

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

January 30, 2010

9:00 AM

Mayor Gatsas called the meeting to order.

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

A moment of silence was observed.

The Clerk called the roll.

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

Absent: Aldermen Osborne, DeVries

Mayor Gatsas stated for those watching here this morning, I'm sure that some of the Aldermen that aren't here are on their way. There was a schedule change. We were to start at 10:00. Notices were sent out, and I think maybe some of the people didn't get an opportunity to see those notices, but I'm sure that they will be here. We will start. The meeting will be discussions relating to the proposed FY2011 budget for the following departments: Parks, Recreation & Cemetery; Manchester Transit Authority; and CIP Review .

Mr. Chuck DePrima, Parks, Recreation, & Cemetery Acting Director, stated thank you for giving us this opportunity to present our 2011 budget. I will present the General Fund budget and once I am finished with that, Andy Vachon will be presenting the Enterprise budget. Most of our reductions, or a good portion of our reductions in our General Fund budget were in line items totally approximately \$52,900. I'm going to focus on the larger line items that we reduced and explain them briefly.

Mayor Gatsas stated let me start so that Alderman Shea won't be asking you the tough question. You met your 98.5% reduction? The 98.5% reduction that we asked you to meet, you've met that in this budget?

Mr. DePrima responded we have met that in this budget. I apologize. Our first major reduction from 2010 was in overtime. As in the past, specifically 2008 and 2009, we budgeted \$51,000 approximately because it is such a fluid number because it depends on the weather and most of it goes toward the plowing of the school facilities. We will do what we have done in the past which is manage it the best we can through effective measures in our operation of that particular function. If we have to, as instructed in the past, we will write a letter to the Board and ask to be made whole in that particular line item. The next major savings that we had was a reduction in...I don't want to say it's fortunate but we did have four retirements since October. Two of them I'm going to talk about which were in the Cemetery division which are General Fund positions. Andy will explain the rest of the reorganization because most of it relates to Enterprise. We had two Cemetery employees retire. That is a net reduction in salaries of \$85,580. What we plan to do is replace them with three temporary labor positions and that adds back into the budget about \$27,814. These employees will be there from approximately April until September when we need them most.

Mayor Gatsas stated so your explanation is that you're going to move some of them for the short term to the General Fund side and then move them back into the Enterprise fund where they will be?

Mr. DePrima responded no, those employees, as most of our other temporary employees that we hire for the summer, will be laid off. They are college kids. They usually go back to college. Our next major savings is in line item 591 which is Contract Manpower. That specifically relates to police detail that we hire for Hunt Pool and a couple of times a year at Crystal Lake. That with the new rate would be approximately \$19,000 that we'd be spending on that. What we're proposing to do is eliminate that line item, add \$6,000 in salary for a security guard, similar to the way the Library and Welfare uses a security guard for that same position. So we're going to eliminate \$17,000 of that line item and then add \$6,000 to our salary line item. The final major reduction that we have is in Parks, part-time. We're going to reduce that by approximately \$12,000. And then the rest of the line items mostly relate to central purchasing type savings that we are going to realize in electricity and fuel.

Alderman Craig asked could you please give a brief overview of what the difference is between the General Fund and the Enterprise Fund for Parks & Recreation? As a new member I'm looking at this and I'm not familiar with why you have it set up this way.

Mr. DePrima responded the General Fund is the side of our department that's tax funded. Those are the pools, Gill Stadium, all of the maintenance, and our Cemetery division. The Enterprise was created in 1997, I believe, in an attempt to take several facilities off the tax side of the budget and make an attempt to have them be self-sustaining. Those facilities have been reduced over time. Now they include the two ice arenas and the golf course.

Alderman Craig stated so Gill is not included in that.

Mr. DePrima stated Gill is no longer included in the Enterprise division.

Mayor Gatsas asked what about the swimming pools?

Mr. DePrima responded the swimming pools were once included in that and they are no longer included.

Alderman Shea stated Chuck, you elaborated on the fact that you were going to add part-time workers. I didn't catch all of how that was going to be managed financially. Did somebody get laid off and not replaced?

Mr. DePrima responded no, we had two retirements. This is specifically the Cemetery division. We had two retirements. We're going to eliminate those positions and replace them with several part-time workers, laborers, from approximately April to September.

Alderman Shea asked will they work down at the Cemetery? I know in years past there was a policy that part-time workers would only work from whatever time you have, April or May until September or October. So that's really what you're trying to do, to replace the two Cemetery...

Mr. DePrima interjected the full-time positions, yes.

Alderman Ouellette asked first of all, the Enterprise Funds, when we discuss revenues, is that when we're going to be discussing revenues on the Enterprise Funds as well?

Mayor Gatsas responded yes.

Alderman Ouellette asked secondly, Your Honor, on the Enterprise Funds, is the 98.5% decrease applied to them as well?

Mayor Gatsas responded yes it is.

Alderman Ouellette stated I'll just note that this shows a 12.2% reduction for the Enterprise Fund...actually 17.1%.

Mayor Gatsas stated and I think you'll hear that explanation because of some of the people that they're moving around.

Alderman Ouellette asked because of McIntyre?

Mayor Gatsas responded there is a reduction of the McIntyre force, so I think you will see, once they get into the Enterprise Fund, that that's where the reduction truly comes from.

Alderman Ouellette asked Chuck, in terms of your reduction for the General Fund, what do you see in terms of services, if any, that you'll be eliminating during the next year?

Mr. DePrima responded none will be reduced or eliminated.

Alderman Ouellette asked no reduction in force?

Mr. DePrima responded no.

Alderman Corriveau stated to follow up on Alderman Shea's question, the two positions in the Cemetery division are being eliminated and replaced with three

temporary positions. You said the four retirements save approximately \$86,000 and the three new temporary positions, what was the addition for that?

Mr. DePrima responded it would be adding back approximately \$27,800.

Alderman Corriveau asked on the General Fund side, with these new changes, how many full-time and part-time employees will the department employ?

Mr. DePrima responded this budget includes 11 administrative people, 48 laborers, and 99 part-time employees.

Alderman Corriveau asked 99 part-time employees?

Mr. DePrima responded I'm sorry. That's what we had last year. That's our total complement. I can't say how many part-time laborers we're going to be able to hire back this year.

Alderman Corriveau asked how many full-time?

Mr. DePrima responded full-time we will have 48. That's for both divisions, Enterprise and General Fund.

Alderman Corriveau stated oh, so there's no distinction. It's overall they are employed by the department. It's just a matter of funding. One comes from...

Mr. DePrima interjected right, and I want to note that a good portion of those employees are shared between funds. For example, people who work in the ice arenas in the wintertime are employed at Gill Stadium in the summertime, so their salaries are charged to the General Fund for that. It's a 50-50 split.

Alderman Corriveau stated so, to go over the numbers one more time, between both sides, the department as a whole, you have 48 full-time workers and a yet to be determined number of part-time workers, probably somewhere in the 40 to 50 range.

Mr. DePrima stated well, last year we had 99. Most of those are lifeguards and some of them were laborers. That also includes the recreation program which is again going to be part of our budget.

Mayor Gatsas stated just to follow up on where Alderman Corriveau is, you're not paying the Outreach people. Those aren't coming out of your budget.

Mr. DePrima asked Outreach people?

Mayor Gatsas stated you're not paying for the Outreach people. Those people are there based on grants.

Mr. DePrima stated none of the numbers I just gave included any of those.

Mayor Gatsas stated so Outreach people that you have working...

Mr. DePrima interjected we don't have any.

Mayor Gatsas stated the Workreation program, I'm sorry.

Mr. DePrima stated that's cash funded.

Mayor Gatsas stated but they also get a portion of other Outreach labor that comes in that's grant funded that are doing services from within cemeteries and parks. They were working on parks last year.

Mr. DePrima stated yes they were, and that was through the Office of Youth Services. We did have some employees last year that were doing some general maintenance for us.

Alderman Corriveau asked in terms of part-time employees, laborers, lifeguards, are you anticipating any change of number? You mentioned 99 now. Looking forward do you anticipate any big change?

Mr. DePrima stated we have to have a certain number of lifeguards on to keep the pools open anyhow, so that's a static number. We'll manage the rest of it as best as we can and hire as many back as possible.

Mayor Gatsas asked the 99 number that you had last year, did that include part-time employees at McIntyre?

Mr. DePrima responded no.

Mayor Gatsas stated I think it does, but that's okay. Take a look.

Alderman Craig stated I just have some questions, Chuck, regarding the detail you provided. I notice that it's about \$9,000 to open and close Livingston Pool and I didn't see any cost associated with the other pools so I was wondering if you could talk about that.

Mr. DePrima stated I'm going to let Andy elaborate on that, but just to summarize, the way that pool was designed we have to hire a company to come in. It includes divers literally that have to go in and winterize that pool. I'll let Andy elaborate on exactly what goes on, but yes.

Mr. Andy Vachon, Recreation Enterprise Manager, stated the pool itself has a gunite shell so you have to keep water in the pool so it doesn't heave and crack. In order to do that, you have to have a diver come in who puts air balls into the underground pipes to blow the water out so they don't freeze underground. That's most of the cost. The other ones we can just drain completely because they are concrete shells.

Alderman Craig asked and the Police cover Jed Hunt's Pool?

Mr. DePrima responded yes. Currently we hire a police detail at that particular facility because we've had a lot of problems there, incidents in the past. At the current police overtime rate, which is around \$52 an hour, we were projecting approximately \$19,000 based on the 300 hours we hired a person to be there last year. What we'd like to do is replace that police officer with a security guard similar to what the Library and Welfare departments use. This individual will have a radio. We've had conversations with Human Resources; we've had conversations with David Mara. He has agreed that that person would have a police radio, a channel directly to dispatch and could call for service if needed. That person would be on our salary at approximately \$16 an hour instead of \$52 an hour.

Alderman Craig asked just so I understand, do you currently have an officer there whenever the pool is open?

Mr. DePrima responded that is correct.

Alderman Craig asked and the electricity costs of about \$139,000...have you worked with PSNH at all to do any energy efficiency regarding lighting?

Mr. DePrima responded we've worked with them at the arenas for lighting efficiencies. I'll let Andy explain that portion. Most of the savings...I mean, rates have gone up and usage has gone up, but we have realized a savings overall because of the way we now purchase electricity and fuel. One of the things I wanted to bring to your attention is in that particular line item we currently pay \$5,000 a year in electricity at the comfort station at Veterans Park, which our department doesn't utilize. So we're including that reduction in our electricity line item in hopes that whoever is occupying that would take over those payments.

Mayor Gatsas stated that was my suggestion because I didn't think it was fair that they should be taking the burden. There are a lot of electric bills that fly around that we really don't know what the source is. I thought it was only fair that we do that reduction in Parks and find the source of where that payment should be coming from that would be legitimate.

Alderman Craig asked the Flag line item...do we purchase flags every year?

Mr. DePrima responded we don't have a replacement schedule for them but we do purchase one when someone brings it to our attention that one is in need of replacement. That's a number based on actuals from previous years.

Mayor Gatsas stated and Alderman, if you want to put that on a side note that you can reduce that because I'm getting some flags from the Congressional delegation that they're bringing in, so if you want to make a note of a reduction certainly we will note that in this budget and give them flags as we go forward.

Mr. DePrima stated hopefully it's the one at Veterans Park because that's almost \$900 when we purchase that one.

Mayor Gatsas asked when was the last time you purchased it?

Mr. DePrima responded it was just recently, I believe, prior to the World War II dedication.

Mayor Gatsas stated so if we leave you \$900 and take the other \$2,100 out you'll be fine.

Alderman Roy asked Chuck, at the Cemetery division, what is the number of people still there? You said two retired.

Mr. DePrima responded full-time employees, there are six right now. Part-time, we are going to add two...nine total.

Alderman Roy asked what are the hours of operation down there?

Mr. DePrima responded 7:30 to 3:30 for the laborers, and the office is open from 8:00 to 4:30 Monday through Friday.

Alderman Roy asked how about on weekends?

Mr. DePrima responded we do weekend burials, and that is done on overtime.

Mayor Gatsas stated just a clarification, Alderman Roy, when we see their revenue side you will see that there are some fee changes. There haven't been fee changes there in a long time. What we did was a comparison with what other communities are doing so we could look at it for burials that may be happening on a Saturday to accommodate the overtime.

Alderman Roy stated you said your part-time employees last year, the total was 99. You said you weren't sure how many you were going to be able to hire this year? It set up a red flag for me. I'm concerned about the level of service going down, so can you explain that to me?

Mr. DePrima responded it's my intention...we're funded to hire them back, the full 99. I apologize for that confusion.

Alderman Roy stated I was concerned about the fact that we need a certain number of lifeguards. Those are also the people that clean up the parks, correct?

Mr. DePrima responded you are correct. They complement our full-time crews.

Mr. Vachon stated of those 99, 62 are aquatics related. One for Gill Stadium, one pool supervisor, five recreation maintenance workers which are the janitors at the facilities, 23 lifeguard ones, eight lifeguard twos, eight head lifeguards and 16 pool checkers.

Mr. DePrima stated we do anticipate that full complement coming back.

Alderman Roy stated you mentioned that you had some people from the Office of Youth Services working last year. Can you explain that to me and how it all worked out? I'm sure you didn't have to pay for it. OYS must have. Was it a grant?

Mr. DePrima responded it was through a grant. We supplied them with tools and materials – mulch, for example. If they were doing clean ups in areas, our crews went out with our equipment and picked it up. We worked very well with them. The bulk of that work was done...I believe it's a demographically-based grant. You'd have to get clarification from Marty Bolden on that one, but most of their work was done in the inner city and along Canal Street.

Alderman Roy stated it sounds an awful lot to me like Workreation, having been a participant in that when I was younger and that's exactly what we used to do.

Mr. DePrima stated it's very similar.

Alderman Roy asked is this a change in the funding source that it goes to OYS instead of you?

Mr. DePrima responded our department, through our salaries, is going to employ two Workreation crews. Separate from that, we hope to work again this year...I believe Marty Bolden indicated that he would be receiving the funds through a grant to employ a number of youth again to go out and work and complement those crews.

Alderman Roy stated it's just confusing to me.

Mayor Gatsas stated Alderman, let me see if I can help you because the discussion that I had also confused me last week and it even confused me more yesterday. Patrick van Rooyen came in and started talking to me about this Workreation situation. He actually gets the grant of about \$255,000 that takes care of these youngsters working in the parks. In conjunction with OYS...they have an employee who streams the youngsters out, but the grant is funded and sourced, not even in the City. They supply the kids. The kids

come through OYS and they go into the Parks Department, so it's a little convoluted to get kids working and the parks get cleaned. It just comes from a federal funding source that is applied for by somebody outside the City.

Alderman Roy stated that just seems a little confusing to me because we've got people who could do that paperwork and not have redundancy.

Mayor Gatsas stated I agree with you, because when I had a department heads meeting on Monday, the conversation came up that this grant was coming and I suggested to the department heads that they all should talk to OYS to see if they could get some of these kids in the different departments. I later in the week had a conversation with Patrick, and the funding doesn't come through OYS; it comes through him, who kind of channels it in, having a person direct the children out. It's a discussion that we need to get all three of them in the room together to kind of explain it to us so we can get an understanding of how the funding gets here and how it goes out.

Alderman Roy stated it seems like there's an extra middleman and instead of paying that individual you could take that and help out more children.

Mayor Gatsas stated I don't disagree with you. We will work on it.

Alderman Roy stated we can have that discussion. Excellent. Thank you.

Alderman Long the \$250,000 from Patrick van Rooyen comes through what entity?

Mayor Gatsas responded it comes through a federal grant. I don't know the name of the agency that he has, but they get funded. It then comes to OYS for the students to go through. He actually sends the students their 1099's. So it has nothing to do with anything that comes through the City. There's just the oversight from OYS so that there

is some city oversight in the program for the children that may be...I think they look at the kids to make sure they are qualified to participate in the grant. It's more of a low income scenario for children to work.

Alderman Roy asked point of clarification...was last year the first year that OYS did that channeling?

Mayor Gatsas responded Alderman, I'm still working on it. I can't give you that answer.

Alderman Roy stated I'm still wrestling with the 40% increase in people over at OYS going through and I was wondering if that number was included. Thank you.

Mayor Gatsas stated I would be the first to agree with you, because after I heard the conversation yesterday, I will have conversations with the department head this week so I can get a clarification of who is truly on first.

Mr. DePrima stated last summer was the first time our department had ever worked with those kids, so I would believe that it began last year.

Alderman Long stated I'm trying to get clear about that effort for our citizens to enjoy what our Parks & Recreation have to offer. Did I hear that minimum part-time you needed 68 for whatever reason, whether it's related to the pools or the park cleaning?

Mr. Vachon responded the 62 number was just related to the aquatics.

Alderman Long asked so 99 part-timers is in your opinion what it takes to be sure our citizens enjoy the parks and recreational aspects of your division?

Mr. DePrima responded specifically our aquatics facilities, yes.

Alderman Long stated on Contract Services and Contract Manpower...on Contract Services, the \$7,100 increase to contract services...it shows us where the increases are. Compared to last year, what actually has increased in line 445? Is it the contract for the pool service that has gone up to \$7,100?

Mr. DePrima responded that increase is due to the fact that we no longer are responsible for...we contract out setting up the tent at Veterans Park. That's what that cost includes because we no longer do that in house, due to safety reasons.

Alderman Long asked so that's the \$5,000 allocation?

