'Neil moved to begin the process of looking for a City Clerk. Alderman Murphy duly seconded the motion.

Alderman Lopez stated it's my opinion, I think that we should wait until the presentation of your budget and see where we're going. We know that we just did this. For example, you had 50 applications for a while and you went through the process...and I think you were quoted as well as I was quoted that we should wait until the budget process goes forward before we bring in new people. I think there is plenty of time to wait. That's just my opinion.

Alderman Murphy stated with all due respect to my colleague, my concern is that the process itself takes a substantial amount of time and there is no reason why we can't get the ball rolling now and then look at the numbers as we go through the budget process before making any sort of final decision. But we're weeks if not months behind the ball if we don't start now.

Alderman Lopez stated just to respond to that, I believe that the HR Director is tied up in many, many projects, and this is putting more on her plate. She's going through the insurance aspect and the budget process.

Alderman Ouellette stated I agree with Alderman Lopez. I don't see at this time...I think the department is running efficiently right now with its current status. I don't think there is a reason to rush to do this before the budget process. Just take the Parks & Recreation position...that has been an acting position for well over a year now, Your Honor. It's just not the proper time right now to move a name forward. I agree with you on that. I think we should handle this in the same manner and just slow down and let the budget process play out and then go forward.

Alderman DeVries stated echoing the sentiments of my esteemed colleague from Ward 11, certainly I would love to hear the update of where the Planning Director's position is at. I know we did start the process. I heard, as I believe Alderman Lopez indicated, that there were significant applicants for that position, 150, and the placing of that position has been derailed due to budget concerns, at least by the information that I have. So, I'd like to know if you have updated that position, Your Honor, or if you're still holding that that position should not be filled due to budget constraints.

Mayor Guinta asked I'm sorry, which position were you...

Alderman DeVries responded Planning Director.

Mayor Guinta stated Planning Director.

Alderman DeVries stated excuse me, not Planning Director; Parks & Recreation Director.

Mayor Guinta stated I'm not at a point where I want to publicly convey where we are in the process. We have had an interview process. There are some things that I am looking at before I make a final decision about how to move forward, but I prefer to try to address that at the next Board meeting.

Alderman DeVries stated in light of that, Your Honor, I'd like to say that when we deal with that would be the time that I would consider going forward with this request. Until that time I think that we should wait and refer this to the budget which will be at least started Thursday evening.

Alderman M. Roy stated I do have to voice my opinion because I respectfully disagree with many of my colleagues. When we look at the City Clerk's office, there is no redundancy. When we look at the Airport, Brian is here covering for the director. When we look at Parks, if Chuck isn't here as the interim director, we have Tom Matson and other people. The Fire Chief has deputies underneath him. Leon has Pam. When we look at our Clerk's office...and it's striking home today because of our moment of silence...I'd love to look at Matt Normand and say you don't have to be here tonight because of family concerns. If Matt's not here or Matt's not in that department, there's no one running the show. If during our last election Matt had gotten in a car accident, after setting up one of our local voting booths at 2:00 in the morning, we would have had a disgrace in the City of Manchester. So, I would implore my colleagues to at least start the process. If we're going to deal with the finances in July or let the Mayor deal with

the finances in his budget, let's get the process started so we at least have names that Matt can move forward. There are no deputies. There's no backup. There's no redundancy. We need to have someone that can step in Monday morning when Matt doesn't show up or Tuesday night when Matt has a personal issue. I hate to use him personally, but that's what it has come down to. He's the only person qualified to do the job in that department. And that's wrong. It's wrong for the taxpayer. It's wrong for city management.

Alderman O'Neil stated just a point...in approximately four to five weeks we're going to see a budget from you, correct?

Mayor Guinta responded yes.

Alderman O'Neil stated this is going to take months. By the time we advertise it, collect the applications and their resumes, ask Alderman Lopez to set up some process for the committee or the Board...it's a little different process than most of the department heads. So I encourage that we just get the ball rolling. We're not making any commitment, just getting it rolling.

