

**SPECIAL MEETING  
BOARD OF MAYOR AND ALDERMEN  
(RE: MANCHESTER TRANSIT AUTHORITY)**

**June 16, 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 Pinard.

A moment of silence was observed.

The Clerk called the roll.

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

Absent: Aldermen Sullivan, DeVries

Messrs: C. Roessel, J. Trisciani, T. White, W. Cantwell, B. Sanders, D. Lee, T. Clark

Mayor Guinta addressed item 4 of the agenda:

4. Discussion with the Manchester Transit Authority relative to the adopted FY2010 budget.  
*(Note: Representatives from both the Transit management team and the Transit Commissioners were asked to attend.)*

**Alderman Lopez** stated thank you, Your Honor. I think we all know why we are here and how we got here. I think there has been a lot of public relations or marketing or whatever you want to call it, but misinformation, to a degree, that disturbs quite a few of the Aldermen. I think we're here to try to put some sort of spin as to where the MTA is going. I know that from your correspondence and the meeting I attended with another

Alderman that you didn't believe a change could happen and then the meeting was cancelled. You might want to comment on why it was cancelled so that we completely understand. It's the same thing I said at the meeting that there is no need to have a laundry list of things the MTA was going to do. Once you made your decision I thought it would be appropriate to come out to the public and let us know one or two of the items you are talking about, not 26 items that will affect the people. My second comment is on some of the roots of these problems. I think that's going to come up because I think every Alderman has been called in reference to Hannaford paying \$600 for the seniors to go there and shop. We need to have some explanation on that. I know that you provided us with a foot of material paperwork in compliance with what we requested. We have a policy for the Board of Mayor and Aldermen that if one Alderman requests something all the Aldermen receive it, regardless of whether they want it or not. That's the reason everyone received it, to follow the policy. We talked about the \$408,000 grant, but there isn't any breakdown in here that I've been able to find. I'm going to leave it at that. You can comment on some of those items that have transpired because I'm sure there are other Aldermen who have more direct questions. If the Director could give some comments on those three items.

**Mr. Carey Roessel**, MTA Director, stated thank you, Alderman Lopez. The reason why we cancelled the public hearing was because you expressed a sentiment that we took to heart and also we realized there was new information coming in. Last week was a very busy week because we got our quote for insurance and we got a quote for vehicle insurance. We also have been examining our health care costs, and we got word from the Highway Department what our diesel fuel costs would be. Those are very significant budget items for us, so we thought it was prudent at that time to take that new information, go back and do more thinking, and then come out with a better plan. What we put on the public notice, if I may comment, was the Shopping Shuttle buses along with the university shuttle buses. I know that generated some controversy, but we have a policy on the public comment process and it states what are the thresholds that trigger

service changes...what service change thresholds trigger public comment process and those services. The Shopping Shuttle, I might comment, is open to the public. We are required by Federal Transit Administrative Regulations not to serve any one particular population. We get into that with the school bus runs. That service is open to the public and we have an obligation to receive comments from the public on anything that is going to be impacted and those services had the potential to be impacted. I have a copy of our policy on fare and service changes that I can share that with you. Also, we discussed Title VI of the Federal Regulations at our Board of Commissioners meeting last Tuesday. Our policy is to receive comments and then demonstrate that any changes we make in the service will not discriminate against areas of ethnicity or low income. We still will have a public hearing, which has to happen. I'm not backing off of that statement, but it's a question of when and the timing. We thought it was prudent to wait a while. I commented on the Shopping Shuttle within the material compliant with the request. I know it was a lot, but I've gone through federal audits and I've been an auditor myself. When you are requested to provide information, you provide exactly what is requested and that is what we did. I realize that it voluminous, but we don't take that lightly. We complied. When you make a request of the MTA we give you that information. We are open and we believe in the policy of full disclosure. That's how we approached that request.

**Alderman Lopez** stated let me follow up, Your Honor. Yes, I know we got all the information that we requested, but a cover letter would have been even better to detail some of the contents. Let's go back to Hannaford. It pays \$600 a month, that's about \$1 for 500 to 600 passengers who go shopping twice a week, eight times a month. Why would we even consider eliminating something that's paid for?

**Mr. Roessel** replied I spoke to the manager of Hannaford today. We did try to contact her. We called the store and we were referred to another person. I don't know where that all ended up, but I did speak to her directly today and this is how I explained it: What Hannaford pays for is the marginal cost of that bus, but the fix cost, the overhead, and the

insurance is paid for by the City. When you look at those Shopping Shuttles they about break even. With the service changes that we are looking at, there is no excess in the schedules and in the number of operators that we are going to have to employ. The way I explained it to her is that we put those shopping buses in the regular route schedule. We work it in with our regular service. In the future, we won't have that ability. There won't be that excess in the schedules that we will be able to do that.

**Alderman Lopez** stated I also talked to her and apparently no communication was ever done with her other than the passengers getting off, going in, and saying they are going to cancel our buses. I think management should have at least contacted somebody who is providing the necessary revenue, maybe not all the revenue, but providing a service to the MTA to go and talk to them. I talked to her and I did a little calculation: \$600, \$1 versus if I pay \$1.25 and go on a bus it's going to cost me \$10. So you are paying \$1 to get those shoppers there. I even had a conversation with her suggesting they could pay a little more. I'm not being derogatory towards her or anything. She was very cordial and said that no one has ever come and talked to them to see if they would pay a little more. I'm not going to speak for her, but the point that I am making here is that we wait until the last minute to get these people involved that we service and I think that's inappropriate for the customers, especially the elderly who go there. I presume that you noted that they have an employee to help the people off the bus and everything. They pay the employee that provides that service an additional \$600. Did you know that?

**Mr. Roessel** replied yes, I do because I've ridden that bus and I've been there and I've seen it.

**Alderman Lopez** stated I'm going to pass it on.

**Mr. Roessel** stated I'd just like to say that we did call. I apologized to her that we didn't get through, but we did call. We did make that attempt.

**Alderman Osborne** stated first question is, was this all necessary to comply with the request?

**Mr. Roessel** replied yes, sir.

**Alderman Osborne** stated I'm sure no one has read through all this in one evening. This is ridiculous. Number two, there are a few bullets here. Everything that you're saying is all on this one document. It's hard to tell the difference between this one and all the rest, right? This is the one from you dated June 12, 2009. That's the most recent, I guess.

**Mr. Roessel** asked do you mean the one from Commissioner Trisciani?

**Alderman Osborne** stated it's the request for information from you, not your request, but it's from you.

**Mr. Roessel** asked June 12<sup>th</sup>?

**Alderman Lopez** asked June 11<sup>th</sup> or June 12<sup>th</sup>, Alderman?

**Alderman Osborne** stated received June 12<sup>th</sup>.

**Mr. Roessel** stated okay, June 11<sup>th</sup>.

**Alderman Osborne** stated I had a question about a couple things but I didn't want to take all night. One thing here, the cancellation of the Hampton Beach shuttle. What is the story with that? Is that elderly? What is the cost? How much membership did you have? The savings? The trips? What's the story with that one?

**Mr. Roessel** replied that was eliminated last year, I believe. The Federal Transit Administration has on the books Charter Regulations and they basically say that if you receive federal dollars you cannot compete with the private sector unless it meets very strict, limited circumstances. With the federal regulations, the service was reviewed

carefully. I wasn't here at the time, but they were reviewed carefully and it was determined that that service would compete with the private sector and we weren't able to provide...

**Alderman Osborne** interjected this is last year. Why are you using it for an alternative now and here? I don't understand.

**Mr. Roessel** asked where are we using...

**Alderman Osborne** interjected this is last year's news. This is under the Transit Budget Alternatives. It says cancellation of the Hampton Beach shuttle.

**Mr. Roessel** replied I don't know what you are referring to, sir.

**Alderman Osborne** asked do you want to borrow this?

**Mr. Roessel** replied not on this June 11<sup>th</sup>. It doesn't mention it in the June 11<sup>th</sup> memo.

**Alderman Osborne** stated this is June 12<sup>th</sup>.

**Alderman J. Roy** stated just for clarification, it's an excerpt from the June 24, 2008 Commissioners Meeting.

**Mr. Roessel** stated alright. What we were showing with the...

**Alderman Osborne** interjected we don't want to search all night for it. This is last year's news.

**Mr. Roessel** stated that's right. It's 2008. This was a year ago and as I said, it was determined that the Hampton Beach shuttle would be cancelled because of the Federal Charter Regulations and that was a year ago.

**Alderman Osborne** stated so we're not spending all night here, what's the bottom line now? What are we going to be getting rid of as it stands right now?

**Mr. Roessel** replied I cannot say.

**Alderman Osborne** asked you cannot say?

**Mr. Roessel** replied I cannot say because we are required to have a public comment process to receive comments from the public and then to make our decision. We cannot come out with a plan until we have conducted the public process. We have to receive comments from the public.

**Alderman Osborne** asked so what do we have this for then? If this is all last year's news, what is this?

**Mr. Roessel** replied this was to show that the union was not willing to participate in a Union Management Committee if it decided that union jobs would be affected. So this was to show that the idea of management and the union working together has been tried in the past and was unsuccessful because the union made a determination that it could not go forward and follow through.

**Alderman Osborne** stated I'll pass it along.

**Alderman Shea** stated thank you, Your Honor. I have a couple of notes here in reference to your last comment. This is what I received at my home: "We the ATU Local 717 Executive Board are requesting immediate action to be taken in regards to an incident occurring at the Manchester Transit Authority on May 29, 2009, when employees were requested to attend a meeting with MTA Management regarding budget proposals. When we arrived at the meeting, MTA Commissioner John Trisciani raised his voice at employees, even telling them to shut-up. Employees felt threatened and we were informed that management expects the support of employees during the budget hearings.

Most employees do not support the proposal of management and the approach taken in presenting it to the passengers. We are requesting immediate removal of Mr. Trisciani for misconduct. Please take our request under advisement.” Now I receive a letter today to the President asking Mrs. Valentin, “We are writing to invite your comments, ideas, and/or recommendations for an improved MTA. As a lifelong union official I am reaching out to you on behalf of the Board of Commissioners to offer our ear to anything that you have to say to us that will improve the efficiency and effectiveness of the bus service that is provided by the operators that you represent. This is a critical time for the MTA. If it is more comfortable for you, the MTA Commissioners and Executive Director, Carey Roessel, are willing to meet with the elected union leadership comprised of yourself, Vice President Dennis Carrier and Secretary-Treasurer Deborah Martel at a meeting arranged at your convenience. Please accept this invitation to demonstrate that the union and the MTA Commissioners can work in a constructive manner by contacting me at 785-9328. Your attention to this important opportunity for constructive dialogue is appreciated.” Now, who is right and who is wrong?

**Mr. John Trisciani**, MTA Chairman, stated I sent the letter that you’re talking about, signed by me. I have not received anything, no phone calls or anything about it.

**Alderman Shea** asked what about the first comment, John?

**Mr. Trisciani** asked the first one?

**Alderman Shea** replied yes. Are they misleading the people here in saying that they were told to shut-up?

**Mr. Trisciani** replied yes, they are.

**Alderman Shea** stated hold it. We don’t need responses. You’re saying nothing like that occurred?

**Mr. Trisciani** replied I asked a couple of them if they would be quiet and they refused.

**Alderman Shea** stated well, anyway. I'm just letting people know that there are two sides to every story.

**Mr. Trisciani** stated there are two sides. Is that a signed statement that you're reading from or is that another one of those unsigned letters?

**Alderman Shea** replied no, this is signed.

**Mr. Trisciani** stated we've got, and I'll be honest, a few drivers out there that have been totally against MTA. When I got there in 2000...because I refused to read anything or take any letters that weren't signed. I just don't feel it's right. If someone is going to write something about someone they should have the knowledge to sign it.

**Alderman Shea** stated they signed this.

**Mr. Trisciani** stated but this is in the past. This is not in the present. A week ago you got a letter that was brought up here and it wasn't signed. We were here a week ago at a meeting and one of the Aldermen brought a letter. They made copies and passed them out to everybody. It was an unsigned letter, but that to me is immaterial. The thing is they have a grudge against First Transit. I don't understand. The word is that a third of the money that is appropriated goes to First Transit. It doesn't. It's not just the three men who you have working from First Transit that provide us with service. We get the service from First Transit Corporate, which gives us a better deal on buying tires, batteries, oil, filters, and many other parts for the buses. So it's not just the wages of these three men.

**Alderman Shea** stated I have a few questions here and I would like a response. Does the cost to have First Transit operating its transit system justify what the City of Manchester receives in return for their services? Now the Executive Director, he told me he gets \$88,000, but I believe you're salary is closer to \$132,500. Is that correct?

**Mr. Roessel** replied I wish it was, Alderman.

**Alderman Shea** asked with medical benefits and so forth, what is it?

**Mr. Roessel** replied I do not know with benefits.

**Alderman Shea** asked you do not know what?

**Mr. Roessel** replied I do not know with benefits.

**Alderman Shea** asked you do not know what benefits you receive?

**Mr. Roessel** replied I do not know the value of them, no.

**Alderman Shea** asked how was it calculated on your salary?

**Mr. Roessel** asked who calculated this number? I have no familiarity...

**Alderman Shea** interjected do you get medical benefits?

**Mr. Roessel** replied yes, I do.

**Alderman Shea** asked do you get any other kinds of benefits?

**Mr. Roessel** asked where did this \$132,500 come from?

**Alderman Lopez** asked Your Honor, may I ask that you let the Alderman speak and then have the question be answered?

**Alderman Shea** stated my information is as follows: You can dispute this, but I'm going to tell you, your salary, with all the benefits you receive, is \$132,500. The Assistant Director's salary is \$92,300. The Operating or Planning Manager is \$63,500. 3% yearly increments and every year and for the next five years the total for three employees

calculated on that would be \$1,530,000 roughly. Now that is what my information that I have received has told me. The second question is how much experience do Transit people who are middle management have for the \$155,800? Manchester is being used in my judgment and in the judgment of other people as a training facility for employees of First Transit. In other words since the year 2000, nine different First Transit employees have worked at MTA at middle management. Basically, people that work at the MTA, experienced people, are saying that Manchester is being used as a training facility because many of the middle management people do not have experience in running a particular transit system. I'm not saying that you don't as the Director, but the middle management I think lacks a little bit of experience in that regard. So my point is, are these positions needed and how does each one benefit the MTA? The MTA could be operated, in my judgment, very well by the City of Manchester taking over that particular facility as a department. Some of the benefits that John Trisciani listed can be done through the Highway Department which we use for oil and purchase of vehicles and things of that nature. My second point, Your Honor, has to do with how much was spent on consultants. Could you tell me how much was spend on consultants to rearrange the routes that were done?