Mr. DePrima responded correct.

Alderman Long stated okay, so that takes care of \$5,000 and you have \$2,190 left. Could I assume it's the contract?

Mr. DePrima responded yes. We're just anticipating, because we hire Cote Rigging to do it because it's technically a rigging project, their increase in costs as well to fund the same service.

Alderman Long asked for the tent?

Mr. DePrima responded yes.

Alderman Long stated now Cote Rigging is a rigging expert. Do we need to hire that city employee to consult to put the tent up? It appears to me that within that contract they should not have put up a tent. Is that price included? I remember the issue last time was

we had to hire a retired employee back to facilitate putting this tent up. Now, when you contract for rigging services, the rigger assumes the responsibility of putting up whatever he is putting up. Do we still have to hire...is Cote Rigging responsible for everything involved or do we still need to expend money on somebody who is retired to show them how to put up this tent?

Mayor Gatsas stated he's now an Alderman so I don't think he's looking for payment to put up the tent.

Mr. DePrima stated since Andy was involved in that last year in organizing that, I'm going to let him speak to that specifically.

Mr. Vachon stated we supplied some part-time labor to help Cote Rigging to lower the cost. It takes approximately ten people to raise and lower the tent. If Cote had supplied his employees to do it, the cost would have been much greater. Last year the retired person who came back was there to assist Cote, just showing them how to do it, basically for time constraints, to move the process along. Cote could have read the direction and it might have taken him three or four days to put it up safely. However, having this retired employee come back, it went up in two days and came down in a day. So this person was there just to train them. They took notes. This year they are going to be on their own with putting it up and taking it down.

Alderman Roy stated okay, so we contracted out for the rigging and we lent them some of our employees to help facilitate that?

Mr. Vachon responded to help reduce costs.

Alderman Roy asked and whose liability was it? Would it have been our liability if something had happened to those employees working for Cote? That's something that we don't have to get into today. The other thing was the Contract Manpower. Is that the part-time issue?

Mr. DePrima responded no, that's the police detail that we hire at Hunt Pool.

Alderman Roy stated and it says that we're replacing them with a part-time city employee?

Mr. DePrima responded yes, we're deleting that line item, we're zeroing it. We're taking \$6,000 of it and putting it into salary for a part-time security guard to be at that facility instead of a police officer.

Mayor Gatsas stated just note that when you get to the CIP budget, Alderman Long, you will see that there is a spot in Intown for \$5,000 for the tent which has been removed because it's in this budget.

Alderman Ludwig stated you've got me a little confused now. Ninety-nine employees, I'm familiar with the amount of lifeguards. Are Fun in the Sun employees in that number?

Mr. DePrima responded they are not because they are funded through CDBG. Those are grant-funded employees.

Alderman Ludwig stated because I can remember a number well above 99. That's when we had McIntyre.

Mr. DePrima stated right. But those employees are not part of our salary. Neither is Brenda Dwyer's position of Recreational Director.

Alderman Ludwig stated so in your budget there is no reduction in terms of pools opening and closing or alternating days or any of that sort of thing. If I can, Your Honor, just to speak a little bit to what I think is a little confusing here, or maybe I've got it confused, but listening to the conversations between yourself and Alderman Roy relative to Workreation and what's now a federally funded program through OYS, if we go back in time a little bit, the Workreation program is what is left of a federally funded program. We probably had upwards of 100 kids in various parks through a federally funded program back in the late 1960's and early 1970's. The Workreation program is basically what's left of that is now on the General Fund side of the equation. The reason it is maintained is there is a little bit more latitude to use those people. Back then it seemed like when you got a federal grant there weren't quite as many strings attached to what those kids could do at 14, 15, 16, and 17 years old. You could do a lot more with them. Today...and I'm sure it even exists in this OYS program...the work that you get out of some of these programs isn't exactly worth it. I mean, it's great. There are out there. But in the old days we were able to do a little bit more with them in terms of...they didn't have to...now they may have to leave the job site and go to a class and then come back, so the work that you're getting out of some of these kids isn't what everyone thinks it is supposed to be. It's useful and it's a good tool, but you're not getting exactly all the work you can, and it takes people to guide them and show them. You're teaching kids at that age how to work, show up on time, bring your own lunch, and drink your own water. You're teaching as much as getting some work out, so I think the misconception out there sometimes is that you're getting all this work done that an adult would perform in an eight hour or seven hour day, and you're not. Is it good? It's absolutely good. Ten or fifteen kids in groups of five that we employ with a leader to go around and put out fires, I'll call it, for Aldermen in Wards that may have a section of woods that you can't get to to clear out where maybe children are hanging around and causing problems and they'll

go in there and they'll do those kind of things. But again, we're teaching those kids. We're teaching them to show up on time, to wear work boots, to wear gloves, what poison ivy looks like, and actually we were pretty successful with that program because those kids become our 18 year-old part-time employees down the road. Everybody changes. Sometimes a 16 or 17 years old, is not a very good worker, but you hire them back at 18 and hope they have changed, and a lot of them do. It's a great program and you can really get a lot of use out of them if you're directing them right. That's all I wanted to say. Maybe that helps a little bit. I think the OYS grant funded program is similar to what we had. It's just coming through a different... so, could those be combined? I don't know. You could take a look at that. I'm not sure. I always enjoyed the Workrecreation program because it gave us a little bit more control over that group in terms of what they can do versus the federally funded program. That being said, over the years, the City has spent a huge amount of money on improving parks. We put, absent the pool at Livingston, and with help from yourself, Your Honor, a huge amount of money into Livingston Park, maybe on the upside of \$8 or \$9 million. I think it came out as a pretty nice project. Originally we were chastised for cutting trees and doing things that we shouldn't have. But I think the long range plan was probably a little bit more expensive for the City, but it turned out fairly nicely over there. We put \$4 million into West High School. We obtained the old naval reserve center and through the General Services Administration we got a piece of property over there and made a facility, which is where I went to high school. It was horrible for years as a football field, and made it into a very nice facility with an artificial surface that can be played on 24/7. It was so successful that we carried artificial surfaces into Gill and we carried them over to Memorial and made those nice. So we spent another \$5 million at the Memorial High School complex, which I think is pretty nice. We've got trail projects going on through grant-funded money. We're all after grant-funded money, and why wouldn't we be? We should be. It's what is coming to us. These trails were always something that were difficult for me because they don't move quickly enough. We obtain a section here and a section there, and they don't seem to connect. Well, they're starting to connect and

people are really enjoying them. I'm not going to belabor the point, but where I'm going with this is that I think Mr. DePrima said that there are 48 labor positions in the Parks Department. I think that number is high, but he's in charge. I can tell you one thing. There has been a 25% reduction in their labor force over the years.

Mr. DePrima stated of the full complement.

Alderman Ludwig stated right. This is not going to take one year or two years to see a degradation of what we've invested in parks. It's slow. You have to walk the trail at Livingston to see that the bridge and the planks are broken and they don't get fixed. And you have to walk around West High track and see that the drainage grates that should be around that track are off and broken and they're not fixed. I don't think there is anyone in this room that does that, but that's what I did and that's what I do. The fact of the matter is we're going to pay the piper down the road, just like we did for schools, at some point, and have to put \$100 million into severely neglected facilities. Now your parks facilities in terms of the ski area, it's leased; that's fine. It will be okay. The West Side Arena needs some help. But in general, the debt expense that they have to carry is huge because they were awarded an Enterprise system with all of these facilities that were so severely neglected; it wasn't like they inherited a bunch of new buildings that they could improve. So, this is just a comment. If we don't get behind this department, and Your Honor, I've had conversations with you so I want the public to know that you are behind them, and we need to make some changes over there. If this Board doesn't get behind them and give them some direction...they're a ship without a captain and we have to do something over there. It's a slow degradation of what's happening out there. You don't see turf disappear. First it gets weeds and the weeds are not green anymore. Then there's dirt. And it's going to happen on your watch or it's going to happen on someone else's watch who is going to be standing up there, Your Honor, where you are right now. And I don't think that's what you want to have happen. And it's slow. It's like you eat salt every day and eventually your veins will be clogged. And that's what's happening with

this department, and no one sees it, but I do. That's all I want to say about it. They have to struggle with what they have, like every other department has to struggle with what they have but I think...I'm just going to say this not knowing the facts. They probably have suffered more over the last few years than most other departments. If I'm wrong I stand to be corrected. I apologize for that. I think that's the truth and I think we're making a big mistake when we don't fund what we've invested in as a city in our parks department. That's all I'm going to say about that.

Mayor Gatsas stated well Alderman, if there is anything that I'm going to forget about at Parks, I'm sure you're going to remind me on a regular basis. And I certainly appreciate it because they have a great advocate, somebody that spent as much time in that system as you did. And certainly the parks that you did develop at that time, you did a great job doing it and you always did it under budget and made a difference. And certainly I know that you're going to remind us if we're not listening or paying attention, so I appreciate that.

Alderman Shea stated that's a hard act to follow and I compliment my colleague. Do you take advantage of the oil pricing?

Mr. DePrima responded we do, and we actually realized a savings. We show a savings in that particular line item...

Alderman Shea interjected right, \$7,000.

Mr. DePrima stated separate from that, because we closed down two of the greenhouses at our Cemetery division in order to save money on fuel as well.

Alderman Shea asked and the other question is, in addition to what was mentioned as grants, do you have any specific policy for writing grants? I know when Ron Johnson was part of the department there were quite a few grants that I was aware of. Right now, is there any person who is doing some grant writing in order to get state or federal funding in? Just a ballpark figure, how many grants do you have? I don't want to have you list what they are but specifically, are there grants that you're taking advantage of?

Mr. DePrima responded absolutely. We have several grants right now. Myself and the woman sitting behind me, Jessica Fleming, who has the Parks Planner position that I was originally hired for, we are writing several grants and currently taking advantage of approximately \$5 million worth of grants.

Alderman Shea asked what are they directed to? Is it trails?

Mr. DePrima responded yes.

Alderman Shea asked just trails?

Mr. DePrima responded yes. Right now the DOT and Department of Resources and Economic Development are the sources. The DRED source is no match. We just get the money. And the DOT source is Congestion Mitigation & Air Quality (CMAQ) and it is a 20-80 match.

Alderman Shea asked and will they be realized in this coming budget cycle that we're going into?

Mr. DePrima responded it's our intent. The grant deadline is April 1st, so it's our hope that it will.

Alderman Lopez stated I just want to make a few comments. My good friend Alderman Ludwig is very compassionate. I've worked with him for a number of years. I want to get to the 2009 overtime. For the sake of time here, you're deducting \$73,000 for overtime but your actual expenditure in 2009 was \$130,000. How are you going to make that in 2011? You don't have to answer that right now, but I need a complete explanation on that because once this budget is approved, I think to come back later and say you need money for overtime and all that, I think you have to project better on here. It's going to cost you more than \$51,000 in my opinion, but you can answer that in a memo to explain that overtime, where that overtime is and what they do.

Mayor Gatsas stated Alderman, maybe I can help you. I think that back in 2009, if my recollection serves me correctly, there were eight or nine vacant positions that weren't allowed to be filled, so the work that had to be completed was done by the employees that they had, and they were being overtime to do those different things that they needed to do. I think now that they've filled some of them, and they've filled some of them with part-time people, they are going to have the ability to meet those numbers.

Alderman Lopez stated just explain that a little bit better.

Mayor Gatsas stated sure, not a problem.

Alderman Lopez stated if you go to 682 and that's at Veteran's Park. You can give that to the Mayor and work that out between Intown and all that, but you have \$4,000 set up in there and Intown has money. There needs to be a clarification there someplace.

Mayor Gatsas stated Alderman, there will be clarifications on the money that moves around in this City.

Alderman Lopez stated 897, Public Entertainment, Fourth of July celebration, another area that the Mayor is looking at. You've got money there and he's got money there too so we don't know exactly what's what. And the last thing I think about the conversations that we've had here today, maybe somebody can take those 99 part-time positions that you keep referring to and put down the position, the cost and the division that they are in and how long these people work so that maybe the rest of the Aldermen, to include this Alderman, could understand those 99 positions. Now you might have additional like you did last year from OYS that Sam Maranto ran. So I think that to get a clear picture of this part-time thing...because I think most of the Aldermen don't know the ins and outs about it and I think they're trying to get their hands around these 99 positions. So if you can explain that in detail and just send it to them, that would be fine. I appreciate that.

Mr. DePrima stated we would be happy to generate that report.

Alderman Greazzo asked Mr. DePrima, how many people use the pools every year?

Mr. DePrima responded we do keep very detailed records of that. I don't have those numbers.

Mr. Vachon stated 77,786 starting approximately when school gets out until Labor Day.

Alderman Greazzo asked can you explain the reasoning for needing security at certain pools and not others? I know you want to change from a police officer to a salaried person but I don't understand why we need that.

Mr. DePrima responded because of the location of Hunt Pool specifically and that particular demographic, our lifeguards have been assaulted. There have been fights there. There have been stabbings there. We can back it up with the calls for service from the Police Department that justify that position.

Alderman Greazzo asked what was the total cost to run all of the pools?

Mr. Vachon responded per day, per facility, Crystal Lake is \$893.44; Raco Pool is about \$800; Livingston Pool is about \$1,000; Hunt Pool is about \$1,000; and Dupont Pool is \$700. So the cost per day for the five facilities is about \$4,700. Pre-season set up is about \$12,000 to get the pools ready to go and what not. That doesn't include any chemicals. And then operating...

Mr. DePrima interjected the total amount is approximately \$330,000 for the season.

Alderman Greazzo asked how many people from outside of Manchester use the pools?

Mr. Vachon responded about 1,200 people.

Alderman Greazzo asked have we given any thought to charging admission to any of the pools?

Mr. DePrima responded we are considering requiring that out of town people purchase a pass.

Alderman Shaw asked are you responsible for the winter maintenance of the schools or is it the Highway Department?

Mr. DePrima responded we are responsible for the plowing and sanding operations for all 23 schools.

Alderman O'Neil stated one of the things I'd like to get a handle around...we don't necessarily need to do it today. You and I have had a recent conversation about this. It's this whole summer employment thing. From what I understand there is the Manchester Community Resource Center (MCRC) program which I don't think involves city departments. They may get a suggestion on where to work. As a matter of fact, I think the Aldermen suggested getting off of Canal Street and into the parks. But then there is the OYS summer program which I think is with Parks. I'm not clear on that. If Parks...and I know Marty is here for OYS...if they can just kind of summarize that program for us and maybe Sam can summarize the MCRC program. We don't have to do that today. I'm just trying to get a handle on how many young people are we putting to work, what are the age groups – high school kids, college kids – I know the MCRC has an education component to it. I don't think the other one does. And you had mentioned to me that there might even be a third program out there.

Mayor Gatsas stated I can tell you, Alderman, that the conversations I've had for the last week has led me to confusion but I can tell you by the end of next week I will have it very clear in my mind what Parks gets for a number of children, where OYS is in the picture, and where the Manchester Community Resource Center is in the picture, along with the outside funding source that is also in the picture. I will certainly be able to bring them forward and have those discussions with the entire Board and have all the members here so they can answer whatever questions you may have.

Alderman O'Neil stated in that recent conversation, Your Honor, you and I talked about both of us thinking back to the days when there was a great program called Workreation. I can remember kids from my neighborhood who had the opportunity to do it. Did it get brought up earlier?

Mayor Gatsas responded it did. It's okay.

Alderman O'Neil asked where are we with all of this? What can we be doing with the summer employment program? I can remember...and I don't think it was Workreation... we used to have two parks instructors in about every park in the City of Manchester, and I don't think it was a huge cost. I'd like to get a handle on specific summer neighborhood-type programs, whether it's Workreation or whatever else it may be called. I don't think, Chuck, besides Fun in the Sun, and I think that's three locations, we're not doing any park programs.

Mr. DePrima stated we haven't done programming for quite some time now. In our budget we are including the same two Workreation crews that we had last year.

Alderman O'Neil stated okay, so if you can summarize that, where their work was last year. Again, for me there was some confusion with the MCRC crew. That would be helpful. The other thing is just some general statements, Your Honor. I think more than ever with all of our departments we need to find opportunities to work collaboratively. I'm very pleased to say I can think of three of them in the last year. Parks purchased a Bush Hog tractor. It's a Park's unit but in working with Highway, those folks are trained and they use it for different periods, and I think even Water Works. That is that collaborative effort that we need. It's a Park's unit but they work with the other two departments. I think there was a sharing earlier this year. Parks had a need for an old dump truck because they were moving rocks and they borrowed an old beater from the Highway Department, and it served that purpose. And finally, I know this fall Alderman Pinard and I worked with Tom Mattson from Parks and Bob Roy from Highway about getting some railroad ties pulled on the old Massabesic bed between Page and Mammoth Road. It was a Parks loader with a Highway backhoe, and I think in a day or two they accomplished an awful lot of work. Those are the kind of things we need to continue, so I applaud the departments for those efforts. I applaud Tom for working with Bob Roy on

that from Highway. We need to encourage as much collaborative cooperation as we can during these tight fiscal years.

Alderman Shea stated I just wanted to comment if you need any help with the parks, I was a park instructor years back, at Bakersville, among other parks. I really thought it worked very well. We had competition between the parks and the kids knew the park instructors. There was a male and a female at each park, and I think it worked out very well. I think the neighborhood kids really identified with that. Mr. McIntyre set that up years ago with Frank Cummings.

