COMMITTEE ON ACCOUNTS, ENROLLMENT, & REVENUE ADMINISTRATION

April 23, 1996 **5:30 PM**

Chairman Elise called the meeting to order.

The Clerk called the roll.

PRESENT: Aldermen Elise, Soucy, Shea, Pariseau, Hirschmann

MESSRS.: Deputy Dale Robinson, Randy Sherman, Kevin Clougherty, Joanne Shaffer,
Richard Girard, Tom O'Rourke, Frank Thomas, Paul Bergeron

Chairman Elise addressed item #3 on the agenda:

. Communication from Mayor Wieczorek submitting proposed fee structure changes as part of his budget proposal.

I'd like to take each item separately
#1) An increase in the poker machine licensing fee from $500 to $1,000.

Two Aldermen said they would move that.

Chairman Elise continued by asking do we need any discussion?

Alderman Pariseau said that you can if you want but I do not anticipate any problem with the increase of those fees Madam Chairman.

Chairman Elise asked whether Deputy Dale Robinson was present.

Deputy Robinson replied yes.

Chairman Elise certainly would move on that also. Deputy Robinson is here from the Police Department and he probably could address some things that the Committee would not mind hearing.

Deputy Robinson replied that they did not anticipate any problems. What he wanted to do was pass to the Committee from Chief Favreau is that the Police Department has been in the past and continues to be on record against these machines. They are not in any shape manner or form used as a mechanical amusement device. We have proven that time and time again. These machines are used for one purpose and one purpose only, gambling. Recently, working with the City Clerk's licensing section we have been going around and checking these machines. We have a donut shop on the West side that does not sell donuts but it has several machines working. We have on the South End a Ceramic Shop. It does not sell ceramics but it has several machines working. If you want to go up to the Hollow that is the area of Massabesic, Spruce and Wilson Streets in the one little square block area we have 38 of these machines licensed. In one of the establishments there is a Pizza/Sandwich Shop. We told Channel 9 that they could go there in the afternoon and get lunch. They went there in the afternoon and were told that they didn't have any food,. The ovens were not on and there was no food in the refrigerator but there were several machines being used. This has been a continuing ongoing problem for us, we feel that if you ask for $1,000, $2,000 or even $3,000 it's not going to make a bit of difference. In a recent court case in the Superior Court it was an average then on some an a machine of $1,700 a week and sometimes a little bit higher than that. I do not think anyone is going to look at you with a straight face and tell you that they are being used as amusement, they are not, they are for gambling. The Police Departments position, as it has been in the past, we would like to see them outlawed, we respectfully disagree with the City Solicitor's office that you cannot outlaw them.. The last time I was in front of this Committee you were told that you could regulate them but you could not outlaw them. Another question that was asked of me, was that could we justify the $1,000 for the regulatory enforcement of the machines. A $1,000 would not even come close to the cost, even if we put the manpower effort into these machines. It is not cost effective for us to put that type of manpower for intent on a machine. If you do get someone you usually get some retired persons who are running the establishment that is the one you end up taking to court. What you end up doing is that it is a misdemeanor charge and a very small fine. Their lawyers pay for their fines. What we are seeing is a lot of this is going undercover. You probably have in the City of Manchester, and this is a conservative figure, 200 to 300 machines under the table that are not licensed. These are machines that we cannot access.. Recently, if you read in the Union Leader and Channel 9, we have been looking at an after hours club on Somerville Street. Throughout the investigation and just good luck we got into an after hours club that had a

pool table, he had four video poker machines under the table he had other amusement machines. It had a bar set up, it had a table set up, none of this was licensed whatsoever and we know there are 2 or 3 more of these establishment in the city of Manchester. We know that there are people who have these machines actually set up at their house and invite only their friends in to play them. You cannot go into a corner store without seeing a machine. What we would like to see is you put it high enough so to discourage people from using these machines. The other thing I would like to tell you we know from our investigation is that people are moving out of Manchester with their machines. We know that people who are operating do not want to pay the $500. They do not like the idea that the police visit them every other week. They are moving to other jurisdictions surrounding Manchester that are not licensed and their clientele is going there. It is an ongoing problem it is a problem that we have had for a long time. We certainly are not against you again upping it to $1000 or $2000 whatever you feel is reasonable. Certainly, to put the manpower and time effort into this misdemeanor charge it is very difficult for us to do that with all the other crimes and other places we have to put our resources. Now, I would be happy to answer any questions.

Alderman Pariseau asked Madam Chairman would you have any objection if we went to $1500 per machine, $100 to go to the Police Department for enforcement. I do not know if we can do that.

Mr. Sherman said that you would have to appropriate the Police Department a budget. The whole $1500 would go into the General Fund revenues.

Alderman Pariseau continued by saying that you could not set aside $100 as you do the DARE program or the Men in Blue or any of that stuff.

Mr. Sherman responded no.

Alderman Pariseau said because it is coming through as a license.

Mr. Sherman said right, a regular fee.

Alderman Hirschmann said that frequently when there is a drug forfeiture we vote to pass the money on to the Police Department. When there is a raid and those machines are full of money, can we can encumber that money and turn it over to the Police Department.

Deputy Robinson said that they encumber through the court system. We have four machines that we picked up on Somerville Street although those machines were empty. Through the Court system we try to get those machines forfeited and that point we will destroy it. We do not attempt to sell them at auction.

Alderman Hirschmann said that when you do get money you do come to our Board.

Deputy Robinson said no. Not in that case because it's all done through the Court system, Alderman. The Court system will dictate where the money will go and there is a formula on who is in charge of the investigation and what percentage you were involved in the investigation and we get percentages. For drug forfeiture which in turn has to be used for that specific purpose.

Alderman Pariseau said that it does have to come to the Full Board.

Deputy Robinson replied that the Drug forfeiture money does come back to you at some point. that is correct for the purpose of that.

Chairman Elise stated that she did not want to inhibit voting on the question. But I do want to hear from the City Licensing Enforcement Officer in terms of the number of machines that have been licensed and I guess it's a problem in licensing as many as we can.

