

BOARD OF MAYOR AND ALDERMEN

April 7, 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, Garrity, Smith, Ouellette, Murphy

Absent: Alderman DeVries

Messrs: S. Bassett, R. Robidas, F. Mulcahy, P. Goucher, T. Clark, W. Sanders, J. Minkarah, D. Mara, S. Maranto, G. Simmons

3. Presentation by representatives from the Independent Auditor (McGladrey-Pullen) regarding the FY2008 Comprehensive Annual Financial Report (CAFR).
(Note: A copy of the report along with an observation letter which includes Finance responses has been sent to the Board under separate cover by the Finance Department.)

Mr. Scott Bassett, Partner McGladrey Pullen, stated I met earlier with the Committee on Accounts so tonight I will go over the CAFR and the financial results for the City as of June 30, 2008. We performed the audit according to generally accepted auditing standards as of June 30, 2008. The statements with one exception are presented according to generally accepted accounting principles. Now we have the yellow booklets that we can use to go through some of the highlights of the financial statements. Mayor, I suspect you want an overview of what we went through in detail earlier?

Mayor Guinta stated if you can give a brief overview and then we will open it up to questions.

Mr. Bassett stated page 23 is the balance sheet of the City as of June 30, 2008, and the first set of numbers I want to spend a little bit of time on. In the first column, the third section down, is the total fund equity for the General fund. There are three components to the fund balance of the General fund. There is the amount that is reserved for various projects. There are amounts that are designated for the tentative plans. Then there is the unreserved, undesignated. In the current year, you can go through and you can see the amounts that are reserved: \$227,000 for encumbrances, \$772,000 for inventory, \$2.3 million advanced from other funds, \$2.5 for workers comp and \$3.3 million for land held for resale. In addition to that we have amounts that are designated for health insurance at \$1.5 million, general liability insurance at \$500,000, special revenue at \$1.5 million, revenue stabilization at \$9.2 million and unreserved debts to the General fund at \$757,000. The first set of numbers is amounts that third parties reserved for. The designated portion is the amount that tentative plans have been made for and the deficit is when it is unreserved. For operating results turn to page 24 in the General fund. The General fund had a \$4.4 million decrease in its fund balance for the period ending June 30, 2008. That coincides pretty much with what has been budgeted for in the 2008 budget. We had \$3.5 million for special revenue and \$1 million from the revenue stabilization fund. We had anticipated expenditures being more than revenues in the 2008 year. If you turn to page 26, presented are the General fund budgetary statements. In the original budgets we had expenditures over revenues of \$4.2 million. The revised budget with additional appropriation was \$4.3 million. Actual results came in where expenditures again exceeded revenues by \$5.5 million. We had payroll variances in the Tax Department and \$350,000 payroll total expenditures on the expenditure side. Page 28 presents, in the bottom third of the page, the change of net assets. Water Works had a \$4.3 million positive increase in its net assets. EPD had a

\$4 million increase in its net assets. The Aviation fund had \$14 million increase in net assets. The big portion of that has to do with the capital contributions that the Aviation fund received of \$17 million. Page 32 presents statement changes in our pension trust funds. The net increase as of June 30, 2008, was \$13.6 million, leaving net assets to total \$165 million available for pension benefits for the year. Overall, from a control standpoint, I think the City did a fine job in correcting certain deficiencies that we have found in the past. They have provided a corrective action plan for some of the minor deficiencies that we have had in prior years. The overall audit and the record keeping was probably the best it has been since I have been here, as far as the timeliness of it and the efficiencies of writing the report. I think we gained some there. Overall we cleaned up three compliance findings also in the current year. The audit went very well.

4. Presentation by Frank Mulcahy, Certified Identity Theft Risk Management Specialist from Pre-Paid Legal Services, regarding Identity Theft Awareness Training Program.

(Note: Information has been sent to the Board under separate cover.)

Mr. Ronald Robidas, Security Manager/ADA Compliance Coordinator, stated good evening ladies and gentlemen. Thank you. Mr. Mulcahy will make his presentation in just a moment. I would like to give you a little history on how we arrived at this point. You should have received a packet from the City Clerk's office last week that we provided. Contained within the packet we will be asking you for two motions for the Board at the completion of Mr. Mulcahy's presentation. One of them is a letter from Identity Theft Protection and Legal Services, which asks you to allow Mr. Mulcahy and his company to come in and make the presentation to our City employees. We will be asking and explaining the reasons why. Included within there I would like to point out to you that right above the signature area there was some additional language that was added by the City Solicitor's office that clearly states the City of Manchester has not endorsed or recommended these plans. The City is in no way responsible or liable for the

cost of or services available under these plans. That is a caveat that Mr. Mulcahy agreed to and was recommended and put in by the City Solicitor's office. That would be one motion. The second motion we would ask the Board, after the completion of the presentation, is for adoption of the City policy. There is another packet included in there which is an Entitled Sensitive Information policy and program. That is a policy that has been formulated by the committee of City staff that we would be required to comply with by the Federal Trade Commission as of May 1st of this year. In reality it was supposed to be November 1st of 2008. However, they have extended that to May 1st for compliance. Therefore, we need to comply with the red flags, which is identity theft protection under the Federal Trade Commission. This has been a collaborative effort to this point from City staff. I would like to mention those who have been involved so that you can understand how we got to where we are. Involved with the program have been: Sharon Wickens, Lisa Sorenson and Bill Sanders, from the Finance Department; Tom Arnold from the City Solicitor's Office; Kevin Buckley, the Internal Auditor for the City; Jennie Angell, Rick Lindner, and John Fortier from Information Systems; June George, and Lisa Hynes from the Environmental Protection Division; and Mr. Phil Croadsdale and Freda Hawkinson from Water Works. There has been a collaborative effort from staff to reach this point in identifying our needs and what our policy should reflect. That is a little of the background on how we arrived here. Without any further ado, I will have Mr. Mulcahy make his presentation and then we will open up the questions and answers afterwards.

Mr. Frank Mulcahy, Pre-Paid Legal Services, stated I would like to thank you for the opportunity to come here on behalf of Pre-Paid Legal and Kroll. My purpose here is to identify the new rules, regulations, policies and procedures that are put forth on a federal and a state level and also to show a solution that is complementary to the City, so there is not going to be anything added to the budget. The first thing I would like to do is identify identity theft, what it truly is and how it is related to employers whether it is a municipality or a school, hospital or a nonprofit. Everybody has to abide by certain

facets of it and I am going to identify the identity theft training program that is offered to the City here tonight. Also the layered protection that I will continue if granted your permission to work with IT, HR, Finance and Legal by implementing reasonable steps at little to no cost. This will help to also lower the risk and minimize the exposure that the City may have because of identity theft. Who is being held responsible? Employers are now being held responsible for identity theft that occurs in the workplace according to an article by Business and Legal Reports. They now say that 52% of all identity theft is happening in the workplace. It is not really an IT issue. It is more or less an educational standard right now, where we try to get the frontline people to work with the employers to take this more seriously with the appropriate handling of information on all levels. I am going to show that it is spiraling out of control. You can go to a reference at a later point in time, privacyrights.org. They have a website out there that has 251 million data breaches since January of 2005. It reads like the who's who from banking and financial institutions to colleges and universities. There were 400,000 dead people who opened up bank accounts last year because they are watching people as they are dying and they are taking over their identities. The Secret Service has said that the trafficking of stolen data has now surpassed that of trafficking drugs and every three seconds in the United States somebody is becoming a victim. These are national standards. There are five different types of identity theft that the City will be looking at in training, including drivers license identity theft, social security identity theft and medical identity theft, one of the fastest growing today which has tremendous liability if the information gets lost under the wrong set of circumstances. I have a later slide that I will show you. About 70% of the time it becomes a legal issue and not just a financial issue. No matter where we look on a national scene from *USA Today* to *Readers Digest* to *Newsweek* to *Forbes*, we are looking at identity theft spiraling out of control. The Federal Trade Commission said in the year 2000 there were 70,000 cases reported to the Federal Trade Commission. In the year 2008, the figures just came out, it was 9.9 million cases reported. It is also hitting Manchester on a local level. In the *Manchester Express* dated April 5th, it says that local identity theft reports jumped 35%. What is interesting is, if you read that article it says

that it is not just organized crime and hackers anymore. It is people turning to the internet and teaching themselves how to become identity thieves because they can't pay their bills. It is becoming a hometown issue whether you are down in Houston, out in California or up here in New Hampshire. Identity theft is running out of control. Most recently up in Concord, they had an employee that was working for the local government center and she was actually arrested and accused of tampering with two back up tapes which could have affected 190,000 people. The Texas state lottery arrested somebody that stole every winter over \$600 for two years straight. Shell Oil just had a breach of 90% of all of their information for current and former employees. It was taken by an independent contractor on his thumb drive when he walked out. Again we don't know how the information is going to get out. Sometimes it is somebody who comes in and works as a temporary, sometimes it's an employee, and sometimes it is picked up on a Wi-Fi, but the information is leaking out. The cost to the businesses could be up to \$600 to repair it on business time, if it is lost on business time. The City could be liable for the actual losses, not just the punitive. The laws that we are going to discuss here real quickly are facts of the Fair and Accurate Credit Transaction Act and the red flag rules. New Hampshire is one of 43 states that have their own specific identity theft rules. In the packet that you have, it identifies the Fair and Accurate Credit Transaction Act. It says that the law applies to employers and individuals who maintain or otherwise possess information that is lost under the wrong set of circumstances. They also have to factor that they realized that it wasn't doing the job, so they enacted the FACTA red flag rules. Under the red flag rules it says that we should develop and implement privacy programs, and also we must obtain approval in writing from boards of directors, and again that is why we are here this evening. Then we would go forward with the training. It also says that you should oversee the oversight of third party vendors before you outsource any of the work. This is an alert that came out from the Federal Trade Commission in July of 2008. They came out with the new law January 1, 2008. It had to be enacted November 1, 2008. They did not know whether they were falling under the red flag rules. It was clear back in July of 2008 that the Federal Trade Commission said that municipalities

would also fall under these rules which require the written plan. You can see that it says where non-profit or government entities defer payment for goods or services they to are considered creditors. As a creditor the Federal Trade Commission suggests that you have a plan that can describe and mitigate the possible damages. It must be managed by the board of directors or senior employees and must have appropriate staff training and provide for the oversight of third party providers. A release came out from the Local Government Center again stating that all cities had to do it by November 1st but on October 28th the Federal Trade Commission extended the deadline to May 1, 2009, because it wasn't very clear to everybody who could fall under it. Consequently they came out with this extension, although many businesses don't realize that even though the FDC isn't enforcing compliance it doesn't mean that the businesses won't be liable if a data breach or loss of information occurs. The key issue is that the law was effective January 1, 2008, and the enforcement date begins on May 1, 2009. This is a reprint from the Federal Trade Commission and Bank Info Security. The City also falls under the Fair Credit Reporting Act because of the way that it does background screening and testing. In your packet you also have a booklet from the Federal Trade Commission. It is a personal guide for businesses fighting back. It asks on page 17 that everybody create a culture of security by implementing regular schedule of employee training. Make sure that the training includes employees at satellite offices, temporary help and seasonal workers and ask every employee to sign an agreement to follow the company's confidentiality and security standards for handling sensitive data, which again Mr. Robidas has. They also suggest that before outsourcing any work you investigate the third party to make sure the liability doesn't follow the data. What our company does is come in and creates an identity theft risk management system to minimize your risk again at very little or no cost to the City. Our program is overseen by former attorney generals from the states of Arizona and Virginia. Mike Moore is the most prominent. Mike was the lead attorneys general when the states took on tobacco for \$26 billion and they got together with the founder of our company and came out with what we call affirmative defense response, which basically is a six-pronged approach that we come in and help

