

## **BOARD OF MAYOR AND ALDERMEN**

**December 7, 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

**Alderman O'Neil** asked for a moment of silence for two individuals who passed away recently: Gene Seaver, a sports official from Keene, died December 1<sup>st</sup> and Kevin Casey, who grew up in Ward 6, passed away recently at the age of 49.

**Mayor Gatsas** stated and also Mrs. Edwards.

### **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.

### **Accept BMA Minutes**

- A.** Minutes of meetings held on June 29, 2010 (one meeting), July 6, 2010 (two meetings), and August 3, 2010 (two meetings).

**Accept and Remand funds for the purpose intended**

- B.** Accept and remand funds in the amount of \$209.00 from All Dogs, Inc. to be used by the Police Department towards the purchase of a dog for the Canine Unit.

**Information to be Received and Filed**

- C.** Monthly Bulletin from the City of Manchester Health Department for November 2010.
- D.** Annual Report from Manchester Public Television Service, Inc.  
*(Note: A copy of the report has been sent under separate cover to the Board of Mayor and Aldermen and is available for viewing at the Office of the City Clerk.)*
- E.** Communication from Pamela Goucher, Deputy Director of Planning & Zoning, regarding Master Plan implementation guidelines.

**REPORTS OF COMMITTEES**

**COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE  
ADMINISTRATION**

- F.** Advising that the travel summary reports from various City departments have been received and filed.  
*(Unanimous vote)*
- G.** Advising that it has accepted the following Finance Department reports:
- a) Department Legend
  - b) Accounts Receivable summary
  - c) Open Invoice report over 90 days

and is forwarding same to the Board for informational purposes.  
*(Unanimous vote)*

- H.** Advising that it has received and filed a report from the Finance Department detailing the City's accounts receivable policy, a four-year outstanding accounts receivable analysis for the month of September, responses regarding department prepayment policies, and Pan Am Railways history.  
*(Unanimous vote)*
- I.** Advising that it has accepted the City's Monthly Financial Reports (unaudited) for the three months that ended October 31, 2010, and is forwarding same to the Board for informational purposes.  
*(Unanimous vote)*
- J.** Advising that the FY 2011 Budget Forecast has been received and filed.  
*(Unanimous vote)*
- K.** Recommending that Ordinance Amendments:

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

“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 enrolled.  
*(Unanimous vote)*

#### **COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS**

- M.** Advising that the communication from Louis DeMato, McLane, Graf, Raulerson & Middleton Professional Association, on behalf of 603 Entertainment Group, Inc., regarding their pending business license application has been received and filed.  
*(Unanimous vote)*

## **COMMITTEE ON LANDS AND BUILDINGS**

- O.** Recommending naming the Brown Avenue Industrial Park the *John C. Mongan Industrial Park* and the parking circle, Center Court at the MerchantAuto.com Stadium *Robert A. Baines Way*.  
(*Unanimous vote*)

## **SPECIAL COMMITTEE ON ALCOHOL, OTHER DRUGS AND YOUTH SERVICES**

- P.** Advising that the communication regarding youth related data from the Office of Youth Services, Manchester School District and the Police Department has been accepted.

The Committee further requests that the communication be presented at a joint meeting of the Board of Mayor and Aldermen and the Board of School Committee at a date to be determined.

(*Unanimous vote - Note: The communication was previously distributed to the Board of Mayor and Aldermen on 11/12/10 and is available for viewing at the Office of the City Clerk.*)

- Q.** Recommending that the Manchester School District, Police Department and Office of Youth Services develop a plan to reactivate the Collaboration to Locate Absent Students (CLAS) program.

The Committee further requests that this plan be presented at a joint meeting of the Board of Mayor and Aldermen and the Board of School Committee at a date to be determined.

(*Unanimous vote*)

## **SPECIAL COMMITTEE ON SOLID WASTE ACTIVITIES**

- R.** Advising that the phone poll conducted November 8, 2010, recommending that the City settle its contract rejection damages claim with Corcoran Environmental Services, Inc. has been ratified and confirmed.

(*Unanimous vote*)

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

- L.** Advising that the Innoprise Software update submitted by the Director of Information Services has been received and filed.  
*(Unanimous vote)*

**Alderman Long** stated I was just wondering with this Innoprise, with respect to the Committee on Accounts with the code enforcement issues we've recently encountered, I see that the first analysis was with Planning & Community Development. I'm wondering if there is input on this Innoprise for Secretary of State registrations. As of January 21<sup>st</sup>, for building code violations each complex is going to require an agent, whether it be the owner...if it's an out of town owner, then there is an agent required on each apartment. Is there room to put that in? And also, common inputs, because with this last issue we had one of the building code violations of \$50,000. I looked at the Secretary of State's web page, and the entity dissolved in 1992. We are dealing with them in 2007, and we think they are on the up and up, and they are leaving us with a \$61,000 hole. I'm wondering in this Innoprise system, are they looking at adding portals with respect to ways with which...when we give out a license, do we know that this company is legitimate? Are they registered to do business in New Hampshire, at the very least?

**Mayor Gatsas** responded I think those portals certainly will be discussed as Jennie Angell moves forward. I think they had some of those discussions in the Committee on Administration, if memory serves me correctly. The Committee on Administration heard some discussions from Jennie in regards to the portals that the new IT system would have. I think they were discussing those kinds of portals where they would track that, it would be available to them, and they would know consistently what owners might not be paying their fees and their bills.

**Alderman O'Neil** stated we did talk about it specifically within city government. I don't know if you were looking at a way to tie it together with registration with the Secretary of State and all of that. That's a pretty interesting point.

**Alderman Long** stated this incident of \$61,000 had a common denominator and that was the business address. There was a person's name and there were two companies, but the common denominator was a business address, so in 1992 we would have known that this business address gave us a flag to look at the record. The owner's name changes but the business stays the same, and it's the same business and they are not being on the up and up with us. If that were the case, when you would have put in this business address, it would have come up in notes that this business address owes...

**Mayor Gatsas** interjected I'm sure as she comes in and has further discussion with the Committee on Administration, I think she is going to report on a regular basis on what they are doing. That's a question you may want to call her so she can report back to the Board.

**Alderman Lopez** stated I think also, Your Honor, along with the Building Department and the City Solicitor, it's really tangled there and has to be straightened out, and I think that's what Building is going to do, and the City Solicitor The Committee on Accounts referred the ordinance and everything to us, so they have to do some paperwork; it's going to take some time. There was a question asked by one of the Aldermen of the Finance Department as to whether they can tag early on and bring that to the accounts in the future. Keep in mind that this is one incident that got carried away, and I think another Alderman asked how many times these accounts have to get fined. That's what we're trying to untangle and work out.

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

- N.** Advising that the communication from Alderman Arnold regarding tax exemptions for individuals has been received and filed.  
*(Unanimous vote)*

**Alderman Arnold** stated in July I requested the Administration Committee to take a look at the tax exemption system we have in the City of Manchester. I'm comfortable supporting the Committee's recommendation that it be received and filed, but I certainly hope that doesn't end discussion on this issue as we make our way through a difficult fiscal year and continue discussions going into what looks to be an even more difficult fiscal year. It certainly seems to me that we should be discussing all options and all opportunities and doing whatever we can to act responsibly on behalf of the taxpayers.

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

- 5.** Communication from Chuck Hungler advising the Board of his resignation from the Retirement Board.