**Mr. Trisciani** replied that didn't come from us. That was done by Southern New Hampshire Planning.

**Alderman Shea** asked do you know how much that cost?

**Mr. Trisciani** replied the gentleman that did it...

**Alderman Shea** stated I know Mr. Smith very well.

**Mr. Tim White**, Senior Transportation Planner with Southern New Hampshire Planning Commission, stated just for the record, the comprehensive operations analysis that was conducted by the consultant for the MTA routes was worth approximately \$50,000.

**Alderman Shea** asked \$50,000? So my question is...

**Mr. White** interjected it was paid for by the Planning Commission.

**Alderman Shea** asked it was paid by whom?

**Mr. White** replied the Southern New Hampshire Planning Commission.

**Alderman Shea** replied thank you.

**Mr. White** stated it was paid out of our planning funds.

**Alderman Shea** asked where do you get your funds from?

**Mr. White** replied we get our money from the Federal Highway Administration and the Federal Transit Administration as well as through local membership dues.

**Alderman Shea** asked local membership from the...

**Mr. White** interjected our member communities.

**Alderman Shea** asked yes, like Manchester and others?

**Mr. White** replied that's correct, Alderman.

**Alderman Shea** asked we contribute to that?

**Mr. White** replied that's correct.

**Alderman Shea** stated thank you very much. I know you worked at Hallsville and I thank you for that work. My point is could that have been done in-house rather than using consultants?

**Mr. Roessel** replied no, it's very complicated. These planning professionals are very competent in what they do. I just want to mention to you that 80% of it was paid for by the federal government. I think the City got a very good deal on that.

**Alderman Shea** stated let me give you a couple examples. The Manchester Transit broke up the Dartmouth-Hitchcock and the VA Hospital Route into two separate routes. Would you say that has been beneficial?

**Mr. Roessel** replied I would say that our ridership has shown steady increases since we implemented the recommendations of the comprehensive operation...

**Alderman Shea** interjected no, no, no. Just answer the question I'm asking you. Not the entire amount, just certain aspects of it. Would you say that breaking up these two particular routes, which were two routes, into one route for the VA Hospital and one for Dartmouth Hitchcock was advantageous or beneficial?

**Mr. Roessel** replied yes, it was because our routes are interlined and what we did was we changed the entire structure of the network. I'm not being evasive here, I'm saying that we went from one route structure to another and when you interline routes, maybe one route comes in but when it goes out again it's not a very productive route. Those two routes were identified as less productive routes. They were broken apart to increase customer satisfaction and reduce ride times and it worked.

**Alderman Shea** asked how about the combining of Route 5, which was the River Road shuttle, and Route 8, which was the Daniel Webster into separate routes?

**Mr. Roessel** replied again I would refer to the response I gave previously.

**Alderman Shea** asked in other words, you feel that there have been all kinds of positive results from combining them. In other words, servicing the complete perimeter of the airport Monday through Saturday, with service every hour on Saturday, when the

manufacturing plants are not open, do you think that has been beneficial, Monday through Saturday, and you feel ridership has gone up in that regard?

**Mr. Roessel** replied the fact is, when you go out on Brown Avenue you don't have a lot of opportunities to turn the bus around. Once you get past all those businesses on Brown Avenue, you are pretty much at the airport. Also, there are businesses that do back-office work on Saturdays. I've ridden that bus and there are people going out there at six o'clock at night for the third shift. Those businesses are back-office and warehouse and they work on Saturday. I asked where do you turn a bus around once you get to the end of Brown Avenue? There aren't a lot of opportunities.

**Alderman Shea** asked didn't that bus stop at five o'clock on Saturday?

**Mr. Roessel** replied I'm talking about during the week.

**Alderman Shea** stated you're talking about during the week but it ran on Saturday, too.

**Mr. Roessel** replied yes, it runs on Saturday.

**Alderman Shea** stated servicing Industrial Park Drive off Candia Road, hourly, Monday through Friday. These are concerns that people who work for you, who understand the bus routes, who have lived in Manchester all their lives, have brought up because they understand what's going on. You people who have come in from out of town who work for First Transit don't have a vested interest in our community. You are the people who are really not able to win the confidence of the workers. You possibly have the support of the Commissioners, I'm not sure. I don't know the definition, but I'm telling you now that you do not have their confidence. I've been an Alderman for 14 years and it's been chaotic because the people prior to you didn't listen to the workers and the people listening to them before Mr. Smith didn't listen to the workers. So the workers are at a very low morale so when you people invite them to a meeting they're not going to go. Why should they go when all you have done in their judgment is abuse them by making

them watch to see if they are doing the right thing, trying to comply with other things they are doing, hiding behind different types of things and in addition to that, sending people to a meeting so that we, as Aldermen, could be ridiculed by the public? You people are down there watching it on TV and laughing to yourselves because we're taking the brunt of the criticism. Basically, as far as I am concerned you people had a year to plan because you were level funded. What did you do during the course of the year in terms of planning? Now in the 24<sup>th</sup> hour, you didn't even allow a 23<sup>rd</sup> hour, you're saying to the employees, come and help us out because we need your support now. Tell us what we should do. Well, do you think they are going to respond? I don't think so. They're not fools.

**Mr. Roessel** asked may I respond? On May 29<sup>th</sup>, when we conducted the meeting at 7:00 PM in the operator's lounge, the Commissioners attended. They are here now. That room was packed with employees. It was full, so they do come and they do listen. I would also like to read the record of the meeting held May 19, 2008 and these were Mayor Guinta's comments at this meeting. He said, "I know there are many members of the Board who don't agree with the \$900,000, but the reality is we are faced with a more global decision that has to be made. Again, that is going to require some sort of joint effort or joint committee to look at improving your revenues as well as looking at existing routes. I know there are some routes that at certain times of the day have very little ridership. We need to look at different ways of providing the service to the majority of the people who need that service. Again, I can tell you that unless something dramatically changes in the next 12 months, our revenues are going to be relatively flat next year or in the negative so we are not going to be in a position next year to give you more money. We are going to go through the same exercise with every department head, the School District and the Transit Authority." I agree with that. There needs to be some mechanism that we can jointly work together on developing the budget. And why it didn't happen I don't know.

**Mayor Guinta** stated I appreciate that sentiment. However, there is growing frustration by myself and by this Board because we feel that that request was made publicly as well as privately, and while some effort was made, and I don't want to speak for the whole Board, but I think the general feeling is that a sincere effort to work with this Board and to try to productively and proactively communicate with the public was not at the top of the list. There have been many times when I and other Board members have read articles in the paper about potential changes that may or may not happen. What that does to the public and to employees is it creates a sense of misdirection rather than leadership. The most challenging budget that I've had to deal with as Mayor is this one before us.

Everybody knows that I'm tough when it comes to appropriating numbers, but I'm tough for a reason. I have to be responsible for the ultimate bottom line and policymakers have to be responsible for decisions they made. What I'd like to see as we move forward is a relationship not just with MTA, but a relationship with any entity that does business with us, to work in a proactive fashion. I can tell you on more than one occasion, I have felt ridiculed by you publicly. I think that you are a vendor to the City and I think that you have an obligation not just to provide service to those who require it, but I also think you have a responsibility to work with your customer. And while you have customers who ride those buses on a daily basis, the City of Manchester is also a customer. I for one would ask to be treated in a more respectable fashion. We can all have disagreements about a budget number or about decisions that are being made, but I've asked members of this Board and the public to understand the challenges that we are going through as a community. If I haven't been clear, I'd like to be clearer. I believe that we need bus service in this City. I also believe that the bus service has to be as effective and efficient as possible because the financial resources are very limited. To the extent that I believe we should be looking at every single route, determining where the true needs are in the City, is something that I think we should be doing not just once a year or once every six months, but I think on a monthly basis. I've continued to hear statements and comments that say our ridership is up 15%. That might be true on some routes, but when certain routes that have high ridership are chosen and specifically chosen and talked about

publicly as possibly being eliminated, I think that is more political rather than demonstrating an opportunity to streamline some of the other lines that are not as effective. I personally have felt like I have been ridiculed. I can handle it. I'm the duly elected Mayor of this City. I can take criticism and I'm happy to take criticism, but in the beginning of this meeting, your statements to a question about what changes are going to be occurring, you stated you could not make statements at this time because we need a public hearing, there is a process. I understand what the process is. It's a state requirement. I'm not sure why then I saw and read about them in the paper for several months. I would have appreciated meetings with myself and members of this Board to come up with a solution with the \$900,000 appropriation. Be mindful that we are trying to save as many positions as possible. Is it possible that some positions would have to go? It's very possible, but at least there is a manner of respect that we can conduct ourselves in how we treat employees and how we treat people who are concerned about their positions. We would have been very appreciative if there was a solution-based approach and I don't think that we feel that that occurred. Now we're at a point where we are getting letters that are signed by employees to this body and this body shouldn't have to deal with that, quite honestly. We hire a vendor for a reason. I'd like to feel like Manchester is a customer and an important customer to not only the Executive Director, but the entity that runs MTA. I understand that there are disagreements sometimes between managements and between unions. I'm in the middle of those as well. I have 17 unions I have to deal with, but what we should do is put our differences aside and work on the solutions in the areas of similar ideas. Not all of us are going to agree and I understand that. I think the union leaders understand that. I think management understands it, but there are a lot of people in this City who are very angry on all sides of this issue and that's not productive and it's not in the interest of what we're suppose to be doing, which is providing service to people in the City. As we move forward, I would absolutely like to see a good relationship with First Transit because I think there is an opportunity to have a good relationship with First Transit. I think communication needs to be improved. I think ideas ought to be considered, both by employees as well as by

members of this Board. I think ideas that I suggested a year ago, like combining some of these routes, looking at some of the lines that have a small number of people on them be redirected or rerouted, should be considered. When a full and a complete proposal is ready for public viewing, at that point we should include and invite the public for comment, but at some point we have to lead. We have to be dignified and we have to be respectful. I think part of the reason this meeting is occurring is many people don't feel that they have been treated respectfully. Do I know that you would like more money? Of course. I personally don't think it's your job to tell me how much money you need as a vendor. You're a vendor to the City, you have an obligation to work with your customer and I don't feel that occurred. I hope that will occur in the future so these meetings won't have to happen. Nobody wants to be here to have this discussion. We're here because we have to be. We would all much rather be dealing in a proactive and positive way on how to deal with solutions and how to deal with challenges. But we're here because the relationship is not in a good place right now. When an Alderman asks some pointed questions, just answer them. We get a lot of information from a lot of different people, but what the Aldermen want to identify is how to save the taxpayers' money; how to keep service running, particularly in areas where it is really necessary; and how to streamline the costs wherever we can. I don't think anyone on this Board wants to see MTA go away. As a matter of fact, I think everyone supports it. I think everybody has heard from riders who require it and I think it's a necessary function of a city our size. But we do need to have a dialogue, a real dialogue and a real debate, about what lines need to stay, what lines need to be amended and how many times a day these buses need to be travelling back and forth from certain areas. We have to think differently and we have to be partners in that effort. I think that's the crux of what I'd like to see and the crux of what most of the Aldermen would like to see.

**Alderman O'Neil** stated I have been here prior to First Transit. I was here when First Transit was brought in. I'll be honest with you, Carey. The stuff I read in the paper the very next day, if I had my wishes, First Transit would be gone that afternoon. I don't

have a vote on that, but you would have been gone that afternoon. You would have been fired. A vendor that works for the City would never do that. You're protected by the Commission on this so I want to make that clear. If I had a vote, First Transit would be fired that day. There isn't one department in the City of Manchester that's happy with their budget but you know what the Police Chief says? He says he's going to make it work. The Fire Chief says the same and the Public Works Director says the same also. I can go on and on. Even the School District that is struggling with \$146 million budget is at least trying to make some effort. They didn't come out swinging the next day at us. That's what you did. You threw a punch. If I had the chance to punch back I would have. You would have been fired. First Transit would have been fired. I have a long history with the Transit Authority. When I was a kid we had one car in the house. Everything we did, my mother had to take us by bus. Dentist appointments, doctor's appointments, just to go shopping, we had to take a bus. We had the late bus, we had the Derryfield bus and I think it was the Elliot Page Street in the neighborhood I grew up in. Lake was the predominant bus near us. My late cousin Jack Mahoney was the president of the union and long time driver and advocate for the Transit Authority. This is personal to me, but when you came out swinging the next day, First Transit lost me right there. I want to make that clear. I'm pretty sure there is an executive from First Transit here. Let me get to my specific questions. I've made my point on that. Regarding the Hannaford Senior Shopper Shuttle, I understand, and I think Alderman Lopez used this number, it costs \$600, or that's what Hannaford pays a month. What does it actually cost to run a month? Alderman Roy is saying it costs \$900 a month. At one point there was a comment that we break even, which is why I was a little confused.

**Mr. Roessel** replied it about breaks even. All of the Shopping Shuttles put together generate about \$1,700 in revenue, in my recollection. So they about break even. Once again, I say they are open to the public and are not just for the senior citizens.