start the compliance education and training process. It is going to be an ongoing effort and we come in with all the templates and the paperwork so you would have the paper trail from the beginning to the end to show that you have a security officer in place and you have a written plan that is enacted. All of our trainers are certified identity theft risk management specialists through the Institute of Fraud Risk Management so it is not as if somebody that doesn't understand identity theft is coming in and doing the training. We will also at that time show the employees how they can protect themselves again if they become a victim and why their and your customers' personal information needs to be protected in this new age of digital. Again, 52% of it is coming in the workplace where it is workers taking from workers. It is workers taking it from the IT just to make ends meet. Again, we are all certified by the Identity Theft Risk Management. The program is administered by two companies. One is Kroll Background America, founded in 1972. It is a Marsh McClellan Company listed on the New York Stock Exchange. We have offices in 25 countries with over 4,000 employees. Many are former FBI and CIA investigators, so when someone becomes a victim of identity theft we can launch an investigation and try to remediate it as quickly as possible through a methodical procedure. The other one is Pre-Paid Legal out of Ada, Oklahoma. Thirty-six year old New York Stock Exchange trade company Kroll came to us and they wanted us to go in there because we had attorney representation in all 50 states and four Canadian provinces. In the event that there was a breach we were able to go in there and mitigate the damages for the employees that chose on a voluntary basis to move into the program. We also provide you with a proof of mitigation plan, which is one of the requirements by the Federal Trade Commission and this here is where Mr. Robidas is going to ask you to approve showing that the City of Manchester is not endorsing it and is in no way liable for any cost if one of the employees decides to protect themselves with this voluntary benefit. We also provide you with confidentiality information policies where employees can sign and say that they received and acknowledged that they must comply with a number of state and federal laws. They understand that they must maintain all confidentiality of all documents that they run across in their employment and it says that

they received a copy of the non-public information policy and they acknowledge that they participated in a company sponsored privacy in the security identity theft training program. This could go a long way in reducing the risk should you have an employee that lost the information under the wrong set of circumstances. They can no longer say that they were not adequately trained. That is a defense that many people have used in the past. Again, in closing, before I open up to questions, our program was designed by our advisory counsel with the three former attorney generals. So just like OSHA, ADA, and HIPA are the providers, these secure laws are not optional. These are some things that should be considered and I thank you for your consideration tonight.

Alderman Gatsas asked how long is this training going to take?

Mr. Mulcahy replied it takes approximately one hour per group that I do, and it would be broken up into groups of 25 to 50. That would be up to the HR Department and Finance Department to decide which departments would be trained on what days.

Alderman Gatsas asked what is the cost to the City?

Mr. Mulcahy replied there is no cost to the City, sir.

Alderman Gatsas asked what is the cost to the employee?

Mr. Mulcahy replied if the employee decides to enroll in a voluntary benefit, which has the ability to be protected against identity theft from Kroll, we monitor their background, their credit reports, and if they should have a breach we launch the investigation and work to cure their driver's license, medical information, professional licenses, any criminal charges against them and all of their creditors back to the pre-breach condition. We also include in there a list of legal services that they can use for everyday legal events, where they can have their wills created. They can have representation....

Alderman Gatsas interjected you are not answering my question.

Mr. Mulcahy replied all of that is \$25.90 a month on a voluntary basis. That is \$.85 a day.

Alderman Gatsas stated that is basically somewhere around \$300 a year.

Mr. Mulcahy stated yes, sir, on a voluntary basis to the employee.

Alderman Gatsas asked how long is the contract for?

Mr. Mulcahy replied the contract is month to month so if the employee runs across tough times and can't afford it, all they have to do is tell the HR Department that they can't afford it any longer and drop out.

Alderman Gatsas asked is that a payroll deduction?

Mr. Mulcahy replied it could be a payroll deduction. We also have a white card which is a...

Alderman Gatsas interjected it can't be a payroll deduction unless they authorize it.

Mr. Mulcahy stated right, we have a white card that also says that they can put in on their credit card or checking account as well.

Alderman O'Neil asked why didn't this go through another process other than a full presentation to the Board?

Mayor Guinta stated I would think it would be appropriate for this to be at least the Committee level and while it doesn't require an RFP process because there is no cost to the City, I suspect that there is more than one company who provides this service so I think some of these issues should be flushed out at Committee level.

Mr. Robidas stated Your Honor, if we may, we discussed that and we are not aware of any company...there are other companies that offer the same type of services but there are no other companies that we are aware of that are willing to come in and train at no cost to the City and do all the training for the City employees. Additionally we are butting up against a time limit. We have to be enacted by May 1st of this year. With all of those things we have looked at this for the past couple of months, and again, we are not aware of any company that is willing to come in and do the training for free. There are companies that offer similar services but not the training that goes along with it.

Mayor Guinta asked did you find out that there were no other companies because you issued an RFP? How did you come to the determination?

Mr. Robidas replied we looked at what was available online and what the different companies offer.

Mayor Guinta asked did you speak to any other companies?

Mr. Robidas replied no, we just looked at their sites to see what they offered and to see what their costs were.

Mayor Guinta stated they have extended this deadline from November to May. Isn't there some opportunity for us to...is every city in the country required to do this?

Mr. Robidas replied yes.

Mayor Guinta asked are they all in compliance?

Mr. Robidas replied no.

Mayor Guinta asked is anyone in compliance?

Mr. Robidas replied I would defer to Mr. Mulcahy who does this regularly as to who may or may not be in compliance.

Mr. Mulcahy stated it is hard to say how many are in compliance, Mayor. Again, the laws are coming so fast. When we had HIPA we had four year to enact it. When they came out with the red flags they gave the employers ten months and they did grant them a six month extension, but again, the identity theft is running out of control so fast, they pass on legislation faster than people can enact it.

Mayor Guinta asked what is the penalty if we don't enact this by May?

Mr. Robidas replied if we are cited by the Federal Trade Commission then it is whatever penalties they deem.

Mayor Guinta asked what are the penalties in the law? I assume they enumerated this.

Mr. Mulcahy replied under the FACTA law, you can have federal liability up to \$2,500 per occurrence, \$1,000 civil liability per occurrence and the actual cost of damages if you have an affected employee whose information was lost. Recently there have been a couple of settlements. CVS Pharmacy down in Liberty, Texas, was cited by the attorney general for not having a plan in place. In March of 2008 they were cited for a \$315,000 fine and then on February 18th of this year the Federal Trade Commission, in concert with

the Office of Civil Rights and Health and Human Services, levied a \$2.25 million fine against CVS Pharmacy again for not having a written plan in place.

Mayor Guinta asked have they levied any against a municipality?

Mr. Mulcahy replied I don't have that information with me, sir.

Alderman O'Neil asked originally this was around for ten months then there was a six month extension. So it was sixteen months and now we have six weeks to implement it?

Mayor Guinta stated I think we should send this to the Committee.

Alderman O'Neil stated we are just now seeing this for the first time.

Mayor Guinta stated I agree with you, Alderman, and I think we should send it to Committee.

On motion of Alderman Garrity, duly seconded by Alderman J. Roy, it was voted to refer this to the Committee on Human Resources.

CONSENT AGENDA

Mayor Guinta advised 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 January 1, 2008 (two meetings), January 15, 2008 (two Meetings), February 5, 2008 (one meeting), February 19, 2009 (two meetings), and February 20, 2008 (one meeting).

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

- B. Sidewalk Petitions:

627 Central Street
427 Belmont Street
429 Brunelle Avenue
761 Hanover Street
30 Tanglewood Court

Approve under supervision of the Department of Highways

- C. Pole petition:
#11-1239 Auburn, South and Back Roads

Information to be Received and Filed

- D. Communication from Howard McCarthy requesting time to address the Board of Mayor and Aldermen.
- E. Monthly Bulletin from the City of Manchester Health Department for March 2009.
- G. Communication from Jay Minkarah, Economic Development Director, forwarding a letter from the Congressional delegation to the US Post Master General.

REFERRALS TO COMMITTEES

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

- H.** Communication from the Manchester taxi industry requesting an increase of current taxi rates.

COMMITTEE ON COMMUNITY IMPROVEMENT

- I.** Communication from Kevin Sheppard, Public Works Director, requesting authorization to accept funds in the amount of \$17,425 from the State Department of Environmental Services for Household Hazardous Waste Collection Projects.

COMMITTEE ON LANDS AND BUILDINGS

- K.** Communication from John Gimas of Gimas Electric requesting permission to use the existing sign and display structure located at 60 Beech Street.

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

- N.** Advising that the travel summary reports from various City departments have been received and filed.
(Unanimous vote)
- O.** Advising that unresolved observations from prior audits as submitted by Kevin Buckley, Internal Auditor, has been resolved and recommends that the report be accepted.
(Unanimous vote)
- Q.** Advising that the communication from Bryan Christiansen from Comcast notifying the Board of price increases for cable services and equipment has been received and filed.
(Unanimous vote with the exception of Aldermen Garrity and Murphy who were absent.)

- R.** Recommending that the current taxi rate of \$.40 per one-sixth of a mile be changed to the prior rate structure of \$.25 per one-sixth of a mile.
(Unanimous vote with the exception of Aldermen Garrity and Murphy who were absent.)

COMMITTEE ON COMMUNITY IMPROVEMENT

- S.** Recommending that the \$4,000 grant received from the New Hampshire Department of Resources and Economic Development be accepted; and for such purpose an amending resolution and budget authorization have been submitted.
(Unanimous vote)
- T.** Recommending that the request from Fred McNeill, EPD, for various revisions to EPD projects contained within the 2008 and 2009 CIP budget be approved, and for such purpose an amending resolution and budget authorization have been submitted.
(Unanimous vote)
- U.** Recommending that the request from Bruce Thomas for additional funding in the amount of \$1,239,624 for the Nazaire-Biron Bridge project, CIP #711109 be approved.

The Committee further recommends the funds be transferred from the Granite Street Reconstruction Project, CIP #713107.

(Note: CIP staff will be presenting a bond transfer at the next meeting of the Board to effect the transfer from CIP #713107 Granite Street Reconstruction to CIP # 711109 Nazaire-Biron Bridge.)