Mr. Bergeron said that currently for this past licensing year that runs from May 1 to April 30. We are in the process right now of licensing machines for the coming license period. Although you can still get that revenue during the fiscal year because the bills would be going out April 1997. We have 480 machines licensed so you can multiply 480 by $500 or $1000 and that is the amount of increase revenue that you are looking at. One of the issues that we did address in setting up the $500 fee was our concern for the cost of regulation of the ordinance because the Solicitor's office told us that you cannot raise more money than it will cost you to issue the licenses monitor enforce the ordinances. Deputy Robinson has address that with his $1000 it does not even come close to covering the cost. If feel we could justify that if it brought into court. I might just point out that the highest the maximal penalty allowable under law is $1000 for a violation. I believe right now there is a problem out there with some of these displaying machines catch us if you can and then we will get licensed. We did set up in the ordinance a grace period where they can take machines in their business and have 30 days to license them. We have got an ordinance change now of Bills on Second Reading which eliminates that. We are saying that once it is in the establishment it better be licensed before you set it up. At that point if we can get that changed then I am very comfortable that the Police Department can walk in and issue a summons for the $1000 penalty. I guess our biggest concern is enforcement and if the City is looking to raise this kind of revenue off the machines. We would strongly recommend that the Police Department receive some funding to allow for additional assistance to our people to assure that the machines are being monitored closely.

Chairman Elise asked Mr. Bergeron if he thought the amendment in the ordinance taking away the 30 day grace period is going to help in licensing the potential 200 to 400 machines out there that are not licensed.

Mr. Bergeron replied no. As Deputy Robinson said the machines that are not licensed are behind closed doors. They are in houses or in clubs that have two or three licensed in a public area. There are 6 to 10 more in the back rooms that we do not have access to.

Chairman Elise asked how these machines can be licensed

Mr. Bergeron continued by saying like in the case on the raid on Somerville Street. The Police Department was given the lead through our office and Matt Norman our Enforcement Officer had reason to believe that there was type of activity. At that point, it becomes a Police matter, the police have to do the investigation, the monitoring and surveillance to determine if there is that type of activity and if they can gain access to it. Search warrants are issued or whatever procedure they have to follow. We do not have a staff trained to do that or large enough to go through those kind of activities. All we can do is continue to provide tips to the Police Department which again if there was a way to increase staffing and assistance between our departments. I think we could get at some of those machines behind closed doors. If not to get them licensed at least to shut them down.

Chairman Elise noted that the other machines would need some dedication of the Police Department Staff.

Mr. Bergeron replied that he believed so. The Deputy could respond as well, but I have a feeling that going out chasing after the machines that might have a $25 citation value. The Police Department has a work load that has a greater priority than tracking down unlicensed machines at this point. Unless the revenues for the penalties were high enough to make it worth while.

Chairman Elise said for the purpose of this meeting we are just going to address the increase in fees. We could look at that a little further.

Alderman Pariseau said that he was just wondering if there was a penalty clause in the ordinance relative to not license the machine.

Mr. Bergeron said that they can be confiscated and the penalty is the maximum allowable under the law which by Statute is $1000 right now.

Alderman Pariseau asked what law was that, State?

Deputy Robinson replied that it was a State Statute, Alderman Pariseau, we cannot go any higher than that.

Alderman Pariseau continued by saying that we could not boost that up to $5000.

Deputy Robinson replied that you cannot, the highest you are allowed to go by State Statute is $1000. It's a violation of the law and you can only at your level make laws that are violations. You cannot make laws that are misdemeanors or felonies.

Chairman Elise said that before we take vote on this it would be good to hear from the City Solicitors office.

Mr. St. Onge said he was representing Tom Arnold and Tom Clark. I am not sure what you want to hear from us. Our major concern has been addressed by both Mr. Bergeron and Deputy Robinson that the licensing fee whatever the amount is bear a reasonable relationship to enforcement efforts by the Police Department or by Licensing. Whatever amount you come up with you are going to have to be able to justify that amount on the regulation side.

Chairman Elise replied okay, thank you.

Alderman Hirschmann, being recognized by Chairman Elise, said he had a question for the City Clerks office. You are going to send bills out within a week.

Mr. Bergeron replied that they were out now.

Alderman Pariseau asked who just sent an addendum?

Alderman Hirschmann said that he wanted the $1000 to pass but I do not want to wait till April 1997 to collect on money. The way the money stream goes we will be collecting Fiscal of 98, people pay their bills slowly. I would want to collect it this year.

Chairman Elise said that what we are saying that the $225,000 would not be realized in this coming budget.

Mr. Bergeron responded that it would be realized in the coming budget, but in May of 1997. You may want to discuss it with the Solicitor, I don't know if you can retro-actively raise a fee, however, once it is passed if the fee level isn't effective immediately anyone out there who didn't get their machines license perhaps would be liable for the increased fee. Last year we found about 110 machines out there that were not license as of May 1st by having someone going in the field.

Alderman Hirschmann asked if they were already getting replies back.

Alderman Pariseau said to dwell on this subject. How does the Mayor's office propose to generate an additional $225,000 if notices to renew licensing have already been sent out and we can't re-bill the applicant for the difference?

Chairman Elise asked if the billing period for next is the same time?

Rich said that at the time when the Mayor made this proposal the City Clerk's office had already license 450 machines. Which is why we used the figure $225,000. In Fiscal 1997 you will get this additional money because in April of 1997 the City Clerk's office will again be sending out billing notices for the next years' revenue. You will be getting in the next Fiscal year but Alderman Hirschmann pointed out it will not be till April, May or June when that money starts coming in.

Chairman Elise recognized Alderman Soucy.

Alderman Soucy said this question is address to Rich of the Mayor's office. The $500 to $1000 the basis for increasing that other than increasing revenue is that we are going to increase enforcement. Cost associated with the fees.

