

## BOARD OF MAYOR AND ALDERMEN

October 19, 2010

7:30 PM

Mayor Gatsas called the meeting to order.

The Clerk called the roll.

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

**Mayor Gatsas** asked could I have the Office of Youth Services and members of the Mayor's Youth Advisory Council come forward? If you remember, a couple of weeks ago I talked about Manchester winning an award. Let me have these young men and women talk to you about the award that has been bestowed upon Manchester.

**Mr. Kevin Cassidy**, Mayor's Youth Advisory Council stated we, the members of the Mayor's Youth Advisory Council, would like to present this award to Mayor Gatsas and the Board of Aldermen. The America's Promise Alliance is recognizing Manchester as one of the 100 best communities for young people in America. America's Promise Alliance recognizes 100 communities from across the nation as being the best for young people in America. The City of Manchester has collaborated with programs like the Makin' It Happen Coalition, which promotes a drug free community, as well as the Mayor's Youth Advisory Council, which provides youth an opportunity to engage in local government. Most recently, the Mayor's Youth Advisory Council worked closely with the

Manchester School District to create policy and practice changes in order to increase the graduation rate in Manchester. Manchester has demonstrated a clear commitment to helping improve the quality of life among its young people and as a group of Manchester's youth, we would like to say thank you.

**Mayor Gatsas** stated certainly it is an honor and a pleasure that you folks have worked very hard to win this award and I congratulate every one of you because these are things, as we move forward during the school year, that you should all be proud of. We have a great school system and there are great opportunities there. We have great students, great teachers and great administrators. This shows you that people across the country are starting to recognize that Manchester is the spot to come and enjoy life and go to school. Thank you very much and I applaud you for your efforts.

### **CONSENT AGENDA**

**Mayor Gatsas** advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

### **Approve under supervision of the Department of Highways, subject to funding availability**

**A.** Sidewalk Petitions:

1405 Belmont Street  
226 Laydon Street  
354 Seames Drive

### **Information to be Received and Filed**

- B.** Approved minutes from the MTA Commission meeting held August 31, 2010, August 2010 Financial Report, and August 2010 Ridership Report submitted by Michael Whitten, Executive Director MTA.

### **REFERRALS TO COMMITTEES**

#### **COMMITTEE ON FINANCE**

- D.** Resolutions:

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Nineteen Thousand Dollars (\$19,000) for the FY 2011 CIP 210611 Refugee Translation Services.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Five Thousand Three Hundred Fifty One Dollars (\$305,351) for the FY 2011 CIP 410411 Justice Assistance Grant Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Fifteen Thousand Dollars (\$315,000) for the FY 2011 CIP 411811 COPS Law Enforcement Technology Grant Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500) for the FY 2011 CIP 411911 Weed & Seed Teen Night Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand (\$10,000) for the FY 2011 CIP 511511 Al Lemire Field Maintenance Account.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand (\$10,000) for the FY 2011 CIP 511611 Livingston Park Improvements Account.”

## **COMMITTEE ON HUMAN RESOURCES/INSURANCE**

- E.** Communication from Charles Balban, President of New Hampshire Alliance for Retired Americans, regarding substantial increases in the cost of health insurance premiums for City retirees.

## **REPORTS OF COMMITTEES**

### **COMMITTEE ON BILLS ON SECOND READING**

- F.** Recommending that Ordinance Amendment:

“Authorizing the Mayor to dispose of certain tax deeded property situated on Island Pond Road, Manchester, New Hampshire known as Map 611, Lot 4A.”

ought to pass and be referred to the Committee on Accounts, Enrollment and Revenue Administration for enrollment.

*(Unanimous vote)*

- G.** Recommending that Ordinance Amendment:

“Amending 70.54 Permit Parking in Lieu of Coin Deposit and Parking District of the Code of Ordinances of the City of Manchester by changing Lake Avenue between Elm and Chestnut from District 26 to District 27.”

ought to pass and be referred to the Committee on Accounts, Enrollment and Revenue Administration for enrollment.

*(Unanimous vote)*

### **COMMITTEE ON COMMUNITY IMPROVEMENT**

- H.** Recommending that the request from the Economic Development Director that the MDC be permitted to make \$200,000 available to lend through the City’s Revolving Loan Fund program be approved.

*(Unanimous vote)*

- I.** Recommending that the request from the Chief of Police to retain two vehicles, of the six fleet vehicles being replaced, for School Resources Officers be approved.

The Committee further recommends that two plates be added to the Police Department's complement if necessary.

*(Unanimous vote)*

- J.** Recommending that a request from the Health Department to accept grant funds in the amount of \$19,000 from the New Hampshire Department of Health and Human Services for Refugee Translation Services be approved.

*(Unanimous vote)*

- K.** Recommending that a request from the Police Department to accept grant funds in the amount of \$315,000 to be used to purchase portable radios and accessories be approved.

*(Unanimous vote)*

- L.** Recommending that a request from the Police Department to accept grant funds in the amount of \$17,500 from Granite United Way to be used to operate Teen Night at the Salvation Army be approved.

*(Unanimous vote)*

- M.** Recommending that a request from the Parks, Recreation and Cemetery Division to establish an account to receive an annual donation of \$5,000 for the care and upkeep of Al Lemire Field be approved.

*(Unanimous vote)*

- N.** Recommending that a request from the Parks, Recreation and Cemetery Division to establish an account for Livingston Park improvement funds in the amount of \$10,000 from Bell Weather Credit Union be approved.

*(Unanimous vote)*

- O.** Recommending that the request from the CIP Manager to submit a grant application to HUD for \$4 million in additional lead based paint hazard remediation funds be approved.

*(Unanimous vote)*

- P.** Recommending that a request from the Police Department to accept grant funds in the amount of \$305,351 from the United States Department of Justice be approved.

The Committee further notes that the City's portion of the grant totals \$183,172 and will be used towards purchasing equipment and to support overtime for law enforcement functions. The remainder will be distributed to four other local agencies.

*(Unanimous vote)*

### **COMMITTEE ON PUBLIC SAFETY, HEALTH AND TRAFFIC**

- Q.** Recommending that the request from the Public Health Director for permission to place yard signs at area businesses, major roads and rotaries throughout the city from November 10, 2010, through November 29, 2010, be approved.

*(Unanimous vote)*

- R.** Recommending that the request from UNH Manchester to use Arms Lot on Thursday, May 17, 2012, be approved under the condition that UNH Manchester accepts any costs associated with the relocation of parkers.

*(Unanimous vote)*

- S.** Recommending that Ordinance Amendment:

“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by amending Section 70.54 Permit Parking in Lieu of Coin Deposit thereby removing a portion of Elm Street and removing Kidder and Hollis Streets in their entirety from District 26 and adding same to District 27.”

ought to pass.

*(Unanimous vote)*

**HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN DEVRIES,  
DULY SECONDED BY ALDERMAN ARNOLD, IT WAS VOTED THAT THE  
CONSENT AGENDA BE APPROVED.**

- C.** Communication from Arthur Sullivan, Brady Sullivan Properties, withdrawing from participation in the City's economic stimulus initiative utilizing tax-free Recovery Zone Bonds pursuant to the federal Recovery Act.

**Alderman Long** stated I knew that there was approximately \$4 million in this. It is an opportunity for some help with bonding and relief in the bond payment. I don't know if Jay is here because he sent out some...do we know if some of the businesses had an opportunity to take advantage of this \$4 million that was left available?

**Mr. Jay Minkarah**, Manchester Economic Development Director, replied we have contacted several businesses and there are a couple of businesses that we have been speaking with that are interested. Obviously time is an issue at this point. Really, for anyone to take advantage of these funds they do have to move very quickly. We do have one interested party who has already received an allocation so that would be the easiest because they are already in the pipeline. We are coming up against the clock and we would like to get these funds used.

**Alderman Long** asked when is the deadline?

**Mr. Minkarah** replied the end of this calendar year, December 31<sup>st</sup>.

**Alderman Roy** stated I have a question about this project and how it is going to affect us. We bought some condos in that structure and I thought, I may be wrong, but if my memory serves me right we were supposed to have a certain amount of designated parking spaces. I was wondering if this affects us at all seeing as there aren't going to be as many parking spaces over there as we thought.

**Mayor Gatsas** stated let me see if I can address that for you, Alderman. The parking garage was going to be 250 spaces. The School District was going to get 70 of those covered spaces at \$10,000 a space. With the additional first level space that they can expand with a retaining wall towards 293, they will be able to get 230 spaces. They have since sent a letter to the School District to tell the School District that they will cover those 70 spaces at \$10,000 or they can have them uncovered for \$5,000 a space. The School District would still own those 70 spaces, either covered or uncovered. That letter has been presented to the School District and they will be making their decision. Certainly, if there are other people out there, like Jay said, it is going to be a time crunch for anybody else to come in and get these done by December 31<sup>st</sup> because my understanding is that the paperwork is incredible. If there is anyone out there listening and they have a project that has already been bank financed and ready to go we can certainly sit down with them and work with them to see if we can use some of the funding to move forward.

**Alderman Lopez** stated I want to make sure that the public understands what we are talking about. Could you give a brief explanation of what this is so that the people out there who might be interested understand?

**Mr. Minkarah** replied the City of Manchester received an allocation of just about \$8.9 million in what are called Recovery Zone Facility Bonds. Essentially, this is through the federal government, through the Stimulus Bill, and it allows the City, in our case through the Manchester Housing and Redevelopment Authority, to issue tax exempt bonds for the benefit of private development. Essentially, it would be a loan. In order to qualify it would have to be a development project, located in different areas of the City and people would have to be able to bring a bank to the table that could purchase the bonds from the Manchester Housing and Redevelopment Authority and in turn, lend them for the project. I know that

sounds a little bit complicated and it us, but essentially these are loans that will be lower interest that will be available to support development projects in the City.

**Alderman DeVries** stated the project that we just had a presentation on, the Harbor Homes initiative for veterans housing, should their final loan application fall through and I think they are trying to close a gap of about \$150,000, are they eligible for this?

**Mr. Minkarah** replied I could certainly double check, but it is my understanding that it is not for housing projects. It is not for use in a housing development.

*On motion of Alderman Long, duly seconded by Alderman Roy, it was voted to receive and file this item.*

5. Communication from Michael Langton informing the Board of his resignation from the Zoning Board of Adjustment.

*On motion of Alderman Ludwig, duly seconded by Alderman Craig, it was voted to accept this item with regret.*

6. Nominations to be presented by Mayor Gatsas.

#### **Arts Commission**

James Chase to succeed Elizabeth Cash Hitchcock (term limited), term to expire December 1, 2013.

**Mayor Gatsas** stated this nomination will layover to the next meeting of the Board pursuant to Rule 20 of the Board of Mayor and Aldermen.

**Parks, Recreation and Cemetery Commission**

George “Butch” Joseph to succeed Dennis Smith (term limited), term to expire July 1, 2013.

**Mayor Gatsas** stated this nomination will layover to the next meeting of the Board pursuant to Rule 20 of the Board of Mayor and Aldermen. I apologize. It was a two week differential. We got the dates wrong when we made the nomination. This makes it fine.

*On motion of **Alderman Shea**, duly seconded by **Alderman Lopez**, it was voted to suspend the rules and approve this nomination.*

7. Warrant to be committed to the Tax Collector for collection under the Hand and Seal of the Board of Mayor and Aldermen for the collection of sewer charges.  
*(Note: Clerk to present amount at the meeting)*

**City Clerk Matt Normand** stated the amount is \$328,839.63, Your Honor.

*On motion of **Alderman O’Neil**, duly seconded by **Alderman Shea**, it was voted to approve this item.*

8. Discussion regarding the Manchester Municipal Complex.  
*(Note: A detailed description of each building/structure as recommended and signed by the Public Works Director, the Police Chief, Project Architect and the Construction Manager is attached.)*

*On motion of **Alderman Craig**, duly seconded by **Alderman Ludwig**, it was voted to discuss this item.*

**Mr. Kevin Sheppard**, Public Works Director, stated quite honestly, we didn't prepare for a presentation. We provided the information requested by the Aldermen at the last Board meeting. Part of your package gives the square footage that has been signed off by myself, the Chief, the architect and the engineer. With us today is Chief Dave Mara, Captain Fred Roach who has been working with us from the Police Department; Tim Clougherty, my deputy; Chris Drobat and Barry Bresinger from Lavallee Bresinger; and Richard Burke from Harvey Construction who has been chosen as construction manager for our project.

**Alderman Long** asked seeing that the selection committee no longer exists, with respect to the square footage that we have, I'm assuming that the sign off meets with the Police Chief and the Highway Department's acceptance of the square footage and what is going into those buildings? Is that a correct assumption? You are comfortable as proposed?

**Mr. Sheppard** replied I can't speak for the Chief, but for Highway we are accepting.

**Mr. David Mara**, Police Chief, stated the building as is currently designed is satisfactory.

**Alderman Long** asked with respect to Harvey Construction, does it appear that Harvey Construction is...I don't know if it is negotiations, it is just value engineering so we're looking to come within a number. We're not sure of that number, but does it appear, that after meeting with them for seven days...