(Unanimous vote)

- V.** Recommending that a request for the acceptance and expenditure of \$1,666,000 in State reimbursement funds to be used to cover eligible construction costs on the Granite Street Reconstruction Project, CIP #713107 be approved.

The Committee further recommends that \$1,239,624 be transferred to the Nazaire Biron Bridge Project, CIP #711109, leaving a remaining balance of \$426,376.

(Note: CIP staff will be presenting a bond transfer at the next meeting of the Board to effect the transfer from CIP #713107 Granite Street Reconstruction to CIP # 711109 Nazaire Biron Bridge.)

(Unanimous vote)

COMMITTEE ON LANDS AND BUILDINGS

- W.** Recommending that the communication from Alderman Peter Sullivan regarding a Green Buildings Task Force be referred to the Planning and Community Development Department.
(Unanimous vote)
- X.** Recommending that the request from Jay Minkarah, Economic Development Director, to place a public sculpture on property located at the intersection of Old Granite and Granite Streets be approved.
(Unanimous vote)

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

COMMITTEE ON BILLS ON SECOND READING

- J.** Communication from Pamela Goucher, Deputy Director of Planning & Zoning, regarding the rezoning request for Second Street/Master Street.

Alderman Smith stated thank you, Your Honor. This is in my Ward and I did meet with the abutters and the owner of the facility and there was some disagreement. I would like to ask somebody from Planning and Zoning if they have heard anything from the abutters or as it states here, if the abutters are agreeable to this. If the abutters are agreeable then I am agreeable.

Mayor Guinta asked are they agreeable?

Ms. Pamela Goucher, Deputy Director of Planning & Zoning, stated Alderman, I am not aware of whether they are agreeable or not, which is why there is sort of a side bar in the technical report that was included in your agenda. The reason I say that is when the project originally went to the Planning Board for the Subaru expansion, there were a

number of concerns by the abutters saying that they did not want to see any expansion on the Master Street property. In fact the Board went as far as to put a condition on the subdivision that was reported as stating that there would not be any expansion of commercial use on that property. When the rezoning application came in to us and I had some discussions with the owner of the property, he indicated to me that there had been a number of meetings with the neighborhood and they were all fine with this. When I brought this petition to the Planning Board, they typically like to weight in on any rezoning requests and submit a letter to this Board. They were hesitant to do that on this particular case because they had only been aware of the original opposition by the neighbors at the time they saw the plan. Now a few years later, they are being told the abutters are all on board. The Planning Board in this instance wanted to defer any comments until this actually went to hearing and the abutters would have their opportunity to speak on the request for the rezoning.

Mayor Guinta asked that would be at Bills on Second Reading?

Ms. Goucher replied normally this would be referred to Bills on Second Reading for them to set the public hearing.

Alderman Smith stated the only reason that I bring this up is if you remember they demolished one house and then the other two. I believe they are on Hill Street. They were very opposed to this situation. I did meet with them and they were somewhat agreeable. I just want to make sure that they are okay with the presentation. I don't have any problem with it if that is the case. I would hope that you would follow up with that.

Ms. Goucher stated when the Clerk's Office sets the meeting for the public hearing on this matter, those abutters will be notified and I would expect them to come and speak either for or against the rezoning petition.

On motion of Alderman Smith, duly seconded by Alderman Garrity, it was voted to refer this item to the Committee on Bills on Second Reading for a date to be set by the City Clerk for a public hearing.

COMMITTEE ON FINANCE

L. Resolutions:

“Amending the FY 2009 Community Improvement Program, authorizing and appropriating funds in the amount of Four Thousand Dollars (\$4,000) for the FY 2009 CIP 612609 DRED Marketing Grant.”

“Amending the FY 2008 and 2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eight Million Dollars (\$8,000,000) for various FY 2008 and 2009 CIP EPD Projects.”

“Amending the FY 2007 and 2008 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eight Hundred Thirty Thousand One Hundred Eighty Seven Dollars and Seventy Four Cents (\$830,187.74) for the FY 2008 CIP 710908 Construction Cohas Brook Phase II-Contract 3.”

“Amending the FY 2007 Community Improvement Program, authorizing and appropriating funds in the amount of One Million Six Hundred Sixty Six Thousand Dollars (\$1,666,000) for the FY 2007 CIP 713107 Granite Street Reconstruction-Phase 3 Project.”

M. Appropriating Resolutions:

“A Resolution appropriating to the Parking Fund the sum of \$4,886,940 from Parking for the Fiscal Year 2010.”

“A Resolution appropriating the sum of \$15,169,079 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2010.”

“A Resolution appropriating the sum of \$3,303,000 from Recreation User Charges to the Recreation Division for Fiscal Year 2010.”

“A Resolution appropriating to the Manchester Transit Authority the sum of \$900,000 for the Fiscal Year 2010.”

“A Resolution appropriating to the Manchester School District the sum of \$146,100,000 for the Fiscal Year 2010.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2010 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year under the Financing Agreement.”

“A Resolution appropriating to the Manchester Airport Authority the sum of \$52,768,681 from Special Airport Revenue Funds for Fiscal Year 2010.”

“A Resolution appropriating to the Manchester School Food and Nutrition Services Program the sum of \$5,585,500 from School Food and Nutrition Services Revenues for Fiscal Year 2010.”

“Amending a Resolution ‘Raising Monies and Making Appropriations for the Fiscal Year 2010’ to \$126,682,940.”

“A Resolution appropriating to the Central Business Service District the sum of \$244,000 from Central Business Service District Funds for Fiscal Year 2010.”

Alderman Gatsas stated I am looking for a clarification from the City Solicitor. Tom, these have to go to Finance first and what we did last year was move them from Finance to the full Board?

Mr. Thomas Clark, City Solicitor, stated correct. Laws used to exist that stated that it has to be referred to Committee so last year you referred it to Committee on the same night you voted it back out to the Board to work on it.

On motion of Alderman Gatsas, duly seconded by Alderman M. Roy, it was voted to refer the Resolutions in item L and item M to the Committee on Finance.

**COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE
ADMINISTRATION**

P. Advising after due and careful consideration, that the communication from Gerry Fleury requesting support of HB 149 be forwarded to the Board without recommendation.

(Unanimous vote with the exception of Aldermen Garrity and Murphy who were absent.)

Alderman O'Neil stated Your Honor, this issue regarding HB 149 came up before the Committee on Administration. Representative Pilotte is looking for some direction on a committee that I believe he chaired. The Committee has no authority to make a recommendation one way or another so maybe we can get some direction.

Mayor Guinta stated I know it has passed the House.

Alderman O'Neil stated so it is going over to the Senate. Are you taking a position?

Mayor Guinta stated we are monitoring it at the moment. I was waiting to see what happened in committee. It does not appear, based on the review of it, that there is any fiscal impact.

Alderman O'Neil asked can we hear quickly from Mr. Fleury? They were looking for direction from us and we didn't give any.

Mayor Guinta stated well, they passed it. In your opinion do we still have no fiscal impact?

Mr. Gerard Fleury, Executive Director of the Employees Contributory Retirement System, responded it is kind of a convoluted question. Are there costs associated with the processes described in the law? Yes there are, but those costs already exist. They are in the City's budget that you have been working with. They are part of the evaluation

looked at by the actuary so it is a recognition of a situation that has been corrected and this law clarifies the statute so that an error in misinterpretation of the statute won't reoccur.

Mayor Guinta asked in your opinion, is this a housekeeping or a technical correction?

Mr. Fleury replied that is correct.

Alderman J. Roy stated correct me if I am wrong, Mr. Fleury, but I think when we were in front of the Committee you said this is actually what has been transpiring over the past several years.

Mr. Fleury replied that is correct.

Alderman J. Roy stated you are just now realizing that the language wasn't appropriate for that to happen so you just want it to be changed so that we can continue doing business as usual.

Mr. Fleury stated that is correct.

On motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to support HB 149. Alderman Gatsas was duly recorded as abstaining from the vote.

6. Nomination(s) to be presented by Mayor Guinta.

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

Nick Soggu to succeed himself as a member of the Manchester Development Corp., term to expire March 11, 2012;

Cathleen Shmidt to succeed herself as a member of the Manchester Development Corp., term to expire March 11, 2012;

Michael McCluskey to succeed himself as a member of the Manchester Development Corp., term to expire March 11, 2012;

Robert Martel to succeed himself as a member of the Planning Board, term to expire May 1, 2012;

Louis Demato to succeed Karen Roberge (term limit) as a member of the Planning Board, term to expire May 1, 2012;

Donna Daneke to succeed Louis Demato as an alternate member of the Planning Board, term to expire May 1, 2011;

Christopher Thompson to succeed himself as an alternate member of the Planning Board, term to expire May 1, 2012;

Robert Haley to succeed himself as a member of the Fire Commission, term to expire May 1, 2012.

On motion of Alderman M. Roy, duly seconded by Alderman O'Neil, it was voted to suspend the rules and confirm Nick Soggu, Michael McCluskey, Cathleen Schmidt, Robert Martel, Louis Demato, Christopher Thompson and Robert Haley.

Mayor Guinta stated the other nominations will layover till the next meeting, pursuant to Rule 20 of the Board of Mayor and Aldermen.

7. Legislative Update presented by Mayor Guinta, if available.

Alderman O'Neil stated nice job with the background of who the sponsor is. I am guessing that is who the sponsors are. Nice job. Thank you very much.

On motion of Alderman Murphy, 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.

10. Report of the Committee on Finance

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

“Amending the FY 2009 Community Improvement Program, authorizing and appropriating funds in the amount of Four Thousand Dollars (\$4,000) for the FY 2009 CIP 612609 DRED Marketing Grant.”

“Amending the FY 2008 and 2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eight Million Dollars (\$8,000,000) for various FY 2008 and 2009 CIP EPD Projects.”

“Amending the FY 2007 and 2008 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eight Hundred Thirty Thousand One Hundred Eighty Seven Dollars and Seventy Four Cents (\$830,187.74) for the FY 2008 CIP 710908 Construction Cohas Brook Phase II-Contract 3.”

“Amending the FY 2007 Community Improvement Program, authorizing and appropriating funds in the amount of One Million Six Hundred Sixty Six Thousand Dollars (\$1,666,000) for the FY 2007 CIP 713107 Granite Street Reconstruction-Phase 3 Project.”

ought to pass and be enrolled.

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

11. Report(s) of the Committee on Community Improvement

There were no reports of the Committee on Community Improvement.

12. Reports of the Committee on Public Safety, Health and Traffic

The Committee on Public Safety, Health and Traffic respectfully advises, after due and careful consideration, that it has approved:

“Ordinance establishing a temporary exemption to Section 71.13 Overnight Winter Parking of the Code of Ordinances of the City of Manchester.”

and recommends that same be referred to the Committee on Bills on Second Reading for technical review.

