

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(NEGOTIATION STRATEGY SESSION)**

May 26, 2009

6:00 PM

Mayor Guinta called the meeting to order.

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

A moment of silence was observed.

The Clerk called the roll.

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

Messrs: T. Clark, C. Roessel, B. Cantwell, B. Sanders, T. Brennan, K. DeFrancis,
A. Beaudry, L. LaFreniere, D. Cornell, S. Maranto

4. Discussion regarding labor negotiations.

On motion of Alderman Murphy, duly seconded by Alderman Shea, it was voted to recess the meeting in order to enter into non-public session under the provisions of RSA 91-A: 2 I (a).

Alderman O'Neil asked Tom, what's the correct terminology?

Mr. Tom Clark, City Solicitor, replied the Board is moving to extend the agreement as reached with the other four unions, two from Police and two from Fire, to the remainder of the City unions.

Alderman O'Neil asked this is an extension of the agreement and a new agreement would be in place at some point, isn't it?

Mr. Clark replied it would modify the current contract and enter into a new three year agreement, yes.

On motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to accept these labor negotiations.

Alderman Lopez asked aren't you going to ask that question?

Mayor Guinta replied yes, I will.

Mr. Clark stated Your Honor, the ones with the School District are subject to School Board approval and the Water Works unit is subject to Board of Water Commissioner's approval.

Mayor Guinta stated we have been in discussions with every union in the City regarding the seven points that have been discussed over the past few weeks. There appears to be an affirmative vote that is about to be taken by the Board of Aldermen. Can we get it on the record from each union that you do accept and agree to the seven points? After which we will put those points into writing for written ratification. Is there any objection? Can we also further state and agree that any education related union agreement has to be approved by the School Board? Also, Water is subject to the Water Commission which would be this Friday. Any further comments?

Mr. Clark stated we need to make sure the non-affiliated, the terms that were just issued by the unions, are also participating at the same level.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to apply the same terms to non-affiliates as affiliates.

Other Business:

Mayor Guinta called the Manchester Transit Authority to make a presentation regarding their budget.

Mr. Carey Roessel, Manchester Transit Authority Director, stated Your Honor, the MTA last year put in a budget request of \$1.2 million. The level of funding that we received was \$900,000. It was essentially a 28% cut. At that time it was pointed out that we had a large balance of federal dollars and that federal money has been expended over the course of the year. We were back here on March 31 to ask the Mayor and Aldermen to lend us \$90,000 which they did. Fortunately our federal allotment for the current year, a portion of it became available so that we never had to access that money. Now the Mayor's budget offers \$900,000 once again this year. Back in February, our preliminary estimate of what we needed was about \$1.4 million. Now we're towards the end of our fiscal year. We have much better figures, we have much better numbers. I draw your attention to the letter dated 26 May that I sent to Mr. Normand today, which shows that we are currently requesting \$1,880,918, which is down 20% from the amount we estimated in February. We have made smart cuts to our system, starting with the weekday, we would run peek service-only trips on Routes 3 and 11, which is the Airport route and the Front Street route. In the morning and in the afternoon the Route 1, the Bridge Street, we would begin service at 9:00 AM, a couple hours later than we offer it now. The Route 4 to Elliot Hospital and Route 5 on River Road to Southern New Hampshire University, that service would be delayed starting up at 8:00 AM. The Route

7, the Veterans Administration Hospital, we would begin service at 7:30 AM, a delay again. Route 9, D.W. Highway we would begin at 7:45 AM another delay in service. Routes 2, the Hanover Street, Route 6, The Brimmer, Route 8, Willow Street we would begin service at 6:30 AM. On Saturday we would eliminate the route that goes to the Airport, the Route 3.

Alderman Lopez stated excuse me, we don't have that document do we?

Mr. Roessel replied no, that's what is behind our budget figure. It's the assumptions we put into our budget. You have the numbers.

Alderman Lopez replied why do we not have that document?

Mr. Roessel replied I would be more than willing to make it available to you, but that's why I'm here explaining that to you. I will send it to the Clerk first thing tomorrow morning.

Alderman DeVries stated actually I think the letter dated April 28th went out to the employees. It was part of a package that was sent to us.

Mr. Roessel stated that was a letter sent to the employees. There were a lot of questions among the employees about what was going on with the MTA. There was a lot of concern about jobs. It was my intent with that letter to provide them with facts and to answer their questions.

Alderman DeVries asked so there were five bullets on the letter, would they be appropriate? That is what you are addressing with us tonight?

Mr. Roessel replied I don't have that letter in front of me. I don't recall what those five bullets were. It is flushed out considerably since April 28th.

Alderman Gatsas stated I happened to hear you and the Commissioner on the radio talking about \$408,000 that came in from stimulus money and you are buying an SUV. Are there no funds in this budget on the \$408,000 that are coming forward that can replace or subsidize your budget? Certainly I don't see the availability of buying a vehicle in there.

Mr. Roessel replied no, stimulus money is for specific projects. We submitted those to the New Hampshire Department of Transportation and they were approved at the level of \$408,000. There are six specific projects.

Alderman Gatsas asked were any of those projects in your original budget?

Mr. Roessel replied no.

Alderman Gatsas asked didn't we understand the last time that you were here that you were going to provide cameras in all the buses?

Mr. Roessel replied we did.

Alderman Gatsas asked so you are just buying new cameras?

Mr. Roessel replied these are security cameras for the exterior of the building, not in the buses.

Alderman Gatsas asked so all school buses have cameras?

Mr. Roessel replied all the new ones do.

Alderman Gatsas asked do all the school buses have cameras?

Mr. Roessel replied no.

Alderman Gatsas asked is that funding that is coming down from Concord available to buy cameras for the buses that do not have them?

Mr. Roessel replied that is on the School District side and the money that is coming down from Concord is for the transit side. It is from the Federal Transit Administration for projects eligible for federal transit administration projects.

Alderman Gatsas asked that SUV that you are buying you can justify to the rate payers and to the tax payers of the city that you think that is a justifiable expense when the automobile that you are driving right now has 63,000 miles?

Mr. Roessel replied that automobile is also old. I forget the model year but I think that it is a 1998. It is eleven years old. The amount of miles on it is not reflective of the amount of use it has been given because a lot of times a supervisor is a stationary position at a mall or downtown so that vehicle has a lot more hours on it than miles. It is worn out.

Alderman J. Roy stated I just thought of this when Alderman Gatsas brought up the cameras on the buses. We talked about that last year for the divers' safety. Is that correct?

Mr. Roessel replied I wasn't here, but yes, I believe that's true.

Alderman J. Roy stated there was an issue with driver safety. At the time I asked if there was anything being done to protect the drivers such as a cage around the driver to segregate the driver from the rest of the population on the bus. My point was that a camera is not going to keep the people safe. It is going to video and document the crime that might happen to that person, but there is no increased safety. Could any of these funds coming down be used to do that? Create some type of barrier between the driver and the rest of the population on the buses?

Mr. Roessel replied there are protective systems that separate the driver from the passengers. This relationship between the drivers and the customers here is unlike most other systems I've seen. To do something like that I would recommend that you think about it because the interaction of the drivers and the customers is a very important part of the MTA experience. There are systems, yes, and they are eligible for funding and there is expected to be stimulus money. I could look into that. I would recommend that we do a customer survey and review the record to see if there have been any operator assaults.

Alderman J. Roy stated that's fine with me. When it was brought before this Board last year, it seemed there was a great concern for the safety of the drivers and that's why they wanted these cameras put in. I would appreciate you forwarding that schedule of bus trips you have. I also got a letter, as I'm sure the other Aldermen did, about routes and how they have been divided. Dartmouth Hitchcock VA was a combination route that was divided into two. Do you agree?

Mr. Roessel replied it was.

Alderman J. Roy stated in this letter it states that that route used to consist of 2,600 driving hours and 30,000 miles. Now, because there are two routes, you have 4,300 hours and 43,000 miles. Is that correct?

Mr. Roessel replied I don't have the specific route mileage in front of me. I'll assume yes. I'll accept what you're saying.

Alderman J. Roy stated it doesn't make sense to me. It doesn't sound like there is any savings there at all.

Mr. Roessel stated I've never seen this letter.

Alderman J. Roy stated I'd like you to look at that because to me it seems like dividing that route may have cost a lot of money. I wouldn't have known this until I got this letter. There was some other information about other routes where the same thing was done.

Mr. Roessel stated that was done as part of a major route restructuring and the whole idea was to end the circuitous routes that would loop around and make the system more effective. I will say that our ridership was up 15% last year. It is up 17% this year. Whatever was done in the past is working. It is increasing ridership.

Alderman J. Roy asked would you take a look at that because it looks like we're spending a lot more money and I'm wondering if the money is well spent even though ridership is up.

Mayor Guinta asked Carey, what are the three routes that have the lowest ridership?

Mr. Roessel replied the three would be the DW Highway, the Route 9; Front Street, Route 11; and River Road, Route 5. The VA Hospital is along with them on Route 7.

Mayor Guinta asked what is the route that goes up to Hannaford in Hooksett?

Mr. Roessel replied the DW Highway.

Mayor Guinta asked is it the lowest ridership in the City?

Mr. Roessel replied yes, it is.

Mayor Guinta asked are you modifying that at all?

Mr. Roessel replied yes, we are. We are starting service later on the weekday.

Mayor Guinta asked what time?

Mr. Roessel replied 7:45 AM is when it would begin.

Mayor Guinta asked what time does it start right now?

Mr. Roessel replied it starts about six o'clock.

Mayor Guinta asked and it will end at the same time during the day? And it will run on Saturdays?

Mr. Roessel yes.

Mayor Guinta asked do you have the numbers for Saturdays for that route?

Mr. Roessel replied I don't. I just have the total numbers.

Mayor Guinta asked how many routes run per day right now? How many lines?

Mr. Roessel replied 13 routes.

Mayor Guinta asked for that route how many trips? Is it 10 or 12?

Mr. Roessel replied it runs every hour so if it runs from six in the morning to seven at night. That would be 13 trips.

Mayor Guinta asked is it fair to say that the average ridership for that route is less than five per trip?

Mr. Roessel replied I only have the annual figures here, but I will say that in the route that we have that goes to the Dartmouth Hitchcock Clinic we have seen a dramatic rise in ridership because of changes in Medicaid policy. They are encouraging people to use to the lowest cost, most appropriate form of transportation. Although it may be true that a route has limited ridership, we have seen increases across the board. Something can happen like the route to the Dartmouth Hitchcock Clinic where we've almost doubled ridership in one year.

Mayor Guinta stated I don't dispute that. Obviously it makes sense to keep the routes with the highest number of ridership continuing and the ones with the lowest ridership I think we should look at and possibly adjust. That particular one I am trying to find out if there are more or less than five per trip.

Mr. Roessel stated I would say probably, yes. It comes out to less than five per trip.

Mayor Guinta asked you are going to reduce that from 13 to 12 trips per day, where there are less than five people on each trip?

Mr. Roessel replied transit is peak oriented. Most of the rides are before 9:00 AM and after 3:00 PM. The trips in the midday are less productive. If you walk into a diner at 3:00 PM after the lunchtime rush has gone by, there are less people. We are peak oriented in the mornings and the afternoons. Overall, there may not be much ridership during the midday and that's what kills the average, but in the morning and afternoon, those buses could have 20 people on them.

Mayor Guinta asked you really think there are 20 people in the morning going to the grocery store in Hooksett?

Mr. Roessel replied no.

Mayor Guinta stated here is the point I am trying to make: I appreciate what you have done to this point to reduce your request. I am looking to see if there are ways to continue servicing the lines where people require service. There are certain lines in the City that are heavily used even in non-peak hours, but there are other lines that are not. I'm trying to figure out if there is a way to achieve additional savings by staggering some of those trips or reducing some of those trips. If there is nobody on a bus on a Saturday and there is consistently no one on that bus, wouldn't it make sense to just eliminate it?

Mr. Roessel replied I don't believe that there's no one on that bus.

Mayor Guinta asked do you want to ride with me on Saturday?

Mr. Roessel replied I'll ride with you anytime.

Mayor Guinta stated I'm not talking about buses that are full. I want to be clear. I'm not saying eliminate routes that are full. I'm looking at more effective passenger service. From what I understand, that route begins downtown. Correct?

Mr. Roessel replied yes, they all do.

Mayor Guinta stated if someone needs to go food shopping, there are other closer grocery stores that you can get people to quicker.

Mr. Roessel stated that route doesn't just exist for the Hannaford in Hooksett. It exists for the people throughout the neighborhoods and to go downtown. It does not run closed door from downtown to the Hannaford.

Mayor Guinta stated I understand that. It sounds like what you are saying is that you are more likely to agree with me that the majority of the time there is less than five people per trip on that bus.

Mr. Roessel stated I am also more likely to agree with the people who ride that bus that they really need that bus. Saturday is the day they use to go shopping. They are working two or three part time jobs during the week and don't have the extra time. On Saturday, the people who use the buses really need it and that is what I am hearing from all over. Saturday service is for their discretionary trips. It allows them to do things that they don't have the time to get done during the week.

Alderman J. Roy stated for the Northside Plaza there are 64 trips a week, which would be nine trips per day. To River Road and Southern New Hampshire University there are 70 trips per week. That used to be one route. That's in the letter I got as well. It went from 2,600 hours to 5,100 hours. It went from 37,000 miles to 53,000 miles. If you just said that those are two of the lowest rider totals in your system, maybe it would make

sense to put them back together again. I agree with you that to that one person the bus is the most important bus in the world. I don't want to see any of them eliminated. It makes sense to me to keep this whole system dynamic. Someone thought it would be a good idea to separate these routes. Maybe it was. The Hitchcock Clinic route doubled. This one here doesn't sound like it worked too well. We need to keep service going to those areas so maybe they would be combined again to save those hours and miles.

Mr. Roessel stated once again, I have never seen that letter.

Alderman Sullivan stated I wanted to go back to the Airport. You stated that you would be eliminating Saturday service on the Airport route. How many passengers do we have on a typical Saturday over there?

Mr. Roessel replied it is a handful.

Alderman Sullivan asked has this been discussed with Mr. Brewer or anyone else from the airport management team?

Mr. Roessel replied no.

Alderman Sullivan asked don't you think it might be a good idea to put your heads together and find out what needs they might have over there? I'm a little tired of departments going off on their own and not acting in a cooperative manner that benefits the City. I'm a little tired of the turf wars. I would suggest that you go over there and talk to him and try to find out what their needs are. You might be able to increase the users at the airport if you had a good working relationship with the management team over there.

Mr. Roessel stated I ran the shuttle service at BWI Airport. In Albany, New York, I ran a service to the airport called the Flyer. Airport travel is used by the people who work at the Airport. It is not the travelers to the Airport. I fly out of Manchester to BWI every other week and in all my travels I have found one other person with a suitcase going to the Airport. We also do the periphery road around the Airport. There are a lot of businesses there, a lot of warehouses operations, back office operations and there are some people who ride the bus for that reason. I have spoken to Mark Brewer. I know who he is. I have talked to him. I know that when I have ridden the bus out there, I have ridden with people who do work at the Airport. I know that it is required, but you're here on one side telling me to look at routes that are not productive and ride around empty all day and there we identified one. I know that person who works at the Dunkin' Donuts on Saturday is not going to be happy. We all know that. These are the hard choices, but I do talk to Mark.

Alderman Sullivan stated what I am suggesting is that you have two agencies, two elements of City government, and I don't see you working together on this. I think it is essential that you find out what his needs are both from a passenger perspective and from the employee and tenant perspective. For us to have this conversation without input from a major stakeholder is a little off the wall.

Mr. Roessel stated I can tell you that I do not have the resources to do a passenger survey of every route. Those things are expensive and they are very detailed.

Alderman Smith stated no one is asking you to do that. You don't have to be so contentious here. I'm the one guy who wanted to give you \$100,000 more last year. The airport is an economic engine for the City, both in terms of bringing people into the City and in providing jobs for people to live here. I want to make sure any decisions that could

adversely affect their operations will be undertaken with some input from the people over there. That's all I'm asking.