**Alderman O'Neil** stated understood. But if Hannaford is paying \$600 to service Hannaford, is \$600 recovering that cost? Yes or no answer, guys.

**Mr. Roessel** replied once again, yes, but the FTA matches are a part of it as well. As I said it's a marginal thing. We're able to work it into our schedule. That's a good thing that we are able to do and it keeps the funding requirements down because we're not looking to cover all the overhead costs so it wouldn't be showing that little bit of profit from all the shuttles. I don't have each individual shuttle here.

**Alderman O'Neil** asked is that something you could provide for us?

**Mr. Roessel** replied yes, sir, I can.

**Alderman O'Neil** stated let's go to, because it's some of the most recent, it's part of the package that you supplied yesterday, a memorandum, dated April 20<sup>th</sup> from the members of the negotiating team and it referenced fiscal year 2009 and 2010. I have a couple questions. For fiscal year 2009, the MTA requested from the City \$1,278,000. You were given \$900,000. Can you tell me within that amount, how much of that was attributed to an increase in the management fee? I guess my question is what did the management fee go up from fiscal year 2008 to 2009?

**Mr. Roessel** replied that was provided to you in the package that you requested about the First Transit contract.

**Alderman O'Neil** stated I'm a Cliffs Notes kind of guy.

**Mr. Roessel** stated okay, let me...

**Alderman O'Neil** stated if someone has it, give it to me.

**Mayor Guinta** stated I'm still trying to find which portion of the package you are referencing.

**Alderman O'Neil** replied I'm in the package, Your Honor, that's dated June 11<sup>th</sup>. It's the one Alderman Osborne was talking about. If you go back several pages, it says memorandum at the top, dated April 20<sup>th</sup>.

**Alderman Gatsas** stated it went up from \$288,000 to \$297,000, \$297,000 to \$306,000.

**Alderman O'Neil** asked the management fee went up marginally, correct?

**Mr. Roessel** stated it should be a 3% raise every year, as is in the current contract.

**Alderman O'Neil** asked \$288,000 to what, Alderman Gatsas?

**Alderman Gatsas** replied \$297,000.

**Alderman O'Neil** stated from \$297,000 to \$306,000 currently.

**Alderman Gatsas** replied that's correct. This is dated February 2008 so I would imagine February 2008 was at \$288,000 and went to \$297,000 in 2009.

**Alderman O'Neil** stated thank you. There is continued reference to many of the documents about the budget amount that was adopted from the Board of Mayor and Aldermen for a subsidy to the Transit Authority so I don't need to pontificate on that again. My question is, working off that same page, year to date ridership in fiscal year 2009 has increased 9.35%, and in the current fiscal year up through April, it has increased 12%. Can you tell me what the additional revenues are with the additional ridership for both those years? You must have a complete number for 2009 and to a certain date in 2010.

**Mr. Roessel** replied all I have is the projected annual revenue totals for this year. I don't have it compared to last year.

**Alderman O'Neil** asked Carey, is that something you can get us?

**Mr. Roessel** replied yes.

**Alderman O'Neil** stated I'm not looking for projections. I'm looking for actual numbers. If your ridership increased, there has to be a dollar volume correlation to that. This is your own document that says ridership increase 9.35% for fiscal year 2009 and I'm guessing to a certain point in 2010 it increased 12% so there has to be additional revenues.

**Mr. Roessel** replied that's correct and also we increased the fare by 25% on July 1<sup>st</sup>.

**Alderman O'Neil** asked increased the fare?

**Mr. Roessel** stated from \$1 to \$1.25 on July 1, 2008.

**Alderman O'Neil** stated if you could provide for us that information for the increased revenue, specifically related to additional ridership that would be helpful. Can you tell me, if memory serves me correctly, when First Transit first took over the management there were two staff people, am I correct on that?

**Mr. Roessel** replied I'm not overly familiar with the history, but I believe there were two staff people and then it was requested that a third be added by the School District.

**Alderman O'Neil** asked the third person is dedicated entirely to the School District?

**Mr. Roessel** replied he also does supervisory duties on the Transit side, but he is responsible for developing the school schedules and working with the School District every week. It's a critical function with the School Department.

**Alderman O'Neil** asked are you compensated for the school time, 100%?

**Mr. Roessel** replied yes, well, it's split 50-50 with the Transit.

**Alderman O'Neil** asked really it's not three. It's two and a half for Transit. If you have one person and 50% of their time is dedicated to the school contract, than only half their time is dedicated to the Transit System. Therefore, we should only have to charge the Transit System for 50% of the salary and benefits.

**Mr. Roessel** replied that's right. That's the way it is for all of the First Transit staff.

**Alderman Lopez** stated excuse me, Your Honor, can I ask for clarification on that? Say that again, the question that Alderman O'Neil had. You said that's how it is done for all Transit employees. Is it just one person or all people?

**Mr. Roessel** replied the consulting contract with First Transit is split 50-50 between the Transit operation and the school bus operation.

**Alderman Lopez** asked do you know what those numbers are?

**Mr. Roessel** replied the Transit contact for this year is \$297,308.

**Alderman O'Neil** asked for clarification, are you charging the School District \$297,308?

**Mr. Roessel** replied no, we're charging them \$148,654.

**Alderman O'Neil** asked the total contract is \$297, 308?

**Mr. Roessel** replied for year two of the current contract, yes.

**Alderman O'Neil** asked that's salary and benefits?

**Mr. Roessel** replied yes, and Transit provides an attorney for labor negotiations. First Transit also conducts audits and provides management assistance so it's a whole variety of services as well.

**Alderman O'Neil** stated if you back up two pages in that packet, it's a memo dated April 8<sup>th</sup> to Matt Normand from Evan. I just want to highlight...and I guess you're not going to be able to answer these until you have your hearing, but they are very generalized statements. With the elimination of Saturday service, I think you need to be specific what routes. You also need to be clear about the proposed reduction of StepSaver availability. It is my understanding that under federal law you have to provide StepSaver service. Am I correct?

**Mr. Roessel** replied yes, sir, within a certain corridor around the fixed route system. So if the fixed route size is reduced, if the hours or services are reduced, the para-transit is reduced accordingly.

**Alderman O'Neil** asked what is our fixed route size? Just a general description.

**Mr. Roessel** asked how many miles?

**Alderman O'Neil** replied no, just geographically. Is it beyond the limits of the City of Manchester?

**Mr. Roessel** replied yes, we operate service around the airport in Londonderry, we operate service to the Bedford Mall and we operate service out to the Shaw's in Goffstown.

**Alderman O'Neil** asked if I interpreted this correctly, does that mean if there is a fixed route within Manchester there should be no change in the StepSaver in the City of Manchester? Is that a true statement?

**Mr. Roessel** replied that is true, except for the hours of the service. If the hours of the service are reduced, if we operate until 3:00 PM instead of 5:00 PM, then complimentary para-transit service wouldn't have to be provided beyond the hours of the fixed routes.

**Alderman O'Neil** asked so people in the City of Manchester should not feel threatened by what's been publicly said about the StepSaver service?

**Mr. Roessel** replied the word threatened, they should not feel that it's going to go away entirely, but it will be impacted.

**Alderman O'Neil** stated specifically, it has been brought to my attention the need for people to get out to the airport area for medical dialysis and other treatment. That should not be threatened by this?

**Mr. Roessel** replied if we reduce service around Perimeter Road of the Airport, I would stay, yes, it would stay.

**Alderman O'Neil** asked why is that even out there then? It seems like it's a scare tactic. I'm trying to figure out this final bullet: Additional cost for Manchester School District high school transportation due to reduction in transit routes. I can't understand the correlation.

**Mr. Roessel** replied a lot of high school students take the transit bus to get to school.

**Alderman O'Neil** asked what you're saying is if we have reduced routes there will be less opportunity for students to use the regular transit system?

**Mr. Roessel** replied that is a possibility, yes, sir.

**Alderman O'Neil** asked but there is no specific plan on that?

**Mr. Roessel** replied no, sir.

**Alderman O'Neil** asked do we have a good idea of the routes and the peak times that the students are using the buses? I give you for instance, I believe it's the late going in, I picked it up on Hanover Street by Hannaford and take it downtown and it's full at certain times of the morning with high school kids.

**Mr. Roessel** replied when Central High lets out, that bus is full.

**Alderman O'Neil** asked the other way going back out? Do we have a good handle how the schools impact that transit routes?

**Mr. Roessel** replied yes, sir, we do.

**Alderman O'Neil** asked is that something you can get some sort of summary to us at some point?

**Mr. Roessel** replied yes, sir, and we provided that to the School District as well.

**Alderman O'Neil** stated I appreciate it. Your Honor, thank you very much.

**Alderman J. Roy** stated thank you, Your Honor. Mr. Roessel, just to let you know I like you.

**Mr. Roessel** replied thank you, I appreciate that.

**Alderman J. Roy** stated you treated me well and any of my comments tonight I don't want you to think are directed squarely at you. I think that sometimes my nervousness may be translated into arrogance and other things and I think that you may be misinterpreted sometimes by your body language. With that said, let's remember that you are the head of this organization so the buck stops with you so I'm going to ask some very pointed questions and I don't want you to take offense to them, but I'm going to ask anyways. If I remember your resume, you're a pretty educated guy.

**Mr. Roessel** replied yes, sir. I have a Master's degree from Rensselaer Polytechnic Institute and a Bachelor's degree from Babson College.

**Alderman J. Roy** asked and it's in management of?

**Mr. Roessel** replied my degree is in Business Administration and Economics.

**Alderman J. Roy** stated I'm not as educated as you, but I'm going to give you some observations. My observation is that it seems to me that you're in quite a bind right here because you've set up a very adversarial situation. Your comments here tonight about the union not wanting to cooperate makes them an adversary. The misinformation that has gone out to the public has gotten back to the Aldermen over and over again. When I'm in the shopping line at the grocery store I'm being asked by the assistant manager why the shuttle isn't going to be coming there any more because they pay for it. I don't know what to say. I'm not going to blame you or anyone else in your organization, but that information came out of your group. As a matter of fact we have that memo. You say you can't give us any ideas until you have public comment, but I have a memo here that Alderman O'Neil already spoke from on ways this new budget is going to affect your operation. I'm getting confused on that stuff. Because of that information, you have made us another adversary. You're in the middle right now. That's my observation. I think that needs to change. I wanted to speak to this and it may be my error that this information was called a letter. I presented it to the Board, but it came to me in an envelope. It doesn't say dear Alderman Roy and it isn't signed, but it's information. We talked about this a couple meetings ago, do you remember?

**Mr. Roessel** replied I remember that, yes

**Alderman J. Roy** stated we talked about how the buses had been separated and you said it was to increase ridership.

**Mr. Roessel** replied yes.

**Alderman J. Roy** stated again, I'm not a real good accountant but the number of miles and the number of hours that your organization had an added need for, once you separated these routes, went up about 50%.

**Mr. Roessel** replied I thank you for the opportunity because I didn't have the time to study things when I was asked those questions, but I have now.

**Alderman J. Roy** stated let me finish first. So my question to you is this: If these numbers are completely wrong let me know, but did the ridership go up enough to justify the added cost? At the same meeting, the Mayor talked about the ridership on the North End Plaza and Southern New Hampshire University Routes being divided. I believe you said they were one of the lowest ridership routes, both of them. The suggestion would be to put those two routes back together to save that added cost of an extra bus, 50% more driving time, 50% more miles. Could you address that?

**Mr. Roessel** replied thank you for the opportunity. My research that I have been able to conduct showed that we increased the number of hours of service by 9% and the resulting increase in ridership was 16%. I would say it was successful. When we talked about the D.W. Highway Route, I made the comment that that bus doesn't run closed door from downtown to the North End Plaza. Our routes are interlined so that when a route comes downtown on a less productive route it goes back out to South Willow Street, our most productive route. You can take any system, transit or whatever it is, and pick parts of it apart, but if you look at it as a whole and how all the pieces interrelate, then you see that affecting the D.W. Highway may have unintended consequences somewhere else and that's what the comprehensive operations plan did. It looked at how to make the system better for the people. The biggest complaint we were getting is that people were riding through areas that did not make sense. That cut the ride time for the passenger. It brought

them directly to downtown. Those are the benefits that came out of it. The goal of it was to increase ridership.

**Alderman J. Roy** stated thank you. I understand that you use those numbers and I think that some of those percentages of increase are on one of the sheets you gave us. However, I'll go back to the very pointed question I asked. Those two routes are the lowest. Wouldn't it make sense...you can look at this two ways. You can look at the whole system or you can look at individual routes that aren't doing well. Are you going to look at those individual routes that aren't doing well and try to improve them or is this going to remain dynamic?

**Mr. Roessel** replied absolutely, yes. We are going to look at looping the routes together and that increases the span of service, but it does increase the productivity. You have one bus doing the work of two.

**Alderman J. Roy** stated thank you. The StepSaver shuttle rules allow if the hours of operation go down you could decrease that service as well, but that doesn't mean you have to do that, correct? You could still maintain the service you have now even though the other hours of operation have gone down, correct?

**Mr. Roessel** replied no, the goal of the ADA is to provide disabled folks with the same amount of access as the general public.

**Alderman J. Roy** asked it doesn't mean the Manchester can't go above that, does it?

**Mr. Roessel** replied no, you can go above it, yes.

**Alderman J. Roy** asked so the answer to my question would probably be yes, we could keep the increased hours?

**Mr. Roessel** replied yes, we could increase the hours.

**Alderman J. Roy** stated thank you for that one as well. Now, I'm a little surprised that as manager you can't tell me what the wages are for the three First Transit employees. I'm a little bit surprised about that. I'll give you another whack at that one. Can you tell me what it is?

**Mr. Roessel** replied I have told Alderman Shea my salary. I'm used to being a public official and seeing it in the paper every year, so I have no qualms about that. However, First Transit is a private company. It has stockholders and information is proprietary.