**Mr. Sheppard** interjected I believe it was Friday, October 8<sup>th</sup> when we had the first meeting with them.

**Alderman Long** asked does it appear that everything is going as expected? There are values that will be savings?

**Mr. Sheppard** replied there are. Both the architect and the engineer are sitting down with City staff and we have identified almost five pages of items that we want to take a look at. Whether we accept them or don't accept them is to be determined. Some of them are tied together so it is difficult to say right now if all of them are good items, but they have been working diligently over the past 11 days and it is amazing what has been accomplished.

**Alderman Long** asked are we looking to remain on our timeline?

**Mr. Sheppard** replied we definitely plan on coming in on November 9<sup>th</sup> to the Board of Mayor and Aldermen with a presentation on this project.

**Alderman Long** asked as far as the bonding requirement, are we still on that project timeline of starting in December, mid or late December?

**Mr. Sheppard** replied I believe we are on a track that meets the Finance Director's requirements and he could possibly answer that question.

**Alderman Long** asked are we on track?

**Mr. Bill Sanders**, Finance Director, replied yes, I believe we are on track. We will be meeting with the rating agencies the first week of November and then awaiting the meetings of the Aldermen in November to be in position very early in December to issue the bonds.

**Alderman O'Neil** asked Chief, I don't know if this is appropriate for you. It may be for the designers, but are you comfortable that the 72,000 square foot number will meet growth opportunities five, ten, fifteen years from now?

**Mr. Mara** replied when we are looking at the building and the way it is being designed right now, one of the things that we took into consideration...when you look at the current building that we are in, we looked at the things that are lacking in that building that are major concerns for us and that is evidence storage, locker room space and training area, which includes a shooting range. The current building, the way it is configured, the current plans, we feel that there is room for growth in those three areas.

**Alderman O'Neil** stated when I toured Cambridge I was very impressed that they had space within different divisions where detectives could grow. I know we have investigators in the federal building because we don't have space for them in our current police station. Are you comfortable that there is room, if an advantage came like the Sexual Predator Unit that has now been created with three detectives that there is room, if an opportunity like that came forward in the future, for them to expand?

**Mr. Mara** replied there is room for limited expansion in the future. When the offices were designed in this building, they were designed to be flexible enough that if we need to change some things around we will be able to. With that said, I have been advocating, and I maintain, that we do not have enough police officers for a city that is sized the way we are. I believe that we should have between 250 and 275 police officers. With that number, if we ever do get up to it, I think we would have problems. We did design the locker rooms to accommodate that number. The locker rooms, training area, as well as evidence collection are designed that way.

**Alderman O'Neil** asked am I correct to say that if for some reason the complement did increase significantly, the majority of those people would be in the field? There would be some providing investigative services, but the majority would be in the field?

**Mr. Mara** replied the majority would be in the field.

**Alderman O'Neil** asked am I hearing you correctly that we have adequate space for a higher number in the locker room and in the training facility?

**Mr. Mara** replied yes. I believe that if our complement went up, the building that is being planned currently and the way it is right now, if we got between 250 and 270 police officers, they would be able to be accommodated in the locker rooms.

**Alderman Shea** stated my point is Kevin, and we did discuss this, but do you feel comfortable that when you report back on November 9<sup>th</sup> you will be within that \$43.5 million figure that is the bullet point?

**Mr. Sheppard** replied we will present a program that is within the \$43.5 million. If it will encompass the full scope of the current project I can't guarantee that at this point. We are going through the value engineering, looking at all square footage and looking at everything that has been put into the plans. As I said, there are over five pages of items that we are looking at right now so come November 9<sup>th</sup>, hopefully before that, we will have some information as to where we need to be with our program to get down to the \$43.5 million budget.

**Alderman Shea** asked how are the rates now for borrowing? Are they at a very advantageous level for the City?

**Mr. Sanders** replied yes. Our belief right now is that with the current marketplace we would be able to issue these bonds over the 30 year period at a rate, after including the subsidy, of just about 3%, maybe a little above or below. I think it would be an extremely advantageous bonding opportunity.

**Alderman Shea** asked for the listening public, how does that contrast with other kinds of bondings that we have had to do in the past?

**Mr. Sanders** replied I don't have specifics, but I would guess that any rate in the 3.5% to 4% range would probably be the best rates that we would see.

**Alderman Shea** asked so now is an appropriate time, in your judgment, for us to proceed with this project, predicated on the bonding?

**Mr. Sanders** replied the interest rates are generational the way they are behaving right now, yes.

**Alderman Osborne** stated I have a question on the construction of the building itself, the amount of steel in it. Is it constructed for the future to receive another level, if you had to go to a third level?

**Mr. Sheppard** replied I don't believe the current design allows that for either building. I can verify with the architect. That is correct.

**Alderman Osborne** asked is it wise to do this?

**Mr. Sheppard** stated I think the Chief and I both explained that looking into the future we feel that the size that we have right now is adequate to build into the future. When you start sizing the steel that puts a lot of added cost into the project.

**Alderman Osborne** stated I understand, but going up is a lot cheaper than going the other way. It always was anyways. It is food for thought. What does it cost to do something like that, to put the steel to accept another floor? Is it a big expense?

**Mr. Sheppard** replied I don't have that answer. I'm not too sure if Richard Burke does.

**Mr. Chris Drobat**, Lavallee Bresinger, stated I can speak to that. The biggest issue comes with building codes quite frankly. We can design the building for another floor and then the question really is when would you want to flush out that floor, when would you want to build it? It could happen five years from now and in that time, the building codes could change, significantly enough that it would require us to go back through the entire building to reinforce those levels.

**Alderman Osborne** asked is this City-wide?

**Mr. Drobat** replied this is State building code. From a cost perspective, it is a considerable amount. Because we have to design it now, we have an increase from the foundation all the way up through the other steel which may never be used if you never expand it enough to build it out. It is a gamble. If you knew that in a relatively short period of time and you thought that you could plan for it, that would make good sense.

**Alderman Osborne** stated but 20 or 30 years go by quite fast.

**Mr. Drobot** stated the codes will change probably three or four times in that period so that is the risk.

**Alderman Lopez** asked this is a work in progress and then on the ninth you will present the square footage as you indicated?

**Mr. Sheppard** replied correct.

**Mayor Gatsas** stated so by signature on this sheet... I understand that people are committing to square footage on a building. These numbers could change.

**Mr. Sheppard** stated correct.

**Mayor Gatsas** stated I just want to make sure that everybody on the Board understands that because somebody signs X amount of square footage that if something changes, that this is just a work in progress and we shouldn't hold this as a gospel document. Maybe some of the things that are in here that are talked about - brick, metal siding and flat roof - something could change in that design based on value engineering; something could come back differently. Everybody should understand that.

**Mr. Sheppard** stated that is the last statement on page three of what we signed.

**Alderman O'Neil** stated I guess this is a follow up to your point as well as Alderman Shea's. A goal would be that the program is defined in this letter that you have all signed to meet the \$43.5 million bond. That will be presented to us. If that is not achievable, you will present the options to the Board on what the cost

is to meet the program as defined or what needs to be excluded to meet the bond number. Am I correct?

**Mayor Gatsas** replied it would be a side by side for you, Alderman.

**Alderman O'Neil** stated we will make a choice.

**Mayor Gatsas** stated some of the things that have been under discussion...I think you all remember that there was discussion about the collection of rain water for some different issues throughout the building. That is a \$500,000 expense. If we were going to substitute that for another firing range in the police station, chances are we would give up the collection of rain water and make sure that we have enough firing ranges at the police station. That is the value engineering that they are going through right now. There are different ways to get to a LEED certified program rather than doing some of the things that we are looking at. You can use some of the foundations that are there currently, crush them and use them in their lot design as you go forward. These are things that I think, as they work through it, they will be bringing forward in the November 9<sup>th</sup> meeting.

**Alderman O'Neil** stated just so I am clear leaving here tonight, will we be presented options if the building program as defined tonight cannot meet the \$43.5 million bond that has been approved? Will we have options to either meet the \$43.5 million or whatever number is needed to meet the building program? We are going to be presented options is my point.

**Mr. Sheppard** replied my anticipation is that you would have the number. We are going to value engineer that number, bring it down and then there would be program items, potentially, that we will have listed and the value of those that will bring the number down to \$43.5 million, assuming that there are program items...

**Alderman O'Neil** interjected but the goal, just so I'm clear, is to meet a \$43.5 million construction number?

**Mr. Sheppard** replied I think it is only responsible for us to bring the Board a number within the current budget, but allowing you to see some items potentially that got cut out. You will see the current number, \$43.5 million and a list of items, potentially program items, that are being eliminated to get down to the \$43.5 million.

**Alderman Roy** asked you are not saying that the collection of rain water is out yet, is it?

**Mr. Sheppard** replied that is something on that menu list that we provide. No, it is not out.

**Alderman Roy** stated that could serve a dual purpose, not only flushing toilets, but it could be a cistern for the Fire Department to use to test their pumps every year which they have to do by standard. I don't believe they were able to do it this year because there was not enough water in the pond.

**Mayor Gatsas** stated I just used it as an example of what is out there that they are looking at.

**Alderman Arnold** stated I have several questions, but I think my first is properly directed to the representative from Lavallee. I apologize that I don't know the answer to this, but I don't have much experience in architectural issues. Is it common practice for your company, when you do a project like this, to track changes throughout the course of the entire project?

**Mr. Drobat** replied the simple answer is yes.

**Alderman Arnold** stated what I'm getting at is, I wonder if it is possible for this Board to make a request to see the changes that have been made along the way and I think that Mr. Sheppard has indicated that we are going to see some of those options on November 9<sup>th</sup>, but I'm wondering, logistically, if it is possible for your company to provide a list of ways in which the project has changed since its inception through the present?

**Mr. Drobat** replied that is a little more difficult. We can certainly show you milestone presentations that we have made. The difficulty, if the intent is to put a price to it, is that there wasn't a price put to it at each change until Harvey, most recently being selected, puts a GMP price together for that.

**Alderman Arnold** stated that makes sense to me. Just for your information, I'm not necessarily thinking that every time a window was moved from one place to another, but I am thinking about those milestone events and not from the perspective of cost necessarily, but our programming objectives, as Alderman O'Neil was speaking to, whether or not we want to make sure we have a complex that is going to be able to serve our needs, not just a year after it was built, but also sometime in the future to make sure it continues to meet the needs of the City. If I am hearing you right, those programming changes probably could be provided?

**Mr. Drobat** replied they can. It is a complex exercise because quiet frankly, it is something that evolves over time and not every single move is documented hard and fast. There are milestone presentations. We could go back and look and see how those were presented. What is difficult is that there may be a considerable amount of energy to go through a line by line assessment of those changes.

**Alderman Arnold** stated that is fair enough and as far as I know this Board isn't asking for that at this point. I was just wondering, if the Board in the future were to ask for it, the level of difficulty and I think you have answered my question. To Chief Mara, I know that the Police Department has a number of certifications that the officers have to go through for fire arms and evidence storage. Out of curiosity, are the individuals who are responsible for making those certifications or signing off on those certifications within your department part of the design phase of this project?

**Mr. Mara** replied when you say signing off, what happens is that every step along the way, for instance when you talk about evidence, we had one of our evidence technicians involved in that. Also, we had a consultant who was subcontracted by the architect and he advised us as well. When you say that they signed off, they were consulted about what their needs were now, how they felt those needs could be met and then we took that information and got advice from the consultant before we made our decision on how each area was going to be configured.

**Alderman Arnold** stated so it wouldn't be possible, and I'll use evidence storage as the example, for a decision to be made about programming like the dimensions of a room. I'm just tossing that out there as a hypothetical, were changed to satisfy some other objective, but the evidence technician not seeing that and therefore, the department not meeting its certification. That's not something that is possible, right?

**Mr. Drobat** replied we work for the City so our job is to be an advocate for what is required to make the building fit the programming. In the event that there is an undue change that would change a program element, it is our responsibility to bring that forward, back to the Chief or back to Mr. Sheppard, and have them

review that change and make sure they understand that and approve it before we make changes. There are certainly small tweaks we make here and there that don't have adverse effects, but once we reach a point where it is different than what we were told to design towards, that is the point at which we bring it back and have a discussion.

**Alderman Arnold** stated that sounds good. I just want to make sure that none of those tweaks, it might not mean anything to me, but it might mean something to the evidence technician. It sounds like that won't happen so I am glad to hear that. Kevin, I don't want to belabor this point, but on the ninth you are saying that this Board is going to see options regardless of whether or not you are able to value engineer the project down to \$43.5 million?

**Mr. Sheppard** replied definitely. You will have a full presentation of this project, the square footage and the layout of the floors. The architects actually have an interesting program where you can walk through the buildings. If the Aldermen want that we can present that so they can see what the inside of the buildings will look like and what the exterior of the buildings will look like. We will have a full presentation of the project.