***Alderman O'Neil** requested a roll call vote on the motion.*

Alderman J. Roy stated I agree that we need to get the ball rolling. I forget which Alderman it was who pointed out that HR was extremely busy, and that points to the fact that we need to start it even earlier if it's going to take a longer time. I'd also like to say that I'm against interim department heads altogether. I don't think it's a good practice. If it's the exception instead of the rule, that's okay. But if you have an interim department head and they send out a policy that you don't like as a worker, what do workers do? Well, that person might not be here in another few months. And they may not adhere to that new policy. However, if they have a new department head who sends out a new

policy they say, I don't like that policy but that's the way it's going to be, and they fall in line. We had a situation at the Fire Department which is a perfect example of why we don't want interim department heads. The interim department head is no longer the department head and he has to answer to somebody else who used to be underneath him. That's awkward at best. If we could eliminate having interim department heads in the future, that would be what I would favor, and I think that all goes back to us not budgeting properly for severance pay. They walk out the door. We have to pay them a severance package which we've negotiated in good faith, and how do we make it up? We leave that position open for six or eight months. And we all know it affects service.

A roll call vote was taken. Aldermen O'Neil, Shea, Garrity, Murphy, M. Roy, Gatsas, Sullivan, J. Roy and Pinard voted yea. Aldermen Lopez, DeVries, Smith, Ouellette voted nay. Alderman Osborne was duly recorded as abstaining. The motion carried.

Alderman Gatsas stated I had the Human Resources Director do some calculations that I guess she had been working on for a while, to see what the ability is to possibly have an early retirement package out there that we could have employees come to us by April 1st and see if we can't do a buyout. What I have here before us... there are 116 employees with 20 years of service to the City of Manchester and who are at least 55 years of age. The average salary is \$57,399.24 which relates to \$1,102 per week. If the employees retire prior to age 60 there is a 2% per year penalty taken from the pension of each year prior to age 60. There are 79 employees with 25 years of service to the City and who are at least 55 years of age. The average salary there is \$58,702 which relates to \$1,028 per week. A 2% buyout penalty is included in that one also. Let's assume for one second...and the assumptions that I made were that all 116 employees with 20 years and 79 employees which is 195 employees total, all come forward for early retirement and that being a \$10,000 payout if they left by April 1st. If you do the calculations it would cost us \$1,160,000 for the first group and \$790,000 for the second group for a total of \$1,950,000. If you took the wages and multiplied them out from the savings from a 12

week basis, it saves you \$2.6 million. I am not saying that those are the exact numbers or the ones that should be etched in stone but it is certainly something that we should be looking at to see if we can attract some of the higher paid employees that may make some room for some spots because we know it's going to be a tough budget time. This gives us an opportunity if people run to the plate, we know where we are and it certainly is a first step. I don't know how we move forward with it or whether this Board even wants to entertain the idea.

Alderman Garrity moved to send this item to the Committee on Human Resources/Insurance. The motion was duly seconded by Alderman M. Roy.

Alderman Gatsas stated I would rather see this kind of situation go to the full Finance Committee. I think a decision needs to be made quickly.

Mayor Guinta stated why don't we do this: We're having a meeting on Thursday. These are things that I think we should have fully vetted through staff before we bring it to this Board for consideration. There are a lot of things we are going to have to consider as a Board for the current fiscal year, that I would remind everybody is in deficit, as well as fiscal year 2010. It is the reason and the purpose that I wanted to have a joint meeting on Thursday evening so I could lay out for both Boards some of the challenges that we have and give everybody an opportunity to digest for six weeks prior to my formal budget address on where we are as a City and what we are going to have to consider as we move forward. I appreciate the sentiment. It is a sentiment that is being considered and one that we still have to try to consider where that money would actually come from, given that we have an existing deficit for fiscal year 2009 but it is something that, like many other ideas, is under review and evaluation.

Alderman Gatsas stated I don't question what you are saying but I think that it is very important. The money would actually come from what we have currently in place because if we paid \$10,000 for early exit for 195 employees, that would be \$1.9 million. In that same time frame from April to June, we would be saving \$2.6 million in wages. It's pretty simple how it works.