Mr. Roessel stated I apologize. I did not intent to be contentious. It is true that it is a modal hub. When people come into the Airport, they need some way to get around. Just to rely on taxis is an expensive way. If there is a bus there than that's something. We have a sign inside the Airport, we have our shelter there with our logo on it and schedules. We try to attract people. I hear what you are saying.

Alderman Sullivan stated I know we are going to be instituting the downtown circulator. Has anybody explored whether federal funds are available for a more direct shuttle service between the airport and downtown, something along the same lines that could be dedicated to connecting those two?

Mr. Roessel replied you would be directly competing with the taxi companies. Secondly, it would have to pass several tests on the federal level. I attend meetings at the Chamber of Commerce. It is said to me often that people would like to go from the hotel downtown to the Airport and right now the only direct way would be taxis.

Alderman Osborne asked could you tell me what position the Valley Street Stop and Shop and the Hanover Hannaford are in?

Mr. Roessel replied the Valley Street route is one of our better performing routes.

Alderman Osborne asked there are no intentions of decreasing that route at all?
Hanover?

Mr. Roessel replied Hanover is one of our best performing routes as well.

Alderman Shea asked what is your reserve fund at now? How much did you have last year?

Mr. Roessel replied last year we had about \$350,000. We got our federal allotment. The fiscal year starts in October so we got our allotment through May so that was 7/12. When we got that money, we had to pay back the School District account. The Transit account is in deficit more months out of the year than it is in surplus. These are the months where we are in surplus. The first thing we did was pay back \$200,000 back to the School District account. Out of the \$480,000 that we got from the 7/12 allotment we have \$590,000 as of the end of April.

Alderman Shea asked how much more do you anticipate in October?

Mr. Roessel replied \$1.2 million.

Alderman Shea stated that would bring you up to almost \$1,595,000.

Mr. Roessel stated that is to pay our expenses.

Alderman Shea asked how much were your expenses last year out of this funding?

Mr. Roessel replied \$3 million.

Alderman Shea asked you don't anticipate any more from the federal government?

Mr. Bill Cantwell, Manchester Transit Authority Finance Officer, replied yes, I do. Right now, we have \$1.2 million to come to us. We'll finish out our federal year 2009 number then in October we wait for our 2010 number.

Alderman Shea asked you do receive federal funding? Does that ever increase depending on certain circumstances, grants or things of that nature that you can write into your project?

Mr. Cantwell replied that is all based on the federal census. It is a number determined by the Federal Transit Administration.

Alderman Shea asked does it increase every year?

Mr. Cantwell replied it has gone down by 2-3%.

Alderman Shea stated I am talking about this year. Did it go up?

Mr. Cantwell replied it went up this year.

Mr. Roessel stated federal dollars are used to match state and local revenue dollars that we get through the fare box so if we get more contribution from the state of New Hampshire that increases the side of the federal pot.

Alderman Shea asked if you get less it decreases?

Mr. Roessel replied yes.

Alderman Lopez asked did you get a \$264,000 grant for diesel? Or could you explain the \$264,000 that you received?

Mr. Roessel replied yes, we did. That was to retro-fix some of our buses that had older polluting engines. It also pays the differential with the City Highway Department. The differential in the diesel cost for a year to go to clean bio-diesel.

Alderman Lopez asked did you put any of that money in the budget that you have of \$333,403?

Mr. Roessel replied no, we didn't because that's a specific purpose. It is dedicated to that project so it is not for increasing operating hours or paying salaries. It is for retro-fitting buses and paying for the difference in going to bio-diesel.

Alderman M. Roy stated Carey, I would be very careful when I start looking at those riders who come out of Colonial Village and need to get to SNHU. I disagree with the Mayor that we are looking at people who just go from Colonial Village over to the Northend Shop and Save. We have people going to work throughout the City and they take the bus from River Road and they take the bus from D.W. Highway to downtown and disperse from there. I would look more to decreasing the middle of the day routes verses taking away the first hour and 45 minutes of the day when people are leaving to get to work.

Alderman Gatsas stated you came to this Board looking for a \$90,000 advancement because you were running out of cash. Within one day you went to the School District and looked for \$264,000 from the School District.

Mr. Roessel replied what we asked for them to do was help. We asked the City to do this with their departments as well. We wanted them to pay the outstanding bills that they had for fuel that they had used to reimburse us for that fuel.

Alderman Gatsas stated those discussions never came before this Board other than you needed money because you had a shortfall. You never said that the departments owed you money.

Mr. Roessel stated what we asked was for the School District to help out cash flow because we knew coming to this Board we had to exhaust every possible avenue to try to raise as much cash as possible before we asked this Board for money so this is what we came up with. We asked the City to reimburse us for fuel that was already used by the City and asked the School District to advance their regularly monthly payment to us by 14 days. We did that in anticipation of this Board asking us if we had done everything possible and thought of everything before we came to you.

Alderman Gatsas stated you came to this Board explicitly looking for \$90,000 because you said you had a cash flow problem. This Board never questioned it. We had made an agreement with you during the last budget cycle that if you had a shortfall you could come to us and we would aid you until the federal dollars came in. You never said during that discussion that departments owed you money for gas or that you were going to go to the School District to get an advance. At some point when I hear that conversation at the School District, I get a little annoyed that you didn't ask us for \$350,000 so we could have taken care of you as we said we would, instead of you coming in here looking for \$90,000 and then saying the City didn't pay its bills and we want our money. You didn't say that to this Board.

Mr. Roessel stated we never said the City didn't pay its bills. It was a timing issue. We were under the gun to get that money. We asked the school to help us out.

Alderman Gatsas stated you asked us to help you out. We agreed. If you had said it was \$350,000 the City would have helped you. You didn't tell us the whole story. You conveniently forgot that you were going to go to the School District and ask them for \$264,000. That's wrong.

Mr. Roessel stated that was money that they would have paid us at the end of the month anyways. All we did was ask them to pay us early. If you think that's something we

should have told you about, I apologize that we didn't. It was money that was coming to us anyway. It was City fuel that we purchased. The City uses it and they reimburse us. We asked for the City to reimburse us a little quicker, that's all.

Mayor Guinta asked Carey, when the budget is adopted how does the City appropriate its portion of your budget? Is it annually, quarterly, monthly?

Mr. Roessel replied it was ten payments of \$90,000. That's where we came up with the \$90,000 that we asked you for.

Mayor Guinta asked in fiscal year 2009, we started giving you \$90,000 a month starting in July. The budget appropriation was \$900,000, correct?

Mr. Roessel replied correct.

Mayor Guinta asked when did the City finish its payments to you?

Mr. Cantwell replied we came and spoke to the Finance Director in December to see if we could get the City to accelerate the payments. The Finance Director was able to give us two payments in January and two payments in February so in February we were done with all ten payments.

Mayor Guinta stated for January and February the City accelerated its payment schedule and doubled it.

Mr. Cantwell stated we got \$180,000 for January and February.

Mayor Guinta asked in March you came to the City and said you needed another \$90,000?

Mr. Cantwell replied yes, the end of March, correct. When we realized how late the federal grant was going to be we said we were going to come to the City and ask.

Mayor Guinta asked do you expect to come to the City and ask for accelerated payments in fiscal year 2010.

Mr. Roessel replied no, we do not because we learned a lesson by going to the School Board. We will investigate getting a line of credit or a grant anticipation note to have a financial vehicle available to us so we can weather a rainy day.

Mayor Guinta stated in the future, if MTA needs accelerated payments, that request should come to the full Board of Mayor and Aldermen.

Mr. Roessel stated what I heard from that discussion at that time was questions why the MTA didn't have some kind of line of credit available to it because it is a big enough agency so it doesn't have to come to the BMA or come to the School Board.

Mayor Guinta stated yes, you heard that from me. The line of credit is something you should be doing and I think it is a good business practice. However, what I'm saying is if you need money outside of that or accelerated disbursement that request in the future should come to the Board of Mayor and Aldermen. I believe that is a policy decision that the Board of Mayor and Aldermen should make. I suspect that no one on this Board knew that those accelerated payments were being made. I suspect that if they knew that in March the vote would have been different. To me it is a basic management issue. If you are having cash flow issues, this Board has a right to know about it. In the future I would recommend that if there are cash flow problems and you need accelerated payments you should send a letter directly to the Board of Mayor and Aldermen.

Mr. Roessel replied okay.

Alderman Pinard stated I'd like to meet you for coffee at quarter past five on Candia Road. There are a couple of buses that go by and the only one who waves at us is the driver because there is no one in there. Isn't the advertising on the bus income for the bus company?

Mr. Roessel replied yes, it is.

Alderman Pinard asked how much does that give you?

Mr. Roessel replied as of the end of April we had received \$56,000. The income from the advertising revenue is dropping off as the economic downturn continues. We've had companies ask to reopen their contracts and reduce the amount that they are paying for the advertising. A long standing credit union has been one of our best customers. We added Allstate, which was a good thing, but we try to get the most out of our revenues. With all due respect, when you are at Candia Road you are at the end of the line. As that bus continues on into downtown it picks up more and more people and by the time it gets to downtown...

Alderman Pinard stated years ago I got involved with a company I was working for and I think I brought that up before. Do you have somebody to promote the bus company? You mentioned the Airport, but doesn't anybody go down to the electrical companies and announce the bus service? Do you have anybody that does that? There are a lot of companies in this area that don't take the bus because they don't know the package that you offer. I've done that and it works.

Mr. Roessel replied Commissioner Nagel at one time was a public relations person and did a lot of promotions for the MTA. Like I said, I attend Chamber of Commerce meetings. I'm available to any business group to address them.

Alderman Pinard stated that's not what I'm getting at. Do you have somebody to goes to Industrial Line Drive? There are probably 500 companies over there. Do you go there with a brochure to offer to the employees?

Mr. Roessel replied I do not have a public outreach or public relations person.

Alderman Pinard asked why don't you do that?

Mr. Roessel replied we don't have it in the budget.

Alderman Pinard stated find a way to put it in the budget. The only way you are going to increase your budget is by increasing your passengers.

Alderman Ouellette stated getting back to the \$264,000 and the \$90,000 that you asked for, the reason you didn't ask for more than \$90,000 was because you didn't think you were going to need more than \$90,000 had the School District came up with \$264,000? Is that why you didn't ask us for the \$350,000?

Mr. Roessel replied yes, we were trying to keep the request as small as possible and to do everything possible to get in those revenues that were coming to us anyways. We were trying to get them in a little early.

Alderman Gatsas asked the next time they send a sheet can you also send us a revenue sheet? When someone asks you for a balance sheet, you should show your revenues. This information has nothing to do with revenues. I would think that's a major part of you sending something to this Board so we could understand your budget.

Mayor Guinta called the public meeting back to order. He called upon Alderman Lopez to speak.

TABLED ITEMS

6. 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 \$258,000 from Central Business Service District Funds for Fiscal Year 2010.”

“Resolution ‘Approving the Community Improvement Program for 2010, Raising and Appropriating Monies Therefore, and Authorizing Implementation of said program’.”

(Note: The Chairman has requested MTA to provide a complete breakdown of revenues and expenditures of their budget prior to the meeting; Tabled 5/05/09.)

*On motion of **Alderman Gatsas** duly seconded by **Alderman Lopez**, it was voted to remove item 6 from the table.*

Alderman Lopez stated thank you, Your Honor. I'd just like to make a couple of comments so that the rest of the Aldermen and the public know where I'm coming from. Since the day you presented your budget, looking at it and understanding it, understanding the revenue, understanding everything that was in your budget and trying to put the numbers together...I'm sure that other Aldermen have looked at the budget. Up until last Thursday when I was asked to put both budgets side by side...I know that Alderman Gatsas had a budget and I had a budget. We put them side by side and worked with the Finance Officer to see which would be the best budget that we could come up with for the entire City. Up until then I had no discussions whatsoever with the Aldermen in reference to this budget. I've invited every Alderman to ask questions about the budget, of concerns that they had. I was able to reach every Alderman except two, which was extended to both of those Aldermen. I want to assure everybody this was a hard, long process. As a matter of fact, we spent since 8:00 this morning until this meeting tonight in the Finance office. I think that we have come up with, in my opinion, with the hard times that we do have, and the numbers that we do have, and the budget that you gave us, I believe collectively as Aldermen...Have we passed out those sheets yet? Let's do that now so the Aldermen can see the budget themselves. We have tagged it the Aldermen's budget. It's not Gatsas' budget; it's not Lopez's budget. It's collectively all the Aldermen, as I indicated, except two. I want to make that very clear. With that I would like to start the process off, and then I'll pick up on the end. Alderman Gatsas, would you start the budget process?

Alderman Gatsas stated thank you, Alderman Lopez. As Alderman Lopez said, we've been working for at least the past four or five days on a budget. Once we put both budgets on the table, we tried to come up with something collectively that we thought was the best situation for the City of Manchester. I will start this discussion by first saying that the state of New Hampshire has downshifted some \$6 million to the City. That reflects about a 3% increase to the tax rate before we do anything at the City level. That \$6 million comes from a deal that the state of New Hampshire made back in the 1970's to eliminate taxes and to allow the communities throughout the state to participate in a revenue sharing basis. Those dollars to the City of Manchester are about \$4 million. Another agreement that the state of New Hampshire made was that they would pay for building aid as it came in for construction of new buildings, school buildings. That's \$1.9 million. They have also downshifted retirement costs to the local communities. So, when all is said and done, before we started anywhere, we started with a deficit of \$6 million that we had to find. So with that we went through this budget process, and as Alderman Lopez said, we worked independently up until the last week. We then put both budgets on the table and went through both of them to try to collect the things that were best from each side so that we could present a budget here to the Aldermen and work with for a budget that came forward that would be less than a 3% increase. Effectively, if we had gotten the state dollars coming down, we'd have a negative budget. And Mayor, I'd want to compliment you with the budget that you brought forward because certainly you put the task forward for us to come to a number that was pretty close to yours, even though you may have included the revenues at the time, with the anticipation that we were going to get them because we received some of those dollars at one time. The rooms and meals money came after you had your budget put together so the assumption would be that the other \$7 million would follow suit. There is no question that the state of New Hampshire has its own financial problems. To try to fill the two gaps on a state basis is about \$132 million. So with that being said, we went through to try to construct a budget that was going to show the least amount of pain for the employees, the citizens,

and the taxpayers of this great city. When you look at this budget, we'll go through first the revenue side. On the revenue side you see an additional \$650,000 that is next to Planning and Community Development. That number comes from the Planning Director, saying that the \$650,000 that was going to be allocated for Jac Pac in 2009 is truthfully going to come forward in the 2010 number. The \$250,000 that you see at the City Solicitor's number, those were numbers that were charged last year back to the agencies, the Enterprise funds, by Harry Ntapalis, for workers compensation, casualty, and a few other line items. So that carries forward to this year. We finally had conversation with Harry, and he did the billing for 2009 and said that the billing would be continued for 2010. Under the Finance Department you see a minus \$3.2 million. That number, when you compare it to the Mayor's number, is \$4 million for revenue sharing, and there was an additional \$750,000 that we put back into the parking distribution back to the City. That distribution covered the payment of an elevator and some kiosks. We decided, when we put the budget together, that the elevator should be bonded and the other items should be returned to the City so that the additional revenue would be seen at \$750,000 on the City side. There is a \$45,000 item that you see under the Police Department for revenue. Currently the Manchester Housing Authority doesn't pay the full bill for the police officers that are rendered to some of their properties. So, we put that in and asked the MHA certainly to pay that. It's a little consequence in the million dollar budgets that they have there, to pay the police on that revenue side. The expenditures, if you look from department to department, working with the Police Department, the Fire Department, and the Highway Department, which are the three biggest departments, the only department that really had the ability to move line items within their budgets was Highway. We thought it appropriate that Fire and Police have the ability to move line items from wages to other line items and also to move items from expenditures that are within their line item budget up to the wage number to meet the accommodations. Some of these numbers are before you, and I know that we've had discussions and I've sat down with the department heads. Again, there are no layoffs in this budget, and no furloughs. The number we have that you see before you includes the deduction of the

one and a half percent for the COLA deduction that we agreed to tonight. So every budget that's here has its COLA deduction within it. I think that it's important to understand with the Fire Department that we tell them to carry those 50 people per shift that they need. If they think that they're short, come April, they can come back to the City and certainly we will make the accommodation to make sure that the integrity of the department is there, that the firefighters are protected in every way and they're not running short shifts. So again, if the number looks a little low, we suggest that you work with that budget as we told Police, because I think all the departments this year in their budgets did a great job in finding savings in their budgets to move forward and cut the reduction of losses that we had in the budget that we're currently in. So with Fire I say to you, come back to us if you're short, and certainly we're not looking to shortchange you, and we will make you whole if you can't find it within your budget. We say the same to Police and we say the same to Highway. I think as we go through these numbers, the rest of the departments, the smaller departments, we made no changes in your budget requests other than taking the amount of COLA from your budgets so that you stood in a whole position, less the COLA amount. When we go down to the health insurance, you will see another number that comes before us. To make sure that the health insurance fund is funded at a level that we can all live with, we're suggesting that we take \$600,000 from the antenna account that we currently have. We take \$250,000 from the Hackett Hill account and another \$300,000 roughly from the Hackett Hill cash account and put that in the medical reserve account. It's something that we've been talking about for a lot of years to make sure it's funded, but we haven't done it. This gives us an opportunity to make sure those funds are there. Do we have any questions in the first section of the budget?