**Alderman Arnold** stated I'll look forward to it.

**Mayor Gatsas** asked how do you plan on walking through the building?

**Mr. Sheppard** replied it is a virtual, computer generated program.

**Alderman Arnold** asked Kevin, I may have missed this, but where is Water Works right now?

**Mayor Gatsas** replied staying right where they are and not moving.

**Alderman Arnold** asked so same space? Same building?

**Mayor Gatsas** replied same space, same building. The garage is in the same building.

**Alderman Shea** stated since we are talking about several options, I'm going to request that Bill Sanders comes in on the ninth with different types of bonding costs. In other words, if we were to want another million or two million what that would mean and what that indicates. Rather than trying to get that information that night, Bill, what I would suggest is to have that, not that we are going above the \$43.5 million, but just in case there is some question about what it will cost if it goes to \$44.5 million so people have a chance to view that as well.

**Alderman Lopez** stated I think enough has been said for tonight. I think Kevin knows exactly what we are looking for.

**Alderman Greazzo** stated I'm still curious where anyone came up with the \$43.5 million price tag for this.

**Mayor Gatsas** stated I think that if you remember the original project that was presented to us in the very beginning had a number of \$47.5 million or somewhere in that vicinity.

**Alderman Greazzo** asked what generated that projection?

**Mayor Gatsas** replied it is in the book that everyone was given. The original project was...

**Mr. Sheppard** interjected this was a presentation to the Board of Mayor and Aldermen in June. There was a sheet called Project Development Cost Estimate. The project development cost came down to \$51,332,000. Then there was potential current construction market savings with fast track approach for 17%, which brought us down to about \$43.5 million.

**Alderman Greazzo** asked what was the rationale for making that figure public rather than getting bids on projects prior to releasing how much you were willing to spend on it or what you thought the cost would be? What was the rationale for saying that we think this is going to cost \$43 million and then find a contractor? It is amazing that a contractor would say that they can build it for \$43.5 million exactly.

**Mr. Sheppard** stated we found out that it is not going to be built for \$43.5 million. We feel comfortable, with the construction market being so competitive, that people are going to give us the price or the cost to build this facility. They are not going to try to meet our estimate because there may be other contractors out there who are going to build a project at the cost it is going to cost them. It is a very competitive market. We started out with 12 construction managers who submitted on this. We narrowed it down to four or five. We are very comfortable. Construction management, the way it turns out, it is a cost plus project. It is not a lump sum project, so whatever their costs are get passed on to the City so if there are any savings, all those savings get passed onto the City. It is cost, plus fee, plus general conditions. The City gets all the savings out of this, so it is not a lump sum project.

**Alderman Greazzo** stated my reason for asking is that I was looking at the Harbor Homes projection and their construction costs are \$131.91 per square foot. This municipal complex is 260,466 square feet at \$43.5 million which is \$167 per square foot. That is a difference of \$9,141,930. That is almost a \$10 million difference.

**Mayor Gatsas** stated the square footage of building an apartment without steel, without concrete...

**Alderman Greazzo** stated there is a lot more infrastructure that goes into an apartment than an empty garage.

**Mayor Gatsas** stated I can tell you that when you start talking about the garage infrastructure, the Police Department infrastructure...the garages are much less expensive. The Police Department goes up to about \$226 per square foot when you start talking about the steel that is in there. I believe that those are the questions, but when you take a look at the square footage that you are using on 26 units at \$4.9 million is still roughly around \$175,000 per unit.

**Alderman Greazzo** stated my rationale for asking the question is that I am just curious as to why you would release how much we were projecting to spend on this project and then ask for proposals instead of asking for proposals first and then figuring out how much we were willing to spend.

**Mayor Gatsas** stated I don't think this Board would ever move along on a bond resolution that said empty space.

**Alderman Greazzo** stated I think that is a backwards process.

**Mayor Gatsas** stated I agree with you, but that is the process in the public venue.

**Alderman Ouellette** stated with all the talk that we have had over the last year or so about transparency, I think the public would be crying pretty loudly that we were planning to build this type of project without knowing how much they are going to be footing the bill for. I think that is part of the process too. I agree with you, Your Honor, I think comparing the Harbor Homes Project and this is apples to oranges. I thought that through the presentation in June that we were going to get what could cost us about \$51 million in construction projects, but with all the savings that is how we came up with the price of \$43.5 million. I don't know if it is speculation or if the rumor mill is floating around, Your Honor, but now I'm wondering why we came up that this project may cost even more than the \$43.5 million. Maybe I'm out of the loop on this, Your Honor, but I'm not sure why these discussions are even happening right now. I think it is very premature. I think we should wait for the numbers to come out on November 9<sup>th</sup> to have these discussions.

**Mayor Gatsas** stated I think it is important and I appreciate where you are going, Alderman, but when you start talking about construction and Harvey Construction first bid the plans as 30% complete. I don't have to tell you that if anybody was going to look at a plan and only have documentation of 30% completion that number would probably be a lot higher. Then they were looking at plans that were somewhere at 60 or 70% complete and the numbers started to firm up. I think that we are getting closer to what we would realize as a final product with some of the things that we have discussed besides radiant heat in the floors or a central heating plan. Those are discussions that are going on now that I think are important enough that if you are going to look at something do we look at radiant heat in these garages and do we look at one central heating system? I think that when you

look at those composites and say cost for radiant is \$1, cost for separate heating plans \$.75. Which one do we want to go with? I think that is what everyone is under the idea of doing. To give you an example, they were talking about bringing the side walls up to a five foot level with concrete because of trucks backing into the garages and what kind of damage that would do to the walls. That is a number that is a little bit less expensive than bringing the panels all the way down to the floor. Those are the discussions that are happening now and if we can do the right value engineering I think we are going to be okay with a \$43.5 million number. Again, as Alderman O'Neil said, those things...and I'm not sure that we want to say here is the radiant heat on the plan do we want to change it and go back to radiant heat. I don't think that is what Alderman O'Neil is looking for.

**Alderman O'Neil** stated if we had radiant heat out at Station 8 that was value engineered out, we might not have the leaky roofs and all that. There were radiant heated floors that were pulled out to save money and the heating system that was there left snow on the roof and we ended up with leaks that we had to spend tens of thousands of dollars to fix. These are the discussions that our design professionals are going to have.

**Mayor Gatsas** stated I think that is what you are going to see, Alderman Ouellette, a side by side cost for radiant heat, \$1, plants that are going to have heating systems on the roof, \$.75. You make the decision where you want to go.

**Alderman Ouellette** stated I would just say that I hope that our professionals and the design team are the ones who are going to be making these decisions about what is the best bang for our buck. I think that, and I'm not saying that this Board is going to do this, I'm still not sure what the process is going to be moving forward that's why I'm anxious to see what is going to happen on the ninth, but I hope that this Board does not get too involved in the actual designing of the

building and I think the professionals need to work all those things out. Otherwise, Your Honor, this process would never get off the ground.

**Mayor Gatsas** stated I appreciate what you are saying and certainly I know that they have been working morning, noon and night to make sure that they meet the ninth deadline. As someone said in the beginning, there are five pages of different changes of what they are looking at for building design and meeting that number. Everyone is working diligently so that on the ninth we come in with a product that we can express to this Board and let the Board decide what direction they want to go in. They may be happy with the \$43.5 million and whatever changes come about and we can go from there.

**Alderman Arnold** stated Alderman Greazzo brought this up. Kevin, because a construction manager has already been selected, can you say in this forum how close the bids were or if any of the bids that were received were close to the initial estimates that we had for the cost of this project?

**Mr. Sheppard** replied I think they were close to the original \$50 million that we had presented to the Board of Mayor and Aldermen. We then have soft costs which is furniture, fixtures, equipment and all that stuff. It is a difficult question without going through the value engineering. As the Mayor said, we are going through that now to take a look at what we can do reasonably. Again, that answer is probably better.

**Alderman Arnold** stated I can appreciate that after the value engineering process we might end up at \$43.5 million. I'm wondering, did the bids exceed the project estimates?

**Mr. Sheppard** replied again, there were proposals and the bids exceeded the construction estimate that we were carrying at the time.

**Mayor Gatsas** stated just for clarity, I think first time around it was a number and the next time around it was a number that came in less than that. As we move through this process and the engineers are working through the construction manager we now...I think that the closer that we get there are some numbers like contingency that there was a number plugged in for, but the closer we get to a hard number of everyone agreeing that this is the project, that contingency may go from a \$2 million mark to a \$500,000 and that is \$1.5 million in savings that we may as a Board decide to move it to a different item in the building. Those are things that are being worked on now.

**Alderman O'Neil** asked is the \$43.5 million the project cost or is it the construction cost? I see those things as two different items.

**Mayor Gatsas** replied that is all in, \$43.5 million is all in.

**Alderman O'Neil** asked so that is project cost?

**Mayor Gatsas** replied that is all in, all project costs, contingency.

**Alderman O'Neil** asked \$43.5 million is not the construction number? The construction number would be less than that?

**Mayor Gatsas** replied that is correct.

**Alderman Arnold** stated I think your answer was relatively unambiguous, but I just wanted to confirm. The cost for the outside counsel is going to come out of that \$43.5 million?

**Mayor Gatsas** replied that's correct.

**Alderman Arnold** asked and the cost for the acquisition of the properties?

**Mayor Gatsas** replied that's correct.

**Alderman Osborne** asked what is the percentage of contingency?

**Mayor Gatsas** stated we didn't leave a contingency percentage in there. We put it in as a fixed amount of \$2 million. Another thing that we took out was change orders. The change order number would be \$200,000.

**Alderman Osborne** stated there are always changes, that's for sure.

**Mayor Gatsas** stated I would suggest that on the ninth we be prepared for a four or five hour meeting because this is a very important project and I want to make sure that everyone has their opportunity to ask whatever questions they have. We will try to get you all the information that we can get you at least a couple of days in advance so you will have an opportunity to see what is going to be discussed. We can make life a little easier if the Board members, maybe the day of or day before, can write their questions down and get them into Kevin so he can sift through them so if four people are asking the same question he can narrow down the question and timing so they will be prepared so they don't have to say that they don't have the information and they have to come back. I would rather see

everyone ready with whatever questions they have if they can get them into Kevin so they have an opportunity to get the answers back out to us.

**Alderman Arnold** I have a question for you, though it might require input from the City Solicitor as well. What is the timeframe on the construction manager contract? Do we know at this point?

**Mayor Gatsas** replied again, that is another thing that is being discussed. If it is a 24 month construction or 18 month construction, whether they have access to the entire site...

**Alderman Arnold** interjected I don't mean the terms of the contract, I just mean the timeframe for this Board seeing a draft of the contract and approving such a contract.

**Mayor Gatsas** stated I would say that you probably will see that once...I believe legal counsel is being discussed in the next week as I understand.

**Mr. Tom Arnold**, Deputy City Solicitor, stated we met with the four submitters this morning. We hope to make a selection by the end of the week.

**Mayor Gatsas** stated I think that once that is done we will be closer by the end of next week to have some documentation that everyone can sit down with Harvey, and the counsel can come forward with something that is before us so we can get it to everybody I would say maybe before the ninth so everyone can have a draft contract with the construction manager.

**Mr. Sheppard** stated I would think so, subject to the Solicitor's Office bringing someone on.

**Mayor Gatsas** stated I would rather wait for Tom Clark. I can certainly send a memo out to everyone with his expectations.

**Alderman Arnold** stated I would like to see it as soon as we can as well, but my concern is if outside legal counsel can do it in that timeframe. I agree with waiting for Tom Clark, unless Tom Arnold wants to weigh in.

**Mr. Arnold** stated we of course want to meet that. I tend to think that the ninth may be a little optimistic given the hiring and more importantly, the negotiation process.

**Mayor Gatsas** stated we'll do that quickly.

**Alderman Arnold** stated I'm confident, Your Honor.

*On motion of Alderman Roy, duly seconded by Alderman Long, it was voted to recess the meeting to allow the Committee on Finance to meet.*

**Mayor Gatsas** called the meeting back to order.

**11. Reports of the Committee on Finance:**

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Nineteen Thousand Dollars (\$19,000) for the FY 2011 CIP 210611 Refugee Translation Services.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Five Thousand Three Hundred Fifty One Dollars (\$305,351) for the FY 2011 CIP 410411 Justice Assistance Grant Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Fifteen Thousand Dollars (\$315,000) for the FY 2011 CIP 411811 COPS Law Enforcement Technology Grant Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500) for the FY 2011 CIP 411911 Weed & Seed Teen Night Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand (\$10,000) for the FY 2011 CIP 511511 Al Lemire Field Maintenance Account.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand (\$10,000) for the FY 2011 CIP 511611 Livingston Park Improvements Account.”

ought to pass and be Enrolled.

*On motion of Alderman Roy, duly seconded by Alderman Corriveau, it was voted to waive reading of the Resolutions.*

*On motion of Alderman Long, duly seconded by Alderman Roy, it was voted to accept the report and adopt its recommendations.*

## **12. Reports of the Committee on Lands and Buildings.**

There were no reports.