Alderman O’Neil stated the intent is to lift the parking band immediately.

Alderman O’Neil moved to suspend the rules. The motion was duly seconded by Alderman J. Roy.

Alderman O’Neil stated just to clarify, this is only for this year. The intent is just because the weather is on our side.

Alderman Lopez asked overnight winter parking I thought was under the Highway Department? Am I missing something here?

Mr. Clark stated there is an Ordinance in effect that sets the dates from November 15th through May 15th. This Ordinance ends it on April 15th if you pass it tonight.

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

On motion of Alderman O’Neil, duly seconded by Alderman Sullivan, it was voted that the Ordinance be ordained.

The Committee on Public Safety, Health and Traffic respectfully advises, after due and careful consideration, that it has approved

“Ordinance amending Chapter 70 Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester Section 70.54 Parking in lieu of coin deposit and parking districts by adding Plaza Drive to district 27, add district 30 Granite Street lot and correct various clerical errors”

and recommends that the same be referred to the Committee on Bills on Second Reading for technical review.

Alderman Shea moved to accept the report and adopt the recommendations. Alderman Ouellette duly seconded the motion.

Alderman Shea stated this is City property and the City can receive funds for the parking here which is obviously being used now but no funding is being returned to the City so I recommend that we amend that so that it does not have to be referred to the Committee on Bills on Second Reading and we implement it this evening. In other words, I don't want it to go to the Committee on Bills on Second Reading.

Acting City Clerk Matt Normand stated I think he is recommending we suspend the rules. With a penalty Ordinance or an Ordinance dealing with money it has to go to Committee.

Mayor Guinta asked it does have to go to Bills on Second Reading?

Alderman Shea asked may I suggest the Committee on Bills on Second Reading have their meeting as soon as possible?

Mayor Guinta replied yes.

Mayor Guinta called for a vote on the motion to accept the report of the Committee and adopt their recommendations. There being none opposed, the motion carried.

13. 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 FY 2008 comprehensive annual financial report, the independent auditors audit comments and management responses be referred to the Board for review.

Alderman Sullivan moved to accept the report. Alderman M. Roy duly seconded the motion. There being none opposed, the motion carried.

Alderman Gatsas stated I would like to commend Mr. Sanders on a report that probably for the first time since I've sat here, the management letter didn't look so bad. I congratulate you.

Mr. William Sanders, Finance Officer, stated on behalf of all the department heads in the City and the business service officer of the City I congratulate them.

The Committee on Accounts, Enrollment and Revenue Administration respectfully recommends, after due and careful consideration, that the FY 2009 budget projections date April 7, 2009 as submitted by the Finance Officer be referred to the Board for informational purposes.

Alderman Sullivan moved to accept the report of the Committee. Alderman Lopez duly seconded the motion.

Alderman Lopez stated I think it would be appropriate if the Finance Officer would go over some of the items that he has presented to the Committee on Accounts, Enrollment and Revenue Administration so that everybody is well aware.

Mr. Sanders stated attached to your agenda is our updated projection for FY 2009.

There will be a request going to department heads tomorrow requesting a further update that would be available for the second meeting this month. This was based on their early March projections. As you can see in the attachment, the estimated shortfall at this point in time for FY 2009 is \$1,559,352. The shortfall would be recovered by a charge to the Rainy Day fund. The estimated deficit is attributable to substantial reductions in estimated revenues for auto registrations, interest incomes, building permits, and parking revenues. The revenue shortfall is about \$2.6 million and it is currently projected to be offset by an expenditure surplus of approximately \$1.1 million. I commend the department heads for the management of their budgets. It should be noted that the FY 2009 forecast continues to include the second installment of the FY 2009 state revenue sharing of \$1,997,857 which under current law will be paid in September. In the Governor's February budget message, he proposed suspending the payment of state revenue sharing. If the Governor's proposal is approved by the NH Legislature the City's FY 2009 net deficit will increase by that amount to a net deficit of \$3,537,209.

Alderman Lopez stated I would like to make a couple of comments, Your Honor. First, if state law prevails, in the Mayor's budget we have a \$4 million revenue. Then in November when you go up there if the law prevails that the Senate passes the Governor's budget, that is a tax increase of 2.1%?

Mr. Sanders responded it would be a little bit over 2%. It would probably be about 2.4%.

Alderman Lopez stated secondly, I have read a lot of print in the paper and heard a lot on the radio of people referring to last year's budget. The interest rate in the Finance Department...we have a \$1.325 million shortfall that includes some of the parking as I understand it. What is the breakdown on the interest we did not receive?

Mr. Sanders stated our interest shortfall right now is estimated for the full year to be about \$700,000.

Alderman Lopez stated the other big item is the Tax Collector in reference to vehicles. I think we calculated X number of vehicles and unfortunately the economy went sour and that ended up short \$1.1 million. I think at the bottom line of \$1.5 million, as you have already mentioned the departments have done an excellent job and I think that they will continue to do an excellent job, even though the revenue is not there. The criticism from some people is about the budget that was presented last year. I think the Board of Mayor and Aldermen did an excellent job in presenting what we felt was a good budget moving into 2009. A budget is just what it is. It is a guide to move forward. You can't guarantee the revenue that is going to come in. You can't guarantee the interest or the economy. In this bad situation I think we did a fair job in moving forward and the budget will continue to do the same thing.

On motion of Alderman Sullivan, duly seconded by Alderman Lopez, it was voted to accept the report of the Committee and adopt their recommendations.

14. Communication from Chuck DePrima, Acting Director of Parks, Recreation and Cemetery Department, requesting approval of the indemnification section (#21) of the contract between the City of Manchester and the Association of United States Delegates of the Gulf of Maine Council.

Alderman O'Neil asked can we have a quick overview of what this is?

Mayor Guinta stated it is a contract for the Black Brook Dam removal.

On motion of Alderman Osborne, duly seconded by Alderman M. Roy, it was voted to approve this item.

Item number 15 and letter F were taken together.

- 15.** Communication from Jay Minkarah, Economic Development Director, requesting to enter into a Memorandum of Understanding between the City of Manchester and the State of New Hampshire Department of Transportation.

- F.** Communication from Jay Minkarah, Economic Development Director, submitting an update on expenditures for the Manchester Transit Center.

Alderman Shea stated thank you, Your Honor. The reason I asked Jay to prepare this report, and again I am asking that later on he will come forward, is that we have spent so far about \$39,462 and if we do enter into an MOU, we would contribute \$40,000, so that would be \$80,000. My point is we have to eventually have a stopping point at which the City is contributing money. In other words, if we keep contributing \$8,000 or \$9,000 a month it is just foolish because the people that are entering the buses there have to pay to get on the buses. Everyone in the City waits for a bus. We are providing a \$9,000 amenity for people just to go inside to wait for a bus because they have to board the bus to either buy a ticket or to get on the bus to go buy a ticket down at Londonderry. It makes no sense for us to continue pouring the equivalent of \$9,000 or \$10,000 a month just to keep a place open when we really have money issues in the City itself. What I am asking is that the Board makes a decision that we finally decide as to when we are going to get that MOU with the state finalized. I know that we have material here from the Southern New Hampshire Planning Commission supporting this and I know in speaking to Alderman Gatsas that this is very instrumental in trying to help people out. He has mentioned to Jay a particular project that is forthcoming. Jay, could you present a little bit so that we can get our hands around this project?

Mayor Guinta stated it does appear that in order to receive the CMAQ funds there is a requirement that we approve this. It does require a \$40,000 match from the City and I do agree with Alderman Shea that the quicker we get this accomplished, the quicker we can stop the subsidy from the City.

Mr. Jay Minkarah, Economic Development Director, stated that is correct. It is required in order to get the CMAQ funding that we do enter into the MOU with the state. With the two issues on the table, I would like to give a little background to catch us up to where we are and how we got to the point that we are at now. I think as the Board recalls, we assumed operation of the bus station on November 17th. That was the point at which Concord Coach ceased to operate the facility itself although through the efforts of Alderman Gatsas and the Mayor's office they did agree to maintain some limited service. That is in essence why are operating the facility and Alderman Shea is correct we are spending between \$9,000 and \$10,000 a month at this point to maintain that facility. We did successfully apply for federal Congestion Mitigation and Air Quality (CMAQ) funds in December. That was approved by the state's CMAQ Board. We were prepared to move forward but unfortunately we found, much to our surprise, the Federal Highway Administration denied our grant request in January. We did a lot of scrambling on the part of several people and without going into a lot of detail we did succeed in getting them to reverse that decision. The key to that of course was that we had to enter into the MOU and we had to reach a consensus as to what the improvements were that were necessary at the bus station. Since we did receive notification that we were preliminarily approved, we have been working with the Facilities Division and the MTA as well as the Boston Express or Concord Coach to agree upon a scope of improvements. We also brought in a professional architectural firm to help us on the costing issues and the materials issues. What you see before you this evening is the result of that process in terms of the scope of work. The MOU is pretty straightforward. Key points are that Concord Coach would resume their operation of the facility. It would be a fully functional facility so they would be ticketing there, which currently doesn't happen, but if they assume operations they will. They did already increase service somewhat in January so we are up to eight round trips a day as opposed to the six. We also understand that in addition to Concord Coach, Peter Pan and Greyhound would also resume service at the facility. Currently they are now only going to exit 5 so we would probably see some

increase in ridership there. Key to this agreement though is they do want the City to continue to cover the utility costs, which would be the most significant cost. There will be some ongoing cost if we agree to this, in addition to snow plowing and they want to increase police presence on the site. Basically we would be paying annually what we are currently paying monthly, if we do agree to go forward.

Alderman Murphy asked what is the total cost monthly?

Mr. Minkarah replied we don't have a complete year's record so far but we are spending right now about \$10,000 a month.

Alderman Murphy asked that is on top of the \$40,000 that we would have to put forward?

Mr. Minkarah replied yes, we would need a \$40,000 contribution towards the capital improvements.

Alderman Lopez stated I would like the Chief to come up just for the record. Chief, in this document, if you haven't seen it, it says provide regular presence by police in the vicinity of terminal to prevent loitering in and around the terminal. What does that mean as far as police work?

Mr. David Mara, Police Chief, stated that means that the officers that have that route would periodically go down there and check during their patrols. They will make it part of their regular duties. They will make sure that those things aren't going on.

Alderman Lopez asked Jay, that satisfies the document, is that correct?

Mr. Minkarah replied, yes and the Chief did provide a letter when we previously applied for the grant indicating the same and that was acceptable.

Alderman Shea asked Jay, how long should be continue doing this in your opinion, before we decide to not pull the plug necessarily but try to put pressure on whomever to get that MOU so that we can get away from these costs?