Mayor Guinta stated we haven't calculated severance for all of those employees, and again, I don't disagree that it is an issue that we should consider. What I am saying is that before we actually send it to Committee for public review, let's have staff do a complete and thorough evaluation and financial analysis of the total cost.

Alderman Gatsas stated I would reconsider Alderman Garrity's motion and get it to the HR Committee so that we can get this moving quick.

Alderman Lopez stated the only comment I have is...I am for it but I want to make sure that we have the correct information. Who is going to be involved, HR, the retirement branch...

Mayor Guinta interjected this should not be discussed at a Committee meeting until City staff has thoroughly reviewed the numbers. There is a reason for that. Again I don't disagree with the sentiment. It is something that is being evaluated like many other issues and options. We're having a meeting on Thursday about fiscal year 2010. If you want to refer it that is fine, but I will tell you, in my opinion, before there is a thorough review by staff, it shouldn't even be considered in open forum. There are too many questions. There are too many unknowns. I would prefer that staff do a thorough evaluation. I have at least an option to look at it and then the Board would have an option at that point to look at it. To have this drawn out publicly, I don't think that through the Committee process is the right approach.

Alderman Lopez stated I would like to finish my comment. I believe that there has to be staff but the question that I have for Tom Clark, because this is a benefit and personnel issue, would that be closed?

Mr. Clark stated discussion of buyouts and such would have to be a public meeting. It is not something that falls within the right-to-know law which allows you to close it out.

Alderman Lopez stated if we have a Committee meeting and we don't have anyone reporting to us, without any information, concrete, written documentation, how are we going to make that decision? Are we complying with the law?

Mayor Guinta stated I'm not sure. Again, I would like City staff to review the numbers and to evaluate a proposal and then put a proposal, if one is forthcoming, to an appropriate Committee or the full Board. I am not sure what you are going to do in Committee. Are you going to hash this out in Committee and try to figure out in public how this is going to happen? Why don't you let City staff review the options and then bring some ideas and proposals to you?

Alderman Lopez asked would that take two weeks?

Alderman O'Neil responded probably longer than that.

Mayor Guinta stated I think it probably would take a little bit longer than that.

Alderman Shea stated you keep referring to staff. What staff do you mean? The Finance Committee? What staff do you mean?

Mayor Guinta stated there are legal implications; there are fiscal implications and then there are Human Resources implications, so those three at least.

Alderman Shea stated so those three at least. That's okay with me.

Alderman Garrity stated there is no reason that staff can't give a report to the HR Committee. That is the responsibility of the HR Committee. City staff can compile a report with all the documents that are needed and then it will be discussed in HR. That is the appropriate Committee. I agree that City staff has to do some research and give the HR Committee a report.

Alderman J. Roy stated I agree with Alderman Garrity and time is of the essence. If I understand what Alderman Gatsas said, it's going to affect this year's budget, not 2010. It would be in this year's budget where we could save that money. It is not something we have a lot of time to spend and research.

Mayor Guinta stated it would affect this year's budget but it would also affect 2010 because you are likely not going to fill a majority of those positions as a cost saver for fiscal year 2010. Again, when you are in a deficit of \$2 million in the fiscal year 2009 budget, a lot of calculations have to be done as to who retires and what that implication is in terms of severance benefits. I am not sure yet that the overall savings in fiscal year 2009 can be achieved. All I am asking is that City staff review that prior to this being considered in a public forum at a committee level.

Alderman J. Roy stated I don't disagree with that. I just think it needs to be done quickly.

Alderman Garrity stated I will make that part of the motion, Your Honor.

Alderman Sullivan moved to amend the motion to instruct City staff to begin the planning and research process and to report to the Committee on Human Resources/Insurance.

Mayor Guinta asked that was a part of your motion Alderman Garrity, correct? So we don't have to make the amendment.

Alderman Garrity stated the motion is for City staff to compile the information that the Human Resources Committee is going to need to have the discussion in public forum.

Alderman Gatsas stated she has already compiled it.