**13. Reports of the Committee on Joint School Buildings.**

There were no reports.

**14. Reports of the Committee on Accounts, Enrollment & Revenue Administration.**

The Committee on Accounts, Enrollment and Revenue Administration respectfully advises, after due and careful consideration, that that the FY 2011 Budget Forecast has been received and filed.

**City Clerk Normand** stated I would just note that there is an updated detail in the Fire and Police forecast that was requested by the Committee last night that has been attached to your report.

**Alderman Ouellette** stated I believe that we made the motion to accept the report and not receive and file it. Can you double check on that?

**City Clerk Normand** replied the Committee traditionally receives and files that report. It is informational. That is the action they took last night.

**Mayor Gatsas** stated as we look at the forecasts, this is probably the earliest that we have ever done forecasts. It is something that we need to look at. It shows us that we are on the right road, but certainly the forecast that comes in November is going to be something that we can see a little bit better on where we are actually at. I can tell you that if you look at some of the lines, the severance line, we are not seeing a lot of retirees so the severance line is there. Certainly, I know that I have great faith in the chief over at the Fire Department that he is going to meet his numbers without any problem.

**Alderman O'Neil** asked speaking of the great chief at the Fire Department, could we get him up here a second? Chief, I know one of the things the Mayor referenced was that we expected some vacancies probably by this time in your budget and they are not happening. In my opinion they are probably not happening for health insurance reasons. The two items that stood out are salary shortfall...I certainly remember that as we were trying to finalize the budget, it may not have been the salary number that you needed 100%, but I think we believe that if some things fell your way that it might have been achievable. Without those retirements I don't know how that impacts the \$334,000. With the overtime, was that a similar item that we may not have properly funded your overtime number as well?

**Mr. James Burkush**, Fire Chief, replied the overtime number has changed from year to year, but as we have additional staffing, our overtime number has gone down. We thought that that was going to be achievable and we still hope to achieve that number in overtime, but that's not where the problem is. The problem is in the salary line. As you know, we went into the budget with the \$126,000 and we were supposed to try and work that number. That just came off the bottom line when we went into it. Again, we were anticipating six to eight retirements and also the arbitration resolution added \$73,000 to our budget. Just those two right there it is \$200,000.

**Alderman O'Neil** asked just so I make sure I'm clear, I remember the discussion and you said six to eight retirements and the value put to that was \$126,000?

**Mr. Burkush** replied no, we anticipated...

**Mayor Gatsas** interjected about \$250,000 to \$300,000.

**Alderman O'Neil** stated so that number greatly reflects the salary shortfall of \$334,000.

**Mayor Gatsas** stated the other thing that you probably have to look at is that every one of the lines under salaries, the holiday, multiple alarms, are all adjusted by that 4.5% as you go through the budget for COLAs and steps. Those are numbers that are in there and that is a 4.5% increase in those line items. I think the vacation buybacks are up from last year so I think that is another discussion that we have to have. That number was not project to be \$382,000. It looks like in 2010 the vacation buyback was \$546,000.

**Mr. Burkush** stated the vacation buyback is projected going forward. We have already spent \$217,000 and we project that we are going to spend \$600,000 in vacation buyback.

**Alderman O'Neil** stated but there is a direct relationship between vacation buyback and if that number goes up, overtime should go down.

**Mr. Burkush** stated that's correct.

**Mayor Gatsas** stated they are both going up together.

**Alderman O'Neil** stated the overtime number I would be interested in if the Chief could give us, not tonight because he probably hasn't had a chance to analyze it...with all the people, without retirements, I'm trying to figure out why you are projecting an overtime shortfall.

**Mr. Burkush** stated the overtime budget in our history has shown that we have spent in the past two years \$500,000 and our overtime budget this year is \$324,000. The overtime budget is a number that we can work more fluidly and when we have more personnel the overtime usually goes down.

**Mayor Gatsas** stated we corrected that if you remember, Alderman, last year when I first took office. I told the Chief to hire six people right away and that drove his overtime number down.

**Alderman O'Neil** stated just so I understand, the \$324,000 that the budget is at with the \$192,000 we are going to be running towards that target of \$500,000. Am I correct?

**Mr. Burkush** replied a salary shortfall of \$334,000 and...

**Alderman O'Neil** interjected you said that you had \$324,000 in overtime budgeted, but you are showing a shortfall of \$192,000. That is about \$516,000.

**Mr. Burkush** stated that's correct. As the Mayor said, each one of these lines has increased significantly due to salary line increases.

**Alderman Roy** asked could the overtime shortfall be attributed to some injuries? Obviously when a guy is injured you have to cover him. You can look that up and let me know. That is no problem.

**Mr. Burkush** replied what we are projecting, if you look at the overtime shortfall, that is what we are projecting going forward. That number can be affected by injuries or other vacancies.

**Alderman Roy** stated if we are lucky and don't have any injuries it won't be as bad as it looks.

**Mr. Burkush** stated that's correct. The overtime number can work. Like the Mayor said, this is early for us to make projections. The salary line problem is right on. That is the actual shortfall in the salary line item.

**Alderman Roy** stated the other point that I wanted to make, Your Honor, is that vacation buybacks are actually a good thing because you are paying straight time instead of time and a half.

**Mr. Burkush** stated that was the original intention of vacation buyback, but what we have found is that the usage is exceeding the amount of what the people would normally take for vacation.

**Alderman Roy** stated but you can only accrue so much vacation.

**Mayor Gatsas** stated I think where the Chief is going is that on the week where they work one day, a 24, they can take that week on a swap, have that be a vacation week and then buy their time rather than say they are taking vacation and only seeing it once.

**Alderman Roy** stated it is still going to save us money eventually. You heard me say it before that the only fair way to do the whole thing is by hours. Sick leave or vacation, if it is all done by hours, we don't have this problem with the one shift. A 24 hour day is a 24 hour day. It is not a five day work week.

**Mr. Burkush** stated that is what we worked through. We should be coming to the Board in November with the HR Committee. We worked with the HR manager and the City Solicitor to change sick leave to hours, but the vacation buyback issue...

**Alderman Roy** interjected if you did vacation by hours the vacation buyback wouldn't be what you were talking about either.

**Mr. Burkush** stated all I can say is that the usage of the vacation buyback has increased substantially and it is not what the original intention of the program was when it was negotiated five years ago.

**Mayor Gatsas** stated I think that very first year, Alderman, the vacation buyback was somewhere around \$187,000.

**Alderman Roy** stated I believe it. I'll go back to the hours. One of the problems you have in that department is that if you take a Wednesday work week and you take a vacation the employee gets charged five days. If you went to hours, the employee would only get charged 24 hours and you won't have as many people doing what you say they are doing and that is swapping that day and having vacation on another week.

**Mr. Burkush** stated like I said, we have actively been working with the union to resolve that in the sick leave area.

**Alderman Shea** asked does every department in the City have the vacation buyback prerogative? Is that right, Chief, or is that only the Fire Department?

**Mayor Gatsas** replied only one department, Fire.

**Alderman Shea** asked how come?

**Mayor Gatsas** replied negotiated item.

**Alderman Shea** asked when was that negotiated?

**Mayor Gatsas** replied it was put in and I think it was five years ago and at that time we were told that it would reduce overtime because people would be buying back their vacation time and staying in place. However, I think the following year or two years later that institution of one 24 hour day as a week is what forced it to the other side. In other words, you could swap a week with a firefighter one day and get that whole week as vacation. If you looked at it the correct way you could almost do it two weeks in a row, the last week of the month and the first week of the month, and have two weeks of vacation because you swapped with somebody and buy two weeks of vacation on a vacation buyback.

**Alderman Shea** asked so this is only in the Fire Department and not at Police or any other department?

**Mayor Gatsas** replied that is correct.

**Alderman Shea** asked it was contractually agreed upon?

**Mayor Gatsas** replied yes.

**Alderman Shea** asked when there was a vote taken recently about the 14<sup>th</sup> step and so forth, what was the cost that was absorbed?

**Mr. Burkush** replied \$73,000 is what we have to absorb in our budget.

**Mayor Gatsas** stated if you look at your sheet, Alderman, that is on the list. It is the cost of arbitration resolution for \$73,000.

**Alderman Shea** asked so you had to absorb that not knowing that that would be part of your salary item?

**Mr. Burkush** replied that was after the budget was set. That's correct.

**Alderman DeVries** stated Chief, it seems like, and I'm going off memory here, but it seems like when we did pass the vacation buyback, the overtime budgeting for the Fire Department was approaching \$1 million. What did you budget last year? About \$300,000? What was it?

**Mr. Burkush** replied we spent \$516,000.

**Alderman DeVries** stated so we have cut overtime almost in half with the vacation buyback and good management practices.

**Mayor Gatsas** stated just for clarification, Alderman, the vacation buyback is \$516,000 so if you were looking to reduce overtime, we did reduce overtime, but the vacation buyback went up on the same item so we are right back at \$1 million.

**Alderman DeVries** asked so you are saying that the amount that's indicated here is not the dollar amount that they gave for vacation buyback?

**Mayor Gatsas** replied if you look back to where we were when there was a previous chief in place, there was \$1 million in overtime and I think I used to preach to go out and hire more firefighters because that would reduce the overtime. That is when we went to a vacation buyback because that was going to reduce overtime. It reduced overtime the first year by \$500,000 and the vacation buyback was \$187,000 so we won \$200,000 or \$300,000. Since then the overtime was about \$500,000 and the vacation buyback was about \$516,000 last year so we are right back to the \$1 million.

**Alderman DeVries** stated so the \$382,000 indicated in this salary...

**Mayor Gatsas** interjected that is what he is short.

**Alderman DeVries** stated I'm sorry; I'm looking at the vacation buyback saying \$318,000.

**Mr. Burkush** stated that is the projection going forward. We have already spent \$217,000 and we are anticipating \$600,000 in vacation buyback.

**Mayor Gatsas** stated if you add the \$300,000 and he is expecting another \$400,000 or \$500,000 in overtime, we will be at that line item with about \$1.1 million.

**Alderman Lopez** stated I just want to make a comment. There is about \$250,000 that we were short in your salary line item going into 2011 because you had to pick up the \$73,000 for arbitration. That is why that line item is over \$300,000. I want to make that point very clear. That was on the basis that you would probably have some retirements in the meantime going forward. As far as your salary line item is concerned, and as far as I am concerned, it is right on target so to speak.

Had you not incurred the \$73,000 in the budget that you had to take care of arbitration...the vacation buyback that is projected to go forward is going to be about \$600,000. It is well over \$1 million when you combine the overtime and the buyback. I just wanted to clear that up in my mind, but the most important thing was the salary that I was concerned with because I do remember the \$250,000 versus the \$334,000 because of the \$73,000. Keep that in mind.

**Mr. Burkush** stated that's right because we did budget \$600,000 in vacation buyback. That wasn't a surprise. That is what we had projected in spending. As Alderman Lopez explained, it is the salary and overtime shortfall.

**Alderman DeVries** asked can I have you explain as Alderman Roy was saying... overtime, time and a half. Vacation buyback is at straight time so is it the fact that you are carrying extra employees in weeks that you are paying for the vacation buyback that is skewing the numbers? Is that what we need to ask you to try to track? Have you turned the corner now where you are carrying too many people?

**Mr. Burkush** replied no, the overtime shortfall, our overtime account, was about \$325,000. We felt that that was a very difficult number to achieve, but we are still trying to work to achieve that number of \$325,000. We have never been down to \$325,000.

**Alderman DeVries** stated but the combination of the two, as the Mayor indicated, shouldn't be greater than where we were before we started the vacation buyback, you would assume. What are we not factoring in here if vacation buyback is at straight time and overtime is at time and a half?

**Mr. Burkush** replied looking at the overtime line it is basically shift coverage. I looked at the City of Nashua and I tried to figure out what they were spending. They are a smaller fire department and they are spending \$1.7 million this year in overtime for line coverage. Our line coverage of \$325,000...we expressed our concern in the budget process. We didn't think we were going to make it. We needed to be at about \$500,000 to do that. That is what we are projecting, the \$192,000 shortfall. We know the cost of our salary line has gone up 7% per year for the last five years so that is where the cost has escalated.

**Alderman DeVries** stated that is exactly what we are not factoring into the old number of the \$1 million. We are trying to back it off.

**Mr. Burkush** stated the salary raise and the steps have gone up dramatically. We were level funded this year and in previous years we were at \$18.5 million. We returned a surplus of \$273,000 and if you add the cost of all the salary lines and all the increases that is where the problem is. We were basically level funded.

**Alderman Shea** asked did you say that for the past five years the Fire Department salaries have gone up 7% each year?

**Mr. Burkush** replied that's basically all City departments. If you take a look at the salary increases and the step increases, the number of people who get steps each year...the Yarger Decker steps are 3.5% per year.

