

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(RE: FY2011 BUDGET)**

January 20, 2010

5:30 PM

Mayor Gatsas called the meeting to order.

Mayor Gatsas called for the Pledge of Allegiance, led by Alderman Long.

A moment of silence was observed.

The Clerk called the roll.

Present: Aldermen Craig, Ludwig, Long, Roy, Corriveau, O'Neil, Lopez, Shea,
Shaw, Greazzo, Arnold

Absent: Aldermen Osborne, DeVries, Ouellette

Mayor Gatsas advised that the purpose of the meeting shall be discussions relating to the proposed FY2011 budget for the following departments:

- a) City Clerk
- b) Finance
- c) Library
- d) Welfare
- e) Information Systems

Mayor Gatsas stated first we'll hear from the City Clerk. I think that what you'll find is that...Alderman O'Neil, I had an opportunity today to make sure I went through this with the departments, and they match. Feel free to ask whatever questions you may. The departments are prepared to address whatever questions the Board has.

Alderman O'Neil stated I appreciate that. Thank you.

City Clerk Matthew Normand stated as requested of all the departments, we had to put a 98.5% budget together. We were able to do that this year without affecting staff. There are no layoffs. As has been mentioned in the previous discussions we've had related to the budget, it does absorb, obviously, all of the COLA, the merits, and the longevity. I think that number for the City Clerk's office was around \$60,000 that we had to absorb. As you see in that one page handout that we submitted, we've cut an additional \$15,000 off the budget. We've managed with a 1.5% cut, and we've done it without affecting staff or services. I would like to end by saying that this budget allows us to maintain the current level of services that we provide today, and should the Board, through this budget process, want to add services or duties to the City Clerk's office, I think there would have to be further discussions on the expense side because, as I said, this maintains the budget and the services that we provide today.

Alderman Shea asked what is the total amount that your budget saved? In other words, you mentioned initially, I believe, that there's a \$15,421 difference, but then you said that in all that's another \$50,000 that you absorbed.

City Clerk Normand responded we had to absorb, as every department did, the merits, the cost of living increases, and the longevity raises. Those, I think Finance had given me a number of about \$60,000 that we absorbed.

Alderman Shea asked is that on top of the \$15,000?

City Clerk Normand responded correct.

Alderman Shea stated so roughly \$75,000. What percentage is that?

City Clerk Normand responded actually, I'm not sure what that percentage is. I don't have a calculator.

Mayor Gatsas stated it's roughly 6%.

City Clerk Normand stated what I did too was I broke out, I think on your copy, the organizations within our regular salary because some of those salary items are fixed, such as the election officials that work in the wards. Those are fixed costs for us by Ordinance. When we're talking about cutting salary, that's an area that obviously I can't look at. It accounts for about \$80,000 out of the budget. Beyond those increases that we mentioned, we cut an additional \$4,700 out of salary. I can make that up by doing...we have a vacancy in the office currently. This budget proposes maintaining that vacancy, that we would maintain that vacancy for a period of time until we could make up that difference in our budget.

Alderman Shea asked how about revenues?

City Clerk Normand responded revenues, my understanding is that we are going to talk about that in February, but we have some ideas. I've had some discussions with Mayor Gatsas. We've talked about a few things. Alderman Lopez has had some ideas as well. I think we're actually meeting with some groups on Friday to talk more about those and hopefully have some proposals for this Board to decide on later in the month.

Alderman Shea stated I know that the Mayor last night indicated that you'd be open until 8:00 p.m. on Tuesdays. Do you hope that will bring in additional revenues?

City Clerk Normand responded we definitely hope it will bring additional revenues. What's significant about our office is that all communities are on a state-wide system when it comes to vital records and certified records that we issue. What that means is I can issue birth certificates for a resident in Bedford or Goffstown or Auburn, any community in the state. My hope is that as the communities that are contiguous to Manchester continue to reduce hours, by expanding our hours we'll have sort of a competitive advantage over those communities. Residents will be able to come in and our revenues hopefully will climb because of it. The one caveat to certified records is the State of New Hampshire gets a significant portion. Almost 80% of the revenues that we bring in in that area go back up to the state. Our office does the work and unfortunately a large part of that goes up to Concord. As we said, we hope that the expanded hours will bring in certainly more revenue.

Alderman Shea stated there are a lot of people that work in Manchester but live out of the City.

City Clerk Normand stated and the other thought process is that because the economy is the way it is right now, most people can't leave their job between 8:00 a.m. and 5:00 p.m. to come and do business with our office, whether it's getting a marriage license or licensing their dog, or what have you. So, by opening every week, they can count on us being open that Tuesday extended hours. They'll be able to come after work now. Hopefully, we'll see an increase in traffic.

Alderman Ludwig stated Matt, just one quick question. Maybe I'm missing it. 898 – Special Projects. What was typically in there?

City Clerk Normand responded the \$9,400 that was in there in FY10 was a software upgrade with HTE that would allow us to start utilizing the alarm module. After the audit from a couple of years ago, when we had the dogs in that area, we were able to purchase through special projects that software module. It was about \$13,000 in total. \$9,400 of that was transferred over to Information Systems to purchase that on our behalf.

Alderman Roy stated Overtime Salary is down 25%. Is that because you're fully staffed? Can you explain that to me, please?

City Clerk Normand responded I don't know if it's something that the Board wants, but I have copies of our obligated expenses back to 2003. Traditionally, the office spends about \$20,000 to \$25,000 in overtime. What we've been able to do...certainly the employees city-wide, including those in our office, have recognized the challenges the City faces and have offered to do more time in lieu of or comp time, and we've been able to manage that a little bit better than in the past. So, we're obviously using less overtime.

Alderman Roy asked so are you replacing overtime with comp time? Is that what you're saying?

City Clerk Normand replied right.

Alderman Craig stated Matt, you've decreased printing by 21% but the postage is increased by 145%. I was wondering if you could touch base on that, please.

City Clerk Normand responded sure. In this year and in FY2011, we are required by the State to purge the checklist, which means approximately 13,000 voters will be coming off the checklist. That's about \$5,000 in postage alone. We do a significant amount of mailing with our business licensing, and the number from our FY2010 is a

little deceptive. When it came in at \$10,000, that was because we had a surplus from previous years in that line item. And again, we were talking about furloughs last year, so it didn't make sense for me. We typically spend between \$20,000 and \$22,000 in postage. We had a surplus of \$10,000 last year and it didn't make sense for me to go to an employee and talk about furloughs if we weren't utilizing what surpluses we had, so the increase of 145% looks bad, but we're trying to get back up to where we were. The other piece of mailing that's going to increase that I foresee is that our ward one polling location might be moving, in which case we will have to notify the 6,200 voters in Ward 1 by mail as well.

Alderman Craig stated someone in my Ward is a Justice of the Peace, so she comes to your office often and gets marriage licenses. She has mentioned that she is not able to marry people in City Hall itself. Have you considered doing that?

City Clerk Normand responded I know it has been discussed in the past with prior City Clerks. It's something that we can certainly look into. We've thought about some different things with having special certificates, heirloom certificates that can be used. The State does it now and I think it's something that we could do. We could have the Mayor holding babies and doing special birth certificates, for a small fee, maybe \$25! It's something that we've looked at and certainly that's something we can pursue as well.

Alderman O'Neil asked Matt, with the extended hours at City Hall...I think you're going 8:00 a.m. to 8:00 p.m. on Tuesdays as the pilot. The School Board is going to at least have their full board meetings here, Your Honor. Is that correct? I don't know about committee meetings as well.

Mayor Gatsas responded yes, on Mondays.

Alderman O'Neil stated as well as we're going to do some Saturday work, I think the Board of School Committee. Are you okay security-wise with that? I know at one point we used to have a couple of security guards here. I think we only have one now.

City Clerk Normand responded our complement is actually two part-time security guards. One of them is currently in Afghanistan. He's been there for several years and we have to maintain that position. I can't fill it, obviously, until he makes a decision on his return. The balance of that is the part-time for all the security hours that we have here at City Hall. It gets a little challenging, certainly now with the increased schedule. But again, I've talked with Mayor Gatsas about this, and I think we can probably work through it.

Alderman O'Neil asked you're okay moving forward if the schedule stays as it is?

City Clerk Normand responded yes, we're really only talking through this budget period that there's going to be the greatest demand on the complex. If it continues, I think we can make it work.

Alderman O'Neil stated Your Honor, I don't want to get too far ahead on the revenue item, and I know there are some ideas floating around out there. I'm going to guess, and it's just a guess on my part, that they may or may not affect staffing levels. How do we reflect that in his operating budget?

Mayor Gatsas responded for clarity on that, I've been sitting down with departments talking about revenues. Everything that I've discussed with them, what they're bringing to the table certainly is not going to require additional staffing, unless all of a sudden we find that we have five revenue sources that the department must handle. Then we would have to look at those in conjunction with the amount of revenue coming in versus what the labor cost against that would be.

Alderman Corriveau asked Matt, how many full and part-time employees does the City Clerk employ? And a second question...I supposed just as a new Alderman maybe you could give me a rundown of the non-departmental budget item in terms of the Animal Shelter.

City Clerk Normand responded we have sixteen and a half full time equivalents right now. The non-departmental budget items, we're essentially a paymaster for the Friends of the Manchester Animal Shelter. That money gets appropriated each year by contract with the City. That's a five year contract, I believe, and we are a year or two into that contract. The money is appropriated into a line item and then I manage the contract with the Friends of the Manchester Animal Shelter. As you see there, the contract calls for an increase annually, which corresponds to CPI-Urban, and because it was actually negative, the contract does not call for a reduction in their allocation from one year to the next, but would increase corresponding to the CPI-Urban. As you see in this budget proposal, there's no increase in the payment to the Friends of the Manchester Animal Shelter because the CPI-Urban at this time in the budget is a negative.

Mayor Gatsas stated just a clarification, just so that you understand, they take care of and maintain the Animal Shelter and take care of the animals up at the Dunbarton site. They entered into that agreement when we built the shelter with funds for the closure of the dump because the dog shelter, as they called it, was across the street and was in deplorable condition. There were federal funds that we could move that shelter. It was built across the street. There are now volunteers in there. I think there is a manager and an assistant manager that maintain that shelter. For the number of animals...and certainly we could have them in to give you the discussion, but the number of animals that they take care of at that shelter is larger than the number of animals that are in Nashua, and the fee that Nashua pays their shelter is much greater than this. So, we're getting a pretty good bang for our buck. They raise funds through cookie sales and things that...

Alderman Corriveau interjected so dog licensing fees don't necessarily go into a fund for this. It's just a contract. Okay. Thank you, Your Honor.

Mayor Gatsas stated thank you, Matt. Next is Finance.