Mayor Guinta stated I would ask the indulgence of the Board. I have told you that there are many different things being considered and many different things being evaluated.

Alderman Lopez asked how long is this going to take?

Mayor Guinta stated we will get it done in this fiscal year.

Alderman Gatsas stated if we don't do this immediately then there is no reason to do it.

Mayor Guinta interjected I don't disagree with you.

Alderman Gatsas stated I have the floor, Your Honor. You have to be talking of over 100 layoffs to make this thing work next year. If we can get people to retire early, we will find the money to pay them because there are one-time accounts that have an awful lot of money in them. What we should do is maybe send a directive to the department heads to find out if there are employees out there that are susceptible to that idea.

Mayor Guinta stated let me say it more succinctly. We are taking a look at this issue, which is something that I didn't want to have to say in public but I will have to now say it in public. We are evaluating this very issue. We are also evaluating many other issues. What I am respectfully asking is that you give City staff the time to sift through these very delicate issues prior to them being discussed at the committee level. That is what I am asking you. I don't think that is an inappropriate request. I also think that due to the fact that these are very personal decisions that implicate our employees, I would prefer to have staff fully vet the issues so that we don't have misinformation or wrong information come out of the committee level. That is all I am asking. As soon as things are done...Again, this is why I am having a meeting on Thursday evening so I can brief people on the different things that we are evaluating and considering. All I am asking is that before you have public discussions, you have the appropriate and pertinent financial implications. That is all that I am asking. I don't disagree with the issue. It is something that is actually being considered.

Alderman Gatsas stated Your Honor, you should have told this Board you were considering it because this is about 2009 and not your budget. This has nothing to do with 2010. This is about trying to get somewhat in line with the \$2 million that we have.

Mayor Guinta stated it has something to do with both because the likelihood...

Alderman Gatsas interjected I am guiding mine towards 2009.

Mayor Guinta stated the funds have to come out of 2009. It would impact 2009 employees but there is also an impact in 2010. That analysis is being done at the moment.

Alderman Gatsas asked how can it be done? Have you asked employees if they would like to take a buyout? Have you sent out a letter to employees?

Mayor Guinta replied no, not yet.

Alderman Gatsas asked how can we make a calculation until we know who wants to do it?

Alderman Lopez interjected they will all know tomorrow.

Mayor Guinta stated the calculations are not complete yet by City staff, Alderman. Until they are complete, I am not issuing a letter to any employee. I don't think that is appropriate.

Alderman Shea asked can we repeat the motion because we have talked a lot about the motion?

Mayor Guinta stated the motion is to refer this item to the Committee on Human Resources with a direction to City staff to do the financial analysis for consideration at the committee level for fiscal year 2009.

Alderman Shea asked that concurs with what you would like?

Alderman Lopez asked what is the time frame?

Alderman Gatsas stated we will have that Committee meeting on March 3, 2009, Your Honor.

Mayor Guinta stated they may not be ready by March 3rd, Alderman. I am not going to have mistakes made on something that is very critically important. We have a meeting on Thursday. Let's have some time for me to talk with staff privately and determine the likelihood of when this can come forward and I will give you an answer in two days.

Alderman Gatsas requested a roll call vote on the motion to send this item to the Human Resources Committee.

Alderman Lopez stated in two days.

Mayor Guinta stated no, not in two days. In two days I'm going to tell you when it's going to be ready.

A roll call vote was taken. Aldermen Gatsas, Sullivan, J. Roy, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Ouellette, Murphy, M. Roy voted yea. There being none opposed the motion carried.

Alderman Gatsas stated if we schedule an HR Committee meeting on March 3rd it will be at 4:00 P.M. before the public hearing for Corcoran.