**Alderman Shea** stated that will happen next year and the year after too.

**Mr. Burkush** stated we are projecting 5% salary line increase next year.

**Mayor Gatsas** stated 5.5%; it is 2.5% for the COLA and 3% for the step.

**Alderman Shea** asked longevity?

**Mayor Gatsas** replied that is part of the step. The people who don't hit the step on a yearly basis wait for five years to get their longevity.

**Mr. Burkush** stated in our department we are 95% salaries and benefits.

**Mayor Gatsas** stated I think the Chief hit it on the head. I think he said that he is \$334,000 short in the salary line item. When we did his budget we were assuming that there would be five or six retirements and that would make up \$250,000. The other \$73,000 that we hit him with for the arbitration resolution gets into the \$334,000. If all of a sudden he gets lucky next week and he gets six firefighters to retire he is going to come back in a month and say he is okay. He will be closer to where he was at.

**Mr. Burkush** stated I have no one who has announced or given me a letter of retirement as of yet. It goes back to the health care. Alderman Roy will testify that we have over 85 people who are eligible to retire and they are all at their top pay scale. Most of the time we have 20 people who are eligible for retirement so the department is aging. We have 60-year-old firefighters on fire trucks and we have never had this many people who could retire.

**Alderman Roy** stated you are absolutely right, Chief. The age of the department is getting up there. It is a concern with me because of the injuries that are going to be coming from having older guys doing a young man's job. That is going to compound the problem going forward. There is also the healthcare issue that Alderman O'Neil was talking about.

**Alderman Shea** stated Alderman O'Neil said something before about health benefits, but doesn't the Fire Department receive health benefits from the State?

**Mayor Gatsas** replied they get a stipend, Alderman. They get a \$700 stipend from the State and they pay that stipend to the City and they stay on the City health insurance plan. It is \$700 per couple, \$350 per individual.

**Alderman Shea** stated that would be a deterrent for them not to retire. Is that what you are saying?

**Mayor Gatsas** replied they are picking up the balance of \$700 on a monthly basis. If their family plan is \$2,500, take the \$700 and subtract it that is \$1,800 a month. Right now, if you stay and you are an employee, your contribution as a couple is somewhere around \$42 instead of \$1,800 so that is why you are seeing that being driven.

**Alderman Roy** stated in response to Alderman Shea's point, one of the big concerns right now is that the State retirement system is going to eliminate the healthcare stipend. It was almost eliminated last year. There is a great possibility that it could be eliminated this session and that is why these guys are staying. They don't want to get stuck with that bill because it is going to eat up most of their retirement.

**Mayor Gatsas** stated I think that this Board will remember maybe two years ago when I was an Alderman that I said that we are making contributions for those firefighters and police officers who came into the system after 2000 who aren't going to participate in a stipend. However, our contribution to the retirement system, roughly \$428,000 a year, we are still making. I look at that as an

unfunded mandate that we are charged something that our employees are never going to see. That is a discussion that we as a Board need to have and we need to have it quickly. I think that if you remember, for the folks who served with me on that Board, I said that we should withhold those payments to send a message as an unfunded mandate. We are paying for people who aren't getting any benefits. I don't think that's right. I will be coming to you soon for some active dialogue.

**Alderman O'Neil** stated one of the more difficult challenges for us is the fact that the pre-65 retirees, whether they got a stipend from the State system or the City system, saw a significant increase in their health insurance cost last spring. I want to say it was in May and was effective July 1<sup>st</sup>. I can tell you that across the City that has put a yellow flag up for employees to say that they can't afford to retire. As the Mayor said, if you are an active working employee, unionized or non-unionized, the City is bearing the brunt of your health insurance costs. If you are a pre-65 retiree, minus whatever your subsidy is and the subsidies aren't great...I think the State subsidy for group two has been level funded for three years at \$700. They saw a significant increase and I think that has greatly affected...I have had conversations with firefighters who probably were going retire and they are staying for no reason other than the health insurance. I think Alderman Roy is right that we are already seeing an older work force in Police and Fire and it is going to lead to more injuries. We are probably going to see it at Public Works and Water Works and I believe we are going to see our worker's comp number inching up as well. It is a challenge that is not unique to the City of Manchester, but it is a challenge for us.

**Mayor Gatsas** stated I'm working on some ideas for early retirement and what we can do to get the work force a little younger and get them a stipend from our side also as an early retirement incentive. This is not something that we can wait to work on in January, February or March. We need to work on this and get an

answer out by November so we can offer employees a plan, and give them until February when we come out as we did collectively with a City budget so that we know where we are moving forward in the budget process. I think that is very important that we have that available to them. Hopefully we will have a meeting sometime at the end of October so we can have some discussion so people can understand where we are at, what the health care costs look like and what we are projecting. Alderman O'Neil is right; the group of people who retired under 65 pay the brunt, but they also carry about 33% of the burden of what they are utilizing. They have a double-edged sword. They are paying the brunt of the cost, but they are also driving the cost up at a much greater pace than what the working employees are. Soon we are going to have to take some hard looks at what we are doing and whether we can afford an early retirement plan. It may incentivize those 80 firefighters to decide that it is something they want to do because there is another stipend coming and it may be the right thing for them to do at the time. I will bring it forward to you very soon so we can make some decisions as a group.

**Alderman Long** stated I'm not very familiar with the public sector. In the private sector, I'm familiar with iron workers; we work the same way. Our bodies get beat and by the time we are 50 we can't do the job anymore and we retire and we don't get health insurance. First of all, in the private sector, you couldn't go to work because I wouldn't make money for the contractor because I'm not able to do what I did when I was 30 years old. That is neither here nor there. Are benefits included with the vacation buyback? If I take a vacation, I receive my benefits. In a scenario where I would not take my vacation and get subsidized my wage for that, I would not get my benefits because if I'm not taking a vacation I wouldn't be eligible for my benefits. With these vacation buybacks are benefits still paid?

**Ms. Jane Gile**, Human Resources Director, replied no, basically it is the value of that week's pay so what they are getting is the value of that week's pay.

**Mayor Gatsas** stated let me try to explain it a little easier. If the deduction from his weekly paycheck...if he gets paid \$100 and they deduct \$50, when you do the vacation buyback, you don't deduct the \$50. You get the whole \$100. In other words, you would get paid 52 weeks with a \$50 deduction and if you bought four weeks of vacation you would get another four weeks at \$100 without any deduction. I know it is a confusing thing when you say it that way. I know you are going to get there. We'll try to help you with some retirements.

**Alderman O'Neil** stated on the police report, it is based on vacancies. Is the \$129,000 a projected savings by having the vacancies? Bill is shaking his head no.

**Mr. Sanders** replied I think the Chief could speak to this, but in our conversations he is running 14 vacancies right now and he is still projecting a shortfall in his salary line.

**Alderman O'Neil** stated he has targeted some dates to bring some different positions on here so if he stays at those dates it is going to leave him \$129,000 short.

**Mayor Gatsas** stated he may be able to reduce some of his overtime because he is bringing bodies in. As I was looking at some of the CIP analysis that I have done, and I will get those out to you next week, every time we see something in CIP as an amending resolution we all assume that we are amending something and even though it doesn't say new money it is actually new money that is coming in. That lit a light because at the state level they have a fiscal committee and that fiscal

committee is made up of ten members and if there is an additional \$100 million that comes into the State that never goes through the budget process. It goes into fiscal and they make the determinations of where it is dispersed. I think that as a Board we make those recommendations as a total Board which is a little different than the State, but I don't think that we realize that the reports that I just looked at last year there was about \$31 million of new money that came in to the City that was off budget. We don't know that when we see amending resolutions because it just says amending. Some of the things that we have talked about with the departments is to change those to say new dollars so people, as they are looking at them may think that we are amending a bond resolution like the famous South Willow Street, the fire station roof that just kept multiplying with more money every week and we just thought that was a resolution. We are going to try to change it so everybody understands that if something comes forward, even though it may be adding to a resolution that we already have in place, it could be new money. I had a conversation with the Chief. Some of the money that is coming in is additional overtime. I think \$185,000 just went through CIP and it was \$25,000 for overtime and \$160,000 for the SWAT Team to buy extra equipment. I asked the Deputy Chief if they could go in and change that to apply it to overtime dollars. If he got that approval, instead of changing things in the SWAT Team we could probably wait, take care of the wage line item with the overtime and take care of the shortfall that the Chief has. Those are some things that we need to start being creative with as we move through this budget process. Certainly those are things that we will have an opportunity to talk about.

*On motion of Alderman Shea, duly seconded by Alderman O'Neil, it was voted to accept this report and adopt its recommendations.*

**15. Reports of the Committee on Administration/Information Systems.**

There were no reports.

**16. Reports of the Special Committee on Solid Waste Activities.**

There were no reports.

**17. Bond Resolution:**

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million Dollars (\$2,000,000) for the 2011 CIP 712711 Manchester Water Works Capital Improvements Project.”

*On motion of Alderman Shea, duly seconded by Alderman Roy, it was voted to waive reading of the Bond Resolution.*

**Mayor Gatsas** stated I was at the Water Works meeting in a commissioner’s seat and this came forward. I think that the Water Works operates on a budget cycle from January to December. I think that everybody realizes that we are in a very difficult budget time. I think it would be appropriate that we not kill this bond resolution, but we let it lay on the table until we see a budget that comes in from Water Works about where that \$2 million is going to go because that day I heard that Water Works was having discussions about water rate increases. I want to make sure that this Board is cognizant of what we are doing because if you all remember, we had a discussion in this chamber about water rate increases and I made a prediction that we would have the driest season ever and it just so happened that we had the driest season ever. We were pumping 30,000 gallons a

day. I'm not looking to kill this; I'm just looking to see where our dollars are going before we start talking about water rate increases.

**Alderman O'Neil** stated I have a handout that we were given, I want to say two weeks ago, that listed 12 different items. I think we know where it is going, \$1 million for relay online main. I'm not 100% sure, but I know they have a line projecting going on regularly. We have a breakdown totaling about \$2.7 million. I'm pretty comfortable that I do know where this is going.

**Mayor Gatsas** stated I don't question that we know where it is going, but we have a budget on the Water Works side where we are talking about water increases and not cutting a budget. When I look at a \$480,000 surplus from last year because it was the driest summer, I guess my question is why we are looking for \$2 million and not \$1.5 million? I guess it is up to this Board to be prudent before we start talking about bonding things. Are there things in the working budget that we can reduce to save that money and we don't have to go out and bond? Those are questions that I think we should all ask and understand where we are. I'm not looking to kill the bond.

**Alderman Arnold** stated these are questions we should be asking, but we have individuals here from the Water Works.

**Alderman O'Neil** stated on the sheet that was handed out two weeks ago, my understanding was that Water Works would take a \$2 million bond and apply it to small projects. Am I correct with that?

**Mr. Tom Bowen**, Water Commissioner, replied yes, the description was general distribution improvements. Essentially, it is seven or eight of these items that totals the \$2 million. These are items that we routinely do on a year-to-year basis.

We clean and cement water lines, about two miles of mains every year, and we replace about a mile of mains every year. We have done that year in and year out. Even though these are capital items in the budget, these are part of our operating and maintenance activities that we do routinely. We have 495 miles of water mains in the system and right now we are doing about three miles of rehabilitation every year. That assumes that the mains are going to last 150 years. We would like to be able to do more. We understand that these are tough times, but we have had these programs in place to routinely keep the system up and operating in a manner that it needs to be operated in.

**Alderman O'Neil** stated looking at items two and three totaling a little over \$1.7 million, those are both related to what you just described I believe.

**Mr. Bowen** stated yes, they are.

**Alderman O'Neil** stated the majority of this bond is going to the mains.

**Mayor Gatsas** stated let me make sure that I understood what you said, Tom, because I want to get this clear. You said that those items that you have listed were normally done through capital.

**Mr. Bowen** stated yes.

**Mayor Gatsas** stated let me ask the Finance Officer. Would you think it is prudent that we start bonding capitalized items and what do you think the agency would say if we started bonding capital items, items that we have used capital for however long, and now all of a sudden we are going to start bonding those items?

**Mr. Sanders** replied I would make a distinction between operating and maintenance type expenses versus infrastructure improvements or replacements. It is the difference between putting a new roof on your house or paying the heating bill. This \$2 million does qualify for the Build America Bond Capital Program so it would qualify for the rebate. My opinion would be that this would be a project that would be a bondable project that has a 20 year life associated with it and would be bondable.

**Mayor Gatsas** stated I hear what you are saying and I agree, but if in the past those came out of working capital and now we are going to a bond side and I agree...it is certainly much cheaper, but I don't want to come back and say that we are going to increase water rates.

**Mr. Sanders** stated I'm not a water expert. I would say that the debt service on the bonds would be approximately \$140,000 a year and next year and the year after, the \$140,000 would be easier to cover than finding \$2 million out of operating expenses. I'm not suggesting that we always want to be bonding \$2 million every year to your point, Your Honor, but these are unique times.

**Alderman O'Neil** stated for the many years that I have been on this Board we have paid cash for police cruisers or light duty vehicles and we now include those in the \$3 million motorized equipment bond. We have made some changes in the best interest of the City.