Mr. Minkarah replied I definitely do have some concern about the time period. The funds that we are using right now to cover the costs of the ongoing operation of the facility are not unlimited. We would prefer, once this agreement is signed, to have Concord Coach assume operations of that facility immediately. If not, then as soon as possible. As of today, as I understand it, they would prefer not to do that. They would prefer to take over operations once the work is complete. That does concern me because obviously there is going to be significant lag time between the time when the funds are released and when we can actually complete the work because of course it is going to have to be put out to bid. I do have some concern about that and it may be prudent for us to place some point at which at least the indoor part of the facility closes. I say that because in order to make the improvements necessary, we are going to have to close the building because we are going to be redoing floors, ceilings, and bathrooms. It is pretty comprehensive work so there is going to have to be a period of time when the interior is closed. Given the fact that we are now getting into better weather, it may be prudent for us to decide. I don't know what date that might be. I am thinking perhaps the second or third of May might be a point at which we cease to operate the interior of the facility to allow the work to go forward but that is something that certainly can be discussed.

***Alderman Shea** moved to authorize the Economic Development Director to set a date to close the transportation center temporarily for renovations and come back to the Board with the date. **Alderman Osborne** duly seconded the motion.*

Alderman M. Roy asked Sam, the \$40,000 of the 20% contribution that the City would have to make, are any of the weatherization or revitalization funds available? At lot of this has to do with energy improvements.

Mr. Sam Maranto, Community Improvement Program Manager, replied today actually I received DOE economic stimulus regulations but I have not had a chance to look them over. If it appears there are energy efficiency savings, it may be an opportunity to use those. However, I would have to determine if we could use those to leverage federal funds with other federal funds. I can't answer that yet.

Mayor Guinta asked will you get back to us and let us know?

Mr. Maranto responded yes.

Alderman M. Roy stated if the two of you could work together that would be fantastic.

Alderman O'Neil asked is Public Works going to carry out the improvements?

Mr. Minkarah replied yes, we have been working with Kevin O'Maley. If I can just follow up on that point too, it is absolutely true that a number of the improvements that we are making are related to energy efficiency. That will of course help us on the utility costs side but we are definitely looking into the availability of those energy efficiency funds. The budget now is \$200,000. If we were to implement the total scope of work we could spend significantly more than that to improve that facility. So part of our effort has been to pare down the list. If we can use some of this energy efficiency money towards that facility, and I think we can, we absolutely will do that. I also note that Kevin O'Maley has also found us some other sources of funds through Public Service, which may also offset some of our costs in energy efficiency.

Alderman Gatsas stated I think we can get all \$200,000 out of the energy efficiency. So we wouldn't have to be looking for \$40,000, we could get it out of there and do the entire project. Has anybody applied for that grant as of yet?

Mr. Minkarah replied as I understand it we did just get the information in. I don't want to put Sam on the spot, but I believe that Sam Maranto is taking the lead on applying for those funds.

Mayor Guinta stated get back to us Sam and let us know if you can apply for the full \$200,000. It did just come in yesterday or today.

Alderman M. Roy stated I don't really care who gets it done, as long as someone does, between Jay, Public Works or Sam. The Portsmouth Library was just redone and I took a brief tour of their facility. I was very impressed with their initiatives as far as energy savings. If someone could coordinate and get some of the fixture information from them regarding lighting and especially efficiency of the bathroom facilities, which is what we are replacing here as well, that would be appreciated.

Alderman Lopez stated the energy money that we receive in Manchester is \$1.49 million. Kevin Sheppard and Tim Clougherty have that information along with the Library Director. You have to get the paperwork in as soon as possible.

Mayor Guinta called for a vote on the motion to authorize the Economic Development Director to set a date to close the transportation center temporarily for renovations and come back to the Board with the date. There being none opposed the motion carried.

16. Update from Chief David Mara regarding the COPS grant program.

Mr. Mara stated we handed out three documents. One is a breakdown of the Edward Byrne Justice Assistance Grant, commonly known as JAG. Another one was the COPS program. For the JAG program we were awarded approximately \$659,000 from the federal government. That grant goes directly to us. It doesn't go through the state. If you take a look at that paper with all the towns listed, you can see Hillsborough County; you can see that we got \$659,000. Nashua received \$445,000 and the other towns received lesser amounts. There are some towns in Hillsborough County that did not get any. Those amounts are based on things like crime rate and some other factors. Since we were the highest in Manchester, we received the highest award. We are the fiscal agent. We are controlling all the money in Hillsborough County and then anytime the other towns use that money, we are the ones that administer it. We keep the bulk of that money, as fiscal agent, in our account. There are not too many restrictions on that money. That money could be used for police officers, equipment and various other things, under the Mayor's budget plan that money is going to be used to hire five officers. Currently, we are short seven officers out of our complement and one is definitely going to be leaving. We will have a total of eight officers down. Five of those officers would come out of that grant. Under the Mayor's plan three officers are going to come out of the COPS grant. The COPS grant, \$1 billion was set aside by Congress and signed by the President. It was set aside for the entire country. The COPS grant money can be used to hire police officers. There are really no restrictions for the reason for the police officers. It could be police officers that were laid off or police officers that are slated to be laid off. It could be police officer positions that are not being funded or it could be new hires. That is a three year grant. What happens with that is, they will pay for the salary for three years for the police officer you hire but the City has to make a commitment that after that grant runs out in three years that they will carry those officers and pay them for at least 12 months after. It would be a total of four years under this grant with the federal government picking up three years and the City coming up with the fourth year. With

that said, under the Mayor's plan, as I mentioned before, he is proposing three of the positions be funded by that. Out of the eight positions, we have five under the Byrne Grant and we have three under the COPS grant. I am proposing, as part of our plan that we put together that we ask for ten police officer positions under the COPS grant. I am not overly optimistic that we would get those positions. Based on the need that Manchester has, based on our crime statistics, based on us being the largest police department in New Hampshire, I am cautiously optimistic we will get three positions. Anything over that I think would be a bonus. I do believe we have a pretty good shot at it. The reason I am asking for the ten positions...and I understand you have to look at budgetary concerns...is I am hoping, as most of us here are hoping, that after three years the economy is going to be better. Then we will be able to afford these positions and fund them. Right now at the Police Department we have made some pretty good progress in the last year. We have some momentum going, everything from community awareness to reaching out to community policing as well as the gains we have made with fighting the drug problem in the City. I have some statistics I would like to go over on that. I believe if we get those ten officers, right off the top of my head I can tell you some holes that we need to fill within the Police Department, everything from an elderly services officer to a couple of police officers to manage a task that we have in monitoring over 350 sex offenders. The law changed recently and some of those sex offenders we have to register four times a year and we go a little above and beyond that. We are very concerned. We go and check them. We would like to get a couple of officers assigned to do. Right now we have one officer that is working out of the juvenile division to do that. With the budgetary concerns now, we did not fill one position in the street crime unit and I can tell you that has been a very successful program working out of the Special Enforcement Division. We desperately need to get another person in there. For cybercrime, we have two officers who have been trained. Federal money through the Secret Service went into training them and all the equipment they had. We did not have to pay for that. Each officer received over \$6,000 worth of equipment from the federal government through the Secret Service. They are now working dual roles. They also are

juvenile detectives and they are all working on cybercrime investigations. I can go on and on about what holes I think we need to fill at the Police Department but I am trying to let you know where we are coming from with the ten officers. As far as the Special Enforcement Division and how we would like to put one or two more officers in there, from the beginning of this year until mid March we had 26 arrest warrants for drugs that were executed, 19 search warrants executed, 41 total people arrested, \$21,562 seized in US currency, a vehicle, 68 guns, hand guns, rifles, assault weapons taken off the street, 161 grams or 5 3/4th ounces of cocaine seized, 934 ounces of marijuana that comes out to 59 pounds, 3.5 grams of heroin, and 140 Oxycontin tablets. I can tell you that we have some pretty significant cases that are pending right now. I believe we are making some headway. Our SWAT team has been going into neighborhoods and we have been hitting these drug houses. The people that live there, I believe, are appreciative, judging by their reactions. We want to continue to do that. We don't want to lose any of the momentum that we have. I think it is critical, especially with the economy the way it is, and traditionally crime does go up during hard economic times, I believe this COPS grant could be an opportunity for the City and for the Police Department. Ironically, when the economy is good and things are going well, we can't find qualified police officers to the degree that we would like. When the economy goes down the number of people that apply, the qualifications go up. There are people being laid off in Massachusetts that are applying now with us. Right now we have four officers that are certified that are already going through the hiring process and that saves us money. When we hire certified officers we don't have to send them to the state academy and we get them out to the street a lot quicker. I think it would bode well for us with the warm weather coming if we could hire these people using the Byrne grant to do that immediately.

Alderman J. Roy stated thank you, Your Honor. First of all I want to tell you that people in my Ward do appreciate your raids and keeping on people for selling drugs and whatnot. I remember last year when you were trying to develop a candidate pool you were having difficulty and you addressed it to some extent about certified officers

coming in. Are you going to have a pool of ten officers available to hire if the grant comes through?

Mr. Mara replied yes, we already have 94 people signed up for a test in June. So we were going to have a test in April. We postponed it until June and already we have over 90 people that have applied.

Alderman J. Roy asked what is your experience with that? Let's say 100 people apply and go through the testing, how many pass all the way through?

Mr. Mara replied I would say we would get ten or fifteen. Those are people we would look at and give strong consideration to.

Alderman O'Neil stated Chief, the Byrne grant which with the handout I learned is JAG, Alderman Murphy mentioned we have been receiving that. I wasn't familiar under the Byrne that we were receiving it but JAG, we have been receiving some money?

Mr. Mara stated replied the JAG grant traditionally we get and it is a lot different. It really has been in the hands of the stimulus, as part of the stimulus bill.

Alderman O'Neil asked when is that money available?

Mr. Mara replied that money should be available, for everything that we want to use it for. We need to apply, even though we are getting that money. We have to get approval from the federal government and that is May 18th.

Alderman O'Neil asked that is when the application is due?

Mr. Mara replied yes.

Alderman O'Neil asked how quickly will they let you know?

Mr. Mara replied I am anticipating that would be pretty quick, within a month.

Alderman O'Neil asked those funds could be available for July 1st?

Mr. Mara replied yes, and keep in mind that JAG grant that says it is for three years but we can spend a good bulk of that on the first year.

Alderman O'Neil asked the five officers that you mentioned there, they are part of the existing 225 complement?

Mr. Mara replied yes, sir.

Alderman O'Neil asked when is the application for the COPS grant due?

Mr. Mara replied the deadline for that is April 16th and that is one of the reasons that I am here looking for a little direction.

Alderman O'Neil stated you are asking for ten officers; the Mayor has budgeted three. Are those ten or the three that the Mayor talked about over and above the 225?

Mr. Mara replied seven of the ten are. Three are a part of our normal complement of 225 so anything over and above the three that we get would be above our approved complement.

Alderman O'Neil stated you mentioned three years worth of salary. Does that include benefits as well?

Mr. Mara replied yes.

Alderman O'Neil asked it would be similar on the JAG or Byrne grant that includes benefits?

Mr. Mara replied we are including benefits, yes.