*On motion of Alderman O'Neil, duly seconded by Alderman Corriveau, it was voted to accept this resignation with regret.*

- 6.** Communication from Mayor Gatsas advising the Board of the Mayor's appointment to the Retirement Board.  
*(Note: Provided for informational purposes only; no action required.)*

**Mayor Gatsas** stated Dianne Mercier is my nomination.

7. Nomination presented by Alderman Lopez.

**Alderman Lopez** stated I was talking to some members of the Board and unfortunately, for some reason, the document didn't get to the members of the Board. It is in reference to the nomination of the City Assessor. According to Section 3.07(b) of the City Charter, the Aldermen appoint the department heads. Therefore I am nominating Robert Gagne as the head of the Assessors Department and Chairman of the Board of Assessors. Because you received the letter tonight and you haven't had an opportunity to talk to the applicant, I'm going to recommend that we lay it over until the next meeting so that you have an opportunity to speak to whoever you want to speak to.

8. Nominations presented by Mayor Gatsas.

**Mayor Gatsas** stated pursuant to Section 3.14 (b) of the City Charter, please find below the following nominations:

Bobby Kessler to succeed Dick Anagnost (term-limited) as a member of the Office of Youth Services advisory board, term to expire January 1, 2014:

Karen Burkush to succeed Susan McKeown (term-limited) as a member of the Office of Youth Services advisory board, term to expire January 1, 2014:

Tom Donovan to succeed Kendall Snow (term-limited) as a member of the Office of Youth Services advisory board, term to expire January 1, 2014.

These nominations will layover until the next meeting of the Board pursuant to Rule 20 of the Board of Mayor and Aldermen. Your consideration of these nominees is appreciated.

9. Confirmations to be presented by Mayor Gatsas.

**Arts Commission**

Thomas A. Ford to succeed Crystal Nadeau as a member, term to expire December 1, 2013.

**Highway Commission**

Vasillios Skouteris to succeed Joan Flurey as a member, term to expire January 15, 2014.

Richard Rothwell to succeed William Houghton, Jr. as a member, term to expire January 15, 2014.

**Office of Youth Services Advisory Board**

Nicole Lora to succeed Daniel T. Leach as a member, term to expire January 1, 2014.

**Revolving Loan Fund**

Michael C. Walsh to succeed Richard Girard as a member, term to expire June 1, 2012.

*On motion of Alderman O'Neil, duly seconded by Alderman Craig, it was voted to confirm these nominations.*

10. Discussion regarding the Manchester Municipal Complex Contract, if available.

**Mayor Gatsas** stated I see Kevin Sheppard shaking his head, indicating that there is nothing available at this time.

11. Communication from Chairman Lopez outlining a draft policy for change orders related to the Manchester Municipal Complex.

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

**Alderman Lopez** stated most of this language came from the Joint School Committee that they originally had in their administrative affairs of that Committee. Three of the members are on here. Originally it was \$25,000, then they went down to \$2,500 and then they went back up to \$5,000. This is where I received the language on some of the projects that people have done in the past. If there are any questions on it or amendments that you would like to make, that's fine.

**Alderman Arnold** stated on the second bullet point where it says that any change order with a value exceeding \$5,000 that is not time sensitive is going to come before the Committee. Does that mean that if it exceeds \$5,000 and it is time sensitive, we're going to leave that to the Public Works Director?

**Alderman Lopez** responded if it exceeds \$5,000 and is time sensitive, we are going to take action and have a special meeting. The department head has asked me, as well as the deputy, to have a standard committee meeting set up every week. If we didn't need the meeting, we would cancel it. I've accepted that. I don't think there will be any delay with time sensitive issues. Emergency situations are a little bit different.

**Alderman O'Neil** stated it's great that we can hold a special meeting, but many of us here have worked in the profession. Alderman Roy has great knowledge; Alderman Ludwig has been involved in projects. I've been on jobs where you've got cranes sitting out there and somebody has to make a decision. They can't wait for a special meeting of the Board. They might have a trench open or they've got Valley Street or Maple Street open. They have to make a decision. They can't wait for a special meeting of the Committee. We have to give Kevin Sheppard some leeway on this time sensitive issue. This could end up costing us all kinds of

money. A certain special type of equipment is brought in on a very specific schedule for four days, and on the fourth day a crane to lift equipment...I'm trying to think of examples and I don't know if they are applicable here. If it is to put units on top of a roof and that unit doesn't come in on the fourth day, somebody has to make a decision and say that we are going to hold that crane and pay that extra to hold it another day. Otherwise the crane company is going to take off. They can't wait for a meeting of the Board of Mayor and Aldermen.

**Mr. Kevin Sheppard**, Public Works Director, stated Alderman Lopez did review this with me and quite honestly, I interpreted it the same way that Alderman O'Neil reviewed it. If there is a time sensitive issue, typically we need to act – sometimes within minutes, sometimes within an hour. To have to call the Committee together for something like that is not reasonable during construction. Obviously, we're not going to take advantage of that clause. If something is time sensitive and a decision has to be made, quite honestly we don't have a problem discussing it with Alderman Lopez if we have to give him a call, where he is the chairman of the Committee.

**Alderman Arnold** stated I'm fine with that. I just wanted to clear up the ambiguities.

**Alderman O'Neil** asked can we make a little amendment? If he can't get Alderman Lopez for some reason, what does he do, stop what they are in the middle of? There has to be some leeway for him to make a call and it's not doing a phone poll of the Committee.

**Mr. Sheppard** stated my preference, obviously, would be to leave the decision up to me as the overseer of the project.

**Alderman O'Neil** state and to let Alderman Lopez know as soon as possible if it needs a Committee poll later, but he has to make the decision at that moment. I don't know how it should read to get to that point, but it's different than how it reads here. Attorney Arnold, do you have any suggestions?

**Mr. Arnold** responded not off the top of my head.

**Alderman Arnold** asked if we are leaving the dollar amounts the same, couldn't we simply say that if it is time sensitive the Public Works Director has the authority to act and any change will be included in his monthly report?

**Alderman O'Neil** responded that's fine. I don't want to see the project stopped because he's trying to get in touch with Alderman Lopez.

**Mayor Gatsas** asked what bullet point are you talking about?

**Alderman O'Neil** responded it's the second one, I believe.

**Alderman Roy** stated I think that is just how that second bullet point explains it. If it exceeds \$5,000 but it's time sensitive, then he has the right to...

**Alderman O'Neil** interjected I agree that's how it read, but Alderman Lopez said they would take action and have a special meeting.

**Mayor Gatsas** stated I think that what it says is anything that is not time sensitive will come back to the Board. If it's time sensitive, he will make the decision.

**Alderman Lopez** stated that's correct.

**Mayor Gatsas** stated I think that's exactly what it says, It says, 'Any change order with a value exceeding \$5,000 which is not time sensitive will be brought before the Committee as well as the Board of Mayor and Aldermen for approval.' So anything that's time sensitive, he has the ability to move forward.

**Alderman O'Neil** stated right, but then I heard something about calling a special meeting. I thought that was addressing that issue. That's what Alderman Arnold brought up.

**Mayor Gatsas** stated I think now that we've addressed it publicly, we are all under the same understanding that he can move on a \$5,000 item, but he's going to report back and say what he has done.

**Alderman Lopez** stated I guess, Your Honor, what I was referring to, if I may... You are absolutely right, and I have had conversations with Kevin. Kevin, in our conversation, was saying that at some point he might need a special meeting to do something and I was referring to maybe a change or something.

**Alderman Corriveau** asked do we have written somewhere, whether it's in project documents or the contracts or whatever, definitions of some of these terms? For example, do we have a definition of what constitutes something that is time sensitive? What constitutes something that is a change order? What constitutes something that is a material change?