Mr. William Sanders stated I'll just introduce the folks next to me for the new Aldermen. This is Guy Beloin to me left, who is the director of our accounting organization. This is Sharon Wickens to my right, who is in charge of the treasury organization. Having said that, we'll just turn to the Finance budget on page eight of your book. As you can see, we have met the 98.5% target that the Mayor has given to all departments. In addition to achieving that, we had to cover about \$35,000 of COLA and merit and longevity payments. We essentially achieved the number...the biggest contributor was that we have defunded about one and a half vacant positions that we currently have. We have one and a half open positions, although I did have some funding in this year's budget in anticipation that we might be able to fill them later in the year, but going into 2011 we will be defunding those positions entirely. The Finance Department at the present time operates with a headcount of eleven full time people and one part time person. The second page, page nine of the material, is the ...we weren't asked to do this but I felt it was a tribute to the people that work in the department and to Sharon and Guy particularly. If you look at what has happened to the Finance Department budget since 2006, we have reduced costs by 12.8% over that time period. Our salary line for FY2011, which you can see in the far right corner, the northeast corner, I guess, of the schedule, will be lower than the salaries for the Finance Department in 2006, 2007 or 2008, which I think is quite an achievement in a world with increasing COLAs and merit increases and so forth. We've done that obviously through reductions in headcount and just a very solid organization and an efficient group of people. I don't want to dwell on that, but I don't want you to think that we haven't been trying to cut costs and achieve savings over the last three or four years. On page ten is a schedule that summarizes the

savings or additional interest income that the Finance Department calculates if the Board of Mayor and Aldermen are of a mind to initiate a bi-weekly payroll in FY 2011, compared to the weekly payroll that we currently have. I'll just walk down this calculation briefly, not to dwell on it too much, unless you have questions, of course. The first category of costs is ACH transactions. That is electronic funds transfers that we do in a variety of cases. The basic model here of savings, anything that you see here that's payroll related, we do 52 times a year. Under a bi-weekly situation we'd be doing them 26 times a year; we'll save money 26 times during the year. So, on the ACH transactions we'll save about \$850 to \$900 on fewer ACH transactions. Though not the largest in value, but an interesting one is the employee direct deposits. We have about 1,225 employees and we do direct deposits to their accounts. The City has to pay a charge for every direct deposit. It is less than processing a check, however, so we encourage direct deposits for a lot of different reasons. About 80% of our employees do elect direct deposit. About 20% receive a check each week. We also have large transactions that we would be making to the Hartford Insurance Company, who manages the deferred compensation plan for the City. Once again, we'd be doing that only 26 times versus 52 times, so we would save a few hundred dollars there. We pay forty cents for every check that is processed by Citizens Bank, who is our primary banker. We would save on 7000 checks during the course of the year. At forty cents a check, that's about \$2,800. The biggest savings is the one at the bottom. It's actually not a savings. It's additional income that we would earn, interest income. Twenty-six times during the year we would be delaying a paycheck for a week, so the City would be able to invest that money in the bank for an extra week 26 times. So at the extraordinary interest rate of 1%, which is about what we are earning today on our money, we would earn an additional \$7,319, and for every 1% that interest rate went up that number would go up accordingly. In the aggregate, the idea that is being contemplated would save about \$12,000 for the City, a combination of savings and interest. That does represent all funds. It includes the Airport and Water Works. General Fund is probably in the \$8,000 range, but the total City would save \$12,000. It also does not include anything that might

be done at the School District, which is not under our cash management system. We don't pay their bank fees as it is today, so if they did something there would be savings on the school side.

Mayor Gatsas stated just for clarification purposes, that doesn't include any labor costs. You would not have to be doing these transactions every week. It would free up those people to be doing other transactions within the office.

Mr. Sanders stated that's correct, Your Honor. In the Finance Department, that's probably fairly limited to two or maybe three hours a week. Most of the work in payroll is done in Payroll.

Mayor Gatsas stated if you would be so kind to meet with HR, because I think in their budget presentation they came forward...I think they had a savings of about \$1,000 but didn't include the labor hours that they could have people doing something else other than payroll. If you would meet with her and get a final sheet with all calculations in place so that we could see it as a Board while we are determining where we are going in the budget process.

Mr. Sanders responded yes, sir.

Alderman O'Neil stated just to add to that, wouldn't that also include the people in the individual departments that have to enter payroll and all of that?

Mr. Sanders responded that's an excellent point. Every department has a payroll clerk. The person does other things, but there is an assigned person that does that, and they would be doing that 26 times now, yes. That's true.

Alderman O'Neil stated it's hard, I think, to grab a number, but it would be interesting to see what the hours might be.

Alderman Roy stated Bill, I think you heard me ask this of HR the other day, and I'm going to ask you the same question. I think this is a great idea, doing the payroll every two weeks, but a lot of these groups, you'd have to negotiate that with them, wouldn't you? What I'm looking for from you is a percentage, when you do this information for us on the different departments and how much time they'd save and what not, if we could find out what percentage of employees we could ask to go to bi-weekly and what percentage we'd have to negotiate it with would be helpful also.

Mayor Gatsas stated to answer your question, Alderman Roy, before we started this exercise, we had the HR Director look at all the contracts to make sure that we have the ability to do this without having to open up a contract. The contracts are silent about the payroll, so it certainly is not something within the contract that says we cannot do it.

Alderman Roy stated I'll play devil's advocate here and say, past practice. Even though it's silent it's a past practice and I'm just afraid that we'll get into a sticky wicket if it isn't all taken care of beforehand.

Mayor Gatsas stated I hear you, and I think that sitting down with our labor groups, I think that they understand that we are in some very difficult financial times, and the conversations that I've had with them certainly in the last three months, they're willing to talk about things that aren't going to affect them. And certainly if employees...in my past life we've had experiences of doing this, and if employees have a difficult time to get to that first paycheck, because they're really holding a week, there's always been the opportunity to advance that check and then in the sequential payrolls to do a payroll deduction, so that once they get on that key, they can make it, seeing that they're getting that paycheck accordingly. I think there are opportunities, and certainly if there were

employees that came forward and needed that help, I'm sure that the City would do it to accommodate them.

Alderman Craig asked Bill, have you accounted for these savings in this budget that you've presented?

Mr. Sanders responded no, I have not.

Alderman Craig stated so that would be in addition to...

Mr. Sanders stated that's correct.

Alderman Craig stated looking at a couple of line items, Equipment has decreased significantly, as well as Actuarial Services. Could you talk about that a little?

Mr. Sanders responded of the primary equipment that we have purchased over the past two years, one was a copy machine. We'll be making our last payment on a copy machine this fiscal year, so that's a significant \$5,000 or \$6,000 expenditure that will be going away. The copy machine is in good shape. I think we'll have it for a number of years. The second was we had to acquire a new check printer that was also in our equipment line. We got that on a lease, and we'll be paying that off over the next couple of years. That's like \$400 or something. And then we might have gotten a new postage machine as well which was also in that number in the last year. Hopefully those three purchases are behind us. Certainly there are other things that we would like to do and are hopeful that the future will permit us to do. If I could, I'd like to just talk about that for a second, the whole world of connecting data and connecting systems. To achieve some efficiencies in city government will require investments such as scanning capability and being able to integrate our scanning into our HTE accounting system. There are copies of invoices kept all over the City in different departments and in Finance. There's a lot of

copying going on. That's not an inexpensive thing to do. That would require some investment. Hopefully in the future there would be things like that which we could do, or at least do over time, which would achieve great savings in the purchasing of paper and purchasing of copy machines and things like that over time. The second line you asked about was Actuarial Services. We are required to annually get an actuarial study of the City's old pay-as-you-go pension plan, which really goes back to the 1970's. In 1974 ERISA came in and funded pension plans were established. Prior to 1974 the City, like other employers throughout the country, had pay-as-you-go plans. That is, when you retired you didn't get a check from the pension plan; you got a check from the City. The City had an unfunded liability at time of about \$30 million that was hanging over the City in terms of paying for that. That liability was met through a bond issue some years ago to put some money aside in the Trustee of Trust Funds to pay that liability, but we're required to get an actuarial estimate each year of the number of retirees we have and how old they are, and so on. Historically the Finance Department has paid for that actuarial service, and we are now going to charge that to the Trustee of Trust Funds and to this account where these monies are invested from the original bond issue.

Alderman Shea stated just kind of a sidebar here...the School Department I believe gets paid every two weeks, don't they, except for the paraprofessionals?

Mr. Sanders responded they are a combination of things. That's correct, Alderman. Some get it every two weeks; some get paid once a week. I don't know the exact split.

Alderman Shea stated most of the administrators and teachers, I believe, are paid bi-weekly.

Mr. Sanders stated that is my understanding, yes.

Alderman Shea stated they went on a 26 or something payroll years back. The Travel Conferences and Meetings, I have it here as going from \$13,000 to \$4,100. What are you cutting out that was previously in your budget that you could do that? Could you explain a little bit about that?

Mr. Sanders responded yes, well, a portion of that travel line would also be related to bond issues and expenses that we incur going down to New York and talking to rating agencies and issuing bonds. We will be doing that this spring, so we're hopeful that expense won't be a big issue next year. We've also cut back on conferences. The staff will be going to some conferences, if it makes sense for us, but where we might have sent two before, we'll send one. Or if we sent three, we'll send one. It's important. We don't want to completely zero it out. Part of these conferences are the HTE user groups that meet that help us stay current with what we can do with our accounting system. That's very important to us. There's also some certification, and most of the employees in the office have the requisite certifications. We're going to try to manage through that this year.

Alderman Shea asked how about staff development? Do different departments have to clear their staff development now through your office or is it done individually within each department? I know that there was discussions a while back about approving or disapproving whatever somebody came in with as staff development requests. Could you elaborate on that? I'm not quite sure where this stands now. Is this strictly for your department?

Mr. Sanders responded it is. The Finance Department, to my knowledge, has no approval authority as it relates to Airport staff development or any other department. I'm not sure I'd really want to be in that position. So this is just staff development for our organization.

Alderman Shea asked does Human Resources have that judgment? I know that there were discussions years back as far as whether certain staff development courses would be approved or not approved.

Mr. Sanders responded certain courses do have to be approved by the HR Director if you're taking them for purposes of...

Alderman Shea interjected so that's still the process now?

Mr. Sanders responded for some courses, yes.

Alderman Lopez stated just a clarification...HR does have a fund. There is an employee development fund. Once that runs out, it runs out. It's first come, first served.

Alderman O'Neil stated I have a question for you, Your Honor. In my opinion, it probably would make sense if this bi-weekly pay process or something was considered. Could you reach out to the leadership of the unions yourself, just so that we get feedback? We don't need to get into a contentious situation over this issue. If you could reach out to them and get some feedback it might be helpful.

Mayor Gatsas responded I will do that, sure. I will try to take care of that before our meeting next week.

Alderman Lopez asked I don't want to get too deep into it, but the revenue from Comcast, does it come to Finance now and not to the City Clerk's office?

Mr. Sanders responded it goes to the City Clerk's office.