Alderman M. Roy asked Chief, the Guns and Drugs money that you have been receiving, is that scheduled? In the Mayor's budget address you talked about the combination of property tax dollars and available federal grants to fund personnel, Guns and Drugs, planned overtime and equipment. If we are using this for all manpower are we leaving anything out?

Mr. Mara replied we are anticipating getting some Streetsweeper money that has been approved but we don't know how much. If you look at the Byrne grant, and after taking the five officers out of the Byrne grant, then we took out of the Mayor's budget \$100,000 for overtime...

Alderman M. Roy interjected how much were the five officers that you took out?

Mr. Mara replied approximately \$350,000.

Alderman M. Roy stated so \$350,000 to officers and another \$100,000 to overtime.

Mr. Mara stated what we would like to do for those three years is take that approximately \$200,000 and hold that in reserve to fund other programs as well as Streetsweeper money if that doesn't come through to be used for Drugs and Guns or also any equipment or any issues with equipment that come up. The last several years we

haven't come to the Board of Mayor and Aldermen for incidental equipment. For instance, the JAG grant we have gotten in the past has usually been for amounts around \$40,000. This is \$659,000 so it is significantly more. We don't know how much more of this money is going to be coming through the federal government so we want to at least have some if we have equipment needs that come up and any overtime needs as far as Drugs and Guns.

Alderman M. Roy asked but to the level that we have been funding it as a Board of Mayor and Aldermen, you wouldn't have that available to you?

Mr. Mara replied not at this time. We are trying to find out how much we are going to be getting.

Alderman M. Roy stated Chief, we have talked a lot and I would like to bring up two subjects...

Mayor Guinta interjected can get through the grant issue first?

Alderman M. Roy replied well, this has to do with the funding.

Mayor Guinta stated let's try and speed it up because there are three other people who do want to speak.

Alderman M. Roy stated thank you, Your Honor. Chief, I had a great conversation with an officer from a New Hampshire town that is allowed to keep money seized for one of their programs within their town. Are we allowed to keep a percentage of that money and what is that applied to throughout the year?

Mr. Mara stated money seized varies. We use the money we get to pay utilities and other things concerning our drug unit and our undercover operations. We use vehicles seized for undercover motor vehicles for the undercover officers to use.

Alderman M. Roy asked what type of ball park dollar if you had to...

Mayor Guinta interjected I don't think you should answer that.

Alderman M. Roy stated I am not asking what was seized at a certain time.

Mayor Guinta stated we are getting into issues here that really shouldn't be discussed in public.

Alderman M. Roy asked when was the last time, or during any time this year, have you reached your full complement?

Mr. Mara replied over the last year I would say at one point, we did get up to 224. Again through attrition we had several police officers retire last year.

Alderman M. Roy asked your total severance is what?

Mr. Mara replied your total severance last year was about \$450,000 for this fiscal year.

Alderman M. Roy asked what is your average number or your number now of sworn officers that are injured or out?

Mr. Mara replied right now we have two officers that are out sick or injured for a significant period of time and we have two that are on light duty. We also have two on military leave. That is a total of six.

Alderman M. Roy asked right now you are operating with 219 on the street?

Mr. Mara replied no, actually you subtract seven from that 219.

Alderman M. Roy stated Alderman O'Neil talked about hiring five new officers. If we put that aside for a second, the three officers that you want to fund out of the COPS grant and the five out of the JAG grant, that would just keep you at the 225 number, correct?

Mr. Mara replied yes, sir.

Alderman M. Roy asked anything that we add this evening that you apply for in the COPS grant would be over and above the 225?

Mr. Mara replied that is correct.

Alderman Lopez stated thank you, Your Honor. Have we ever funded police officers under JAG and how many?

Mr. Mara replied no, because the JAG has never been this significant. I think we have gotten approximately \$40,000 and that is usually for equipment.

Alderman Lopez stated I am concerned as to whether or not they will give you the money for five police officers of your complement. Do you have any assurance that you can use that money for that?

Mr. Mara replied yes, police officers is listed as one of the things we can use the money for. It is in your material that was submitted.

Alderman Lopez asked are there other ways that you can use that money for Drugs and Guns or Weed 'n' Seed or other programs that we have inherited?

Mr. Mara replied we could use those for programs such as that as well, yes.

Alderman Lopez asked normally that is what we would use that money for, is that correct?

Mr. Mara replied JAG monies we have traditionally used for equipment training and we have funded other things.

Alderman Lopez asked where do we get the money to do that? We could save money if we utilized the \$600,000 for these particular programs. I am just trying to understand this. If we are going to 225 we are going to increase your complement to 235, I presume, in order for you to apply for ten new police officers. Is that correct?

Mr. Mara replied well, actually no because there would be five under the JAG grant with the \$659,000 so that would bring us three shy of our complement so hypothetically if we got our ten under the COPS grant that would bring us seven above so we would be at 232 officers.

Alderman Lopez asked under the COPS grant we can also put in for rehires, right?

Mr. Mara replied yes.

Alderman Lopez asked or existing officers, right?

Mr. Mara replied yes.

Alderman Lopez stated I am just a little confused. We have additional money under the JAG for programs according to the document as well as law enforcement and prosecution court programs and I would assume that is money that you could use for overtime too.

Mr. Mara responded yes.

Alderman Lopez stated that would free up money to pay your police officers. Has an analysis been done as to whether or not the \$659,000 could be put in there?

Mr. Mara stated since we found out we were getting this grant we have looked at every place we can use it. They do give you a lot of leeway of where we can use it. When I am looking at both grants, now it is more of a sure thing that we can use the Byrne grant or JAG grant for police officers. If you look across the nation, departments have laid off 40 or 50 people. There is a billion dollars across the nation for every police department and let's say approximately \$5 million that New Hampshire is going to be getting under the COPS grant. You look that and you spread that out through every department in New Hampshire that is going to be asking for police officers, and that is why I am not to optimistic about how many Manchester might get out of that. I can tell you that we are lobbying. I am talking to anybody who will listen for support federally. With the Byrne grant at least we know we are going to be getting the bulk of our officers for our complement and we know we have a better shot. With the COPS grant I am cautiously optimistic. As I said before, we are going to get the three and anything above and beyond that I am not sure about. It would be a little bit of a risk if we took any more people and we counted any more of the empty positions for our complement. I think it would be took much of a risk to count on the COPS grant for both of these.

Alderman Lopez asked under the basis of getting grant money or utilizing the JAG money for five police officers, if we did not get that and we couldn't use it, and we ended up only getting enough for two police officers out of it because they didn't approve the

whole five, the appropriation would still be there for the five police officers, correct? His budget is based on JAG money for five police officers so his total budget salary is based upon that number. If he did not receive that number to hire five police officers, he would still be authorized to spend that money.

Mr. Sanders responded I think I understand your question. I think in the current fiscal year that we are in, where the complement is 225 police officers, I think the General fund operating budget, salary line...and I am looking to Deputy Chief Simmons, it is my impression that the entire 225 is not funded by the General fund. There is currently grant money, be it JAG or something else, that is paying for some of our officers. I am going to say maybe five officers today.

Mr. Mara stated four positions.

Alderman Lopez stated that is what I asked before. How many are being paid by JAG now?

Mr. Mara stated right now there are four positions that we have currently in this fiscal year budget that are funded by grants not out of the General fund.

Alderman Smith stated the grant is for three years and we are mandated to carry it on for another year. Now it says that the only way you can lay off someone is for economic reasons, so this means if we hire the policeman that means he continues to work here at our cost unless he is laid off for economic reasons. Am I correct?

Mr. Mara stated at the end of the three years if there is a hardship I believe we can apply to the federal government for the grant and we can ask for dispensation to get out of that requirement.

Alderman Smith stated what I am getting at is once we go beyond the three years and we pick it up, we have him for life unless we lay him off because of economic reasons. That is what I am reading in here.

Mr. Mara stated after the 12 months yes, for economic reasons if we cannot afford him in the budget that is a reason why we could have lay offs.

Alderman Sullivan asked about the COPS grant, as I understand it reading here, the officers that are hired under that program are hired at the basic entry level?

Mr. Mara replied yes.

Alderman Sullivan stated if we hire someone who is a lateral, coming in from another department, especially I know you talked about a Cybercrimes unit, that may be something where you need someone with a few years under their belt. If we were to hire someone with some experience for that position, would we be responsible for paying any salary amount above and beyond the entry level?

Mr. Mara replied yes, we would pay the difference.

Alderman Sullivan asked there may be some additional costs here depending on who we actually end up hiring?

Mr. Mara replied that is correct.

Alderman Sullivan stated I wanted to make sure I was clear on that. Thank you.

Alderman O'Neil asked for clarification, the Byrne grant application is due in the middle of May with money available July 1st if we are successful and you feel very strongly we should be successful?

Mr. Mara replied I feel very optimistic on that, yes.

Alderman O'Neil stated you mentioned that the COPS grant application is due on the 16th of April. Do you have any idea when the funding would be available, at the earliest, if we were granted?

Mr. Mara replied we asked that question and we would know in late summer or not too long after that the funding would be available.

Alderman O'Neil asked Your Honor, do you know if it is available as a part of the next federal fiscal year? I don't know if Deputy Chief Simmons knows. Is it October 1st that it's available?

Mayor Guinta stated I believe it is prior to October 1st.

Alderman O'Neil asked Chief, the action you need from us tonight, is that on the COPS grant?

Mr. Mara replied yes, we need to know because when we are applying for the grant. We are going to have to guarantee that funding will be available for them on the fourth year.

Alderman Shea stated thank you, Your Honor, and I want to thank you too for all the help you have given to Ward 7. We have quite a few problems there as you know. Do you anticipate any additional grants coming during the course of this particular year or is it too early to speculate on that?

Mr. Mara stated right now we are applying for a Gang Coordinated grant and we have already applied for that and have applied for it in the past and we didn't get it. We are also...

Alderman Shea interjected excuse me, would that juvenile grant be coordinated with the schools or is that separate?

Mr. Mara replied the person in this position would be coordinating with everybody that has to do with the gang problem, School Department as well as city wide. We are also going to be applying for money for Weed 'n' Seed for the officer that is currently funded for Weed 'n' Seed.

Alderman Shea stated yes, that is what he was alluding to.

Mr. Mara stated under the competitive Byrne grant, there is a different section of the Byrne grant where we are going to be applying for his salary under that, as well as another grant that is available that has to do with drugs and we are going to be applying for a prosecutor. The prosecutor position right now is partially funded by the county attorney's office as well as by HIDA which is a federal drug task force. That funding is running out and there is a grant available for that position. We are also going to be asking for other things such as money for overtime as well as equipment to do with drugs. We have to be able to show a nexus that the drugs that we want to combat are originating from the southern boarder of the United States, which we can show. It also has to be a requirement that the Police Department applying had to be in HIDA area. That is where we are.