**Mr. Sheppard** responded change orders are defined. I'm not sure if we have a definition of time sensitive.

**Alderman Corriveau** asked what would you consider to be time sensitive?

**Mayor Gatsas** responded I think probably the example that Alderman O'Neil had was good, about the crane that was scheduled for three days but they need to have it there for a fourth day to move a piece of equipment up to the roof.

**Mr. Sheppard** stated or in the middle of an excavation, they run into an underground tank that has to be moved or they get some radiation they run into that they have to work on, something that shuts down the job if you don't have authorization.

**Alderman Corriveau** asked how about something that would materially change the scope of the project?

**Mr. Sheppard** responded a material change is typically identified as part of a change order in a project, so that would probably fall under the change order definition. A material change is typically, we say we are going to build 10,000 square feet and decide to build 10,500 square feet. Something like that is a material change because it wasn't presented to the Aldermen when the project was first presented it. We decide to change the parking lot; instead of building it 100 feet by 100 feet, we're going to make it 50 feet by 100 feet.

**Alderman DeVries** stated just for the record, Kevin, the Police Department says if you can get an extra 500 square feet into the building, feel free to make that material change. They'll take it. I just want to be sure that the \$5,000 level isn't too low. That seems a little lower than what we had on the design/build for the schools and other projects that I've seen.

**Mr. Sheppard** stated we've discussed with Alderman Lopez that obviously we'd like to see it a little bit higher to allow us a bit more discretion, but with that time sensitive stipulation, we can work with that, and if it doesn't seem to be working, we can possibly come back to the Committee or come back to the Board.

**Alderman DeVries** asked could you give a little more clarity? Holding the costs in line on this project is essential. Would you agree that if something is going to increase in cost, if the decision is not made at that particular time, that would also be time sensitive, so if you don't make the decision and it causes any kind of delay in the way the project is going to be executed, that would also be time sensitive?

**Mr. Sheppard** responded I think I understand what you are saying, and typically we know about items and have some time to react and then we can go to the Committee. I'm not sure if that's the direction you are going.

**Alderman DeVries** stated that's exactly the direction I am going, because we have a very low amount, 5% I think, that we've put aside. We don't want to run that up on delays.

**Mr. Sheppard** stated our plan is to minimize any changes to this project. We are getting 100% construction documents. We are going to be getting a GMP for this project, so our intent is to minimize any change orders for this project.

**Alderman O'Neil** stated the City Clerk may have a suggestion on wording that just clears up our discussion tonight. We're all going off memory later. May I yield to the Clerk?

**City Clerk Matt Normand** stated my understanding of the discussion was that the change orders exceeding \$5,000 which are time sensitive may be executed by the Public Works Director without prior approval of the Committee but must be reported to the Committee and the Board of Mayor and Aldermen monthly.

***Alderman O'Neil** moved to add a bullet point to the change order policy stating that time sensitive change orders exceeding \$5,000 may be executed by the Public Works Director without prior Committee approval, but must be reported to the Committee and the Board of Mayor and Aldermen monthly. **Alderman DeVries** duly seconded the motion.*

**Alderman Long** asked with respect to the \$1.5 million, does this have anything to do with that, the contingency of \$1.5 million?

**Mr. Sheppard** responded it depends upon who you talk to.

**Alderman Long** stated let's say it goes to their control. Would this have anything to do with that?

**Mr. Sheppard** responded no it would not because it would be under their control. They typically ask in a CM process; we would work with them with their contingency.

**Alderman Long** stated because anything left over would go to the City.

**Mr. Sheppard** stated whichever CM we work with, we would discuss exactly what CM contingency is defined as, and what it can be used for. That's open to negotiation, in my mind, with any construction manager that we have.

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

*On motion of Alderman DeVries, duly seconded by Alderman Shaw, it was voted to approve this item.*

**Alderman Arnold** stated I want to give the Public Works Director an opportunity to tie up any loose ends.

**Mr. Sheppard** stated I just thought of one thing. I don't know if the Board will consider it. Anything from \$5,000 to \$25,000, going to Alderman DeVries' comment, the Committee would have the authorization to approve, without it going to the full Board. Right now anything above \$5,000 has to go to the Committee and then to the full Board. Maybe we would have a tiered system: \$0 to \$5,000; \$5,000 to \$25,000; and over \$25,000.

**Mayor Gatsas** stated why don't we just see how this works out. If it's not working, you can come back.

12. Communication from Gerard Fleury, Executive Director of the Employees Contributory Retirement System, regarding a legislative amendment to the retirement system.

**Mr. Gerard Fleury**, Employees Contributory Retirement System Executive Director, stated it has been a few years since we've endeavored to make any legislative changes to City retirement. Over time, from studying the statute and going back, running into day to day experiences, we've found occasions where we would want to amend the statutory provision. Sometimes that is driven by federal regulations that apply to public pension funds generally, and we seek to keep the statutes for City retirement coordinated with federal trends. Whenever there is an

amendment to the plan, it tends to fall into one or two categories. Let me give you a simple example. The last time we did an amendment it was to include spousal consent. If someone comes in and they elect a retirement option, their spouse has to be advised of that and also sign off on it. That has an absolute zero impact on the cost of operating the plan. That is not something that we think would merit going to referendum. With the City plan, any time that there is an amendment to the way that the plan operates that has an impact to the City, we first come to you. Then, by the nature of the plan, we have to go to the legislature. Only the legislature has the authority to make plan amendments because it was an act of the legislature that created and amends the plan. Finally, we go to a public referendum so that the voters of Manchester get the final say of whether they want this to go through or not. This item before you is a little bit more complicated. Over time, we've realized there were some inequities and difficulties related to the death benefits that are inherent in the plan. We went to the actuary and obtained an analysis of what it would do to the plan's cost. I believe you have a copy of the letter from Gabriel Smith dated August 4, 2010. In summary, on page four of that letter, there is a section where the actuary says, 'The increased computed contribution rate results from the change in the duty death benefit payable to surviving spouses'. That is item two on page four. If you go to the item that he's talking about, I can give you an example of what we are trying to correct. If we have an employee who works for the City now and has worked for over 25 years, they are entitled to a benefit if they were to walk in today and say they would like to retire. They might get slightly in excess of 50% of their average final earning. They would be entitled to that. It wouldn't have any impact on the operation of the plan. But if that same employee went home that night and passed away, and we were to pay that benefit to the widow, the widow gets 50% of the benefit, not the entitlement that the individual has earned, and we thought that was unjust and it needed correction. The actuary is saying that in the eventuality that that would occur, it would have an impact of 0.02% on the City's contribution rate. I come to

you with that information and with a sense of honesty because this conceivably cost you something. It could be that 0.02% increase. Does it correct an equity? We believe it does because that's a benefit that the individual would be entitled to if they were alive and able to say that they were retiring that day. But if they pass away tonight, and we have to pay that benefit to a spouse tomorrow, they would get a lesser amount. The reason for our bringing it forward and correcting it – and we have never had this happen in 34 years of operating this system, according to the records I have – it's likely that if this were to happen and we had to live by the letter of the statute, it would probably be contested, and we could spend a lot of money defending that position in court. What we are hoping for is that the Board of Mayor and Aldermen will look favorably upon our attempt to amend the statute, allow us to take it to the legislature and support its passage there in order to amend the plan.

**Mayor Gatsas** asked is there any way that you can bring forward what that 0.02% would be for the years moving forward and how that would change?

**Mr. Fleury** responded a 0.02% is so small...there is variation...we do a valuation every year and the change in the valuation rate, a 0.02% generally will not even be itemized in the valuation. An unexpected number of people either dying or not dying in a year can make up that change, a change in the plan demographic. Essentially, if you take the 0.02% and multiply it times the wages paid by all of the individuals who are contributing into the City retirement plan – that's not including teachers, firefighters or police officers because they are in a State plan – you would come up with a bottom line number. Depending on what your payroll is, multiply that by 0.02% and you will get the likely cost impact.