Alderman O'Neil stated Your Honor, I hate to be bringing this up under these terms, but I'm very troubled. The Board voted to go back out for our insurance third party administrator, and we voted to do that, and I don't know if that's happening or not happening. What I'm troubled about, there's a lot of good information, misinformation...I don't know what to call it...out on the streets, as I refer to it. And that has to do with our insurance consultant. I've spoken to individual members of the Board, not everyone, but some, and some have bits and pieces of information. Does the Board need to approve going out for the insurance consulting? In an earlier conversation with

Attorney Clark, we may not, if it's a budgeted item, I guess. Word on the street is we're talking about terminating the current consultant's contract early. I'm greatly troubled by that. And thirdly, whether or not that requires a vote of this Board, and if there is a new consultant brought in, does that require a vote of the Board? I guess I feel slighted that the Board hasn't been involved in this discussion. Again, I'm relying on information I hear out on the streets, and I'm greatly troubled by this. There seems to be something going on behind the scenes and the Board is completely in the dark about it. If somebody wants to get something out tomorrow and explain what's going on, it would be greatly appreciated by me. I don't know why we're changing consultants when we're in the middle of going back out for a third party administrator.

Alderman Shea asked does that include Jack Sharry? Is that who you're talking about? I'm on the HR Committee. We didn't hear anything about that. Nothing.

Mayor Guinta asked is that a question for Alderman O'Neil?

Alderman Lopez responded it's a question for you, Your Honor.

Mayor Guinta stated I assume he's talking about our current consultant. That's who he's talking about.

Alderman Shea asked do you know anything about it, Your Honor?

Mayor Guinta stated this Board several months ago...was it a Board direction to issue the RFP or was it my direction? It was my direction to the HR Director to issue an RFP. That was done. We talked about it in a public meeting. Do you recall what month that was, Jane?

Ms. Jane Gile, Human Resources Director, responded I believe what was discussed at a public meeting was going out to bid for health insurance.

Mayor Guinta asked do you remember what meeting that was?

Ms. Gile responded no, I don't. I'm sorry.

Mayor Guinta stated I think it's fair to say it's the last quarter of 2008. At that meeting, I had stated publicly, and I believe I suggested we issue an RFP for consulting services. That's been moving forward. There's been no reason...

Alderman O'Neil stated with all due respect, Your Honor, I don't remember that coming up at a meeting.

Alderman Shea stated we've got the minutes of the meeting. Could you get the minutes of the meeting to the Board members, please? That would be helpful. Then we won't have to discuss what is or is not in the meetings. We'll know.

Mayor Guinta stated we'll put that together and I'll give you an update as to the status of that particular item, and I'll include that to the Board in writing.

Alderman Lopez stated I have a question for Tom Clark. Some of the questions that Alderman O'Neil raised...Is it the CEO's prerogative to do things versus the Board? I think those are the issues. If we have a contract with a consultant, is that a Board decision or is that the CEO's decision?

Mr. Clark responded the vast majority of consultant contracts are done by the departments, not by the Board. When this Board adopts a budget, it gives the departments funding to do certain things, including consultants' fees. If the fees are in a departmental budget, the department has the authority to spend those.

Alderman Lopez asked even though this Board approved the contract?

Mr. Clark responded I don't know if this Board approved the contract or not. I know the Board approved the funding, but whether or not it approved the contract, I don't know.

Alderman Lopez stated I think it's just a matter of separation of authority.

Alderman DeVries stated I guess my question would be for the HR Director as to why we went back out to bid.

Mayor Guinta stated I suggested it at that meeting whenever it was, in October or November. But I suggested it in public. There was a discussion about it, and I suggested that if we're going to consider...

Alderman DeVries interjected Your Honor, if you'd like to give us the reasons why you thought we should go out to bid, I would entertain you answering that question. I just thought maybe the director...

Mayor Guinta interjected we had issued an RFP regarding consulting services and before we made a decision about going back out to bid on something we just went out to bid on, something that is a very significant cost to the City, I thought it best to see what other, if any, options there were for consulting services. So, I asked the HR Director to move forward with that. They are going through a process right now responding to that

request. But I think it's in our best interest to always consider what options we have before us. The health insurance issue is obviously an important issue to people, not just to this Board, but to the employees. I want to make sure that we have the very best services as we make decisions as a Board that affect all of our employees. I thought it best to issue the RFP, and I would argue that on other services as well. It's customary for the City to issue RFP's for consulting services on a fairly regular basis. I don't recall when was the last time we issued an RFP on this particular service, but I think it was probably at least five years ago if not longer.