Alderman Shea asked what impact would all of those grants have on our 2010 budget, if any? In other words, could they be instrumental in us having some sort of help with it or

is it something that would just come along and you people in the department would be able to use it?

Mayor Guinta stated collectively you are talking about over a million dollars.

Alderman Shea stated I am asking about the timing, Your Honor. In other words is it something that would help with our budget?

Mayor Guinta stated yes.

Alderman Shea stated so what we are talking about are certain grants that might be coming in either April or May or possibly even June. If they were to come during the time before we go up to Concord could that make an adjustment in our budget?

Mayor Guinta stated some notification would happen before we have to adopt the budget and some would happen after. There certainly should be a positive impact on the fiscal year 2010 budget.

Alderman Gatsas asked Chief, are you asking this Board at this time to increase the complement?

Mr. Mara stated in essence yes I am, conditionally. If the COPS grant does come through and we get over the three police officers, that would bring us over 225, so I am asking permission for that.

Alderman Gatsas stated well this Alderman is in favor of you going out and finding every nickel you can find in grant dollars and let us work it through the budget process rather than us giving you a number to say hire five or ten police officers because I think it is imperative that we sit down and have a clear understanding of where the budget dollars

are moving first before we increase complement and then have to say we made a mistake and have to lay off 20 police officers.

Mr. Mara stated I certainly understand that and I am not saying that is not prudent. However, I don't want to miss the boat either.

Alderman Gatsas stated nobody is telling you to miss the boat because you can apply. What this is saying is that the COPS hiring recovery program says that if we are going to lay off police officers, we can hire them back with this money.

Mayor Guinta stated I agree and my recommendation is to move forward with supporting the request to ask for the grant money. If at a later date there is a requirement to increase the complement, this Board can do that at anytime.

Alderman Lopez asked with the grant don't you have to put down what your complement is?

Mr. Gary Simmons, Deputy Chief, replied yes and we will indicate that it will be 225. The only thing we will be doing above and beyond that is saying that three of those positions are for unfunded vacancies right now and we are asking for additional positions above the 225 that would have to be absorbed by the City in the fourth year.

Mayor Guinta stated that is okay. Under the guidelines of the grant we could apply in that manner.

Alderman Lopez stated the way I read it you had to have the Board's approval for the complement in the grant. I could be wrong. I will take your word for it.

Mr. Mara stated what we need to be able to do is say that any of the officers that we do get under the COPS grant will be funded, we need to guarantee that they will be funded for the 12 months after.

Alderman Pinard asked Chief, do you have any intentions down the road of getting a grant for the DARE program? It seems that it has been dragging for a number of years since they took it away, but I understand some of the towns like Auburn have a DARE officer and it seems like we have different problems with the kids around the City. Can you get a grant for that program?

Mr. Mara replied if a grant would become available, we would certainly take a look at it and we would certainly be coming to this Board.

Alderman Pinard stated because I think it is necessary to teach the kids what is wrong and what is right and I think that program did that. It seems that lately we have been getting bomb threats at different schools and maybe it might be a good idea to look into that.

Alderman Ouellette asked Chief Simmons, when you apply for the grant, it is your opinion that at this time the Board does not take action to increase your complement? It is not going to negatively affect the grant application in any way in your opinion, correct?

Mr. Simmons replied I think there has to be some direction by this Board that there will be consideration of increasing the complement in four years because we have to show in the grant that the City is willing to take that on in the fourth year.

Mayor Guinta stated we can address that through the application process.

Alderman Gatsas stated you don't have to say that because if we were laying off ten police officers...

Mayor Guinta interjected exactly.

Alderman Gatsas continued we would keep them for the fourth year.

Mayor Guinta stated I think that is an issue that we could work out through the application process but I have met with the Chief and the Deputy Chief and I am 100% confident that as of the application date we do not have to change the complement because there is a provision to essentially save positions.

Alderman Ouellette stated that is my only concern.

Mayor Guinta stated I appreciate you needing that clarification but that is the way I read it and I know that is the way other people have read it as well.

On motion of Alderman Smith, duly seconded by Alderman Murphy, it was voted to authorize the Police Chief to apply for the Byrne grant and the COPS grant.

Alderman Lopez stated Your Honor, I just have a related comment on this. If you could look, with the Chief, at Weed 'n' Seed because I think they are going to be applying and I think that is going to hurt the Weed 'n' Seed program. I believe the \$659,000, if they take a good look at it they probably could find it in case they don't get the grant for the Weed 'n' Seed. I think it is an important component.

Mayor Guinta stated we have had that conversation and we will continue to have that dialogue.

Alderman Lopez stated we have had a conversation with our Congressman and at the same time I sent to the Board of Mayor and Aldermen the American Recovery Act that is going to earmark things in 2010. The reason I sent this to the Aldermen and department heads is that we had a conversation with the Mayor, Lou D'Alessandro and the Congressman because there is a policy that has to be followed. Anybody who is submitting under the earmarks for 2010 to get money for the City, we have to have the Mayor's signature so that goes through the process. I want to make sure that all the Aldermen and everyone else knows that there are quite a few grants out there that you can apply for and earmark for 2010 whether it is energy, fire, or assistance grants. We should be working on those earmarks so that we can get them to the Mayor's Office because last year we did miss the boat. We didn't get any earmarks where Dover, Portsmouth and other places got earmarks on different grants. The Mayor is well aware of this and we have had some conversations. I wanted to pass that on to the full Board. All department heads have the information so I hope that they get their paperwork into the Mayor's Office as soon as possible.

Alderman Gatsas stated you can supplant with those grants. You can only supplement with most of them. The only grant that was supplanted was the Education Funding grant.

Mayor Guinta stated correct.

Alderman Gatsas stated the rest of the grants can only be supplemental and not supplanted.

Alderman Lopez stated I disagree, Alderman. We have had that conversation with the Congressman. There are provisions in Congress where they can earmark certain things. For example, if we put in the paperwork for \$25 million for the Highway Department, that can be earmarked for the Congressman to take forward. All the documentation and all the applications have been submitted to all the Aldermen and the department heads so

they should take a good look at that. We gave a list of priorities for a stimulus package that we were talking about as Board of Mayor and Aldermen but I just want to make sure that everyone understands that unless the Mayor signs that document to go to Congress then we are out in the cold. I just wanted to bring that to everyone's attention.

Alderman Gatsas stated what I am talking about is the document that you sent us. Those funds that are available to the state of New Hampshire are supplemental funds except for the education funding dollars. You can't supplant dollars in the budget because we know what we are going to get. The weatherization money that we were just talking about for the bus station, you can't take that and supplant it for energy efficiency in the City budget. You can supplement it but you can't supplant it.

Alderman Lopez stated there are two different programs that we are speaking of but you are right.

Alderman Gatsas stated I am talking about the one you gave us.

17. Communication from Carey Roessel, Manchester Transit Authority, requesting a cash transfer to MTA to cover an anticipated shortfall of available funds for operating expenses.

On motion of Alderman Gatsas, duly seconded by Alderman Osborne, it was voted to approve this item.

Alderman O'Neil asked do we have the mechanics in place to do this?

Mayor Guinta stated yes, we will have the City Solicitor and the Finance Officer work out the mechanics. If they run into road blocks they will let us know.

Alderman M. Roy asked their next cash infusion, which they call the next payment from the School District, what is that amount? I am just wondering where this money is coming from. If it is coming from contingency it is going to affect...

Alderman Gatsas interjected no, it is coming out of cash.

Mayor Guinta asked why don't we let Mr. Sanders and Mr. Clark give us a recommendation after they have reviewed it, whether it is cash or contingency?

Mr. Clark replied it is coming out of cash.

18. Resolutions:

“Amending the FY 2009 Community Improvement Program, authorizing and appropriating funds in the amount of Four Thousand Dollars (\$4,000) for the FY 2009 CIP 612609 DRED Marketing Grant.”

“Amending the FY 2008 and 2009 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eight Million Dollars (\$8,000,000) for various FY 2008 and 2009 CIP EPD Projects.”

“Amending the FY 2007 and 2008 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eight Hundred Thirty Thousand One Hundred Eighty Seven Dollars and Seventy Four Cents (\$830,187.74) for the FY 2008 CIP 710908 Construction Cohas Brook Phase II-Contract 3.”

“Amending the FY 2007 Community Improvement Program, authorizing and appropriating funds in the amount of One Million Six Hundred Sixty Six Thousand Dollars (\$1,666,000) for the FY 2007 CIP 713107 Granite Street Reconstruction-Phase 3 Project.”

On motion of Aldermen Pinard, duly seconded by Alderman Sullivan, it was voted to waive reading of the Resolutions.

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

TABLED ITEMS

- 19.** 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; Retabled 03/10/2009.)

This item remained on the table.

NEW BUSINESS

Alderman Sullivan stated thank you, Your Honor, I have just one item dealing with the issue of tables on sidewalks. It is kind of strange talking about this on a night when it is about 35 degrees, gray and drizzly, but spring is here and I think we need to do everything we can to help downtown businesses boost their business. To that effect I am going to ask that we roll back the effective date for when businesses can put tables on the sidewalk from May 1st to today. Let's let them do it as soon as they can and hopefully they can draw in a few extra customers. This would only be good for the current year. There is an item with the Committee on Administration/Information Systems that can deal with some of the bigger picture concerns dealing with this Ordinance, but this would let businesses set up their tables now and hopefully draw a few customers in.

Mayor Guinta asked are you asking to suspend the rules?

Alderman Sullivan replied that is correct Your Honor.

On motion of Alderman Sullivan, duly seconded by Alderman O'Neil, it was voted to suspend the rules. Alderman Murphy was duly recorded as abstaining.

Alderman Gatsas asked we are not sending this to the Committee on Bills on Second Reading?

Alderman O'Neil stated it is interesting that both Alderman Sullivan and I had conversations with different restaurant owners about this. Under our current Ordinance it would happen May 1st anyway. They are looking just to get an edge. We have had some good weather. It makes sense since we shortened the time period for the odd/even parking. This is very similar and very appropriate. I think anything that we can do to help out the restaurant folks is a good idea.

Alderman Lopez stated please note, City Clerk, when they issue the license make sure that the owner cleans the sidewalk because the Highway Department is going to have to do it.

On motion of Alderman Sullivan, duly seconded by Alderman J. Roy, it was voted that the Ordinance be Ordained. Alderman Murphy was duly recorded as abstaining.

On motion of Alderman Lopez, duly seconded by Alderman J. Roy, it was voted to have the City Clerk send a reminder to the Mayor's office and all department heads that actions taken by the Board of Mayor and Aldermen are final and binding unless the Board takes another action.

Mayor Guinta stated obviously the discussion is about the \$6 million bond for the vehicle replacement. There are a couple of points that I have talked to some of the Aldermen about and I am happy to share with everyone else. I do think that we need a

vehicle replacement program in the City. I supported the hard work of this Board as well as the department heads and in fact I believe in August, when it was final...

Alderman Gatsas interjected no, it was December Your Honor. It started in October. The final motion was December 4th.