Alderman Lopez asked is the expense charged to the City Clerk?

Mr. Sanders asked do you mean the payments to MCTV and MCAM? They are a separate line item in the budget and have been explicitly...so you need to appropriate that money.

Alderman Lopez asked appropriate it from the City Clerk's office?

Mr. Sanders responded well, it's a non-departmental expense. It's not in his budget.

Alderman Lopez stated just like the Animal Shelter, so to speak.

Mr. Sanders stated it's not exactly but sort of like that.

Mayor Gatsas stated it's a stand alone item in the budget; the other stands with all contributions that we make.

Alderman Lopez asked do you anticipate bond counsel coming to Manchester in 2011 that we would have to be obligated for any funds?

Mr. Sanders responded it's my hope that we will bond everything that we currently have in the book ready to bond and then anything that comes out of the budget process by April or May, and there will be no bonding. No trips to New York; no new bonding; that's my hope.

Alderman Lopez stated Your Honor, I've asked that Brandy Stanley to brief us just on the Enterprise first for the new Aldermen so they completely understand it before she gets into her budget.

Ms. Brandy Stanley, Parking Manager, stated basically the Parking Enterprise is an Enterprise fund under the Finance Department and answers to the Traffic Committee. It was established in July of 2006, and it was established after it was recognized that parking management in the City was a problem and it was creating economic development difficulties. Various issues prompted a study, so the City hired a company called Lansing Melbourne to do a parking study. Many of the recommendations in that study have actually been implemented since then, the first of which was the creation of a Parking Enterprise with a parking professional heading the Enterprise so that the City's parking assets could be more professionally managed. In terms of the budget and how the financials work, we are an Enterprise fund and basically the way it works is we generate revenues from parking. We pay expenses, and in those expenses are included our regular operating expenses. We have about \$5 million worth of debt, and we pay debt service and interest on that debt. We have also taken on payments to SMG for the Verizon Wireless Arena in lieu of a parking garage that was part of a development deal. We also pay for our own CIP expenditures. After all of those various types of expenses are subtracted from the revenues, the operating surplus, and there has been an operating surplus every year, has typically gone back into the General Fund for whatever purposes the Board wishes to use it for. So that's in a nutshell how this particular Enterprise works for the City. With that I guess I'll talk a little bit about the budget.

Mayor Gatsas asked can you tell the new members how much went back to the General Fund last year, what the anticipation is this year, and what you're anticipating in the budget we're talking about now?

Ms. Stanley responded okay. Last year what I'm showing is what went back to the General Fund after CIP and after all the expenses was about \$1.678 million. That was last year. This year we're projecting about \$1.829 million to go back to the General Fund. In 2008 it was \$1.4 million and in 2007 it was \$1.9 million that went back to the General Fund.

Mayor Gatsas stated and I know we're not talking about revenues, but I think you just need to give a clarification to the new Aldermen what you're thinking about projecting for this year.

Ms. Stanley stated I didn't actually bring that information with me because while we do have somewhat of an idea of what our revenues are, we don't know what our CIP expenditures are going to be. We don't know health insurance costs. There are many costs associated with it that we don't know what they're going to be. When I first put the budget together...

Mayor Gatsas interjected I think I can give you that answer. The numbers that I've been looking at with Mr. Sanders is \$1.829 million, the same number that we currently have this year. That's what our goal is, to repeat the same revenue that we're looking at for this year. Am I correct, Mr. Sanders?

Mr. Sanders responded yes, I was just going to add that, assuming the revenue is flat and we are able to achieve an 98.5% expenditure profile, we should be able to match this year's – maybe a little better. Right now I agree with Ms. Stanley that there are still some open items. For planning purposes, at the moment we're thinking that we'll hold constant.

Alderman O'Neil stated just on the revenue, Brandy, I was only writing back to fiscal year 2009. Brandy, you mentioned numbers for 2008 and 2007 I believe.

Ms. Stanley asked and you're talking about the surplus number?

Alderman O'Neil responded the surplus number, yes.

Ms. Stanley stated for fiscal year 2008 what I have here is \$1.765 million. 2007 was \$1.918 million.

Alderman Corriveau asked Brandy, could you explain...you mentioned SMG and Verizon Parking. I have no idea what that means.

Mayor Gatsas stated I think I can help you a little bit with that concept. There is a contract with SMG at the Verizon Center that so many people going through the turnstile there requires the City to pay them on a fee basis for revenue, for parking. When the original contract came forward, the discussions were that they wanted to control the parking. The City thought it would behoove them to control the parking. The biggest parking revenue that we had was the Center of New Hampshire garage. Since we've sold that...in the year that we sold that you'll see a dip in revenues. We sold it and now we still must make up to SMG for that parking situation that we gave up at the garage. We pay them roughly about \$414,000 per year, based on the turnstile that's at the Arena. That's a contract that I believe goes on until 2016 with the bonds that are there.

Ms. Stanley stated what we have on the budget sheet that I believe you still have in front of you, we were in fact able to achieve the 98.5% expense reduction. The payroll number includes funding a full complement of our staff, including one currently vacant part time parking control officer. It also includes the addition of \$53,000 in charge backs from the tax office, and that's a charge back that they are charging us because they are collecting money on our behalf in terms of auto registration. The rest of the line items, we just basically trimmed them as we thought we could. We looked at what we were running year to date and made cuts where we thought we could and reasonably operate.

Alderman Ludwig asked the 214 Workers Comp, there's a substantial reduction there. Does that come from Harry Ntapalis?

Ms. Stanley responded I did have a conversation with Harry about that today. One of the things that it's important to remember is the adopted budget doesn't tell you what we've actually run year to date. This year we have incurred thus far \$7,000 in workers comp charges. I did talk to Harry about that. The \$38,000 was based on the anticipation of a very large claim, and in the history of the entire parking division, we have not even come close to that \$38,000 number. So the \$15,000 is based on what we have incurred thus far year to date. We have one truck that's consistently out on the road, and a couple of smaller vehicles. If a major accident happens, then the \$15,000 is not going to be realistic.

Alderman Ludwig stated follow up for you, Your Honor. I should know the answer to this but I have to ask. How is the disbursement made...and I should know this because I dealt with it at one time...in terms of Enterprise departments? Do they feed off of one another as claims come in?

Mayor Gatsas responded basically what we've done, at least in the past three years when we've constructed some budgets, we took the workers comp distributions to the Enterprise Funds and based it somewhat on what their payroll allotment would be but not their total payroll because obviously there's an opportunity with some of the larger Enterprise funds to recoup some of the dollars. In the past...we're looking at this year, but in the past they used to pay into the workers comp fund, but they would pay the actual claims and payroll out of their dollars. We're looking to see if we can't bring it all in house and do it all in the Risk department. So we're going to look to see what that does to the numbers for the departments themselves.

Alderman Shea asked the maturing debt, how long of bonding do we have for that particular item?

Ms. Stanley responded it's actually made up of about six different debt issues. There are a couple that are coming up for maturity within the next three years. And then there are like the Manchester Place garage which comes up I think in 2025. So it's a varying range of when that debt matures.

Alderman Shea asked how many are out there?

Ms. Stanley responded I believe there are seven.

Alderman Shea asked seven different bonds that we have and we're paying interest on the maturing debt as well? So, is it possible within the next year...I know the present Mayor is very astute in this regard, but is it possible, because bonding is a little bit more advantageous, to combine any of those? Is there discussion about that, Your Honor?

Mayor Gatsas responded I think you will find that there are discussions coming forward on a lot of the items on the maturing debt. Certainly I'm sure this Board will have an opportunity to enter into those discussions within the next couple of weeks.

Alderman Shea stated I know you worked something out with Highway with that amount and the other, to your credit.

Alderman O'Neil stated Brandy, you mentioned one vacant position.

Ms. Stanley stated there is currently one vacant part time position, yes.

Alderman O'Neil asked what's your authorized full time?

Ms. Stanley responded authorized full time is 18.

Alderman O'Neil asked how about authorized part time?

Ms. Stanley responded two.

Alderman Lopez asked if that position was filled, would there be additional revenue?

Ms. Stanley responded the additional revenue would be about \$57,000 for the year.

Alderman Lopez asked that's a part time employee?

Ms. Stanley responded that's a part time employee, yes.

Alderman Lopez stated the part time employee would bring in \$57,000. The expense would be what?

Ms. Stanley responded the expense would be a little bit less than \$17,000.

Alderman Ludwig stated I just have a question. I guess I missed something. Basically the Enterprise that you're operating, you pay debt expense on CIP projects. You're basically paying everything. Do you pay the City Solicitor for services? Do you pay Finance for their services?

Ms. Stanley responded they haven't billed us yet, but we do pay several other departments for their services.

Alderman Ludwig stated I'm not suggesting that you get a bill from them, but in time you will. You can count on it. But aside from that, since the Enterprise is required to pay all of the current expenses, is there anything left at the end of the day? Wouldn't it be

fair to Brandy, if she needed a capital improvement project that she could pay it out of retained earnings?

Alderman Lopez responded let me try to answer that. It's probably the only Enterprise that is not truly an Enterprise. When it was set up, it was with the intention of making money and bringing money back to the City. And her capital improvement goes to the CIP, and if we could do something there...let me give you an example. When we had the new kiosks come in and we bought all of those out of the one time account in order not to put the debt on it. That was about a half a million dollars, I think. But Brandy put a half a million dollars in her budget. We took it out of the one time account, so that saved us a half a million dollars. It's difficult for an Enterprise to keep all their money and do all the other things, but we haven't got to that stage yet, where we want to do that.

Alderman Ludwig stated I understand the methodology, but I think maybe at this point, that's enough said.

Mayor Gatsas asked are there any other questions? Thank you very much. Next we'll hear from the Library. Just for clarification, Alderman O'Neil, this is not going to match up with the HTE one.

Alderman O'Neil asked so which one are we going by?

Mayor Gatsas responded that's a great questions, and I'm sure that somebody will tell us that.

Ms. Denise VanZanten stated good evening everyone. Thank you for this opportunity. This is Dee Santoso, my head of reference, and she helps me run the library because, as you know, I don't have a deputy director. You should have received a package along with all the other City departments tonight. In that original package was a budget

proposal that the trustees authorized me to give to the City showing exactly what we need to keep those buildings running next year. These are going to differ from the spreadsheet you're getting tonight and I will explain as I go on. I've been leading the Library since 2006, and over this time period I'm very proud of what the Library staff has done in improving library services. The Manchester City Library, which provides services from two historical buildings, continues to face a growing demand for library services due to the current economic recession. Our operating budget is very lean, as you can see. We're open a total of 107 hours a week, and we have requests to open more hours, but obviously we do not have that in our current resources. Our current hours include nights and weekends, and we hope this provides as much access to the Library as possible for all our users. The Library stays within our budget allocations and expects to do so in our current year. We're about 55% through the year and we're 53% expended. Our efforts to work with our budget to meet community demands has been done by actively seeking grants with our library foundation and by utilizing our trust fund income to pay for library materials, programming, furniture, computer equipment, and staff development. The City budget now covers our staff salaries, benefits, and our basic operating lines. In the fall of 2008 our public internet computer equipment began to fail. To meet this challenge, the trustees used funds from the Allen Jean Cote estate to update the software to keep our older computers running, and we also sought and were awarded a Gates Foundation grant which our library foundation matched. This helped us to replace and add additional public computer stations to both libraries. This is just an example of how our trustees utilize their trust fund income to supplement the City budget and to maintain a quality library system for our taxpayers. The libraries are seeing first hand the effects of the economy, as you can imagine. We have people coming in every day asking for assistance with jobs, attending our free library programs, using our public internet computers and to borrow library materials. Our resources are accessible 24 hours a day via our online catalog and our website. This includes research databases so children can do their homework 24 hours a day, and we know how teenagers like to do that, late at night. We also have downloadable audio books. We've improved our online presence to

serve residents from home as well as from inside our doors. I've included in tonight's packet a statistical sheet. I just want to highlight some of that tonight. There was a 10% increase in usage of library materials from last year to this year, and an 11.3% increase in usage of our public internet computers. The demand for library materials has increased 25% since 2006. The usage of our internet computers has increased 43%. Our library programs serve all ages and are fully funded by our trust funds. Our staff members are creative and resourceful, and their hard work resulted in a 24% increase in attendance at library programs in 2009. We've also seen a very large increase in the use of library facilities by outside community groups using the Library's meeting rooms to have meetings. There was a 33% increase in that. The updated spreadsheet that you have before you tonight resulted because the Library Trustees had their monthly meeting at the Library yesterday, and we had a discussion with Mayor Gatsas. We wanted to show where we would reduce our operating lines to absorb the 1.5% to 7.5% salary increases that are due our staff next year. Basically what we did is our salary line we reduced from HTE about \$10,000. We are going to cut a service agreement that we have. We level funded everything else. We reduced our supply budget by \$5,000 because we're going to have to cut back the book budget \$17,000, and we plan on supplementing that with an estate that we were notified that's coming into the Library Trust. It's the Angele F. Hansel estate; it's about \$23,000. It's one-time income. We have our fine accounts and any money that's left in our budget this year we would use to pre-purchase books for next year. We also reduced our periodical budget this year by \$2,000. Periodicals go up 10% every year. We've been actively cutting back on our periodical budget over the last four fiscal years. And finally, our oil line I reduced by \$5,000 because that is for our backup heating system at the main Library. For those of you who don't know, we have two huge boilers in our basement. We burn as much as we can on the gas because it's much more efficient. The main Library is very energy efficient, thanks to CIP funds three years ago. That's where we were able to level fund the budget. We still would need to find the additional \$31,000, which is the 1.5% cut. Our total reduction for next year would be \$117,000 and change. This is a 5.6% decrease from this year's budget. Our current City

materials budget is \$126,000 and our utility budget is a total of \$110,000. In comparison, Nashua, which has the second largest library in the state, expends \$199,000 on library materials and \$152,000 on utilities, and they have one building. Next year our City materials budget would be about \$51,000 and change. The Trustees and I are looking to work with this Board to come up with a budget that will meet these economic times, as well as provide full library services at both library buildings in fiscal year 2011. We are hoping that the funds to cover the staff salaries can be found and put into our budget. We can absorb the 1.5% cut because that estate is coming in, and we will actively look for more. We will also write some more grants. That's all I have for you this evening. I will take any questions, and thank you for your time.

Mayor Gatsas stated thank you. I think this Board should understand that they are basically by statute a bottom line funded department. What I mean by that is they are very similar to the School District. We give them a set amount. The state statute says they can move their line items wherever they want to move them, and they only get a set amount in their budget. I had an interesting conversation yesterday with the directors. I certainly applaud you for coming forward with a different number than what we had talked about basically on Tuesday. I think you're certainly working at it. I think it's important to understand that as we've given budgets to the Library in the past, there have been surpluses that give them the ability to spend them where they want. One year I want to say it was \$22,000; another year it was \$39,000. So those surpluses they had the ability to move to whatever line item they wanted to in the budget we presented to them. So again, as I said, it's a bottom line budget. We don't have the opportunity to move anything in between it or look for a return of surplus back to the City as we do with most of the departments. If they have a surplus, it comes back and goes to shortfalls, as we see. I think, and I'm not sure, there was a discussion with the Trustees yesterday as to whether there were monies returned or not. I haven't had the opportunity to check with Bill Sanders, to see if there was a surplus coming back, but I'm not too sure if that went against the RSA as it was declared.

Ms. VanZanten stated there was some surplus money. Last year I had \$3,000 left.

Mayor Gatsas stated just so that everybody knows, it's a bottom line budget to that department. So, if I understand you correctly, with the sheet that we now have, if we were to deduct \$31,151.40 from your \$2,076,760, you would then accomplish your 1.5% reduction. So, it's about \$31,000...

Ms. VanZanten interjected right. And we have \$51,000 left in our materials budget for next year.

Mayor Gatsas asked have you hired that employee?

Ms. VanZanten responded currently, what Mayor Gatsas is referring to, is I have a head of technical services position. That person is leaving this Friday. The Trustees and I are intending to fill that position. There will be up to a \$10,000 savings in fiscal year 2011. We are at minimum staffing. That position is my old position, before I was promoted, and I cannot do three jobs. It also gives me the ability to have another salary position to stretch hours and cover weekends and nights. That person works every other Saturday and Thursday evenings at the Main Library. So I will be filling it, but not yet.

Mayor Gatsas asked so is it your understanding that if you have vacancies that you don't have to go through the same procedure as any other department in the City?

Ms. VanZanten responded that is correct. The Trustees have the authority to appoint me to hire and fire.

Mayor Gatsas stated I'm sure that the Trustees are acknowledging that as I see them nodding their heads, but you certainly will supply the documentation and the RSA's that allow that to happen. Is it within state law?

Ms. VanZanten responded it's within the appropriation. If the money is appropriated, we can expend it, and if we cover it in the salary line, then we can fill the position. You also do remember, Mayor Gatsas, that I am one of the department heads that regularly comes to the Human Resources regarding personnel.

Mayor Gatsas stated the response to my question is if we didn't fund you another \$60,000 you wouldn't have the money to fund that position, you don't have to come to me looking for the position as all other departments do.

Ms. VanZanten responded correct. If you don't fund the position, the Trustees and I will look at our bottom line and try to find that money within our budget.

Alderman Arnold stated out of curiosity, I'm interested in a little explanation about your Trust that you are able to utilize for at least part of your funding.

Ms. VanZanten responded the trust funds, some of them have been in existence for over 100 years. Currently there is \$3 million in the endowment, and there are very strict limitations as to what we can expend the funds on. The Trustees set up a fiscal year budget. They actually moved the trust funds to a fiscal year budget three years ago to supplement the City budget. It used to be a calendar year, so it was very challenging. We use that for collection development. We have trust funds that are restricted to children's books, medical books, Polish materials. We use it for all our programming and we use it for our human resources. All staff development, staff appreciation and training come out of our trust funds now. Furniture and equipment...if a chair breaks at

the Library, I'm buying a replacement out of my trust funds. It does not come out of City funds. There's no money in that line.

Alderman Arnold asked other than those items that you just mentioned, are we to understand that the Trustees do not have discretion to simply take more money out of that to cover...

Ms. VanZanten interjected right. They can only spend the interest income, and we're expecting what we had this year, which was \$96,000.

Alderman Roy stated I just want to talk about the natural gas and fuel oil a little bit. You touched on the fact that there are two boilers up at the Main Library. One is natural gas and one is fuel oil. The fuel oil one is obviously the back up. It's only used when the other one doesn't work, right?

Ms. VanZanten responded they're both in really good condition. I'm not sure when they were both replaced but it has been within the last decade. The reason we run on the gas more than the oil is because it is cost effective. It's cheaper, it's more efficient, and it maintains the temperature better for the building.

Alderman Roy stated I would guess that last year you ran only the gas boiler.

Ms. VanZanten stated we've had a few times where the gas burner, when it goes off line, the oil burner will kick in.

Alderman Roy asked so the \$5,000 that you're keeping in that line, is that what you actually used last year? I'm guessing that maybe the Library on the West side runs on oil, or is that gas?

Ms. VanZanten responded they are gas and electric heat.

Alderman Roy stated okay, so it's just the oil up there. The thing that caught my eye was you said you were going to keep the tank full. To me it's obvious if you're not going to use it...

Ms. VanZanten interjected last year we expended \$7,700 to fill the tank.

Alderman Roy asked you did? Because the other one went down?

Ms. VanZanten responded yes, but it doesn't get used every year, so oil can sit in the tank, so we topped it off, hoping that this year, if I had a shortfall I would have \$10,000 to meet the cost, because the electric line is very tight.

Alderman Roy stated I just wanted to make sure that that was what you actually used, in case you did have a situation where you needed to...

Ms. VanZanten interjected no, it's a full tank.

Alderman Craig stated my family and I frequent the Library and utilize the services and programs. I greatly appreciate everything that you do. One thing that you mentioned was your website, which I find very helpful. I was wondering, since you launched that new website, have you been able to gain efficiencies in terms of a decrease in postage or printing, because I know that when you're late on something you'll get an email notice instead of something in the mail now?

Ms. VanZanten responded yes. Our new automation system which we implemented in August of 2008 with our consortium actually gives us the ability to have our patrons sign up for email notification. It will remind you if your book is coming due or your video is

coming due. It will also send out most of your overdue notices that way. The only thing that we still mail, other than to people who won't sign up for email, is we do mail the bill because we do use a collection agency.

Alderman Craig stated okay, so there should be some savings with that.

Ms. VanZanten stated yes, the staff has started a go green campaign. We have some signs up around the Library, and we actively put it in our newsletter, which we don't print out very often. We have it on line as well.

Alderman Craig stated I also greatly appreciate that you can reserve on line a book or a movie, and if you don't have it at your library, you can reserve it from another library and it's brought to Manchester. So would that help in a situation where we're in a tough economic time with getting around some of these budget issues?

Ms. VanZanten responded it will and it won't because libraries obviously all are having the same problem. Right now we are what you would consider a lending library. Library users from other libraries and our own patrons are kind of...it's more equal. If we become a borrowing library, and we're the largest library in the consortium, I think I will get some pushback from the other libraries to try to meet the demands of our patrons so that their patrons and their taxpayers are using their materials as intended. It's supposed to assist, not take over.

Alderman Craig stated so typically libraries are looking to Manchester to fulfill the need.

Ms. VanZanten stated obviously we have the bigger budget at the moment.

Alderman O'Neil asked Denise, what's the approved full time complement?

Ms. VanZanten responded we have 42.97 at the East branch. That's basically 36 full time and 15 part time. We only have 50 positions filled because the deputy director hasn't been funded.