Alderman DeVries stated question is for the HR Director. Thank you, Your Honor. The time line that was indicated on how long it was going to take for us to go out for the RFP for insurance coverage for the City, what was that timeframe?

Ms. Gile responded just to back up a little bit, we have done the RFP for broker/consultant services. There was a selection committee that reviewed the proposals received. We received eight proposals from various consultants/brokers. As part of that review process we did interview five candidates and of those five candidates interviewed, there has been a proposal made for a selection for a consultant for the City. That is not been effectuated yet. We're on the timeframe such that, once that broker/consultant...it is a consultant...is in place, the bid process will begin for health insurance. We're hoping to get that out within the next couple of weeks. Based on that bid process going out, we're optimistic that proposals will be received and the turnaround will enable us, at the direction of the Board to be able to, if warranted, change plans by the new fiscal year. We would get the proposals back from the various health insurance vendors or carriers. They would be reviewed and a selection made. We should be ready to go somewhere around the end of April or the beginning of May with the selection of the health insurance carrier.

Alderman Shea stated you made reference to a selection committee...

Ms. Gile stated responding to the RFP...the selection committee was Bill Sanders...

Alderman Shea asked do you mean local officials in City government?

Ms. Gile responded yes.

Alderman O'Neil asked why wouldn't the Board have been told this?

Mayor Guinta responded Alderman, I said it at a public meeting.

Alderman O'Neil stated Your Honor, I'm going to give you the benefit of the doubt, but there isn't one Alderman who seems to remember this discussion. For the consultant? Nobody seems to have any knowledge. You would think it was going hand in hand with moving forward with...

Mayor Guinta interjected Alderman, this is what we will do. We will have the minutes researched and we will provide them to you. There was a discussion about this subject matter, and again, I don't recall which month, but I want to say it was the fourth quarter of 2008.

Alderman M. Roy stated I was going to go the direction that Alderman Shea went. To the HR Director, who besides Bill Sanders was on this selection committee?

Ms. Gile responded Bill Sanders, Harry Ntapalis, the benefits coordinator in the Human Resources Department, myself, and a representative from the Mayor's office. Alderman Gatsas was originally going to be involved but subsequently was unable to participate.

Alderman M. Roy asked was he invited to participate?

Ms. Gile responded he was on the original selection committee, yes.

Alderman M. Roy stated I have a question for the City Solicitor. I remember that the proposal to hire the previous consultant came to this Board. Why if that proposal came to this Board would a subsequent proposal for the same services and a termination of that previous action not come to this Board.?

Mr. Clark responded I believe the previous matter came before the Board for funding.

Alderman M. Roy stated so what you're saying is that once it is a funded and ongoing, the consultant can be changed by no action of the Board.

Mr. Clark stated that's the normal process, yes. Usually the departments handle the consultants.

Mayor Guinta asked so there has not been a deviation from the standard process? Is that what you're saying, Tom.

Mr. Clark responded not that I'm aware of, no.

Alderman M. Roy asked is there a dollar limit to that?

Mr. Clark responded no, there's no dollar limit to it. It's whatever you fund in the departments.

Alderman M. Roy stated so I'm going to give you a hypothetical situation. If the Mayor's office decides to change our waste management contract, which is a long term contract, he has the ability with no vote of the Board to change a multi-million dollar contract?

Mr. Clark responded no, he does not. That's not in his budget. You don't fund that through his budget.

Alderman M. Roy stated so we fund that through the Public Works budget, Highway Department budget?

Mr. Clark responded correct.

Alderman M. Roy asked so it's in his budget?

Mr. Clark responded no, the Mayor does not have control over that budget.

Alderman M. Roy asked but the consultant, you are saying, is in the Mayor's budget?

Mr. Clark responded no, it's in the HR budget.

Alderman M. Roy stated so the HR Director has the authority to...