**Mayor Gatsas** asked so can you provide us with an idea of what that cost is going to be? That 0.02% is one number today but when you start calculating raises in the years going forward, that 0.02% starts to grow. The question is what is the valuation of the plan right now?

**Mr. Fleury** responded right now we are assuming an annual payroll of \$50,547,000. That is the number that the actuary uses. In addition to that, we will true that up, in working with the City each year, but it's driven basically by the City's last pay raise schedule and Yarger Decker. We use that as a basis. We provided that to the actuary. However, we work with the City Finance Director every year to find out what is the actual value, and we attempt to true that up so that when the actuary does the valuation, we are acting on the real payroll. The estimated number that was used in order to come up with these assumptions was \$50,547,000.

**Mr. Bill Sanders**, Finance Officer, stated our contribution rate today, before this change, is something in the area of 18.5%, so 18.5% of every payroll dollar is used for pensions. This would increase the 18.5% to 18.52%. I believe the impact will be infinitesimal. I would say \$5,000 or less would be my estimate of what the cost would be for this change, keeping in mind, as Mr. Fleury said, this has never occurred.

**Mayor Gatsas** asked what is the value of the plan right now?

**Mr. Sanders** responded the assets in the plan are approximately \$150 million and the liabilities are probably about \$250 million.

**Mayor Gatsas** asked any suggestions on what we might do...if we start looking at that liability? Is it carried on our books or is it not?

**Mr. Sanders** responded the financial statements of the pension plan are part of our consolidated annual financial statement. They are not part of our balance sheet, but our footnotes provide complete disclosure on the funded status of the plan.

**Alderman Shea** stated you mentioned something and I'm just trying to clarify this. If someone were to retire and pass away the next day, you've explained that, but what about someone who retires and lives a couple of years?

**Mr. Fleury** responded those people are not a problem at all. On the day that the individual retires, they designate a named beneficiary. The cost of providing a benefit to that named beneficiary, if it was so elected by the member, is actuarially factored in. That is not problematic at all. The only thing we are trying to address is when an individual who could have walked in and retired today unexpectedly dies tonight, and the entitlement to their widow or widower the following day is different under the law. It can be a lesser amount, but only for individuals who have worked for the City for many years.

**Mayor Gatsas** stated there was an employee at the Highway Department that coincidentally that just happened to. He was three days away from retiring, and that benefit now has affected the spouse because this law is not in place.

**Mr. Fleury** stated I don't want to bring in names of individuals, but I believe in the case you're referring to there were beneficiaries on file so that particular case was not problematic for us. We've been in touch with the beneficiaries.

**Mayor Gatsas** stated let me just leave it as this. If you would be so kind to check to make sure if there is a crack and that employee falls through it that you do something with the date on the bill to make sure you include that employee.

**Mr. Fleury** stated if your office can provide the identity of that individual for me, I'd be happy to look into that. We're always looking after the best interest of our clientele.

**Alderman Roy** asked Mr. Fleury, with the State retirement, you may have just touched on it a little bit; I just want a little more clarification. When you attain your years of service and your age to be eligible to retire, there is specific paperwork that you have to fill out just for this instance. You want to protect your beneficiary in case you die while you are still on the job. Do you have that in place or is there nothing like that in your system? Have you checked with them as to how that all works out?

**Mr. Fleury** responded ironically enough, I retired from the State, and after working for the State retirement system for over 20 years, I'm quite familiar with that. I was in a position where I had to file to retire every 90 days and rescind that on the anniversary of my retirement date and file again in order to protect my spouse. The benefit structure here in the City is not comparable to that, and that is not a problem that we have.

**Alderman Roy** stated I know for firefighters, at age 45 when I had 20 years of service, I filled out some paperwork which protected my family in case I died on the job. What you are saying is that you didn't have that as a State employee because you were in a different retirement system. This system doesn't have that either, and that's why you need this enabling legislation.

**Mr. Fleury** stated the nature of this enabling legislation...maybe I can explain it a little bit better. There is a floor benefit for someone who dies in service, and that floor benefit is 50% of their annual average wage. However, it's possible after many years that your benefit is higher than that 50% level. The way that the law reads, if somebody is entitled to that higher benefit were to pass away now, they don't get it. They get 50%.

**Alderman Lopez** asked Mr. Sanders, did you say the liability was \$250 million?

**Mr. Sanders** responded yes I did. That was an estimate. I don't have the financials in front of me now. Yes, it's at least \$250 million.

**Alderman Lopez** asked Mr. Fleury, when did this become a problem, the liability versus the \$150 million?

**Mr. Fleury** responded if the City continues to fund its obligations to the plan, as it has steadfastly done without exception, in 30 year's time the City's obligation will be zero. You will have a 100% fully funded plan. That's the nature of the actuarial valuation, to look at that accrued liability and amortize it over a period of time that is accepted within the industry. For us as individuals, 30 years is a long time. For the City of Manchester, which will go on in perpetuity, it's a blink of the eye.

**Mayor Gatsas** stated that's true as long as we don't have too many years like 2003 and 2004. He's absolutely right. What have you had your return at?

**Mr. Sanders** responded yes, it would be fully funded if we earn 7.5% each year for the next 30 years and if the individuals whose liabilities die as expected and retire when expected and have the same life expectancy as their spouses. It is a

complicated matter, but the most important assumption is that the asset returns are at least 7.5% per year, every year for 30 years.

**Alderman O'Neil** asked was this voted on by the members of the Retirement Board to move forward with this?

**Mr. Fleury** responded that is correct.

**Alderman Greazzo** stated I'm curious about the 18.5% portion that the Finance Director mentioned. Is that all paid by the City or is any portion of that paid by the employees?

**Mr. Sanders** responded all employees contribute 5% of their pay to the pension plan, in addition to what the City pays.

**Alderman Greazzo** asked have you submitted this already or is this what you are looking to get authorization to do?

**Mr. Fleury** responded generally there is a deadline for submitting legislation that is in the fall. We try to first find a sponsor so that we have a place to keep it in the hopper, if you will. Concurrent with that, we come before this Board to seek your approval. Once the legislature convenes sometime in January, the bill begins to track and we can go to the legislature and say that our board requested this and the Board of Mayor and Aldermen acted on it on a certain date. The legislature is reluctant to move ahead with anything that would create the perception that the State is forcing something on a city. That, in essence, is why I'm here tonight, in order to obtain the approval of the Board of Mayor and Aldermen to go ahead with this legislation.

**Alderman DeVries** stated thank you, Mr. Fleury, for bringing this forward for our review. It seems to me I remember reading in the last couple of minutes that you send out to us, maybe the month before last, that there were some indications of the performance of your fund from the last year. Can you refresh my memory? Did you bring in the 7.5%? I think it was a little north of that.

**Mr. Fleury** responded the only year that we haven't hit the 7.5% recently was 2008, which was a dismal year for everybody everywhere. Where public plans generally had declines of somewhere between 30% and 40%, we were down 28%. We made the earnings assumption last year, and that's a measure on a calendar year basis, I have seen a majority of the numbers for up to the end of the month of November. Right now we are up about 10.1%. So, we've hit the 7.5% and then some. I was hoping no one would ask that because I'm a little bit superstitious. It's not over till it's over, and we still have to make it to the 31<sup>st</sup> of this month. Right now we've made the earnings assumption for this year.