Alderman O'Neil asked are we okay with Fun in the Sun? I know over the years we've needed to make sure. Are we still going to service the same number of kids at the same locations as year's past?

Mr. DePrima responded the only thing that's changing is the location of the north end one from McIntyre to Dorrs Pond.

Alderman O'Neil asked financially are we okay with Fun in the Sun? Same number of staff hired...same number of kids should be able to be served?

Mr. DePrima responded yes.

Mr. Vachon stated our Enterprise budget is within the 98.5%. A lot of our reductions were due to McIntyre. The lease and management agreement with McIntyre...the large saving in salaries is because of temporary, part-time employees at McIntyre. We are considering and proposing a reorganization which I will get into in just a second, but the other major savings that we see in the Enterprise fund is our administration reorganization percentages. The Enterprise fund in the past was charged 60% for Administration and 40% was charged to the General Fund. We're proposing to change it

to a 50-50 split with the loss of McIntyre. That would be a savings of \$41,000 in the Enterprise, which in turn would put it into the General Fund, which we have stated and included in that report. The reorganization that we are proposing...we had a retirement of a Recreation Enterprise Manager in 2008. I am acting in that position right now, so I'm not officially in that position. We had a retirement in December of 2009, and with McIntyre now being gone, our proposal is to fill the vacant Recreation Enterprise Manager position. Once that was done, we would eliminate the Ski/Aquatic Supervisor, eliminate the Ski/Aquatic Maintenance worker position, and we would ultimately combine two positions which would be an Aquatics Director for six months of the year and a Recreation Facilities worker for six months of the year. The Recreation Facilities worker worked at the golf course and the ice arenas so in order to supplement for the golf course, half of that month we were proposing to employ two part-time employees. Ultimately it would show a savings by combining those four positions into two positions.

Alderman O'Neil asked is that in our packet or is that something you can get us?

Mr. Vachon responded it is not in your packet but we can definitely get it.

Mr. DePrima stated we will get you a description of how we are proposing to reorganize.

Alderman O'Neil asked is this just on the Enterprise side?

Mr. DePrima responded no. Prior to your showing up I proposed, since we had two retirements in the Cemetery division, which is General Fund, we are going to replace those two full-time positions with two or three part-time laborers at a savings. Part of what Andy just proposed is going to be an employee that is charged during the summertime for six months at a pay grade 18 to supervise the aquatic facilities on the

General Fund and for six months at a pay grade 15 to work in the ice arenas. We've taken four vacancies and collapsed them down to two.

Alderman O'Neil stated that's fine. Providing a summary would be good. I know this is not the year to have the discussion of getting out of the Enterprise at some point. I hope I live long enough that we can get out of the Enterprise function because...

Mayor Gatsas interjected Alderman, let me help you. I've been working with them to be working on an RFP for the West Side Arena so we can find maybe something else that we can do with it, because right now it's tired. It needs some refurbishing and maybe it would be wise to do what we did with McIntyre and the collaboration that we had there. Certainly you go by there and the number of people participating up there is incredible. I've asked them to put something together to bring to this Board so this Board can make a decision, if that's the road they want to go down, if it makes sense doing that.

Alderman O'Neil stated present and past staffs at Parks have tried everything in their powers to make it work. I think it was not right what was sent them and what was passed here was doomed from day one. The pools were in it at one point. Unfortunately we bonded off of it to do one pool renovation. We later got Gill Stadium out of it. What I would be interested in at some point, and they've all heard this from me, is we continue to make the square peg of Enterprise fit in a round hole, and I'm wondering if there is a way we can be a little more flexible. They generally keep Enterprise staffing as Enterprise staffing and General Fund staffing...if there is somehow a way when the Enterprise could use some help, some of the General Fund staff could move over. Easier said than done.

Mayor Gatsas stated I think what you will find that this restructuring that they are talking about applies to this.

Alderman O'Neil stated it's got to get down to the lower level sometimes though. We have a great group of guys who take care of Gill and JFK but could they also play a role in some of the other Parks facilities around there? I would look forward to seeing that, Your Honor, both the plan for the West Side Arena and the reorganization plan. Try to utilize in each department the best of the best that we have.

Alderman Ouellette stated I was going to ask questions about the West Side Arena as well. Chuck, if the RFP situation doesn't come to fruition, there is quite a bit of work that has to be done on the facility, especially in terms of the ice compressors and whatnot. Could you talk about that a little bit?

Mr. DePrima stated we have just repaired the roof over at that facility to the tune of approximately \$400,000. Now its ice making system and rink bed has essentially reached the same point that the JFK did several years back, so we're sort of at a point now where we need to either fund the repair of it, as we did at JFK, or locate a private entity to operate it as an ice arena or something else.

Alderman Ouellette asked how old is that ice making system?

Mr. DePrima responded it's about 30 or 40 years old.

Alderman Ludwig stated 1974.

Alderman Ouellette stated so it is as old as the building. It has never been upgraded.

Mr. DePrima stated the only upgrades we have done are we have added a de-humidification system, we upgraded the lights and we lowered the ceiling.

Alderman Ouellette asked if we were to do the same type of renovations we did at the JFK, how much money would that save in energy costs a year?

Mr. DePrima responded we haven't been able to do an analysis of that. We certainly could. It would save money. We can't tell you exactly how much.

Alderman Ouellette asked are you noticing some savings at the JFK since we changed over?

Mayor Gatsas stated I think what you're going to find there, Alderman, is the offset that you find in savings is costing you in debt service, and I think your debt service is higher than your savings. I think when you take a look to see whether it's cost effective...

Alderman Ouellette interjected that was where I was going. Thank you, Your Honor.

Alderman Greazzo asked is the restructuring an attempt to get rid of these Enterprises from the Parks Department, leasing out McIntyre and possibly the ice arena?

Mayor Gatsas responded I think what they're trying to do, when you start looking at McIntyre which was costing us \$137,000, along with debt service that was \$789,000, we now have somebody in there and generating the activity in the City that is back to what it was in the 1970's when it was first open. I think you're going to find the same thing with the West Side Arena. Obviously, because of us being conscious of what ice rates should be, versus being a business to generate a profit, the ice rates aren't comparable to what they should be if we were looking to generate a bottom line. We're looking at it more to make this service available to the kids in the City and reduce costs. I think we need to take a look at it. If we can get somebody to come in and take over the debt that we've had, improve the property and generate revenue to the City, as McIntyre is going to do if they are positive, that's a good thing. That's what we should be looking at.

Alderman Greazzo asked how many of these Enterprises do you oversee?

Mr. DePrima responded currently we have two ice arenas and the golf course.

Alderman Greazzo asked how many of them are profitable? You mentioned that you had certain Enterprises and they weren't necessarily self-sustaining. I'm guessing the goal is to get them off to someone that can make them self-sustaining?

Mr. DePrima responded at this point none of them are profitable. None of them have a net profit.

Mayor Gatsas stated and the reason why the golf course isn't, if you look at the fees, we charge about \$750 a year for a membership. If you want to play 100 times, you can play 100 times. The public can't come in to have an open on a Saturday or a Sunday. Usually the member kind of fulfills that. So I think that when you look at it, I think the money that generates from the golf course would be okay if we can get some of these other Enterprise funds off its back and let it operate.

Mr. DePrima stated we also have about \$4.5 million in debt service at the Country Club.

Alderman Craig stated it looks as though you have decreased the number of people working but your workers comp has increased. I was wondering how we got there.

Mr. DePrima responded those numbers, I'd have to refer to Harry Ntapolis. They come from him.

Mayor Gatsas stated let me see if I can answer that question for you. They are an Enterprise Fund so they are charged back, because we are self insured for our workers

comp. I think if they went out to look for a workers comp policy in the open market, they would find that that rate could be, I want to say maybe \$100,000. But because they are under ours, it's a charge back from the Risk Manager to the Enterprise Fund for the services that they do for them. It may be because they had some incidents and their modification looks like it may be moving up so I think the appropriate thing is to move some of those distributed line items.

Alderman Craig stated you have a healthy marketing budget. I was wondering if you could talk to me about that. I was comparing it, for example, to the Economic Development budget of about \$6,000 and this is \$51,000. Could you tell me a little bit about what is included there?

Mr. Vachon responded we have a marketing firm that we've hired. We pay them \$36,000 a year. They also get 5% of the revenues that they generate. Also included in there are things like painting the ice logos at the coliseums and doing the artistic work for the dasher boards as well.

Alderman Craig asked so what does that agency do for you for marketing?

Mr. DePrima responded they sell that advertising. They go out and solicit those people to advertise on those boards.

Alderman Craig stated so revenues will cover this.

Mr. Vachon stated they've also done some partnerships with us. They brought in a couple of utility vehicles that we've been able to use. They've been very, very helpful to us and been no cost to us as well.

Mayor Gatsas asked without getting into a revenue discussion, can you tell us how much revenue is generated by the advertising agency that we are paying \$51,000?

Mr. DePrima responded they are approximately at the \$75,000 budget.

Mayor Gatsas asked to be clear, are they returning \$75,000 to the City or their total revenue is \$75,000 and we're splitting that on a 50-50 basis?

Mr. Vachon responded they bring in about \$75,000. We pay them 5% of the gross revenues and we also pay them the \$36,000 and then we pay for the artwork and such at the coliseums.

Mayor Gatsas stated so I guess if you could be so kind to prepare an entire analysis for this Board on what the revenue is, what our cost is, and whether it makes sense to continue having a marketing company that may be just about breaking even.

Alderman Shea stated I think we've discussed this. There is no one who likes hockey more than I do. I have a son who played and a granddaughter who plays. But, because of the new rinks that have come into the area... and we reviewed this...Goffstown High School, Trinity High School use St. Anselm. St. Anselm used to rent the West Side Arena. West High School has a junior varsity team but not a varsity team. And then another rink Avalanche uses as well as the other rink that the Monarch younger kids use, I really think that there should be a real thorough investigation as to the profitability of the West Side Arena. I concur with what you folks are trying to do as far as maybe converting that into some sort of an Enterprise so that maybe people who want to can set it up for indoor soccer, lacrosse, or other kinds of activities. So the sooner we divest ourselves, in my judgment, of the West Side Arena, the better off we'll be. The second point is could you just review quickly the RFP you intend to send out so as to extend the fact that people can play the eighth hole at the Derryfield Country Club so that the

drainage will be kind of handled and so forth. I know that that's part of what is in the CIP budget but I'm not sure...

Mayor Gatsas interjected we'll have that discussion there.

Alderman Shea asked at the CIP? Thanks, Your Honor.

Alderman Ludwig stated I was just instructed, no more 20 minute dissertations, so it's not going to be that. There has been an awful lot thrown out here on the table about West Side Arena. I think all those things should be on the table and we should look at it. But I would caution the Mayor and all members of this Board to go very slowly, talk to all the groups that are involved before we jump into pool, so to speak. There are still a lot of kids out there that...hockey is an expensive game, and having had two kids in the program at one time I can tell you it was very expensive. So, I would just go slowly. I'm not saying we shouldn't look at it. And certainly we should. To answer a question about the difference between the West Side Arena, remember that when Sylvio Dupuis and a others got together and said we should have another ice rink on the other side of the City, it wasn't built like the JFK. The JFK was actually built as a civic center. That was the first name of the JFK, the Manchester Civic Center. So, it was a facility that was built for entertainment. It wasn't constructed with necessarily the most energy efficient methods in mind at the time. And it was really a facility...and as far as hockey goes it was only constructed between October and March, where the West Side Arena was a Butler building and it was built more as practice facility with very little seating. So it could become a more efficient facility in terms of using it year round. That was the design of the building and that was the intent today. But again, it's a Butler building. It's a steel building with an aggregate roof. And it's tired. So the City is going to have to do something with it. I think you know that, Your Honor. I would just caution to go slow and talk to the groups that are using the facility before we just jump out for an RFP. I think the State uses a process whereby you have to meet certain criteria before you just

jump into the water. I'm not saying we shouldn't do it. I'm just saying that we should go slow and take a look at it. McIntyre seems to be doing okay, but I think the proof is still in the pudding there. Let's see three years out what it is doing. I've been up there several times. I live in the neighborhood and I think it's doing okay, but I'm not prepared to say yet that it's where we want it to be.

Mayor Gatsas stated I can tell you, Alderman, that it will be a very busy day up there tomorrow because between the hours of twelve and one they are having a benefit for prostate cancer that starts at nine and yesterday morning I got a call and Charlie Sherman challenged me if he could raise \$1,000 to do a tube ride down the hill, so I told him I would agree to do that.

Alderman Lopez stated Parks and Recreation is probably the department that's talked most of. In the wintertime they plan; in the summertime every Alderman calls them, every softball player and everybody else. The major issue that the Board of Mayor and Aldermen have to deal with, and I'm going to call on the Finance Officer to just make a brief comment about bond counsel, his recommendation, just so that you're hearing it from the horse's mouth that we have to have a plan. That's our biggest challenge. We have to have a plan to wipe out that debt. So with that I'll let the Finance Officer end the conversation.

Mr. William Sanders, Finance Officer, stated as of the end of June of 2009, the Recreation Fund is indebted to the General Fund to the amount of \$3.5 million that has been advanced against what I will refer to as the cash operating deficit that they've had over the past three to four years. The advancing implies that we expect it to be repaid. We have talked to bond counsel and rating agencies in prior years that we are developing plans to make the fund a sustaining fund or the Aldermen will have to take other action. Certainly I would say the McIntyre action is a positive step in terms of reducing the deficit, although I think they will still be operating at a deficit in 2011 of, let's say

\$900,000. This is a matter that does require constant attention and serious action over time. It doesn't have to be fixed in one year but it does need to be fixed or the bond rating and the tax rate will suffer.

Mayor Gatsas stated just for clarification, the \$788,700 debt that was on McIntyre that has been absorbed through the transaction, does that come off the \$3.5 million or are you still talking \$3.5 million over and above that?

Mr. Sanders responded I am talking \$3.5 million over and above that.

Mayor Gatsas stated when we do the analysis and look at the RFP for the West Side Arena, we should see what the cost line item there is versus what it would cost us...because if we're going to go out and bond, it's going to probably cost another \$1.8 million to put that facility into a position, and that will be added onto the debt service of \$3.5 million. So I think we need to take a very clear look at what road we're going down. And I agree with Alderman Ludwig that it is about servicing the children of this community and sometimes we've got to bite hard on what we do to make sure that's available to the kids. But I think that as we do it we can put some restrictions in that RFP that say the youth groups must be serviced first and there can't be increases of ice time of more than XYZ. And that again reflects what kind of proposal we get coming forward. It may not be the best one, but it may be something we can live with to make sure we still have the services available for the children.

Alderman O'Neil stated I just want to stay on this one issue, and I know Alderman Lopez has suggested that we move on. Alderman Corriveau and I had a little sidebar on this, on the marketing. It brings in \$75,000. Of that, \$36,000 goes to the consultant as well as they get approximately \$4,000 as their success fee, the 5%. So is my math that we're spending \$40,000 to get \$35,000?

Mr. Vachon responded we also have expenses related to painting the ice logos at the ice arenas and the art work at the dasher boards and such every year. Those are in addition. That doesn't get paid to them. It gets paid to various artists, but it comes off that \$75,000 worth of revenue.

Alderman O'Neil stated my point is it doesn't seem like it's working.

Mayor Gatsas stated that's why I asked them to do a complete analysis. What are we spending on doing the dashers and painting the ice? Do we know? You'll get back to us.

Mr. DePrima stated we will provide a report on that.

Alderman Shea stated my professor at St. Anselm used to use the expression 'festina lente' which means hasten slowly, and that's always what I've done.

Mayor Gatsas stated next we will hear from the MTA. What you will find in this presentation, because they are not a department of the City, there is no HTE comparison. So what you are seeing before you is their budget as they go forward, and I think that certainly they've done a great job this year, coming forward that meets the requirements of the 1.5%. We've also helped them out as a city because they are part of this City. They were talking about health insurance costs going up 27%. I asked them to talk with our HR Department to see if they could piggyback on the City's health insurance. The two programs are very close. They are right now in the process of negotiating with their unions so to bring our plan forward is probably a good time and it's going to save them \$75,000, so I think that as an entity of the City, maybe not as a department, but certainly we should be extending anything that we can do to the various departments and also the non-profits to help them along. If it's not costing us money to do it, we should make it available to them. So with that I will let you start, and certainly I congratulate you for meeting the 1.5% and not telling us that we're going to stop busing and all the reactions

we had in the last budget. I applaud the Commission for that and I certainly applaud you and your staff for it.