Alderman O'Neil asked can you just show me where that \$1.2 million is?

Alderman Gatsas responded it's not on the sheet, but there's an addendum that's been drafted up that's right here which goes into the medical savings account.

Alderman O'Neil asked what are we calling it, medical reserve?

Alderman Gatsas responded medical reserve account.

Alderman O'Neil stated Alderman Gatsas, you specifically mentioned the three big City departments – Fire, Police, and Highway. I want to make sure I didn't misinterpret your comment. I'll begin with Fire. Is it your belief today that they may be short?

Alderman Gatsas responded it is my belief, in the budget that I sat with them on, on two separate occasions, as we had the discussions, there was a number of \$18,754,000 or \$18,745,000. That number was inclusive of the 3% COLA. That number you see before us is less the one and a half percent COLA , and in the conversation I just had with the Chief, he thinks it may be \$200,000 short. So what I said was, live with your budget and come before us in April if you're short and we will replenish it, as we told Police that we would do last year. And we did do what we said we would do with them.

Alderman O'Neil stated okay, with that said, is it expected that...Chief, what's the number you run with, 52 or 55? Oh, 50. It is your expectation, Alderman Lopez and the other Aldermen, that you will run it 50 all year and if there are issues at the end of the year, we'll make them whole.

Alderman Gatsas responded that is correct.

Alderman O'Neil asked he is authorized overtime to cover those?

Alderman Gatsas responded that is correct.

Alderman O'Neil stated I can follow up generally with a question about vacancies, but it's expected, based on the budget you're presenting, he should not have to close a fire station at any time during the year?

Alderman Gatsas responded that is correct. And the vacancies that the currently have, which is seven, would remain at seven vacancies.

Alderman O'Neil stated let's go to Police. You mentioned Fire may be \$200,000 off. Is there a number for Police?

Alderman Gatsas responded I have not heard anything back from Police. My understanding is that the number that we left them with last week included the amount of money that they see before them because they understood there was a one and a half percent COLA reduction coming to their line item.

Alderman O'Neil asked what would happen with vacancies there?

Alderman Gatsas responded their vacancies would stay in the same position. I believe they have eight. Those eight vacancies would remain. Now again, they have the ability...they have a little bit of a different luxury because they can go out and get the Byrne grant, which is five, and they also have that COPS grant, which could give them ten, which they could fill with those federal dollars.

Alderman O'Neil asked but to the best of your knowledge, they are okay and can make work the number that's presented?

Alderman Gatsas responded to the best of my knowledge, they're okay.

Alderman O'Neil asked the same with Highway?

Alderman Gatsas responded the same with Highway. The only thing with Highway is we reduced...and they need to deduct...obviously Corcoran is in bankruptcy proceedings. We've deducted the \$200,000 for the truck that they had in their line item. We don't think it's appropriate for them to buy right now.

Alderman O'Neil stated regarding Highway, we traditionally over the years have given them the flexibility to manage their budget regarding vacancies.

Alderman Gatsas stated we're offering that luxury to Fire and Police so that they can do that same thing that Highway does.

Alderman O'Neil stated but I thought I heard you say Fire is expected to keep seven.

Alderman Gatsas stated Fire is expected to keep six or seven vacancies. They would have to keep those same vacancies.

Alderman O'Neil they would always maintain that number.

Alderman Gatsas stated correct. That was the agreement we had.

Alderman O'Neil stated Fire and Police...I'll take Police, the eight vacancies...they have a ninth, tenth or eleventh vacancy, they can hire?

Alderman Gatsas stated that's correct. With Fire that's the same thing and the same thing with Highway.

Alderman Shea stated of course my concern is paving the streets and the roads. My understanding is that within your budget that would be possible. Is that correct?

Alderman Gatsas responded right, we did not effectively take any money out of the paving. There is \$1.5 million that's still in the bonded amount that we bonded last year to continue the paving that we have for this year.

Alderman Shea asked and the 50-50 program will still be in existence?

Alderman Gatsas responded the 50-50 program will still be in existence. We'll take that \$50,000 out of the \$1.5 million and use it for the 50-50 program.

Alderman Shea asked and Kevin, you're all set with that? Okay, we can start paving.

Alderman Gatsas stated let's move down to the non-departmental items. The \$11.29 million that was in health insurance, we left that as the same line item as the Mayor. As you can see, the dental is the same. The next line, being life insurance, is the same number. We didn't effectively touch the disability insurance. The next change we made was in workers compensation medical. We met with Harry for a while. The difference is \$250,000. You will have a copy of the letter from Harry that we can give to you, that he agrees with the \$250,000 reduction. On the casualty and general liability, he agrees with the \$100,000 reduction. Also, on the workers compensation salary, he agrees with the reduction of \$185,000. As you can see in those line items where the expenditure reductions have been compared to where the Mayor was. The other things that you see within that line item, there is an increase of the Fire retirement and the Police retirement and a reduction of \$250,000 on the City side retirement. Bill Sanders took the \$5 million and worked out on a closer number and says he thinks it's going to be closer to \$4,750,000. He thought it was going to be \$4,743,000. We left the extra \$7,000 in there so that we could at least have a buffer. The next thing we did... We heard some discussions from Alderman Jim Roy talking about a severance package and making sure we had severance pay in the line item. Last year the departments had to come up with the severance to meet the needs that they had within their departments. This number here,

the \$700,000 is a number that they come to the City when somebody is leaving in retirement, to take the severance out of the line item and not out of the line item of their budget. We've built it in for a reason. It should be used. We need to make sure we accommodate the departments, if they do have retirements, that that's where the money comes from. Are there any questions up to the subtotal benefits that we just went over?

Alderman O'Neil asked Alderman Gatsas, do you happen to know in 2009 what the severance payout was total, per department?

Mr. Bill Sanders, Finance Officer, responded it's about \$800,000 for fiscal year 2009.

Alderman Gatsas stated but I think the average for five years, Alderman O'Neil, was about \$600,000. Last year was an exceptionally high year because of the retirements that they saw both at the upper level both in Fire and Police.

Alderman O'Neil stated so for this current fiscal year it's going to be about \$800,000. The average over the last five years is about \$600,000. Can I go back to up top for a second? I had one other question I meant to ask you. What is the policy going to be...we talked about Fire, Police, and Highway. What is the policy going to be with the remaining departments regarding vacancies?

Alderman Gatsas responded the remaining departments that have vacancies need to go through the same process as what they've gone through before, to come to the Mayor for those changes.

Alderman Lopez stated just a clarification...I believe that if they have the money in their budget, then the process would be like the Planning Department, the money was put into the budget, so therefore they have to do all of their paperwork like we did last year by the first of July. As long as they start the paperwork or complete it, one or the other, by the

first of July. After the first of July, if they haven't started anything, then it goes to the Mayor.

Alderman O'Neil stated that got some departments in trouble. There was no room to move. We gave them the okay to go out and hire and that created, in my opinion, some challenges. I would prefer that we adopt a general freeze on positions.

Alderman Gatsas stated Alderman, I'm not opposed to that. Certainly I would hope that if department heads were given a line item, and a budget, they would know how to manage it by hiring the people they needed to run that department. If they got into trouble, then maybe we have the wrong people as department heads. I don't disagree with you that if the will of this Board is that you live with what you have in your department and come back through the process either to this Board or to the Mayor, I don't have a problem with that.

Alderman O'Neil stated I guess my problem is: and I know when I had some discussions with some of the members of the Board last week, we talked about any position that was revenue generating, allowing those to be filled. I don't have a problem with that. What I do have a problem with is we're not going to allow Police and Fire and Highway to hire positions, but we're going to tell everybody else, you've got the green light; you make the decision. I have a problem with that. I have a major problem with that, because I would rather keep some other positions vacant and hire police officers and firefighters.

Alderman Gatsas stated I agree with you. The next portion of the numbers is the Safety Review Board. That doesn't change. The contingency and salary adjustment, we moved that to \$400,000, with a \$200,000 reduction. If you take a look at the number we had for severance last year, and also the contingency and salary adjustment, the total was \$830,000. This year, when you take a look at the number, it's \$1.1 million. So when you look at those two comparisons, those numbers are up higher than where they were last

year. There was also \$100,000 reduced out of the Community Improvement Program. Instead of paying cash for the 80/20 portion of the Rails to Trails portion, we're going to bond it. We had bonding available for it so we moved it out of cash. The motorized equipment we reduced and only put in \$85,000 because of the debt service that we incurred on the \$6 million deal that we did for equipment. We increased the debt service to accommodate that, but that's still under the \$9.4 million number that's before us. That's the total that we see before us in those line items. Are there any questions on that portion?

Alderman Shea stated you skipped one, MCTV.

Alderman Gatsas stated MCTV, I apologize. The MCTV number is the same number as the Mayor appropriated. I don't think we can do anything with that during the budget process. Those discussions will have to continue after this budget is closed. Any questions on what's before us here?

Alderman Shea stated I just have a question about our bond rating. Bill, how is our bond rating? Are we still getting a fairly good bond rating?

Mr. Sanders responded the City was rated AA positive by Standards and Poore's last December which was a very good. Obviously as we get ready to bond in the July and August timeframe we'll be re-rated again, and my expectation would be, and our outside financial advisor's expectation, is that we would continue to carry at least a AA rating, and maybe continue to carry the AA plus. But, ratings have become a little more difficult in the wake of the last year and a half, with the financial difficulties nationally and globally. We're still an AA and we would expect to be an AA headed into this next round of debt issues.

Alderman Shea asked what is the rate that we're borrowing at now? Do you have any idea?

Mr. Sanders responded expectation would be that we would be borrowing somewhere in the four and three quarters to five and a quarter percent, the lower end if we keep the AA.

Alderman M. Roy stated thank you, Mr. Chairman. I have a question for the Finance Officer. Going back up to Fire and Police retirement, what percentage is that with the discussions that are going on in Concord now? What does the \$120,000 represent?

Mr. Sanders responded the \$120,000 in both Fire and Police represented moving up to the...moving down actually from the 35% state portion to 30% next year. It is highly expected that the Senate will approve that, and that will become the law. They were each increased \$150,000 and then they were reduced by the savings that we will achieve on retirement on account of the COLA deferral, so that's the \$120,000.

Alderman M. Roy asked and just so I'm fully clear, for either senator in the room, when will that number be fully established?

Alderman Gatsas responded he asked the question of either senator, when do we think the full budget will be established for retirement, and I kind of chuckled because I think it could be a long, hot summer. But that's only my opinion. I don't know if Alderman DeVries has a different opinion. That something's going to be hammered out in the next two weeks, I don't think that's going to happen.

Alderman DeVries stated Alderman Roy, I'm sorry; I didn't hear the beginning of your question. What do you mean by a number for retirement?

Alderman M. Roy responded well the number being used currently in a budget proposal in Concord. My question for the Senate delegation is, is that a number we can stand on firmly or is it still a number that's in flux?

Alderman DeVries responded I would say that it's potentially in flux. It will be coming to the floor of the Senate and hopefully the beginning of the adoption will take place. Of course there's concurrence that needs to happen with the House budget and the concurrence as well from the Governor. By the end of June we would optimistically hope that we have a budget in place.

Alderman Gatsas stated that's a good word, optimistic.

Alderman Lopez stated go ahead, continue.

Alderman Gatsas stated thank you, Mr. Chairman. I asked you to go to...and I think it's important that we start this process. We were all given a book by the School District on their budget. I will remind everybody that on page 12 they showed us some 29 deductions out of that budget to get to the number that we're looking for. I went through every one of those items, and every one of those items...a lot of them will be familiar to you folks because we added them in the budget last year to get to a number of \$146 million, some of them being the gifted and talented, some being the BLIC's, some being sports. All of those numbers and all of those 29 items, 27 of them were in the 2009 budget of \$146,056,839. So I went through a process before I met with Alderman Lopez. This was early on, before I even met with Bill Sanders. I went through and I took every one of those items out of the budget because every one of them is in the 2009 budget. If you notice it gets you to \$134 million on the bottom line. If you turn the page, the next page gets us back to building a budget. So what did we build back into that budget? We built back in 27 of the 29 items. One item we didn't put back was the reduction of the Easter Seals rent, which was \$246,000, which actually is a savings

because it doesn't go back in. The other thing that we deducted and didn't put back in was...we even put everything back in. So in this budget there are no layoffs. Every position is refilled. Every single position is refilled. I take you to the next page and we start with that \$146, 056,839 and we talk about the actual reductions. In 2009, based on the numbers that we received from the School District, there is going to be about a \$337,000 salary adjustment surplus. We eliminated the preschool of \$246,824. In their budget they have a moving contingency of \$392,414 to move their headquarters from Commercial Street to another spot. They also had 48 retirements. Those wages and benefits for those 48 people totaled \$3.9 million. We deduct that from this year's budget because those retirees are being paid for in the \$146 million number. The budget that we built you can see adjusts for the following things: we add \$2.5 million for salary increases, \$1.2 million in the COLA's and \$1.3 million in the steps; we add \$2 million for health insurance and other benefits including retirement. Then the additional state pension retirement is \$368,000; we add that back in. The other cost increases in their line items - electricity, school buses, things like that - is about \$1.7 million. We put back \$1.3 million because the moving contingency was a \$400,000 item which we took out. EPD right now...and then you have the COLA deferrals of \$852,000. That's a number that the School District gave us and certainly we approved that throughout the City, which was a deduction of \$852,000 out of their budget. EPD currently, which is the first time I've ever noticed it in their budget, charges them for sewer. We felt that was unfair because the City doesn't get charged for sewer, so we subtracted the \$75,000 and said them, you will no longer have that sewer charge coming to the School District as it is currently now. Those items totaled to \$5,241,000. The budget that the Board of Aldermen is proposing to give to the School District...as you can see we have not just thrown a number out. We've presented the School District with a number that says no layoffs in any department because every one of those layoffs is currently in this budget. The amount is \$146, 393,771, and as I said when people were meeting with us, this budget has no layoffs. The 48 teachers that retired cannot be hired back. And people are going to say, how do we hire the math teachers and the counselors that we need, and the

science teachers? There's an additional 30 teachers, and probably more by the time the year starts, that are not coming back and already notified the District that they weren't coming back, that they were leaving for other districts, not that they were retiring. But, you could hire those people, I think there were 16 of them, in those retirees of positions that you could fill with the people that were leaving for science and math teachers, and also the counselors. So there is a replacement number and that's available. Those 30 teachers that are leaving, you can fill those slots. So for all the teachers that came here and said we took the money away that cut and rifted teachers didn't happen in this budget. We replaced every single position as it stood before us in the budget. And with that I will let Alderman Lopez conclude.