**Mayor Gatsas** stated we learned that those cruisers were going to last us seven years and we bonded them on a seven year schedule.

**Alderman O'Neil** stated Tom, I have a follow up. I know we had a discussion several months ago about a water rate increase. It would be my opinion that you

are going to have to adjust your water rates at some point and wouldn't it be in our best interest if we did this bond because it would require less of an increase than if we needed to pay cash for all this?

**Mr. Bowen** replied that is basically the plan. Last year when we came before the Board, we were talking about ramping up the rates over a period of three years. We didn't want to have one large water rate increase that would take care of our needs for five or six years so the Board put together a plan that allowed us to ramp up the rates and it was set for the first year and projections for years two and three. The increases were going to be seven, seven and seven. We had the discussion with the Board. We took the message back that the Board did not want us to raise rates last year because of the economy or because whatever other reason there was so we went back and through discussions with the Board we came up with a revised plan. The revised plan was to borrow \$2 million which would cover our increases for our capital work for 2011. However, we still need the rate increases to get our revenues up so that we can continue. Our long term plan, as the Mayor said, is to be able to pay for our recurring kinds of capital costs out of water rates and not be bonding. Back in the 1970s and 80s when the Mayor was on the Board we routinely came to this Board for bond issues every other year. We would borrow between \$1 million and \$1.5 million every other year. It looked like, at the time, a good way to keep the rates down, but it was adding cost to our budget because we were continuing to borrow and borrow and borrow. When we did the revenue bond sale, we had the financial management people come in, they took a look at our rates and they indicated that these kinds of costs, the cleaning and lining and the main replacement that we do every single year, not construction of a new treatment plant or pumping station, but the recurring capital costs, should be paid for in our rates. We have a plan in place to get us there, but for this one time, because we accommodated the Board and didn't raise rates last year, we now need to borrow the \$2 million and we will put that financial plan in place. The

projection is, again, as the Mayor said, we had a very dry summer that the rate increase may not be up as high as we once thought it would be, but we are still talking in the range of seven, seven and seven. That is a determination that the Water Board is going to make. We are still assembling our financial information. Our revenues for the summer months, because we bill quarterly, don't come in until August, September, October and into early November so we don't have all those projections at this time. This will allow us to minimize any water rate increase for next year.

**Alderman O'Neil** stated Tom, I'm not sure that you answered my question specifically though. The work has to happen. Am I reading this right that item three is the main replacement? Is that what that means?

**Mr. Bowen** replied yes.

**Alderman O'Neil** stated if we don't bond this there still has to be \$1 million in main replacement. Correct?

**Mr. Bowen** replied yes.

**Alderman O'Neil** asked isn't it cheaper for the rate that we bond it, and it is spread a little bit right now, than paying \$1 million in cash right away?

**Mr. Bowen** replied yes, it is. Without the \$2 million bond, we are looking at a water rate increase for next year in the range of 15%.

**Mayor Gatsas** stated let me help you though. You are saying that that is if we don't cut anything out of the budget. Your budget is higher than what it was in the year that we are in right now. Your projection for your budget is higher than this

year so without cutting anything in your budget, you are telling me that you need a water increase. Across this country people are talking about reducing budgets. Your budget is not less than what it is this year.

**Mr. Bowen** stated no, it absolutely is not.

**Alderman O'Neil** stated I have a question for Mr. Sanders. Bill, you mentioned that the Build America Bond Program which currently exists may not exist in the future. You mentioned an annual debt service on the \$2 million of about \$140,000.

**Mr. Sanders** stated yes, with the 35% Build America Bonds.

**Alderman O'Neil** asked that number includes that? Is that a one time rebate?

**Mr. Sanders** replied that is every year for 20 years. It is 35% of the interest expense that they pay on the bond.

**Alderman O'Neil** stated that would be similar to what we talked about with the Build American Bonds as a portion of the Municipal Complex.

**Mr. Sanders** stated absolutely.

**Alderman O'Neil** stated that is 35% that they pay every year.

**Mayor Gatsas** stated just for clarification, I'm not saying that we shouldn't do this bond. What I am saying is that Water Works needs to cut their budget so we are not talking about water rate increases. That needs to be what happens. We are facing tough times in this City on our side. Just because they are an Enterprise,

they are part of this City. They need to work in conjunction with every one of us. The Airport got their direction and EPD got their direction. We need to look in their budget, again, because they are in an off cycle, January to December, and we need to find out...not that their budget is going to be higher and that they need a water rate to accommodate that. They need to cut their budget and come back and say that we don't need a water rate, we can offset with the work that we are doing and we can use this bond to offset that work. That is all I'm saying. Before I start hearing about water rate increases somebody needs to take a look and say what are we going to cut, not what are we going to charge the rate bearers so we can see an increase.

**Alderman DeVries** asked don't you time some of your projects so that they coordinate with other projects like the sewer projects going on, the CSO project?

**Mr. Bowen** replied yes, absolutely.

**Alderman DeVries** asked so we are digging in our streets once and not twice?

**Mr. Bowen** replied yes, and that is mainly the areas that we try to work in so we minimize the overall impact on the citizens and we also minimize the cost of the project for both of the entities.

**Alderman DeVries** asked so if we ask you to delay routine maintenance...I don't know if you have ever done that before because we know on the City side that there is an expectation of our bond agencies that we maintain vital infrastructure. That is as important as any other metric that they are measuring us by that we pay attention to that. Is this unusual for you to be thinking about not doing that necessary maintenance that is laid out of delaying it?

**Mr. Bowen** replied no, we have for all intents and purposes been maintaining the mains at this level for 15 to 20 years at least and we have been doing cleaning and cement mortar lining back into the 50s.

**Alderman DeVries** stated I thank you because I think it was at the Mayor's suggestion that you not give us the rate increase and that was very valid. It is very valid because our businesses are struggling and we are looking to keep our rates down. I know your commissioners will do their part to work with the Mayor during the budgeting process, but it saves you money in your budget if you do go out to utilize this bond versus a capital outlay.

**Mr. Bowen** stated yes, it does. This is the most cost effective way to do this right now and it minimizes, regardless of what our budget is, any potential impact on future water rates.

**Alderman DeVries** stated so really the discussion is do we tell you not to do a project at the same time the sewer project is being done.

**Mr. Bowen** stated potentially, yes.

**Mayor Gatsas** stated EPD does work in the streets. They are on a different budget cycle year so let's not confuse telling them that they shouldn't be in the street at the same time. All I'm saying is that I'm not opposed to the bond. If we bond \$2 million this year and we don't have as good of a summer next year as we did this year there is going to be another \$2 million bond to do these same projects next year and we are going to see another 7% increase for three years, 21% without cutting anything in the budget first. That is why I say that it is important to see that budget and hold this bond resolution because if we don't see a cut and we don't have a rate increase it doesn't make sense. We are talking about doing

what we stopped them from doing last year. We don't have the ability to stop it because the commission can vote for a rate increase, no question, but we sent a very strong message as a Board.

**Alderman DeVries** stated I see them as two very separate items. We are not talking about tax dollars here. You are going to be working on your budget with the Water Commissioners. You can certainly address the Mayor's concerns for budgeting at that time. What you are asking us to do is to keep up with the schedule of maintenance of water lines so it works in conjunction with other projects along the schedule so you are in conjunction with CSO or whatever else you are trying to time with.

**Mr. Bowen** stated that's correct.

**Alderman Arnold** stated Tom, you were talking about some of the background when Alderman O'Neil had questions and the statements you made mirrored my own recollections. I just want to make sure I remember this correctly. I recall that last year the Water Works Commissioners brought forward a proposal and this Board ended up sending a correspondence to the Water Works Commissioners asking if they would reconsider the proposal. My understanding was that this bond was the solution and came forward as a better alternative to a high water rate increase. Am I right on that?

**Mr. Bowen** replied we knew that if we deferred the water rate increase that we were looking at a double digit increase for this year so the alternative to that was to bond the \$2 million to minimize the impact on rates for this year and then continue with smaller rate increases over the next few years. Our plan is to have a one time \$2 million bond for these improvements and to ramp our rates up over

the next three years so that we can continue to pay for these types of improvements out of our operating expense.

**Alderman Arnold** stated without this bond the Water Works Commissioners are looking at a higher water rate increase. Is that correct?

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

**Alderman Arnold** stated this question is directed at either the City Clerk or the Chairman of CIP. Because of where this bond sits procedurally on our agenda, I understand that it went through the Committee process and went through CIP. I respect a lot of what you are saying, but I'm wondering if these issues would have been more timely...I'm not saying that you should have brought them forward in a more timely fashion, but wouldn't it have been better to have these discussions in Committee?

**Mayor Gatsas** replied I think I can think of two particular projects that went through the Committee process and got approved. However, there were Aldermen who didn't think they had enough information and decided that they were going to bring them back to have more discussion about them. I can be a lot clearer if you like. I think you can remember.

**Alderman Arnold** stated I can indeed.

**Mayor Gatsas** stated the process that we have, I'm just saying for a conclusion of the remarks...there was nothing that came forward in last year's discussions about not having a water rate increase and bonding \$2 million this year. That was never part of the discussion. That discussion never came up. That discussion was never before us as a Board to say that if we don't cut water rates this year, if we don't

have an increase, we will be back next year. The discussion was that they would be back to you if we have the same kind of summer that we had. However, as I said, the last meeting that I went to there was about a \$480,000 profit over that number. My point is that the Water Works has a budget. That budget is greater than the budget that came before them last year. There is not one nickel that has been cut out of that budget and we are all sitting here understanding what we need to do and how we are going to make the budget decisions we as a Board have to make. The Water Works should be sent a message to go back and come back with a budget that is less than last years.

**Alderman Arnold** stated my recollection, Your Honor, was that last year when the Water Works Commissioners brought forward a proposal for a water rate increase this Board sent them a message and what they came back with was ultimately what we have before us.

**Mayor Gatsas** stated no.

**Alderman Arnold** asked we didn't see the original proposed water rate increase, correct?

**Mayor Gatsas** stated they did those 12 items that Alderman O'Neil was talking about and they did those through their working capital the year that we are in right now. They expected that if they had as wet a summer as they did last year that they might be before us again saying that they may have a problem doing the lining and some of the other items. There is a \$480,000 profit without their books being closed from the dry summer that we had. I'm saying that with that \$480,000 in additional dollars and some cuts in the budget, we shouldn't be talking about a water increase. We should not be talking about rates going up. Businesses are hurting. I don't care if it is a \$2 a quarter.

**Alderman Arnold** stated I agree, Your Honor.

**Mayor Gatsas** stated if you saw their budget, their budget is higher this year than what it was last year.

**Alderman Arnold** asked they are an Enterprise fund, right? I know we are all one City, but I'm trying to get an understanding because I agree with what you are saying with water rate increases.

**Mayor Gatsas** stated EPD is an Enterprise and they are going to go back and cut their budget to meet the standards that the rest of the department did.

**Alderman Arnold** stated I won't get too much further into this because the points that I wanted to raise have been made, but the Water Works Director said that if this bond doesn't go through we are looking at a larger water rate increase. That is what he just said.

**Mayor Gatsas** stated what I am trying to respond to, Alderman Arnold, is very clear. They are talking about a water rate increase without first talking about what they are going to reduce in their budget. The two should not be synonymous. It shouldn't be about a bigger budget and raising water rates. It should be that they tried to cut their budget and this is what they did. Instead of 7% maybe they only need 1% or they can get to zero again because they cut that out. There has been no discussion about that.

**Alderman Arnold** asked may I ask how the bond got this far in the process then?

**Mayor Gatsas** replied I have had this discussion at the Board level at Water Works. What are we going to cut? They are still in their budget process.

**Mr. Bowen** stated we have as an extensive a budget process as any other City department. We probably do four or five different versions of our budget as it makes it way up through the process. Everybody submits a wish list and we start paring it down. We are not at the point where we have a final budget. However, we know that at the very least we need this \$2 million bond and a small water rate increase for next year. That is the bottom line. We do have increased costs, no questions asked. We have seen electricity and treatment plant chemicals go through the roof. We do as much as we can to keep those costs down. We were the first City department that went out and bought electricity on the open market. We are now purchasing it with the rest of the City, but we have been doing that for five years now. Every time we have an opportunity to save money we save it and pass it on to our rate payers. We are as frugal as we can be with the idea in mind that we still have to maintain our distribution system and we have to respond to our customers.

**Mayor Gatsas** stated I have a problem with someone in the same breath saying that they need \$2 million and a rate increase without looking to cut anything in the budget. That is what I have a problem with.

**Alderman Arnold** asked did the Water Works Commissioners take a vote on that, Your Honor?

**Mayor Gatsas** asked on what? On the bond? Yes, they did.

**Alderman Arnold** asked to bring it forward?

**Mayor Gatsas** replied yes, they did. On the water rates, no. They don't have to bring them forward. They don't need to come to this Board.

**Alderman Arnold** stated I just wanted to clarify for myself that this bond got jump started from the Water Works Commission.