Mr. Clark interjected she has the authority to administer the contract, yes.

Alderman M. Roy asked so our Public Works Director has the authority within his budget to terminate early and alter contracts with no vote of this Board?

Mr. Clark responded it depends upon the terms of the contract. That is a long term contract that requires cause for termination.

Alderman Murphy stated I think I'll hold a majority of my comments until I see the meeting minutes, but I very distinctly remember that meeting and I'll eat my words if I'm wrong, but I'm 99% positive that we authorized the health insurance to go out to bid and the word consultant never came up, not even once.

Mayor Guinta stated well again, Board action is not required for a department head to issue an RFP for consultant services.

Alderman Murphy stated but Your Honor, you've been sitting here insisting for 15 minutes now that we did take a vote on it.

Mayor Guinta stated I didn't say we took a vote. No, no, no, no. I said that I mentioned it. We didn't take a vote. I'm not saying that. I mentioned at that meeting that if we're going to move down the road of considering a change with our health benefits, we should issue an RFP for consulting services.

Alderman Murphy stated for health insurance.

Mayor Guinta stated no, for consulting services. That doesn't require a Board action. Just like when the Solicitor's office issues an RFP for counsel, he does it on his own. Bill Sanders does that for consulting services for Finance. That's a standard practice.

Alderman Murphy stated like I said, I'll hold the bulk of my comments until I see the minutes.

Alderman Ouellette stated I think that in my recollection I don't remember at the meeting...and I don't want to discuss that. I think Mr. Sharry has come before this occasions on many, many occasions to report directly to this Board on issues on health care, that if the department head went out for bid on the process...a bidding process for that service, I find it very disrespectful that not even a letter, a memo, anything, went out to any member of this Board, Your Honor. I'm very upset about this.

Mayor Guinta stated Alderman though, this is normal, standard procedure.

Alderman Ouellette stated I'm talking about courtesy.

Mayor Guinta stated all right. We'll get that information to the Board.

Alderman Lopez stated I was just wondering, since we're talking about all this. Where do we stand on a Chief Negotiator in the City? Are we going to get a Chief Negotiator? Are we going to hire somebody? Or is the HR Director going to be the Chief Negotiator?

Mayor Guinta responded no, the HR Director has asked me that same question in private and basically what I've said is I'll make a determination and address it through the budget process. There are two avenues. Obviously we can hire somebody or we can have a consultant come on. Or we could have a panel of existing staff. Those are the three areas that I'm considering.

Alderman Shea stated I'm going to bring up a subject that I was considered a naysayer for. That has to do with how the Civic Center was being funded. I was opposed to how it was being funded. We know now that the Civic Center is financed through the Rooms and Meals money coming from the state. My understanding is that the present governor has not included any Rooms and Meals money for the City of Manchester, as well as other communities. Is that correct, Your Honor?

Mayor Guinta responded in his budget address the Governor suspended all Rooms and Meals...his proposal suspends Rooms and Meals tax money to the municipalities, as well as the profit sharing. That has not been adopted by the legislature.

Alderman Shea stated so assuming that it's not adopted by the legislature, we have an insurance policy in place that obviously...my understanding is that that particular company that insured the City of Manchester has financial problems. However, it may not. The point that I'm trying to bring out is if, for instance, Your Honor, we do not get any money from the State for Rooms and Meals, and the insurance policy drawn up by the past administrators in Manchester...what happens? Does the City then have to pay the amount of money that is due for the mortgage on that particular...and again, I want to make it clear that I was for the Civic Center, but I was not sure how it was being funded at the time.

Mayor Guinta stated the question is rather complex. The answer that I can give you today is this: First of all, I've asked to see a copy of that policy so we can review it and get up to speed on what requirements and triggers there are in that policy. It's my opinion today that the City has an obligation, should that funding mechanism be eliminated. So we would have an obligation to somehow pay that payment.

Alderman Shea asked how much would that payment be, Your Honor?

Mayor Guinta responded I think it's around \$4 million.