Alderman O'Neil asked so how many are vacant, one and then one pending?

Ms. VanZanten responded yes, the deputy director and one pending.

Alderman O'Neil stated and just to make sure I'm not missing anything here, because we know supporters of the Library will be very active through the spring if we go that far, but other than reduction in the book line item, and then the need to make up \$31,000 somewhere, the hours of operation at both libraries will remain the same?

Ms. VanZanten responded we are going to try to maintain all hours, and there will be no layoffs. Of course, as the year goes along, and we find costs creeping up on us, there might be some cutbacks in hours. We'll have to see.

Alderman O'Neil asked positions get filled, with the exception of the one vacant deputy director, but everything else remains the same?

Ms. VanZanten responded yes. And like I said, I make the decision on each position. The position that's becoming vacant is not a position I'm willing to give up. That doesn't mean there won't be others down the road that we can't rework things.

Alderman O'Neil stated we know the Library is an important asset and resource for the City. I don't think we need to get the supporters of the Library stirred up. That's my point with this.

Alderman Craig stated you mentioned that there is a 38% increase in usage of rooms.
Do you charge people to use your rooms?

Ms. VanZanten responded we do not charge if they are a nonprofit, local group and they are opening their program to the public, but we do charge if they don't have that status.

Alderman Craig asked what percentage would you say you are charging?

Ms. VanZanten responded very, very few. It's very rare that we get a check in for that.

Mayor Gatsas asked can you provide us with all revenue sources that you have other than the trust funds?

Ms. VanZanten responded sure.

Mayor Gatsas asked so there are other revenues that you collect?

Ms. VanZanten responded that's the only thing, other than fines and trust funds are the meeting rooms and the piano recitals. But we tune the piano for the student recitals and we use that money to retune the piano.

Mayor Gatsas asked what does that total?

Ms. VanZanten responded right now in the piano fund we have about \$1,000.

Mayor Gatsas asked and the rest of the late fees and rentals?

Ms. VanZanten responded for room reservations, we actually have a total of about \$1,100 for both buildings because we keep it separated so we can put the money back into either of the buildings. Currently we have \$92,000 in late fees and we have budgeted to spend \$48,000 in fiscal year 2010. That is by state statute, we can only use it for labor and materials and upkeep of the buildings, so we use that in case there is any kind of an emergency.

Mayor Gatsas stated so let me understand...you've got \$92,000 in that account. You've spent \$48,000 in the current year.

Ms. VanZanten stated we are planning to. That's what we've budgeted, yes.

Mayor Gatsas stated so that leaves you roughly a balance of \$44,000. It kind of looks like you might be able to make that \$31,000.

Ms. VanZanten stated you also have to understand that, not next year but the year after that, we will be picking up the maintenance cost for our User Fill product which we purchased with that estate. We bought it for two years, so by the third year we needed to find a funding source, and that will be coming out of the fines, and that is about \$15,000.

Mayor Gatsas stated that's just about enough.

Ms. VanZanten stated we did raise the fines about two years ago. We don't want to nickel and dime our patrons. They are hurting right now.

Alderman Lopez stated I just wanted to get my hands around...I think I came in...I was talking to the Finance officer for a few minutes. The \$31,000, surely you realize that every department came in with a one and a half percent reduction. And so far everybody

has made it. I understand once we give you the money, that's it. And I know you work for the Trustees and you do their bidding and all that stuff. This one position that you have open and the \$31,000. Did I miss? Where did the \$31,000...I mean, the Mayor just gave you some ideas. Are you telling me that there is no place that you can find \$31,000 in order to come in at one and a half?

Ms. VanZanten responded I and the Trustees would have to manage that shortfall next year and see how we end up. Right now there's no operating line in our budget that I would be comfortable just taking that out of.

Alderman Lopez stated no employees would be lost.

Ms. VanZanten stated no.

Alderman Lopez stated and I think the question is the hours and all that would be the same.

Ms. VanZanten stated as long as I maintain current staffing levels, yes.

Alderman Lopez stated that's the gamble I think that we have to take, once you get your bottom line. There have to be other avenues of approach if we're going to follow this one and a half percent right through with all departments in order to make it. This is going to be a tough year. If the Supreme Court rules on the tax cap, we're going to be even worse in 2012, if that's the right terminology I want to use. I just think that the decision with the one and a half percent is to move forward in that area, find the \$31,000, that's one problem. When that problem is solved as far as the budget is concerned, you get your budget and the other problems come up. Then you have Trustees and other people. One of the questions I want to ask is, how many volunteers actually work, don't get paid, for the Library?

Ms. VanZanten responded off the top of my head, I would say about ten, who probably work a total of about 15 or 20 hours a month. We have to be very careful with how we use volunteers.

Alderman Lopez stated so if some advertising went out and you're going to pick up another ten to do something...

Ms. VanZanten interjected I'm always looking for free labor.

Alderman Lopez stated this might be the time. People have a lot of time; it's a bad economy.

Ms. VanZanten stated there are a lot of unemployed library people out there.

Alderman Lopez stated I think, being consistent with the other departments, you're not losing any employees. We've got to find that \$31,000. That's my opinion.

Ms. VanZanten stated like I said, I will have to ride it out and I will figure it out. The electricity line is very, very tight. We let our patrons plug in their laptops and cell phones. That might be something we would have to consider an extra service.

Alderman Lopez stated but I'll put a little caveat for it. I don't think that the Board of Mayor and Aldermen or the Mayor is going to let a department down if it becomes in trouble as the years go by. We've had a lot of departments run into a deficit that we've been able to assist, and once they explain the problem they're having, we've been able to take care of it. We've been able to do that the past few years. This year all of our departments have done an excellent job, as reported by the Finance officer last night. So, I think if you ran into trouble, and the Trustees and other people couldn't help you, and

there was a dire need to pay the electric bill in order to keep the place warm, I think that you and the Trustees could come to the Mayor and the Board of Mayor and Aldermen and we've helped other people out.

Ms. VanZanten stated I would feel very comfortable if we ran into trouble coming back to this Board.

Alderman Long asked Denise, you have \$92,000 in your fines collected, correct? Do you know how many are outstanding?

Ms. VanZanten responded that's actually what we've collected. Outstanding is probably a lot of money. That's why we use a collection agency.

Alderman Long asked do you know how much the collection agencies are going after?

Ms. VanZanten responded we pay a fee every month, and I do have that information. Actually I don't have that number. I'll have to get back to you. I have what we collected the past three years, which has been in the \$20,000 range of lost materials, and we've gotten back either the materials or the cash.

Alderman Long asked do you know what the return rate is with this collection agency?

Ms. VanZanten responded I want to say it's close to 75% because long before I started at the Library, this was a big issue that materials were being lost and nothing was being done to bring them back. I also want to mention that the fine account money that comes in, we use to replace materials that we've lost.

Mayor Gatsas stated just a clarification for Alderman Long, if you could provide the Board with what the agency is looking to collect and what's outstanding.

Alderman Long asked do we know, Your Honor, if these collection agencies are being used by other departments?

Mayor Gatsas responded the Finance Officer is right behind you, and I'm not too sure...you know, he runs accounts so he should be able to give us an answer to that.

Mr. Sanders stated we do have a collection agency. In fact, we went out to bid about 12 months ago and got a new collection agent. I don't know if the Library is part of that...the Library is not part of that. But all other departments all use that same collection agent.

Ms. VanZanten asked Bill, what's that company's name? Do you know?

Mr. Sanders responded Sharon knows.

Ms. VanZanten stated we use Unique Management, so it would be interesting to see who offers the better deal.

Mayor Gatsas stated maybe it would be better to piggyback with the City and not incur the cost. Or maybe they should check...

Alderman Shea stated you mentioned some figures to Denise concerning how she could justify her salary. What was that? I didn't catch all of that.

Mayor Gatsas stated my discussion was that there is \$92,000 right now that's in the collection fund. They are proposing to use \$48,000 of it this year for various things. That leaves a balance of \$44,000 in that collection fund. If they were to reduce it by \$31,000, that leaves an additional \$13,000 that I think she said she had another line item

that she said she was looking to use it for. So, until just now I never knew there was \$92,000 in the fund to get them to the one and a half percent.

Ms. VanZanten stated we would also have to hit that account to offset the book reduction in this year's budget, so we'll have to find about \$20,000 or \$25,000 in addition to that \$48,000 next year to offset the book budget that I've already reduced.

Mayor Gatsas stated but my understanding is that the \$90,000 that you receive from your Trust funds, because you can only spend the interest, you have the ability to move that to wherever you want.

Ms. VanZanten stated some of it is unrestricted but a majority of it is restricted to very specific line items.

Alderman Shea asked how long has that been in existence? In other words, how long did it take to build that \$92,000?

Ms. VanZanten responded the fine account, I don't know. It was at one point very low, I want to say about 12 years ago. I was the head of technical services and I was always given a small portion of that budget to supplement the City budget. But we raised our fines two years ago and we didn't see any increase in revenues. It kind of just stayed the same. But now I'm going to spend it.

Alderman Shea asked other than that particular money to make up for the \$31,152, is there any other area that you can cut back on so as not to use as much of that amount?

Ms. VanZanten responded I don't know yet. At this point I don't know what our Trust fund income is going to be for Fiscal Year 2011. Our investment is with Citizens Bank, so we won't have that number for quite a few months, and the Trustees at that time, we

take that number and we allocate it to supplement where we can, on top of paying for the line items that we no longer have in the City funds.

Alderman Shea stated but you have to have that information concerning whatever that amount is that they're going to be allocated on the 31st of March. Is that correct?

Mayor Gatsas stated Alderman, again as I said, their budget is a bottom line budget, so until just now I never knew about the \$92,000. I think there was discussion yesterday that the \$3 million was earning about 3%, which is about \$90,000. That's a discretionary fund that they have the ability to move, based on where those contributions came from. So I think there is money within their budget to meet that one and a half percent and the \$31,000. I think Alderman Lopez was very clear. If for some reason there is a shortfall in the electric line and you're not at your budget, we're certainly not closing the Library.

Alderman Shea stated which means actually then that you're under the understanding that they will be able to meet their obligations, and you have a meeting with your Trustees, so you have two masters to serve.

Ms. VanZanten stated it's going to be an extremely, extremely tight year for us. We are already supplementing the City's operating funds, so I don't have a staff development line, for example, to zero out in City money, because my Trust funds have been paying for that for the last three years. So, we're going to have to absorb even more. But we understand the economic times. We see it every day. We're just going to have to see what happens. My concern is that next year, there is a 2.5% COLA and it's just going to get worse.

Alderman Shea asked when do you meet with the Trustees so that they can give you some idea...I mean, in other words, when...

Ms. VanZanten interjected our next meeting is February 16th. We meet once a month.

Alderman Shea stated thank you. I don't want to go too deeply into this because the deeper we go, the more complicated. We'd be opening up books and reading them now.