**Mayor Gatsas** stated we shouldn't be using bonds and rate increases in the same breath.

**Alderman Shea** asked Tom, the amount of money that you are receiving from the amount of bonding, when will the projects start?

**Mr. Bowen** replied in the spring of next year, Alderman.

**Alderman Shea** asked so is it necessary for the Board of Mayor and Aldermen to make a decision tonight?

**Mr. Bowen** replied what we are trying to do is sequence this so it folds in with the timing for the municipal bond sale because we are trying to get that expensive discounted bond money from the feds.

**Alderman Shea** asked when is that due to take place?

**Mr. Bowen** replied I think Bill Sanders is looking at selling the bonds. The schedule that we had was that he was looking to sell the bonds in November and that is why we came to the Board in October.

**Alderman Shea** asked basically if we were to table this tonight and then reconsider it at our next meeting or whenever Bill says he is going out for bonds, would that agree with what your schedule would be next spring?

**Mr. Bowen** replied I guess that would meet Bill's schedule. The problem is that if you are looking for me to be able to tell you what the Board of Water Commissioners is going to do for a budget, that is not going to happen until December.

**Alderman Shea** stated I didn't say that. I realize what the budget cycle is. I'm talking about your taking advantage of this particular bonding.

**Mr. Bowen** stated the only reason for me to defer this would be to get additional information and I think that we have as much information now as we are going to have in two weeks.

**Alderman Shea** stated I don't think it is going to be two weeks, Bill. You said you were going out when in November?

**Mr. Sanders** replied it will probably be in early December at this point, Alderman, because of the rating agencies.

**Alderman Shea** stated so that is at least six weeks away. There may be some unresolved questions that could be answered between now and then.

**Mr. Sanders** stated the one thing that I would say is that in order to get this into our offering it has to be approved by a supermajority at a second reading, which is tonight.

**Mayor Gatsas** stated this is the final reading.

**Alderman Shea** asked you are saying that the final reading would have to be tonight?

**Mayor Gatsas** replied this is the final reading.

**City Clerk Normand** stated it has already laid over.

**Alderman Shea** stated if we didn't approve this tonight...

**Mr. Sanders** interjected you would need to approve it probably at the first meeting in November or at the outside at the second meeting in November.

**Alderman Shea** asked it could be done at those two dates without necessarily impeding this bonding, right?

**Mr. Sanders** replied it creates a little complication with rating agencies about whether the \$2 million is going to be bonded or not bonded.

**Alderman Shea** stated what I am asking and maybe I'm not hearing correctly, but would it jeopardize the bonding of this particular project if we put it off tonight and postponed it and then reconsidered it later on?

**Mr. Sanders** replied it would be a little more complicated, yes.

**Alderman Shea** stated it would be complicated yes, but it is surmountable?

**Mr. Sanders** replied time would tell. I presume that it would be, sir. It would be the Aldermen's decision. We are meeting with the rating agencies the first week of November. This isn't a big number. It is \$2 million, but if we tell them we are bonding \$43.5 million for the municipal complex and that is all because I don't have two readings on this and then we come back and say we changed our mind, we want to do \$45 million and they have already rated it, it can be a little complicated.

**Mayor Gatsas** stated let me try to be clear with this Board. I am not opposed to the bond. What I am opposed to is this Board not having a discussion with the Water Works or sending a message as we did last year for no rate increase. Before you look at cutting your budget...the budget that I have seen doesn't talk about a reduction and what that might cause; it just calls for a 7% increase without cutting a nickel out of the budget. There has to be something in the budget to reduce the rate to get it to zero. I'm not opposed to this. I'm opposed to it if they come back on a regular basis to bond these kinds of things going forward.

**Alderman Shea** stated you are opposed to it.

**Mayor Gatsas** stated I'm not opposed to the bond.

**Alderman Shea** stated you are confusing me personally. Do we say we are in favor of the bond, but we really aren't in favor of how the bonding money is going to be spent?

**Mayor Gatsas** replied no. What I am opposed to is for the director to sit before us and say that I need this bond and a rate increase to continue the operation at the Water Works. The two should not be synonymous. If you want to say that \$2 million is going to go to infrastructure and repairs I don't have a problem. Cut

your budget before you tell me you are going to raise rates for the rate payers of Manchester. This is the only forum that we can have to have that discussion.

**Alderman Shea** asked so do you want him to say to you...

**Mayor Gatsas** interjected I think as a Board we need to send the same message that we sent last year, no water rate increase. Cut your budget.

**Mr. Bowen** stated we have. We are down three positions from where we were two years ago. Every time we get an opportunity to take a look at making cuts we do, so that is part of our operation.

**Mayor Gatsas** stated Tom, let me ask you a question. Is your proposed budget for next year more money than this year?

**Mr. Bowen** replied yes.

**Mayor Gatsas** stated I can tell you that there are departments in this City whose budgets are less than they were last year.

**Mr. Bowen** stated I don't know if that is proper or not.

**Mayor Gatsas** stated this Board thought it was proper. It was a unanimous vote.

**Mr. Bowen** stated that may very well be, Your Honor, but on the other hand, if we get a lot of additional revenue next year the second year's water rate increase will be significantly less and we will continue to look at...

**Mayor Gatsas** interjected a water rate increase in the second year. We haven't even gotten by the first one yet.

**Alderman O'Neil** asked for clarification, this \$480,000 surplus was in calendar year 2009?

**Mayor Gatsas** replied no, it is in hand up until September. When I said that we were going to have a dry summer...

**Alderman O'Neil** interjected but they still have three months left in their budget.

**Mayor Gatsas** stated because of the 30,000 gallons per day, those numbers don't come in until the end of October. Right now, to date, we are about \$480,000 ahead. That number could grow from \$480,000 because of the dry summer.

**Alderman O'Neil** stated but that is nine months into the budget.

**Mayor Gatsas** stated that is ten months.

**Alderman O'Neil** stated just for clarification, the Board of Mayor and Aldermen, under our charter and State laws that were passed for some of these authorities, we do review and approve the Airport budget, which is an Enterprise; we do approve the EPD budget, which is an Enterprise; we do approve the Parking budget, which is an Enterprise; and we do approve the Recreation budget for the Enterprise portion of the Recreation budget. We have no legal jurisdiction under State law or our charter over the Water Works budget. You and two of the Commissioners who are here need to be having that discussion about the budget.

**Mayor Gatsas** stated I agree with you, Alderman, but I think we sent a very clear message last year with what the will of this Board was.

**Alderman O'Neil** stated you made a statement that the bonding rates were not synonymous. I heard Mr. Bowen say earlier that failure to pass this bond will require a higher rate increase for the \$2 million in cash that they will need. Tom, did you say that earlier?

**Mr. Bowen** replied if we miss the cycle of getting it in on this municipal complex sale, yes.

**Mayor Gatsas** stated I think what he also said, Alderman, was that even if you give us the \$2 million there is a water rate increase. That is the two words he put synonymously without cutting anything out of the budget. He said that we will have a water rate increase even if we give him this. I think that is a problem. That is like us, before we even put a budget together, to tell the taxpayers of Manchester that we haven't done the budget yet, but you are going to have a tax increase.

**Alderman Lopez** asked Tom, how much is that rate increase if you do the rate increase?

**Mr. Bowen** asked with or without the bond?

**Alderman Lopez** replied forget the bond. The bond is going to go through, but tell me how much the rate is.

**Mr. Bowen** stated what we are looking at, just based on preliminary projections, is a 7% water rate increase.

**Alderman Lopez** asked how many dollars is that?

**Mayor Gatsas** replied \$20 a quarter.

**Mr. Bowen** stated well, it is about \$950,000.

**Alderman Lopez** asked so you would have to find \$950,000 in your budget to cut without a rate increase?

**Mr. Bowen** replied no, because what we are trying to do, Alderman, is step up the rates gradually over a two or three year period.

**Alderman Lopez** asked how much would it be if you had to find the dollars in your budget, not to have a rate increase?

**Mr. Bowen** replied if we bonded and did not raise the rates at all this year, then we are looking at approximately a 20% rate increase the following year.

**Mayor Gatsas** stated you notice that no one has talked about a reduction in cost of their budget.

**Alderman Lopez** stated you wouldn't cut your budget any if you did not have the rate increase?

**Mr. Bowen** replied absolutely. We would cut our budget to whatever point we needed to, but these are based on projections of what our costs are.

**Alderman Lopez** stated I don't have any problem with the bond because we are going to get a break percentage wise. I don't have any problem with the bond. I think whereas the City side has mentioned many a times that we cut, cut, cut...you were here earlier when the Fire Chief was up here and he is X number of dollars short. I don't think it is unreasonable, regardless of what authority the Water Works has, for the Board of Mayor and Aldermen to say is it fair that we are not trying to raise taxes over here, but you are going to get your water rates increased. I think that is what the conversation is all about. If the budget is 7% higher than it is this year, then there must be some place in that budget, or as Alderman DeVries said, something that could be delayed for a while during these economic times in order for us not to get hit with electric rates and water rates. We need to understand a little about the operation of Water Works and the authority. I think that is all some people are saying around this table...to include the Mayor. That might end up with the Water Commissioners increasing water rates, which they have that authority and we all know that, but I think what I'm saying is that we should approve the bond because it is beneficial all the way around according to the Finance Officer, go back to the Commission, sit down with the Commission and look at the budget and see what we can do with it so we can try to not have a rate increase. We don't have to have a rate increase for next year, the following year and the following year and if we have to delay a project in order to do that we will delay it. We are all going to be moving on in life and in ten years from now someone else is going to having those problems too. Until we get to that point where we can flourish with the economy, we shouldn't be hitting everyone with fees. That is what we did this year when we did the budget. We didn't increase all the fees that we could have because it wouldn't have been fair. I think we ought to approve the bond, Your Honor, with the message going back to Water Works, even though they have the authority, that we hope that there isn't a water increase.

**Alderman Shea** stated point of order. Tom, you are going to have a surplus between \$480,000 and \$600,000. What happens to that money?

**Mr. Bowen** replied that money gets utilized towards our improvements for the next year. The cash flows over into the next year. It is our cash and we utilize it for next year.

**Alderman Shea** asked how do you utilize it?

**Mr. Bowen** replied for either operating and maintenance or for capital improvements that are approved by the Board.

**Alderman Shea** stated but that is added to your budget, which means that your budget is that much...Does it reduce your budget?

**Mr. Bowen** replied yes, it does. It is part of the cash that we use to operate the following year.

**Alderman Shea** asked do you have a reserve fund in the Water Department?

**Mr. Bowen** replied the original reserve fund that we had as recommended during the bond sale for the treatment plant improvements was recommended at \$3 million and for a couple of years we carried a \$3 million reserve. The Board felt that that was too high a reserve to keep so we have been working that reserve down and that is the main reason why we haven't been to the Board before for bonding or rate increases because we utilized some of that extra cash to get it down to a number that we felt was appropriate. The number that we are trying to shoot for is to carry \$1 million.

**Alderman Shea** asked you don't have a reserve fund of \$1 million right now?

**Mr. Bowen** replied we do right now, but going into next year we are not going to have that. We are going to spend it down. Without any bond or rate increases, we will approximately be \$1 million in the red.

**Mayor Gatsas** stated remember what we all heard a few months ago. A few months ago we heard this same story that if we didn't allow a rate increase there would be a shortfall and they would have to come to the City to borrow money. I said that that wasn't a problem. I think we all agreed that we are all one and we would lend them that money to work through their tough times. Again, Alderman Shea, I think you asked the right question. From last year's budget, they are up \$480,000; there has not been a reduction.

**Alderman Corriveau** stated Alderman Shea pretty much asked what I had in mind. To expand on that, I want to ask a couple of very simple questions. This is work that needs to be done, correct? This is work that is done every year and to take advantage of the CSO and EPD efficiencies this is work that we have to do?

**Mr. Bowen** replied yes.

**Alderman Corriveau** stated if I understood correctly, and the Mayor's point is certainly taken, I think everyone and the Water Commissioners here also recognize that we need to look for as many efficiencies and make as many cuts as we can. I wrote on my notes here that with that provision, if this bond is not issued next year, rate payers are looking at a 15% water rate increase?

**Mr. Bowen** replied I believe the number is closer to 20%.

**Alderman Corriveau** asked did you use financial consultants to arrive at the plan where, as Mr. Sanders said, this unique generational moment we are at with bond interest rates that this would be the most practical route in order to do this necessary work?

**Mr. Bowen** replied we did not bring in an outside consultant, but we did have consultants who did prepare for us the financial model that we utilize in the projection of our expenses and rate projections.

**Alderman DeVries** stated I read your minutes that come out so I realize that there has been a great increase in the cost of your chemicals because I hear that explained in the minutes all the time. It might be good, because we have so many questions on your budget, to have an informational package that goes out from your board to our Board that gives us some of the pie charts and other items that we don't get within the minutes. That might help to allay some of the questions at the very least. I would call the question so that no one else is added to the list of people wanting to speak and maybe we can have this vote.