**Alderman J. Roy** stated I didn't ask you to name individuals. I asked you to name the total for those three people.

**Mr. Roessel** replied okay.

**Alderman Shea** stated I think the Finance Officer could, Your Honor. Isn't he giving out the payroll? He doesn't know either?

**Alderman J. Roy** stated we'll leave that one alone so we can move on. The transparency isn't all that good right here. I'm looking on the papers as well. We talked about consultants this year, \$50,000 I think you said. You said it was an 80% match or something.

**Mr. Roessel** replied if you use federal dollars it would be.

**Alderman J. Roy** stated this FY10 says we're going to have consultant management for about \$158,000. What's that going to be for?

**Mr. Roessel** asked is that on the Transit side?

**Alderman J. Roy** stated it's a base line budget comparison. I got this from you. It has a MTA thing at the top.

**Mr. Roessel** replied it is First Transit. We also have a risk management consultant. Is our attorney included in there as well? No, the attorney is different. It's a risk management consultant that we retain as well.

**Alderman J. Roy** asked \$158,000? So last year was \$50,000 and this year is \$158,000 and I'm asking you why it's going up.

**Mr. Roessel** replied no, I don't think...

**Alderman J. Roy** stated well maybe I'm reading this wrong. Again, I just got all this information last night.

**Mr. Roessel** replied right. If you're referring to the work the Southern New Hampshire Planning Commission did, that was four years ago and that came out of their budget.

**Alderman J. Roy** stated okay. Let me ask it this way: \$158,000 this year for consulting is for what?

**Mr. Roessel** replied it is for the First Transit contract and the contract with our risk management consultant.

**Alderman J. Roy** stated okay. How much did that increase this year?

**Mr. Roessel** replied the First Transit contract increased 3% this year.

**Alderman J. Roy** stated that isn't my question. My question is the consultant. This line item of consultant management is \$158,000 this year. What was it last year? I apologize for being a little curt there. I understand the 3% already. That isn't the answer I was looking for.

**Mr. Roessel** replied Wally is looking that up. You also asked about protective systems for the driver when we talked last.

**Alderman J. Roy** stated I was getting to that, thank you.

**Mr. Roessel** replied I researched that as well and I have some information for you.

**Alderman J. Roy** stated you can give that to me at some other time. Did you want to do it tonight? It's up to you. As for revenues, you mentioned you had lines going to Bedford, correct?

**Mr. Roessel** replied yes, sir.

**Alderman J. Roy** asked Bedford pays us, right?

**Mr. Roessel** replied that is correct.

**Alderman J. Roy** asked how about Londonderry?

**Mr. Roessel** replied they do not.

**Alderman J. Roy** asked we have a line going there, but they don't pay us?

**Mr. Roessel** replied that is correct because nobody from Londonderry rides this way. It's all from Manchester to go down to Londonderry to work those jobs and go to the dialysis center.

**Alderman J. Roy** stated okay.

**Mr. Roessel** stated it's the same with Goffstown. People from Manchester ride to go to the Hannaford and the Shaw's out in Goffstown.

**Alderman J. Roy** asked so that is the shuttle? It's not regular bus service?

**Mr. Roessel** replied right.

**Alderman J. Roy** stated thank you for that explanation. Is it? It's regular bus service?

**Mr. Roessel** replied it's regular service.

**Alderman J. Roy** stated there have to be some people from Goffstown using that.

**Mr. Roessel** replied I have never seen anybody from Goffstown. It goes about 2.2 miles into Goffstown. It's not like it goes all the way to Goffstown Center or anything.

**Alderman J. Roy** asked and the one in Bedford is different because?

**Mr. Roessel** replied because the Bedford Mall and people...

**Alderman J. Roy** asked so the people aren't going from Bedford to the Bedford Mall but we're still getting revenue from them?

**Mr. Roessel** replied yes, but people from Bedford are going into Manchester.

**Alderman J. Roy** stated okay, because that isn't that far into Bedford either. I'm just thinking that might be another source of revenue for us. Let me wrap this up while he is looking for that. On the packet that you gave us, in the first one that Alderman Osborne first brought up dated the 11<sup>th</sup> received the 12<sup>th</sup>, in it we have a letter from DOT that says you're getting \$408,000 for office refurbishment. It isn't broken down here for me and I'd like to know what we're doing for the office refurbishment. I'm hoping it's not new curtains or something. I didn't mean that as a joke, I'm serious. We have a very lean budget here and we can't be spending money on things that aren't necessary. Supervisory vehicle, I think you tried to explain that once before that if a bus breaks down you can go pick it up, but I want to know what the vehicle is and if it's appropriate. Of course, the other one here that caught my eye was security cameras. It made me think about the

buses and the security cameras and if you have something to add onto that I'd like to hear it. Originally, when you came in here looking for money for your security cameras you said you were worried about the safety of your drivers. This year I am hearing that the drivers are part of the family here, calling everybody by first names. I'm wondering why we put the cameras in if everybody is family. I'm confused there as well.

**Mr. Roessel** replied okay, very good. The first thing, the office refurbishment. Our building is over 30 years old. The carpets are original, the paint is original, and the bathrooms have never been touched. It is not a pleasant work environment. It is not a comfortable building to be in. It should be a place that you can feel comfortable going to work, but it is not. The tiles are worn, the ceiling tiles are damaged, the building has never received any refurbishment, fix up, whatsoever, in 30 years. With all the people that use it, it's in desperate need of fixing up. The supervisory vehicle, I have the vehicle outside that we are proposing to replace and it has 69,000 miles on it, but it is a worn out vehicle. It's getting to the point where it is unreliable. I mentioned that the number of hours on the vehicle are as important as the number of miles. I invite anyone here to come out and look at this vehicle. It is right out in the City parking lot. The security cameras are for the outside of the facility. We are in a secure facility. There is a fuel pump down there and the gate is closed on the weekends. There was an incident in Chelsea, Massachusetts, two months ago where an individual walked into a bus property and drove the bus out, crashed through the gate and had to be shot by the police. If anybody walks into our facility and takes a bus, that's a serious situation and we have to be a secure facility and cameras on the outside of the building do that. If you drive through Manchester or any other city these days, you can see cameras everywhere. It's a common place thing. It's a good thing for our employees. When the employee parking lot is covered with snow and ice, being able to monitor what's going on out there is a very important function. Also, this is from 100% federal dollars.

**Alderman J. Roy** stated I wish you hadn't said that because, guess what? Federal dollars are my tax dollars as well. Let's leave that alone, please.

**Mr. Roessel** replied we're required to spend this money.

**Alderman J. Roy** stated that's another discussion and I don't want to get into it tonight. My last comment is going to be, and I don't disagree that your employees deserve a good place to work, but if you want to see a spot where employees are working in substandard conditions take a little trip down to the Highway garage. We haven't had the money to refurbish that. That's why I'm concerned about this. We're trying to make sure the money is spent in the right places because maybe that can wait another year. Thank you for your indulgence, Your Honor.

**Alderman Osborne** stated at the beginning of the meeting I was asking you about the June 11<sup>th</sup> correspondence and I want to go back over that. I asked you specifically about the bullets, but I didn't want to ask about each one because it would take too long. You told me that you can't give me any bottom line on the impact on what's going to happen with the MTA. Is that true, sir?

**Mr. Roessel** replied that is true, without conducting the public comment process.

**Alderman Osborne** stated but you answered a lot of questions from these bullets. So how can you answer those questions if you don't know if you can really do it?

**Mr. Roessel** replied those are not answers to questions, those are items that we are seeking public comment on.

**Alderman Osborne** stated you can circumvent what you want, but when people out there hear all this they don't know the difference between fact and rumor. They hear and they take it for granted that this is what's going to happen. And if it's not going to happen, why say it? You answered a lot...

**Mr. Roessel** replied I can't say at this point what can or cannot happen.

**Alderman Osborne** stated you're answering the question. Mr. O'Neil asked you quite a few questions and you seemed to answer all of them. I was going to go through 11 bullets, but I didn't want to take all night doing it if you couldn't tell me the truth about what's going to happen with it. People believe what they hear, that's all I'm saying. I was born at night, but not last night, you know what I'm trying to say?

**Mr. Roessel** replied I'm telling you the truth right now, that's all I can say.

**Alderman Pinard** stated just a couple quick questions, Carey. You and I met this morning. I also met with Mrs. Malone of Hannaford at 7:30 AM. The Aldermen got a piece of paper that Dan just read. She wrote that letter. Hannaford Market Stores were not notified of this proposed cut back. What's lacking between the bus and the management is communication. I was just talking to the Mayor. All department heads come to the Aldermanic meetings. I don't think I ever saw someone from the bus company. You never come, so how do you expect the Board of Aldermen to cooperate with you 100% if we don't know you or you do things at the back door of the terminal. I call it the back door because that's where you commission from. Maybe the Commission should come over and tell us every so often what they need or what they want. This gentleman, this consultant, how much did you pay him for the north and south and lower the result? If you're spending money and you don't report to anybody and you want more, I don't think that's proper. Taxpayers' money, like Mr. Roy just said, federal or local, are still tax dollars. I'd like to see you start coming to the Board to tell us what you want so we'll have time to look at it. With communication there is nothing in the United States or in the country or the world that doesn't work with an understanding. Thank you, Your Honor.

**Alderman M. Roy** stated thank you, Your Honor. Carey, could you clear up a few things for me? I've read your management agreement and when you look at the first sheet, you reviewed the contracts from the beginning? Carey?

**Mr. Roessel** replied yes.

**Alderman M. Roy** asked what is the change between the first year of the contract and the current year of the contract in percent paid to First Transit?

**Mr. Roessel** replied 3%.

**Alderman M. Roy** asked what's the cumulative number, beginning to now?

**Mr. Roessel** replied it's up from 32%.

**Alderman M. Roy** asked can you verify that number?

**Mr. Roessel** replied give me a minute. I've got 12.5%.

**Alderman M. Roy** asked could you justify those numbers in writing to us?

**Mr. Roessel** replied yes, sir.

**Alderman M. Roy** stated thank you. I believe there will be some follow up questions after I'm done. If you look at the packet, you included bank account information. It had penciled across the top, "Year end projections given to the Finance Department June 10, 2009." Could you point out the First Transit employee wages or payment to First Transit?

**Mr. Roessel** replied page two, under services/management consultant. The total is \$154,136.98.

**Alderman M. Roy** stated earlier you stated that the management consultant line item was for your risk manager to the tune of \$150,000.

**Mr. Roessel** replied no, no. That's First Transit and the risk management consultant.

**Alderman M. Roy** stated I'm going to go back and forth between the contract and what you have for a line item that covers the salaries for First Transit. In your contract, that number \$288,000 last year \$297,000 this year.

**Mr. Roessel** stated that's not just for salaries.

**Alderman M. Roy** stated correct. You're saying that your benefits are buried within the other line items?

**Mr. Roessel** replied no, no.

**Alderman M. Roy** stated I'll make it simple, Carey.

**Mr. Roessel** asked my fringe benefits?

**Alderman M. Roy** stated give me the line items that add up to the contract number of this year \$297,000. Where are they?

**Mr. Roessel** replied it's in services, management consultant, which is half of the \$297,308 and then add in what the risk management consultant gets. That's split 50-50 with the School District as well.

**Alderman Lopez** stated the finance officer is sitting right next to him. I'm sure that he can answer a lot of those questions.

**Alderman M. Roy** stated whoever from First Transit wants to answer I have no qualms. Carey has been answering so many questions.

**Mr. Roessel** replied if half of the First Transit contract is \$148,654 and we subtract the \$154,364 that's \$77,182 for the risk management consultant. No, that can't be right.

**Alderman M. Roy** stated that doesn't add up. Now you get where I'm going.

**Mr. Roessel** stated it's \$5,710, but that's just the Transit side. That's half of the value of the contract.

**Alderman M. Roy** stated Carey, when you look at your other line items - the administrative benefits, the general administrative wages - all of those line items are non-First Transit employees?

**Mr. Roessel** replied correct

**Alderman M. Roy** asked the only line items that we should be looking at as far as First Transit on this sheet, page two of the banking information, is the management line?

**Mr. Roessel** stated under services it's the first line, management consultant.

**Alderman M. Roy** asked every other line item has to do with, and I really want this clear, other employees outside of First Transit?

**Mr. Roessel** replied correct.

**Alderman M. Roy** stated okay, thank you.

**Alderman Lopez** stated clarification if I may, what do you mean by other employees?

**Mr. Roessel** replied non-First Transit employees: general administration help, outside of the First Transit contract. Drug and alcohol testing, for example, is for new hires, people that we send for drug testing returning to duty, random, whatever. That's MTA employees.

**Alderman M. Roy** stated that's all other line items under services, I have no problem with most of those. Most of those seem in line with your operations of MTA. What I'm trying to clarify or reconcile is between your management agreement, which Article 7 Compensation, has the periods listed, page five of your contract, and then the fee listed. I want to reconcile that with the projects that you sent over to the Finance Office.

**Mr. Roessel** replied yes, sir.

**Alderman M. Roy** stated that's where I was going with that. From there, I want it on the record that if we talk about First Transit, those other line items, general administration, administration sick time, administration vacation time, those are all outside of First Transit?

**Mr. Roessel** replied correct.

**Alderman M. Roy** stated thank you. Looking at your revenues, in the contract for the scope, number three in your management agreement. It's quite a long list. Just to paraphrase, management to be furnished to, and shall include, but not be limited to, assisting the client and assisting in the functions of Transit planning, marketing, real estate management, equipment, building utilization, maintenance, security in routes, scheduling fares, service standards, budgeting, and public relations. Going back to the marketing and public relations, who is out selling the advertisements for the bus, the advertisements that go in the shelters? Who is out doing that?