Rich replied that Deputy Robinson and Clerk Bergeron address that a little bit better than I will. The bottom line is at $500 or $1000 it is not enough money. The fees do not generate revenue any where near the enforcement that is done by the two officers combined. It is the opinion of the Deputy that you probably could go $3000 or $4000 per machine and still not cut the cost. The reasonable relationship between enforcement and regulation cost and fee we believe satisfies.

Alderman Soucy stated that was her concern and that is fine as long as it close to the actual.

Alderman Pariseau said that what you are saying even if we wanted to we could not increase that fee from $500 to $1500 because of.....

Rich said that the only problem with doing that, Alderman Pariseau, it would make the license fee more expensive than the fine for not paying the fee. There would be something of a disincentive for the people, we worry about that with a $1000 a machine and since there is also the possibility that the machine can be taking away for not being license we still think people are going to pay $1000 fee.

Alderman Pariseau asked the Deputy Robinson how much does it cost to prosecute for misdemeanor for one machine?

Deputy Robinson replied that on each and every machine that we take, we have to prove that the machine was used for gambling. That means, you have to get an Undercover Officer in there, and in most cases he has to go in several times, before anyone we would think of paying him. Then again, we are talking one machine, we have to actually mark that machine somehow so you know that this is the machine that you were paid for. You have paperwork, then it goes to the City Prosecutor's Office and whatever hours they put in to it. Most of our cases are not disposable in District Court they end up in Superior Court, most of them end up with a Jury Trial. When you start figuring all the expenses that the State pays it's phenomenal. You go back a couple of years when the Police Department which was under Deputy Chief Paul Brodeur and he did a lot of this and we had a black eye for one little leak at the end of a very successful investigation. We try to put a price tag on that and we were just coming up so extraordinarily high it was really difficult. We had hundreds of Officers involved and hundreds of investigating hours.

Alderman Pariseau said that $1500 would not be out of sync would it?

Rich said that the only concern was that would make the licensing fee more expensive than the penalty.

Alderman Pariseau continued by saying that we can discuss the Police Departments increase in the budget when they come in next week. If we get an additional $500 per machine we probably would be able to put some additional funds in the Police Department.

Rich stated that their concern in a budgeting from a point of view is whether or not that revenue will perform. The concern that we have is if you raise the license fee in excess of the fine you would pay for not paying the license fee. People might just take their chances and be fined rather than pay the fee. Which means that any money generated would go to the State and the revenue projection here would not fulfill it.

Alderman Pariseau said that did not the Prosecutor say that we could charge whatever it takes to account for City Clerk's time and the Police Department time.

Mr. St. Onge replied just to clarify the position that's not the statement. The Solicitor's position is that the license fee has to bear reasonable relationship to the cost that incurred by the Police Department, by Licensing in regulating and enforcement and continued inspection.

Alderman Pariseau asked if he had a problem with the $1500 fee?

Mr. St. Onge stated that as long as Licensing and the Police Department can justify that cost for enforcement regulation and inspection, then no, the City Solicitor's office would not have a problem. The question becomes, I think it's really more a political question, that the City Solicitor's office would take a hand off approach to. Is this real revenue? Revenue in terms of actual realized dollars to the City. That is a question you would have to ask the Mayor's office.

Alderman Shea asked who sets the $1000 fine?

Mr. St. Onge replied that the State did.

Alderman Shea said then the State would have to change the law.

Rich said that is a fine because it is a misdemeanor violation.

Chairman Elise stated that she would like to go on record as being opposed to these machines altogether preferring that this activity be banned along with the recommendation by the Police Department. I certainly am not opposed to raising the licensing fee to a $1000.

On motion Alderman Hirschmann, duly seconded by Alderman Pariseau, it was voted to raise the licensing fee to $1000.

Alderman Shea stated that he would also like to go on record as being opposed to these machines.

Deputy Robinson replied that they have attempted under the State Law and so far we have not had the backing of the State Legislature. We had the backing not to put them into the race tracks, a lot of backing, but when it came time to banning them outright we lost a lot of the back. I might as well say for the record the Mayor has been supportive of measures that would ban them all together throughout the State.

Chairman Elise called the next item:

#2) An increase in the cable franchise fee from 3% to 5% (plus $225,000)

Chairman Elise continued by saying that she would like the Mayor's office to make a little presentation.

Mr. Girard stated that actually what the Mayor's office would ask that the Committee table this. We have open discussion with Continental Cable and find that there are various issues that we both want to discuss on the franchise fee. I would note, for the

record, has been subsequent to the Mayors proposal is currently at 4% not at 3%. I have discussed this with Finance and with Tom O'Rourke from Continental Cable who is here. All parties agree that it should be tabled so we can further discuss this measure and come to the Committee with recommendations that would be appropriate for discussion.

Chairman Elise responded by saying that in terms of this Committee, administration and Committee on Accounts and Revenue would those other items be pertinent.

Mr. Girard replied yes they would be.

Chairman Elise continued by saying that she would ask at this particular time, that since Tom O'Rourke is here from Continental Cable and I would like him to have the opportunity of giving information relative to this proposal that he would like to give this Committee at this particular time.

Mr. O'Rourke responded that he felt that there are issues that need to be discussed for this group to understand that in order to adjust the franchise fee which is currently at 4% either up or down. Increase or any adjustment would require the successful negotiation of an amendment to be existing franchise agreement that would be acceptable to Continental Cable and the City of Manchester. Some other options are other outside adjustment franchise fees that might assist the City would generate additional funds.

Chairman Elise asked if he would like to address this proposal further in terms of giving information to the City.

Mr. O'Rourke replied that it probably would be appropriate to schedule a future presentation with specific numbers. I am not prepared to speculate, additional revenue could be realized.

Chairman Elise said that she was not talking about additional revenue. I am talking about this particular proposal. Do you care to give some information regarding this particular proposal? I would like to know if you would be able to do that now.

Mr. O'Rourke stated that as he said it would require an.....

Alderman Hirschmann asked whether these fees a directly passed on to the end user.

Mr. O'Rourke responded that yes they were. The existing franchise fee as well as any additional are to increase percentages are to directly passed on to the customer.