Alderman Shea stated so that would have to come out of...if the insurance policy drawn up or if the Rooms and Meals doesn't come through, that would come out of taxpayers' money, is that correct?

Mayor Guinta responded correct.

Alderman Shea stated well hopefully and prayerfully that won't happen. I'm just bringing that up because I want people to be made aware that if we're given that additional hit, I don't know where we're going to get the money.

Mayor Guinta stated I am meeting with the Governor to have a follow-up conversation about his budget proposal. That will be done this week.

Alderman Shea stated so you can tell him we need the money from Rooms and Meals.

Mayor Guinta stated I've been very clear on that particular subject matter. And I'll continue to be very clear that I think there is a better way to deal with the challenges that the state has. But I will continue to convey that. I'm going to be meeting with him this week and hopefully we'll have a status for the Board of that particular meeting.

Alderman Shea stated now the snowballs are going to come from Alderman 2, so I'm going to duck.

Alderman Gatsas stated Your Honor, I think you remember those days. I'm not sure if you were sitting next to me. Maybe you weren't and maybe it was the predecessor in that seat. Ropes and Grey was in here on that Verizon Center deal and I asked that question 47 different ways from Sunday.

Mayor Guinta stated I have no doubt you did.

Alderman Gatsas stated I can tell you the answer was unequivocally, if the state doesn't send the money, the insurance policy kicks in. So not only do I want to see the same copy of the form that you have, I want to see the minutes of those meetings when those discussions were pretty heated in this Chamber.

Mayor Guinta stated what I'll do is have a copy of that policy issued to the Board for your full review.

Alderman Gatsas stated I'm looking for some legal counsel, Ropes and Grey, that was the bond counsel at that time, to issue a ruling on it. Because if not, they have E&O insurance and guess what?

Mayor Guinta stated I will ask the Clerk to research those minutes as well, so we can refresh everybody's memory as to that conversation. There's no doubt that it's a significant issue that we've got to consider.

Alderman Shea stated Your Honor, and I don't want to belabor this, but in the event that the insurance company that we were insured with is now either not...

Mayor Guinta interjected they're not defunct. As a matter of fact, I think their bond rating has actually increased or is about to...I thought it was increasing?

Mr. Sanders stated the insurance policy was with a company by the name of ACA; that was the acronym. They were retained back in 2000. They got involved in the sub-prime insurance business with a lot of other insurers who used to do municipal bonds, and they've been downgraded substantially over the last year. At the time that they did this policy they were a double A. They are today probably a triple B or less. They're probably junk bond status right now. The insurance policy is still active, but the

likelihood of recovering a claim would have to be investigated and pursued. It might be uncertain at best. It might even be unlikely or remote. It is not a healthy insurance company today. They are still active, but they are in run-out business and we would file a claim and we would have to see what would happen in the event this took place.

Alderman Shea stated so you're really saying in essence that we are solely dependent, in your opinion, on the Rooms and Meals money to take care of that mortgage. Is that more or less the conclusion here?

Mr. Sanders responded as the Mayor said, this is a complicated situation. Certainly at the moment the Rooms and Meals tax is the sole funder of that bond. I should point out, of course, that the City is not a guarantor of that bond. Based on the advice of bond counsel and others, and it has been the position of the City for many years, we do not guarantee those bonds. As this turns out, as it's been proposed by the Governor, the Aldermen and the Mayor and the City of Manchester will have to decide, although they don't guarantee it in a legal form, whether they would want to stand behind it.

Alderman Lopez stated the Governor put a road map out there. I think that we're going to...everybody and their brother is going to be watching very carefully, and we've got three capable senators up there from the City of Manchester, I'm sure they're going to protect our interest 100%.

Alderman Smith stated I'd just like to make note...we have a meeting March 3rd, but the next meeting is St. Patrick's Day on March 17th, so I want to make all my colleagues aware of the situation, that we'll be meeting March 17th to make our deliberations on a budget.

Alderman Murphy stated as you know, my husband owns an Irish restaurant and that's a high holy holiday for us, so I will not be here at the March 17th meeting.

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

A True Record. Attest.

City Clerk