Mr. Mike Whitten, MTA Interim Executive Director, stated I'm joined this morning by Bill Cantwell, our finance officer, and John Trisciani, the chairman of our Board of Commissioners. As the Mayor said, we faced some serious cost increases this year, the largest of which was health insurance, an increase of 27% which accounted for about \$200,000 in added expense. In addition to that, we've been notified by the town of Bedford that they will be eliminating their subsidy to the MTA. That's approximately \$43,000 a year. They are discontinuing that for this upcoming fiscal year. In addition we will not have ARA operating assistance of approximately \$67,000. That was a one-time deal that enabled us to continue some service last year that otherwise would have had to have been cut. We're also looking at a fuel increase of approximately \$40,000. This is based on projections from the Highway Department for the cost of diesel increasing from \$2.00 per gallon to approximately \$2.55. When we put our initial budget together and we looked at what the cost would be if we kept everything the same, if we ran the service we have right now, we didn't make any changes, just kind of business as usual, the City's contribution requirement would be \$1.3 million. Obviously in this current economic situation that was not realistic. It was not a possibility. So it left us with a pretty significant challenge. To meet the Mayor's request of a 1.5% budget decrease, we needed to get that number down to \$886,500. There are two ways of doing that. First you can look at trimming your expenses; second you look at increasing your revenues. We have done both. You've been provided with a yearly comparison for budget. You can see the reductions that were made to line item expenses. One thing I would like to talk about is we're proposing a grant; it's called a Livability Grant. These are a new funding opportunity from the FTA. What this grant would do is it would allow us to receive some capital for new vehicles. If I can speak candidly I think we would all agree that the MTA has a few too many very large buses. We have a very new fleet. We're very fortunate for that. The majority of our vehicles, 12 out of the 15 buses, are 2006 or

newer. They are 30 foot long Gilligs. They are big city buses. To be completely honest with you, we do not need that many buses of that size to carry out our service. It's not the most effective, efficient, or best passenger serving method. What we've looked at doing is finding a way to get some more neighborhood-friendly, smaller vehicles. This will enable us to have greater flexibility in meeting our passenger demand. We currently run what's called a Stepsaver service. This is a requirement under the FTA. It's an Americans with Disabilities Act accessible complementary service to our fixed route. It's for people in the City who have a disability that will prevent them from accessing the fixed route. It's a requirement of service. We have added costs there because with a 30-foot bus there are a number of sections of the City that you just can't drive a bus that size through, so we have a traditional fixed route out and back, and if the passenger can't get to the bus stop, then they have to use the Stepsaver service. The total cost on a fixed route bus is \$6.56 per passenger. The cost on a Stepsaver vehicle is about \$38.00. So you can see it's significantly more expensive to transport people on Stepsaver. That's because the majority of our cost are the driver and the vehicle insurance, and there is no significant variance in either of those for the size of the vehicle. A fixed route carried far more passengers. Your cost per passenger is greatly increased on the smaller service. So what we've done is identified a grant that will allow us to purchase low floor cutaway vehicles. These are vehicles that will hold approximately 24 passengers. If you're familiar with our Stepsaver vehicles, they are approximately the same size. They are a little bit longer but they are not wider, which is what is important. They will fit in all of the neighborhood streets. This will enable us to make adjustments as needed for where the demand changes. So if from month to month we have to shift one block because in the winter Harrison Street is a little more passable than Prospect Street, we can do that. We can make those adjustments that are needed to meet the demand of the passengers currently using the system. One added benefit of these vehicles, unlike our current Stepsavers, is that they have low floors. They have no stairs, so passengers with mobility devices or people who have canes and may have difficulty climbing the stairs of a traditional bus would be able to use these. It's one step that folds out into a ramp. This

will enable us to reduce our demand on our Stepsaver service and get these folks onto a low floor vehicle that will be operating what we propose will be a healthcare shuttle. MTA currently runs a shopper shuttle. It is highly successful. It runs on Monday, Wednesday and Friday. The healthcare shuttle is going to connect Veteran's Park, which is our major transfer center, with all of the east side health care facilities – the Elliot Hospital, the Doctor's Park on Tarrytown Road, the Dartmouth Hitchcock Clinic, the Veterans Hospital, and Manchester Mental Health on Elm Street. This will run in a big circle. It will run approximately once an hour. This will enable the MTA to then eliminate route number one and to combine numbers two and four. So we would be losing, in effect, two fixed-route buses, two of those large 30-foot Gillig buses, and replacing them with this more accessible, more cost-effective healthcare circulator. The result is that no significant ridership area of the City will lose service. We will still have service to all of the healthcare facilities, but we are doing it in a way that is more efficient. Right now a lot of patients at these healthcare facilities ride our Stepsaver service while the employees ride the fixed route. It's something that's been very frustrating for me to see, a Stepsaver vehicle arrives at the Elliot and one passenger gets out and then a 30 foot bus follows it, stops at the same place, and one more passenger gets out. I think it's important that we get both of those people onto the same vehicle. It will eliminate redundancies in our service and allow us to redeploy the assets that we already have in a more efficient way to reach a greater number of people.

Mayor Gatsas stated let me just stop you there for a second. I think you all know that Carol Williams is a Commissioner at the MTA, and I can tell you that Carol supports this notion of how we're going to move people around, on the ADA side, I can tell you that there is a very big advocate at the MTA who has looked at this, has seen it and says it's the better way to go. So I just want clarification for people so that they understand that somebody who is very involved in the ADA process is okay with this process.

Mr. Whitten stated this new circulator service will allow us to eliminate approximately \$240,000 a year from our operating budget, so this is not just a savings for this one fiscal year. This is going to be a continuous savings moving forward. It's not going to leave any major part of the City without any bus service. There will be some reductions in services in areas that are not being utilized effectively. One of those that we have identified is the Lake Massabesic area. The ridership has been going down for the last four years. It averages six and a half passengers per day, and it has 12 trips out there. That's not cost effective, so that area would no longer have fixed route service. Also, we will be trimming route 13 which is the fixed route that goes into Bedford. That's a direct result of the loss of the Bedford funding. That route would only travel as far as the Walmart on Colby Court. It would then return to Manchester.

Mayor Gatsas stated just a clarification there also... That costs us \$43,000 that the town of Bedford used to pay the MTA, but that is the second busiest route that we have in use. I know that they are talking about eliminating it, but this Board must take a look and think about whether it behooves us to pay that \$43,000 to continue the amount of transportation that we're offering for people to get to Target, to get to Wal-mart, to get to the Bedford Mall. It is the second largest utilized route in the City, so it's something that we say is eliminated but we as a Board should think about it and how we might be able to accommodate that as we go through this budget process.

Mr. Whitten stated so doing that, increasing our revenues and cutting our bottom line expenses, we are able to meet that \$886,500 budget projection. The MTA will be using approximately \$187,984 of cash reserves that we have to bridge the gap in the service between what the City is able to contribute and what the service will cost. What has happened is we have taken our \$1.3 million contribution requirement and reduced the budget to the point of \$1.074 million. It's still not enough to get to what the goal was but the MTA has been fortunate in a number of grant opportunities over this last fiscal year that we are going to end this fiscal year with approximately \$240,000 in cash available.

So we are going to use \$187,000 of that to fund the difference. That's something that we've looked closely at and feel comfortable being able to do. The reason we're not able to go above that number is that's the operating money that's required for the first month of the fiscal year, for July. Grant reimbursement comes at the end of the month but you have to be able to meet your payroll needs and your fuel needs throughout the month before you get that money returned. So we were able to use \$187,000 to take some of the burden off of the City.

Mayor Gatsas asked so what's the number left for a balance there?

Mr. Whitten responded approximately \$60,000.

Mayor Gatsas stated let's put that on the side and we can have the discussion about that \$60,000 as we go through this budget process because I think that if we're willing as a community to guarantee the MTA that we will subsidize them until their grants come in, and they use \$43,000 of that to do the Bedford route, so that we can continue that route, I think that is something that we should all think about. That's why I wanted clarification that the \$60,000 that's over and above the \$187,000 needs to meet their demands for their monthly payments in that first month of operation. But keep it in mind. Think about the \$43,000. As we continue this discussion if we as a community are willing to back them up and tell them if they need money to get through it until you get your payments from the federal government and then reimburse us, that will be fine.

Mr. Whitten stated at this time I'm happy to answer any questions that the Board may have about that.

Alderman O'Neil asked Mike, could you do a summary for us of your comments? I was trying to keep up. It was very well thought out. At some point this week, if you can, provide for the Clerk your comments on...are you talking about eliminating the Massabesic Lake bus or just eliminating going as far out as the Lake?

Mr. Whitten responded it would be eliminating going as far out as the Lake. We would look at routes two and four and combine them. The new fixed route would still service the Eastside Plaza. It would then continue out to East Industrial Park via Page Street.

Alderman O'Neil stated when you mentioned low ridership I was challenged by one of your predecessors to ride the bus, and I picked it up just east of the Eastside Plaza numerous times and rode it in. It was pretty full coming in. So you're just talking about eliminating as far out as the traffic circle. I know at one point that you and I, as well as your predecessor, had a discussion about Stepsavers. Aren't there some other alternative programs you were looking at such as...I may not have this exactly right...in some cases you have the ability to pay for a taxi to pick up that person?

Mr. Whitten responded it's something that the FTA will allow. You can use a taxi voucher program, but it is something we would have to negotiate with the union because it's considered union work right now. We haven't been successful with that at this point.

Alderman O'Neil stated I guess that's about it, Your Honor, if Mike could provide a summary of his comments.

Alderman Lopez stated first of all, in ten years, I like your comments about smaller buses because the community is going to like that. It has been a topic for a long time. Does Target or do any of the grocery stores contribute anything?

Mr. Whitten responded they do not. One of the things that we did, working with Russ Marcoux, the town manager of the town of Bedford, is a letter was sent out to all businesses that are located on that commercial corridor, South River Road, currently served by the Bedford, letting them know the budget situation the town of Bedford was in and asking them if they would consider the possibility of contributing to make up for that budget shortfall, and we did not receive one positive reply back. The consensus was that they understand the pain that the town and the city are going through but they don't feel that their store gets a significant contribution in terms of sales from that route.

Alderman Lopez asked how many people do we have on that particular route?

Mr. Whitten asked how many commuters? We are not able from our fare revenue to tell who is riding the bus. I can tell you that the Bedford route in a given month takes approximately 5,500 passengers. How many of them are commuters versus how many are shoppers we can't tell.

Alderman Long stated that was one of my questions, whether that Bedford route was employees going to work or shoppers. We don't know the demographics of the 5,500?

Mr. Whitten responded right. We are not able to tell. We just know that it's a fare paying rider. We don't know what the purpose of their trip is.

Alderman Long stated currently with the management agreement we have three employees with First Transit within the contract. Is that correct?

Mr. Whitten responded that's correct.

Alderman Long asked do we have those three employees right now?

Mr. Whitten responded we have two. I'm serving as an interim executive director. I'm normally the assistant director.

Alderman Long asked is there another avenue with which the City or whoever this management agreement is with...it's with the Commissioners, will they get a prorated part of whatever salary we're not using?

Mayor Gatsas responded there's a reduction. It's not a flat...it's based on salaries and people over there, so there will be a reduction until they fill that position.

Mr. Bill Cantwell, MTA Finance Officer, stated correct, but we've had people come in from First Transit, so there are three there.

Alderman Long stated okay, but I just heard there are only two.

Mr. Cantwell stated there have been people coming in to work with us.

Mr. Whitten stated we've had temporary assistants supplied by First Transit for one week periods at a time. They are able to get somebody in specifically designed for what our needs that week are. So, if we're looking at scheduling, they'll get us someone who does scheduling. When we got to the budget, they sent someone with a finance background. So we're able to tailor it for the specific projects of a given week.

Alderman Long stated in my opinion this ties into the budget because it's all about management and labor relations and putting our best face forward in order to get the best product for the citizens of Manchester. Six or seven months ago wasn't there an issue with respect to labor/management troubles? Have there been any attempts to fix that right now?

Mr. Whitten responded yes. We currently have labor/management meetings every other Monday. This is an opportunity for the union and management to come together for about an hour and a half. It's an open forum. Each side is able to present any concerns that they have, whether it be from a financial aspect or safety or service on the street. It gives us one extra step other than the formal grievance process where concerns can be shared and joint remedies sought.

Alderman Long asked what have you identified as the issues that brought it to a boil seven months ago. Have you been able to identify something that wasn't in effect that is now in effect?

Mayor Gatsas responded I think seven months ago we took care of the problem.

Alderman Long stated I'm not sure of that.

Mayor Gatsas stated then my suggestion is, do like I did and ride the buses and I think you will see that the problem is corrected by 95% of what it was seven months ago.

Alderman Long stated I'll have to disagree with that from who I'm hearing from. I'll stop it there.

Alderman Arnold stated just to continue the conversation about the Bedford subsidy, do you know off the top of your head how long Bedford has provided a subsidy for that route?

Mr. Whitten responded probably 15 years. It has been a significant amount of time.

Alderman Arnold stated the only comment I would offer on that is I agree that we should give some consideration as to whether or not we want to pick that up, but I guess just the principle of the Bedford community receiving a benefit from it, and they have offered this subsidy for so long, and for them to simply say they aren't going to do it anymore, and then basically stick us with the bill, I have some concern over that.

Mayor Gatsas stated I appreciate where you're coming from, Alderman. I can tell you that I will start in the next week talking to the businesses that are out there. I think Bedford's problem is that it's not their ridership that are on the bus. It's people from Manchester that are going out to their businesses. It's not the Bedford people taking the bus coming into Manchester. So I think we need to have conversations with the businesses that are out there because I think you will find that a lot of people that take that bus early in the morning going all the way out are going to work. And if we don't think of a way to subsidize that, it's going to be very difficult for those people to get out there.

Alderman Arnold stated I can understand that, but even people that are going to work, they are working at a business that is on the tax roles in Bedford, right?

Mayor Gatsas responded I hear you and I agree with what you're saying. I will start next week. We have I believe it's Shaws that makes a contribution for a bus that stops there. What do they pay, \$6,000 a year?

Mr. Whitten responded yes.

Mayor Gatsas stated so there is an opportunity to talk to some of the businesses out there directly that maybe we can get some sort of contribution to offset the \$43,000. I agree with you.

Alderman Greazzo asked Mr. Whitten, could you expand a little bit more on your bus size reduction plan? Are you planning on phasing out the older units and buying new ones? You're not planning on replacing your entire fleet with these are you?

Mr. Whitten responded no. One of the things that we had looked at originally with such a new fleet was the idea of purchasing smaller vehicles and then selling the larger vehicles to recoup what cost we could. It quickly became apparent that that was not going to be a very cost effective method, largely because the federal government purchases 80% of those vehicles. They have a 12 year useful life and we would have to send those vehicles to another FTA property. We are not able to dispose of them until their useful life is up. So 80% of the depreciated value of the vehicle is going to transfer directly to whatever property takes ownership of it. Of the remaining 20%, 10% of that came from New Hampshire DOT. So the City is only going to realize 10% of the depreciated value of the vehicle. We could sell all three of the 30-foot Gilligs we're looking at replacing and it will only pay for half of one low floor vehicle. So what we would like to do is this: Concord has advised us that in the next two months they are going to be releasing an RFP for intercity bus service between Concord and Manchester. We think this gives the MTA a fantastic opportunity to apply for that grant, knowing that we have capital available. We won't need capital assistance and I think that gives us a huge advantage over our competitors because we have 30 foot buses that are three years old that we are able to put on that project. So that's our plan to redeploy that capital that we already have and expand service to Concord at no added cost.

Alderman Greazzo asked do you have some sort of timeframe for when you're going to start bringing in the newer vehicles?

Mr. Whitten responded we have the CIP hearing I believe today, a little later. Once we have confirmation that we have the local match in place, it's a six month turnaround for the vehicles. We'll put the bid out immediately.

Alderman Shea stated I was just intrigued by the healthcare vehicle. You gave an example of someone at the Hitchcock Clinic. What I'd be interested in is kind of filling in the gap. When these particular buses go, we'll say from the Hitchcock Clinic, does that bus go back to a centralized area so that the people then who have taken that bus, somehow they've gotten to the Hitchcock Clinic, how do they get back to where they left from? In other words, is there some way of them picking up a bus that will take them back home or what?

Mr. Whitten responded the circulator ties in with Veterans Park. It's one of the stops on the circulator. That is a transfer point that connects to all of MTA's fixed routes. Also having such a convenient downtown location will enable Stepsaver clients to transfer there. So rather than have to send Stepsaver demand response vehicles to extreme sections of the City like the Dartmouth Clinic, they're able to just come downtown. We're able to get the trip times reduced for passengers.

Alderman Shea asked would they tend to get a transfer?

Mr. Whitten responded yes, it is a free transfer.

Alderman Craig asked when will you hear about the Livability grant?

Mr. Whitten responded the deadline to apply is February 5th. We have the grant 95% written. We're just going to plug in the numbers based on how the CIP request goes. We've partnered with Southern New Hampshire Planning Commission. Tim White over

there has been a tremendous resource for us. We should know hopefully by the end of February.

Alderman Craig asked with the smaller buses will you consider adding routes so, for example, entering into the 55 and over community on Candia Road that you currently don't?

Mr. Whitten responded it's something we definitely will look at. If there are opportunities out there to serve in a section of the City or a demographic, a population that currently isn't served, we're absolutely in favor of looking at that.

Alderman Craig stated just going back to the Bedford service, I think it is important that we determine the ridership and why people are riding those buses. Just one idea for you, if it is indeed people going to Wal-mart and Target, there is another neighbor that we have that has both of those stores, so you may want to speak to another town that maybe would want to pick up the subsidy.

Mr. Whitten stated we've had conversations with the town of Hooksett. It looks like they are likely to start with more of a shopper shuttle type of thing. They're looking at a much lower requirement for contribution, something that runs maybe three days a week, but we are moving in that direction.

Mayor Gatsas stated let me just throw out a number. We are seeing a number in their budget of \$886,500. If we add the \$43,000 to the balance that they have of \$60,000, with the agreement that you can come to the City for that first month of operating to make sure you succeed and we'll be there to help you, that budget would then turn into \$929,500. If the wish of this Board is to continue that route, because it's not only about servicing the businesses that are out there, but people actually going back and forth to work. I think I

remember that you said the Stepsaver was \$38 of a subsidy for each person and it was \$6.87 for a subsidy for the buses, or was that a high number?