Alderman Hirschmann said with this proposal the 1% would be passed on to me on my cable bill.

Mr. O'Rourke said that correct it wouldn't be reflected as part of your monthly rate for television services it would be in addition. In fact, it is part of that rate, the way it is broken out on the bill you see the level of service to which you subscribe and then your franchise fee each individual subscriber should be 3% currently and 1% of your total bill.

Chairman Elise stated that in terms of this proposal. I know that this proposal is unacceptable to me in terms as being a pass through tax. If it's going to come back in a different shape or form.

Mr. O'Rourke replied for the record, Madam Chairman, perhaps if that this pass through 1% increase it amounts to about 10 cents a month on your bill.

Chairman Elise continued by saying that a lot of the increase fees do amount to a smaller percent but once you add them up in terms of the increase fees that we are requiring the public to pay. If the Committee would like to table this and reconsider this at a different time.

Alderman Pariseau said that he would table it, Madam Chairman, that's if you have a motion because the item is also at the Administration phase

Chairman Elise noted that this was in terms of this proposal of increasing the franchise fee that is passed directly unto the consumer. I know I am opposed to this period. If we want to hear anything else that's fine. Chairman Elise stated that she just wanted to express her opinion on that now.

On motion of Alderman Pariseau, duly seconded by Alderman Hirschmann, it was voted to table this item and send it back to the Mayor's office for rewording.

Chairman Elise called the next item:

#3) An increase in Health Department Fees (Attached, plus $26,000)

Mr. Girard said that Mr. Rusczek is here, but in as much as the Mayor has asked for the proposal, he would address it. Basically, in reviewing the budget, the Mayor took a look at revenues from several of the City's Departments and we tried to make proposals throughout that would make appropriate adjustments. The Health Department has not seen any adjustment to its fees in these areas for roughly six years. We thought it was time that they would look at the fees and see what we were missing out on. He contacted the Health Officer and asked him to review his fee structure and his costs and to develop a fee structure that would appropriately cover them. In process of doing that, he came to

the idea that he could probably raise another $26,000 or so in fees. It is based solely on the cost of his operation and that is what the Mayor has passed on to you today.

Chairman Elise said thank you. Chairman Elise asked Mr. Fred Rusczek if he could explain this chart here, please.

Mr. Rusczek started by saying that the chart before you there are different categories of restaurants and food establishments that we license. The first column there are classes.

Chairman Elise interrupted Mr. Rusczek and asked if he could explain the classes for my information.

Mr. Rusczek explained that I believe with your package is the proposed zone ordinance changes were there are definitions. Class I, for example, is a food establishment having more than 100 seats.

Chairman Elise asked Mr. Rusczek if he could wait a minute. Mr. Sherman did you want to address this?

Mr. Sherman said no. This is out of the City revenue handbook and all I really did is copy the page and drop it in the proposed revenue so you would have them side by side.

Mr. Rusczek stated that they are on the chart as well but obviously that is clearer. The chart shows current revenue under the current permit fee and two columns over from the right. The last two columns proposed revenue. Going back to the second, third, fourth and fifth columns we have calculated the number of hours per inspection for each category of food establishment. The cost per inspection which includes all of the current fringe cost, salary cost, it also includes supplies, space and auto use, that gave us a cost per inspection by the number of inspection per year to give us a cost per establishment. We established a proposed fee roughly equal to the cost per establishment.

Chairman Elise asked if Mr. Rusczek worked with the Revenue Administrator to develop the cost.

Mr. Rusczek replied no he had not. He developed it himself.

Alderman Shea asked Mr. Rusczek what currently determines the capacity of a Nursing Home Dining Room. Is it based on utilization of dining services or number of potential.

Mr. Rusczek answered the number of seats. If a Nursing Home had room for 86 patients, we would consider those 86 seats.

Alderman Shea asked what if they have two dining halls?

Mr. Rusczek asked two dining halls for the same amount of people.

Alderman Shea said no. If you had two dining halls in the same Nursing establishment. Do you consider that two separate dining rooms?

Mr. Rusczek replied that if they are both active, they would. Another way of looking at that is a larger restaurant that might have 80 seats that are used on a daily basis but then has Function Rooms. If that number totals 100 or more that throws them in a Class 1 category.

Alderman Shea asked what about independent living quarters. There are certain Nursing Homes that have assisted living quarters. Is that considered taxable under this.

Mr. Rusczek replied no.

Alderman Shea asked why not?

Mr. Rusczek answered that we do not inspect the living quarters. They pay a permit fee but it is not based on seats. I am not sure of the category.

Alderman Shea stated that a lot of Nursing Homes are putting in this assisted living and you know they are getting around the law like in terms of the fee.

Mr. Rusczek replied that they would fall under Class II nursing homes. We do not add up the number of rooms.

Alderman Shea asked if this would give us another source we could say the Fire Department or maybe the Building Department audit these places to see if they are within the law as we understand it.

Mr. Rusczek said that the way that we look at the licensing categories and fees is the amount of work that is required to do the job and the inspections. A nursing home, for example, would not require the same amount of involvement that a Class I establishment, like the Center of NH would. The kitchen is generally small they are fairly confined in space and their menu is pretty straight forward, cut and dry. Our involvement is less than it would be, say if they would be bumped up to a Class I inspection.

Alderman Shea said that there are apartment houses that have been combined with nursing homes. You are aware of that, right?

Mr. Rusczek responded that he was.

Alderman Shea continued by saying that the people that are there that eat in these areas were not bother with them at all. Why, because they are part of the nursing home dining room even if they are living in these areas? Like in Bedford they have McCulty let's use that. There is a dining hall on the third floor, and there is one on the first floor. You would consider that two dining areas under this definition.

Mr. Rusczek said that they would license the one kitchen. In each dining area the kitchen provides the food so it comes from the same kitchen where we would make the same inspection. The dining area itself is not what involves the work of the Health Department, it's the kitchen that does.

Alderman Shea replied okay. All right, let us say that there is another kitchen, of the people who live on the outside of that area. They do not come and eat there, would you consider that a second.