**Alderman DeVries** stated I hope I didn't just curse you.

**Alderman Arnold** asked has this been submitted?

**Mr. Fleury** responded yes. In fact, at the time that I wrote this up, there was no LSR number and there is one now. It's 2011-S-0415R.

**Alderman Corriveau** stated I have a question about the first comment. 'The valuation currently assumes that 100% of members who die in service will leave a surviving spouse. The valuation also assumes that the surviving spouse will never remarry.' On the previous page, the proposed revision says if the surviving spouse does elect to receive the annuity, they will receive it until their death, which is a change from the current provision saying surviving spouses receive annuities until

their death or remarriage. Could you please explain the purpose of this change and its significance?

**Mr. Fleury** responded there has been a national trend in public retirement systems everywhere to take out the provision that indicates that if a spouse remarries they forfeit their benefit. One of the reasons is that it is actuarially accounted for. The other reason is...I can tell you, I anticipated this question. In the 34 years of the Manchester Employees Contributory Retirement System, never once has there been someone who was the spouse and the recipient who remarried and we had to rescind the pension. We don't expect it is going to have an actuarial impact on the plan.

*On motion of Alderman Osborne, duly seconded by Alderman Shaw, it was voted to approve the legislative amendment to the retirement system statute.*

13. Communication from Robert Beurivage, Assistant Water Works Director, requesting approval of a conservation easement on a 125-acre parcel of Audubon Society property and other related agreements and further requesting that the Mayor be authorized to execute any related documents.

**Alderman Corriveau** stated I want to give my compliments to the City Solicitor's office and to Water Works because just attempting to read these documents was a handful, so I can only imagine the work that went into this. As an attorney I just want to give my compliments.

**Mayor Gatsas** asked so it's okay to sign them?

**Alderman Corriveau** responded I'm not going to go there, but I'm going to vote that they are.

*On motion of Alderman Roy, duly seconded by Alderman Long, it was voted to approve this item. Alderman Greazzo was duly noted as voting in opposition.*

14. Communication from Thomas Clark, City Solicitor, regarding the Department's FY 2011 budget shortfall.

**Alderman Lopez** stated Your Honor, I'd like to move this to the Finance Officer, as we did with the Fire Chief, to monitor it. During the budget process, Attorney Clark did bring to our attention about the \$38,000 if you remember, and we just have to move forward and find out from the Finance Officer as we move forward.

*On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to refer this item to the Finance Officer for monitoring.*

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

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

17. **Report(s) of the Committee on Finance.**

There were no reports.

**18. Report(s) of the Special Committee on Solid Waste Activities**

**City Clerk Normand** stated we would ask the Board to consider moving item 18 to the end of the agenda so that the Committee on Bills on Second Reading and the Committee on Accounts can meet to address items related to solid waste.

**19. Report(s) of the Committee on Community Improvement.**

There were no reports.

**20. Report(s) of the Committee on Public Safety, Health and Traffic.**

There were no reports.

**21. Reports of the Committee on Bills on Second Reading.**

The Committee on Bills on Second Reading respectfully recommends, after due and careful consideration, that an Ordinance Amendment:

“Authorizing the Mayor to dispose of certain tax deeded parcels of land located in the so-called Wellington Hill area.”

ought to pass as amended.

*(Unanimous vote with the exception of Alderman Corriveau who voted in opposition)*

*On motion of Alderman DeVries, duly seconded by Alderman Lopez, it was voted to accept this report and adopt its recommendation. Aldermen Ludwig, Osborne, Corriveau, O'Neil and Shea were duly recorded in opposition.*

The Committee on Bills on Second Reading respectfully recommends, after due and careful consideration, 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)*

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

The Committee on Bills on Second Reading respectfully recommends, after due and careful consideration, that Ordinance Amendment:

“Establishing a special purchase procedure relating to the pickup and management of yard waste and recyclables.”

ought to pass.

*(Unanimous vote)*

*On motion of Alderman DeVries duly seconded by Alderman Shaw, it was voted to accept this report and adopt its recommendations.*

**22. Report of the Committee on Human Resources/Insurance.**

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that Ordinance amendment:

“Amending Section 33.081(F) (Sick Leave) of the Code of Ordinances of the City of Manchester.”

ought to pass, stipulating that the repeal of this section be contingent upon the approval of modifications proposed in the tentative contract agreement with the firefighter unions.

*(Unanimous vote)*

**Alderman O’Neil** stated this can be a nod of your head, Chief. Is this what the administration of the Fire Department and the union agreed to? The only thing is they need to vote on it as well if we pass it.

**Mayor Gatsas** stated they need to ratify it, yes.

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

**City Clerk Normand** stated Your Honor, I believe there was some discussion in Committee regarding suspending the rules to ordain this particular ordinance so that it will be in effect for the firefighters union.

**Alderman Roy** asked is it time sensitive? Can we take it up at the next meeting?

**Mayor Gatsas** responded I think the situation is 15 days for a ratification vote, and they are trying to get it into place for January 1<sup>st</sup>.

*On motion of Alderman O'Neil, duly seconded by Alderman DeVries, it was voted to suspend the rules.*

*On motion of Alderman Arnold, duly seconded by Alderman Ouellette, it was voted to place the ordinance on its third and final reading to be ordained.*

*On motion of Alderman Ouellette, duly seconded by Alderman Arnold, it was voted to recess the meeting to allow the Committee on Accounts, Enrollment & Revenue Administration to meet.*

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

**25. Report of the Committee on Accounts, Enrollment & Revenue Administration**

The Committee on Accounts, Enrollment & Revenue Administration respectfully recommends, after due and careful consideration, that ordinance amendments:

“Authorizing the Mayor to dispose of certain tax deeded parcels of land located in the so-called Wellington Hill area.”

“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.”

“Establishing a special purchase procedure relating to the pickup and management of yard waste and recyclables.”

ought to pass and be enrolled.

*On motion of **Alderman Roy**, duly seconded by **Alderman Ouellette**, it was voted to accept the report and adopt its recommendations. Aldermen Ludwig, Osborne, Corriveau, O'Neil and Shea were duly recorded in opposition to the Wellington Hill ordinance amendment.*

**26. Ordinances:**

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

“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.”

“Authorizing the Mayor to dispose of certain tax deeded parcels of land located in the so-called Wellington Hill area.”

“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.”

“Establishing a special purchase procedure relating to the pickup and management of yard waste and recyclables.”

*On motion of **Alderman Roy** duly seconded by **Alderman Arnold** it was voted to waive reading of the ordinances.*

*On motion of **Alderman Ouellette**, duly seconded by **Alderman Arnold**, it was voted that the ordinances ought to pass and be ordained. Aldermen Ludwig, Osborne, Corriveau, O'Neil and Shea were duly recorded in opposition to the Wellington Hill ordinance amendment.*

**18. Report of the Special Committee on Solid Waste Activities.**

The Special Committee on Solid Waste Activities, respectfully recommends, after due and careful consideration, that the proposal from Pinard Waste Systems for recycling and yard waste pickup be accepted.

The Committee further notes that a contract for recycling and yard waste pickup will be brought forward by the Solicitor at the December 7, 2010, Board of Mayor and Aldermen meeting.

*(Unanimous vote)*

**City Clerk Normand** stated I would note that that contract was delivered to the Board on December 3<sup>rd</sup>, last week, and it was posted to the public. We need a motion to accept the report. I believe there may be an amendment.

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

**Mayor Gatsas** stated there are some amendments or changes that have been gone through with the contract. They are minor. We will pass it out to the Board. I think the City Solicitor and counsel for Pinard have come to an agreement. I think when you see it, there is nothing of great material change. Alderman Craig, the Chairman of that Committee, has also seen it and worked through it, so these are the changes that you would see in the contract coming forward. I think some of these amendments you will remember that Committee Chair Craig had discussions during that public hearing when Pinard was here. I think they went back and renegotiated some of the points that she was looking for, and they have agreed to those points. I will give you all a chance to take a look at them for a minute. Is there anybody who has questions immediately about them, as they see them?

**Alderman Arnold** asked Tom, is this an exhaustive list?

**Mr. Tom Arnold**, Deputy City Solicitor, responded Kevin Sheppard and I met with Mr. Allgaier and his counsel Joe Foster at 1:30 this afternoon. This list is essentially my attempt to summarize what we agreed to at that meeting. I believe it is exhaustive. It was done in a short time. I would note that there is one additional issue that I received in an email earlier this evening. As you can see, in my letter on the second page...it says page 10, paragraph 13, providing that the Producer Price Index change each year will take place as of July 1<sup>st</sup>. I got an email indicating that that would mean it would be approximately 26 months until Pinard sees an adjustment. They have proposed that there be an adjustment in effect July of next year, 2011, equal to 50% of the Producer Price Index. I've passed this email on to Mr. Sheppard. He has indicated he would like some time to think about it, but it looks like that might be an additional point in addition to the ones in the letter.

**Mayor Gatsas** stated as I look at it, it's only 18 months till July 1, 2012, the full year of 2011 and half of 2012 is 18 months, unless we've got some extra months I don't know about. Senator Foster, did you find something that I don't know about?

**Mr. Arnold** stated there is a reference that the last adjustment was made in March of this year, so that may be the 26 months. I haven't done the count myself. If it was effective in March of this year until July of 2012, that would be 26 months. In other words, the 26 months is going back to March of this year.

**Mayor Gatsas** asked what is this for?

**Mr. Joseph Foster**, Attorney for Pinard Waste, responded I'm informed that the interim contract that is in place and this new contract are the same base level, so the first adjustment for the interim contract and this new contract would be July of 2012.

**Mayor Gatsas** asked is that the \$205 per ton?

**Mr. Foster** responded no. It's the base amount for yard waste pick up and recyclables pick up.

**Mayor Gatsas** asked when was that noticed or talked about? I don't remember any discussion about that, changing the price. In the contract, what was it, \$95 a ton?

**Mr. Foster** responded no, no, Your Honor.

**Mayor Gatsas** stated okay, I'm on a different page.

**Mr. Foster** stated I think you are. This is the monthly charge and the PPI adjustment of the monthly charge of the annual rate of the yard waste pick up, as well as the recyclable pick up. I could look up the amount, but in the interim contract, the last adjustment was in March of 2010. That's why we are saying 26 months. You are right that it would only be 18 months under the contract that is before the Board, but from the interim contract to this new contract there has been no adjustment at all. He left it the same as what is currently in place, and that's why we are saying 26 months.

**Mayor Gatsas** asked and that readjustment would take place in July of 2011?

**Mr. Foster** responded what we are suggesting is a minor adjustment of 50% in July of 2011. Essentially what happened in our discussions was, it was going to be effective January 1, 2012, but to meet your fiscal year, we were informed that it would be easier for budgeting purposes, and that's why we agreed to move it forward to July, but we wanted a minor adjustment.

**Alderman Arnold** stated I'm glad to see, Tom, the last little paragraph in your memo to the Board regarding the assignment provision because I didn't see it in the draft contract and it was an issue of concern with me. This statement indicates that the parties have reached agreement on that, and I am content with that resolution. So, I thank you, and thank you to the parties.

**Alderman Lopez** stated I got a little sidetracked. I just want to make sure that the revenue we are receiving is what we talked about in Committee for 2012. Is that correct?

**Mr. Foster** responded yes.

**Mayor Gatsas** responded yes. We are supposed to receive a check July 1, 2012.

**Mr. Foster** stated there are three payments, all of which come in the next fiscal year.

**Alderman Lopez** asked so page 10, paragraph 13, has nothing to do with that?

**Mayor Gatsas** responded no.

**Mr. Foster** responded no.

**Mayor Gatsas** stated also, because we are instituting it January 1<sup>st</sup> of this year, if memory serves me right, it's \$100,000 of savings for the year that we are currently in.

**Alderman O'Neil** stated I will vote in favor of this contract this evening. I still believe that the safest option moving forward would have been to enter into an agreement with the Coop and for Pinard Waste to pick up those recyclables in the City. In my opinion a no-risk/great services contract should have outweighed the some-risk/great services contract that we are being asked to vote on tonight. If participation rates double and processing rates remain the same, Pinard Waste won't lose money. A lower participation rate or lower rate per ton to process will leave Pinard losing money but still required to make the payment of \$230,000. Thank you, Your Honor.

*On motion of Alderman Craig, duly seconded by Alderman Arnold, it was voted to accept the report of the Special Committee on Solid Waste as amended and adopt its recommendations, including authorizing the Public Works Director and the City Solicitor to finalize any necessary provisions.*

**City Clerk Normand** stated I would like to note for the record, regarding item 26, the ordinance that authorized the Mayor to dispose of certain tax-deeded property, there was an amendment in Committee which was noted in the Committee report.

**Alderman O'Neil** stated I have a quick question. In the contract, there is no advertising on the toters is there?

**Mayor Gatsas** responded not as of yet.

**Alderman O'Neil** stated but the public will be given the option if they don't want a toter with advertising.

**Mayor Gatsas** stated if they don't want the toter, they can pay the \$60 or whatever it is.

**Alderman O'Neil** stated I don't want advertising; I'll pay the \$60. I can tell you that.

### **TABLED ITEMS**

- 27. 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)*  
*(Note: Tabled 9/21/10)*

This item remained on the table.

- 28. 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."  
*(Note: Tabled 9/21/10)*

*On motion of **Alderman Lopez**, duly seconded by **Alderman Arnold**, it was voted to take this item off the table.*

**Mr. Sanders** stated there is no update to this. We have not issued this bond. This \$590,000 was not necessary for the original right-of-way bond with which it was originally included. As a matter of housekeeping, we had suggested that it be rescinded but the Board's decision in prior meetings has been to wait until the budget process for FY2012 and to address whether they want to continue this resolution and issue these bonds or just rescind them.

**Alderman DeVries** stated my recollection is that this bonded amount had been included in the tax rate and that's why, Your Honor, you were comfortable with it being tabled for us to wait for our discussions to see if this amount of money that has been authorized would be helpful for some other project, rather than to reissue. I have no update on it because we haven't had those discussions yet. It's my opinion that it was sitting here tabled, waiting for us to have more active budget discussions.

**Mayor Gatsas** stated Alderman DeVries, I know it was your request to table it. Would you like to send it to the Committee on Finance and let it sit on the table in there so we can look at it during the budget process?

**Alderman DeVries** asked would it be appropriate there on in CIP?

**Mayor Gatsas** stated we can put it wherever.

**City Clerk Normand** stated it's a bond resolution so it would have to go through the proper process, which would be the Committee on Finance.

**Alderman DeVries** asked wouldn't we have to be in Finance? We can just refer it to Finance?

**Alderman Lopez** stated I just want a clear picture of what we are trying to do. According to Mr. Sanders, we haven't done anything. If we sell these bonds, if we go for the \$590,000, and sell it for more projects, that's more debt.

**Mayor Gatsas** stated it's just a place holder.

**Alderman Lopez** stated so if we put this in the Committee of Finance as a whole, and as we work through the budget process...

**Mayor Gatsas** interjected we can make whatever decision we want in Finance.

**Alderman Lopez** asked is that okay with you, Alderman DeVries?

**Alderman DeVries** responded that's fine.

*On motion of Alderman DeVries, duly seconded by Alderman Lopez, it was voted to refer this item to the Committee on Finance.*

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

*(Note: Tabled 10/5/10; pending project completion)*

This item remained on the table.

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

*(Note: Tabled 10/5/10; pending project completion)*

This item remained on the table.

## **NEW BUSINESS**

**Mayor Gatsas** stated there are a couple of things that I have passed out. On Thursday from 5:00 to 9:00 PM is the Moonlight Holiday Stroll. Santa Claus is going to be in town. We're going to have reindeer, choruses singing, and sleigh rides. I want to thank all of the Aldermen who participated in the parade on Saturday. It was an incredible event. I can't tell you how many compliments we've gotten from citizens of Manchester about the three bands that were in the parade from the three high schools and the choruses who were at the tree lighting. For those who could weather the storm and stay a little longer for the tree lighting, I thank them for that. Certainly this is an opportunity, again, to showcase the City, and I think it is important to participate as we did with marching in the parade. So it's at 5:00 on Thursday. A lot of the venues have decorated their windows. We've even attempted to decorate the windows in the Mayor's office, so if you are driving by, take a peek up. My staff has diligently cut from recycled paper different ornaments that are on the window.

**Alderman O'Neil** stated I'm glad you clarified 'we'.

**Mayor Gatsas** stated I only put a couple of pieces of Scotch tape on.

**Alderman O'Neil** stated well, you gave credit to your staff then.

**Mayor Gatsas** stated I did. They did a great job decorating. The next thing of great importance is that you will find a letter...I was contacted by a City employee over the weekend who talked about taking a look at our insurance costs and some of the things that were happening. He told me that two employees at two different times had gone into a bone marrow location in the City and were asked to swab.

They asked what the cost was going to be and they were told there wasn't anything, that the insurance company would pay for it. He let me know that those two employees got their resume of benefits and one was \$4,300 and one was \$4,065. That certainly piqued my curiosity and I started investigating, because normally that test is somewhere between \$80 and \$150. I can tell you that I then asked one of my staff to go down to the mall to actually go through the process and ask some questions. I asked the Human Resources Director if she could look to see if those claims were actually paid, and now we are investigating how many times that claim might have been paid, not only on the City side but also the School side. I've got some serious concerns with it. I'm not saying that anybody is doing anything wrong, but I don't think that they are being very forthwith of what costs may be. That's a serious concern. Being self-insured in the City, there is no monitoring of it. The claim comes in, the insurance company pays it, and thankfully we had some employees...and I can tell you that as we go through this process, I will be bringing them forward to thank them for bringing it to light because it could be an awful lot of money. I can tell you that I'm going to have conversation tomorrow with some of the companies that are actually doing it to see if we can't get restitution. Even if it was only two of them, \$8,400 is an awful lot of money, and I don't think that's something that we shouldn't be talking about and protecting our employees and also the taxpayers of the City, because it is certainly something that if somebody wants to do it, they can do it.

**Alderman O'Neil** stated I have done this before as part of drives for people and there was no charge. Where does the charge come for this?

**Mayor Gatsas** responded they tell you there is no charge, but if you see the form, which is in here, what they say is there is no charge to you, the employee and that it's charged to the insurance plan.

**Alderman O'Neil** stated it has been a few years. There was a drive out at St. George Church several years ago and don't remember having to provide any health insurance information or anything.

**Mayor Gatsas** stated well, if you take a look at this form, it asks you everything, social security number and everything. It's pretty in depth, and I can tell you that the questions that are asked...

**Alderman O'Neil** interjected is this by the bone marrow organization or is this by private health care providers?

**Mayor Gatsas** responded no, this is by the bone marrow organization. I was just as fired up as you are, making sure that we are protected and that taxpayers aren't paying for claims outside the window.

**Alderman Roy** stated I was pretty fired up about this when I found out about it today as well. Some of the research has found that this test actually costs about \$80 to perform. Somebody is gouging somewhere. I think that this whole process and these people who have been offering this service are duplicitous. We need to look into those practices. Are we proceeding with any investigation as to whether or not there is anything criminal that has been done here? When you're talking about an \$80 test and you're charging someone's insurance \$4,000 – and I could be off a little bit on the numbers – that's ridiculous. Are we proceeding?

**Mayor Gatsas** responded I am chasing this.

**Alderman Roy** stated I believe you are, Your Honor, but I'm looking at this and can see that Jane Gile is involved already but I didn't see anything from any type of law enforcement. That's why I'm asking the question.

**Mayor Gatsas** stated I've had discussions with the Attorney General's office. It's taking its course. We are going to also get the School District included to make sure, because this was happening at a golf tournament.

**Alderman Roy** stated there are more than just two people involved, guaranteed.

**Mayor Gatsas** stated it happened at the Latino Festival. They were set up. I think it's important that we find out what it is because it's unacceptable that it's a \$4,300 charge.

**Alderman Lopez** asked do we want to move on this?

**Mayor Gatsas** responded I would just ask the Board if they can...I will certainly keep you apprised of what I am doing. If I need a special meeting to get you involved, I certainly will call it, but I would ask you to allow me to move the process forward and get all of the information to you so that we can move forward. The employees who brought it forward, I congratulate them. They certainly have the best interest of the City at heart.

**Alderman DeVries** stated I'm reading from the letter that came forward from the Committee on Human Resources earlier this evening, because this isn't a mandate that's applicable to the City of Manchester because it is self-insured. I think the Board needs to look at this item just as they did the two other items earlier this evening. I'll just read briefly from the letter that came from Jane Gile to the Committee on Human Resources. "The City is self-funded and is not governed by State insurance laws and therefore has no obligation to provide this coverage to employees. The State laws are being provided for informational purposes and for your consideration for inclusion into our health plan'. These are the sorts of items

that we need to deliberate on and decide if we are including in our self-insured plan. We are not automatically under that obligation to pay and we need to probably work to educate all of our employees if we are going to look at what we are including and what we are not. I'm not for a moment saying that these individual employees should be paying out of pocket. But I am saying that we as a Board probably need to have a discussion, because in my time on the Board we haven't openly discussed what we are going to add into our plan. I think it came up with Michelle's Law previously, keeping children on health insurance up to age 26. That was never adopted here in our City plan. If I recall, Jane Gile, this did not adopted when the State insurance mandate went in for small groups that are governed by the State. It did get adopted recently when the federal law changed, and that is what drives self-insured plans, correct?

**Ms. Jane Gile**, Human Resources Director, responded relative to Michelle's Law, I think we adopted it before it became federal law. It is something that our plan covers. The issue at this point is the cost, what we are being charged. That's what we need to investigate in terms of why we are being charged such an excessive amount for this test, which is basically a swab test.

**Alderman DeVries** stated I understand all of that, and I don't know why it's included as a benefit in our plan when other items were difficult to get in there. I'm saying as a Board we need to start looking and having the discussion of what's in and what's out, because we haven't engaged in those sorts of discussions. We started with two other insurance benefits this evening. We should continue.

**Mayor Gatsas** stated that's a great point. I think it's important that we start talking about what the mandates are on our health insurance because mandates create costs and I know that that has to be a discussion with the unions because right now it's in. To take it out is a negotiation. I can tell you that it was a union

member who brought it forward. I don't think that they are in favor of a \$4,300 cost. I think they are very much opposed to that. We need to make sure that we find out what those costs are and how we chase them down.

*On motion of **Alderman Roy**, duly seconded by **Alderman Craig**, it was voted to allow the Mayor to move forward with an investigation of charges for bone marrow swabs.*

**Alderman O'Neil** stated Alderman Ouellette and I had a brief discussion last night. I don't know if they ended up doing anything in Public Safety, Health & Traffic. It was about ticketing. I will yield to the Chairman of the Public Safety, Health & Traffic Committee, Alderman Roy.

**Alderman Roy** stated last night at that Committee we did have a conversation about overnight parking of commercial vehicles. We don't need to have a long discussion here tonight because we will have a long discussion at the Committee level, I'm sure, and at a future Board meeting. What we need to realize is that our ordinance needs to be tightened up or better defined, in my opinion. Right now the way these vehicles are being ticketed is if the vehicle is used primarily for business and industry as contrasted with pleasure vehicles. There is a difference between a pink car that has Mary Kay in the back window and a large box truck with ladders on top and lettering on the side. What we are going to need to decide is what we will allow and what we need to ticket and not allow. This issue was before the same Committee when I first became an Alderman. It sat in that Committee on the table for months and then just kind of disappeared, and it's back again. That's why it's something that I think we need to address. The Clerk has passed out some information that they've put together on what our ordinance is. There are different definitions of cars. There are some pictures of vehicles that have been ticketed for overnight parking and what they look like. The reality is

the State classifies a commercial vehicle as anything over 26,000 pounds. That's an awfully big vehicle. So, if you could go over that in the next couple of weeks, you can get back to me with input of what you would like to see.

**Mayor Gatsas** asked would you like that referred to the Committee on Public Safety, Health and Traffic?

**Alderman Roy** responded yes. You can talk to staff as well because what we want to do is get staff to try to craft some kind of an ordinance change that we can move forward with. That's why we want to try to get input from everybody, because we all have different views on this, and go forward from there. Thank you.

**Alderman O'Neil** stated that is where the City has gotten hung up before on this issue. There are people whose livelihoods rely on them taking a vehicle home, such as oil burner service people, electricians or plumbers who are on call 24 hours a day, and wrecker people who are on call. We have to use good judgment with this. I don't know if this pre-dated Alderman Roy or not, but I remember there was an issue in Ward 4 with a landscaper who was bringing a very long trailer home and leaving it on the street. People's livelihoods sometimes rely on the ability to bring a vehicle home. I had a neighbor for years who worked for Audley Construction and had a pick up truck which he brought home every night. That was part of his job, to have the vehicle. There were no issues in my neighborhood; nobody said a word about that neighbor bringing a pick up truck home that said Audley Construction on the side of it. We need to use very good judgment because this affects the ability of people to make a living. In many cases it's part of their compensation in lieu of mileage and all that. We know when there is abuse going on, but we should make sure we are not...I'm surprised at this ticketing happening because there are violations, not even parking, that don't even

get ticketed, now that we are in that mode, or violations of parking in front of fire hydrants that don't get ticketed. And this is what we are targeting? I'm a little surprised about that, but this hits home for people and we need to be very, very cautious about how we enforce this, very cautious.

**Alderman Shea** stated I thought that any commercial vehicle that has a name on it has to be taken off the road and put in a driveway. I'm not sure whether cars that are being ticketed now would be allowed on the street during the season we have plowing. I'm not sure whether they would be or not be, but at one time a guy lived next door to me and he didn't have anything on the truck stipulating that he was a contractor so he could park in front of the house. The minute he put on it that he was a plumber, and he had his license and a telephone and so forth, he had to put it in his driveway. I'm assuming that some of these people who are being ticketed don't have a driveway. I'm not sure exactly, but the point of the matter is that in certain neighborhoods there are people who do not necessarily work for construction companies, or people who are lugging different types of cars after wrecking and so forth, but in other parts of the City it would have a definite impact. In other words, it devaluates property if people are going to be parking cars in front of residences. We would have to be careful too that we don't say that not too many people in the north end of Manchester have the type of vehicles that are on the road, but in Ward 7 there would be a large number. I've had to take cars off the road simply because there have been complaints from residents. I would assume that we have to be in a fair game here. In other words, we shouldn't try to target certain parts of the City which would be impacted at the expense of other parts. That's all I'm saying. We would have to get our brains together and do the right thing for everyone, because we are a City as a whole.

**Mayor Gatsas** stated we absolutely are. It's contagious, isn't it?

**Alderman Osborne** stated I don't want to go on and on and on. I said something at the Committee meeting. Alderman O'Neil, was this Audley truck parked on his private property or on the street?

**Alderman O'Neil** responded if I recall, it was in Ward 6. It has been a number of years. I think he left it on the streets sometimes. I think it went into his driveway. It depended on what was going on. His livelihood involved taking that truck home.

**Alderman Osborne** stated I understand that and I can side with all of that, believe me. But like Alderman Shea said, it's a big issue. It's going to take some time to figure this one out. Size, weight and different things come into perspective here as far as what you can do and what you can't do; what's fair to one Ward; what's fair to another one, whatever it is. When you get into the inner city Wards like 4, 5 and 7, it's quite hectic. The biggest thing that I had over the years is blight. In other words, all you see around is a bunch of graffiti. On trucks, all you see when you look out your window is a bunch of vehicles with all kinds of print on them. It's a tough one. If you put all of those trucks up into Ward 1 and let them park on the streets out there, I don't think there are too many people out that way who are going to like that at all.

**Mayor Gatsas** stated I'm sure we will have a very spirited debate about this. How about if we have it in Committee?

**Alderman O'Neil** stated this is not about any one Ward. This is about all 12 Wards; it impacts all 12 Wards, and it shouldn't be about...I heard Ward 1 singled out a couple times. Ward 1 has people who have to take a vehicle home because it's part of their livelihood. It affects all 12 Wards of the City. My point is we

have to be cautious because people's jobs are on the line. If they can't bring that vehicle home, they may not have a job.

**Mayor Gatsas** stated I agree with you.

**Alderman Lopez** stated maybe the Committee would consider having a public hearing at the committee level, since this is such a big issue.

**Mayor Gatsas** stated I'm sure that Alderman Roy will be wide open to that suggestion.

**Alderman Shaw** stated that was what we decided in Committee, that we weren't going to discuss this tonight for this very reason. It's too complex. We will bring it to Committee and do something with it.

**Alderman Roy** stated but we want everybody's input.

**Alderman Osborne** stated I just want to say one more thing. I'm used to it in Ward 5. I've seen many carnivals and circuses and everything else in my Ward, so it doesn't matter to me. If it passes, it's fine with me. I'm not trying to get somebody's job in jeopardy. I'm just telling you what the facts are.

**Alderman O'Neil** asked what did the Committee suggest that the enforcement agencies do in the meantime till this gets resolved?

**Alderman Roy** responded this came in under new business last night, and we hadn't even thought about any of this.

**Alderman O'Neil** stated whether it's Police or Parking, they've got to use good judgment on this thing until this gets ironed out.

*On motion of **Alderman Roy**, duly seconded by **Alderman Long**, it was voted to refer the discussion of the revised ordinance proposal related to Commercial Motor Vehicles to the Committee on Public Safety, Health and Traffic.*

**Mayor Gatsas** stated I just passed out one other document. I apologize for not passing it out in the beginning, but this is a document with the bone marrow situation. It's a communication from the bone marrow registry located in the mall. I have been very careful not to name anyone, but we received this communication this afternoon and I thought it was important because what they talk about in this communication is that the bill that the donor receives is just an explanation of benefits. Once we saw that, the employees brought it in. We then started doing our investigation with Human Resources, and those claims have been paid. I just wanted everyone to see what I have seen, and I apologize for not giving it to you in the beginning of discussions.

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

A True Record. Attest.

City Clerk