**Mr. Roessel** replied that is Jane Cutter, with ATA.

**Alderman M. Roy** asked that is outside of First Transit?

**Mr. Roessel** replied yes.

**Alderman M. Roy** stated okay. Thank you.

**Alderman Gatsas** stated thank you, Your Honor. Let me start by saying that I probably have an advantage over you because I've been coached by the person who negotiated the agreements and have looked at your financial statements long before I even got into them. I think the service agreement says the first thing and it's very clear, that the employees of MTA are the employees of the MTA. I can tell you I've been out riding the bus for the last week and a half. The drivers are exceptionally courteous to the riders. The riders know the drivers on a first name basis. They share their daily living lives with those drivers. I heard conversations yesterday that a driver was having with a couple of different people on their bus about health issues that each had, severe health issues. I can tell you when people start talking about their health issues with drivers, there is a lot of respect there. I can only tell you that I have learned to respect, by listening to the drivers, listening to the people on these buses, that these people know more than I do. I rode those buses, I rode to the VA and I rode to Dartmouth-Hitchcock. You can say separating those routes increased ridership. 16% is an easy number to throw around. That could be as little as 16 people if you're basing it on 100. Let's not use percentages because I rode them. It makes no business sense, none at all, to have two buses going in the same direction and having to service two service stations that are less than a half a mile apart. Let's make that clear and when I finish this I'm going to ask Mr. Lee to come up because I have some serious problems, probably more serious than some of the other Aldermen. Let me help you because I have looked at the two contracts. Your first five year contract ended at \$218,555. The next contract started at \$288,649. That's a 32% increase. You can cut it any way you want, but the way I look at it, it's 32% because that's what my calculator tells me. That's what these two contracts call for. The first contract called for two employees. The way it was divided was the director was to receive 58% and the second person in line got 42%. I look at this one and it calls for three employees. The 32% raise is pretty close to the last employee's increase in wages. Maybe we should have brought back the person who negotiated the first contract to negotiate the second. I'm trying to find out and understand the second contract that is here before us. Why is there an

insurance binder? I assume First Transit is paying for Carey Roessel, 20 Shirley Hill Road, Manchester, New Hampshire, on a 2006 Toyota Highlander. Is there a reason we are paying car insurance for your automobile?

**Mr. Roessel** replied you're not paying car insurance for my personal automobile.

**Alderman Gatsas** asked why is it included in this packet? I didn't develop it.

**Mr. Roessel** replied that came off the copier. I have no idea.

**Alderman Gatsas** asked everyone must have a copy of it. Is there a reason why it's in this packet?

**Mr. Roessel** replied I would think so. Does it say the MTA on it?

**Alderman Gatsas** stated I'm trying to understand why it's in here.

**Mr. Roessel** replied I have no idea. I must have printed it off at the same time they were doing the copying. Our copier is the printer for the office as well so if a print job comes through when you are making copies the print job will come in with all the other stuff as well.

**Alderman Gatsas** stated the date was April 1, 2009 to October 1, 2009. I guess that's my question. Where did this come from?

**Mr. Roessel** stated I never saw it because I didn't get it off the copier.

**Alderman Gatsas** stated it happens that sometimes people from above watch over our shoulder and send us things that we shouldn't be seeing, but I guess it's in this binder and it's in this packet. Let us just continue.

**Mr. Roessel** stated the MTA is not paying for my car insurance.

**Alderman Gatsas** stated I'm just assuming it's in this contract with MTA and First Transit.

**Mr. Roessel** stated it's not included in the contract at all. The contract was signed before I came here. How could it be?

**Alderman Gatsas** replied I can't give you that answer other than it's here. Let's go back to where Alderman Roy was and look at the financial statements. It's very clear in this City that any department head who overspends his budget could go to jail. I don't know if you understand that. I look at your budget and I look at your financial statement and I look at the very first page and it talks about the period ending April 30, 2009. I go down to the management consultant line item and I look at that number. Your budgeted amount was \$139,890. Your monthly budgeted amount was \$13,189. If I multiply that times 12, I come up with a figure \$158,268. Explain to me how that is half of \$288,000. You are saying that we get charged half and the School District gets charged half.

**Mr. Roessel** stated also the risk management consultant...

**Alderman Gatsas** interjected there is nothing in this contract that talks about a risk management consultant.

**Mr. Roessel** stated it's separate from that contract.

**Alderman Gatsas** asked didn't we ask you for every contract from First? Is there a reason why we don't have that one?

**Mr. Roessel** replied it's not with First Transit.

**Alderman Gatsas** asked who is it with?

**Mr. Roessel** replied it's with Bob Belair Associates.

**Alderman Gatsas** asked you're paying them roughly \$14,000 a year?

**Mr. Roessel** replied I think that comes out to about \$10,000 a year.

**Alderman Gatsas** stated you told us that you were paying \$158,000 for a risk management consultant.

**Mr. Roessel** replied no. I said that line item is \$158,364 but there are things other than the First Transit contract included in that line item.

**Alderman Gatsas** asked are you a profit or non-profit agency?

**Mr. Roessel** asked the MTA?

**Alderman Gatsas** replied yes.

**Mr. Roessel** stated it's a public benefit corporation, not a legal...

**Alderman Gatsas** interjected so it's a non-profit.

**Mr. Roessel** replied correct. It's a quasi-public agency.

**Alderman Gatsas** stated so appreciation on a balance sheet is just a paper entry. Is that correct?

**Mr. Roessel** replied that's correct.

**Alderman Gatsas** asked if I took that paper entry out of your balance sheet can you tell me what your net balance would be on a budget basis?

**Mr. William Cantwell**, Finance Officer, stated based on the document I gave to the Finance Director it would be \$3,972,950.

**Alderman Gatsas** stated let me help you out. At the end of April, April 30, 2009. I'm more concerned about the budget that we are in now.

**Mr. Cantwell** stated I would have to calculate that for you, sir, because the balance sheet is the combined funding for both the Transit and the school division.

**Alderman Gatsas** stated okay. Let's not go to the balance sheet and let's go to your monthly statement.

**Mr. Cantwell** stated it would be \$3,300,900.

**Alderman Gatsas** stated let's try it again, on your monthly statement.

**Mr. Cantwell** stated the month end for April, Transit expenses were \$376,748 actual, subtract out the appreciation.

**Alderman Gatsas** asked what does that leave for a balance? Appreciation is how much?

**Mr. Cantwell** replied it was \$50,000 for the month.

**Alderman Gatsas** asked at the end of the period of April, how much did you depreciate on this statement? Then we can go to schools.

**Mr. Cantwell** replied I depreciated \$50,000 on this statement.

**Alderman Gatsas** asked year to date?

**Mr. Cantwell** replied I depreciated \$500,000 on the year to date statement.

**Alderman Gatsas** asked at the end of year to date, if we add that \$500,000 back in, because it's really just a paper entry, where are you at?

**Mr. Cantwell** replied it would be \$3,300,900.

**Alderman Gatsas** stated no, no. How much is your net income, your loss?

**Mr. Cantwell** replied it would be \$97,000.

**Alderman Gatsas** asked that was year to date?

**Mr. Cantwell** replied year to date, \$597,000, \$278,000, subtract off depreciation net loss, \$97,278.

**Alderman Gatsas** stated let's take a look at what you budgeted for year to date. How much did you budget?

**Mr. Cantwell** asked for depreciation?

**Alderman Gatsas** replied yes.

**Mr. Cantwell** stated I budgeted \$479,200.

**Alderman Gatsas** stated that number is truly about \$21,000 in excess of what you budgeted so that the reduction brings us down to about a \$70,000 number year to date. If I did that in your budget that you're currently in, it sounds to me that you probably continue offering the same services, the same routes, without any cuts.

**Mr. Cantwell** stated you are incorrect, sir.

**Alderman Gatsas** stated okay. Tell me how much I would be off.

**Mr. Cantwell** stated you were off all of it.

**Alderman Gatsas** asked if it's a depreciation and a paper number, are you saying to me that your loss for this year was over \$500,000?

**Mr. Cantwell** replied I'm saying I have a \$97,000 loss.

**Alderman Gatsas** asked what would your loss be if you withdrew those paper items in the budget we just gave you?

**Mr. Cantwell** replied when I do my calculations, sir, with the budget with respect to the City, I don't take that into account.

**Alderman Gatsas** stated that's the only thing I have to be able to tell whether you are losing money or you're profitable. Wouldn't you agree? Or at least the gentleman who went to Babson should agree. Don't you agree, Carey? That's the only thing we can base it on.

**Mr. Roessel** replied yes.

**Mr. Cantwell** stated I would be more than happy to take the number of last year's budget and walk you right through how all the funding goes.

**Alderman Gatsas** stated I don't have to. I'm looking at your sheet.

**Mr. Cantwell** stated you're not getting the true picture.

**Alderman Gatsas** asked your financial statement is not a true picture of...

**Mr. Cantwell** stated my financial statement is a true picture. Your interpretation of it is wrong.

**Alderman Gatsas** asked didn't you just agree with me that the \$500,000 is a paper entry?

**Mr. Cantwell** replied it is a paper entry.

**Alderman Gatsas** asked if that is a paper entry, doesn't that give you \$500,000 more to the bottom line, before taxes? If you were taxing it.

**Mr. Cantwell** replied we have no taxes, so correct, before taxes.

**Alderman Gatsas** stated if I look at that number and I move \$500,000 from that line item, at that point we should be showing a profit.

**Mr. Cantwell** stated you will never show a profit in Transit, sir. Never.

**Alderman Gatsas** stated let's forget about the profit because it seems that you want to be argumentative with me on a statement that's here. I've just asked the Financial Officer of the City. It's a paper number.

**Mr. Cantwell** stated I wholeheartedly agree. It's a paper number, sir.

**Alderman Gatsas** stated so that's \$500,000 more that you have in spendable income.

**Mr. Cantwell** stated sir, we have a \$97,000 loss.

**Alderman Gatsas** stated this is telling me that you have a \$496,000 loss.

**Mr. Cantwell** stated we both agree the \$500,000 was a paper loss. The net effect is \$97,000.

**Alderman Gatsas** stated when you look at those numbers and you reflect them to the \$900,000 that you got this year...

**Mr. Cantwell** stated you're talking around in circles, sir. I will be more than happy to meet with you.

**Alderman Gatsas** stated let's try it again. You were allocated by the Mayor \$900,000. You were told that was going to be the budget in January.

**Mr. Cantwell** stated correct.

**Alderman Gatsas** asked did you start creating a budget then? I'm going to get back to the overspending because I'm not too sure if you fall in the same category as other department heads where we could call for prosecution if you overspend the budget, but I'm going to try to get through this first because I think that is a serious allocation.

**Mr. Cantwell** stated I think so, too, sir.

**Alderman Gatsas** asked looking at this balance sheet, are you going to make up that \$100,000 in the next two months or are you going to have a deficit?

**Mr. Cantwell** replied I'm going to have a deficit, sir.

**Alderman Gatsas** asked you overspent your budget?

**Mr. Cantwell** replied no, I did not overspend the budget, sir.

**Alderman Gatsas** stated if I look at what you started with for an allocation in the revenues side from the federal government, from the City of Manchester, from Bedford, and I think there is one more allocation in revenue, I forget what it is, but there is another one, and you overspent that allotment of funding.

**Mr. Cantwell** replied I did not overspend, sir.

**Alderman Gatsas** asked who did?

**Mr. Cantwell** replied there was no overspending, sir.

**Alderman Gatsas** stated you just told me there was going to be a deficit

**Mr. Cantwell** stated you asked us last year to spend taxpayer money and that's what we did.

**Alderman Gatsas** stated I'm looking at the balance. At the end of the year you are going to be in the negative.

**Mr. Cantwell** stated yes, I will be in the negative.

**Alderman Gatsas** asked is that not overspending your budget?

**Mr. Cantwell** replied it's a paper number, sir. It's a paper number. In the packets I sent you I explained and I can walk you through...

**Alderman Gatsas** stated I know that we have an auditor here and one of the motions that I'm going to ask of the Mayor is that we send our auditor, Kevin Buckley, down to the MTA and do an audit. I'm looking at some of the numbers here and when I see that you're showing some \$395,000 worth of fuel sales to the City. What's the net?

**Mr. Cantwell** asked what do you mean the net?

**Alderman Gatsas** asked what is the net? You're making a profit on the fuel sale. What's the net?

**Mr. Cantwell** replied we make \$0.05 a gallon.

**Alderman Gatsas** asked does it show up in your revenue side?

**Mr. Cantwell** replied it shows up in my revenue side.

**Alderman Gatsas** asked it shows up as \$395,000 as a total sale?

**Mr. Cantwell** replied it shows up. We can go year to date. Year to date City fuel had a gross cost of \$358,816. We charged the City \$369,595.

**Alderman Gatsas** asked where did you show that number?

**Mr. Cantwell** replied on my income statement, sir. The very first page.

**Alderman Gatsas** asked the income is \$369,000 and the expenditures are \$350,000?

**Mr. Cantwell** replied \$358,000 so we made \$11,000.

**Alderman Gatsas** asked Carey, do I understand that you and another one of the Commissioners were riding the buses some three weeks ago, talking to passengers about coming to the City Hall meeting?

**Mr. Roessel** replied yes, I was riding with Commissioner Nagle and we were talking to the passengers and we were asking them about what would happen if they wouldn't be able to get the Transit service and for them to tell us their stories. We probably did mention that, at that time I don't think we had made our presentation on the budget yet...

**Alderman Gatsas** asked you weren't really getting them excited?

**Mr. Roessel** replied no, we were talking.

**Alderman Gatsas** asked if I asked for the tapes on those buses it wouldn't show me anything different would it?

**Mr. Roessel** replied no, absolutely not.

**Alderman Gatsas** asked do you still have those tapes?

**Mr. Roessel** replied I have no idea of the number of the bus and those tapes...

**Alderman Gatsas** stated I think you were on all the buses. Weren't you on all the buses?

**Mr. Roessel** replied no, sir, I was only on one bus out to the mall. It was to Weston Road and back.

**Alderman Gatsas** asked Weston Road and back?

**Mr. Roessel** replied yes, from Valley Way. It was not all the buses. We rode out to the mall, talked to customers of the MTA and we rode back.

**Alderman Gatsas** stated I rode four of them this week and I can tell you I had a lot of conversations, not only with the customers, but the drivers and I'm sure you know that. I'm shocked if you don't.

**Mr. Roessel** stated I do know that.

**Alderman Gatsas** stated I don't have any other questions.

**Alderman Smith** stated thank you very much. I was extremely upset a few weeks ago. I called the Mayor and I called the MTA. We were given some false information. We were told the StepSaver was going to be out completely. I followed up the conversation and I'm sure it was a dispatcher. Whoever the dispatcher was that day was giving out some false information. I can't prove it, but I just want to tell you. I appreciate the call back, but I'm adamant about the StepSaver service. First of all, service was cut out of the Boynton Street area and people are elderly in that area. Yet, you provide service to Bedford and Goffstown. Route 13 is one of the best because it goes out to the Bedford Mall, but these people in Manchester are not afforded the same opportunity as people in Bedford. I would like to say that I appreciate the call you gave me, Carey, but I think the biggest problem is communication from First Transit. The buck starts there, second with the Commissioners and third with the employees who are in the gist of everything. You can't run a system if you don't have the support of the employees. I think there is turmoil

down there. I've talked to bus drivers and to management and I will comment on one of your employees in management, Mrs. Horn. She filled me in and gave me the right information. People were getting form letters on the bus. I got 47 emails regarding services being cut and I'm adamant about the StepSaver service. I am somewhat disabled myself and I will fight this to the end if you don't provide that service. I think before you say no service on Saturday, I have letters dated April 8<sup>th</sup>, a letter to all MTA employees on the 28<sup>th</sup>, I have a letter from the employees dated May 15<sup>th</sup>, for a notice for a public hearing. I realize with the current budget you're going to have to increase rates and I think the people will accept the increase, but I want you to take care of the people. Management first stops with First Transit. What would happen in the management agreement if the School Department says they are no longer going to use First Transit and they are going out to bid? If you could answer all those questions, I would appreciate it.

**Mr. Roessel** replied yes, sir. The conversation with the dispatcher was a person who is a subscription StepSaver person and they had a specific inquiry and I think her answer was misinterpreted because she definitely didn't say StepSaver was going to be out. This person was worried about her subscription trip and she gave her answer. I wasn't there to hear the conversation but that's how it was interpreted. We apologize for that. As for the Boynton Street, that was the result of the comprehensive operations analysis. I wasn't around so I can't speak to it, but I know it was a public process with a lot of participation. Unfortunately, you can't do everything, but it was a public process. As far as the form letters on the bus, those were put out by the operators themselves. When we had our meeting on May 29<sup>th</sup>, an operator said he had these letters and would put them on the bus. I said he couldn't use MTA assets to do something like that. The operators, as was stated here, are a diverse group. I disagree that the morale is bad. I ride the bus and I deal with the operators on a daily basis. Like any organization you have a few people that are very active. It's gone on for a long time. I looked in the files and I see the records from the past and the insubordinations. It's been going on for a long time. As a manager it's my job to be fair and to treat everybody the same and I take that very seriously.

**Alderman Smith** stated I would like to follow up on your quote. This letter was signed by 30 drivers, dated May 15<sup>th</sup>, so this was not an isolated case if 30 people signed. It means the management was lax.

**Mr. Trisciani** stated I haven't seen that. I never saw the letter, but I did hear the thing was passed out to get everyone's signature then the top portion was added after.

**Alderman Smith** stated I'm not going to get into personalities. What I'm saying is I think there is a degree of mismanagement down there. It starts with First Transit, second with the Commissioners and third, you have to get together with the employees. The employees are the most valuable people that we have in this system. Every department has some pain. I'm one of the Aldermen who voted against the \$900,000. I voted to try to give you an increase, but that's the way the ball bounces. However, you have to live within your budget. Times are tough in every department. Every department is in pain. I don't think it's going to turn around next year. Anyone who looks at the stock market knows. Yesterday was an awful day. I just hope that you people get together with the employees, with the Commissioners, and First Transit and do your job.

**Mr. Trisciani** stated we spoke of this letter earlier that was sent to the union president.

**Alderman Smith** replied yes, and I notice it was sent on a Friday and today is Tuesday the 18<sup>th</sup>. So you had one day where she had a chance to look at it. Am I correct? It says the president received it on June 12<sup>th</sup>. I didn't receive this until today.

**Mr. Trisciani** replied she got it...was it on a Friday I signed it? Friday afternoon I went in and signed it.

**Alderman Lopez** stated the record should show that you stopped the union again. Is that correct?

**Mr. Trisciani** replied yes.

**Alderman Shea** stated I want to get back to the wages. The people from First Transit get 3% every year. Is that correct?

**Mr. Roessel** replied no, the contract increase is 3%.

**Alderman Shea** stated 3% every year. Does that apply to the drivers as well, or are they separate?

**Mr. Roessel** replied no, the contract with First Transit is for three managers: Executive Director, Assistant Executive Director, and the Operations Planner.

**Alderman Shea** asked they get 3% for the year, for the five years of the contract so over the course of five years, it would be 15%?

**Mr. Roessel** replied no, it is up to First Transit as to how compensation is given out to the employees. Nothing is guaranteed.

**Alderman Shea** asked am I incorrect in my assumption that the first year you get 3%? Is that correct?

**Mr. Roessel** replied as a salary increase you are incorrect.

**Alderman Shea** asked what is the 3%? Is your salary the same this year as it was last year?

**Mr. Roessel** replied I prefer not to answer that. That's personal information. I'm sure other people in the room wouldn't like their salaries announced.

**Alderman Shea** stated I'm a little confused. Does the City of Manchester, out of the \$900,000, pay your salary? Is your salary taken out of the amount of money that the City gives to First Transit?

**Mr. Roessel** replied our services are part of the contract, so yes.

**Alderman Shea** stated basically, you're saying that that isn't public information? Why isn't it public information? Bill, should that be public information or not?

**Mr. William Sanders**, Finance Director, replied I don't believe so, Alderman. They are private companies and at the end of the day, he is paid by the MTA and a private company. The individuals who are employed by First Transit are the three positions, and their salaries are determined by First Transit, which is a private company. It isn't required to be public.

**Alderman Shea** asked do they get a special bonus, too? Can they increase or decrease? You don't know anything?

**Mr. Sanders** replied I don't have...

**Alderman Shea** asked when we give them \$900,000 why do we give that to them? What is that for?

**Mr. Sanders** replied that's to subsidize the operations of MTA. It's not directly attributed as far as I know to any specific line item.

**Alderman Shea** asked we have no idea how much they are getting for salaries?

**Mr. Sanders** replied no, we do not.

**Alderman Shea** asked they could be getting anything or everything? How about the workers who drive the buses and do the work? Do we know what they get for salaries?

**Mr. Sanders** replied I believe that we do and I believe that would be public information. I don't know that as I sit there this evening, sir.

**Alderman Shea** asked that's public information?

**Mr. Sanders** replied I believe so because they are a public operation.

**Alderman Shea** asked do they get the same amount of raises, a percentage like the others? How are their salaries determined?

**Alderman Lopez** replied union negotiations.

**Mr. Trisciani** stated that's a negotiated contract that they have to sit down and negotiate.

**Alderman Shea** asked is their salary taken out of the \$900,000?

**Mr. Trisciani** replied I imagine it would be. It's coming out of the funds.

**Alderman Shea** asked basically you're saying their salary is negotiated through union contracts. Is it a three year basis or one year?

**Mr. Trisciani** replied right now they are in negotiations.

**Alderman Shea** stated right now they are in negotiations. Do they have a three year contract?

**Mr. Trisciani** replied it's up to the negotiations. I believe last year was a three year. They are at the end of a three year.

**Alderman Lopez** asked could you tell me what they received as a percentage? I know the City has contracts which were 1.5%, 2.5% and 3%.

**Alderman O'Neil** asked has their contract expired or are they in the last year of their contract?

**Mr. Trisciani** replied they are in the last year.

**Alderman O'Neil** asked what did they get if they are in the last year of their contract?

**Mr. Trisciani** replied they get a 3% effective...This just gives the wage rate. Right now, the wage rate is \$17.50 per hour. That's 3.5% above last year.

**Alderman Lopez** asked that's the end of the contract this year?

**Mr. Trisciani** replied this is the end right now. This one ends June 30<sup>th</sup>. When they started the contract in 2007 it was \$16.34 then went to \$16.91 in 2008 and in 2009 it went to \$17.50. It should say 2008.

**Alderman Shea** stated \$16.34, \$16.91 and \$17.50. Is that correct?

**Mr. Trisciani** replied correct.

**Alderman Shea** asked that's based on a 40 hour week?

**Mr. Trisciani** replied it's 40 hours and anything over 40 hours is overtime.

**Alderman Shea** stated one other question. There have been concerns about the charters that have been furnished to the schools for sporting events and other activities. Are they allowed to go out to another vendor if they can get a better price or is that part of the contractual agreement that they can't because there is busing for the students regularly to schools. Is that a separate contract, the charter, or is that intertwined with the school cost?

**Mr. Trisciani** replied the school contract is separate from Transit. They can go out for bids anytime they want.

**Alderman Shea** asked is the school charter separate as well? There were discussions at the Board Meeting regarding charters that weren't being met at times. Kids were waiting and events had to be delayed. Is that something that is separate? In other words, the charter service that is provided to the schools, is that separate to the busing that is provided to the transportation of students? Is that separate or is that intertwined with that?

**Mr. Roessel** replied the contract with the School District pays us a daily rate for each bus that we provide and it also provides a rate if we provide a charter for them. It's all included in the school bus contract, but there is no exclusivity clause in that contract. They could go out and bid for charters if they wanted.

**Alderman Shea** stated I wasn't clear about that, but thank you.

**Alderman Lopez** stated I want to follow up, Alderman Shea. I think you made the statement that the MTA can't bid anyway if the School District decided. Is that true?

**Mr. Roessel** replied that's correct.

**Alderman Lopez** asked have you notified the School District of the potential problems that could arise if this were to happen?

**Mr. Roessel** replied I understand that there have been long standing discussions and notifications to the School District. I have asked the Federal Transit Administration to clarify with an opinion for me and they tell me that they are unable to do it at this time.

**Alderman Lopez** asked could you provide us with some of the problems that you would foresee if that would ever happen?

**Mr. Roessel** replied the school bus regulations are strictly from the Federal Transit Administration. The point is that federal dollars cannot be used to gain an unfair advantage over a private company where 80% of the costs of our vehicles are covered by

federal dollars. A private company has to expend all their money on acquiring vehicles. If the School Board were to go out to bid, the MTA would be precluded from using their federally subsidized equipment from competing against the private sector.

**Alderman Lopez** asked could you provide that information to the Aldermen and the School Board members?

**Mr. Roessel** replied yes, sir, I could. There are federal regulations, there's case law. As I said, I tried to get a letter from the FTA to give me an opinion and they said they are unable to do that at this time.

**Alderman Lopez** asked but you could provide a letter of potential problems that could affect the schools so they can have a full picture before they go out and do something? That would help. Just a couple things then I think there will be some motions on the floor. I would hope that we all learned something from the Commissioners that we appointed to operate because they are the final authority as to what's going to happen with the buses and the routes. It's not the Transit Authority. It's the dollars and amounts used by the Commission. They have to look out for the citizens of Manchester. Some of the things and some of the comments that have been mentioned here are included in the minutes of this meeting and the City Clerk could provide Mr. Trisciani with those. Take some of the comments in a positive way. I think that as we move forward we can have some type of dialogue and move it forward. We don't need to change anything that we don't want to change. The VA Route has to stay and the StepSaver has to stay. I think there is a way to do it based on discussions with a couple Commissioners. I think some hard line decisions have to be made. We're going to do this in order to keep the buses running for the people that need them. I'm going to leave it at that.

**Alderman Shea** stated one of the points that has been brought up continuously is the risk manager. We have a risk manager in Manchester. Are you obligated to hire through your operation a private risk manager or can that be done through the City auspices?

**Mr. Roessel** replied we put out to bid for the risk management consulting services so there is nothing that precludes us from using the City risk manager, but we did competitively bid that service.

**Alderman Shea** asked Your Honor, don't all the departments in the City of Manchester use the services of the risk manager?

**Mayor Guinta** replied yes.

**Alderman Shea** asked is it on a bid basis?

**Mayor Guinta** replied no.

**Alderman Shea** stated he is available if they so chose to work through him. It seems there is a lot of money being spent on a risk manager.

**Mayor Guinta** stated I'd have to see what the expectations and demands are for a risk manager to see if there are specific needs that are tailored towards transportation. If that obstacle could be overcome, I don't see why we couldn't engage in using our risk manager.

**Alderman Lopez** asked is that done on a yearly basis or is that done on a contractual five year basis?

**Mr. Roessel** replied it's a five year contract.

**Alderman Lopez** asked so they lock someone in for five years? Thank you, Your Honor. It was just a thought. We'll have to wait in five years I guess.

**Mayor Guinta** asked this is not someone who is at the current location? It's an off-site location?

**Mr. Roessel** replied correct.

**Mayor Guinta** asked how often are they in Manchester?

**Mr. Roessel** replied now that the contract is coming up for renewal and we're at the end of our fiscal year, they met with the insurance agent and we have been in constant contact. They come up here probably once a month. They reviewed the proposal for next year and we're currently working on those numbers.

**Mayor Guinta** asked how often are they here providing the service? I'm not talking about their negotiation for a new contract. The services that you contract them to provide, how often are they in Manchester?

**Mr. Roessel** replied I'd say it's about once a month. It's whenever they are needed. They are needed more now because the insurance is coming up for renewal, but I do exchange emails and telephone calls with them once a week.

**Mayor Guinta** stated send me a memo of what the responsibilities of the risk manager are. Let me know, prior to you making a decision, if you'd like to have some consideration of the City extending that responsibility.

**Mr. Roessel** replied yes, Mayor.

**Alderman Gatsas** stated thank you. One more question. This financial statement that you sent to the Finance Office, I'm looking at total labor wages. The total wage labor amount is \$1,576,954. Is that all wages that are paid to MTA employees, excluding the employees at First Transit?

**Mr. Roessel** replied correct. That is strictly MTA employees.

**Alderman Gatsas** stated let me take you down to the line that says FICA expense. The rate, I believe, has not changed. It's 7.65%. Is that correct?

**Mr. Roessell** replied correct.

**Alderman Gatsas** stated my calculator told me the total expense on \$1,576,954 is \$120,336. It looks like we have an operating profit, but you told me we had a deficit just by that little mistake.

**Mr. Roessell** replied sir, wages are strictly wages. The FICA goes on the bottom line items of operator's vacation pay, holiday pay, and sick pay. There are more things than just the top, which is subject to FICA.

**Alderman Gatsas** asked what you're saying is those bottom line items are also wages?

**Mr. Roessell** replied they are wages.

**Alderman Gatsas** asked why wouldn't they appear in the top wage line?

**Mr. Roessell** replied because they are fringe benefits.

**Alderman Gatsas** asked they are still showing up on the W-2, aren't they?

**Mr. Roessell** replied they are showing up on the W-2, but they are a fringe benefit.

**Alderman Gatsas** stated okay. Your Honor, I would like some questions, or at least to have a conversation with Mr. Lee, who I know is the guy who signs the checks, if he would be so kind. You need to come up and use the microphone because you are on record. I certainly appreciate you coming to this hearing because I think it's important that you are here. I think it's important that someone finds you a tape of two weeks ago and the two and a half hour discussion that this Board listened to from patrons that ride the MTA, clients of the MTA. It was so sad I made a point to go out and ride those buses

and listen to those people to hear their plights first hand. I can tell you that I'm going to ask you tonight and I'm going to ask the Board to vote that Carey Roessel is terminated by the end of the week. Maybe not terminated with First New Hampshire or First Transit, but at least in this operation. You should reduce the staff to two people as you had with the original agreement because I understand there is a deficit. You have to send someone in here who is going to have the respect and the decency for the employees of the MTA. I'm truly affected by what I heard in those discussions in two and a half hours and I understand that there may be drivers who may not have the total viewpoint of what management does, but I can tell you they have every rider's concern at heart. People will serve them sandwiches when they can't afford to eat. I watched. Let's understand that the people who travel with Transit, 99% of them have no other mode of transportation. To sit there and say we're not going to have Saturday ridership is bad. I even talked to people about Sunday ridership. Would they be willing to pay \$5 on a Sunday for a ride to the mall, to be dropped off at Crystal Lake and picked up, maybe not on an hourly basis but every two hours. I can tell you the majority of the people were thrilled to death to do that. Instead of putting down the transit system, we should build it up because we are the largest city in the state. Without public transit you don't have a city. For anybody to think they are not ginning up the people to get down to City Hall, I ask you and I implore you to watch that two hour tape. Those people came before us and their lives were so shattered because they didn't know if they were going to have a job. They didn't know if they could get to a supermarket on a Saturday. I implore you to take a look at it. I'm going to have this Board take that vote. I think that you understand that your marching orders come from the Commission. I would hope that the Commission would ratify our decision because I see four of them in the audience and I think that's a quorum. I think they could take that same vote. I'm going to look to see if the Commission follows suit and if not, we need to find out what we can do to find Commissioners who are going to listen to the people that are riding those buses because they are the ones who are paying and we're the ones who are subsidizing it along with the federal government. With that, Mr. Lee, I would ask you in a very cordial way, to listen to that tape because if it doesn't

happen I'm going to ask this Board to make a motion that we end the contract with First Transit and we'll get someone in immediately to run it. I'm going to leave that up to you because I understand that you are a businessman and I understand that you know that this is a service business. Without that service and without those drivers, you don't have a service business. Without those riders, you don't have a service business. I'll let you respond.

**Mr. David Lee**, Payroll Vice President for First Transit New England, stated just so everyone knows my name is David Lee. My real full time job is General Manager of Connecticut Transit in Hartford, but I have a corporate role with First Transit as the Area Vice President for the New England Region and I am the Corporate Liaison with the Board of the MTA. I've met on some occasions with the Mayor. This is my first opportunity to meet with the Board of Aldermen. If you want me to look at a two hour tape, tell me where it is and I'll be happy to do that.

**Alderman Gatsas** stated my bet is the Commissioners have a copy of that, which they relish to watch, including Mr. Roessel.

**Mr. Lee** stated I'm sure someone will see that I get it.

**Alderman Gatsas** stated I'm sure they will. If they don't we'll provide it for you.

**Mr. Lee** stated there is one point of information that I think needs to be made about the First Transit contract. You talked about the increase in the fee in the last seven years and it going from a two person team to a three. The third person on our team actually replaced what had always been a salaried position of the MTA. The circumstance was that there was an individual serving as the salaried MTA employee doing operations planning and that individual was away from work on a long term basis and at our expense, partly as one of the value-added services a company like First Transit tries to provide for our customers, we actually brought someone in, at no increase in our fee, to fill that position.

It turns out that the operations planner never came back. She resigned and move out of state. We approached the Board with the proposal to either go out into the marketplace and try to hire a new operations planner or we could fill that position at less cost than what the MTA had been paying the in-house staff person. The Board agreed to that and that's the point at which the team moved from two people to three. The third position on the management team is one that is a necessary part of the MTA staff. We could show the Board that we could fill the position with the person we had brought in on an interim basis because they hit the ground running, they already knew the job, they had met with the MTA Board of Directors, had their confidence, and we could prove that their salary and benefits were less than what the MTA had been paying. I do want to say one thing about the First Transit fee because there has been some question about how much of that fee represents salaries and what else might be included in the fee. Alderman Shea had some figures. I can assure you, sir, that those figures were not correct. Without going into a deconstruction of the fee, it is a proprietary business issue for us, but I can assure you that the figures you had were a combination of salary and fringe benefits and are not correct. I will say that included in the fee are the salaries of the three individuals, all of their fringe benefits, corporate support such as the labor attorney who is representing the MTA and assisting in counseling the MTA staff during the current union contract negotiations, the analysts and reviewers who have come to Manchester and provided support services over the years, access to the corporate purchasing agreements and so forth. It's an all inclusive fee and that's the way transit management companies get their work. I will, Alderman Gatsas, be very please to watch the video and if you would like to talk to me afterwards I would be happy to.

**Alderman Gatsas** stated I think this Board has been very aware of what came before it, but I'm not removing my motion. I'm going to ask this Board that First Transit finds Mr. Roessel another place of employment other than Manchester because I think the morale is at such a point right now that you're not going to bring it back. I think you probably have other people in your system that you can bring here. Dave Smith did a great job while he

was here. He had respect for the drivers and he had respect for the people that rode the buses. I think we've lost that and we need to get it back because those people's lives were shattered. I don't know if riding buses to get them ginned up to get in here to a meeting was necessary because I can tell you that the people that were here didn't come here for any other reason other than watching their lives be destroyed by telling them no Saturday service, no routes going here, or that we were going to terminate these routes. If someone wants to tell me that the drivers put that out I can look them square in the eye and say I don't believe you. I don't believe after what I saw on the buses that the drivers would want to do that to the people that they ride with every single day. I'm going to ask you and I'm going to ask this Board and I will make the motion. I've voted in a thirteen to one manner before, but I don't think that's the vote that's going to come out of here tonight. I'm going to watch the four Commissioners and I hope they ratify that vote in a very simple way. On that, Your Honor, I'll make a motion that First Transit finds Mr. Roessel another contract to work in another area of transportation.

**Alderman O'Neil** stated wearing both your hats for First Transit, I'm guessing the Hartford system is a fairly large system.

**Mr. Lee** stated yes, sir.

**Alderman O'Neil** asked you serve a considerable number of people, more than the people of Manchester or Greater Manchester?

**Mr. Lee** replied yes, sir.

**Alderman O'Neil** asked as well as having a corporate hat of having geographic responsibility for the contract in Manchester, without seeing the tape Alderman Gatsas told you about, just items you heard tonight, if we gave you some time as the vice president responsible for this area, do you think you might be able to come back with some suggestions on how to improve? Communication is going to be a big part of this,

but improving the disconnect in the entire system from the elected officials to the riders, to the drivers, to administrative staff at the transit authority, to First Transit employees, is key. If we gave you a little bit of time, do you think you could come back with some recommendations for us to consider? Legally, this is for the Commission to consider, but this is certainly on our plate.

**Mr. Lee** replied yes, sir.

**Alderman O'Neil** asked how much time do you think you would need to do that? You heard me in my opening statement, the next day when I picked up the newspaper after we approved the budget including for MTA, I would have led the motion to fire First Transit. It was inappropriate for the administration of First Transit to come out swinging against the Board of Mayor and Aldermen. Time has allowed me to reflect on it. The system is broken here and I don't know how to fix it. I don't know if getting rid of Mr. Roessel is the answer. I looked at his qualifications when he came here and I know he comes with a very solid background, including from the public sector. He spent most of his time in the public sector. I'm looking for some guidance here. We have a motion on the table to ask First Transit and the Commission to remove Mr. Roessel from the City.

**Mr. Lee** replied Alderman, I honestly didn't come here tonight prepared to answer that question, but let me do the best I can. I have had occasion over the past few months to talk to the MTA Board members and I've talked to the Mayor. I've talked about the confidence they have in our company and in our managers. It is unfortunate, uncommon, but not unheard of, when the public authority that we serve asks for a change. It will be up to the Mayor and Board of Alderman as well as the MTA board members to help me understand what is repairable and what is not. This comes at an incredibly delicate moment for the MTA. Whether that is a consideration that you want to take into account or not is obviously your decision, but we are two weeks away from the exploration of the union contract. There are ongoing union contract negotiations right now. We are two weeks away from the end of the current fiscal year. There absolutely needs to be a plan in

place within the next several days that outlines, given the input that management has received from the Board of Aldermen and from their own Board of Directors, to come up with a plan that will require some public comments. An action that you take tonight that calls for a change comes at a difficult time. I think I can speak for the management that is here tonight, I should not speak for the MTA board members because I'm their servant too. I think we have heard clearly what kind of a plan you are looking for to balance the budget. I think we have gotten a very clear message that the money is what it is and management will have to find a way to live within that budget. It will require some pain, and yet I think we have heard you ask very strongly and clearly for some opportunity for that plan to be shared with you before it's ventilated to the public. I think management is going to have to do that for you in the next several days. Beyond that, I would welcome hearing from the Board of Aldermen, and I know there was a motion on the floor that may make everything I'm saying moot, but I would welcome hearing what kind of changes in the way we communicate would be most helpful to you and would be most productive. This kind of forum is probably not the way we want to do all of our communications on a regular basis during the year. I gather that there is a need for better communication.

**Alderman Lopez** stated it's always pretty hard for a conversation like this to occur in a public forum, but unfortunately it is occurring, but not because of the Aldermen, that's number one. Number two, I respect you, sir, coming up here and I, too, would like to give you some time to straighten out your management team. I think that's important. Not that I don't disagree, I probably would vote if you had not gotten up here. I think it's important that the Commission that has the authority under state law...our motion is that they might turn around and say they're not going to do anything. I think they will take us very seriously in regards to the direction we want to go. I think that the damage that has been done is not repairable. In some cases, some things can be repaired and I think the head management and the Executive Board of Transit have to look at this as a service they provide the citizens of Manchester. I would like to give you some time, sir. I

personally would like to give you some time. I do agree with you that this is a delicate situation. The MTA Commission and the union contract along with the Board of Mayor and Aldermen, have to work within their budget to find a way to not cut services from people. By having this meeting tonight I think everybody is in that frame of mood. I would hope so. I would like to give you some time and at the same time work out the details under the union contract and move forward. One or two months is not going to hurt. I would just hope the Commissions can assure that they're not just going to cut things for the sake of cutting without finding money other places. They've got plenty of money to ask you three months, six months, nine months. I've always said that here. It's not like the roof is going to fall in tomorrow. I think we have time to solve solutions, although I agree with the Alderman. I'm willing to wait and give you that time, but if you can't solve that problem then I might vote differently. Thank you.

**Alderman Gatsas** I am certainly not talking about getting rid of First Transit. I'm saying that First Transit needs to work on its position. I'm saying that the bridges that have been burnt, the trials and tribulations that the riders have been put through, and the position that a lot of drivers are concerned about needs to change. I'm concerned with the morale at the MTA and if that move doesn't happen by the end of this week...we've already heard about how people have looked at employee records to talk about insubordination which should have never been a discussion in this room, so I look at that and say to you I agree with my two colleagues, Alderman O'Neil and Alderman Lopez, that First Transit must come before us in a month. You're right that you have a delicate time to negotiate contracts. I think with Mr. Roessel in that position you're difficulty is going to grow. I don't think it is going to be less. I think there are people out there who understand where the Commission is. I certainly look at this Commission and say that it's time that the tail stops wagging the dog. Take the responsibility and listen to the employees at the MTA, listen to the riders, and let's move this forward. I say that First Transit needs to fix that and I think right now they can find someone that they could send here. Mr. Lee, just based upon your demeanor, I'd love to see you come in and fix the problem because I

think you could handle it and I think you would handle it from a business point of view. I'm not going to remove my motion. I'm going to look for the Board to take that motion and for the MTA Commissioners to apply that same position. Then, First must come in and apply the knowledge that they have, because Manchester may not be the biggest transit company that they run, but it has to be the most important as far as we are concerned and as far as the riders are concerned, and as far as the bus drivers are concerned. I'm looking at it and I'm making it very clear. I know that I got a message from Mr. Roessel that said the riders have spoken, and that's the way he ended his comments with me after that meeting of two and a half hours. I'll let you listen to that because it's on my phone. The Aldermen now have to speak to protect those riders and to protect the bus drivers. We have to make that statement today.

**Alderman Ouellette** stated I've been rather quiet tonight because I share the same frustrations as my colleagues. My question right now to Mr. Lee is not only do we have the contract negotiations, but they're in the middle of trying to figure out how to come up with a budget for next year. How difficult would that be if your company were to remove Mr. Roessel and put someone else in the position to try to work with the other two gentlemen to figure out what the best possible way to move forward is in the near future for next year's budget?

**Mr. Lee** replied it would be very difficult, Alderman. That's not to say it's impossible, but it would be extremely difficult.

**Alderman Ouellette** asked your recommendation to this Board would be to give you some time? Is that what I'm hearing?

**Mr. Lee** replied I would ask the Board's indulgence. Five days ago I didn't know I would be here tonight.

**Alderman Ouellette** stated that was going to be my next question. How long have you had to prepare for this?

**Mr. Lee** replied I had a conversation with the Mayor at the end of last week and during the course of that, he helped me understand what the feelings were among many of the Aldermen. That was the point at which I asked if it would be helpful if I came to the meeting and the Mayor said he thought it would be. That's why I'm here. I did not come prepared to answer that difficult question. It's important to have a sense, people have used the term bridges burned and confidence lost and I think I need to get that sense, and maybe this is not the forum to get it. I think Alderman Gatsas has made himself perfectly clear.

**Alderman Gatsas** stated Mr. Lee, if you watch that tape you might end those services tomorrow instead of Friday.

**Mr. Lee** stated if there is an opportunity to not take precipitous action tonight that would give an opportunity for us to figure out what is repairable and what is not, what needs to be done immediately, what needs to be done long term, how strong the sense is that change is necessary, change in personnel is necessary versus change in attitude and change in procedure and change in practice. I don't know that I can answer all of those questions as I stand here tonight.

**Alderman Ouellette** stated my concern is this and I think this is what Alderman Gatsas is speaking to as well. I know what it's like to work in an environment where the people running the ship or top management all the way down, where the managers have credibility issues. I think there is a major credibility issue, not only from the driver's perspective and the Board's perspective, but the rider's perspective as well. To send hundreds of people to fill this chamber and come before us to tell us stories, to me that is totally irresponsible. That's not managing and I think that's what this Board is looking for. The Board is looking for someone down there to make decisions and take what has

been given and come up with the best possible solution. I'm torn right now because I think there needs to be changes, but I want to make the best decision for the MTA, the MTA employees and the MTA riders. I've been looking at the body language in the audience and I've been in their shoes. I know what it's like to not believe a word of the person that's employing you, but you can't say anything because tomorrow you're not going to have a job or you are very careful about how you react to what's being said, knowing that what's being presented may not be the whole truth. I think the Commissioners, with all due respect, would do a good job at a public service. Getting to what Alderman Gatsas was saying, they need to react. I remember before Mr. Smith got here, I don't believe, and I could be wrong, but most of the Commissioners weren't on the Commission back then. They were appointed to handle issues in terms of employee and employer relationships. I'm not sure that's being done and I'm very disappointed in that. I was very disappointed to get that letter we got at the end of last week. I was very disappointed. We hadn't gotten that letter when we went to the meeting. I hadn't seen it yet. There needs to be mutual respect among labor and management. Otherwise, you can kiss the whole thing good bye. It's not going to work. I'm torn right now. I want to vote to get rid of these people, I really do, but I don't know if the timing is right. I'm not sure of that. I think that with everything coming up in the next few weeks it might be a very difficult situation for us to do that. We might be making it worse. I understand that the Commissioner probably has the final say in whatever vote we take today. I feel for the drivers in the audience. I know exactly what they are going through and it's not fun. It's their livelihood. I feel for the riders who are being put before us with their livelihoods on the line as well and they don't have a say other than to pay a fare to get on the bus. That's their say.

**Alderman J. Roy** asked Mr. Roessel, after hearing everything here tonight, do you truly believe that if you were to survive this motion that you could be a viable manager or do you believe that because of the adversarial situation which has developed, that it would be untenable for you?

**Mr. Roessel** replied I think it would be extremely difficult for me to continue on. I'm a realist. What I said on Alderman Gatsas's phone was that I regretted what happened. People came down here when the budget passed on Tuesday night, May 26<sup>th</sup>. The next day our phones lit up at the MTA. People were coming down to the MTA asking what happened. What's going to happen next? What do we do? Where do we go? Based upon that reaction, the very next day people were calling the MTA and coming down to the MTA because this was an emotional issue. When the public participation meeting was advertised I went into the operator's lounge and said that there was a public participation meeting. They said they had it covered and they were already there. I feel that I am being a bit of a scapegoat here. The people reacted.

**Alderman J. Roy** stated this is the problem. You just said that you went into the room and announced there was a public hearing. You went in that room with the expectation and the hope that people would come down here after a budget was approved and make hey. You just admitted it. You know what I want you to do, Carey? Kathy Malone, who is telling people to call my office, I want you to call her.

**Mr. Roessel** asked is she the one from Hannaford?

**Alderman J. Roy** replied yes, she is.

**Mr. Roessel** stated I called her today.

**Alderman J. Roy** stated I want you to call her again, on my behalf, and tell her that I know that this shuttle is paid for by Hannaford. In no way would I ever, or did I ever, suggest it be cut, nor did any one of my colleagues suggest it. The frustrating point here is that you claim time and time again that you were not trying to put misinformation out there, yet the evidence suggests something completely different. Now, when you mention it, you acknowledge it. We want to be reasonable and practical as a city, and it is a difficult decision to try to change direction at such a precise moment, with the fiscal year

ending, with routes needing to be addressed and modified, and with union contracts that need to be resolved. That is difficult, but your responses are giving this Board very little option.

**Mr. Roessel** stated I will say that the Friday before we held that meeting with the employees that a lot of people attended. They were holding up form letters that they said they were going to send to the Board of Mayor and Aldermen.

**Alderman J. Roy** asked why didn't you call me and tell me there was a problem and invite me to come down and speak? Why wouldn't you talk to your employees and say this is not the right approach? We have to figure out a way to get through this. Why wouldn't you be a vendor to your client? I use the word client because it's in this management agreement. The City of Manchester is your client. This is how you treat your client?

**Mr. Roessel** replied sir, the Commissioners were at that meeting. It was to talk to our employees because they had questions about what was going on. They were worried about their jobs and that was a meeting to talk to the employees because I didn't want them to get disinformation. A lot of things were discussed at this meeting.

**Alderman Osborne** stated basically I only have three things to say. I think we are talking about morale here more so than ridership. Ridership I think we can fix, it's not the biggest issue. The biggest issue is morale. Two, it is what it is. Three, it's not what you say it's how you say it. These are the biggest issues I have. With that I'll move it on to Mr. Pinard.

**Alderman Pinard** asked Your Honor, would it be proper if we asked some of the employees to comment on what's going on here? If morale is low, would it be okay to let a couple express their opinion?

**Mayor Guinta** replied I appreciate your interest in listening to the employees. The meeting is a Special Meeting as opposed to a Public Hearing. I feel that we all understand the sentiment of the employees, as we did hear testimony from both riders and employees a few weeks ago. I'd be happy, at a more appropriate time, to talk to employees individually to continue to hear those sentiments, but at the moment we have an obligation as a Board of Mayor and Aldermen to focus on MTA management and First Transit.

**Alderman Pinard** stated with regard to Hannaford, as was mentioned before, the communication was not there. Hannaford was never notified and I'm wondering if Southern New Hampshire was notified because they are in the same situation of transporting the students of the college. That is one of my comments. I think the communication is one of the worst that I have seen in the City.

**Alderman Smith** stated I do think the Commissioners have an important responsibility. I think part of the problem has been, as Alderman Gatsas has mentioned, about the tail wagging the dog, the lack of confidence that the drivers have in approaching or speaking with the Commissioners. Much of the problem that has existed over the course of the past few years has been because of that. The Commissioners have an obligation to reach out to employees, without the employees feeling that something is going to go back to the management. Basically, that's where the lack of trust is involved. I think that's very important. I don't think as a Board of Aldermen that we should be involved in that. It's the Commissioners' role to reach out to employees and gain their confidence so all parties can work together and not be afraid that if they say something it's going to get back to First Transit Administrators and they are going to decide that they have a breach and cut services and cause further problems. That's one of the problems I have. I know Mr. Lee made comment of Mr. Shea mentioning the salaries. However, I'd be interested to note how far off I am because I feel, personally, the information I received is probably

a little inaccurate, but it isn't too much off that mark. Again, I just wanted to mention that to Mr. Lee.

*Alderman Gatsas moved to terminate Mr. Roessel's employment through the MTA's contract with First Transit in City of Manchester, effective Friday of this week. His Transit contract would stay in place. The motion was duly seconded by Alderman Shea.*

**Mayor Guinta** stated essentially making a management change.

**Alderman Gatsas** replied correct.

*Alderman Gatsas called for a roll call vote on the motion.*

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

**Alderman M. Roy** stated I have a question for the Solicitor. Does this vote have any bearing? Does First Transit and/or the Commissioners have to listen to the vote?

**Mr. Tom Clark**, City Solicitor, replied in a nutshell, the authority rests with the Commission. The Mayor is correct. The authority does not rest with this Board.

**Alderman M. Roy** asked no matter what this vote does, the authority rests with the Commission?

**Mr. Clark** replied correct. It's a non-binding vote.

**Alderman Lopez** stated I asked for a roll call vote.

**Alderman Gatsas** stated Your Honor, I would like to have Mr. Kevin Buckley from our Finance Department go down to the MTA and do an audit. As taxpayers we supplied \$900,000 I want him to go through and make sure the allocation of funding is there so we can understand and move forward.

*On motion of **Alderman Gatsas**, duly seconded by **Alderman O'Neil**, it was voted to have Mr. Kevin Buckley conduct an audit of MTA.*

**Alderman Gatsas** stated Your Honor, for Mr. Lee more than anything, Alderman Lopez has the ability to send some Aldermen down with the Commission, the people who have been riding the buses and have the knowledge of what routes should be looked at and how they should be changed and what should be done. There is no question that routes between the hours of 11:00 AM and 2:00 PM should be looked at. When you have zero riders or one rider, maybe those time frames should be changed. There are two routes, one that goes to the VA and the one that goes to the Hitchcock Clinic that should be combined. The one that goes to North Side Plaza and the one that goes to Southern University should be combined again. Those routes were combined once and then they were separated. I think with the price of fuel and the price of time, that combining those two routes, even if people have to wait a little longer, would not be a bad thing rather than terminating the route. I think we need to take a look at extending those time frames so that people can come downtown and participate in the venue that we have in this City. Maybe the route times should change to extend them later instead of running them in the middle of the day. I think with your expertise, Mr. Lee, and the expertise at First Transit, you should be able to make those decisions within a week. There is nothing that says that that plan has to be implemented by July 1<sup>st</sup>. I have faith that you can do it going forward because we had these same ramifications the first time you came on board. Your Honor, is there anything you want to send for a message because I know we vote on the Commissioners and you appoint some of the Board members? I think the vote that was taken here this evening was a pretty serious vote. I would hope that they would take the

message loud and clear because they need to do the voting and they need to send a message. If it hasn't been loud and clear, I think we could have another meeting like this and make it very loud and clear.

**Mayor Guinta** stated I think the Commission is very clear on the position of the Board. Again, I would reiterate that I wish we weren't in this situation, but we are. We have to do what we feel is in the most appropriate for the fiduciary obligations and responsibilities that we have as a Board of Mayor and Aldermen. I suspect that the Commission will take seriously the vote that was taken. If any Commissioner wants to talk to myself or any other Aldermen about this subject matter, I would invite you to do so.

**Alderman Lopez** stated we ought to bring in something in regards to the hiring policy so I ask unanimous consent, please. Thank you. Just so there is a clear understanding of department heads in the City, on the motion that was made by Alderman O'Neil and discussion over the past couple of weeks, each of the Aldermen received a document that has the hiring policy, which I presume everyone has. The intention of the Board of Mayor and Aldermen that FY2009 Hiring Policy, which required the Mayor's approval to fill vacancies remains in effect until the Board reviews and approves any changes. That's the new policy of the Board and I would therefore like to move on the policy.

*On motion of **Alderman Lopez**, duly seconded by **Alderman O'Neil**, it was voted to approve the hiring policy.*

**Alderman O'Neil** stated I think there was one that we needed to clear up because it contradicted itself. The Mayor allowed a promotion at the Fire Department, which needed to happen in an emergency. It might have not followed exactly the minutes of the meeting, so I would like to move to confirm that action in the Mayor took and support his action.

*On motion of Alderman O'Neil, duly seconded by Alderman M. Roy, it was voted to confirm the Mayor's promotion at the Fire Department.*

**Alderman Lopez** stated at the request of the City Solicitor at another special meeting, he asked to recess for legal advice. I don't know what the subjects are, but he wants to present legal advice.

**Mayor Guinta** asked for tonight? We have two options. We can either discuss it tonight or do it at the July 7<sup>th</sup> BMA meeting.

**Alderman O'Neil** asked is it better if it is addressed tonight as opposed to the next meeting?

**Mayor Guinta** replied accounting wise, it doesn't matter. It could be tonight or it could be at the next BMA.

*On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to recess the Special BMA meeting.*

*On motion of Alderman Smith, duly seconded by Alderman O'Neil, it was voted to adjourn.*

A True Record. Attest.

City Clerk