Mr. Rusczek said that if there is a separate kitchen , separate institutionally that require more work. That would probably throw them into a different category. I do not believe we have any of those yet.

Alderman Shea asked we do not have any in Manchester?

Mr. Rusczek replied that he was not aware if we did. There are hospitals do that, they have satellite kitchens in some places we cover them under Class I establishment.

Alderman Shea asked so we really do not count heads we count dining halls, right?

Mr. Rusczek said that we count kitchen use. Kitchens and the number of seats.

Alderman Pariseau said that he did not know if Mr. Rusczek was here prior to the meeting. I asked a question, are there any non-profit entities exempt from your fees.

Mr. Rusczek said yes there are.

Alderman Pariseau wanted to know why would they be?

Mr. Rusczek said that historically. The non-profits that we license with no charge fee is the public and parochial schools. Places like the Soup Kitchen. A non-profit.

Alderman Pariseau said he was talking Hillcrest Terrace.

Mr. Rusczek replied that they paid.

Alderman Pariseau continued by saying the hospitals.

Mr. Rusczek replied they paid also. The definition was written to include those non-profit organizations not holding a liquor permit and not serving meals on a daily basis.

Alderman Pariseau said that the only entities that are exempt parochial and public schools' kitchens.

Mr. Rusczek stated also if there was a non-profit organization as doing for things like the Soup Kitchen.

Alderman Pariseau asked about the American Legion Hall kitchens do they pay?

Mr. Rusczek said they pay.

Alderman Hirschmann said that he was looking a Little Leagues and Soccer Leagues and all those. Are they non-profit?

Mr. Rusczek responded that those are non-profit.

Alderman Hirschmann added so they are in Class V.

Mr. Rusczek said that was correct.

Chairman Elise asked Ms. Parsons if she had any input on the cost established? Or the Revenue Policy?

Ms. Parsons responded that without a Revenue Policy we with really cannot go in and do a cost or time study in Mr. Rusczek's department or anyone else's. What he has done is accurate enough.

Alderman Pariseau asked if these increase in fees, Mr. Sherman, are not in conflict with the proposed Revenue Policy.

Mr. Sherman replied no. The only thing question that we would raise at this point, Mr. Rusczek has come up with cost per inspection and we are not sure what is in the cost per inspection. If all those areas have been covered, as Ms. Parsons has said, we haven't gone in and been able to gather that information. This is trade salary, have we thought benefits, overhead, administrative fees, vehicle cost, that is what we are not sure of.

Mr. Rusczek replied that there is a top half of this spreadsheet, if he might add. The reason it's crude the way it is, the top half has all the detail.

On motion of Alderman Pariseau, duly seconded by Alderman Shea, to increase the Health Department Fees as presented by Mr. Fred Rusczek the Health Officer.

Chairman Elise said that she did have some reservations about increasing fees on businesses in the City. As businesses are having difficulties surviving themselves, if this truly is an increase to cover cost. I am in agreement.

Tabled Item - Band Uniforms:

Chairman Elise said she wanted to address the band uniform issue regarding a Trust Fund, noting it was not on the agenda.

Ms. Shaffer responded that she had the written letter that she brought along with her. She did not have the name of the individuals that these letters should be sent to inform. As an initial start up point I could submit this and if somebody is here representing the Band Department of the Music Department. I would be glad to give them a copy. Then I could make a few phone calls and set up.

Chairman Elise said you have a basic plan. I would like to do that at this point. It's not off the table and I would like to have a motion it off the table so we can just distribute the information.

On motion Alderman Soucy, duly seconded by Alderman Pariseau, it was voted to remove the Band Uniform Trust issue off the table.

Chairman Elise stated that if you could give us briefly what the proposal is. I know there are two parents from West and Memorial.

Mr. Shaffer said that briefly what this does it tells you, that the establishment of the fund is subject to the approval of the School Board. I realize that nobody has read this letter yet.

Chairman Elise said that we will be reviewing it and taking it off the next meeting.

Ms. Shaffer responded that if you wanted to do that, it would be fine.

Chairman Elise noted that earlier Ms. Shaffer had suggested that you give it to some people to review and these parents.

Ms. Shaffer said that this is subject to approval by the School Board initially. Then the Board of Mayor and Aldermen, then the Trustees of the Trust Fund. Basically, we need to sit down with the School Board membership or there representative and whomever is going to be from the parental side or the private side how they want it structured.

Alderman Soucy noted that someone should get in touch with Russ Pullman and ask who the representative from each School is other than those people who are here tonight. So that information can be disseminated to the music groups in anticipation so they can develop their comments.

Mr. Sherman said that we do have the complication that Roger is leaving. It's never easy.

Ms. Shaffer said that the School Board must be approached first because they are the ones who have the ultimate authority on determining whether or not they want to donate to this Trust Fund. Of course, I realize, an appropriation is subject to approval by the Board of Mayor and Aldermen. If there are budgetary constraints, of course it is the ultimate discretion of the School Board exactly on how much money is going to go in this fund. Usually, once it is approved at the initial level, the secondary level is the Board of Mayor and Aldermen and as long as we have proven that this has some merits and it will provide some funding for an important function somewhere down the line. It is unlikely that they will not accept it. Then it goes to the Trustees of Trust Funds who will have the custodianship of these particular monies. In that case, they oversee and they make the ultimate decision regarding on how this money will be invested. Then depending on who is going to be working from the School side or from the parental side. We need to establish parameters on exactly how it will operate. Is there going to be one kitty, so to speak , that all of the money is going to go into for all the Schools or based on the separate activities that each parental group will be working on for there individual School i.e., Central, West, Memorial should those be segregated by fund. The parents who have done all that work on behalf of that School can see the fruition of their efforts basically in replacement for uniforms for there particular School. So I think that is basically what I have done is establish the initial procedure. Indicated some of the questions that have to be answered and I have given a couple of examples here. I have checked with Chowder Book Trust, the only way that the money has to be segregated is by public or private. Then determining what breakdowns are established at the School Department level, we can break it down as much as we want from that point. On the other side of the equation once it is time to disburse some of this money, is it the public money that you want to tap first or is the private money? Do you want to do a pro ration? These are all the different things that need to be addressed in setting up the conditionally, so that down the line there will be no problems. Every one will have an understanding up front and that way it will work more smoothly. The other thing to be considered here to when establishing a Trust, the money has to be left in a Trust so that it will generate

sufficient interest to cover the cost of whatever you are trying to provide for somewhere down the line. If you are only planning to put in a small amount of money up front, it is not going to generate sufficient amount of money to cover whatever expenses are anticipated. That will still have to be subsidized by a another source. That is also a part of my suggestion, leaving it there for a brief period of time so that the principal will appreciate and some of that interest will accumulate to a point where you can plan on $3000, $5000 or $10,000 a year to cover the cost of whatever might be done to these uniforms.