Mr. Whitten responded approximately \$6.56.

Mayor Gatsas stated the subsidy that we're looking at for the 5,500 per month times 12 divided into the \$43,000 is about a 65 cent subsidy. So I would look at it and say that probably the City is getting the biggest bang for a buck when you look at a subsidy, versus what we're talking about in other factions. I don't want them leaving not thinking either we're going to do it or not do it. If this Board wants to take a few minutes or some time to think about it, that's fine. Or if we want to make a motion to allow them to increase their budget to \$929,500 with the understanding that we as a Board are going to make sure we help them to get through that tough time before their grants come in.

***Alderman Ouellette** moved to increase the budget for the MTA to \$929,500. The motion was duly seconded by **Alderman Shea**.*

Alderman Ludwig stated when I watch Channel 22, years ago...are we on the same line as years ago when it seems like you had discussions with the MTA in terms of overages or dollars that they needed to subsidize these grants, that they were uncomfortable doing and how has that changed? Is this just a different level of comfort? I'm good with it.

Mayor Gatsas responded Alderman, I hear you and I certainly appreciate where you're coming from, and the people that are on this Board, and they've been here for a while...I've obviously participated in these discussions for over ten years along with Aldermen O'Neil, Lopez and Shea. I don't want to miss anybody, but I can tell you that this is the first time that I've sat with people that understood their budget, understood the guidelines that I was giving them, are happy that we are going to find savings for them in their health insurance and came forward with a budget and ideas, because most of the

time you would never have heard about discussions of the \$227,000 unless we started digging and the person that was doing the accounting all of a sudden decided to fess up. I congratulate him for coming forward because it's the best budget presentation I've seen in ten years and certainly the most prepared. So I congratulate you and your team for it and certainly the Commissioners working together with the City, and I think it's an obligation of this City to talk about those 5,500 people who take that bus on a monthly basis to assure them that we are not going to stop that service.

Alderman Ouellette stated to further add to those comments, I don't think it's from this Alderman's perspective who has sat here for a couple of years and hearing testimony from the ridership in those past years that the Mayor is talking about. It's not so much that I think this \$43,000 is investing in the businesses out in Bedford. I think we're investing this money into the people who actually ride the buses, especially the ones who ride it to work. And those are the people that we heard from the most. I don't think that there is a big outcry of people who are using the buses to go shopping at the Bedford Mall. My concern is getting those people to work, across the border into Bedford, and making sure that their lives are not affected because of Bedford's unwillingness to invest in their businesses. That's the reason I made the motion and that's why I support the motion.

Alderman Shea asked for clarification, will their budget remain at \$886,500 or with this \$43,000 being somewhat what the other agencies are doing in the City? In other words, this is something that would not be added to it. In other words, is their budget \$886,500 or \$929,500?

Mayor Gatsas stated I believe that the motion that I would like to see...they've come forward with a budget that meets the demands I asked, the one and a half percent. They've done that adequately. I think it's this Board taking a look at where they are and saying that we'll subsidize the \$43,000. I want them to leave with the understanding that

they have \$929,500, but that's only because of the decision that this Board made to say, 'Put it in your budget and do it and if you're short...' They have the money in their budget to do it, Alderman Shea. However, by federal guidelines they must have enough money to take care of the subsidies until they get their federal disbursement. I'm saying we can do it either way. We can leave them at the \$886,500 with the understanding that they include the services, and when they pay it, if they're short they come back to us. So whatever way this Board wants to do it. If they want to continue down the street that we've been going...

Alderman Shea interjected for consistency that's what I feel we should do.

Mayor Gatsas asked how about if we get a friendly amendment to that motion?

Alderman Shea stated that we keep the budget at \$886,500 but that the \$43,000 that they need, which I support would be...

Mayor Gatsas interjected if they would continue the Bedford route and not change that, and if you need a subsidy from the City to get you to the point of having enough money to run your buses until you get your federal funds, then you come to us and we will give it to you at no cost, and when you get your federal funds, you would pay it back to us.

Alderman Shea stated that would be more consistent with what we've been doing with every other department.

Mayor Gatsas stated how about if I do this. How about if we remove those motions and then come back with a fresh motion, but let's have a discussion.

Alderman Shea withdrew his second and **Alderman Ouellette** withdrew his motion.

Alderman Lopez stated I agree with Alderman Shea but I just want to make sure that if they move forward and spend the \$43,000, and Mr. Sanders, the appropriation line being \$886,500, and if they did come back for \$43,000 for that bus route...

Mayor Gatsas interjected I may not have been clear. Let me just help you. The \$43,000 that I am talking about is not a subsidy from the City. The \$43,000 they have in their budget. But that \$43,000 they must keep in a line item to show the federal government that they can operate for a month before the federal funds come in. So I'm not saying that we must kick in another \$43,000. They're going to take it from the \$60,000. \$43,000 of that will come in. I'm talking about if they come to us in July and say they don't have enough money in their account to meet their obligations till the federal funds come in, we will certainly look at them and help them and give them the funds. It's no additional dollars coming from the City.

Alderman Lopez asked so when you say we'll help them, do you mean we'll loan them some money?

Mayor Gatsas responded we'll loan them some money to get through the tough time and then they'll pay it back. It's not a subsidy that's coming from the City.

Alderman Lopez stated okay, that's what I wanted cleared up in my own mind.

Alderman Arnold stated I just want to clarify that I am not unsympathetic to the individuals who are Manchester residents who work in Bedford. I guess just the principle of if a surrounding town has a history of footing the bill for something and then when they decide to stop paying for it, I don't think as a matter of policy Manchester should always be so happy to pick up the bill. I agree with all of the Aldermen who have said we probably should in this case, but I just wanted to offer a comment.

Mayor Gatsas stated and again, I don't think it's coming from the taxpayers of Manchester. It's really coming from the overage that they have gotten from the ridership or the savings that they've shown in their budget. It's not Manchester taxpayers subsidizing the \$43,000. They're just taking it out of their net gain at the end of the year and saying they will participate if the City will help them out going forward.

Alderman O'Neil stated Mike, I want to make sure I understand this. You made a recommendation that based on our subsidy of \$886,500 that you were going to stop because of Bedford deciding not to do their subsidy of \$43,000. You were going to stop at Colby Court, just over the line. I guess trying to follow this now, I agree with the Mayor and I think in the past we've helped bridge till those federal funds come in. But do you actually have the money to continue the service out there?

Mr. Whitten responded we will definitely need to take the City up on that offer because this is money appropriated for the first month of the fiscal year. There is no way we'll have that reserve for July 1st. We won't get that reimbursement until July 31st, so we would need that \$43,000 for the beginning of the fiscal year.

Mayor Gatsas stated the word you used, 'bridge' is a good word.

Alderman O'Neil asked was that the only reason that you recommended the reduction in the route, because you didn't have the mechanism to bridge the funds?

Mr. Whitten responded the ridership there is strong but we felt it was something the Board should make the decision on.

Alderman O'Neil stated I know several years ago a consultant was brought on board to try to help get an idea of our ridership. Is there any way the drivers can take a poll. Mary Smith comes on and they ask her if she's going shopping or are you going to work? Is there any way we can do that?

Mr. Whitten responded yes,

Alderman O'Neil stated because that would be helpful to know how many of the 5,500 riders...so there is a mechanism to do that. And secondly are there subsidies from Londonderry, Hooksett, Goffstown?

Mr. Whitten responded no.

Alderman O'Neil stated so Bedford was the only one with a subsidy.

Mr. Whitten stated Bedford is the only other community that has significant service in its town. Londonderry only has service because a piece of Perimeter Road around the Airport happens to be in the town. They have no destinations. And the Shaws in Goffstown is two tenths of a mile over the border. That's a convenient place to turn around a bus. There wasn't a spot on Mast Road to do it.

Alderman Greazzo stated I support filling the gap in the meantime as long as you're going to be reimbursed. I have a lot of people in my neighborhood that rely on this route. I'd like to see it stay open but I'd also like to see that we explore the opportunities of seeing the businesses along those routes either kick in or the town, make sure that it fills the gap for the folks who are frequenting its areas.

Mayor Gatsas stated the sooner we can get out of the budget process, the sooner I can get on the road and knock on doors. Let's get a clarification of the motion. I think the motion that I'm looking for is to direct the MTA to continue the Bedford route and if they need a bridge loan to get through the month of July the City will assist them, as long as the loan is being paid back and there is no subsidy in this \$43,000 by the taxpayers of Manchester.

Alderman O'Neil asked Mike, is the bridge only for one month or would it have to be into the fall?

Mr. Whitten responded that's one of the difficult things about doing this at this time. It depends largely on the federal government and how fast their grant comes through.

Alderman O'Neil stated Your Honor, instead of blocking us in...

Mayor Gatsas interjected no problem. Whatever time it is for you to get your federal funds and pay the City back.

Alderman Ouellette moved to direct the MTA to continue the Bedford route with the understanding that if they need a bridge loan to get through the month of July the City will assist them, as long as the loan is being paid back and there is no subsidy in this \$43,000 by the taxpayers of Manchester. The motion was duly seconded by Alderman Shea.

Alderman Long asked the loan doesn't prohibit the federal disbursement does it? The feds won't look at this as a loan from the City so you'll still get the appropriations that you expected.

Mr. Whitten stated we'll be able to get the appropriations because the local match will be shown as MTA cash.

Mayor Gatsas called for a vote on the motion. There being none opposed, the motion carried.

Mayor Gatsas stated nice job. Thank you very much. I applaud you all for the hard work. Next we'll get started on CIP. Working with Sam Maranto and Leon LaFreniere, the two people in that department, I think we've changed the idea and the format on how we look at the CIP budget, which I would hope people would agree, at least the senior people that have been here, that it's a little easier to follow. I'm certainly glad that we didn't have to try to run these copies out of the Mayor's office because we don't have a copy machine that would create color. Certainly I think that the color scheme is a great idea, that we put a budget together so that people could follow it. Before it used to be probably in the format of 20 or 25 pages, and I think this gives us an opportunity to look at where the requests were, what the dollars are, and how we're going to meet those requests. I think this committee should first know, and I'll bring Kevin Sheppard up first because there is a number that we have that's an opportunity that I'm not looking to spend it today but I think that every Board member should know that there is an additional \$1.1 million in bonding that will be available to us to make some decisions on how we want to proceed. With that I'll open it up to Kevin.

Mr. Kevin Sheppard, Public Works Director, stated the Board of Mayor and Aldermen may remember the Nazaire Biron Bridge project that we got funded from the Board in the amount of approximately \$1.4 million. About a month ago the DOT called me and said that there was \$1.1 million worth of ERA related funding we may be able to put toward this. The original breakdown for the project was \$7.4 million. It was going to be \$6 million State money and \$1.4 million City money. When they initially brought down that \$1.1 million idea their thought was...the split is usually 80-20...they were going to use

80% of that \$1.1 million for their side and 20% for the City side. That would have brought down the funding to approximately \$6 million for the State and \$1.3 million for the City. On further negotiations, the Mayor asked me to call the state, the DOT, to ask if they would be willing to support this project even further. This week the Commissioner of the DOT came down and actually met with myself and the Mayor and he brought a proposal stating they are willing to put the complete \$1.1 million toward the City side of this project. Their proposal, which we hope to move forward with right now, of a \$7.4 million project, we were looking at the City side of about \$1.4 million. We're now talking about \$300,000 on the City side versus the \$1.4 million. The State is willing to put that complete \$1.1 million toward this project. So we've gone from a \$1.4 million contribution to a \$300,000 contribution toward the Nazaire Biron bridge project. I don't want to say it frees up, but there is an additional \$1.1 million now available out of that project, I think. A lot has to be said. By asking a few questions the Commissioner of the DOT actually came down here with his staff and brought this proposal down. I think it's a positive sign. I think it's great for the City of Manchester. We're going to get this bridge completed. We're going to go out to bid now. This is what we've been waiting for. It's a step in the right direction.

Mayor Gatsas stated certainly I applaud the department for its work. They made a suggestion to me and I think Kevin was pleasantly surprised. He kind of thought that maybe we'd get a little bit back. When I told him that we were dealing with the Commissioner he said he didn't think that was good news and he didn't think we were going to get anything. And then when the Commissioner told us he would do the entire project except the \$300,000, I think Kevin was pleasantly surprised. And I said to him, 'Don't hesitate to ask because you never know what might happen'. So I think it's important as we look at projects and we move forward, I plan on being involved in making sure that we ask for as much as we can ask for because we are the largest city and we certainly demonstrate that we have the ability to move things forward in the right places. Certainly I commend you. And hopefully, maybe we can get this bridge done for

a little less. Our play of \$300,000 in this can only go down if the project is less, so if we can find a way to get it done for \$7 million, then the City's contribution would be zero.

Alderman Ouellette stated Kevin, I thank you for everything you and your staff has done for this very important project for the constituents that I represent. Furthermore I want to thank your department for all the information and the several meetings that you've been having within the area, especially the Kelley Street area where there has been quite a bit of construction over the past five or six years. The residents and the business owners there feel very involved and part of the process which I think has been lacking in the past, at least in terms of the feedback that I've been getting. I really appreciate that because there was a lot of tension, a lot of nervousness about the project, especially in terms of some of the businesses which have been taken quite a bit of hit with all the construction projects, much needed construction projects in that area. I appreciate it and on behalf of the residents of Kelley Street and Ward 11, we appreciate it as well, so thank you very much.

Alderman O'Neil asked where is that? Is it in this year's budget?

Mayor Gatsas responded no, that is a budget in a bond that we did last year, in 2009. It's a 2009 bond. It's right now unencumbered except for the \$300,000.

Alderman O'Neil asked the bond was \$1.4 million?

Mayor Gatsas responded correct.

Alderman O'Neil stated and it appears our commitment now may be only \$300,000. What category does that fall under? Was it specific for the bridge or was it part of an overall program?

Mr. Sanders responded it's part of an overall program, I would say for building and bridge infrastructure improvement. The monies would be available to be reallocated to similar types of projects.

Mayor Gatsas stated or something else that we may look at for IT or toters or other things that fall within that realm.

Mr. Sheppard stated just to clarify, as the Mayor said, if the price goes up or down...we anticipate the price coming in hopefully a little bit better, from what we've seen with construction projects. If the price does go down, as the Mayor mentioned, the City gets 100% credit for that reduced price. If the price goes up from the estimate for any reason, it's an 80-20 split. We hope the price is going to come in good and the City will get 100% credit so that \$300,000 may come down to \$200,000 or zero. It's good news either way.

Mayor Gatsas stated thank you. If Sam and Leon want to come up...we can start however this Board wants to handle it. We can start the discussions if you want. We have all of the department heads here, so why don't we start with the City CIP requests, take a look at them, have some discussions about them in general form. This is not the final conclusion to the CIP budget. I can tell you that I sat with the Chairman of CIP and also the Chairman of the Board as we looked at the requests and went through them. As I said, this entire budget is not about a Mayor's budget but it's about a City budget that we're all going to work on and try to put together. I'm sure you've had an opportunity in the last couple of days to look at the requests that are here. You may want to ask questions of why we eliminated things, why we changed things, and certainly that's an opportunity to get into the discussions. A lot of the things that we looked at, we needed direction from Mr. Maranto because of not knowing really whether CDBG funds could be used, whether HOME funds could be used. We tried to move them around the best we could. I attempted to get out of as much of cash that we had and not have to deal with the

cash side and try to reduce it and move it. I can tell you that within the next week, we're going to have a list of all the bonds that are left and the amounts that are in them at all levels of the City, so that we have a very clear idea. You will find, for the new people on the Board, if you don't know that there is a South Willow Street fund bond that seems to just keep growing for people...the roof...you'll keep hearing about this roof and be wondering how much money was in that roof fund. So it's only fair that we come forward with a list, that we make some critical decisions on what we fund with the old money that we've already been paying for versus new money that we would have to go out and achieve. Those aren't before us yet, only because Sam has been working on what we have before us, but before we make any final decisions, all of those dollars will be in front of us.

Alderman Shea stated point of order, Your Honor...could you answer who actually worked on the CIP budget? Who are the participants?

Mayor Gatsas responded the prime participant was Sam Maranto. He provided the numbers to me. I sat with him. We did a first blush. I then asked the Chairman of the CIP Committee to take a peek, along with the Chairman of the Board. They didn't really make many decisions in the process. I just wanted them to look at it and understand what I was looking for in terms of a process, especially the Chairman of CIP so that when we get into...I think you know the process that we've always had before, that discussions happened with Aldermen about projects without everybody being able to participate.

Alderman Shea asked what kind of a fund did we take the CDBG funds out of? In other words, the total amount. Both of these indicated that there were several CDBG funds. Is there a number that was...

Mayor Gatsas interjected that's a great question. And I think that always in the past we've never started from the beginning to say that we have \$7 million in CDBG or we have \$2 million in CDBG, and how are we going to distribute it? I think you will see with the assessment that you have here, it actually tells you how those funds are distributed. With that I'll leave it up to Sam to start.

Alderman Shea stated well what I'm primarily interested in, is there any money left in the CDBG funds or have they all been used? In other words, are we talking from the point of view, Sam, that \$10 million was available and we've \$9.6 million or what? So that everyone on the Board can understand where the parameters are.

Mr. Sam Maranto, Community Improvement Program Manager, stated we're working off of a projected figure based on the current year. Washington probably will not let us know the exact number until a couple of months from now. We get approximately \$1.9 million each year, and we also have what we call program income. Those are funds that we get back from various projects that we do such as housing rehabilitation. Those monies are used as well. We get approximately \$75,000 to \$100,000 with that right now. At this time if you look at what we have for City and non-City, we have programmed approximately \$1.9 million for CDBG funds. That may change a few thousand here and there.

Mayor Gatsas stated so if this Board decides that something we put \$20,000 in for, they think it should be \$25,000 or something that we put \$30,000 in for, they think it should be \$10,000, and they think the other \$20,000 should go to another project, I don't have a problem with that. Whatever we come to as an agreement, that's fine. We just went through them at the first blush to make sure that there were numbers in place. You will see some people have zeroes, only because looking at the length of time they may have been receiving funds, or whether they were just a start up, those were some of the

determinations that we saw on the non-City side, because I think that you participated in some of the hearings. It looks like there is a lot of redundancy that I think after we finish this budget process to have those non-City departments come in and tell us what they actually do so we can see who is providing services to maybe the same group of people.

Alderman Arnold stated Sam, I noticed on a number of these the staff recommendation is quite a bit more than the request. Is that largely because staff identified federal grants or something like that?

Mr. Maranto asked more than the request?

Alderman Arnold responded yes. I'll take Airport, their second priority line.

Mr. Maranto stated that's basically the local share and then there is a federal share as well for the total.

Alderman Arnold asked so the request only covers what is actually coming from the City?

Mayor Gatsas responded some of these Enterprise Funds...I think the clarity needs to come back. The Airport, there is no contribution from the City side. Those are all Airport funds, so it doesn't affect us in any way. The Enterprise Funds that come forward, like EPD, there are no City funds there either. Water Works, if they're looking for something, there are no City funds there either. As you look through them, everything you see for bonding for the Airport is basically on their dime.

Alderman Arnold stated so the \$1.7 million is just the Enterprise.

Mr. Maranto stated that would be their local share and that would be matched by federal and state.

Alderman Lopez asked Your Honor, could we let them explain just a little bit?

Mayor Gatsas stated why don't you explain the funds for the new members and then we can go through with questions.

Mr. Maranto stated looking at the first page, source type. We use a color system here. Federal various agencies – the Police, Airport, Health Department, our department, those are all non HUD funding sources. That would be the Federal Transportation Administration, the Department of Transportation, Department of Justice, and etcetera. Generally, the Health Department, the Police Department, the Office of Youth Services, and the Airport would be the main recipients of those funds. Generally the state, particularly the Airport and Highway, they get a match. If it's a 10% match, say 80-20 Department of Transportation, we would be required to do 20% and the State would come in and kick in 10% of that. They'll match half of that, and that's the way it is with some of our bridge projects and Airport projects. There are also some programs, OYS gets funding for youth programs, things of that nature, and the Health Department as well. We have Central Business District Revitalization funds. Those are funds that we generated years ago from the Center of New Hampshire. We gave them a loan and they in turn put money back into that. Those funds were used for the benefit of downtown. That fund was at \$1.5 million and over the years we've exhausted it. There are, I think, \$34,000 remaining. As you go through here on the non-profit side, I have recommended that that money go toward the Palace Theatre as our last chunk. Cash, it's pretty apparent if it's just local money for projects that aren't bondable such as maintenance items, replacement of windows, painting, carpentry, things of that nature, operational projects. The Parks Department, for example, they have a Fun in the Sun program. That's funded with cash. The Office of Youth Services has a match for a program. We utilize cash for

that. Bonds are long term, one time occurring activities. Generally we bond everything over \$100,000 and that has a minimum useful life of five years. Hopefully, that's more like 15 or 20 years, like a bridge or a street. The Enterprise, as the Mayor alluded to, that would be the Airport, EPD, the Parking Division, and Water Works. Those are funds that generally do not affect the tax rate per se, like a general obligation bond or cash. Under HUD we have generally three programs. The CDBG is the main program. We get approximately \$1.9 million. This current year, because of the stimulus program, we got an additional \$500,000, so we got \$2.4 million. With that, we have a lot of discretion as long as we benefit individuals who have an income no greater than 80% of the median income in the City. Right now 52% of the City qualifies for that program and this year in particular that allowed us to free up some money and do different things than we have in the past.

Alderman O'Neil asked Sam, when you said this year, do you mean fiscal year 2010 or 2011?

Mr. Maranto responded 2011. Emergency shelter funds, that's a small pot of money. We get approximately \$82,000 a year. That's used to prevent folks from becoming homeless, or if they are homeless, putting them into shelters. We give money to New Horizons, our own emergency housing shelter, Helping Hands and the Way Home. Those are very categorical and specific as to what they can be used for. There is no discretion like CDBG money. The HOME money is specifically geared toward creation of affordable housing. We have various projects throughout the City. South Porter Street, for instance, is a project we're looking to fund right now. We run a housing rehabilitation and lead program in the City. We've run it for about 25 years. We utilize those funds for that program. We provide zero interest loans to folks that qualify under the HUD guidelines with those funds. That's about it in terms of sources of funding. What I try to accomplish here is to minimize the impact on the tax rate, so if a project is eligible under CDBG, we put it into that category. And this year, as I indicated, we

picked up a couple of projects that we haven't done in the past. We put some money aside for improvement of municipal facilities. We're picking up the Weed 'n' Seed police officer. The Office of Youth Services got a grant last year from Project Outreach and they require a local share. We'll be picking that up as well if you approve that. We probably utilize about \$1.4 million of that \$1.9 million for City projects, and the remaining \$500,000 is projected on the other tables for non-profit organizations.

Mayor Gatsas stated just for clarification, if you see at the bottom it says it does not include Section 108 \$50,000 payment to HUD. That is because the garage that we have on Bridge and Elm that I think will be a topic of conversation in the next few weeks I'm sure, because they are delinquent in their payments, HUD withholds \$50,000 because we haven't paid them. That's what you're seeing here. Is that clear to some of the new people? What it was is \$5 million was bonded to build the garage on Bridge and Elm out of Section 108 funding from the federal government. The agreement was, there was a \$500,000 loan that the City made on the Section 108 funds, and that payment was roughly \$50,000 a year back to the City. When you don't pay the federal government, they have a tendency not to send you all the money or to hold the money that you're not paying them back. So, if we get this current, we will then get that \$50,000 back. So when you see that at the bottom, that's just another \$50,000 that will come in once we get current. The federal government will send it to us and we have the ability to move forward with other projects with that.

Mr. Maranto asked can I just follow up on the other footnotes there? We have set aside \$250,000 for administration of these programs and that essentially will pay for four CIP staff people, as well as a partial payment for the Planning Director and Deputy Director and also a very minimal amount for a business service officer as well. It's the same with the HOME funds. Those will be utilized for one of our staff who works strictly with the housing projects.

Mayor Gatsas stated and I think if you will remember, those were numbers that Mr. LaFreniere had in his budget and were coming out of CDBG that we had to give him back as credit to get to his 98.5%. So that's what the funding was. It reduced the City side funding and brought the CDBG in to take a look at. Does anybody have general questions about the process before we get into direct questions about the projects?

Alderman Ouellette stated in terms of the non-City CIP requests, I would ask how a determination was made in terms of if a project has been funded for...just for the sake of argument we'll use the Amoskeag Business Incubator on page 38. We've been supporting that for 11 years and now it looks to me, although nothing has been decided yet, that we're not going to be continuing to support that. How are those decisions made as to which projects continue to move forward and which projects got a zero balance?

Mr. Maranto responded the Amoskeag Business Incubator recently received a \$150,000 grant. I'm not sure who got that for that organization. Also, the Mayor felt they could work more closely with our Economic Development office in terms of what they do there. We just felt it was a minimal amount of money. They are now at full capacity. For many years they were operating at 60% to 70% occupancy so the need for subsidization was apparent. Now that they are around 95% it's not so apparent, particularly with that grant.

Alderman Ouellette stated let's say the Majestic Theatre Summer Youth Program.

Mr. Maranto stated about four years ago we had an arts fund that was created based on revenues that we got from the Verizon. At that time, because we had that arts fund, we were able to accommodate several new requests that we hadn't seen in the past for culture and the arts - the Majestic Theatre, the Acting Loft, and etcetera. That fund, unfortunately is exhausted right now. There is nothing in there. We cannot, unless we put cash in, fund those organizations.

Mr. Leon LaFreniere, Planning and Community Development Director, stated and I think it bears mentioning that the requests have far exceeded our ability to fund.

Mayor Gatsas stated I appreciate that, Leon, and I hear you. Can you tell us what the total request was in non-City?

Mr. Maranto responded we're at about \$1.9 million of requests and we're funding \$535,000 right now. Generally it's four to one for every dollar that we have of resources.

Alderman Ouellette asked are you talking about both City and non-City?

Mr. Maranto responded just non-City.

Mayor Gatsas stated just non-City requests were almost \$2 million and we have about \$500,000 to spend.

Mr. Maranto stated another perspective, HUD allows us to spend 15% of that \$1.9 million toward public services. Right now we are at 37% of our total budget toward that. The reason we were able to do that is we were designated a neighborhood strategy area, which HUD indicated if you got that certification you could carry on public service activities and it wouldn't count against your public service cap. That allowed us to do that, but it also created a situation where we are spending now almost 40% of the budget toward non-profits at this time.

Alderman Ouellette asked out of that \$558,000 does all that money on the non-City requests reflect on the tax rate?

Mr. Maranto responded none whatsoever.

Mayor Gatsas stated there is some cash in there.

Mr. Maranto stated I'm sorry, \$11,000...

Alderman Ouellette interjected there is some cash in there, yes, but it seems to me we're investing \$20,373 cash. It would be helpful to me to see what we invested in cash for the past three years, just to see what our trends are.

Mr. Maranto stated up until last year, we had about an equal amount under cash. We had \$350,000 in cash. In the 2010 budget all projects that were cash were taken out and they were put into CDBG and those other sources of funding. So this current year we had zero but the year before we had close to \$400,000, for non-City projects.

Alderman Ouellette asked is there a target number in terms of cash that we have available? In sitting down with the Mayor, did you try to hit a target number in terms of the amount of cash?

Mayor Gatsas responded we tried to get to zero cash. We did everything in our power to get to the zero, and I think it's important that when you talk about non-City contributions, this is very much like making a contribution to a charity. And I think it's important that certainly as we are a community of the whole, that as we look at what charities we should contribute to, I think taxpayers out there watch you and say, 'Wait a minute. Those are my tax dollars. I can make a contribution to a charity if I want to. Why is the City picking the charity that they want?' So, I think that as we look at this going forward, we've tried to develop something that says here are the funds that we have available. How do we take care of those agencies that are out there that need help and that we aren't putting the burden on the taxpayer. So we attempted to do that. If this Board wants to change that, I'm not opposed to that, but we need to take a hard long look at how we're

going to get through the budget process because I think you all know that there is a line on there that's non-discretionary spending that talks about cash, and if it's there it's an effect on the tax rate.

Alderman Ouellette stated I've been here two years and I still don't fully...not having served on the committee before, understand the process. I think this way we're doing it this year does help out a lot. I probably should sit down and set an hour or two to really try to understand how the process works rather than doing it here. Within the next month or two I'll be doing that.

Mayor Gatsas stated I don't disagree with you, Alderman. Before when you got those sheets that came out, and they were on pages and it was federal and division one, division two and division three, it was very difficult to follow as a new Alderman. So I agree this is easier. This is totally what you need to look at for funding. It's up to this Board how they want to change it.

Alderman Shea stated I'd like everyone to turn to the non-City CIP requests on page 6 and I'd like to ask Sam a question. On FY2011 recommended...

Mayor Gatsas interjected can you use this book?

Alderman Shea responded I'm using this sheet here.

Mayor Gatsas stated well everybody has got this book.

Alderman O'Neil stated Your Honor, the book doesn't match exactly with the handout.

Mayor Gatsas stated I know it doesn't. That's why I'm asking Alderman Shea if he has the book.

Alderman Shea stated what I'm using is the non-City CIP requests and on page 6 of 6, under recommended, it's \$1,284,799. And then you've listed here totals by funding source type. Are those two figures agreeable? In other words, should the \$1,284,799 agree with other funds that are added up so that CDBG, HOME, cash, and so forth should add up?

Mr. Maranto responded that is a database so the computer added that up.

Alderman Shea stated if you add up that and you add up the other, you're \$30,000 difference. Because if you add up the \$23,000, the \$34,627, the \$20,373, the \$534,500, the \$83,806 and the \$558,492 it comes to \$1,254,799. I'd like the differential to be given to Ward 7 so I can repair something over at Prout's Park

Mayor Gatsas stated Alderman Shea, if you had this book you'd see that the \$23,000 changed. The \$23,000 went to \$53,000. The draft that you have is from before this book was done. They add up in this book.

Alderman Shea asked which one changed?

Mayor Gatsas responded the Affordable Housing trust funds went from \$23,000 to \$53,000.

Mr. Maranto stated Alderman, I apologize. We've been working on this every day and making revisions. I believe you may have gotten that from a couple of days ago. There was \$30,000 set aside for New Horizons that wasn't picked up in that number.

Alderman O'Neil stated I think the only confusion was on the handout that was not part of the book there were totals with it. What was put together in the book, the totals weren't there. So if we can just clean that up a little bit. Your Honor, so I understand the framework that you asked for, we wanted to limit bonding as best we could, maximize CDBG and our other federal funds that come through the City, and regarding City cash, try to limit it in CIP as best we could because that in fact could be used for the City operating budget. So, the more we put into CIP as cash, the less that is going to be available for the operating budgets of the departments. That's probably where our priorities have to be, the operating budgets of the departments.

Mayor Gatsas stated my two requests that I went to the department with was that we bond zero and we cash zero, or as close as we could get to that. So, the discussions are open. I've shown you folks what I believe is the pathway we should look at. Now, if there are alternatives that people want, as I said, there will be bond balances coming forward. So there may be things here within this budget that maybe take a \$20,000 line item that somebody is looking at that may be CDBG funded, and we can move it to a favorite project and get some bond balances to replace the \$20,000 that we took out. So I would tell you that this is still very fluid. I would like to keep us at zero on bonding and zero on cash, and to make the movements that we need to make with bond balances and the funding that we have before us.

Alderman Lopez stated I think as the rest of the members of the Board go through this process if there is a particular item...I know like Alderman Ouellette mentioned the Acting Loft and stuff like that...you work with the Chairman of the CIP Committee on those special projects that you're looking for. As you go through you see a lot of the numbers that were requested, some are down 40% and some got nothing. That's the non-profit organizations that we're talking about. I agree with the Mayor that at some point there might be a small project that you could fit into the bond balance that we have

to talk about. There are some projects for Parks & Recreation for \$2 million or \$3 million that we probably wouldn't be able to do, so if you look at this thing as Police and Fire, as Sam has indicated, without repeating the different things, they are going to be taken care of. It's just the non-profit organizations and bonding, zero bonding. I know one of the areas is technology and the Mayor is working on something along that line. So if you see zero there, I think we have to ask the question at some point. The process with the CIP Committee, with Alderman O'Neil as the Chairman, they'll get together and scrutinize a lot of this stuff. Working with the CIP Committee and Sam, we might come out of CIP approving what's been presented as far as dollar amounts, maybe not agreeing on each project. I know everybody has a special project, but you've got to remember if you take it away as cash or CDBG, one item to another, then somebody is going to lose someplace along the line. A couple areas when we get to the department heads again, there are some issues there too. I just wanted to bring that point up. The other way was a long process. I really believe this is a better process and if we can get to the point that we want to get to, especially with CIP, because a lot of it has nothing to do with the tax rate, the Airport and stuff like that. We can come to a conclusion very fast in deciding what we want to move in non-profit and on the City side. I just wanted to mention those things without prolonging all day talking about it.

Mayor Gatsas stated just so that I can express a timeline that I'm looking for so that everybody can understand, I think that it would be appropriate that we can either look at February 10th to come back as a group or the 17th after you've had an opportunity to talk to the Chairman individually and come back and we can have discussions as a group. We will have bond balances. Maybe we'll do it on the 10th so we can have a discussion of bond balances. Everybody has another week to look at those bond balances to see where maybe we want to appropriate on some of those funds. Then we can come back in on the 17th after you've had an opportunity with the Chairman of CIP. Let's get some finalized ideas of where we'd like to be, whether we move it to the CIP Committee and let them have a public hearing so that we can get an idea of where we're at, because I'm sure, like

every other time when people have seen the CIP budget, the calls will start coming and we'll start hearing from the agencies, and certainly this is not an easy task. Anybody who would like to start it and finish it, I welcome them any time to come to my office and I'll sit with them, but to sit there and decide who's going to get what is not as easy task. I think that a lot of it, from the discussions that I heard as I sat through the presentations from the agencies, is that every one of them is worthy. There's no question that everybody who came before us was worthy of the money they were looking for. We're in a financial constraint. We must look at that. We must look and see where we can move this city forward in the best way that we can do it with the amount of money that we have. I think Alderman Lopez has always been an advocate, and I think Alderman O'Neil is kind of down that same road, is that we look at agencies and we should say that we should fund you possibly...and this is just the thought process that we've had...for let's say a four year period. You'll start with 100%. The next year you go to 75%, the next year you go to 50%, you then go to 25% and the fourth year you go to zero. It allows other people to come in and participate in the process. So those are things that we should think about in the future, because if you look at some of these, they've been here 12 or 15 or 18 years that we've been funding the same agencies. I think that normally what these CIP budget plans are is to give people a helping hand to get them started. To keep them going is something they should decide on how they're going to do that when they go forward. With that we can open it up to questions.

Alderman Long stated Sam, on page 41 there are two items for new American Africans, and it references New Citizens Assimilation. Where is that?

Mr. Maranto responded in 2010 I have a line item there of CDBG funds that I can accommodate their request through. We don't have to provide any new funding in the future. We've been sitting down with those folks to make sure what they are doing is consistent with our priorities.

Alderman Long asked so this New Citizens Assimilation is in CDBG funding? But it's not reflected on these totals you have.

Mr. Maranto stated I have no funding in 2011 for them. What I'm saying is I have some funding that exists now in our budget and if we can document eligibility, we'll fund them now.

Mayor Gatsas stated if I can just ask the Aldermen, if you are speaking of an item, tell everybody else what page you are on so they can follow you and know where you are at. I don't know if you did that. I apologize if you did.

Alderman Roy stated in hearing Alderman Lopez discuss these CIP requests, and I think the comment he made, correct me if I'm wrong, Alderman, was that some stuff like Fire and Police you might not see here but it's going to be funded some other way, and I've got some questions on the Fire Department with the radio system upgrade, portable radio replacements. I don't see anything there on page 31. On page 42 I believe it is...

Alderman O'Neil interjected Your Honor, can we just stop there for a second? Am I correct, I think on that particular item, the radios, my understanding is that is actually Police radios and somehow it comes through...Am I correct on that?

Mayor Gatsas responded you are correct, Alderman. That's a little bit of the confusing part.

Alderman Roy stated thank you for that explanation, Alderman. I see that on page 35 under Drugs and Guns, it says it is funded through a specific line item, so I understand that. But like tasers...is there something that's not written down here is what I am asking. Should we get a report that has it written down where it explains to me that the

radios are actually Police Department radios? I think this Board addressed it three years ago.

Mayor Gatsas stated sure, I certainly appreciate...this is probably something that I brought forward. When you look at the Police Department on page 35 and it talks about Drugs and Guns, we've always taken money because we wanted to make sure that those funds were spent for the way that they're spent. There's no reason why we shouldn't put a line item in the Police Department's budget so that the allocation of spending of those funds are spent on Drugs and Guns. It's \$350,000 and they can't move that line item to do anything else. We get that out of CIP because it truly doesn't belong in here. It's a cash item and it should be within their budget. We should be budgeting that as we budget going forward because there are police officers in there. There are different things in that \$350,000, and it takes it out of the discussion of CIP. It's not something that's not reoccurring. It's not like it's a one time expense that you can buy tasers. It's about here's a line item. Let's put it in and let's fund it. There's another one, and I think it's in here, the Fire Setters. And I think that that's a number...and I'm not too sure...I think that's funding from another funding source. So that belongs in here.

Alderman Roy stated that's explained in there.

Mayor Gatsas stated the funding source comes from somewhere else but the Police Drugs and Guns...

Alderman Roy interjected that's State and cash on that, which is page 34.

Mayor Gatsas stated the Drugs and Guns, but again, that should be out of this line item, out of CIP, and into that Police Department line item. So again, I agree with you. That's why you see the note that's there. When we get to the discussions when they come

forward, we probably will X this out, put it into their budget and have the discussions there.

Alderman Roy stated and if we could have an explanation as well, like the radio systems, it's actually the Police Department's stuff. If it's one of their line items then we could have it on our chart to explain how it's getting taken care of.

Mayor Gatsas stated well that's a good discussion because yesterday I was talking to the Fire Chief and I asked him how many times we were going to keep buying him radios and he told me those weren't his radios, that they were the Police Department's radios. However, we're the ones that maintain and fix them.

Alderman Roy stated communications is under the Fire Department.

Mayor Gatsas stated so I think the proper thing to do is, you're right, put it under Police so that members of this Board know where the allocation is. I don't think that anybody is trying to change it, but when you look at it, you think that Fire is getting...because next year, if we finish this grant, they then start their process, and at some point somebody is going to say that we just paid a million dollars for radios for the Fire Department. So I agree with you that there should be a separation.

Alderman Corriveau stated just to follow up a little bit on Alderman Roy, I understand explaining the specific line item for Drugs and Guns. Does that also apply to, for example with the Police Department, like the tasers item or SWAT vests?

Mayor Gatsas responded those are items that if you look at them, those might be items that would be bonded. The specific \$350,000 for the Drugs and Guns is an item that comes from the taxpayer, so that should truly be within their budget. We never put it in their budget because people never wanted that money to move from any other line item to

assist taking \$50,000 from Drugs and Guns and moving it somewhere else. That's why it was left in the CIP budget, so that the identification would come here, versus their budget. But I think that certainly the Chief is directed, and he has always been very good about it, if we put a single line item in the Police budget that says \$350,000 for Drugs and Guns, I think he knows the will of the Board is that that money is not going to float anywhere else.

Alderman Arnold stated I have a couple of questions. On page 30, also under Fire, and I think this was their first priority of several requests for CIP funds. It's the Hackett Hill Fire Station plan and design. I guess the staff recommendation was that this not be funded and if I recall correctly I guess Your Honor has been having discussions with the Chief and maybe a few others about an alternative to this project, and I wonder if an update might not be appropriate.

Mayor Gatsas stated sure, and I appreciate the question. The \$250,000, I've been working with Chief Burkush, along with the fire chief in Hooksett. They just appropriated a \$20,000 item that's going to go on their warrant articles, I believe Chief, for a vote by the community about placing a fire station somewhere in Hooksett. And I think with that they will have conversations with us, because I'm looking to do a joint venture with them that either we build it and lease it to them to a bay so that we have some coordination with both departments to get there. The other discussion I also had with them was to see if we could add a third bay, or a smaller bay for maybe the ambulance service to be out there and have somebody stationed right there so it's quicker access. So the discussions are moving forward. We've talked two or three times. I've had some discussions with our Congressional delegation. As they said, it's always an honor to come to this office. We know that you will have some questions and ask to see if we can deliver back. We've had those discussions with Congresswoman Shea Porter and Senator Shaheen and Senator Gregg to see if there are federal funds. The last grant we applied for we didn't get when we talked about joint ventures with fire stations as

they were happening in other parts of the country. But we're not stopping. We're moving forward. If we can find something, it certainly is going to enhance...especially with the things that are going to happen up on Hackett Hill. I think the Job Corps will come back. I think that's going to be alive and well. I think that we're going to find some RFP's that are going to come in on the Hackett Hill project. With all of that happening, I think we have to have a service because if nobody has visited the fire station out there, certainly it's tired and it needs some help. We are working on it and hopefully we can bring something forward, even if it's not within the CIP package, it will be discussions that we can move forward on.

Alderman Roy asked for clarification, you said a third bay for the ambulance? Are we thinking of taking the ambulance back over?

Mayor Gatsas responded no. I know there are some people who think we should take the ambulance service.

Alderman Roy asked so would it be Manchester's ambulance or would it be Hooksett's ambulance?

Mayor Gatsas responded no, it would be somebody that we might be contracting. The discussion right now with the Chief is to prepare an RFP to go out and take a look at where we are with the ambulance service. I can tell you that...I think you may remember when I was an Alderman and stepped into the discussions with the extension of the contract, and I thought we should be taking a look at the services and seeing if there was a possibility for funding to come back to the community. Well, as I sent the Chief on that idea and he started looking, he started finding out that there are communities that are getting paid in excess of \$250,000 for dispatch calling and different programs that are there. On the first look, the Chief has said to me that we could be somewhere between \$320,000 and \$340,000 if we applied the same services that some other communities do.

So we should look at that, because I don't think if we installed our own ambulance service, at the end of the day when we buy the ambulances and man the ambulances that we're going to end up with \$320,000 to the good.

Alderman Roy asked but will we look at that option as well?

Mayor Gatsas responded I know the Chief is has already been working on that, so both options come back and we can view them both.

Alderman Arnold stated I appreciate Your Honor's efforts to improve service in that area. Certainly my neighbors appreciate it as well. I think this might be a question for Sam. Under Economic Development on page 30, Business Code Compliance, there is a \$100,000 request. The staff recommendation was half of that. I'm sure the answer to my question was brought up in the presentation, so I apologize for that but can you explain the Business Code Compliance, what that is and how funding it at 50% might be acceptable?

Mr. Maranto stated speaking for Jay here, the 50% is based on the resources we have available and trying to accommodate requests. I try to accommodate at least the first priority. He does have other projects as well. We have balances from projects that we have right now that exist. But Business Code Compliance is a program for if they have fire safety or various code issues, they can come apply for a grant. We presently run a façade program where it's a dollar for dollar match. I'm not sure if Jay could address this, I believe it would be something like that where the business would come in and match you dollar for dollar or else get an outright loan for the program.

Alderman Arnold stated I appreciate that clarification. Whenever I see compliance I want to make sure we're not shortchanging anybody. My last question, we already discussed this a little bit, Police Department Drugs and Guns program. When it said we're funding it in the operating budget, is that fully funded?

Mayor Gatsas responded I plan to fully fund it. We're going to move it to the operating budget. When they come in to discuss their budget, we will then have an opportunity to have them move it to their budget. We'll look for a motion to get it out of CIP and into their working budget.

Alderman O'Neil stated just a clarification, Your Honor, the intent, if I understood you when I sat down with you, is that it would be a restricted line item.

Mayor Gatsas stated absolutely.

Alderman Shea stated on page 31, the bottom of the page, Recycling, Refuse Toters, and Contract Trucks for \$750,000 and that's bond and cash...I'm not sure exactly what that program is going to entail. Is there some explanation so we would all understand it?

Mayor Gatsas responded we put that in as an item because obviously there is a contract that is in place with Corcoran. The discussions have always been that that \$750,000 would be in place if they were operating and coming forward for vehicles, toters and such. However, I think the vote that we took last week or the week before for the City Solicitor to send a letter and get involved in these discussions, that's why I put a zero there and put cash or bond, so that we could have those discussions as we go forward. I'm relying on Alderman Craig to make sure she finds us an opportunity of how we take care of our refuse situation in this city. I know that the City Solicitor has told us to move gently, but I think you all know that sometimes gently for me is a little different than for

some other people. So, I've told Alderman Craig that I will be there side by side to explore whatever avenue she comes up with in her Committee to come forward that is going to save the taxpayers some money in moving garbage, whether that's coming back and having our Highway Department get involved in discussions of how they are going to do it, whether they do it in house, whether we open a recycling center and do that ourselves. Those are all discussions that must be on the table. So the \$750,000 is really a placeholder. As we move forward in the next two or three weeks, I think that Alderman Craig may come up with some ideas that maybe we don't need that funding this year because of where we're going. Kevin Sheppard may say that we've got to change it. We don't need \$750,000. We may need \$300,000.

Alderman Shea asked at that stage would the bonding part of it and the cash part of it then be decided?

Mayor Gatsas responded yes.

Alderman Shea stated my second question has to do with page 32. It's number two for the Highway Department, and that has to do with \$1,050,000 and it's listed here as Other for the annual ROW maintenance. And it says Municipal Transportation fund as well as the Highway Dedicated fund. Could you explain what the different sources are? I've never really been familiar with them.

Mr. Maranto responded the Highway Department is creating an excavation permit fee.

Mayor Gatsas stated we created a fund back in the early part of January or late part of December that said that we would be charging for the degradation of the city streets, when somebody opens up a street. We set up a dedicated fund. The Highway Department said that if we looked at the permits that came forward in the past year, it would be about \$762,000 that would be put in that fund specifically for reconstruction of

streets and resurfacing. The other \$500,000 comes roughly I think from the auto registration fee that we didn't do last year because we bonded money from the year before and there were still dollars left. That now will have a \$500 additional fee, which is about \$1.2 million, if memory serves me right. Have I been clear on that Kevin? Would you like to add anything? Alderman Shea, do you have any other questions.

Alderman Shea stated the next question would be, we're going around with Bobby Roy for the streets so traditionally we were given so much per Ward. Is our predicated amount going to be what was previously or when I go around with him should I say that this street has been neglected and that one? In other words, how are we going to work this so we stay within the parameters?

Mayor Gatsas responded I think that probably what my advice would be to the Highway Department and the Aldermen is that the \$500,000 or \$40,000 per Ward that was distributed that everybody had the ability to take a look at...the \$750,000 will be coming in the course of a year, so I think that we may focus at least for the first six months on the funds that we know are coming and then look at the balance. Maybe Kevin has a different idea.

Mr. Kevin Sheppard, Public Works Director, stated not different, but I think Alderman Shea, it is going to be the same program. I think a letter may have gone out already. We send out a letter to the Aldermen asking for their input for their Wards. We'll be talking to the Aldermen regarding streets. We go out and rate the streets with your input. Next year we anticipate a similar program. We do still have some money for the spring which is this fiscal year. And then there will be money for the following fiscal year. Out of that million dollars we anticipate doing some street reconstruction as well, not just resurfacing. We may not take a million dollars and divide by 12.

Alderman O'Neil asked which program is which? Which is the auto registration? Is that the Highway dedicated fund? Is that what we call that one?

Mr. Sheppard responded right.

Alderman O'Neil stated so the new fund out of street opening permits is the Municipal Transportation fund?

Mr. Sheppard stated it's the other way around.

Alderman Corriveau asked following up on Alderman Shea's question about refuse toters, the recycling line item, if my understanding is correct, essentially you'd like to use this line item as a placeholder essentially for whatever we decide to do with City recycling efforts?

Mayor Gatsas responded your understanding is absolutely correct. We had it down as cash until the DOT discussions the other day when we understood that we had \$1.1 million that was coming forward. That's why I changed it to cash or bond, in case we changed our line of direction and said we'd bond this instead because the bond is available from last year. It's not new spending; it's just using bond balances from a bond we've already taken the debt service on.

Alderman Corriveau asked Kevin, do you have anything to add to that?

Mr. Sheppard responded no. I think that explanation is right. We're going to be working with the Special Committee on Solid Waste Activities on this. We're not sure exactly where we're going but I think that's a great explanation.

Alderman Ouellette asked Sam, on the School side have you received a list of their priorities?

Mr. Maranto responded actually I have not gotten that yet. What I do have, Highway Facilities has given me a listing, as well as the Parks Department, but I have not received their official request yet.

Mayor Gatsas stated let me just give you some of the ideas that I know are available. If you take a look at the bottom one, their number one priority...obviously being on both Boards...in their CIP budget is the West boiler. There is a bond balance of \$200,000 on Schools that doesn't appear here. So it really leaves us only \$332,000 that we must find. I've had conversations with the Highway Department with regards to the efficiency dollars we have received and how we're looking at them. Some of the things I look at as I drive by schools that might not only bother me but bother some of you, is when it's 9:00 at night and all the lights are on. I've had conversations with the Highway Department that we find out what the cost is to go into these schools and get some sensors that when people leave the room and it's empty the lights go off, so that when the Police Department goes by Smyth Road School at 10:00 and they see ten lights on, they know that there is a problem in there because the lights are off. Or when you go by and the janitors are cleaning and they turn all the lights on, clean for four hours, and they're still on, and then they go by and shut them all off. When they leave the room the light will go off. It's an energy efficiency thing. They are looking at it. There are federal dollars that we might be able to use to some of those things. Some of the other things that they have had discussions on, and I'm not sure if they're here, but it's the elevator at Bakersville. So some of the priorities that are here we have not discussed or brought them forward, but I think they will be incorporated as we look at this budget. Because those things, if we bond them on their side, it's their cost. So if they bring them forward to us, I kind of look at them as being an Enterprise fund. We shouldn't be scrutinizing what their request is. They should know what the cost is, and they should incorporate that in their budget.

So when we see it, if there are places that we can help them, then those are the things that we should do. I think there is another one that you and I had discussions about that may be an asset to schools that we can help them with.

Mr. Maranto stated I know Bakersville was the second one that came to mind.

Mayor Gatsas states so those are some things as we've been going through this process that we've been discussing.

Alderman Ouellette stated I think having been there before, the process before was really frustrating because, on the school side, you'd put a list together and send it off to the Aldermen and you'd kind of hope and pray and see what you get. I think this, if I'm hearing you correctly, Your Honor, is they will come up with a figure that they need to live within in terms of their CIP requests and then make their decisions going forward as to what they can get with that money.

Mayor Gatsas stated I've had conversations with School Committee Member Beaudry and also with Kevin O'Maley to take a look at...there is a page of about 52 different items that come before you. And there may be broken windows at five or six different schools that need replacement. I think right now it's an opportune time to say instead of doing \$20,000 worth of work, what if we give a company \$100,000? Does that reduce it to \$75,000 and can we get some of these other things done and out of the way. So I know they've been working on those kinds of things to look at. Maybe it costs us a few dollars more in appropriation, but I think in the long term we're going to save more money as we move forward because of where the construction costs are today. Some people are just looking to say they don't want a profit; they just want to keep their people working.

Alderman O'Neil asked for the School District, both Parks and Facilities are listed here. Are those priorities from the School District or are they Parks' priorities based on what they know and Facilities' priorities based on what they know?

Mayor Gatsas responded I think it's a combination. I think the School District has them on their list but because of who does the work, Facilities on one side and Parks on the other, that's something that we're going to try to straighten out for the next CIP budget so that you see the School District in their own line item. Kind of like what you're looking at right now, you see Fire with radios but they're really not but they're really not Fire radios, they are Police radios. So I think that we will try to clean it up. I can't promise you that it will be done this CIP budget but the next one we look at will have Schools on there so that we can see what they want.

Alderman Craig stated I just want to clarify that the life safety items are always at the top of the list. In terms of the list that the School District would put together, the life safety items are always first on the list. The corridor doors and hardware, sprinkler installation at Webster, flameproof stage curtains, for examples, are at the top of the list.

Mayor Gatsas stated and I think when you look at these, first I would like to see what is going to happen with Facilities in the \$500,000 that we have for energy efficiencies, and then start addressing some of these maybe with bond balances so we can get some of these things done in a quicker manner. And I know that the City side is always saying that we'd like to get ours done, but the life safety issues that we have, we've had discussions with the Fire Chief and he certainly has been very good to take a look at Smyth Road, Gossler and Jewett. Because of his involvement and knowing that they are schools that are on the ground floor and there are exits out to the side yards and also into the hallways that there were discussions about needing sprinkler systems there, but if we put the door closure in, it saves us about \$375,000 a year for having to install the sprinkler systems in those schools. I think all of us will agree that certainly those schools

are probably the easiest schools to evacuate children out of, and it doesn't really make much sense to sprinkler them if they've got the door closures to close them, there is obviously a way to get the kids into the back yards and into the hallways to move them through the schools. So hopefully we will see a format in the future that says School District, and it shouldn't be under Parks or it shouldn't be under facilities. It should be a clear explanation of where that funding is going.

Alderman Shea stated two of the items that as an Alderman I'm called upon repeatedly about, on page 34 at the bottom of the page, Hazardous Tree Removal. I can't tell you how many times people call about limbs and so forth, and sometimes Public Service. I don't disagree with the \$25,000 but I do feel that there should be some way of handling this particular item if this comes up. In other words, Mike Baer does a great job. He kind of helps out, but so often there are trees on City property that can't be removed simply because of whatever, finances and so forth. That's the first point. The next page, the other item is the Dilapidated Building Demolition. I mean, we have obviously...Leon, you helped me out on Oakland Avenue. But I'm sure if you begin to examine this item, which is \$15,000, I'm not sure if that's sufficient when some Alderman says there is a house here; everyone is complaining about it; it's devaluating the properties of people around there and so forth. So these are the two items that as an Alderman for the last few years I've been asked to sort of...

Mayor Gatsas interjected Alderman Shea, I knew you were going to ask about tree removal. That's why I made sure there were dollars in there. I know that the \$25,000 isn't enough, but it's certainly more than the \$9,000 that we had in there last year. I agree with you that it's an opportunity. If it runs over the \$25,000 we have some funds in the budget as we move along and maybe we can do some other things.

Alderman Shea stated that same professor told me forewarned is forearmed.

Mayor Gatsas stated and obviously, your other request as you go, I think that if there is a building that is blighted, I don't think that this Board has ever not heard where an Alderman was coming from and tried to accommodate that.

Alderman O'Neil stated I'm going to use Highway as an example if you go to page 32. I know one of the things that Kevin is going to look at, depending on how his operating budget plays out, is how many of these projects he may be able to do in house, as opposed to putting them out to contract. And it may save us some money. It may require that he do some of these traffic jobs. He may need a second bucket truck that he either rents or maybe he borrows a bucket truck from Parks or from the Fire Department or something, but once the operating budget is approved, as well as the CIP, he's going to take a look at what things he may be able to do in house and maybe save some money, and then extending it out and getting some more projects done. I applaud him for that.

Mayor Gatsas stated and certainly I know that I've had conversations with a lot of the departments. We do a lot of things very well here in this city. We have great employees and we have great department heads. But it's time we start looking at how we create a business atmosphere that maybe people go out and we start, instead of just issuing a bid to do the project, we actually look at the project and say that there is \$400,000 worth of profit. We can do all of this work. Let's do the project ourselves, bring the profit in house, whether it's a matter of hiring some more people, or subbing some of the things out that we can't do, I can tell you that they are all starting to think about that, and they are coming forward with ideas. So, I applaud them for that. Whatever we can do to bring in dollars from projects that we're going to do anyway, are dollars that we can reduce the tax rate on and give back to the taxpayer because we've got great employees and I know they can do the work. We've just got to give them the tools to do it if it's a project that may be a little bit different.

Alderman Arnold asked Your Honor, are we just doing City CIP?

Mayor Gatsas responded we are open to everything.

Alderman Arnold stated I noticed that a number of the requests we received for youth oriented programs that we have funded for many years, the staff recommendation was either that we not fund them as we did in years past or we eliminate funding this year. I understand the difficult financial decisions that have to be made, but I would just posit to the Board to keep that in mind that as a matter of policy maybe we don't want to be eliminating opportunities for young people in the City. I know that Parks and Recreation have some programs. I know that there are a couple of other City departments that have programs, but it was an observation that I made on the non-City side.

Mayor Gatsas stated and certainly Alderman Arnold it is well received. I know that Alderman Craig had talked to me about the City Year project that we had funded in the past. The work that they do at Hillside is great work. They cover kids that were on the edge of the cliff or already off the cliff, and they bring some of them back in, which is a great thing. After seeing their work and talking with students and how they appreciate the City Year product, I asked them...right now we have five schools out there with Race to the Top funding...to give me a proposal that we can go out and rather than just do this at the junior high schools, we can bring it into the elementary schools, and whether they are involved with the third grade or the fourth grade, when that child is just starting to become a problem, that they could work with them there and we've got them on our side to move forward instead of trying to bring the child back as a junior high school student. They have given me a proposal. I'm going to be working in the next two weeks to see if I can't find some corporate sponsors to agree to fund it for a three year period because I think that strongly about this project, and if I can get some corporate members to the table with me, once they see the product they are going to agree. Certainly when you talk to the corporations of this great community, if it's about children and education they are going to come forward. I can tell you that that line item is not going to remain at zero. It

will remain at zero if I have the ability to put some corporate sponsors together. If I don't have that ability I will be back to this Board to look for funding.

Alderman Arnold stated I can appreciate that, and I appreciate your efforts on that particular program. Another program that I'll just point out is the MHRA's youth program which I think we funded for over 20 years and are not funding this year. It may not be a high risk youth program but it's something to keep in mind for the Board.

Mayor Gatsas stated and certainly I can tell you that this Board knows that I've always talked about the allocation of funding from, as we call them, in lieu of taxes. And certainly when we look at their balance sheets, I think that the Commissioners at the MHRA will certainly agree that that's a worthy project. I think they will find the funding to take care of it. I'm sure that after my comments if anybody is still watching at 1:00, I'm sure I'll get a call from the Commissioners, but I certainly will sit down and have that conversation with them.

Alderman Shaw stated I have the same concerns about the 21st Century program and I was wondering if you have any alternative suggestions for that program?

Mayor Gatsas stated that's a great question because it is a great program, but at some point I'm worried about walking down the street and having people say, you must be coming to knock on my door for something. It's a program that used to be funded through the School District. There were questions of why they were in here. I'm not too sure where they are with the Race to the Top in these discussions or in their budget process. So, I'm not too sure that they came here as an elimination at the School Board, but certainly I'm in the process of having discussions with the Superintendent about that program.

Alderman Ludwig stated on the Hazardous Tree Removal program, I don't know if there is any confusion out there. I totally agree with Alderman Shea's remarks. To be very brief, because it is getting late, this program actually came forward for a couple of reasons. Several years ago the University of New Hampshire did a study of our trees in the City and an inventory, and they identified some issues with trees out there. In the Parks Department, as it lost help over time, went from two or three men tree crews to two person tree crews, effectively. So the idea of the hazardous tree removal kind of goes along with what you say about trying to create some efficiencies here. That's an opportunity out there. It's a very different animal to cut a street tree versus a tree in a forest. Street trees are on wires, they're over cars, they're on fences, they are all different places. So there is a great opportunity here for the Parks Department to develop a contract in a time period where tree companies are almost at a lost for work. They get some really great prices out there in the winter months by identifying certain sections of the City that have hazardous trees and going to for contract and getting a really good price at a really good time. You can get a lot accomplished and it frees up the two person tree crew that they now have to get out there a respond to the requests of Aldermen more quickly and efficiently. So this is a win-win. Additionally, trees don't grow overnight, so I don't know who gets the credit for putting this in. If it's you, Your Honor, I'm happy to see that. If it's Sam Maranto, that's great too, or if was the Parks Department that convinced him, but this is a thing that if it's funded sufficiently over a few years, it goes away. It could be a zero in this budget in four or five years if they're down because those problems have gone away. It's a great thing. Whoever got at least this amount of money in there, it's a good thing.

Mayor Gatsas stated you can thank Alderman Shea for that because I know it's one of his pet peeves as we go through this budget process.

Alderman Lopez stated it's really difficult and the Committee has to sort out a lot of this stuff, especially with some of the departments. I mean, they're here and I thank them for being here today, but one of the major things that I am going to say is everybody that's listed here, whether they got zero or 50% or 10%, is going to be after you, and I think the Mayor alluded to...everybody has a great program. There is no question about it. And so we're going to have to rely on the Aldermen contacting the CIP Committee and staff and finding out the history. It's a very tight budget for 2011, and I believe in my own opinion it will be an even tighter budget in 2012. Whatever we do this year, and if the Supreme Court rules that the tax cap is legal, we're even more. So I think if we scrutinize this, we hold strong, get those programs that you want with the CIP Chairman and the Committee and get the background information from Sam of the history. And department heads, work with the Chairman of CIP if he thinks that a program should be in there and follow the Mayor's timeline to try to get that to the full Board. I think we can wrap this thing up as far as the CIP is concerned. And then we'll know because that's a big part of how we move forward with the budget, to get that particular portion out of the way. I just wanted to comment on that.

Alderman Corriveau stated Sam, on page 39, the non-City CIP, one item that really jumped out at me is Heritage United Way. They had been funded at \$40,000. They actually requested less at \$29,000. We had them at \$5,000 and you say 'See Housing Initiatives.' Can you explain that whole thing?

Mr. Maranto responded I sure can. We actually are going to be funding them \$40,000 in 2011. This past summer we received some Homeless Prevention money and we have a contract with them for two years, \$11,000 approximately each year, so that's part of the \$40,000 moving forward to next year. The \$5,000 is shelter grant money, and the additional money will be coming out of Housing Initiatives that the Project Planning

department runs and we have HOME and Affordable Housing Trust funds, and the balance will come out of those. So they will be funded whole.

Alderman O'Neil asked Sam, could you provide for the Mayor and the Aldermen exactly what you just said sometime this week? You rattled off a number of different sources.

Mayor Gatsas stated let me just have one discussion with everybody that I'm surprised nobody talked about it. It's probably the biggest line item we have in the CIP budget and that's the IT number of a million dollars. It's on page 33 and you'll see that it's in red. It says bonded cash. I think you will find, and certainly the discussions we've had in the past is that we must start doing some upgrades to our IT systems. They're tired and they're old. If we turn around and take a look at what we can do, if we talk about whether it's a million dollars or \$750,000, I think we will find that the amount of hardware and product we can buy, again because we are in a market that if you're out there and asking people what they will sell you and what will it cost, I think we may end up for a million dollars seeing a \$1.3 million. I believe that these are things that we should have conversations about to see how it changes the complexion of how we do work in the City. Because if we can find ways to produce the employees a more efficient atmosphere around them, give them products they can work with to come up with answers and work much quicker, we will find that the efficiencies in this City, for a million dollars, is probably going to generate \$2 million or \$3 million a year. So I think it's important that we look at this line item and be very serious, and I can be one to blame myself on this; we've always shortchanged this budget. But I can tell you that I probably got to understand what they do a little differently since I've been elected. They built a website in a matter of two weeks that I can tell you that every day in my office we get compliments about that website, every single day. People talk about how it moves quicker, how they can find things, and right now what I'm getting is, 'You've got to do something with the School side website because it is much different.' So that discussion

will come with the IT department at the School District, and I will give them the same two-week range that I gave Jennie and her staff, and they accommodated it and certainly provided a product that's second to none. So I think it's important that we look at that line item, and certainly it's important that we talk about the products, and certainly she was the first one to start answering the telephone. I'm not telling you that when we start talking about other departments doing things that they can come forward for a million dollar product for how we can get your department moving, but I think we're down to either one or no departments...I think everybody is now answering the telephone. The discussion we had at the last staff meeting on Monday, I think there was one and they said they would be up and running, answering telephones, as long as you dial the right number, right Alderman O'Neil?

Alderman O'Neil responded that's very important, Your Honor.

Mayor Gatsas stated again, I think that's a line item, and I put it in there that we must look at it, and I changed it from a bond to cash. It was cash and I added the bond to it because of the \$1.1 million that we saved on the Kelley Street Bridge.

Alderman O'Neil stated Your Honor, I know some of the requests came in to Sam from the individual departments. Does Jennie have to get together with Sam so we can create a priority list off of this? Because I know initially there were several department requests for IT related items.

Mayor Gatsas stated and I think as you go through this CIP report you'll see some of them in here and you'll see them zeroed because I'm depending on her to talk to the departments, look at what's absolutely necessary in those departments and fund them. She's our expert. Let's see what she brings forward, and that way we can have that discussion.

Alderman O'Neil asked does Jennie have the information that's been provided to Sam or does Sam need to share all the requests with her that she may not be aware of?

Mr. Maranto responded generally over the years we've always indicated that information go through Jennie. Jennie should be aware of everyone's needs.

Mayor Gatsas stated we're filtering them to the right place and she's got them all and she'll get back to us.

Alderman Roy stated on page 33, Human Resources, Security Upgrade, Police Video Upgrade, Training for Customer Service, which we all think is important, and it also includes security in there. Is there someplace else that we're looking for funding for that stuff? It's my understanding that some of that security hardware isn't working now.

Mayor Gatsas responded sure. The Human Resource Security Upgrades, you'll see that there's a \$30,000 item. Most of them are zeroed out in here. If you take a look at Highway Facility Improvements, there's a section in there that I'm having them look under Facilities to see if we can do some of these with old bond balances.

Alderman Roy asked that applies to all of those for Human Resources? Because it only says with Security Upgrade.

Mayor Gatsas responded if you look at the Training, Customer Service, Security, IT, and etcetera, I'm looking to make sure it gets to the IT Department so they can see what they can do there.

Alderman Roy stated okay, so that will all come out when we get an explanation of the final cut.

Mayor Gatsas stated when we get to the next step, hopefully they can all come forward and I applaud the departments for...I think most of them had a pretty good idea of what we were going to come up with...and I applaud you for not lobbying. For the new members, you'll be lobbied and you'll be lobbied hard. The old members will be lobbied too. But I think that again, it's all about what is available, where our priorities are, and how we get to the end that we're trying to achieve.

Alderman Shea stated I just want to mention that, in looking over the way that we're doing it this year as contrasted to the past several years, this is just an unbelievable revelation of how different it is and how much of an improvement. And the one thing I want to mention is...I'm not sure if you want to take credit, but I do appreciate your personal generosity. With all of this I want to thank you very much on the part of my Ward and I think the rest of us in terms of your personal generosity in terms of your involvement with the Salvation Army and YMCA, so I want to thank you for that personally, Your Honor.

Mayor Gatsas stated certainly my wife and I and the people that attended the ball, we made a conscious decision when we said we were going to have a celebration, and as I think I said in my inaugural speech, the celebration was not only about me but about you folks also. So certainly you should be taking the same amount of credit. We were fortunate that when some of the participants saw that we were giving money to the Salvation Army, to the Webster House, and also to the YMCA, we're giving each one of those locations \$5,000 from the proceeds that we received from the celebration. So, certainly it's going to worthy causes and I think it's important that we always attempt to do that. So in closing, I look forward to seeing you folks tomorrow.

Mr. Maranto stated this format is basically a one-year window for 2011 and Airport came in to me with a five year program. There is no action to be taken today, but they've asked that when we do approve the CIP that we endorse a five year program for them. If

anyone wants that I can bring that to the next meeting in terms of what they have planned for five years.

Mayor Gatsas stated I'm certainly not opposed to that. We should look at it and future thinking is a good thing and certainly we should have it before us. I don't have a problem with this Board looking at and approving a five year program, but I would like to approve it on a year by year basis so that the people who are sitting in these chairs in five years, if they change, they have an opportunity to understand what someone else approved.

Mr. Maranto stated it's an endorsement, not an approval.

Alderman O'Neil stated just on that, there's probably a very good reason why they asked for that. Brian's here but I don't think we need to get into it today. It may have to do with federal matches. We really should have a discussion with it. I think we're meeting Monday night. I don't think it's on the agenda but Brian, if that's a March discussion is that okay?

Mayor Gatsas stated Alderman, if they're looking for it to be in this CIP process...I don't know if that's where they are looking, or if that's just a general statement that they've made. I think that certainly where it's not affecting City dollars, if you want to bring it in under new business there and have the discussions at CIP that's certainly up to you.

Alderman O'Neil stated I'll speak with Brian after the meeting and see how important the timeline is for him.

Mayor Gatsas stated again, I look forward to seeing you all tomorrow between 12:00 noon and 1:00 pm at McIntyre.

Alderman O'Neil stated thanks, Sam. He turned around some stuff pretty quick.

Mayor Gatsas stated yes the department worked very hard and I think you all know that when I set out timelines, sometimes it's a little difficult, but I can tell you that we've met late in the evenings and early in the mornings and certainly they've always been there. So again, thank you to the department.

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

A True Record. Attest.

City Clerk