Alderman Greazzo stated that was actually my question. How often do you meet?

Ms. VanZanten responded we meet once a month, and thank you for being a liaison. I planned on reaching out to you next week. We meet on the third Monday of the month, but next month we have a holiday, so we're meeting on Tuesday at 4:00 p.m. at the Main Library in our Hunt Room.

Alderman Greazzo asked could you please send me a schedule?

Ms. VanZanten responded yes, and we'll get you an agenda and my director's report ahead of time. We'll get you on the list.

Alderman O'Neil asked is the bottom line budget that we're talking about approving \$2,045,608.60? It meets the goal of one and a half percent like all the other departments?

Mayor Gatsas responded yes.

Mr. Sanders stated the one and a half percent reduction is \$2,045,609.

Alderman Corriveau stated the \$90,703 for books in FY2010, if my math is right you're budgeting \$17,800; you'll be due one time money of \$23,000; and you mentioned maybe discretionary money of \$20,000. That adds up to about \$70,000.

Ms. VanZanten stated and then the surplus, anything that's left in this year's budget...we have someone leaving. We're not going to fill the position right away because I will interview. We had two pages leave that we've already filled the positions months ago. So there's a little bit of money in the salary line right now that we will use for books.

Alderman Corriveau asked so the \$17,000, at the end of the day, is really a little bit closer to \$70,000?

Ms. VanZanten responded yes, if you add all the other sources, but you have to realize that we're spending \$70,000 where before it was \$90,000 plus the additional. The book budget has gone from \$197,000 down to \$17,000 in four years.

Mayor Gatsas stated let me just clarify that, because why don't you give me the true figure, the budgeted amount and what they spent on books are two different things because the budget we see is not correct. So why don't you tell us what you spent over the past two years on books? We might have budgeted \$90,000, but she'll tell us what the exact amount is.

Ms. VanZanten stated which is what I am planning to do next year. Last year we spent \$120,191 on books because we spent from the salary line. We overextended. The year before that, in 2008, we spent \$170,256. We were budgeted at \$135,000 that year.

Alderman O'Neil asked what was the budget for 2009?

Ms. VanZanten responded we were budgeted for \$97,000 and we spent \$121,191 because we had surplus in the salary line due to a retirement.

Mayor Gatsas stated so remember most of the departments would send that surplus back to the City.

Ms. VanZanten stated I still gave money back. Last year it was \$3,000, the year before it was \$26,000, and the year before that it was \$29,000. We are helping out our fellow departments.

Alderman Ludwig stated this is very small but I have to ask it. You're a General Fund department. This \$5,500 in maintenance and repairs, is that something over and above what Public Buildings would do for you?

Ms. VanZanten responded yes. The buildings are 100 years old. There are some things that we just need specialized like bookshelves. It's not capital expenses.

Alderman Ludwig stated so it's little items. You're not paying Public Building Services...

Ms. VanZanten interjected I'm not paying charge back for that, no.

Mayor Gatsas stated next is Welfare.

Mr. Paul Martineau, Welfare Commissioner, stated basically with this budget there are no layoffs, but it's a barebones budget. The economic forecast remains bleak. If you look today, there were six pages of foreclosures in the paper. And my office is really busy. We're seeing more people. We're averaging about 581 people that come into our office each month. That's 60 more than we were seeing last year. Now, we don't deal with all of those because some of them aren't emergencies or they're basically referred to other agencies, but we are busy. I think you have the printout on the budget.

Mayor Gatsas stated I think your printout is here, but we don't have your single page sheet. You're just going right off of that one? Okay. We're working with only one sheet, Alderman O'Neil.

Alderman O'Neil stated that makes it simple for me. I know the Commissioner is a simple man, so we'll get along fine. Paul, just real quick, full time and part time vacancies?

Mr. Martineau responded we have 11 full time people, including myself, and two part time security officers.

Alderman O'Neil asked and are there any vacancies currently?

Mr. Martineau responded no.

Alderman Shea stated just as an example, I think your budget is being reduced by \$16,726. Is that correct? And then \$31,000 in addition to that.

Mr. Martineau responded yes, on salaries, so the total is \$47,912.

Mayor Gatsas stated that's close to 6%.

Alderman Shea asked and you're able to maintain your department?

Mr. Martineau responded the salary account is there.

Alderman Shea asked what other agencies are you able to utilize in helping people in Manchester?

Mr. Martineau responded we can refer people to Families in Transition that deal with homeless families; the Way Home would help people get a deposit for rental and we would help on the rental; Child and Family Services; Manchester Mental Health. You know, in Manchester there is an organization called the Greater Manchester Association of Social Agencies. In Manchester there are roughly 80 different social agencies. Like today, I met with a person on kids insurance. She gave me some information so when our case workers talk to them and they've got kids, we can refer them. There are different places like CMC and different places in Manchester where they can go to apply for this. In some cases the kids are covered without paying anything and in other cases they have a gold program or a silver program and different programs that they have so that they can get insurance. When I have staff meetings I bring in different organizations that tell us what they can do. Like today, Child and Family Services, I heard about an 18 year old gal who basically is going to be homeless or is at home and isn't working, so I brought the information over to an individual to send her to the right place because there's a program with stimulus money for people from 18 to 23, and basically if they are homeless or are going to be homeless, they can assist them. We're fortunate in that we can refer to other agencies, which saves money for the City.

Mayor Gatsas stated just for clarification purposes for the new members, the Welfare Department has the support of this Board if they run short because there are more clients coming in, we must fund it by law. If there is an increase of 40% in the number of people looking for services, we must fund it by law, so it's there to provide that service. And certainly I think the Commissioner should be congratulated because he and his department, his employees, have returned about \$1.3 million since his time in service, back to the City.

Mr. Martineau stated it's my staff. They are hard working and dedicated. I was an assessor for 21 years. I knew we had a Welfare Department. I didn't know what they did. Then when I ran for this office, I found out that the morale is wonderful. Everybody

itches in. They work after hours if they have to. They come in early. They do what has to be done. I really appreciate them, and I'm really concerned about my employees. I think it's important and we have a good team.

Alderman Shea stated I was just going to say that you have conducted hearings and some of the members were there when you were having non profits and others appearing before the CIP Committee, and I think that kind of dovetails with what he says. The City does support Families in Transition and the Way Home and other places like that, so that's part of how we manage to help out members of our community in a rightful manner, as it were.

Alderman Roy stated Commissioner, I have a question under Management Service, and it's for the Homeless Shelter. We don't solely fund that, correct?

Mr. Martineau responded yes.

Alderman Roy asked other agencies fund that as well?

Mr. Martineau responded no. We fund it, but it's for homeless families. To me it's like our backup. In other words, when I first came here, they had spent \$500,000 on hotels and motels. Those families don't belong there. When they go to our shelter there are stoves and refrigerators. They can get food and prepare it there and so forth. The other thing is if you put people in hotels and motels, you don't know what you're exposing them to either.

Alderman Roy stated I don't disagree with it. I was just clarifying it. The way I read this, about 60% of your total budget is your salaries. And they are good employees. There's no doubt about that. These are things I try to figure out. In some other departments, upwards of 90% is their wages. How about the Bob Powers Pantry? I'm

not going to say it's a revenue, and it's not reflected here anywhere. That saves us a lot of money.

Mr. Martineau stated that saves us on provisions.

Alderman Roy asked do you have a number on that, of how much it saves us?

Mr. Martineau responded I can get you that number, but I know through the eight years we've been there it's over \$100,000.

Alderman Roy stated it's a great program started by your own employees who do a great job over there.

Alderman Long asked do you have data that shows...well first, these referrals of Manchester residents?

Mr. Martineau responded the way the state law reads, anybody who shows up on my doorstep is my problem. You don't have to be a resident of Manchester.

Alderman Long asked do we have data of what agency we send them to, and is there any follow up as to what that agency does? I'm just thinking of the CIP for the non profits. We're seeing a lot that are coming in.

Mr. Martineau responded we don't break it down. We refer them to other agencies. Obviously, if they don't get help from them they come back to see us.

Alderman Long asked do you find a lot of that?

Mr. Martineau responded no. But the other thing too is that if for some reason someone went to you...of course you're going to get complaints about our office, that people are rude, which is baloney. People are very polite. Everybody who comes to our office gets a piece of paper, a notice of decision. It tells you exactly that either there is help, it's been pending, it's suspended or they have to do other things and then come back and see us. So if they come to you, ask them to show you their notice of decision, and if they don't want to show it to you, well, that's what I tell other agencies. They'll give them a sob story, a hard luck story. They'll come to us and the story has changed. If we deny them they can go to New Hampshire Legal Assistance and ask for a fair hearing, for representation. And you know what? I've probably dealt with them maybe eight times over the years and we've won every case. So I'm not concerned about it. I know we're doing the right thing. We're following state statutes. But if somebody comes to you, make sure they show you what the decision is that we made. Everybody that comes there that we deal with, other than someone we refer to the state...they'll come in and say they are homeless or ask where they can get food stamps...they'll come to us, but we'll send them to the state. But we give everyone a decision, so you look at that decision and it will explain exactly why the determination was made. And if they're not happy, tell them to call me. I'll talk to them.

Alderman Long asked in the last couple of years are you seeing a lot of people that hadn't normally been involved with the Welfare Department looking for electricity or rent?

Mr. Martineau responded more recently we're seeing people for the first time. Luckily for us, Southern New Hampshire Services has a fuel assistance program that we refer them to for oil. They got more money from the state and they also got stimulus money, so we haven't been hit hard as far as the accounts for heat and fuel. Now whether that's going to be there next year, I don't know.

Alderman Long stated as far as your referrals, you will refer somebody but you don't know whether they're getting help unless they come back.

Mr. Martineau stated they're not coming back. Fuel assistance helps them.

Alderman Lopez stated I've been at the Welfare office and been through the process there and I think the Mayor echoes my feeling that the Welfare Department runs a great operation. I think also for all the Aldermen and especially the new Aldermen, it's an area that you're going to hear complaints about. I think the department head runs a great operation. I sort of like his line because they have to go through a process, and if they lie, they lose. I believe that's what you said.

Mr. Martineau stated that's my philosophy. If you lie you lose.

Alderman Lopez stated he runs a tight ship. That's why it's an elected position where we don't really get involved, but he's absolutely right. A decision has been made...and you'll hear a lot of stories about 'the welfare office didn't help me'. If you don't qualify they aren't going to help you because that's not the intent right there. If you need assistance, there are plenty of other places they can refer you. I know that there's some stimulus money that just came down to take care of some people that need to pay their rent and stuff like that so that they don't get thrown out on the street. Through Families in Transition and other organizations they received quite a bit of money this year on the stimulus package.

Mr. Martineau stated we're there to help people who really need it and we verify everything. This is where someone will say they don't have a car, and we'll fax the City Tax Collector and they've got two cars registered. They say they don't have a checking account, and you call PSNH to find out how they pay a bill, and it's paid by check. They supposedly have kids at school. We call unemployment. We call State Welfare. We call

all different agencies and so forth to verify the facts. The reason is that we want to find out what assets they have and what part of the picture we can fit in or what they need for help. So we're very thorough. It does take time. People get upset. But the problem is and you're screened. Somebody is looking at your case and we have to do this verification. If you're calling a doctor or a hospital or different places, they don't respond right away, but we want to find out. That's how we find out what situation they are in and how we can help them. That's our purpose.

Alderman O'Neil stated I'm sure the Commissioner will come here more often if he's going to get a testimonial on how great a job he does, and he does do a great job, and we're very lucky. This issue that keeps getting brought up about complaints, I don't get them.

Mr. Martineau stated if you do get complaints, chances are, we're doing our job. I have a great staff. I'm not a social service person. I'm a business type person. I look at ways we can save, where we can make economies. My staff gives me feedback. You mention that Bob Powers Pantry. Gene Mackie was in my office and took it upon himself. We initially went to all the departments in the City and had collections of canned goods and so forth. Then we've done it with the Fire Department. We've also got the Boy Scouts. When they do their food collection, what I do actually is I get a truck from the Highway Department, I take the truck down, I get a couple of kids from St. Anselm, I give them a few bucks, and they help me load the truck and bring it back to Highway and park it. On Monday they bring it down to my office and unload it, and we get the food. Central High School's Honor Society does a drive for us every December and we get canned goods and food, and they even give us a credit card so we can go to Stop 'n' Shop and get diapers and personal items that normally you don't collect. So we're fortunate in that way too. I can't speak highly enough about Central High School. We've honored them here before and at the School Board. They're a big asset and they really help us out. We're fortunate.

Alderman O'Neil stated Alderman Long asked a question and it would be very helpful to us if you could pull it together, and that's regarding CIP. Our requests are way up. We're seeing new agencies. If there is a way your staff could...you refer to agency A, agency B, but agency C is telling us that they are getting people from you, but that may not be factual. That would be very helpful to us, Paul, in our deliberations regarding the non profits and the CIP process, to know exactly where you are referring people to.

Mr. Martineau stated I can try to dig that up. We don't keep a record of it but we do refer people to these agencies.

Alderman O'Neil stated even if it was a snapshot of what was going on, I think it would be helpful. It would be of great assistance to us with the CIP budget to know that if we do support an agency, it's somebody who is working with you and making a difference.

Mayor Gatsas stated next we will hear from Information Systems.

Alderman Lopez stated Your Honor, I forgot to mention to you that she appeared before the Committee on Administration and I asked her to hold off a portion tonight to inform some of the new Aldermen exactly some of the things that she's involved with.

Mayor Gatsas stated let me first publically...we'll be doing this at the next meeting, having Jennie's staff come before us because they did a great job with the website. They did it in a very timely manner. I congratulated them. Certainly we will have them here. Hopefully by then we will have proclamations that we can distribute to employees for their hard work. And I want to applaud her for a second reason because she was the first department that instituted answering the phone, and I see the Building and Planning Department here. They were the second ones. So it's starting to happen. People are starting to answer their phones and people are starting to hear a voice at the other end,

without having to go through pushing buttons four, seven and eight. Certainly I want to commend you on that, so you can start your presentation.

Ms. Jennie Angell, Information Services Director, stated I want to thank you, Your Honor, for those kind words. I would like to say the staff is ecstatic at your appreciation. It really did make their day. As far as the auto-attendant, we always can start at home first, so we did have that unfair advantage of being able to do ourselves, and we are now working through the other departments. How I'm going to start here is yesterday I started to give a presentation to the Committee on Administration to introduce the department to that Committee. Alderman Lopez asked me to wait and present this to all of you because there are a number of you who are new to this process. So I'm going to take just a few minutes to introduce who we are and what we do. If you have any questions, feel free along the way. I passed out a few graphs and I just want to explain them. They are fairly easy to follow. As far as staffing goes, we currently have 15 employees in our staff. In 2006 we had 19 and the City as a whole had 25 IT professionals. We lost three and then Water Works eliminated their position, so we take care of their IT needs. And the Library also eliminated their position. So the City has actually gone from 25 IT people down to 19. I'd like to backtrack a little bit. I got a little ahead of myself. First off, I'd like to introduce myself. I'm Jennie Angell. I'm the department head. I was appointed the interim department head in January of 2007. I became the permanent department head in December, so I've been acting as department head for about three years. Per Ordinance and per the procurement code, all computerization, software, technology and land-based telephones are purchased through our department. We either actually purchase them, or if departments have funds of their own, we work with them and provide them a waiver to purchase. This process has been in place for 30 years. It has worked well because we have standardized systems. We have resource sharing. We have one network that everybody shares, and if there is a resource in one department that they no longer need, we know what it is and we re-deploy it in another department. As much as possible, everybody is using the same platform, so we work together as one

organization. We get efficiencies and economies of scale that way. The next thing I'd like to talk about is budget year comparisons. Just so you understand where we are, in 2006 we had a budget of \$1.8 million, and what we're proposing for next year is \$1.4 million. We are not budgeted with as much money as we would like, but I'm sure everybody could say that to you. We are managing, and we have managed and been able to do that. The next graph that I'm showing you is just something for you to start thinking about. When we get into CIP this will be discussed more. This is for technology replacement. What this is for is once we've got equipment in place it needs to be upgraded and maintained. Until 2008 we were running at about \$250,000 a year for that. We supplement this with grants and funds from other departments. In that last two years we've only gotten \$150,000 for this. I'll go through what our responsibilities are and I think you'll understand how critical this has become. Our responsibilities include Police and Fire computer aided dispatch (CAD) systems, which includes mobiles in the cars. We have emergency back up systems, and this is a 24/7 operation. We have the City's website, which includes all the agendas and minutes, emergency notifications, online payments, and Google maps. We now offer Twitter and Nixle services. You have bid opportunities and 1,600 pages of information. We have the Geographic Information System (GIS), which is mapping. If you go on the website, you can find internal maps. Those are also used by the Police and Fire dispatch for when we dispatch fire trucks. They are used extensively by Highway, Planning and the Assessors office. HTE is something you'll hear often about. It's the main administrative services centralized database this is used by the City. It includes the chart of accounts. It does payroll, tax billing, building inspections, code enforcement, EPD and water billing, and work orders. We also do municipal building monitoring systems. This includes security cameras and HVAC monitoring. We have email and the internet, and we do data storage for all files. We support about 1,000 PCs and 500 printers. We have over 100 special purpose applications. We have fiber in 60 buildings throughout the City. That's all City buildings, and it does not include Schools. We connect to Schools, but we have fiber in 60 buildings. We have two computer rooms. We have the main computer room and we

have what is called the Disaster Recovery Site. It's a backup site. We also support telephones and contracts. The City has 739 phone lines. We are in about 90 buildings with phones. We also support the Fire's 911 phone systems, and we do Blackberries and Smartphones. We do data security monitoring and training. We also do procurement of all computer systems, and we do department relocations. That's a summary of our department responsibilities. I have the second sheet. I'm not going to read through all of it, but what this does is, some of it's a repeat of our responsibilities, but it talks about HTE and email, so as we go through things and things may be listed or you may hear somebody mention SPOTS or you may say GIS, and you might wonder what that is. You'll probably find it on this piece of paper. But there are a few things I'd like to point out. We get about 35,000 legitimate email messages a week. We get about one million spam email messages a week. Employees don't see spam. We take care of it. That's part of what we do in the background. And then from a security standpoint, we do data security and we have firewalls and intrusion detection. There are about 128,000 intrusion attempts a day on the City's network. We manage that so that our users can do what they need to do for work. So basically our job is to help departments do their jobs. Everything we ask for, everything we look for when I come looking for funding is so we can support the departments so they can do what they do for constituents. We are a service department. We look to ourselves as being a catalyst and someone who can assist you in improving efficiencies because that's what we try to do.

Alderman Shea stated just a calculation...you're actually reducing your 2010 to 2011 by \$22,128 but you're absorbing an additional \$42,000, which would be about statistically 5%?

Ms. Angell responded yes, 4.9%.

Alderman Shea stated the second point is that at one time there was quite a discussion between the Finance office or the office that you represent and the School Department because they could not use the system in order for the schools to calculate the different types of programming that they wanted to do with the children in the schools. Is that still in existence? In other words, is the HTE system still not applicable to the School Department?

Ms. Angell responded the School Department went on their own system quite a number of years ago. I'm not sure exactly but it could be as long as eight years ago.

Alderman Shea stated I think years ago...and again, I think it was when Superintendent Tanguay was involved with the School District, he indicated that they could not use the HTE system for either certain types of records for children maybe. Bill, having worked over there, maybe you could help out the rest of the Board members here.

Mr. Bill Sanders, Finance Director, stated I wasn't there when they went onto their own standalone system, but they have been on their own system since 2000 at least, I think, whenever the separation between the City and the School District occurred. Prior thereto they were on the HTE system. I don't know the specifics.

Alderman Shea stated I think the reason is that Superintendent Tanguay came from Alaska and apparently he had used that system up in Alaska and when he came here, he was familiar with it, so that's the system they adopted, but it wasn't coordinated with the system that the City departments used. Do they still use that system?

Mr. Sanders responded I think they've actually gone to another standalone system.

Alderman Shea stated I know there was a lot of controversy over there and they spent a lot of money. I don't know if you remember that, Your Honor.

Mayor Gatsas responded I do.

Alderman Roy stated this just came up last year when we were talking about bringing the School District back in as a department. One of the big stumbling blocks was that they didn't use HTE. They used something else and they'd spent hundreds of thousands of dollars, at least, implementing that new system, and it was going to cost us more to bring them back than we'd ever see benefit from. You're absolutely right. They have a different computer system and it's not going to work together. That's all I wanted to say, Your Honor.

Alderman O'Neil stated Jennie, I appreciate the handouts tonight. I did see some of them last night. Just to make sure, you're authorized complement is 15?

Ms. Angell responded my budgeted complement is 15. We actually have 18 approved positions, to there are three vacant. They've been vacant for three years.

Alderman O'Neil asked and there's no part time?

Ms. Angell responded no.

Alderman O'Neil stated on page 41 that's attached to our package tonight, one issue...I don't want to speak for the Mayor or my colleagues, but I'm guessing you have a concern about emergency overtime; it is one of the two items. I would think if issues came up in the City, we're not going to leave you short.

Ms. Angell stated the reason I put that there is we have no overtime in this budget. We have not used any overtime for two years. Last year for one of the disasters, there was overtime but it ended up being charged to the insurance. So my point for bringing it up is just to let the Board know that there is no overtime in my budget. We have not needed any overtime for several years. I don't anticipate needing it. Whenever we have an off-hours outage, it has been handled by salaried employees. Should something come up that was major in nature and there wasn't any insurance or other type of funds, I could come back to the Board looking for assistance.

Alderman Craig stated Jennie, the Maintenance and Repair line item is decreased by 41% and in your notes you mentioned that that takes you through eight months. But there are other options. I was wondering if you could talk to those.

Mayor Gatsas stated let me talk to them. I don't want to put her on the spot because we've had a conversation. Obviously, we've got equipment in the City that's pretty old. I think that obviously right now is an opportunity that if we go out and talk to vendors we may be able to get 20% or 30% more for our dollar, so the conversation that I've had with Jennie is to say, 'Let's go look and see what we need. Let's find out if we have a vendor that will provide these services to us at a cost that when we look at it, it's time to make that move today because we are beneficially saving the City a lot of money by doing it.' I know she's working hard. I congratulate all of the departments that I've met with so far, that they're going out and they're renegotiating contracts, and they're negotiating pretty hard. I guess the tale is they are telling them that they can either negotiate with them or they can sit down and negotiate with me. So the vendors have been agreeable to negotiate with the department heads and they've been doing a very good job at it. I'm trying to keep her off the hot seat of having to talk about how we're talking about her budget because yes, it does incorporate going out and buying some new equipment where we can find some savings and efficiencies as we go forward, which aren't being talked about in the budget process at all.

Ms. Angell stated and we do have a pretty aging fleet of desktops, and a lot of that is for parts for out-of-warranty equipment. If we were able to replace some of that, it would definitely alleviate some of the pressure on that line item.

Alderman Long asked once they negotiate with the department heads, they do have to go to you afterwards, right?

Mayor Gatsas responded I would hope that the department head gets them to where they want to be.

Alderman Long stated the IT department to me is...you say, imagine the possibilities. This information is what we need to be efficient. I find in the process, as you probably do, that the direct answers aren't direct answers. They're guesses, or to the best of their ability. I'm glad to hear about new equipment, or what have you. I remember there was an issue a couple of years ago with some of the departments that weren't tied into the HTE. Is that still an issue?

Ms. Angell responded everybody is on HTE.

Alderman Long stated when I look at the service agreement line, that's a \$54,000 decrease. Does that cut service to what we already have?

Ms. Angell responded we do have a couple of places that we are still...one of our challenges is to meet full funding. I have the list if you want the list. The service agreements list is made up of about 60 different items. We are still short. We have been negotiating with vendors, and I'm going through and making sure we need every single piece that is there, and I've been working with Mayor Gatsas on how we are going to do this. It is a little short, but we are hopeful that we can make this work.

Alderman Long asked these 60 items, you have service agreements because they are individual items that you had purchased and you bought a service agreement?

Ms. Angell responded no. HTE has a large service maintenance requirement, a lot of which is billed back to the Enterprises. We have virus software. There's a certain fee for each...it depends whether it's a PC or a person who connects to the network so I have to pay per year so you get current virus protection. It's the same with spam filtering. There's a charge for each that I have to pay on an annual basis for spam filtering. On some of our large pieces of equipment, like some of the main switches...the main switch that directs the network is a \$60,000 item, and so we do have maintenance and we get current upgrades, updates, fixes, patches and support. So, on these critical items we do pay for support so we can make sure we keep things running.

Alderman Long stated I guess my question was more towards, not the 60 items but the service agreements. How many of these agreements...are there 60 agreements? My point is, is there some way where we might be able to funnel some of these agreements to one source?

Ms. Angell responded what it is, if I can...

Mayor Gatsas interjected I think some of that make up that she's talking about is that when we go out and buy the systems that we're talking about looking at, some of that money comes back in and reduces maybe a Sysco contract because it's a new item. Is the question, can she change the structure of the agreements that are in place now? Those are the discussions that we are having.

Alderman Long stated my line of questioning was exactly that.

Ms. Angell stated if I've got to switch that I'm having to pay maintenance, and it's an older switch, my maintenance cost could be as high as \$5,000, but if I'm able to replace the switch my maintenance cost might be reduced to \$1,500. And then we get the benefit of the newer equipment and decreased maintenance costs.

NEW BUSINESS

Alderman Shea asked I'm not sure when we have the presentation on the 27th, the Tax Collector, is that going to be done by the new Tax Collector or the previous one?

Mayor Gatsas responded Alderman Shea, I know she's in the audience tonight and certainly those are discussions we will have in the next few days to find out what we can do and where we can go. I'm sure that she's prepared. She has already presented a budget to me, probably almost a month ago now, and she did a very good job at it. Certainly she's well prepared to come forward to address whatever questions you have.

Alderman Shea asked Intown Manchester, are they going to come in with a budget that is 98.5% or is that something separate?

Mayor Gatsas responded I think it's appropriate for them to come in because there is a lot of discussion, and certainly I was at the meeting this afternoon. I have questions that come forward regarding the CIP budget. We need to look at their budget and see line items within that budget to make sure...because I'm sure they are either going to come to us to look for another allocation, and some of the discussions that they're having with us regarding sidewalks, at least that they're having with me, I think it's appropriate to have with this full Board, and this full Board have a budget in front of them so that they see that the tax dollars that are being collected on the side have some oversight and there's a transparency that we can all participate in and see those dollars. So I guess the answer to

your question is no. We do not have any authority in their budget for a one and a half percent cut, but I think it's important that this Board has a transparency effect in seeing their budget.

Alderman Shea stated thank you. The third question is, when we review the CIP budget on January 30th, are you going to present it in a sense that whatever they're asking or are you going to ask that they kind of do the same thing that the other departments are being asked to do?

Mayor Gatsas responded sure, I think that's a fair question. I'm not looking to come forward with recommendations. There were Aldermen that sat in on some of those meetings. I think it's fair that we take a look at what we authorized last year. I'm going to have Mr. Maranto come forward with where we may be seeing duplication of efforts, because we have heard that. We've heard it from Welfare. There may be duplication of funding efforts that we fund two or three groups and they are funding the same people. So I think it's important that we come forward to look at what they were funded last year and look at what the request was for this year. Take a look at some of those requests as I've gathered the information. We've got some people who come in get funded from another source for \$780,000 and they're looking at \$15,000 from us. And I think it's appropriate that we see that and have those discussions, and I'm certainly prepared to talk about every one of those requests that came before us, and I think Mr. Maranto will be here to be able to do the same thing. We have a very big challenge, to take a look at those requests and see where we're going.

Alderman Shea stated so what your answer is that we would be discussing each item on an individual basis, not necessarily on a percentage basis as the departments have been asked to do.

Mayor Gatsas stated I think it's important that we look at them individually because there may be some funding that we say zero to. There may be other funding that we say, I don't think we are going to see funding that we are going to increase. But I think that just using a basic percentage across the board cut, I'm not too sure that that's the right thing to do. I hope that we plan on spending a couple of hours going through it so that we can all have participation and transparency in that process.

Alderman Shea stated and as far as in lieu of taxes, we're not going to go into that with each individual item.

Mayor Gatsas stated no.

Alderman Craig stated in going through all of these budgets, I'm noticing that there are line items such as telephone, postage, printing, duplicating services, general supplies. My question is do all City departments utilize the same vendors for these services?

Mayor Gatsas responded that's a good question and that's exactly what we are now collecting to see if we can find a way to reduce the postage line items, the telephone line items. I have Mr. Sanders compiling them. As you see, the telephone or the postage number might be 832. We're going to look to see what the entire City's cost is for appropriate line items, and whether we are getting one vendor to give us the best price, or if we're out there having five different vendors doing it. Maybe it makes more sense that we put in a postage department where all postage comes in and gets distributed. We have a courier that goes throughout the City. He goes to the Enterprise funds. He goes to every department on a daily basis. So I think we need to look at those objectives to see where we can gain efficiencies. So, yes we are looking at them. And as we continue through this process, we will then bring them all out when we're ready to really sit down and spend a lot more hours in developing a budget.

Alderman Lopez stated back to Alderman Shea's question, going through each of the CIP items, are there recommendations from someone as to which...

Mayor Gatsas interjected in the past all recommendations that used to come out of the CIP budget, with assistance from CIP, most of the time it was Mr. Maranto making recommendations. I have no problem, if this Board so wishes, for me to go through and give you a first cut at those, but I thought it would be more appropriate that we do it as a group so that everybody gets an understanding of what's in those line items. I think that's a fairer objective, rather than for me taking their favorite item, as I would call it, and deciding that this is a zero cut item, and then coming back and having a discussion with an Alderman. I think it's fairer for that Alderman who may know that need better than I do to say, 'I think we should fund it at X amount of dollars rather than at zero'. I know the one that's very close to a lot of people's hearts is the Boys Club.

Alderman Lopez stated I guess that's where I'm going in terms of the Aldermen, to make sure that they talk to the Chairman if they have concerns about a particular organization so that we can look at that.

Mayor Gatsas stated and we will have those discussions, Alderman, as an entirety, so that if they do have a concern with an agency we can have a discussion when we do it on Saturday.

Alderman Lopez stated I'm just concerned that there's so much everybody wants that we just don't have the money. That's another issue. The second thing I'm going to comment on is that we have to take care of our house first. And so there are a lot of people out there that...

Mayor Gatsas interjected I'm going to try to get everybody, Alderman, a copy of the book. It shows you three columns: last year's disbursement, what we see currently before us as a request, and the difference. So, we will present that and go forward, and I think it's important that people understand...and I'm also going to see if I can get a line item added that tells you how many years that department or that agency has been receiving funding, because we certainly are looking at agencies that receive funding and we sometimes neglect the ones that are new coming in that may need \$2,000 or \$3,000 or \$5,000 to continue moving forward. So, we will have that. I'm going to try to get that out to everybody before the weekend so you will have a week to look at it. Alderman O'Neil is the Chairman of CIP. If you have questions going forward, I know the departments have been asked to come up with a refined number of what they're looking for, rather than us trying to peel through a wish list. They should come forward with their definite needs and not their wants so that we understand where we're going. And I think Alderman Lopez is right. A lot of that money is going to be CDBG funding. I've asked the department to look and see what we can allocate those funds to as we move forward.

Alderman Long asked will we know what we're anticipating through other grants and what have you?

Mayor Gatsas responded we're going to attempt to have all funding on the table so we can all look at it and understand. Certainly we'll be talking to agencies that if they've applied for grants, that they tell the CIP department so we understand what's in the pipeline, rather than us giving...I'll pick a department, Highway...X amount of dollars when there may be a grant to help them out to take care of that same issue. Not that we should forget about giving them the money because there is a grant coming in, but the ability to make sure we can move money back out once we've given it to them and they've received a grant. Any other questions? I want to thank you all for participating.

It seems as though this process is going well. We've only got a few more weeks and I think we'll come up with a budget that everybody will be happy with.

*There being no further business relating to the FY2011 budget, on motion of **Alderman Shea**, duly seconded by **Alderman Arnold**, it was voted to adjourn.*

A True Record. Attest.

City Clerk