Chairman Elise asked Ms. Shaffer that in terms of the process are you saying that this should go to the School Board so that they can decide some of those issues?

Ms. Shaffer responded correct. First of all it has to be accepted by the School Board because they will be administering it, but then the secondary subject is to whether or not they were going to appropriate some money in there budget for the expensive Band Uniforms. If that is part of the intent from the School side it is up to them to set aside that money in the budget.

Chairman Elise stated that the procedure of this would be to forward this to the School Board for their discussion on there agenda.

Ms. Shaffer answered yes. Whomever is the group of individuals who are interested in establishing this Fund should meet with the School Board and School Department representative to discuss their concerns. Also to discuss how they would like to have it structured. Etc. Etc. If the School does not set it up in conjunction on how the School Board would like to see it operate, they have the option of not accepting. We would like to establish a workable solution for all parties involved. Satisfy the parents, the School Board and provide funds down the line for this particular purpose.

Chairman Elise said that before it goes to the School Board it should go to Russ Pullman and the parents for discussion.

Ms. Shaffer said that they should set up a meeting with a School Representative first and then that School Representative, I would assume, would make the recommendation to the School Board.

Chairman Elise stated that if we say that we are in favor of passing this on to Roger on the School Board. Are we saying that we are in favor of this concept and now it is their ball?

Ms. Shaffer said that is correct. Ms. Shaffer thought that from an approval standpoint, she did not think this committee has discretionary approvement.

Mr. Sherman responded that it would have to go to the Full Board.

Chairman Elise stated that she was pleased that they had come up with a mechanism that may assist the School Department in establishing long term funding for the uniforms. Chairman Elise also added that she hoped that the School Department and all the people involved take a very close look at it and work it out.

Ms. Shaffer remarked that it was just a matter of establishing parameters and seeing them through basically and letting the money sit there for awhile so it will cover whatever expenses there will be in the future.

Chairman Elise said that we should establish a motion.

On motion of Alderman Soucy, duly seconded by Alderman Shea, it was voted to refer the matter to the School Board as recommended by Finance through the parent group.

Chairman Elise asked if both of them would like to review this and bring it back to your Committees, I am sure that Russ Pullman will want to talk to you about it. You will have some input as to how things will go.

On motion Alderman Hirschmann, duly seconded by Alderman Pariseau, it was voted to remove item #4 off the table.

Chairman Elise addressed item #12

> Revenue proposal for the Citizen Drop-off Center submitted by
> Ald. Hirschmann.
> (Tabled 3/26/96)

Chairman Elise continued by saying that Mr. Thomas was prepared to

The Clerk said you only have about five more minutes here. If you want to recess this item and reschedule at a later date.

Chairman Elise said that they have two other items to discuss. Chairman Elise said that she was unaware of anything saying that we have time limits on our meetings.

The Clerk replied that technically according to the law when there is a meeting a scheduled. If CIP is scheduled for 6:30 they have to start at 6:30. There are only three Clerks on tonight.

Chairman Elise said that there are two other Clerks at other meetings.

The Clerk said I am here and Carol is next door at another meeting.

Chairman Elise asked the Clerk if what she was saying that we only have five minutes for us to discuss this proposal.

The Clerk replied yes, but you can recess the meeting, and we can reschedule it for another time perhaps next week or the week after.

Alderman Hirschmann said we meet every two weeks anyway.

The Clerk stated that the meeting.

Alderman Pariseau said that if we took item #4 home and read it and made sure that it didn't violate the proposed new revenue policy that a telephone poll could be conducted and implement this if it does pass. So it can be referred to the full Board at the May meeting.

Alderman Hirschmann asked if we could take the three minutes and hear from the Director. I want to hear from Mr. Thomas while he is here.

Mr. Thomas said that basically what we have done is tailored this proposal. What this comes down to is that we would be accepting at the drop-off center scrap metals, thrash, yard waste and demolition material at a fee. Recyclable and automotive waste would be accepted at no cost. Basically any citizen of Manchester could utilize this drop-off area and small commercial. We would not be looking at having something like a waste hawler bringing materials in there. The automotive waste would be accepted free because it is part of the budget submission what's been built in is a the implementation of the auto reclamation trust which will generate approximately $350,000. With that auto reclamation trust in place and that is adding approximately about $3.00 unto the auto registration. You cannot after that charge for the disposal of automotive waste. That is why it would be free at the drop-off area. The fee structure that we came up with was based on the cost of operating the drop-off area and some of the attachments listed the contracts for the disposal materials, cost of labor etc. Based on that operating cost a fee of 5 cents a pound for materials coming in to the facility would be the rate that would be charged. The first 100 lbs of materials would be a flat fee of $2.00 which is a little less than the average amount if you took the average of 0 to 100 lbs it would come out about $2.50 but we are saying is $2.00 would be a minimal fee for anybody coming up there. Now, that is assuming there is not a bag and tag program. If there is a bag and tag program then you would have to charge a minimum fee of $5.00 for anybody coming in.

Alderman Pariseau said there is no bag and tag program, period.