**Alderman Ouellette** asked Mr. Bowen, you are basically saying, if I can surmise in my mind, that your budget next year is approximately \$1.5 million more than it was this year? If you take the \$480,000 and the \$900,000 in the rate increase it brings you to \$1.5 million. Is that what your budget is going up next year?

**Mr. Bowen** replied no, our budget is a little bit of a different animal than the City's because we don't get CIP money for our budget. Our budget also includes our capital improvements that are needed. We have to have cash to pay for our capital improvements. We don't go to the CIP Committee for \$1 million or \$500,000 or \$1.5 million for street reconstruction. We have to have the cash for not only our operation and maintenance budget, our operations of the treatment

plant and our repairs of our system, but we also have to have cash available for our CIP. We typically do not bond those unless they are major projects like the construction of a new tank or pumping station. Things that are recurring capital costs we try to do for the most part through rates, the cheapest way for our customers to pay for those improvements.

**Alderman Ouellette** asked how much is your budget going up in the salary line item?

**Mr. Bowen** replied the estimate is approximately \$90,000.

**Alderman Ouellette** asked how much is your budget going up in the health benefit line item?

**Mr. Bowen** replied unfortunately, I don't have that. On this single summary page it is all rolled into the administration cost. It is exactly the same percent that the City's budget is going to be going up for health insurance costs.

**Alderman Ouellette** asked so it is a significant number?

**Mr. Bowen** replied yes, absolutely.

**Alderman Ouellette** stated Your Honor, in terms of timing...Mr. Bowen, your budget needs to be approved by December 31<sup>st</sup>?

**Mr. Bowen** replied yes.

**Alderman Ouellette** stated I understand where you are going with this, Your Honor, and I applaud you for it...

**Mayor Gatsas** interjected let me interrupt you for one second. I am going to give you all the facts. I have to give you all the applause because you are going down the right street. You have been hanging around me too long because the difference is that last year the \$2 million that we are talking about in capital cost was in their budget. We had a \$500,000 savings if we use round numbers or increase in revenue. We also had, with a 7% increase, \$950,000 in additional funds. You are right, that is about \$1.5 million plus \$2 million in bonding so that is \$3.5 million. I'm asking where that money is going. It has to go somewhere. If you have more money you have to spend it. If you are telling me that your labor is only going up \$90,000 then there has to be a flush through the system. You are right, Alderman, and I applaud you for the way you are thinking, but the number is even greater than where you were at because the 7% is \$950,000 plus the \$500,000 profit plus the \$2 million.

**Mr. Bowen** stated but we didn't raise the rate 7%, Your Honor.

**Mayor Gatsas** stated no, you are looking to raise them this year by 7%, so that 7% plus the \$2 million plus the \$500,000 profit is \$3.5 million.

**Alderman Ouellette** stated but we were also told last year, Your Honor, and I wish I had a copy of the budget myself, but Mr. Bowen told the Board that if he didn't have a rate increase last year that he would be coming back looking for a double digit increase this year. With that being said, the question right now in my mind is the timing. If we wait three weeks they are still not going to have a budget finalized.

**Mayor Gatsas** stated I'm not looking to wait. My discussion is not about the bond. I'm not going to veto this bond. I brought up the discussion because we need to have a serious discussion about water rate increases. When I see the money that is before us, the road you were going down...this is merely the shot over the bough that says cut your budget before you talk about a rate increase. Find a way to make it less than last year because we had to do that here.

**Alderman Ouellette** stated or we could approve this...

**Mayor Gatsas** interjected let's approve it.

**Alderman Ouellette** stated we could approve this and then in new business make the same type of motion that I believe you made last year saying that this Board would like to see where the budget cuts are and we don't want to see a water increase. My opinion on that hasn't changed since last year, but I also want to help you get to that point by approving it.

**Alderman Ludwig** asked would this be an example of a successful Enterprise?

**Mayor Gatsas** replied I would probably say that this is a very well-run Enterprise.

**Alderman Ludwig** asked so it is successful?

**Mayor Gatsas** replied it is successful.

**Alderman Ludwig** stated I don't really know Tom's operation that well and we are sitting here saying that his \$3 million reserve would probably be at a negative \$1 million with no increases and not bonding this money. Is that true? Is that where we want to put him?

**Mayor Gatsas** replied I think where we want to put them is to have them cut a budget before they are telling me that they are looking for a 7% water increase because I know when you used to come to us when you were a department head and you had ideas of how you could make that Enterprise fund a lucrative one by increasing golfing rates and there was obviously a lot of discussion about that, this Board decided not to let you do those things. We don't have that opportunity at Water Works.

**Alderman Ludwig** stated I understand that and that's where I was going. Once upon a time, there was an Enterprise fund that was created in the Recreation Division and it really went nowhere, but it did cut manpower and it did cut all those things and it was awarded all those facilities as the infrastructure was run down as a golf course, two run down ice rinks, a run down Gil Stadium, and a myriad of articles out there and hopefully the Water Works is never run that way. To me this discussion is headed there. I know exactly where you are going. I think everyone would want to die and come back a Water Works employee because it is pretty nice, but I'm proud of the way that their operation is run and quite frankly, compared to the Parks Enterprise, which I failed at I guess, I applaud them for the way they do their work. I don't want water increases either, even though I think I pay more money to flush my toilet than I do getting water out of my spicket. I know where you are going, but we don't have any control over what they do, but I think we have to have some confidence. I am going to support this \$2 million bond, Your Honor. I know exactly where you are going.

**Mayor Gatsas** stated I support the \$2 million bond also. Now that we have that out of the way, Alderman DeVries has called for a vote.

*On motion of **Alderman Shea**, duly seconded by **Alderman Roy**, it was voted that the Bond Resolution ought to pass and be enrolled.*

***Alderman Ouellette** moved that the Board of Mayor and Aldermen send a letter to the Water Works Department stating that they would like to see no increases in the water rates this year. Also, the Water Works should prepare ideas on how their budget can be cut for this year. The motion was duly seconded by **Alderman Shaw**.*

***Alderman Lopez** requested a roll call vote. Aldermen Lopez, Shea, DeVries, Shaw, Greazzo, Ouellette, Arnold, Craig, Ludwig, Long, Roy, Osborne and Corriveau voted yea. Alderman O'Neil abstained. The motion carried.*

**18. Resolutions:**

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Nineteen Thousand Dollars (\$19,000) for the FY 2011 CIP 210611 Refugee Translation Services.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Five Thousand Three Hundred Fifty One Dollars (\$305,351) for the FY 2011 CIP 410411 Justice Assistance Grant Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Fifteen Thousand Dollars (\$315,000) for the FY 2011 CIP 411811 COPS Law Enforcement Technology Grant Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500) for the FY 2011 CIP 411911 Weed & Seed Teen Night Program.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand (\$10,000) for the FY 2011 CIP 511511 Al Lemire Field Maintenance Account.”

“Amending the FY 2011 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand (\$10,000) for the FY 2011 CIP 511611 Livingston Park Improvements Account.”

*On motion of Alderman Shea, duly seconded by Alderman DeVries, it was voted to waive reading of the Resolutions.*

*On motion of Alderman O’Neil, duly seconded by Alderman Corriveau, it was voted that the Resolutions ought to pass and be enrolled.*

## **TABLED ITEMS**

### **19. Report of the Committee on Community Improvement**

Recommending that the request from the Planning & Community Development Director to rescind \$590,000 of the Bond Resolution for Annual ROW Reconstruction Program, CIP 711209 be approved.  
*(Unanimous vote)*

This item remained on the table.

**20. Referral to Committee on Finance**

Resolution:

A Resolution “Rescinding \$590,000 of Bonds, Notes or Lease Purchases of a Bond Resolution for 2009 CIP 711209 which authorized \$3,211,500 of Bonds, Notes or Lease Purchases, so as to endorse the issuance of a bond authorization in the amount of \$2,621,500.”

This item remained on the table.

**21. Petition for discontinuance of a portion of Hayward Street.**

*(Note: Tabled 10/5/10)*

**Alderman Arnold** asked the Hayward Street and Lincoln Street items, are we just waiting on finalizing the project?

**Mayor Gatsas** replied correct, before we close something we maybe won't do.

This item remained on the table.

**22. Petition for discontinuance of a portion of Lincoln Street.**

*(Note: Tabled 10/5/10)*

This item remained on the table.

**23. NEW BUSINESS**

**Mayor Gatsas** stated if you take a look at you pink packet, we already did the nominations. The press releases are before you about the two arrests made in connection with the recent arson fire. There is also the Highland-Goffs Falls School which won an ENERGY STAR label which was something that the kids were very excited about. They have new lights in the cafeterias and hallways that go off when people aren't in those sections of the building. Facilities did a great job to achieve that. I applaud them for the work that they have done. Certainly, I think that is the first of another 13 or 14 schools that will come forward to earn that ENERGY STAR savings label. The other one, you will see that there is a correspondence to the Committee on Lands and Buildings that I have sent out. I have had some conversation with both the people at the Fisher Cats Ballpark and also the Singer Family about if we would be inclined to make a dedication for the Brown Avenue industrial park recognizing former Mayor Mongan. There is a spot in the corner where we can put a granite post along with a brass top. Also, at Fisher Cats, right under the flagpole, we could put something for former Mayor Bob Baines because he certainly worked very hard on the Fisher Cats stadium. I think people should be recognized while they are still present - before rather than after they pass. Certainly I will leave that up to the Committee and let them make that decision. I can tell you that the project that we all know on the corner of Lowell and Chestnut Streets that some of the Board members know sat on the table for the better part of five or six years. We are working with the Finance Officer to see if we can't get that to a conclusion and get out from under that. That is certainly something that will be before us. I think that final one that you see is sending to Traffic a communication about the Seacoast Community College which is interested in renting some of our spaces in Arms Park at \$30 a month which will add about \$110,000 in revenue per year for Parking and it would be

about \$54,000 in the current year. They have interest in doing that. While we are doing that we should also take a look at the other colleges that we have down there to make sure that we have their rates at the same level.

**Alderman O'Neil** asked is there room? I thought at one point it was pretty maxed out.

**Mayor Gatsas** replied there is room, Alderman. If you remember, once we left Canal Street, the 140 spaces that we had there, they went in and they are not happy being there so they want to come out and come to Arms Park.

**Alderman O'Neil** stated I thought that there were some developers and old agreements in the Millyard that had some capacity for spaces that they may never use.

**Mayor Gatsas** stated I have had conversations with Alderman Roy about it that maybe we need to develop some sort of different pass for college students because we allow them to park in the yellow zone. We may need to find a different place that we can put them that doesn't take up all the yellow zones, but allows people to get into those mill buildings to do business.

**Alderman O'Neil** asked is there room with the City Year kids in there?

**Mayor Gatsas** replied there is. They are first in line, I agree. Anyone else with new business?

**Alderman Shea** stated I have two very active Neighborhood Watch people, Barbara Miles and Debbie Miller, and they, along with myself, will be involved tomorrow night at Engine 7 on Somerville Street. It is a Neighborhood Watch

program and Alderman O'Neil made reference earlier to the Sex Offender Program and Sergeant Marr and Officer Pelletier will appear there for anyone interested, both for Ward 7 residents as well as any other residents to discuss that program.

**Alderman Greazzo** stated just a reminder that there is a Ward 10 meeting next Wednesday, October 27<sup>th</sup> at 7:00 PM at the Parker-Varney School.

**Alderman Long** asked is there an anticipation on when we would get a financial summary of the Chili Fest with respect to Parks?

**Mayor Gatsas** replied I think Mr. Sanders and Jay are working on it, so I think at the next meeting we should have something. I know that we had a follow up meeting just the other day so that everyone could come in and put their concerns on the table of what they thought could be improved and talked about going forward.

**Alderman Long** asked do we have a number for the non-profits?

**Mayor Gatsas** replied we have that number, yes. I think roughly \$20,000 that was given to the non-profits in 2000 was given to the Rotary. It is roughly somewhere in that range. I have one other thing. I can tell you that we are going to undertake something exciting in the City of Manchester. We are going to be working on the biggest Christmas parade in the State of New Hampshire. As a community we are doing some great things. I think it is something that is going to be exciting. I have Intown Manchester meeting with my staff so we can create something so everyone will be absolutely delighted to come down on Elm Street, light the tree at Veterans Park, we'll see if we can't get the schools involved where the children can create window dressings for some of the establishments

downtown, which will bring their parents down. We are going to have a parade. I think everyone understands that they are talking about allowing some of the high school bands to play. I am looking for the choruses to come down. Hopefully when we get everything present and before you so we can talk about closing Elm Street from Merrimack and Central Streets so we can have the choruses singing there for a couple of hours so we can have a festive occasion in the City of Manchester, something that we can all be very proud of, just like the Chili Fest. That is something that we are working on and I will make sure I keep you all abreast so we can all participate to make sure that this is a big success. This is not about trying to create revenue or anything else. This is just about the holiday season and making sure that we do everything in our power to make sure people in Manchester come downtown and visit our merchants.

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

A True Record. Attest.

City Clerk