Mayor Guinta stated well, I supported the process. I supported the need in the City. Obviously a couple months later, on February 19th, I saw some additional revenue projections when I met with this Board. I will admit that I could have been a little bit clearer about my intentions about how to try to save additional dollars and still bring that program to the departments. The intent that I had and the intent that it sounds like I could have explained a little more explicitly at that point was to try to work with the departments to save some money rather than bond all of it. I was looking at different options and I did say at that point that I would bring a proposal to the Board. I brought that proposal to the Board. I still think we need to move forward with what has been adopted by the Board in terms of the vehicle replacement program. I am just hoping that we can save some money by looking at different finance options. If I wasn't clear with members of the Board, I apologize for that. I am happy to clear it up now. The intent obviously was not to stop that at all. The intent was to try to save taxpayer money and still get as much as possible, if not all, of that program up and running for this current fiscal year.

Alderman Gatsas stated Your Honor, I certainly hear what you are saying and I think that the \$1.7 million that you offered as a cash influx to take care of that...if you remember about the vehicle replacement program that we had in place that we all agreed was a good idea to go forward... Mr. Sanders will remember that we were talking about a reserve fund so possibly that million dollars can go into that reserve fund because in 2011 we need a million dollars in the reserve fund to keep the debt service down. That was through the great work that Mr. Sanders did to tell us that is what we had to do. Maybe

that is where we put that million dollars that you were talking about of one time cash, into the reserve fund so that it is there for 2011. I would suggest that we move forward. I know that Fire has already gotten one vehicle. They saved 10% on the purchase of that vehicle. The Highway Department tells me that there may be even additional savings in their budget for maintenance this year. I think the Police Department is in the same pattern. I think we have a replacement product in line that for once all departments have agreed with. Normally we are always fighting about who gets what. Everybody is in agreement. We can move forward. The equipment can be here in July. They have got to sign contracts within the next week so that these orders can be placed. From what I understand, because they are going out so early and there aren't many people buying, we are getting some pretty good deals out there. I commend them for the work that they are doing and I suggest that they move forward and place whatever orders they have to place tomorrow morning.

Mayor Guinta stated I still say that if we can find additional savings through different financing mechanisms, we should explore that. That being said, I don't disagree with your comments.

Alderman O'Neil asked we don't need to take action because we already have, correct?

Mayor Guinta stated yes, absolutely.

Alderman O'Neil stated they should be placing the orders tomorrow.

Alderman J. Roy stated along the lines of what Alderman O'Neil was saying, just so the department heads all have a clear directive leaving here tonight, we are telling them to proceed with the program that we put in place in December. Is that correct?

Mayor Guinta stated the program was adopted. They can move forward with that program. What I was looking at was alternative savings. If we can find alternative savings through different financing mechanisms I think we should, as a Board, continue to explore those.

Alderman J. Roy stated I won't disagree with that but from what I have been hearing the explanations are far different. I am going to go back to the fact that I think the communication could be a whole lot better between me on this Board, and the Mayor's office. The last time that we had this issue was when we were talking about insurance and our consultant. While it may have been in your purview at the time to go out and do something like that and not keep us abreast of what is going on, we are the policymakers. It was upsetting to me but this, the way I read it, we were quite clear in our directive as to what we were supposed to do and our authority was ignored. I think that is bordering on the line of criminal.

Mayor Guinta stated Alderman, excuse me. With all due respect, are you saying that I am a criminal?

Alderman J. Roy stated no, let me change my wording, Your Honor. I am saying that I am not happy with what happened. Getting feedback from different people saying that you stopped the process that we put in place, I don't think that is appropriate. We as a Board set a policy and I don't think that you have the ability to stop something on your own. This came because of a study that I found from 1998 that cited all of the problems, all of the ills that we still have with our fleet in this City because a Band-Aid approach was continuously used. We decided, as a Board, on a long term approach to take care of this problem once and for all so that we are not back here in five, six or seven years. That process was undermined by your office.

Mayor Guinta stated Alderman, as I said before, I supported the need and still support the need for a vehicle replacement program. On February 19th when I had the joint meeting apparently I should have been clearer about my intentions because I did bring it up at that meeting and I talked about trying to come up with an alternative. At no time was there intent to stop the bond or to stop this process. I simply took time to work with both department heads, Highway and Fire, to look at alternatives for funding, which I proposed in my budget. I said at the time in February, I would propose that in my budget. If I offended you in doing that, for that I will take responsibility and I will further communicate those types of issues in a better manner in the future.

Alderman J. Roy stated thank you.

Mayor Guinta stated I will tell you that the intent was not to stop this. The intent was to keep it going but try to find savings. I hope that is acceptable to the Board.

Alderman Ouellette stated my intent in bringing this up this evening is not to get into a big discussion on furloughs but we do have a communication from the City Solicitor on his opinion on furloughs. To me this is preliminary information and my question is, is there going to be more information coming with regard to the legality of furloughs and which individual unions can and can't? Are we going to ask the Department of Labor to weigh in the issue?

Mr. Clark responded I don't believe the Department of Labor will weigh in on the issue. It is outside their jurisdiction. The opinion of my office, after reviewing these and in conjunction with the Human Resources Department, is that 12 of the unions are going to require an agreement with unions to have furloughs. The City can arguably impose furloughs on five unions because of the change in the management rights language. That language is not exact in each one of them but it does state that hours of work can be reduced for either funding purposes or budgetary purposes. That doesn't mean that those

unions won't challenge and it doesn't mean that the City will prevail. You can't judge what an arbitrator would do if they went through the arbitration process. There is a good argument that the City could make in that case. As far as non-unions, as you see in the letter, hourly employees can be placed on daily furloughs. Salaried employees cannot, under the state law requiring salaried employees be furloughed for a full week at a time. That would make those employees eligible for unemployment compensation.

Mayor Guinta stated Alderman Lopez and I did talk earlier today about trying to set a budget meeting schedule for the full Board. I think it is going to take more than a five or ten minute conversation to flush out all of the issues and questions and comments and concerns that Aldermen may have. I would suggest that a portion of at least one of the evenings would be dedicated to this particular issue. That way every issue has enough time to be answered. I would also encourage Aldermen, either through the Chairman of the Board or just directly to the Solicitor, to get a group of questions and comments that we would like him to answer in writing and give him a couple of weeks to put that together. That way everyone is getting the same information in writing so there is no misunderstanding or difference of opinion as to the interpretation of the contracts.

Alderman Ouellette stated that is my intent and the reason why I bring it up is not at this point to argue the merits. It is just because this is going to be such an important part of the budget process. I think these questions need to be answered in a timely manner.

Mayor Guinta stated I couldn't agree with you more.

Alderman Ouellette stated there is a lot of speculation out there right now and I agree with you in terms of getting the right information and getting it in a timely manner to move forward.

Alderman O'Neil asked Your Honor, can you provide for us the mechanics of how it would work in each respective department?

Mayor Guinta stated yes.

Alderman O'Neil stated it is not apples to apples. If you do furloughs with the Fire Department, what happens with filling? Is there a need to fill positions or are there going to be fire stations closed for periodic times? It is different with the Police Department, School District and Highway?

Mayor Guinta responded once we actually set the budget meetings, what I would like to do is meeting with the department heads and I am going to work with them and their executive teams to put in place how exactly it would work for each department.

Alderman O'Neil asked that doesn't exist today?

Mayor Guinta stated no. Originally what I said is that the scheduling responsibility would fall obviously with the department heads. I do want to sit down with the department heads and work that out and bring schedules back to the Board so we have a clear understanding, but I think that the department heads need to meet first to work out some of the questions and comments and issues that they have. By that point we will have set some dates on when these discussions will occur so that we have a deadline as to when we can get that written documentation to the full Board.

Alderman O'Neil stated just one follow up. In your recommendation of the furlough, was it your thought that there would not be an interruption in service to the citizens?

Mayor Guinta replied to the best of our ability, yes.

Alderman Gatsas asked in your furlough numbers, did you include Water Works and EPD?

Mayor Guinta replied no, just General fund dollars.

Alderman Gatsas stated I assume that because in your budget remarks you talked about the Enterprise funds you were including Parking & Recreation and the Enterprise fund. That was my assumption.

Mayor Guinta stated yes.

Alderman Gatsas stated so those two departments are not part of that because they are their own Enterprise funds with their own budget as we heard tonight in the report that our Auditor went over said that Water Works saw a \$4.5 million surplus last year so I don't think we are talking about them.

Mayor Guinta stated in terms of the savings on the budget summary sheet, those are applicable to General fund. However, I thought in the interest of fairness we should consider applying it to all employees. Now as this Board deliberates that issue there might be department heads from Enterprises that feel that is not appropriate.

Alderman Gatsas asked but \$3.6 million only dealt with the City side and School side and not those two outside?

Mayor Guinta responded correct.

Alderman Lopez stated I just want to clarify for myself, Mr. Sanders, the million dollars that Alderman Gatsas mentioned that is in the CIP budget and you transfer it over to special accounts for 2011. Is that what I understand? In the Mayor's budget the Special

Revenue account is \$1.7 million. We are talking about taking a million out of there and putting it in 2011. Is that correct?

Mr. Sanders replied I don't think I understand.

Mayor Guinta stated would you like some time to review that issue?

Mr. Sanders replied yes, I would appreciate that. Thank you.

Alderman Lopez stated anyway, the million dollars was in City cash for the vehicles for the \$6 million. The one million dollars would be transferred so there would only be \$700,000 there and the million dollars would go into the 2011. We will clean it up but I just wanted to know where the one million dollars was. The other comment is, in working with the Mayor, just let me know if there are any comments in setting this up. I think the major players in the budget - Highway, Police, Fire and the School District or any other departments - after you receive the documentation tomorrow can give me the comments individually. We can start scheduling departments before we have the public hearing and the School Board budget on the 21st of April.

Alderman Shea stated I just want to mention, Your Honor, that during hard times one of the more public facilities to use is the Library. So we must not neglect that. The Library gets a lot of action as people's income diminishes and more people have to use the Library. So when he said five departments that might be true but this is a very important part of our community.

Mayor Guinta stated yes, 40,000 people a month on the east side and 4,000 people on the west side.

Alderman M. Roy stated at the last CIP meeting I made a request of the Chairman and he thought it was more appropriate for the full Board. Going back to the insurance consultant conversation, the request is for the department heads to give us the report on consultants that are paid either a base fee or all consultants throughout the City on a base fee and or a commission structure so that we have that for future reference.

Mayor Guinta asked you would like every department to do what?

Alderman M. Roy stated give a list of consultants, what their base fee is and if they are paid a percentage of any savings or commissions.

Mayor Guinta asked can we work out the date by which they can get that to us?

Alderman M. Roy stated I just think it is crucial to the budget process.

Mayor Guinta stated I understand that but I want to talk with them and see how long it is going to take them to get that.

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

A True Record. Attest.

City Clerk