Mr. Thomas continued by saying on that assumption then there would be a proposal of $2.00 minimum fee for 100 lbs of less. Anything over 100 lbs would be measured and weighed up and charged 5 cents a pound. That equates to $100 a ton for disposal that is on the high side number. What we are trying to do is allow a commercial establishment to utilize the drop-off facility but also not give them a deal. It's at the point where he may find it a few dollars cheaper to go out and contract directly with some of the larger private haulers but again anything that would come into the facility would cover the cost of the operation. In addition, we would also be charging for white goods, refrigerators, stoves etc. as noted here there are two fees $15 for a refrigerator that we have to remove the CFC's the chloral floral carbons, by law, they have to be taken out so there is an additional cost and $10 for something like a stove that only needs to be disposed of. We set those prices because we want them to be less than somebody like Lechmere or what not but we wanted to make sure that we covered cost to dispose of these products. This fee schedule does require an additional personnel that is not in the budget. We need a scale operator. The land fill is projected to close in July, the scale operator that we had up at the land fill, under that scenario that position has been eliminated. In order to weigh up these vehicles and to collect the fee you need a licensed scale operator. The fees that would be generated does require the establishment of another position in the budget. The bottom line is that we estimate that this fee structure would generate $437,500 a year and if you subtract out this new employee that has not been identified anywhere there is a net revenue after that position is taken out of $400,000. That is all summarized on the first page, the second page addresses the operating cost at the top, the contract cost previously identified employees with fringe benefits the new employee that would have to be added, operating cost and there is no fringe benefits. Down below you can see the revenue projection based on the tonnage's and the number of appliances that would be coming in. The third page basically is just a summary of the contract cost and the quantities that we feel will have to be paid to Waste Management for hauling and disposing of the material. The last page is a copy of Concord's fee schedule. They charge $95 a ton and again as I mentioned that 5 cents a pound of we would be charging $100 a ton. We are in that ballpark figure, they charge a little bit more for the appliances. We charge a little bit less. They have a little bit more of a minimum fee than we do. I think average it out we are very comparable to Concord. Again with this structure everyone is treated equally however there is a little bit of a discount for the small tonnage of weight that comes in. Any questions?

Alderman Shea said that right now if somebody has a refrigerator or a stove that is picked up. Is that right?

Mr. Thomas said yes it was.

Alderman Shea will that continue till the 30th of June. After the 30th of June, anyone that wants to dispose of a refrigerator or stove where will they take it?

Mr. Thomas said that they would be able to bring it to the drop-off station.

Alderman Shea wanted to know what will happen if they do not do that. Let us say I get a question as to what will they do, how do I respond. Do they just call you folks and then pay, how does somebody dispose of large items.

Mr. Thomas responded that right now they just call him and they schedule it for collections. After July in addition to this fee there will be another fee for collecting of these appliances in front of your house. Which will be more than this fee here.

Alderman Shea asked how much that would be?

Mr. Thomas said probably another $5 more.

Alderman Shea asked if they would pay the people that pick the item up or will they bill them.

Mr. Thomas said that they will have to pick up some kind of tag or slip that they glue on to the unit prior to us going out and pick it up.

Alderman Shea wanted to know if the public would be aware of this. Are they going to get this information? One of the concerns that I have, and I think others might have this, people may just decide to unload these items. You are going to find them everywhere with no name on them and so forth. What happens then do they blight a neighborhood?

Mr. Thomas answered that there is going to have be some enforcement. If somebody sees someone illegally dumping out a washing machine then they are going to have to be pursued. If there is a washing machine or a refrigerator found in an alley, again, there is going to have be some effort to find out who deposited it there. Will there be some illegal dumping of these appliances, quite possible.

Alderman Shea said that there is a lot of dumping now and it’s not legal.

Chairman Elise recognized Alderman Hirschmann.

Alderman Hirschmann asked if he could talk about landscaping contractors.

Mr. Thomas responded that landscaping contractors would be allowed to come in.

Alderman Hirschmann asked if we were going to charge for that type of waste? Or are they going to be billed?

Mr. Thomas stated that yard waste would be charged at the 5 cents a pound. Scrap metal, yard waste and demolition material there would be a fee for it.

Alderman Hirschmann said that the automotive waste that is brought up there for free. I would like to make sure that there is no Sullivan Tire, Tire Zinc all these garages and commercial places, I do not want them bringing there stuff up there.

Mr. Thomas responded that once they instituted the Auto Reclamation Trust they will be allowed to bring whatever tires they can somehow show is off there vehicles. If a vehicle is registered in the City and you charge that Auto Reclamation Trust, that fee, you now have to accept the automotive waste. One of the concerns we always had with implementing this Auto Reclamation Trust. How do you control? How many tires does a person generate? I know a set of tires on my car usually I get two years out of them. Some people go through a couple of tires a month. So, it is very difficult to try to minimize the number that can be brought up.

Alderman Hirschmann said that when we discussed this last. We sent you back the work on this. We talked about a residential drop-off center and very light commercial. We were not talking about bringing oil and I envisioned landscaping contractors, some light demolition's, gas stations and these types.

Mr. Thomas said that Sullivan Tire is not going to be bringing hundreds of tires. They are not going to charge somebody $2.00 and bring there tires up there. They still have to show the relationship of the tires they bringing in to the vehicles that they have registered. If they have five vehicles registered in the City, then I think we can make some reasonable assumptions on how many tires that those five vehicles will generate.

Alderman Pariseau said that is not what he is saying, though. If 600 people go have their tires changed at Sullivan Tire a week and they take off two tires per vehicle, you have 1200 tires that they are dumping at the dump.

Mr. Thomas said that they would not be allowed to bring them in.

Alderman Pariseau said that you said yes.

Mr. Thomas said no. Sullivan Tire will be allowed to bring in some tires. Tires that are related to their own vehicles that they have registered. So, as I mentioned, if they have five vehicles we could probably....

Alderman Pariseau said that he thought what Alderman Hirschmann was getting at that if they were changing tires and they had piles, what happens to those tires.

Alderman Hirschmann stated that he did not want the scope and the intent of the facility to change. We wanted a residential drop-off center with light commercial. If this thing becomes a transfer station. I am going to be upset.