Alderman Lopez stated thank you very much. I just want to recap a couple of things. In the budget there are no furloughs. COLA is deferred until January 2010. Risk Manager, I have passed out recently, approved the changes to workman's compensation, general liability. There is no change in the health insurance from the Mayor's proposal. We have added \$1.2 million transferred from Hackett Hill to the health account in the event that we can draw on the health account and the insurance reserve. Severance account is funded \$700,000. The departments went up and are responsible for that. An additional \$300,000 of state pension costs fully funded. School District is funded at \$146,393,771. There are no layoffs, no replacement of the 48 retirements, no use of stimulus money. There is approximately about \$11 coming in to the School Department and we do not have any money whatsoever in our budget that we presented. Overlay decrease by \$300,000 which is confirmed by the Assessor. Assessed value \$15 million declined versus \$25 million declined in the Mayor's proposal. In revenues, there is no state revenue sharing in this budget of \$3.9 million. There is no state building aid \$1.9 million. Auto registration and interest income is held at \$2,900 level. Building permits increased by \$650,000 on River's Edge. That was verified by the Building Department. Parking reimbursement increases by \$710,000 with elimination of CIP projects with the exception of the elevator. The Special Revenue Account utilizes the purchase of

\$750,000 for breathing apparatus. I must make this comment, we reorganized the Planning Department, we put money in their budget in order to have staff work for the city in the capacity of staff working and planning as we move into the future. I think all departments that have the money in their budget, I don't believe there are any new hires but except for example the City Assessors, have money in the budget to hire a third assessor. That will depend on this board but the money is in the budget. As was indicated by the Alderman we have laid this budget side by side and this is, I think, the best that we can come up with for the City of Manchester. At this time, if there are any questions whatsoever on any part of the budget, we will try to answer the questions.

Alderman Smith stated I would like to address MCTV and MCAM. Are we going to bring those parties in and negotiate with them?

Alderman Lopez stated I think after some conversations I have had with some of the Aldermen and the City Solicitor that has been negotiating with both parties, I think it is totally impossible for us to solve that particular problem. It is an ongoing, working relationship with MCAM, as to what can happen over there. I know they just laid off an employee. They do have a contract with us. MCTV has a contract. We have a contract with the School Department. I think we have to have conversations along those lines. As to what the outcome is, I don't believe we can solve it. Therefore we kept the \$500,000 that was in the Mayor's budget with the understanding that the legal minds tell us what we have to do in order to comply with their contract.

Alderman Smith asked what are we talking about than? Are we talking about \$500,000 between the two parties?

Alderman Lopez replied yes, we are talking \$500,000 in the appropriate line of the budget. Mr. Sanders can speak to this too, I believe the money for MCTV and MCAM, I believe it is \$137,000 that we are counting as a shortage this year because we had to pay them. Mr. Sanders, will you fill us in on that please?

Mr. Sanders replied yes, we overspent the budget this year by about \$137,000 based on what the actual contract provides for versus what we had originally budgeted. For next year for 2010 the estimate would be that we would in combination owe MCTV and MCAM approximately \$830,000 compared to the \$500,000 that is budgeted right now.

Alderman M. Roy stated thank you, Your Honor. My concern is the School District number. Alderman Lopez made a point of getting the Superintendent here so I would be anxious to hear the Superintendent and Ms. DeFrancis's opinion of this.

Alderman O'Neil asked the 30 teachers that you were quoted as saying will not be returning to the School District, did you put a value towards that?

Alderman Gatsas replied I did not. Those 30 positions that are leaving are not in this budget. They are positions where they would be free to hire to keep their commitment. The only thing we are saying is reducing the 48 retirees.

Alderman O'Neil asked there is no use of any stimulus...

Alderman Gatsas replied there is nothing in this budget, Alderman, that talks about stimulus money or anything that remotely comes close to it. I don't think that anybody, including myself, who sat through a meeting with Senator DeVries, the School District and Senator D'Allesandro, can tell us how many dollars are coming to Manchester. People have thrown out round numbers and certainly they are impressive when they say \$14 million. I think the only allocation that is etched in stone is the \$157,000 that is

coming to Food and Nutrition for them to buy equipment and things like that. I don't know if there is anything else. These dollars are all grant dollars that they have to go after. The Superintendent will tell us there is \$4.4 million and if something happens they would have \$2.2 million that they could use in their budget. I can't tell you whether that will happen today, but in this budget we need to make sure we understand that the budget that is built today doesn't have stimulus dollars in it. We're going to have to find a way to supplant those dollars in the next budget. If they get money as stimulus those are monies that they should use to do what they need to do to buy equipment and book and make sure the children in the City of Manchester have every tool to educate them to the best of our ability. I think it is important that they have every opportunity to go after every grant. I'm sure I am preaching to the choir because they already lined up their ducks to do that.

Alderman M. Roy stated Superintendent, the top line of what we received was an FY2009 appropriation of \$146,058,839. Is that what you look at as your 2009 appropriation?

Mr. Thomas Brennan, Superintendent, replied initially, yes, we did. We also talked about the one time dollars, which were approximately...

Ms. Karen DeFrancis, Assistant Superintendent, stated it is the expendable trust of \$2.3 million of which, \$1.5 million was operational expenditures and \$800,000 was onetime spending. When we look at the budget as far as our spending our appropriation, we would take the \$146,000 plus the \$1.5 million for operational expenditures. In addition to that, on page five of the presentation, there were a couple of items that I didn't see. We're just looking at this again tonight so we need some time to review it, but there were a couple of items that were not in here. I see for health insurance there is a \$2 million increase. However, on page five of our budget book, we are estimating a \$2.6 million increase so that would be an additional \$600,000 that is not accounted for.

Alderman Gatsas stated yes, it is by the reduction of the 48 teachers.

Ms. DeFrancis asked when you reduce the 48 teachers are you taking into consideration the benefits on that?

Alderman Gatsas replied \$1 million. It is \$3.9 million for total benefits and salaries.

Ms. DeFrancis stated \$3.9 million. Those are the retirement positions?

Alderman Gatsas replied that's correct.

Ms. DeFrancis stated we do have to pay for summer pay checks on those retirement positions.

Alderman Gatsas stated that's no different than what you paid this year for the retirees that went out last year. It is a one for one change. You had more retirees. You had 62 you needed to accommodate last year.

Ms. DeFrancis stated another item that I don't see on here is the increase in the City and state retirement rates. I do see the \$368,000. However, we did have an additional \$1.1 million due to the rate increases. That I do not see on your list.

Mr. Sanders stated we did not explicitly increase the rates above what they had in this year's budget. She would be correct on that.

Ms. DeFrancis stated one other item is with the fiscal year 2008 surplus we were able to purchase \$1 million in supplies and text books, which were supplied for fiscal year 2009. If we do not include that spending than we would be \$1 million short there as well.

Alderman Gatsas stated we gave you \$1 million last year. We did not give you \$1.5 million. This Board gave you \$1 million for expendable dollars. You decided what to do with your other dollars that you took out and spend. This Board never approved them.

Ms. DeFrancis stated the Board of Mayor and Aldermen approved changing the expendable trust language so that we could utilize the money in that account to find line items within the budget like health insurance and special education.

Alderman Gatsas stated I think that that line item was if you were short on line items. I'm not noticing that you were short on line items.

Ms. DeFrancis stated we are short on those line items.

Alderman Gatsas stated it depends on how you structure them. If I look at the comparisons, there is about a \$1.7 million increase from 2009 to 2010. There is less than a \$1.4 million increase in the line items from 2008 to 2009. I will leave it at that. The surplus that we developed from the \$337,000 certainly leaves some questions on those funds and if the surplus was higher than that. I think that you have done a great job in managing your budget to find a surplus. I would think that you could go forward in the year coming and manage your budget as well as you did this year and find some of those surplus dollars that you have in the line items that you haven't included. We are still a very far distance from \$156 million that you told people you needed to exist in this budget. We're actually a long way away from \$152 million. I'm not here to debate it because I'm sure I could find \$1 million in line items that I could reduce when I look at your operating budget, but I didn't do that. I gave you money in your operating budget to accommodate for the increase from 2009 to 2010.

Mr. Brennan stated we don't know what to say because we respectfully disagree. We look at our numbers, which we've spent a lot of time on, as you have, in the budget and

we believe that the numbers that we are presenting, as well as the identified numbers that Ms. DeFrancis just shared with you, need to be considered.

Alderman Gatsas asked do you agree that the 29 items that you showed your board as decreases to get to \$146 million were line items in your budget appropriation of \$146 million?

Mr. Brennan replied yes, sir.

Alderman Gatsas stated if we agree to that and we start from that premise then we have to start from a budget of \$146 million. Now we can construct a budget from there. If we agree to that and we can say that we paid for every one of these items in that budget and we say that's true then we have to start with \$146 million. If we reduce the retirees and their benefits, which is roughly \$4 million, if we decrease the surplus that you have in your salary line, which is \$337,000, if we reduce the \$392,000 that you have in your moving expense, if we reduce those items and then add back the \$2.5 million for your COLAS and your steps and \$2 million for health insurance in that line item and the other add backs that we have, we're at \$146 million. No math that I have done is a fuzzy math. It is all very clear on a piece of paper.

Mr. Brennan stated it is clear, but we do not agree with your assessment of the salary surplus of \$337,000. We acknowledge that at this time that's where we are, but we constantly are concerned, particularly in the area of our self-insurance, about the number of claims.

Ms. DeFrancis stated we just received the bill for last week and we had been estimating \$430,000. These numbers that you are looking at where we're showing a surplus of \$55,000 in total in the general fund, includes estimating the health insurance at \$430,000 per week for claims. We just received the claims for last week and it was \$550,000.

Again, we're monitoring those claims on a weekly basis, but even the \$55,000 that we projected as a surplus is not a solid number.

Alderman Gatsas stated I think if you remember when we sat down to go through this exercise last year, we talked about the same claim runs. You said they were running high and you had to adjust. We all know that most people, at least in your industry, will use claims before they go out on vacation during the school year. That's when your claims run higher than most other times. The same thing happened last year when we looked at your numbers on a 12 month basis and I bet it is going to be the same thing we see this year. That doesn't change only because, and I don't blame people, if they know they have time off for the summer they are going to go to the doctor's beforehand with the kids so they don't have to worry about it during the summertime. I think if you look at your numbers and you look at a 12 month run, you will see that same thing came up last year.

Alderman M. Roy stated Superintendent, again I need to clarify this. Alderman Gatsas says that it is not fuzzy math, but again, it is all where we start. In your opinion, do you feel that we started at \$146 million or did we start higher?

Mr. Brennan replied when the Alderman asked me that question, we had agreed about that number, but upon reflection, we determined that we did have more costs for our operating budget, which brought us to \$148 million. We have a disagreement about whether or not those were one time. I do know that only \$800,000 of those dollars were used in the specific areas identified. That left us with a \$1.5 million difference. We still contend that part of our operating budget as we define it was closer to \$148 million. I was mistaken when I said \$146 million. I agreed with the Alderman earlier today and the other day that it was \$146 million, but I had forgotten about the operational impact of the \$1.5 million that brings the number to \$148 million. In fact, when we prepared this budget, we prepared three budgets: one at fully funded, one at \$148 million and one at \$146 million because we thought there was that discrepancy.

Alderman M. Roy asked how long have you had to look at this information?

Mr. Brennan replied we just received it a few moments ago.

Alderman M. Roy stated when we talk about your time to review or discuss what it would do to education, you only received this when you came into the room.

Mr. Brennan stated yes, sir.

Alderman Lopez stated let me correct a little bit of this. We've had conversations with the Superintendent and the Finance Officer to some degree. I do agree that he only just got this document. It is not because we didn't have the conversations. Is that correct?

Mr. Brennan replied that is absolutely correct. I was responding to when I saw this document. We've had several conversations, which I appreciate.

Alderman M. Roy stated out of respect for the Chairman, there has been a lot of conversation regarding the budget over the last five weeks, but again, we're expecting two of our professionals to answer questions based on something that they have had less than 15 minutes to review, which I think is an unfortunate situation. I'd like to know the educational impacts of this. That will be the premise of my next conversation, but I honestly don't expect an accurate answer from the Superintendent because he can't give me educational impacts because he hasn't had the opportunity to look at what it would do at a \$146,393,771 number. I personally disagree with the impact of the 48 positions from the retirements that would not be hired back. I feel that the placement of the additional people leaving the district may or may not fit into the budget that is proposed. I don't see an additional 30 people added in. I see the retirements taken out, but I don't see the 30 employees hired to fill those gaps. I look at the overall impact and wonder if we can

answer what was asked of us last week about the educational impact for the children of Manchester. I for one would like to see the Superintendent come back with that information. I would also like Ms. DeFrancis to come back as well.

Alderman Gatsas stated I think if we all start with one premise that when the budget left here that everyone signed on to, the \$1 million was going to come out of your trust funds to fund \$1 million of one time expenses. When we opened that up, that's what that budget was for, one time expenses so you could buy books and computers. On the sheet that we all signed on to it was a \$147 million sheet and \$1 million of that was onetime money. That was the agreement that we all had. There was no agreement that anybody else was going to pull \$1.5 million out of those trust funds to move forward. That was never agreed to by this Board. I understand that we don't have the ability to do that, but I think it is very clear if we look at the minutes of the meeting, that the number we gave forward was \$146,046 with \$1 million of onetime accounts. I think Alderman Lopez has that document that was circulated to every person in this Board that shows what those \$1 million in expenditures were. All I know is when that money left this room in agreement, it was \$146 million and \$1 million of onetime money was coming out of your trust accounts to take care of those onetime items. That's what left this room. I understand that you spent more money. The first time I saw that was when you sent the document over two weeks ago when I asked for something to show the number that you are currently spending. When I looked at it, I saw the additional \$1.5 million that was in that budget. I had never seen it before or heard it talked about until I received that document.

Alderman Lopez stated for the record, I want to refresh peoples' memories that the \$1 million replaced old computers for \$200,000; computer notebooks at \$126,000; restored math from K to five at \$303,077; supplied text books at \$200,000; and student information system at \$170,923. We even went a little further than that. The total cost of Gill stadium was a savings of \$264,000. That's what we all signed.

Alderman Ouellette stated the only hole, if you will, that maybe is left to fill with the budget that we talked about today, and it is not a hole that this Board created, is the \$852,000 that the unions from the school side came forward with some relief to the City and some giveback. I would agree that if the Board of School Committee doesn't accept those givebacks, they are going to have an \$852,000 hole. It is my position going through the numbers that they don't have to accept it, but if they don't accept it, they are going to have to find an additional \$852,000 in their budget that the other unions on the City side said they would defer until January 1st. I want to make that perfectly clear. We understand that there is still a hole, but I think that responsibility now lies with the Board of School Committee. This Board took a vote and this Board made a commitment to honor that.

Alderman O'Neil stated Dr. Brennan and I were at a West school meeting this afternoon with several of the Aldermen. We talked about the retirements. I don't want to speak for you, but it was my understanding from the conversation we had late this afternoon that it was your intent to fill some or all of those positions. Can you elaborate on those retirements?

Mr. Brennan replied yes. In terms of those retirements as they are listed, there are some positions, and I'll use English as an example, that we have too many of those people retiring and we will run short of English teachers. Therefore, we would need to fill those positions. As I said earlier today, when we prepared our reduction list, we identified 9.5 of those 48 positions that we could address as requested and not fill them. Then we looked at an additional 40.5 positions that were not on the retirement list, but we will reduce. That's what we were trying to address. I felt, at that time, by doing it that way, we were accommodating the 48 slots, not specific positions listed under retirements. There are highly qualified positions and there are specific positions and we need people in those slots. I felt that we had accommodated getting to 48, or in this case we got to 50 in those reductions, by reducing other positions in our district, which would slightly

increase our class size, but was within the established class size established by the Department of Education. That's what we were intending. My concern that I shared with you was if I was told that the only positions that we could not fill were those that were appearing on the retirement list. That would be very difficult for me to do based on what I consider the appropriateness in terms of what we need to fill. This is not only my positions, but also the principals of the schools. I didn't do this in a vacuum. I met with our principals and that's what we came up with.

Alderman O'Neil asked...do you have any confirmation around that number?

Mr. Brennan replied I do not, but I'm sure it was an accurate number in terms of resignation. I have no doubt that the Alderman has the correct number. I haven't had the time to look at that number.

Alderman Gatsas stated for clarification: I got that number from a School Board meeting as I was surfing channels. That number probably will be higher. I think you are probably going to be close to where you were last year, which was a 43 or 44 number. I'm saying to you that in the resignations that you have, to fill the positions as Alderman O'Neil was discussing, for guidance counselors or for English teachers, leave the 48 vacant. I'm not telling you to not fill those positions if we need an English teacher. I'm saying fill the English teacher with one of the 30 that were leaving. Maybe one of the 30 that are leaving was a kindergarten teacher that you could fill with an English teacher. I'm not saying don't fill the needed positions. I'm saying that if you lose 40 teachers through resignations, then use that number to fill from the number that is retired. I'm telling you that the complement that you have is 48 less. Fill it the way you feel appropriate when those resignations come in. If you need four biology teachers, four science teachers, four English teachers, and three counselors, fill them appropriately with the teachers that have resigned. I'm not telling you not to fill them. I understand your 40, but I'm saying that in the budget that we have before you, that there are no layoffs

because those positions were all funded in 2009. Take the 48 that have retired and fill them with the resignations that are leaving before you. Those positions should be filled if you need an English teacher. I don't disagree.

Mr. Brennan stated I think we have a disagreement in terms of how we get to that number, whether it is \$146 million or \$148 million. If we use the \$146 million, and everything stays the same, I know you added in COLA and other numbers, that would work out well. There is still a question of the city side retirement.

Ms. DeFrancis stated the city and state retirement is \$1.1 million.

Mr. Brennan stated that is not accounted for in this budget. I believe that's what Mr. Sanders said. If that is the case, that is something that needs to be addressed as well.

Alderman Gatsas stated as you said to me and I'm not going to throw it at you, but you just told me there is a possibility of \$2.2 million coming from stimulus dollars that can offset revenues on the school side. If you had to make up the million, you got an extra \$1.2 million that you can spend on the students in any way you wish to do that.

Mr. Brennan stated and as you said, not to throw it back at you, sir, there is no definitive answer regarding those dollars because we need to wait until mid-June or later to find out if we are a designated district. If we plan on those dollars and we are not a designated district we have no options in regard to that \$2.5 million or \$2.3 million. It is very soft. When you start talking about another \$852,000 and add that together...

Alderman Gatsas stated for clarity: on the bottom of that page, there is also a revenue number and I guess I didn't talk about that and I should have. The revenue number that you see is \$15,759,703. That's about \$2.5 million less than what the Mayor put in. In that line item there is \$1.9 million in impact fees. That leaves you with a balance of about

\$2.3 or \$2.5 million. We put \$1.9 million in that line item. Should you get building aid, that line item should move back to the impact fee composite number. We use the impact fees to pay for your debt service in that line item. If you happen to get building aid, you can put that back into your impact fee number and still have the \$2.5 million in impact fees moving forward.

Alderman O'Neil asked where are you on there?

Alderman Gatsas replied if you look at the School District number, right under the subsidy for transit, there is a number that says \$15,759,703. We decreased the Mayor's budget by \$2.5 million. The Mayor used all \$2.5 million of the impact fees in his number. We didn't do that. We used \$1.9 million. Going forward, if you get the building aid, you can reduce the impact fees and put them back in your bucket and that doesn't affect anything other than leaving you with money in the impact fees.

Mr. Brennan stated agreed.

Alderman Gatsas stated that number and the number going forward is a 2.88% increase in taxes. Again, with the numbers that we did not receive from Concord, the \$4 million in revenue sharing, the \$1.9 million in building aid and the additional cost of down shifting from the retirement, if we had gotten those numbers from Concord we might have been able to change your number and still have a minus reduction in savings to the taxpayers of the City. The Mayor didn't have the ability to know where we are three months later when he put his budget together. I think that will all due deference to him, because he saw the rooms and meals money came in as quickly as they changed their mind, the numbers for revenue sharing and building aid would also follow suit. I can't tell you that's what's going to currently happen.

Alderman DeVries stated what we do know has happened is that on top of last year's allocation for education funding there was a new \$7.4 million given to the City of Manchester, giving the City a net increase of revenues coming from the state.

Unfortunately, the budget scenario, the revenue scenario for the City side is the worst than we have seen at least since I've been an Alderman. Like for the rest of the country, revenues are off. Tell me, I think the Mayor made some promises to the Department of Education, about the deficiencies in your building that have to be addressed or we are going to be closing schools or losing certification, along with the timeline and what you will be able to accomplish with the budget that you are seeing presented from Alderman Gatsas?

Mr. Brennan replied in regard to school approval, we attended a meeting in front of the State Board of Education and at that time we were talking about three of our schools that had been identified deficiencies in safety and health areas and also in staffing. I won't speak for the Mayor, but he indicated to the State Board of Education that he would, after the budget was settled, if we didn't have the dollars to address the staffing portion, find ways to provide that staffing. Specifically, it was for guidance counselors because we didn't have enough. In another case, we didn't have an assistant principal. According to the administrative rules, for every 500 students you should have an assistant principal and for every 300 students there should be a guidance counselor.

Alderman DeVries asked how does that happen with a budget? I guess I don't understand.

Mr. Brennan replied you would have to address that to His Honor.

Alderman DeVries asked you don't have an answer for that?

Mr. Brennan replied no, ma'am, particularly not under this budget scenario.

Alderman DeVries asked does the budget scenario you have seen in front of you leave you with concerns about meeting those commitments set by the Department of Education?

Mr. Brennan replied yes. Having looked at it and even though we have had conversations, having just seen this, I think we need some time to really play it out. Alderman Gatsas talked about how we could use those 30 positions in the 48 and not have layoffs. I just need a little more time to figure out how this plays out.

Alderman DeVries stated I would agree with you and I need a little more time myself. If we lose our certification, what happens with our tuition dollars coming from Hooksett and the other surrounding towns that pay? Are they jeopardy for tuition?

Mr. Brennan replied my reading of the agreements is that we have one year to take corrective action to ensure that those deficiencies, whatever has been identified, whether it is at school approval level or accreditation. I would like to take a moment to talk about school approval. That comes from the Department of Education. There is a list of criteria that you must address in accordance and compliance with the administrative rules. That's the staffing and other issues. As far as accreditation, that's another issue that also talks about staffing and that's at our high schools. Without high school accreditation, there is some question as to whether or not it would impact college acceptances because you don't have that seal of approval. We currently have one of our high schools, Memorial High School, which is on probation, which is the next to last step before you lose accreditation. We also have West, which is on warning. Most of those issues are in those categories based on staffing. We don't have the appropriate staff, especially at the guidance level. At Memorial, we don't have the appropriate number of labs, which indicates that we need more staffing to have science labs. Unless those are changed, we

do run the risk of not being accredited. School approval is through the State Department of Education. If we don't have school approval in both those cases, approval or accreditation, descending towns have the option to notify us that we are not in compliance with the agreement and we have one year to show corrective action.

Alderman DeVries stated my question is on the teachers who have reviewed their pink slips. In the way you look at the budget proposal in front of you, do you see this as a no-layoff number or do you still question that?

Mr. Brennan replied I continue to question that, but as I said earlier, I need to sit down and see how that can all play out, but yes, I do.

Alderman DeVries stated when we get back to the rest of the City side budget I have some additional questions that I need answers to.

Alderman Gatsas asked can you tell me how long those deficiencies have existed in those schools?

Mr. Brennan replied in some cases they date back to 2006. I'm speaking of the health issues.

Alderman Gatsas stated most of those deficiencies are not something that happened in the last nine months.

Mr. Brennan stated no, sir.

Alderman Gatsas asked was it ever brought to this Board or the Board of School Committee's attention that there were deficiencies that could put those schools in jeopardy?

Mr. Brennan asked prior to this year?

Alderman Gatsas replied yes.

Mr. Brennan stated I have no knowledge of that and I believe that's what the State Board of Education was indicating that something had to be done.

Alderman Gatsas asked if no one knew about them how can you fix them?

Mr. Brennan replied I cannot respond to that.

Alderman Gatsas stated I hear you. All I'm saying is that for someone to come forward and tell us that things existed since 2006 and not have them fixed after we spent \$105 million in these schools, I would think they would be rodent free. I'm only quoting from what was in the paper...

Mr. Brennan stated the paper was not quite accurate. The statement was that they needed screening to prevent the possibility of rodents and pests entering the school There was no acknowledgement...

Alderman Gatsas interjected I would have thought that somebody on this Board would have heard from some constituent if there were rodents in the school. We would have heard about it, or at least the School Board members would have. If there are tiles that need to be replaced after we spend \$105 million, I would think that those schools would be at a level where every student is getting an education in a building that just had a lot of money spent on it.

Mr. Brennan replied I would agree. I do know that the Department of Education sends out those notifications on an annual basis.

Alderman Gatsas stated I'm sure in the serious meeting that you had in Concord, somebody made an allocation about what they thought the expenditure items would be to correct those actions so that we can go forward and not lose accreditation. Do we have a number to that effect or close to it?

Mr. Brennan replied we do not have a number at this time because we believe the majority of the health and safety issues have been resolved.

Alderman Gatsas stated that's a good thing because I would expect that the School District would never allow those things to linger for three years. I would think that they would be on top of their game to take care of them. As far as you're concerned the discussions that came forward, those problems have been taken care of?

Mr. Brennan replied the majority of them. I still have meetings set up with Health. In regard to the staffing positions, we could assign a number to those particular ones.

Alderman Gatsas stated I was going to get to that. My understanding is that in the budget we gave you last year at \$146 million, every assistant principal position that we needed to fill was filled?

Mr. Brennan stated that's correct.

Alderman Gatsas asked are they talking about assistant principals before we did last year's budget where there was a shortfall and no one corrected them when you went to the DOE and told them the position had been filled?

Mr. Brennan replied no, sir. As far as the assistant principals, I was responding that they were laid off and then brought back. I believe that number was still below what was

required by the administrative rules. We were short one in one of our schools. The guidance counselors have been on there for an extended period of time.

Alderman Gatsas asked how many total guidance counselors do you have?

Mr. Brennan replied right now we are only dealing with three schools. There are other schools that will come through rotation and we are currently looking at those numbers to see if we can project how many counselors and other staffing we will need in future budgets to ensure that we have the appropriate level.

Alderman Gatsas asked those counselors could be hired in the group of 30 that are resigning?

Mr. Brennan stated I was looking to the Mayor's solution first.

Mayor Guinta asked are there any deficiencies that have been noted prior to 2006?

Mr. Brennan replied the date that stood out in my mind was 2006 when I looked through all of the deficiencies. I would have to go back to all 23 and determine if there were any prior to 2006. I don't have that information.

Mayor Guinta asked do you recall that a member of the State Board of Education said that some of these things have been going on for almost ten years?

Mr. Brennan replied yes, sir, I do.

Mayor Guinta stated I heard the same thing when I was there that some of these issues had been going on for ten years. What I found a little disturbing is that if you look at the budget ten years ago versus today, you would think that somebody would have found the

money to address these particular items. I know that there are other issues that the State Board of Education considers, looks at and reviews. I don't in any way, and I don't believe that any member of this Board does either, lay blame with our current Superintendent. This came to his attention, he brought it to the School Board, he brought it to my attention and obviously it has been brought to this Board's attention. I appreciate him doing so. There is a systematic and a fundamental problem if there is a ten year problem and it is not addressed. I'm not sure I can blame the School Board because I can't say that it was ever brought to their attention. There is a breakdown or there had been a breakdown in that basic communication. I can tell you that Dr. Brennan takes that seriously and I think the School Board takes it seriously, but as the appropriating body, it was not. Six years ago I was an Alderman and this was never brought to my attention. With the increase in funding that we have seen and we can argue on one side or another whether those increases were adequate or not, but think where we were ten years ago with the School Board number versus today. I am shocked that we could not have found money to appropriate and designate for some of these basic items.

Alderman Lopez stated to clarify that, I think you are absolutely right and I agree that the School Board members probably didn't know because I talked to two of the Chairmen and at no time did they know any of this information that in the paper. I don't know what the process is in reporting deficiencies. Who brings these deficiencies forward?

Mr. Brennan replied they provide us with written documentation for each of our schools and the status they have, relative to school approval. They will list the deficiency and the corresponding administrative rule, which makes that a deficiency because we failed to comply with an administrative rule. I receive those in the spring and shared that once I got them. Further investigation, as the Mayor pointed out, when we went to the State Board of Education it became very obvious that some of these had been long standing. In my conversations with some of the members of the Department of Education, they made

it very clear that these had been in long standing and continued to allow Manchester not to deal with it and they decided that they need to bring this to a stop.

Alderman Lopez asked you haven't had an opportunity to share that with your School Board members yet?

Mr. Brennan replied not the complete package.

Alderman Shea stated John Konimpolois came up with these recommendations about 25 years ago. Some of these recommendations have next to them recommended and advised stipulations that the state hands down to the cities that they would like to see implemented, but there is no compulsory rule to do that. It is recommended. Do you have any reaction to that?

Mr. Brennan replied that's an ongoing debate among superintendents in the state as far as unfunded mandates. That conversation goes on all the time. At one time they were referred to as the minimum standards and then later they became known as the administrative rules. I'll speak for myself and say that there are times when I struggle with those roles because there is no funding to support them.

Alderman Shea stated that's exactly right and this has been going on continuously. I want that to be understood. My understanding of this, having served as a school principal, was that it would be helpful for these particular recommendations to be implemented. However, there is no time limit, guidelines, or funding to implement these. I don't know if that has changed or if the state has said as determined consequences. I know there are certain stipulations for the elementary, middle and high schools and accreditation is predicated more so on what is available at the high school level. I'm not sure if it is filtered down to the middle schools. The elementary schools have a different set of standards. Do you concur with that?

Mr. Brennan replied yes, sir. In terms of the administrative rules, there has been more enforcement in recent past than there had been 10 or 15 years ago. That falls under the category of the level of approval, whether or not your school is conditionally approved, approved, approved with distinction or failure to comply. Those are the changes now and we're getting more of that documentation indicating that you need to comply if you want to retain your school approval status. The question becomes what if you don't have school approval. That's an unanswered question out there.

Alderman Shea stated it is my understanding that there are certain types of guidance counselors are required or recommended...at West High School they are losing the students that are coming from Bedford, which would reduce the amount of students that are there, which would require an reevaluation as to how many guidance counselors might be necessary at that particular level. Is that correct?

Mr. Brennan replied yes, and we have accounted for the reduction in student enrollment with a number of staff members over the years that we have reduced at that school.

Alderman Shea stated my frame of reference was that you mentioned that both Memorial and West were on sensitive approval.

Mr. Brennan stated one was warning status and the next is probation and then no accreditation.

Alderman Shea asked at West High School how many guidance counselors are there now and how many more would you say you needed?

Mr. Brennan replied at West we will probably not fill the one guidance position next year and we would still be within the guidelines.

Alderman Shea asked at Memorial you said you need additional help with laboratory work? I know one of the teachers works very hard with advanced placement students. Do you need people at that level or do you need people at the level for instructors for science. These are the critical areas that naturally have to be filled. Do you need people in those areas that you have to hire at a higher rate or can you hire people at an entrance level because of the economy today? People who are science majors coming out of college without certification who can go into other programs?

Mr. Brennan replied that is considered a critical shortage area and as a result, we may have to hire teachers at a higher level. Number one is finding them. We have utilized alternative certification process across our district in an attempt to fill the positions that we haven't been able to.

Alderman Shea stated with all the college students coming into the job market being the way it is, I'm assuming that you wouldn't have as much difficulty in this school year as you would have had a few years back where companies were hiring math and science majors for different types of work.

Alderman M. Roy stated Superintendent, earlier this year I met with some staff at Memorial High School and I was given a letter. The last paragraph reads, "However, until all sited concerns have been satisfactorily involved, the school will remain on probation for the standards of accreditation on assessment, student learning and community resources for learning." That's the end of the first paragraph of a letter from the New England Association of Schools and Colleges Commission on Secondary Schools. When I turn the page on what they are requesting, there is a paragraph that reads, "The Commissions requests that the school officials submit a special progress report by September 1, 2009, which provides a detailed response to the following recommendations: detail how major components of the school's long range technology plan will be substantially provided in the absence of funding for the plan; demonstrate

district commitment beyond the school's temporary fixes and expectations of lower enrollment to reduce class sizes so teachers can personalize instruction; submit a document indicating class size and teachers' loads for the beginning of the 2009 school year." Those three things fall into the beginning of this next budget year. Will this budget allow you to accomplish that to take Memorial off of a probationary status?

Mr. Brennan replied again, I need to take a longer look at it. My initial reaction is that no, it will not. In particular, I believe one of the citations when the Board of School Committee decided to rift an assistant principal from that school, we had to notify that this was a substantive change. We will be notifying them of those changes across the high schools. Again, until I have more time to look at this, I am reluctant to answer your question without that data.

Alderman M. Roy stated if you are able to take that time, I would like you to respond to not only those three, but the following five bullet points that have to be addressed by April 1, 2010, which are also in this fiscal year. The other comment that I'll ask and any makers of the document or the CIP Chair could bring it forward. The Joint School Committee brought forward a number of life safety items out of our conversations from earlier this year. Have any of those been addressed in the CIP budget and/or this budget?

Alderman Garrity stated without the CIP budget in front of me, I can't respond fully.

Alderman M. Roy stated I don't believe they are.

Alderman Lopez stated I agree with the Chairman. It was referred to their Committee and I know I don't have it in this budget. That is a CIP issue.

Alderman M. Roy stated I believe that answer explains how, when things are brought forward, they have not been funded or changed. Sooner or later we have to address those life safety issues. The Chair of the Joint School Building that I sit with is nodding his head. We have to address these issues, not only for the educational value, but also the life safety items. With that, I would like the Superintendent to have the ability to respond to this budget so we can know what impacts it has on the educational system and the children of Manchester.

Alderman Gatsas stated if I can address my colleague from Ward 1 to make sure he understands that we all have in our minds the safety of children. There will be \$425,000 coming from the OSEP Program that we have before us that will take care of those life safety issues. It's not like it hasn't been addressed. The money hasn't come yet and we certainly have the ability to give it to Joint Schools to make sure we take care of those life safety issues. We just heard from a document that no one on this Board has seen or read. I think it is important that we talk about those life safety issues and we take care of the children of the City of Manchester.

Alderman M. Roy stated I thank the Alderman from Ward 2 for the \$425,000. I would ask the Chair of the Joint Schools to give a rough estimate of the total cost if he can.

Mr. Arthur Beaudry, Chairman of the Joint School Building Committee, asked the total cost of what?

Alderman M. Roy replied what we referred to the CIP Committee to look for funding. I believe it was upwards of \$1.6 million.

Mr. Beaudry replied it was over \$1 million. The OSEP money, if you remember, I've asked for that money on several occasions and they tell us it is coming, but they don't guarantee that we can actually spend that money because it may be going towards lowering the debt.

Alderman DeVries stated I would like the Superintendent to follow up on the OSEP. Is that guaranteed to come to us?

Mr. Brennan replied I don't know if it is guaranteed that it will come to us.

Alderman DeVries asked is that predicated on not improving? What's that predicated on?

Mr. Brennan replied I do not have that answer. I don't know where that money originates from.

Mr. Sanders replied OSEP was the owner controlled insurance program that was part of the design/build project with the City and the School District where they had to post a letter of credit on that insurance program. I believe that about \$350-\$400,000 of that letter of credit is going to be reduced. That money is going to come back into the design build program. The money would be available to address life safety issues that were comprehended at schools that were involved in the original design build program, I believe. I would default somewhat to Tim Clougherty and Kevin O'Maley to give you some of the specifics of how it would be spent, but it would be available within the design build money.

Alderman O'Neil asked if we don't move forward with something are we going to give the Superintendent the chance to respond to this?

Mayor Guinta asked beyond the answers he gave tonight?

Alderman O'Neil replied yes.

Mayor Guinta stated sure. He could respond in person or in writing, however the Board chooses, at any time.

Alderman DeVries asked when did you start to working with this budget and what assurance do you have of the numbers that have been predicted here so that when we come to September and setting the actual tax rate that it will be incredibly close to the number proposed in this budget? Do you have a high level of assurance on that?

Mr. Sanders replied the experience of the last year has been a humbling one in terms of predicting the future. In all seriousness to answer your question as honestly as I can, the most significant revenue items in the budget have been kept at the 2009 levels: interest incomes, building permits, with an exception I'll talk about in a minute, and auto registrations. I think most departments have kept their revenues at 2009 levels or below. Our Parking Division revenues are being held constant at 2009. If one believes that the economic slowdown is at or near the bottom in 2009, it would be a reasonable assumption to think that we should be able to think that we can match 2009 and 2010. I'm moderately optimistic that that will prove to be true. I think 60 or 70% likelihood that that will be true, but I could not guarantee the Board of Mayor and Aldermen that we would not come back in September in a worse situation. I cannot guarantee that we wouldn't, but I am optimistic that we won't. The one revenue item that has been increase in the Aldermen's budget for 2010 is the building permit number associated with the River's Edge Project. The bad news of that is that we originally anticipated receiving that money in 2009 and we now understand that we will not so that was about \$650,000 that moved over to the 2010 year. We remain optimistic about River's Edge in 2010. That

seems reasonable, but that could change too. At the end of it all, I guess I would say that I am optimistic that the revenue assumptions are sufficiently conservative and we should be able to achieve them. When tax rate time comes in November, we will be able to use these estimates at that time.

Alderman DeVries asked what percentage of permits on the River's Edge have already been pulled to give you certainty that the remainder of the project will be pulled or the remainder that we assumed last year? I think it was \$1 million.

Mr. Sanders replied I'll defer to Mr. LaFreniere, but I'll try to answer it. At this point I don't think any have been pulled of any significance. We're expecting to receive \$650,000 in 2010 and maybe the other \$350,000 in 2011.

Alderman DeVries stated I'm also wondering about overlay numbers.

Mr. Sanders stated the overlay has been reduced in the Aldermen's budget from \$1.3 million and the Mayor budget to \$1 million. I'm advised that the Assessor's Office has confirmed those estimates as being reasonable.

Alderman M. Roy stated now that we are off of schools and discussing things for next year's building and development, I want to know, Leon, if you think \$2,703,000 is the maximum of what you will obtain next year?

Mr. Leon LaFreniere, Planning Director, replied again, as the Finance Director has already stated it is not an exact science when predicting revenues a year or two in advance, especially in an economy such as this. However, I do believe that's an achievable number. I believe that if we do see an improvement in the economy, there is the potential for additional revenue based on projects that have had inquiries about

construction starts. I think that there is potential for additional revenue, but I always try to present a number to the Board that I believe is achievable.

Alderman M. Roy asked would you say the number of \$2.9 million that we've discussed is also achievable?

Mr. LaFreniere replied certainly if there is improvement in the economy, I would like to think that yes, that is achievable. River's Edge comes in for the full scope of the project that they've projected and some of the other projects that we know to be in the pipeline also come in. That is a possibility.

Mayor Guinta asked what has changed since I asked you that question in March?

Mr. LaFreniere replied the big change is that we talked with Dick Anagnost within the last two and a half weeks and he informed us that River's Edge will not be in for permits within fiscal year 2009 and he anticipates coming in for permits somewhere in August to September 2009.

Mayor Guinta asked what is that projected additional deficit for 2009?

Mr. LaFreniere replied approximately \$650,000.

Alderman M. Roy stated I have a question for David Cornell of the Assessor's.

Alderman DeVries stated we know about the project on Gold Street that the Alderman from Ward 9 has been working on for some period of time. Has Walmart been into your office to speak to you about that project going forward or is it just the rezoning that we are looking at right now?

Mr. LaFreniere replied the only thing that we have discussed with the development team is the rezoning. I don't have any idea about what type of timeline they would be on for construction, should the rezoning move forward so there are no numbers that we have counted in the projections for Walmart at this point. We have not accounted for any revenue coming in from the Walmart project in any of the projections that we provided to the Aldermen.

Alderman DeVries stated I would say that's a good move because I think they have pulled most of their new building construction from other towns throughout the country.

Alderman Gatsas stated I didn't solicit you for additional revenue. I think you saw me walking across the street one day and you came to me and said that there would be additional revenue that we could use in 2010 for budget purposes. Is that correct?

Mr. LaFreniere replied yes. We had that discussion. When we had prepared our last projection for the 2009 budget, we reached out to those projects that felt were going to come in during 2009 and I wanted to make you aware of that.

Alderman M. Roy stated I have the same general questions that I was asking the Planning Commissioner about looking at monies potentially left on the table. I noticed there is a \$10 million change to the assessed evaluation through conversations we've had. You brought to my attention that it could be \$15 million. Could you speak to that effect?

Mr. David Cornell, City Assessor, replied it is always difficult to predict accurate assessments, especially as our tax base goes forward. Essentially, what we are doing is estimating what the tax base will be in November. We have put quite a bit of the taxes into the system so far. Some of the properties, especially the utility properties, are coming in slightly higher than we originally projected.

Alderman M. Roy asked all projects that have construction ongoing as of April 1st would be added to FY09's number?

Mr. Cornell replied that's correct.

Alderman M. Roy asked what would a \$5 million change to our assessed evaluation, less utilities, account for?

Mr. Sanders replied I don't know off the top of my head. Obviously, it would be an improvement to the tax rate.

Mr. Cornell stated using last year's rate, another \$5 million would equate to roughly \$87,000 in cash.

Alderman M. Roy asked that would be another \$87,000 that we could use to help the children of Manchester with their schooling?

Mr. Cornell replied sure.

Alderman Smith asked on the FY09 projection in the revenue sharing, are we going to get that last installment in September? What is the state going to do with that?

Mr. Sanders replied I think it is becoming increasingly likely that we are not going to receive the money in September and we are going to have an additional \$1.9 million shortfall. That has not been officially acted on by the State Senate, but from what I understand at this time the building aid is more likely than the state revenue being restored. The revenue sharing is not going to come to Manchester. I don't know that for certain.

Alderman Smith asked in other words we're going to have a deficit in 2009 of over \$3 million? Is that correct?

Mr. Sanders replied that's correct. It will be closer to \$4 million.

Alderman Shea stated the money for that particular item will come out of the \$9.1 million that we have in the rainy day fund. Hopefully, we won't have to spend that much money, but if that is the case we will have to do that to balance the budget and the books. That would leave us with a little more than \$5 million, which we could hopefully build up again.

Alderman M. Roy stated Chairman Beaudry pulled me aside to answer a question that I had asked earlier. Again, out of fairness I would like everyone to hear the statement so it is not my information versus anyone else's when it comes from the Joint School Chair.

Chairman Beaudry stated thank you, Alderman. There was a question about the \$105 million project. 60% or more of that project money went to high schools and the sending towns paid for the predominant share of that cost. Two of the middle schools were extensively worked on, but the elementary schools were not touched. Under the Parsons Brinklehoff and the NASDAQ study, it is going to take an additional \$54 million to get the elementary schools up to par. When you're looking at funding and talking about deficiencies in our schools, elementary schools have not been touched yet.

Alderman Shea asked the Hallsville School is how old?

Chairman Beaudry replied 1800 something.

Alderman Shea stated 1891 and it is still functioning and it is still an excellent school and I don't think the improvements made to that building were done until I became an Alderman. The roof was leaking. My kids when there and they had to wear jackets during the winter time. My point is, all this money that is being spent on schools to upgrade them, in my judgment, can be better spent by putting money into the teaching of the children and the materials that teachers use with less emphasis on improvements.

Mayor Guinta stated I don't want a debate on this issue. We've got a budget before us...

Chairman Beaudry stated a lot of the expense in Hallsville was for safety issues. The Fire Department came in and we had to close in and make fire walls because there was an open concept type school. The roof...

Alderman Garrity asked can we get back on subject?

Alderman Lopez stated this is a Committee issues.

On motion of Alderman Gatsas, duly seconded by Alderman Lopez, it was voted that the Aldermen's Budget Summary adopt the changes to the Mayor's budget.

On motion of Alderman DeVries, duly seconded by Alderman O'Neil, it was voted to table the Aldermen's Budget Summary.

Alderman Gatsas requested a roll call vote on the motion to table. Aldermen Gatsas, J. Roy, Osborne, Pinard, Lopez, Shea, Garrity, Smith, Ouellette, and Murphy voted nay. Aldermen Sullivan, O'Neil, DeVries, and M. Roy voted yea. The motion failed.

Alderman O'Neil stated I wanted to give credit to my colleagues for their hard work in attempting to include all of us in the discussions. I also want to recognize Bill Sanders because I know he spent a lot of time with the Aldermen making sure that the numbers were as accurate as they could be. I think we're pretty close on the city side. I'm not uncomfortable with it. I do have a problem, I may have not understood, but we're going to keep vacancies at Police, Fire and Highway, but everyone else can fill their vacancies and I have an issue with that. I think we have an obligation to our citizens to fund direct service people like those three departments and not fill support positions. I feel very strongly about that. More importantly, I have concerns about the School District. Although we went through a similar exercise last year in how we got a school number, I think for the most part it proved to be accurate. I am seeing this paperwork for the first time this evening, though I have had discussions with many members of the Board about a framework for the budget. Dr. Brennan saw this at eight o'clock. I would like a little more feedback from him. I don't think it is going to change anything greatly, but I would still like that feedback, which is why I supported that motion to table. I think we have an obligation to get this thing to be as correct as we can. There may be a separate motion regarding vacancies on the city side.

Alderman Gatsas stated I will accept the friendly amendment from Alderman O'Neil that any vacancy that needs to come forward, needs to come forward to this full Board and also to the Mayor for approval to fill if it isn't a revenue source for departments. It would have to be looked at pretty hard. Again, I don't have a problem going along with Alderman O'Neil that any vacancy out there comes before the full Board and the Mayor to move it forward in a manner that we have in the past.

*On motion of **Alderman O'Neil**, duly seconded by **Alderman J. Roy**, it was voted that all vacancies need to come before the full Board and Mayor.*

Alderman M. Roy stated I said it earlier through my questioning and I'll say it again. I think this budget does a great disservice to the students of Manchester. We pay hundreds of thousands of dollars to the School District for superintendents and administrative staff. We have 14 School Board members that sit and interact with us. I think we are taking assumptions on whether or not the union contracts on the school side would be changed, what impacts there are and further impacts if the superintendent can manage his School District without layoffs. I do give Aldermen Lopez and Gatsas a lot of credit for putting this together, but some of the key individuals who were not included in this organizational budget were the superintendent and his staff. While this may pass at the end of the day, I cannot support it tonight because of what it does. I also don't believe that it changes business practices in the City of Manchester one iota. I think it takes a lot of things that we have done in the past and carries them forward another year and that I cannot support.

Mr. Brennan stated I want to make it clear that when Alderman Roy indicated that there was no work, we did work with each other.

Alderman M. Roy stated I'm not saying that.

Mr. Brennan stated I was concerned with the way it sounded because it sounded like I wasn't included in any conversations. I absolutely have been over the period of at least five to six weeks off and on.

Alderman M. Roy stated I know you have given your own time and school time to the budget process so I am in no way indicating that you weren't a part of this. I would like to see the response of how we are going to educate the students from Manchester with this bottom line number.

Alderman Ouellette stated I can support this budget as a whole with a few reasons. First, I think the goal of this Board and the Aldermen that I have talked to is...this Board has always been accused of chasing the tax rate with good intention. I think the tax rate is very important to everybody. I think the goal of most of the members that I talked to was under 3% and this budget accomplishes that. I think the way the budget was put together, Your Honor, in terms of being able to explain every line item and every expenditure in the budget, rather than throwing numbers at different departments, including the School District...I can tell you that I have not been invited to sit down with anybody on the school side or city side. I have sat down with Police, Fire and the Highway Department, but today was the first time I was invited to talk about budget numbers. I appreciate that. It was explained to me in a way that makes sound fiscal sense. I think in this budget everyone has given back. Unions are giving back, every department on the city side is giving back and I think the Aldermen have given back. I agree with Alderman Gatsas. Most of our problems are not based on how much money we are spending. I think that it is unfair that this Board, time and time again, is under attack about how much money this Board wastes and spends. I think Alderman Gatsas is right that we have a revenue problem. In terms of this year, we have a big hole from the state where dollars that were promised to us through legislation are not there. I was going to ask Alderman Gatsas again because most of the School Board members that have come are still here if he wouldn't mind going through again because he can articulate it better than I can, what this number, \$146,930,000, actually funds in terms of layoffs and COLAS.

Alderman Gatsas stated if that's what my colleague wants me to do, I will do it at the indulgence of the Board. I think you all have this sheet in front of you. Looking at this sheet that was provided to this Board and the school documents, it showed us that there were 29 items that were reduced from \$157 million to get to \$146 million. If you take the first page of the document, it says that the appropriation for 2009 was \$146,056,839. That's what we appropriated the district. The next 29 things were in the budget of \$146 million. Some of them, you will remember, were numbers that we put into that budget to

get to the \$146 million so every item that you have before you was in the \$146 million that you folks appropriated and funded this year. We also gave you an additional \$1 million for one time funding for books, computers, and the math program that you currently have in place. That was suppose to come from the reserve funds. Once we take those items out of this budget, if you turn the page, we start building the budget to get back to a number of \$145 million. The difference between the \$146 million and the \$145 million is legitimately the \$246,000 that we didn't put back in for the Easter Seals lease. Every position that was cut, all 223 in those 29 line items, has been replaced and put back in the budget so there are no layoffs at the School District and there are no cuts. Every one of them goes back in because those positions were all funded at \$146 million. It is very clear and it is very succinct when you move it forward. If you go to the next page, which is page 3, there are certainly discussions that the salary surplus account that you have in your budget right now has a surplus of \$337,000. I know there are discussions and I certainly tried to accommodate the discussions that we had from yesterday because the number that we had in here from yesterday was \$1.8 million. If you run the numbers forward, based on the accommodations that are made for the School District and if you look at the number that every School Board member is issued for the financials, from the end of March to April, you are running somewhere in the vicinity of \$6 million a month for payroll. You have about a \$14.4 million in reserve. If I take \$12 million from that reserve number, it leaves you \$2.4 million in surplus. For the first ten months, the burn rate shows you that you are spending at about \$111 million for the first ten months, which is roughly \$11 million a month. There are different ways to analyze those numbers. If you look at the elementary preschool lease it is \$246,000. We took it out of that number because you don't need it. You have a \$392,000 moving expense in your budget. We've taken that out because no one said you were moving yet. The 48 retirees equals \$3.9 million in wages and benefits. Those numbers come out to a total of \$141 million. We add back in \$2.5 million for salaries, \$1.3 million in steps, and \$1.2 million in COLA. We move forward and give you \$2 million in health insurance, an additional \$2 million. I think someone stated we needed \$3 million. When you eliminate the

retirees, \$1 million is in there for their benefit package so you don't need to replace that going forward. You have an additional state pension of \$368,000 and you have other costs in your line items of about \$1.7 million. \$400,000 of that is the moving contingency so we give you \$1.3 million. You have a six month deferral of the COLAS of \$852,000 that I believe is in this side because we can't fund it on your side. It is in there, whether you respectfully want to agree with the contracts or not. One way you are going to lose \$852,000 and the other way you are going to gain \$852,000. We eliminated EPD charge backs of \$75,000. Right now they are charging you for sewer charges in your budget. We thought that was unfair. Alderman O'Neil talked to the EPD and they are willing to forgive those. They think it was probably done in error. Those items total up to \$5,241,000 for a total budget of \$146,393,771. There are 30 resignations that go forward that can replace the 48 teachers that you find essential to replace English teachers, math teachers and counselors. That's the way that we developed a budget and not just threw a number at you because looking at the numbers certainly says that those 29 items and those 223 layoffs that you presented to us are within the numbers of this year's budget. If you accommodated them in this year's budget, there is nothing that says you can't accommodate them in next year's budget.

Alderman Ouellette stated I thought it was important for the members of the Board of School Committee to hear it as well, rather than relying on TV. We needed to justify how we came up with the budget number. I thank you, Your Honor for the indulgence.

Alderman Shea stated what I like about this budget is in hockey you have a first, second and third line. Some of the departments are considered third lines, like the library, Youth Services, Elderly Service and Parks and Recreation because when the big boys are there, Highway, Police, Fire, they get a lot of discussion, but our community is built upon the services that we render to the elderly, how we help the children by keeping the pools open by working with Parks and Recreation as well as the library, which is a very important part of our community. I personally want to compliment Alderman Gatsas and

Alderman Lopez. Many of the people that commented tonight were not a part of preparing the budget. They are part of discussing the budget, which is an important part of generating thoughts and ideas, but all of us were invited. We all came with our thoughts and ideas, we all contributed to what we thought was important and significant and my hat goes out to both of them because they are the people who have worked in the best interest of this particular community and I want to thank them publicly.

Alderman DeVries stated I understand all of the hard work that went into this budget and with the exception of Alderman Murphy who is waiting for us to pass a budget so she can move to Bedford and move on to her new life, I don't understand what the rush is to pass this budget this evening. One more week would allow us the additional time to do diligence, for this budget to be digested by all of our departments and for those second and third stringers within our budget that didn't get to come forward this evening and comment in front of us. For instance, Parks and Recreation was not here. I still don't know if this budget fully restores our summer program or is Crystal Lake still going to be closed all but one day of the week? What's happening to our smaller departments that we did not hear from this evening? The privilege of one more week for us, now that we finally have the numbers given to us because they weren't compiled and put into a handout until this evening, we should be allowed to go out and ask our questions and have our concerns addressed so we can vote with confidence on a budget that is presented before us. What is the rush for this Board? Are we afraid that we will find out too much about this budget in one week? If you are confident, give us the additional week.

Alderman Gatsas stated every small budget, every small department, sent us a letter requesting the money that they were looking for. We instituted that funding. I think everyone one of them is looking back there. They have looked at their number. The only difference from the letter they sent us the deduction of the 1.5% COLAS. That is the only thing we did to the lines from the letters they sent us. Nobody is afraid of the budget, Alderman, because I have sat with Alderman Lopez and we've put in more than 100

hours on this budget, probably 200 hours. If anyone wanted to do a budget, I would compliment them. We could have put three budgets on the table and said we would take the best number to move forward. I think it is important that we talk about how we got here and where we are going.

Alderman DeVries stated Alderman I can appreciate that, but on that entire side of the room filled up with schools and transit I am seeing dismay and disbelief that they do not believe that the budget presented this evening is meeting their needs. I would love to have their concerns because I have to address my constituents that are going to come to me and say you received an additional \$7.4 million increase in education funding this year and where did it go because it certainly didn't go to the schools.

Alderman Gatsas stated that is the second time I have heard this evening that \$7.4 million came to the schools and they didn't spend it. What happens if the state took \$7.4 million out of their budget? Do you think that we would let them limp along and only fund \$135,000? I think that is an unfair question. I think this Board has always looked at the needs of the students of the City of Manchester and certainly if their funding was reduced we wouldn't come back and say this year the state took \$7 million away from you and I don't think we should fund it. You have lost that funding and we're not going to give it to you. That wouldn't be the right discourse to have with the School Board members or the public or the students of this great City. I think when we say that we should understand what we are saying and the \$7.4 million is not something that the School District got to spend and not have anybody look at it or discuss it. Those funds, by a law that I put in, has to be spend on education. It can't come in to reduce the tax dollar. Those numbers are going towards education. There is no question.

Alderman O'Neil stated I need clarification on the amendment. I think we had discussed earlier that when Fire, Police and Highway reached their vacancy number we were going to let them manage their budget.

Alderman Sullivan stated I move to divide the question between the city side and the school.

Mayor Guinta asked are you making that in the form of an amendment?

Alderman Sullivan replied no, Your Honor, I'd like to divide the question. Let's vote on this first.

On motion of Alderman O'Neil, duly seconded by Alderman Gatsas, it was voted to approve the amendment that all small agencies must come before the Board of Mayor and Aldermen to fill any vacancies that they currently have.

Alderman Gatsas stated Your Honor, this budget was presented in its entirety and not as a divided budget. The motion that is before us is not a divisible motion because the budget was presented as an entire 2.88% increase in the tax rate, along with the other line items that were presented in that budget, so it is not a dividable question.

City Clerk Normand stated we have resolutions on the table that have to come off the table tonight. I think there are a few amendments...just in what Alderman Gatsas is looking to accomplish tonight, there are four resolutions that are tied up with that. The first resolution that you have is amending a Resolution Raising Monies and making appropriations for the fiscal year 2010 and I think Alderman Gatsas is looking to amend that to \$125,678,359 and that's depicted in the handout tonight.

Alderman Lopez asked expenditures or revenues?

Alderman Gatsas replied expenditures.

City Clerk Normand stated he is looking to pass and enroll as depicted in the Alderman's handout tonight.

Mayor Guinta asked are you saying that we need four votes?

City Clerk Normand replied right. The next motion would be the school budget, then the school food and nutrition, and also MTA. Those are four separate resolutions.

Mayor Guinta stated we would be amending the current budget and then we take a vote on the entire budget.

City Clerk Normand stated we also have the rest of the resolutions that we have to pass and that will in essence...

Mayor Guinta stated let me make sure that I am clear. The budget that is on the table has to be amended?

City Clerk Normand replied correct. There are 11 resolutions that make up the budget.

Alderman Lopez stated it is amending your budget, Your Honor.

Mayor Guinta stated correct. Right now we need to vote on amending the budget that is on the table so the resolutions have to be amended. When that is done, there is a procedural vote. After that, we take a vote on the amended budget. Is that correct?

City Clerk Normand replied no, we need to walk down these resolutions that are on the agenda for tonight. The balance of those will be the Enterprise funds, Parks and Recreation and the rest that are on here, which are not in the Alderman's handout tonight.

Mayor Guinta stated what I am trying to figure out, let's assume we amend the first one, raising monies, is it one vote to amend and approve?

City Clerk Normand replied correct and that would be the city side of the budget.

Mayor Guinta asked if that passes...

City Clerk Normand replied it is done. The motion would be Amending a Resolution Raising Monies and Making Appropriations for the Fiscal Year 2010, which currently stated \$126,682,940 be reduce \$1,451,000 to a total of \$125,678,359 and pass and be enrolled tonight as has been depicted in the Alderman's handout.

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

Mayor Guinta asked if this passes, this is done?

City Clerk Normand replied that's correct.

Alderman O'Neil asked what are we voting on?

Mayor Guinta replied we are voting on the non-departmental items for the city side budget of \$125,678,359, which is...

City Clerk Normand stated this is the department budget, city side, general fund budget.

Alderman M. Roy requested a roll call vote. Aldermen M. Roy and Sullivan voted nay. Aldermen Gatsas, J. Roy, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Ouellette, and Murphy voted yea. The motion passed.

Mayor Guinta stated I'm going to veto and I do it with great respect to the Board and members who crafted this budget. There are three concerns that I have. First of all, the entire budget requires an additional \$5.6 million from the tax payers than what was proposed. I don't believe within the additional spending we address either the rainy day fund challenge that we are seemingly going to have as a result of some of the down shifting from the state, nor do I believe that adopting and supporting this budget makes a strong enough statement about what the State of New Hampshire is doing to downshift its responsibilities to us and every other municipality in New Hampshire. I think it is vitally important that we, in a unified fashion, continue to fight the Governor's proposal to remove funding sources to this municipality and every municipality. If we are successful, that means we can have a dialogue and a debate as to how to further invest those additional dollars that we would receive. I would argue that some of those dollars would go to the City, some could go to the schools and some could go into the rainy day fund. I think it would be an appropriate discussion to have. While I agree with a lot of the sentiments of the budget proposal and I very much appreciate the work that was done by the Aldermen, I feel that we have some more time to continue advocating for our City at the state level and continuing to work with each other to find common ground on those three particular items.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Murphy**, it was voted to approve the Mayor's veto of the General Fund Budget.*

Alderman O'Neil stated we heard from two members of our state delegation that it could be a long summer. What do you know that we don't? I know our Charter says we have to approve a budget by the second Tuesday in June and it is my opinion that the state is going to be working at the earliest in the end of June. I don't know where that all fits it.

Mayor Guinta replied I don't have different information than either of the Senators or the other Aldermen. I believe fundamentally that we should not accept what the Governor is proposing because it is detrimental to providing services in our City and it is also detrimental to providing services to every other community in the state. We shouldn't accept it. When I didn't accept it on Rooms and Meals he withdrew. I appreciate that he did, but I think we have to continue to forge ahead on the revenue sharing, pension requirements as well as building aid. I think if we can continue to make that statement he may listen and maybe changes will occur. I couldn't tell you what the likelihood of that is, but I don't think we should stop fighting until we have to accept a budget by law.

Alderman O'Neil stated my comment is, and I mean no disrespect to my colleagues in the Senate, but the ball is in our court and we need to make decisions locally. I spent a month worrying about the state. I can't worry about the state right now. I know what we have to do here. I'm worried about doing the best we can with schools, Fire, Police, and Public Works and down the line. I think that's what this budget does. It does the best we can. It is not perfect, but it is the best we can do right now. You are vetoing something we have absolutely no control over. You lost me on it.

Mayor Guinta stated I don't disagree that we're doing the best we can. I think it is unfair that revenue sources are being removed from municipalities that are going to force deficits. We shouldn't, as a matter of policy, accept that. We have, as you just heard from the Finance Officer tonight, an impending deficit for fiscal year 2009 greater than the originally proposed deficit as a direct result of legislation that is being considered today. That also is going to affect next year to the tune of \$4 million.

Alderman O'Neil stated I don't want to debate you and if we are going to debate we should step down. You put the \$4 million in your budget.

Mayor Guinta stated yes, because I think we should receive it and we should continue to argue why municipalities should receive those dollars. They were promised for the last 40 years and all of a sudden, they are just removed. I think it is wrong. We have very limited revenue sources in the state and that is one of them.

Alderman O'Neil stated all due respect, Your Honor, my colleagues had to find a way to make up that number so I'm not sure I can applaud you for putting it in your budget.

Mayor Guinta stated it is current law which is why I put it in the budget.

Alderman Gatsas stated after my explanation I would hope that you would withdraw your veto because I think that this budget is as close to your budget as we can get. If I take a look at the very first number that we appropriated or we voted on in the past it was \$125, 678,359. Would you agree, Your Honor, that that budget is about \$1 million less than what you appropriated in expenditures in that very line? Is that an agreement that you could say, even with furloughs, that you included for \$3.6 million in expenditures that our budget has been \$1 million less?

Mayor Guinta replied the overall requirement from the tax base for the taxpayers...

Alderman Gatsas stated I'm not going to play the semantics with you. I'm asking a straight up question.

Mayor Guinta stated that portion of the budget is \$1 million less.

Alderman Gatsas stated thank you very much. Can you take a look at the revenue side? Your revenue side number is about \$2.3 million greater than the budget that we produced. Would you say that we cut that number knowing the truthfulness that the taxpayers, because of the downshifting from the state of New Hampshire, was over \$6 million that

we think we should present to the taxpayer a reasonable approach of how to solve this problem?

Mayor Guinta replied I think we should. I also think it is up to us to let the taxpayers know who is doing this to them.

Alderman Gatsas stated I think we have said that more times and I'm sure that the reporter in the corner will put it in his budget deliberations statement probably more than once. I tried to write about it today in the *Express*. I hope the other newspapers that I sent it to talk about the downshifting because it is not just Manchester. It is every community in the state of New Hampshire.

Mayor Guinta stated I hope it is the headline in his article because that is exactly what the state is doing and it is putting everyone in this room in a position to vote for a tax-hike that they don't want to. That's wrong and I'm sorry, but I can't support that. I do it with all due respect that the Aldermen did on this budget.

Alderman DeVries asked this is on the override of the veto, correct?

Mayor Guinta replied yes.

Alderman Lopez requested a roll call vote. Aldermen Lopez, Shea, Smith, Ouellette, Murphy, Gatsas, J. Roy, Osborne, Pinard, O'Neil voted yea. Aldermen DeVries, Garrity, M. Roy, Sullivan voted nay. The motion passed.

City Clerk Normand stated the next item would be a motion that the appropriating resolution to the Manchester School District that was on the table for the sum of \$147,100,000 for fiscal year 2010 be amended an increased \$293,771 for a new total of \$146,393,771.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Murphy**, it was voted to approve the amended appropriating resolution for the Manchester School District for \$146,393,771 for fiscal year 2010.*

***Alderman M. Roy** requested a roll call vote. Aldermen M. Roy, Sullivan and DeVries voted nay. Aldermen Gatsas, J. Roy, Osborne, Pinard, O'Neil, Lopez, Shea, Garrity, Smith, Ouellette, and Murphy voted yea. The motion passed.*

The Committee respectfully recommends after due and careful consideration that

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

ought to pass and be Enrolled.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Shea**, it was voted to approve the appropriating resolution to the Manchester Transit Authority for the sum of \$900,000 for fiscal year 2010.*

Alderman O'Neil asked do we have opportunities during the year to work with the Transit Authority to...it can't be all about the number. The director talked about looking at the routes again based on comments from you and many of the Aldermen. I guess the door isn't closed tonight if we approve a number.

Mayor Guinta stated no, if additional revenues come in it could change. I think the primary way would be through marketing: Wrapping buses and selling more advertising would be a way that they could increase revenue. In terms of cutting expenses, I think they have to look at the number of routes that they have and try to reduce them, but

continue the service in the same areas to reduce expenses. If they do that they have wiggle room.

Alderman Sullivan stated I think what Alderman O'Neil is getting at isn't so much the bottom line dollars and cents side of the operation, but the passenger and customer service end and how we help them build a transit system that serves the needs of our City. I think that is something that should be an ongoing discussion. I don't know where it would fit into our committee process, but I think our oversight role is something that we have neglected over the years.

Alderman Gatsas stated I certainly agree with Alderman O'Neil. I don't know if any other Aldermen have received phone calls, emails, and letters from the drivers of these buses. I don't know who knows the system better than the drivers because they are picking up the people and dropping them off. They know whether they need to go around the airport loop to pick any body up on a daily basis or if it one person. For some reason, I get an awful lot of those phone calls and for some reason we don't ever ask them for their input. I don't disagree with the Alderman, but maybe it is time we get people who are City employees instead of leased out from other venues so we get people in this City who actually fit in the City and understand where the budget process goes. I agree with Alderman O'Neil and those discussions should be opened up and we should start having them. When someone sends this Board and shows us no revenues there is something wrong with the question.

Alderman O'Neil stated I wasn't necessarily going down that path. I think Mr. Roessel is very capable and his experience in both the public and private sector gives us some great opportunity to make some changes here so I look forward to working with him.

Alderman DeVries requested a roll call vote. Alderman DeVries, Smith, M. Roy, and Sullivan voted nay. Aldermen Garrity, Ouellette, Murphy, Gatsas, J. Roy, Osborne, Pinard, O'Neil, Lopez, and Shea voted yea. The motion passed.

City Clerk Normand stated we would look for a motion that the appropriating resolution approving the Community Improvement Program for 2010 raising and appropriating money therefore and authorizing implementation of said program be amended from Alderman Gatsas's original number. As the Board will remember, the Committee and ultimately the Board approved reducing both the MER cash project as well as the Rockingham Recreational Trail project by \$910 so the number that Alderman Gatsas and the Aldermen have in their budget proposal should be \$1,699, 090 in MER and \$99,090 in the Rockingham Recreational Project. We would be amending tables three and four and the corresponding paragraphs by transferring those amounts to City cash to general obligation bonds.

On motion of Alderman Garrity, duly seconded by Alderman Pinard, it was voted to approve the amended appropriating resolution approving the Community Improvement Program for 2010.

Alderman O'Neil stated I know there was talk earlier about the 50-50 sidewalk program. Where is that in the discussion?

Alderman Gatsas replied I think that is more of a directive, Alderman, to Mr. Sheppard to remove \$50,000 of the bonded dollars and use it for the 50-50 sidewalk program.

Alderman O'Neil asked we don't need to take any action?

Alderman Gatsas replied we could take a vote if you want, but I think those are funds from what we bonded last year. That is money we bonded last year. There was nothing that we appropriated in this year's budget. It can be a directive or if you want to bring it up at the next Board meeting to move it from the bonded project, I don't have a problem.

Alderman Osborne asked does that include the \$500,000 for resurfacing?

Alderman Gatsas replied that's already in there.

Alderman Lopez stated I want some clarification from the City Clerk. The number that you quoted in Community Improvement, I have \$1,204,600. What did you come up with?

City Clerk Normand replied \$1, 204 plus the MER.

Alderman Lopez stated I think talking about the Community Improvement you have to talk about the Community Improvement number of \$1,204,600 as a resolution. Am I incorrect?

Alderman Gatsas stated I think the MER of \$85,000 is also in the CIP budget.

Alderman Lopez stated that's in motorized equipment in the \$85,000, but in Community Improvement is the \$1,204,600. That is what we are approving in table two. Is that correct?

City Clerk Normand replied right, but what is depicted here in the summary that has been handed out tonight is \$1.8 million reduction of expenditures in the CIP from \$1.8 which was in City cash. That's being moved to the bond as I understand it.

Alderman Lopez asked that brings it down to \$1,204,600?

City Clerk Normand replied correct.

Alderman Lopez stated in my opinion, we have never confused the motorized equipment and maturing debt and all that stuff. I think we dealt with table three of the CIP which was the total cash. You tell me which is the correct way.

Mr. Clark replied the \$1,204,600 would be the CIP cash and that would be appropriate.

Alderman Lopez stated understanding that we have the motorized equipment and we have \$85,000 in the Highway Department, employee service, debt service, and maturing debt, but what we are approving is \$1,204,600 for the CIP.

City Clerk Normand stated my understanding from Sam Maranto is that we need to amend the tables in CIP for the cash projects for a total MER of \$1,699,090 and the Rockingham Trail of \$99,090 and move that into table four, general obligation bonds. We would look for a motion on that.

Mayor Guinta stated that is correct. This is amending it in the tables. It has to be amended in the tables because it was adopted on the first vote. I would concur with that recommendation.

Alderman Lopez stated I agree with you, but the number in CIP when you say Community Improvement you are speaking of the \$1,204,600. If you are speaking of all the tables, than we have to say all the tables if that is what you are telling me. I have to clarify this because this would be the first time we ever did anything like this. I want to make sure it is correct. On the Community Improvement, which is \$1,204,600, table three, that is the Community Improvement number that was approved. If you want to

include the other items and you want to say all tables equal the number he just said...is that what you are telling me?

Mr. Sam Maranto, Planning and Community Development, replied if we revise table four, which presently has no allocation at all and add in those two numbers that you took out of table three as budget, \$1.8 million, the \$1.7 MER and \$100,000 Rockingham Trail, you still want to fund those and they need to be funded through bonds, which is table four, we have to add those into the table.

Alderman Lopez asked increase the bond of 465?

Mr. Maranto replied correct, increase the bond table, table four.

Alderman Lopez stated Mr. Sanders you are an accountant. Is that the way you do these things? This is a first for me.

Mr. Sanders replied this would be the first for me too, but it sounds appropriate.

Mr. Maranto stated in order to fund that project you have to put it in there. Right now we have zero bonds.

Mayor Guinta stated Sam is correct. We have to amend three and put it in four, but this is not the entire CIP budget. This is not the CIP book. This is just a table within it.

Alderman Garrity stated we're transferring tables.

Mayor Guinta stated we're transferring money from one table to another. We'll take a separate vote on the entire CIP later, correct?

City Clerk Normand replied correct.

Mayor Guinta stated that is a separate resolution.

City Clerk Normand stated again, the motion that we would look for would be that we would be amending tables three and four and the corresponding paragraphs by transferring \$1,699,090 from MER and \$99,090 from the Rockingham Recreational Trail and moving that from city cash to general obligation bonds.

*On motion of **Alderman Garrity**, duly seconded by **Alderman J. Roy**, it was voted to amend table three and four and their corresponding paragraphs by transferring \$1,699,090 from MER and \$99,090 from the Rockingham Recreational Trail and moving that from city cash to general obligation bonds.*

The Committee respectfully recommends after due and careful consideration that

“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.”

ought to pass and be Enrolled.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Ouellette**, it was voted that the Appropriating Resolution for the Manchester School Food and Nutrition Services Program ought to pass and be Enrolled.*

The Committee respectfully recommends after due and careful consideration that

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

ought to pass and be Enrolled.

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted that the Appropriating Resolution for the Parking Fund the sum of \$4,886,940 for the fiscal year 2010 ought to pass and be Enrolled.

Alderman O’Neil stated we had talked about a snow removal program. Are we locked in if we approve the budget as is?

Alderman Lopez replied yes, on a resolution we are. What Alderman O’Neil was speaking of was a conversation with the Highway Department about snow removal and an additional \$100,000. That’s in the Enterprise system. Until we clear that up we can hold that resolution until next Tuesday and get some answers.

Alderman O’Neil stated there has been a discussion about snow removal, not plowing, but actual removal downtown. If you recall there were some issues last year so it may be appropriate. Intown was going to come back and let us know if they were going to put some money towards it. I haven’t heard anything yet. Can we table this one and see if we can get more info in a week?

On motion of Alderman Lopez, duly seconded by Alderman O’Neil, it was voted to table the resolution appropriating the Parking Fund the sum of \$4,886,940 from Parking for the fiscal year 2010.

City Clerk Normand stated Your Honor, I skipped over the balance of the CIP tables and we would look for a resolution. We have already approved the amendment to the resolution and now we would want the resolution approving the Community Improvement Program for 2010 raising and appropriating monies therefore and authorizing implementation of said program pass and be Enrolled.

On motion of Alderman Garrity, duly seconded by Alderman O'Neil, it was voted that the Appropriating Resolution approving the Community Improvement Program for 2010 raising and appropriating monies therefore and authorizing implementation of said program ought to pass and be Enrolled.

The Committee respectfully recommends after due and careful consideration that

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

ought to pass and be Enrolled.

On motion of Alderman Garrity, duly seconded by Alderman Osborne, it was voted that the Appropriating Resolution appropriating the sum of \$15,169,079 from Sewer User Rental Charges to the Environmental Protection Division for fiscal year 2010 ought to pass and be Enrolled. .

The Committee respectfully recommends after due and careful consideration that

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

ought to pass and be Enrolled.

Alderman O’Neil asked at some point in the next six months that we’re here are we going to look at straightening out Enterprise? To be honest with you, it would almost be better if the general fund tried to bring in all the revenues. It is very misleading. We try to make it operate as an enterprise, but it isn’t an enterprise.

Mayor Guinta replied yes, you are correct. It will be an agenda item for this year.

The Committee respectfully recommends after due and careful consideration that

“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.”

ought to pass and be Enrolled.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Garrity**, it was voted that the Appropriating Resolution for the incremental Meals and Rooms Tax Revenue received by the City in fiscal year 2010 for payment of the City’s obligations under the financing agreement ought to pass and be Enrolled.*

The Committee respectfully recommends after due and careful consideration that

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

ought to pass and be Enrolled.

On motion of Alderman DeVries, duly seconded by Alderman Garrity, it was voted that the Appropriating Resolution for the Manchester Airport Authority the sum of \$52,768,681 from Special Airport Revenue Funds for Fiscal Year 2010 ought to pass and be Enrolled.

The Committee respectfully recommends after due and careful consideration that

“A Resolution appropriating to the Central Business Service District the sum of \$258,000 from Central Business Service District Funds for Fiscal Year 2010.”

ought to pass and be Enrolled.

On motion of Alderman Lopez, duly seconded by Alderman O’Neil, it was voted that the Appropriating Resolution to the Central Business Service District the sum of \$258,000 from Central Business Service District Funds for Fiscal Year 2010 ought to pass and be Enrolled.

Alderman Gatsas asked does that increase the rate in any way?

Mayor Guinta replied if it was the same number from a week or two ago, according to Stephanie it does not.

Alderman Gatsas stated it is not on this budget so I don't know where the number is coming from.

Alderman Lopez stated it is coming from the Advisory Board that is charged with advising us of what number they want.

Alderman Gatsas stated I understand that, but I think that even though it extends, we did some freezing in the rate.

Mayor Guinta stated we did. Do you know if this changes the rate? Collecting \$258,000 for the Central Business District?

Mr. Cornell replied the district itself has changed. We typically don't know the exactly assessment until the end of October.

Alderman Gatsas asked the \$258,000 is how much of an increase from last year?

Mr. Cornell replied I believe that it is an \$18,000 increase, but the district itself has expanded.

Alderman Lopez stated I remember that last year there was a change, but for some reason it didn't happen, but the resolution passed at a lower number and then we offered all the money back. Some people didn't take it back and kept it, but we did offer it. Do you want to elaborate on that because I think you worked with the City Clerk on that?

Mr. Cornell stated there was some confusion last year as far as how the official resolution was signed and then the official resolution that was passed by the Aldermen. There were some funds that we had to refund last year from the \$240,000.

Alderman Lopez stated it should have been \$258,000.

Alderman Gatsas stated with all due respect, Alderman, I remember how it happened because I was the one who moved the item. Even though we expanded the district, we did not increase the amount of money raised, which reduced everyone's tax rate. Instead of those people who are currently in the district paying \$2 plus, their rate was reduced because the billable properties expanded. What I'm saying is that we should be appropriating the same amount of money.

Alderman Lopez stated the \$258,000.

Alderman Gatsas stated no, we appropriated \$244,000.

On motion of Alderman Lopez, duly seconded by Alderman O'Neil, it was voted to table this item.

Alderman Lopez stated the City Clerk will notify Intown and the Advisory Board to appear before us next Tuesday night I would appreciate it.

City Clerk Normand stated we have one last resolution, which the Finance Officer handed out tonight and that would be a resolution authorizing the withdrawal of \$1.2 million from the following accounts to transfer to the health insurance reserve account. That would come out of the Hackett Hill Antennae Fund for \$600,000; the Hackett Hill Development for \$240,000; and French Hall sale proceeds for \$360,000; and that would be passed and Enrolled under suspension of the rules.

On motion of Alderman Lopez, duly seconded by Alderman Osborne, it was voted that the Resolution authorizing the withdrawal of \$1.2 million to transfer to the health insurance reserve account ought to pass and be Enrolled.

Alderman O'Neil stated I want to thank the City staff for putting up with a lot this year from us. They made themselves available to answer questions.

Alderman Ouellette stated all of our colleagues know and the City knows that this is probably going to be Kelleigh's last meeting with us and I want to acknowledge that. I worked with her for two years on the School Board and a year and a half on the Board of Mayor and Aldermen. I didn't have an opponent the year she ran for School Board. I helped her run and I'm glad I did. I was privileged to do so. She served her ward and the City with dignity and honor, Your Honor, and I wanted to recognize that today. I have a true friend and I am going to miss her as we go forward.

New Business:

Alderman Lopez stated one of the things that came up in building the World War II monument, that I was informed of today by the City Solicitor and Harry Ntapalis, is all the work to be done on the WWII memorial on a volunteer basis. The City would agree to the fullest extent permitted by law, to indemnify and hold harmless, Lavallee Brensinger Professional Association for the architect work and Gilbane and others that may follow which the City Solicitor and Harry Ntapalis would recognize on a case by case basis as they come in. A lot of things are being donated such as material and these are the two primary people, the architect and Gilbane.

Mr. Clark stated this has been asked for a couple times before from the Board. When someone is volunteering their services, in either erecting something or doing something within the City, they have asked to be indemnified so that they are not personally liable

or their company is not liable if something happens. In this case both Lavallee Brensinger and Gilbane are donating their time to get the memorial constructed, and they have asked for indemnification. We feel it is appropriate.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Garrity**, it was voted to indemnify and defend Lavallee Brensinger Architects and Gilbane.*

*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