Mr. Thomas said that was not the intent.

Alderman Soucy said that the Auto Reclamation Trust is in the budget, is that right?

Mr. Thomas responded that the Auto Reclamation Trust is in the budget.

Alderman Hirschmann responded so what, I will pull it out.

Alderman Soucy said that she was just saying. That is why Mr. Thomas is presenting it, I think, as part because it was developed while budget process.

Mr. Thomas said that what he was trying to show here is that we would have to accept the automotive waste free of charge with the Auto Reclamation Trust implement.

Alderman Shea asked Mr. Thomas what is going to happen to all these tires that these companies are going to get. Like Montgomery Ward, of course, that is in Bedford. Like Sears at the Mall, what is going to happen to all these tires.

Mr. Thomas said that they will not be able to bring them to the drop-off area. What they may turn around and do is to tell the people if you live in the City of Manchester you can dispose of your tires free up at the residential drop-off area and have the people take the tires directly up there. Again that's the problem, once you implement the Auto Reclamation Trust and bring in that $350,000 worth of revenue. There are some potential for things like that to happen.

Chairman Elise asked if anyone wanted to motion to move this to the Full board.

Alderman Hirschmann said that he wanted to table the item. Was it all right with Mr. Thomas?

Mr. Thomas said that the only concern he had was the same as Alderman Shea. The sooner we can get a determination on these fee structures. The quicker we can get word out to the public and I think that is very important.

Mr. Sherman said he had a quick comment. If you are going to do the Auto Reclamation Trust Fund, I would anticipate it is going to take a programming change in our Motor Vehicle system that we have. Again the earlier you can make a decision on it, we need to get them working on it as well.

Alderman Hirschmann said how are we going to determine a small business. How are we going to determine a cut off.

Mr. Thomas said again, what we try to do is establish the fee so that it's not a bind to a large company. A large company would be better off going to Waste Management or BFI and rent a dumpster and have it in their yard. Instead of trucking this material to the drop-off area. However, a small commercial establishment, who has maybe periodic loads or fluctuating loads would then take advantage of our drop-off area. That is the way of controlling it.

Chairman Elise asked if the Committee wanted to table this item. Did they feel they had to look at it more?

Alderman Hirschmann said we were under the gun because of the Clerk. The surprise of the whole thing is the scale guy.

Alderman Pariseau stated that he was eliminated because of what they did. If you keep him on, it will cost you that much.

Alderman Hirschmann replied that we put on two positions and we have to go to three.

Mr. Thomas said yes because the two positions we identified basically man that drop-off area. There is going to be compacting units down there. There is going to be people to make sure that the recyclable don’t get mixed up. Those two people are identified for that. In order to weigh and charge you have to have a license scale operator. The scale is going to be located right outside the drop-off.

Alderman Hirschmann said the total cost of $437,000 and the total revenues of $437,000.

Mr. Thomas said that is how we derived at the 5 cents fee. What we did is we took the operating cost of the facility?

Alderman Pariseau noted that there was no profit to the City?

Mr. Thomas replied no.

Alderman Hirschmann said that if we move on this we have $437,000 short fall.

Mr. Thomas said that is right, you make it up by taxes.

Alderman Soucy said that either way it is the tax payer's that are going to pay for it. You do not want to do something to skin more money out of them.

Chairman Elise stated that if they wanted to look at more.

Alderman Pariseau stated no because Mr. Sherman has a problem with that Automotive Reclamation Trust.

Mr. Sherman replied that again he felt there would be programming changes. They may be minor it may only take Diane Proulx a week to fix it.

Alderman Hirschmann asked if that trust was referred to the Committee, or is it referred to Administration? That is what I do not know.

Alderman Soucy said that it was in the budget.

Alderman Hirschmann stated that it was not on their agenda.

Mr. Sherman replied the Automotive Reclamation Trust?

Alderman Hirschmann said that he would like this to pass but he would like to really tighten up the Commercial aspect of it. It is just real gray. I would even concede given the position at the grade you are asking for and everything. I am really asking for your help to have a real cut and dry thing on the Commercial side. that is all I am asking for.

Chairman Elise said that maybe by the time it got to the Full Board more of a definition can be put together and it can be amended.

Mr. Thomas stated that he did not know how you put a definition on that. The dollar size of the company, number of employees.

Alderman Hirschmann said that they were talking about light Commercial and we were talking about landscaping contractors they would not dump illegally. Small handymen that would not dump their load of sheet rock. I do not want to envision Harvey Construction and all these other guys, just because we are in the business bringing tons of that stuff up to our building and we do not want it.

Mr. Thomas said that the way that he foresaw controlling that is to establish a fee that it's not going to make it worth their while. They may come in once or twice, but when they

realize that they are paying $100 a ton and that they can go out and rent a dumpster and have it picked up for $60 a ton.

Alderman Hirschmann asked a residential person is going to pay 5 cents a ton for his garage or his stuff. Can we make the Commercial 10 cents a ton.

Mr. Thomas said how do you define Commercial? Are you saying that

Alderman Pariseau noted that what would happen is that Woodmaster Garage would give me $3.00 to take the junk to our dump. That is how they get around it.

General Discussion.

On motion of Alderman Hirschmann , duly seconded by Alderman Soucy, this item was tabled for fine tuning the Commercial section of the proposal.

TABLED ITEMS

Communication from Ald. Pariseau relative to the
establishment of a "Core Service Fee" for any non-profit entities within the City of Manchester.
(Tabled 3/26/96)

This item remained on the table.

Communication from Randy Sherman, Deputy Finance Director,
relative to the City adopting vehicle policies and a valuation method in order to adhere to IRS reporting requirements associated with personal use of City vehicles.
(Tabled 3/26/96)

This item remained on the table.

Discussions with representatives of the Finance Department
relative to financial reporting, revenue policy, investment policy, and automobile tax policy.
(Tabled 3/26/96)

This item remained on the table.

There being no further business to come before the Committee, on motion of Alderman Hirschmann, duly seconded by Alderman Pariseau, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee