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

May 28, 1996
Executive Conference Room

Chairman Elise calls the meeting to order.

The Clerk called the roll. Present were: Ald. Elise, Ald. Pariseau, Ald. Shea and Ald. Hirschmann. Also present were: Ald. Domaingue, Leo Bernier, Randy Sherman, Paul Porter, Tom Nichols, Steven Tellier, Sean Thomas, Kevin Shepard, Joan Schaffer, and Tina Parsons.

The Chairman addressed item number three on the agenda, a:

> Communication from the City Clerk, seeking permission for a staff person to attend a Joint Certification Program at the University of New Hampshire in Durham from July 15-19, 1996.

Approval moved by Ald. Pariseau, seconded by Ald. Hirschmann. Motion passed.

The Chairman addressed item number four on the agenda, a:

> Communication from the Public Works Director, seeking authority to implement the Motor Vehicle Reclamation Trust Fund.

Ald. Hirschmann stated that Chairman Wihby was including this proposal as part of the budgetary numbers he was submitting to a public hearing but that he was personally opposed to the idea. Most people lease their vehicles for 24 to 36 months. In that time period, they don't go through tires and don't go through a battery. This is something you would pay every year: one, two, three, four. And you're not going to get rid of it. He said that he would prefer to see is that when you throw things away up at the Reclamation Area, Citizen Dropoff, whatever it's called, that we could charge a fee for the battery and a fee for tires. If I go to Tires, Inc., they charge me a $3.00 disposal fee. We could do something similar. It's so late in the budget process that it makes this hard. I'm not in favor of it, but I'm afraid to not be in favor of it because of this budget problem.

Ald. Pariseau said we had the same problem last year about the budget vs. revenues, and we went ahead and got these farfetched ideas about revenues. For example, fire inspection. That went to hell. And if it wasn't for Joan Schaffer, we'd be behind the eight ball because of a lack of revenue because of her increases investments or trusts or whatever. The increase in that offset what we didn't get in fire department fees. Now go ahead and charge people an additional $3.00 when they register their vehicles, I don't really think it's fair. I really don't. And people are going to rebel because you also want to hit them with -- what's the other thing you want to put into registration? There's something else. They made mention of it last week. We're going to fee them to death. I don't know if Wihby has these projected revenues in his budget. The $352,589? He does?

Mr. Shepard stated that this program started back in 1989 and that it had been successful in a lot of towns. Derry, Dover. It helped pay for the recycling programs, recycling equipment, recycling collection, etc. So any profits from this go toward our recycling program. At our household hazardous wastes, we collect up to twenty-five, 50 gallon drums of used motor oil and batteries. If this doesn't pass, we're going to have to come up with a fee structure for the dropoff. But obviously I don't think we'll collect the revenues at the dropoff like you would through this. But it's a well-established program statewide. It's not unique.

Ald. Pariseau asked what we would do with the likes of Montgomery Ward's, Sears, Monroe Tire, Meinecke, all those. If you want, charge those people. How are we going to enforce Sears, Roebuck -- and I'm not picking on Sears; my wife works there -- how are we going to control that?

Mr. Shepard: I think that, typically, those larger retailers have their own source of disposal and ther residents have the option of paying that $3.00 to Sears, directly, or dropping them off at the Dropoff at no charge. If we deal with those retailers, getting some proof that those tires came from Manchester vehicles would be very tough. But I think those stores typically have their own disposal sites. And to save $3.00 at Tires, Inc., they could take their tires to the Dropoff.

Ald. Pariseau asked how it worked in other communities.

Mr. Shepard said, as far as he knew, other communities did not accept the commercial sector's tires. Just the residential.

Ald. Pariseau asked how we would know if they were Manchester residents. Who was going to bring them there?

Mr. Shepard said, he would. As a resident, he would bring his tires there if this goes through. He'd be paying $3.00 when he registers his truck, and if he gets tires,, he's going to throw

them in his truck and bring them over there to save himself $3.00.

Ald. Pariseau: And waste $4.00 in gas?

Mr. Shepard: I don't think that is what is going to happen. We collect tires right now at the landfill. We take truckloads of tires sometimes.

Ald. Pariseau: Well, then you'll get tires also in other areas where they just dump them out and they lay there. I don't know how we're going to enforce it. If Sears changes tires, you suspect that Sears will give the tires or batteries back to the customer? And the customer is to leave Sears with the battery and deliver it to the landfill? Do you really think...

Mr. Shepard: The resident would have to take the tires and battery back to the landfill. I guess that depends on the person.

Ald. Shea: If you were to buy a battery at Sears, they charge you to take the old battery.

Ald. Elise: Is it a mandatory fee?

Ald. Shea: I know they charge extra for oil. When you have an oil change, they charge extra -- a $1.00 fee or more -- for them to take the old oil and put in the new.

Ald. Pariseau: So where do they dump the oil now?

Ald. Shea: Well, they have a drum.

Ald. Pariseau: So if this goes through, is the customer going to have to bring the old oil to the landfill?

Mr. Shepard: That's the way the program is going to be set up. We collect up to twenty-five to thirty-five 50-gallon drums, twice a year at our household hazardous waste site. So obviously there are some poeple out threre changing their oil.

Ald. Pariseau: Those that are mechanically inclined, do change their oil.

Mr. Shepard: And I might add that it is part of Ald. Wihby's budget proposal. That, today, is not in our revenues. It's part of his proposal

Ald. Pariseau: But I think what it is, it's holding the taxpayer at risk to make sure that the batteries that are in the back of their car, the oil that is in the back of their car, and the old tires that are in the back of the car, to get to the landfill. Is that decent? To expect a 74 year-old lady to leave Sears & Roebuck to bring that stuff to the landfill?

Mr. Shepard: That's an answer for the Board to answer.

Ald. Shea: That's what I'm saying. If she wants, she can pay extra to have them throw the oil away for her.

Ald. Pariseau: But she's still going to have to deliver it.

Ald. Shea: No. They take the oil and they put it in a drum. And you pay extra for that. In other words, you may give them a $1.00 extra for them to dispose of it...

Ald. Pariseau: Wait a minute. We pay the $3.00 through registration. I go to Sears, Roebuck to get an oil change.

Ald. Shea: For maybe 15 bucks. And you pay an extra buck to Sears to get rid of the extra oil that they take.

Ald. Pariseau: But now with the $3.00 I wouldn't be charged the extra dollar.

Ald. Shea: You'd have a choice, I would assume, to either take the oil yourself or pay them the extra dollar.

Ald. Pariseau: So what does the $3.00 do?

Ald. Shea: Well, it allows you do that, if you want to do it. I would assume those that prefer to do it, can, and those that don't, well, they pay the extra buck and get rid of it that way. It's just like tires. You can throw the tire in the back of your car or they'll say, we'll take care of your tires and you pay extra for us to get rid of them. Or maybe they would do it another way.

Ald. Pariseau: I thought this $3.00 fee eliminated this additional fee. It doesn't? Sears wouldn't charge me the extra dollar for the oil change because I've already paid the $3.00 to the City of Manchester?

K. Shepard: No. I know that Frank, in the past, has looked into the option of taking retail establishments at the Dropoff. Obviously it's very hard to track that this tire came from a resident, that this oil came from a resident.

Ald. Pariseau: So who's going to go to the dump with the tires? People who do their own work?

K. Shepard: Right. The people who do their own work.

Ald. Pariseau: But we're charging everybody the three bucks.

K. Shepard: That's right. I have two daughters who aren't in school, but I'm paying taxes for the school system. This is a similar situation. Ald. Hirschmann may not use this service, but

the city as a whole uses the service. It's for the benefit of the city, not necessarily for the benefit of the individual.

Ald. Hirschmann: I haven't heard anybody complain about it.

Ald. Elise: I don't think we should make a decision on this fee based on the fact that it was put into the budget because we did add some other things -- like the fire fee, and we ended up reimbursing people -- we should basically do what we feel is the best thing to do regarding the particular situation.

Ald. Hirschmann: If we send this up to the Board, the Board will be caught. Then you'll be on TV and your vote's going to be aired. Right now. Let's do it.

Ald. Elise: I don't know what you're getting at, Keith. This was put into the budget by somebody, just like the Mayor's...

Ald. Hirschmann: This was thrown to our committee. That's what this was. Dave counted the number. He's not going to blame me for taking the number out. It's everybody's number. It's not my fault. Think I want everybody in town -- 100,000 people -- driving up to Dunbarton Road?

Ald. Elise: Well, I don't think you should make any decisions based on anybody pressuring you. You need to make them based on what you feel is right.

Ald. Hirschmann: Understood. Everything's going to be coming into my ward. I don't want that Dropoff Center turning into a damn trash station.

Ald. Elise: Well, I think you should vote on what you think is best, not what some pressure's being put on you.

Ald. Hirschmann: As Mr. Pariseau said, I've changed my mind. Get rid of it.

Ald. Shea: Is it believed that the revenue from this would be $352,589?

K. Shepard: Yes. That's based on the most recent plate numbers that are registered in the city. So this number is a very real number, it's not something that was pulled out of the air.

Ald. Shea: So this $350,000 is already included in our assessment of what the tax rate will be?

Ald. Elise: No. It's in the budget.

Ald. Pariseau: Just a question. What would this do to -- I think this is probably the biggest registrant in the city, Merchant Motors -- What would that do to Merchant Motors?

Ald. Shea: They're in Hooksett.

Ald. Pariseau: But they register in Manchester...or did we scare them out a couple years ago?

T. Parsons: Joan Gardner told me that they do not register their cars in Manchester. They register them in Hooksett.

K. Shepard: This is a program that has worked elsewhere. It's not unique just to Manchester.

Ald. Pariseau: Where has it worked? I still don't understand how it works.

K. Shepard: Derry has instituted this. Dover has instituted this...

Ald. Pariseau: OK. OK. I go and register my car downstairs. In addition to my $430.00 for registration, I have to pay $3.00 for motor oil, tire and battery disposal. Right? So I'm paying $433.00 for my car registration. I have my oil changed at Paul's Service Station on Willow Street. I also have tires replaced. Two rear tires. So having that taken care of, I have to pay him another dollar for the oil and two dollars for the tires -- a dollar for each tire -- in addition to the registration fee of $3.00. So for this one incident for the motor oil, for the oil change and the tires, I paid $6.00 for the privilege of using the dump. Now, do I have to deliver that motor oil and those tires or will Paul's Service Station take care of that?

R. Sherman: You just paid Paul to take care of those items. You're not going to take that stuff up to the dump. Paul has a contract to dispose of that stuff. But the whole idea of this plan is that when the city accepts this motor vehicle waste -- this stuff is hazardous waste, and they have to pay to have it disposed. What does it cost the city to get rid of tires?

K. Shepard: Right now, we're charging a dollar a tire. That's the approximate cost.

R. Sherman: For us to dispose of it, we have to pay a dollar. So when you pay your $3.00, if you get four tires up to the dump, the city loses money on that. And if you bring up a battery -- I don't know what it costs to dispose of a battery -- but there's cost to the city to dispose of that material. Now if you go over to a service station, if you go over to Sears, that's why you're paying them. Because it costs them to dispose of that stuff. At that point it's your option to pay Sears a $1.00 a tire, or -- I've already paid $3.00 to the city so I can take those tires up to the city. Throw that stuff in the trunk and drop it off. What most people do -- and the reason the state really started this -- they throw the stuff in the trunk, then they drive up by West Side Arena and roll them down the embankment. And that's what this program is supposed to stop. Because if people pay the

$3.00 up front, then it's no big deal because it's not going to cost them to dispose of the stuff. So I won't dispose of it in the woods. If people have to pay the fee up front, they won't dispose of the stuff on the side of the road.

K. Shepard: Obviously it's not going to stop all of that, but maybe it will encourage some people to take advantage of the program. Now I don't think we're going to have 100,000 vehicles driving into Ward 12. Not everyone's going to take advantage of this. You, as an individual resident, may not take advantage of this. Me, as another resident, will take advantage of it.

Ald. Pariseau: OK. Say I'm at Paul's and I say, "Hey, Paul. I'm not going to pay you a dollar to have my oil disposed of. Give me my oil back."

R. Sherman: I've never run into anybody that's charged for oil. Maybe they do. I don't know. Do they do that?

Ald. Elise: Yes.

R. Sherman: I'm one of those who leases and then have them take care of everything.

Ald. Pariseau: What is that other proposal based on registrations?

R. Sherman: That has to do with parking. It's a totally different...

Ald. Pariseau: But we're still going to have to hit people through the registration process.

R. Sherman: That's also built into the registration. Right.

Ald. Pariseau: How much is that.

R. Sherman: It can be up to 5/10 of a cent for every dollar value of your vehicle although way down to a minimum of a dollar per vehicle. That's something that Rich Davis is looking into and that's item 5 on the agenda. It's totally different from this Reclamation Trust.

Ald. Pariseau: Well, only different because the it's parking not reclamation, but it's still going to be added on at the time of registration.

R. Sherman: It would be.

Ald. Pariseau: So we have these people handcuffed to paying the $3.00 to pay to get rid of this hazardous waste and then the parking option.

R. Sherman: But that was the whole reason behind it: 1) eliminate the dumping and 2) provide the cities and towns with a

funding source to dispose of the stuff because they have to pay to dispose of it.

K. Shepard: And any money that aren't used for the disposal of this waste could go toward recycling programs ... pay for recycling costs. If you do save more than the cost of disposal, it goes toward your recycling contract, for example.

R. Sherman: You could run your normal household hazardous waste phase...

K. Shepard: Probably with this money we could probably run our household hazardous waste program.

R. Sherman: Which takes care of paying for those types of...

K. Shepard: Exactly. It's an environmentally-friendly, recycling type program. We'll be able to get this stuff off the streets, hopefully.

Ald. Elise said she would entertain a motion. Ald. Shea said he was in favor of implementing the program and moved to accept the proposal. There was no second. Ald. Hirschmann moved to receive and file. There was no second. Ald. Pariseau moved to table the item. Ald. Hirschmann said if Ald. Pariseau wanted to table it he would support that motion, that way somebody can sell it to somebody else and he would move to say "no" down the road. Ald. Hirschmann seconded the motion.

Ald. Domaingue asked the Chairman if the measure was tabled, would it stay there and never get to the Board; if it was tabled in Committee would it stay in Committee? The Chairman said yes. Ald. Domaingue asked, then, if it was the intention of the Committee to never let the Board vote on it at all?

Ald. Pariseau said he would withdraw his motion to table. Ald. Elise said that the Committee could submit a majority report and a minority report and send it back to the Board that way. Ald. Hirschmann withdrew his second. Ald. Pariseau said that no two Aldermen had agreed on what to move so there was no majority report or minority report. Ald. Hirschmann moved to send the proposal back up to the Board with a recommendation to deny, adding that if it passed up there, somebody else would be the bad guy, not him. There was no second.

Ald. Pariseau said he saw a motion to deny as final, and depending on circumstances relative to the 1997 budget, he would just as soon let it come back and that's why he made the motion to table instead of killing it completely. Maybe it should be killed completely. Ald. Hirschmann asked if he wanted it tabled for discussion at a future date. Ald. Pariseau said he felt it had to be discussed, and suggested it be put before the Board without a recommendation.

Ald. Pariseau moved that the matter be sent to the full Board without a recommendation. Seconded by Ald. Shea. Ald. Shea asked if he could file a minority report saying he accepted the concept of this proposal. Ald. Elise said that, since it was going to the full Board without a recommendation, that he would have an opportunity to say "yes" or "no" at that time. Motion passed.

The Chairman took up item #5 on the agenda:

> Discussion relative to a parking proposal affecting the Downtown and Millyard areas with a proposed new rate structure and devised parking system.

The Chairman explained that this item had been submitted simultaneously to the Traffic Committee and asked Randy Sherman to explain this item.

R. Sherman: Under city ordinances, the Traffic Committee has to deal with parking-related issues, including fees. Under the description of this Committee, this Committee deals with revenue issues. So you kind of have two Committees going on here are once. Last week we met with Traffic and they tabled this issue pending a meeting next Monday night. Rich Davis from Intown Management has hired a consultant and they're reviewing the whole traffic/parking issue, and they asked the Traffic Committee if they could have until Monday night. The Traffic Committee has obliged and set up a special meeting to deal exclusively with this issue. The recommendation earlier from Leo was to table it here, at this point. It would have to come here anyway, but rather than do anything now, wait and find out what Traffic is going to do. Traffic may kill the whole thing and then it's a nonissue. So our recommendation at this point is to table this one.

Ald. Pariseau moved to table this item. Second by Ald. Hirschmann. Motion passed.

The Chairman took up item #6 on the agenda:

> Discussion relative to periodic reporting from the Board of Assessors relative to the real estate tax base and abatements for the City of Manchester.

The Chairman passed out a letter that the Assessors had sent to the Committee members earlier; on one side was their letter, on the other side were some items the Chairman had put together after speaking with the Assessors. This was to be a discussion relative to the policies set up for their reporting. Ald. Elise asked Paul Porter to address the Committee.

P. Porter said he would give a brief overview: The function of an Assessors Office was to appraise all the property within a tax

district, as in the City of Manchester. We have taxable property, nontaxable property and tax-exempt property. For the purpose of this discussion, they would talk about the taxable property in the City because that is what generates the revenue from the real estate taxes. All real estate transactions are processed through the Assessors Department. When property is bought and sold we get a report from the Hillsborough County Register of Deeds and we make the appropriate changes on property record cards and in the computer, because the next time the bill goes out we have to have the proper address and the name of the owner at the time it goes out. In addition to the property record cards, and we have approsimately 30,000 taxable parcels in the city, we also oversee the elderly exemptions, the veterans exemptions, disabled veterans exemptions, and the blind exemptions. Now the total assessed value on all of the taxable property -- the aggregate value -- is what is ued to generate part of the formula for the tax rate. There are basically four portions of the tax rate to be concerned with -- three really -- the fourth being the rate itself. The budget that is approved by the Board of Mayo and Aldermen after going to public hearing, the final vote on a budget for a particular year, is approved. From that budget the revenues are estimated, the balance of that after the subtraction of the revenues would be the amount of money to be raised by real estate taxes. That amount is then divided by the tax base, the net tax base, to generate the tax rate. Now the records we have in our office reflect when we have a gross taxable property within the city. From that at the time the bill goes out, the dedutions on assessments would be the elderly exemptions which are assessment exemptions, and the blind exemption. The veterans exemption and the disability is a tax credit. That is not reflected in the tax base for assessment purposes. So I know this is very brief as to all of the records that are in the Assessors Office and obviously individually if anyone would like more information, please ask. I think what we wanted to try to do was: 1) this is relatively new to all of us and it is certainly new to the Committee and the Board to have the Assessors reporting to the Committee. What we wanted to try to do today was provide some information as to what we think is obviously not only important but it is basically the nuts and bolts of what does go into establishing a tax rate. One thing you have to bear in mind is that the tax year is April 1 - March 31. That is set by state statute. That is for every community in the state of New Hampshire. We have a budget year which runs July 1 - June 30. We have a calendar year by which we receive building permits. And then we have the tax base year, I like to call it, simply because from the setting of the tax rate in one year to the setting of the tax rate the following year is another set of dates. So we are basically dealing with four dates in our office. I'm just leading to that and bringing that out to say that when you do ask for some information, it is always important for us to know what time frame you're looking for. Now it becomes more critical, I think, during the budget-setting process because during the budget-setting process it's not only a budget that you're trying to arrive at, you're also trying to establish

a tax rate which actually isn't established until the third or fourth week in October when all of the numbers are in. What we have been asked to do and each year it gets a little earlier, is to provide projections as to what the tax base may be. And the tax base that we present as a projection to the Board of Mayor and Aldermen is the tax base that we think we will be at when the tax rate is set. So that the tax base which we have recently revised to a $3.6 billion to a $3.625 billion is where we anticipate the final assessment to be at the time when we set the rate in October. The tax base changes daily as we do our work. The assessment process goes on on a daily basis year-round. So that between now and the time that we establish the tax rate in October there will be a number of additions and a number of deletions from the tax base depending on whether a property is reduced or whether a property is increased. Typically it has been that since the assessment day is April 1, the new construction is picked up anywhere after April 1, between April 1 and October when we do the tax rate setting. The bulk of the field work is done during that six-month period. We do it year-round, but the bulk of it is done April, May, June, July, August, and September so that in October we're ready to present the tax warrant to the tax collector. And that is at the time that the tax rate-setting occurs. I don't mean to be jumping all over the place and I hope I'm not, but I just really don't know exactly where to start. A number of Aldermen have experience with our office and some haven't. We have had recent visits from some of the Aldermen right on this Committee and from Ald. Domaingue, and we encourage that because I think it's oftentimes a little bit easier on a one-on-one situation if you have a specific question.

Ald. Elise commented that she thought the Assessors' recommendations were very good and that some of the Aldermen had heard those recommendations, but asked if he would explain what had been sent to the Committee.

P. Porter: OK. The tax base, at any given point, is relevant only to the date it is presented because it does change. At the present time... We didn't make copies of everything only because we didn't know what the Committee would like to have copies of at this point since this is kind of an initial meeting.

Ald. Elise: I think the tax base is something that we, as you have suggested, like to be apprised of, and I think, as you have suggested, on a quarterly basis.

P. Porter: Right. See that will change, alderman, between one month and the following quarter only because of the nature of the work to either increase or decrease the assessments.

Ald. Shea: This $3.677, is that higher than...

P. Porter: That's the gross assessment. What we do on a quarterly basis, we can give you the gross tax amount -- the tax base -- because that will reflect the total amount of the

assessed value. That gives you an indication of whether the tax base has gone up in that particular quarter or gone down. Now bear in mind the assessed values for the exemptions that we have processed -- and that changes as we put on elderly exemptions, that changes because a person may go from an age 74 to an age 75 where the assessed value is increased on the exemption -- so that when we give you this, this is the gross. There are two figures to work with. One is the gross and one is the net. Last year we had approximately $67.4 million of assessed value that was subtracted from the gross tax base to arrive at what we call the net tax base. So the figure that we have here is the gross.

Ald. Shea: In other words, the $3.625 would be more in line with the net rather than...

P. Porter: Exactly. Because if we took roughly $67 million from here we're at approximately $3 billion, 610. Now the reason we're anticipating obviously that it will be higher in October, is that a lot of the hearing work that we've done for assessment purposes and abatement process has been done. We still will be doing them, but not in the amount that we have in the past five or six months. So that what we're doing now is going out and getting the new construction, the renovations, and that will be substantial additions to this amount here. The elderly exemptions and the blind exemptions don't really vary that much year-to-year. It's been around the $67 - $68 million level for several years, and we don't anticipate that will change because if a person dies they would not get the exemption, by the same token there are people who go from 64 to 65 and when they do apply, if they qualify, they'll be granted the exewmption. So that really doesn't change much.

Ald. Pariseau: If we were to change the amount of the exemptions, from -- it's just a question; no one get nervous -- age 65 to 74 they're currently allowed $22,400. What if we dropped that to $12,000? And 75 to 79 they're allowed $45,000; if we dropped that to $25,000? And from 80 they're allowed $90,000; we could drop that to $75,000.

P. Porter: That obviously would increase the net and have an effect of lowering the tax rate.

Ald. Pariseau: Now this change having occurred in 1990, supposedly was adjusted because of the value of the dollar?

P. Porter: After revaluation, the tax rate went from $112.20 in 1990 to $25.87 in 1991, and the feeling on the Board at the time was to see what kind of exemption would generate roughly the same amount of dollars as they received the prior year. And that came out to the existing assessments at $22.5, $45 and $90, and $67,500 for the blind.

Ald. Pariseau: Why is that also the maximum figure that the state says we can go?

P. Porter: We can go -- it's up to the Board of Aldermen.

Ald. Pariseau: They went the maximum.

P. Porter: I don't think that's the maximum. I'll have to check.

Ald. Pariseau: I'm pretty sure that the state law said these same figures. "Up to..." and we went gung-ho and "up to." And I don't know what static...we would get static...if we cut that. Only because, and there again, I don't feel that no one shouldn't be paying something. And they're given the service whether they're 19 or 90: fire, police, and the other one. I don't know.

Ald. Elise: Can I just step back a minute? I think we were going to discuss that at length.

Ald. Pariseau: I just wanted to know where we got the figures.

Ald. Elise: Yes. On here I did recommend that we did get the status of fees in lieu of taxes. Maybe on a yearly basis, I don't know. But I'd like you to explain why you feel that these reports would be done quarterly, and you had suggested June, September, March and December.

P. Porter: The reason that I suggested that is that, and I think you will find -- we can do it monthly if you prefer -- I think it would be more significant to see a period of time that would produce some meaningful changes. The amount of change from month-to-month really wouldn't be much of an indication of what was occurring because over a period of three months it would give you a pretty good handle on a substantial period of time. The other thing is that in June, I think these months should definately be included no matter what the frame is.

Ald. Elise: You had said these months specifically.

P. Porter: June would be good because it is the final month for the budget. September is a good month because it is shortly before the tax rate setting. So we would be setting at the end of September. The rate typically has been set in the third or fourth week in October. March is pretty much when the budget process begins. December is has no significant meaning like the other three, but it is simply another quarter.

Ald. Elise: I know we're going to look at all these things, but I think, in general, a monthly report may not be necessary. But I think Paul says a quarterly report in three of these months have some significance to us in terms of getting this information might be justified.

Ald. Shea: I think a monthly report is helpful even though maybe there isn't a lot of significance to it because simply it allows

us to gain a little more insight. That's my own opinion. I don't think it has to be as lengthy, but it would be helpful. I don't know how the others feel, but that's my opinion.

P. Porter: I'm sure at some point if you chose to revise it, it could be done so. We'll plan on doing it monthly.

Ald. Pariseau: I wouldn't have a problem with monthly. If you look at June, you're not going to get anything until July. September, you're not going to get anything until October. March, you're not goin to get anything until April. And December, you're lucky if you get it in January. So I don't have a problem with the 15th of every month.

P. Porter: We have these daily. We know the status daily.

Ald. Elise. OK. Do we want to take some consensus on... Should we ask Finance if they have a feeling whether monthly or quarterly is something...

R. Sherman: I have no idea how much work it is. I couldn't tell you. Obviously if it's going to take them three days to produce it on a monthly basis, you're talking nine days on a quarterly basis... I don't know. I can't respond to this question.

Ald. Elise: Keith, do you have an opinion about monthly reporting?

Ald. Hirschmann: I understand the dynamics of this tax year and the fiscal year and all that. What are we going to stay with? The tax year?

P. Porter: Well I think first of all, the update on the tax base. The tax base is what it is, whatever the date is that we report it. Same thing with the balance of the overlay account. That is what it is regardless of when it's reported.

Ald. Hirschmann: So you're going to give us a snapshot whether it be monthly or quarterly. Have you got some kind of a reporting system now? Or is this something you're going to put...

P. Porter: No. It's not a reporting system, per se, it's in the computer on a daily basis. Any time we make a change...

Ald. Hirschmann: You have a program now. That's my question. You have a program? And Tommy goes to the computer, does a bunch of changes, they're in there, and the next day if you want to generate a report, it's...

P. Porter: No. The only thing that we would have to do is the tax base. What happens is we're running on two systems: we have the ARCHOS which is the billing system and the VERITAS which is the appraisal system. We make changes on the appraisal side;

what we've had...Information Systems was doing it sporadically upon our request...they were doing it monthly, I had requested since last month to do it twice a month. What happens they download from the VERITAS into the billing and we take ours off the billing system. We could do that weekly as far as Informations is concerned. We keep track of the overlay account on a daily basis as we process abatements. We send all of the abatement paperwork to Finance, any of the refunds go to Finance and the Tax Collector so that we keep a running balance in our office.

Ald. Shea: Excuse me. Can I comment on that? I think one of the concerns that I have and the others do, in terms of a documentation regarding abatements and granting, the denial, and so forth...that's what I'd be interested in, and you revealing them to us. In other words, like during the course of say, June, you received requests for, hypothetically, 30 abatements. Out of that 30 abatements, 10 were granted and the reasons that they were granted were as follows, 10 were denied and the reasons for denial, and then there are 10 undecided and these are going to be appealed because the findings were not in agreement with the people. And I think, you know, what processes were used are important as well. In other words, how you determine the granting or the denial. These are the things that, at least as a member of this Committee, I would be interested in finding out. I think that's important.

P. Porter: Well, there's only one reason to grant an abatement and that is if a property is overassessed which means it is outside of the acceptable level of assessment. The appraisal process comes up with what is commonly known as market value. The assessed value has to bear a ceretain relationship to the market value and that changes each year depending upon the equalization ratio which is established by the Department of Revenue Administration at the state. So the only reason we would every grant or deny an abatement is that the property is overassessed.

Ald. Shea: Well, these are the kind of things that I'd be interested in finding out about. I'm not sure about. If you could have some sort of reporting, or record kind of situation, that would be helpful because we could become familiar with it so that if some constituent calls me up and says, "Hey, this person here has a house that's obviously worth $110,000 and they're only paying on $80,000," you know you hear this kind of thing, "How come I have to pay $88,000 and my property..." So these are the kinds of questions and concerns my constituents have expressed. And, to remove any suspicion of favoritism, I think it's important that I can explain to them how this process works. So if you can standardize some kind of a record sort of thing and each month you come in and say, "These people have come in and asked for abatements and not necessarily by name, and their located in this and that section of the city, and this is why it was granted and this is why it was denied.

P. Porter: I think it's important to us if somebody calls you and kind of intimates that somebody is kind of getting an adjustment that they shouldn't be. It should be brought to our attention as to who it is and perhaps we could sit with them and discuss it. Because I think that we operate simply based on the market value vs. the assessed. And if we find the market value is in line, of course we would not grant the relief. If we find it is over... I guess I don't know quite what the form you're talking...

Ald. Shea: I'm asking you for that. When you people sit down together, the three assessors sit down together and make a decision concerning whether an abatement is to be granted or denied. Is that correct or am I wrong?

P. Porter: We approve and deny as a board, but we don't all do the field work as a board.

Ald. Shea: OK. Then you must use some kind of a process. What I'm saying is that if that process could be known by us that would be helpful.

P. Porter: I'm not quite sure what the format would be. We'll accomodate with whatever you'd like.

Ald. Shea: Well you've created the format by saying it's market value so that the process you use is market value. Is that correct? So if you could explain what market value means, in other words, write it down so that when it comes here it would be helpful. That's what I'm saying.

Ald. Hirschmann: I think that what Bill's trying to say is, supposing they put together all what we say, and it looks good and makes sense and everything, but say just for the sake of numbers there's a million dollars depletion from one month to another, the first question the Committee's going to ask is what happened. We're going to want a trail and audit. You gave 13 abatements, $100,000 apiece, and we look at it and say "OK." If that's not with it, I can see the questions come out. Was it one abatement? Was it three? Was it ten? I think that's what we want.

Ald. Shea: Something like that. The process you use is the market value and things of that nature. These are terms that are kind of tossed around, but for instance, market value may mean that in a certain section of the city a house may not be worth as much as it is in another section of the city and, therefore, that property is assessed more. This is understandable, but I think that's important for us to realize as well. I think that a lot of what you folks have been doing, you've been doing sort of, I guess, without documentation or without writing anything down. You've been doing it together. But there is no real written process by which you're operating, and I think it's important

that you begin to put something down so that you remove any suspicions or any kind of doubts in people's minds that you are favoring one individual, corporation, or what have you. I think that's what's important. That's what I'm trying to get across. In other words, the more written documentation you have, the better your situation is understood.

Ald. Hirschmann: My experience is that I went to Merrimack just on a business situation and they actually have a binder book and in the binder it shows all the values of all the properties in Merrimack. For us to get to that it might be the size of a phonebook and it might be more information that would get out of date pretty quick, but I think that's what we're looking for is values of properties, rates, and all the stuff that we want, I'm not saying we want to dig in...

P. Porter: No, that's OK. We have the warrant on our counter. Anything anybody wants to know about an assessment or an abatement, it's public information. We really haven't had too many people... I'm just a little bit concerned about this aspect of suspicion. I don't know. Is someone suspicious? Has someone contacted you? We're always subject to that, alderman, being in the position we're in.

Ald. Shea: You hear different people talking about this one being granted an abatement and so forth. I have.

P. Porter: I know. They were probably denied. I think that anybody who doesn't get what they want is going to cry foul. We know that. If anyone has asked, or would like to know, why did such and such an abatement occur, I guess if you're looking for a reason... Is this basically what you're asking is to give a reason why?

Ald. Shea: Yes. I think it's important to justify decisions that are rendered. Why some people are granted and why others aren't.

P. Porter: It's simple. They were overassessed. If they are overassessed we reduce it. If they're not, we don't.

Ald. Shea: And you know, there probably are a lot of people who are overassessed who don't even come for an abatement.

P. Porter: That's correct.

Ald. Elise: OK. So the Committee is pretty much decided that we'd like monthly reports onthe update of tax base, status of overlay account, status of outstanding abatement cases at the Board of Tax and Land Appeals in Superior Court, status of tax appeals granted or not granted. What I thought, if the Committee is interested in this because I was interested in this -- and I don't think this has to be reported monthly, maybe yearly -- record of exemptions of the elderly, blind, disabled veterans, and veterans.

P. Porter: We can provide that monthly because that can be printed out from the Information System.

Ald. Elise: OK. And nonprofit fees in lieu of taxes.

P. Porter: That's generally once a year. If there were parcels that were added on that were tax exempt with payment in lieu of, that would increase it and we could provide that. More than likely it wouldn't change that much but we could still provide it.

Ald. Elise: I would personally feel that quarterly would be enough, but if the Committee wanted to monthly I'd definately go along with that.

Ald. Pariseau: I would go monthly, initially. If it gets to be too much we can always change it. And I move that the Board of Assessors reporting be monthly as submitted on Ald. Elise's memo dated May 28, 1996. Seconded by Ald. Shea. Motion passed.

T. Nichols presented to the Committee a copy of the 1995 abatements that were filed, the 1994 appeals at the BTLA, and stated if the Committee wanted those reports, enough copies could be printed for each Committee member.

Ald. Pariseau asked what "class" meant.

T. Nichols: Commercial or residential.

Ald. Pariseau moved to take item #8 off the table. Seconded by Ald. Shea. Motion passed:

> Communication from Mayor Wieczorek submitting a proposed increase in the cable franchise fee from 3% to 5% (plus $225,000).

Ald. Shea moved that the item be received and filed. Seconded by Ald. Pariseau. Motion passed.

Ald. Pariseau stated that he would like to take item #9 off the table. Moved by Ald. Pariseau. Seconded by Ald. Shea. Motion passed:

> Communication from Ald. Pariseau relative to the establishment of a "Core Service Fee" for any non-profit entities within the City of Manchester.

Ald. Pariseau stated that what had happended is that he requested the City Solicitor to check out the City's ability to charge some sort of fee to the Housing Authority after reading state statute

RSA 72:23-k which gives cities and towns the authority to request in lieu of taxes the amount equal to 10% of their total rental income. Tom Clarke is researching that, he feels that the City is able to do it. Currently, the Housing Authority pays the City in lieu of taxes $25,000.00. God knows how much money they bring in for rentals each year, but we can -- I'm not saying we will -- but we can request that they reimburse the City up to 10% of that amount. It really looks good that we might be able to, unless they say no. The other thing is, because of the nonprofit status of these big corporations, let's call them, for example Optima Health and those other entities that really pay their staff big bucks and they don't pay anything to the City. And I'm not picking on Optima, is that they're paying their Board of Directors people, their President Ryan and Challette and Mercer, well over a $100,000 a year in salaries. And they've been going around and acquiring property all over the City. And that is part of the tax base erosion. And we ought to at least send them a letter requesting an amount to take care of the core services that they receive from the City. And that is: police, fire, and public works. And I would make a motion that we do that, other than the churches, to all nonprofit entities within the City of Manchester. I'm not talking about nonprofits in churches. I just want to get this off my mind. It relates to the fact that Ste. Marie's offerred the City Hevey School for $66,000. Wouldn't it be nice of the Catholic Diocese of Manchester to make that as a payment in lieu of taxes for all that we do for them? I mean, we don't only plow in front of their churches, we remove the snow banks in front of every church in the City. And we provide police protection, they're provided fire. It really galled me saying that Father Mark from Ste. Marie's wanted to charge the City $66,000 for the use of Hevey School. And I think it would be to their advantage to make that their contribution in lieu of taxes for the entire Diocese of Manchester. I feel better having said that. But there are these big entities that aren't paying a dime. Visiting Nurses and Child Care. What a big business they've got going on South Main Street.

Ald. Elise: What is the status of that bill in the House that we were concerned about?

T. Parsons: House Bill 345 was due out of Committee on Conference last Friday, I believe, and I've been trying to get my hands on it to see what it looks like, but couldn't get it. However, the House and Senate will have to vote on that tomorrow. You may want to wait just to see what it looks like.

Ald. Pariseau: But I'm not mandating anything. What's wrong with sending a letter top Bob Challette at Optima Health? Will you get the figure on the assessed value of their properties from the Assessors saying Optima Health currently has somewhere in the vicinity of $30 million worth of property -- maybe $130 million worth of property -- and ask that in lieu of taxes, could they see their way to make a contribution to the City to cover their core services? What's wrong with that? We don't have to wait for HB 345.

T. Parsons: I don't think we would want to limit that to a singular, particular nonprofit. The idea would be to send that same letter and see what kind of response we get to that.

Ald. Pariseau: All of them! Optima Health, Easter Seals, American Legions -- how come they're nonprofit? They can afford to pay something. Amoskeag Residence Inc. Catholic Medical Center. One piece of property $75,700. But if we took all of that: the schools, the churches, the convents, anyuthing religious I wouldn't want to send -- and I wouldn't want to limit it to Catholics either, the Protestants, Jewish synagogues, whatever...

Ald. Shea: Just to elaborate, on the East Side of Manchester, Optima Health has taken...now the Miller House is next...

Ald. Pariseau: But, see, this is not on this sheet...

Ald. Hirschmann: You'd be sending a bill to the Currier Gallery of Art.

Ald. Pariseau: Not a bill, just a letter asking them if it would be possible... I could write the letter, but I would leave it up to Finance. See, like Grace Episcopal Church. Their value is currently $1,253,500.

Ald. Shea: But we're not going to send a letter to them.

Ald. Hirschmann: How about the Boys Club, the Girls Club, Historical Association?

Ald. Pariseau: $1,166,000? They get their streets plowed. They call for robberies. The Police will respond.

Ald. Hirschmann: Institute of Art. We're going to be taxing all of these...

Ald. Pariseau: Keith. Let them come back and say, "No we can't." We can't do anything about it anyway. But if we get $400,000 or $500,000 by asking, what's wrong with that?

Ald. Hirschmann: How come Notre Dame College is on there? Are they nonprofit? Notre Dame College? Don't they make profit?

Ald. Pariseau: You're welcome to tell Sister Descoteaux.

Ald. Elise: You made a motion that we send a letter to all these people asking them to volunteer payments in lieu of taxes.

Ald. Shea seconded.

Ald. Elise: So can we do that?

Ald. Pariseau: I don't see why we can't. But it has to be done now.

T. Parsons: I think you should wait until we see what the outcome of that bill is.

Ald. Pariseau: We can't wait.

R. Sherman: You can make the motion, pending...

Ald. Pariseau: ...pending the results of HB 345.

Ald. Shea: Why do we have to wait for the House Bill? I don't understand.

Ald. Pariseau: Because the state for that particular statute would allow you to do this.

Ald. Shea: Then what if they vote not to allow this.

R. Sherman: Then you can't do it.

Ald. Pariseau: No, we could still do it. Why couldn't we do it?

The Chairman recognized Alderman Domaingue who stated that in her ward, they took property for the airport and they don't have to pay taxes. I wonder if the city, on its own, once a nonprofit or nontax agents take a property, since the city is forever losing that revenue, forever losing it every single year. Perhaps the city could, at time of purchase, make that as part of the purchase agreement that whatever nonprofit obtains that property agrees to continue payment in lieu of taxes, based on the lost revenue to the city. I don't know if it's ever been done.

T. Parsons:You have to have the state statute, as I'm sure you are aware. Unless you have enabling legislation, you don't have home rule, you can't test it, we have to have enabling legislation to allow us to do that. And that House Bill at one point had more meat to it until they really took the body of that away. So instead of making it mandatory for these organizations to come to the city and actually bargain with it, now that element isn't there anymore.

Ald. Domaingue: But there's nothing that prevents us doing this?

T. Parsons: Right. It doesn't work that way. You have to have the enabling legislation before you can do it, as opposed to...

Ald. Pariseau: ...you need some teeth. But without it, we don't have any teeth. But if you don't ask, they don't do anything. So all I'm saying is go ahead and ask. What's wrong with that? In light of the financial situation of the city and the services they are being provided, why couldn't they? Even $1,000 would be better than nothing. Well, it all depends who they are.

Ald. Shea: One of the concerns that I have is that, maybe we're all aware of it or maybe we aren't, but the Kansas City Royals, the baseball team, pays absolutely no taxes now. Some lawyer figured out a way of making that a nonprofit situation. That's a mjor league club now. They pay no taxes and Optima Health is grabbing so much property in Manchester, they've got their tentacles everywhere. They're ravaging the east side of Manchester.

R. Sherman: We don't dispute this. The problem is, I'm not sure that under current statutes that you are allowed to do this. I guess that's what we have to look into.

Ald. Pariseau: Elliot Hospital. They've got $56 million at 955 Auburn Street, another $4 million at 106 Tarrytown Road, another $3 million at 955 Auburn. So that's $63 million worth of property and they don't pay a damn dime. Not a dime. And then you'll hear them tell you that, "Oh we do so much for the city." We spend $9 million... I'd just like them to give the city the money they spend on advertising. On TV and every radio station in the state. Give me the money they spend on advertising if they do so much for the city. Why advertise?

Ald. Elise: So the motion was based on the House Bill and the Solicitor's Office?

Ald. Pariseau: Regardless of the House Bill. The House Bill would give us teeth. I would send the letter anyway, Madame Chairman.

Ald. Elise: Can we just do this in our Committee or do we need to go to the full Board?

The Clerk read the motion: That notice be sent to all nonprofit property-owners except churches and buildings used for religious purposes, requesting that those institutions make payments for core services in lieu of taxes pending a review by the Solcitor's Office.

Ald. Hirschmann: How come you're leaving out the churches? You don't feel bad about beating up a hospital, but churches...

Ald. Pariseau: Yeah. The churches, being a place of worship, they don't use it to generate income. You know what I mean? To buy other properties. Their employees are not getting $230,000 a year like Optima's people are. And a $160,000.

Ald. Hirschmann: His point's well-taken with Optima. There's a lot of them on here that I wouldn't want to send a bill to. There's a lot of shelters, there's a lot of...

Ald. Pariseau: Well, we may get nothing. But I'd feel better if we tried.

Ald. Hirschmann: Why don't we just send Optima Health a damn bill?

Ald. Pariseau: No. Then you would be...they wouldn't appreciate it. And that would be discrimination.

Ald. Hirschmann: Not if you reworded it to just medical facilities. There's only one in town.

Ald. Pariseau: I don't know. What's this Agency/Realty Inc. at 11 Liberty Street? and 399 Lincoln Street? $2,892,000. Nothing on taxes.

T. Nichols: I think it's a VA shelter place.

R. Sherman: The other sounds like Easter Seals.

Ald. Pariseau: This Alliance Resources, that's Optima. $1.2 million, $1.3 million, $1.2 million, come on.

The Chairman asked for a vote on the motion. Motion carried.

Ald. Pariseau: Just pray to the Good Lord that I'm not taken up to the Elliot. They'll just lay me there on the chute and out the... This is our chance to get rid of the son of a... We'll get rid of him.

Ald. Pariseau stated that he would like to take item #10 off the table, a:

> 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.

R. Sherman said he thought it should stay on the table until they figured out who was going to the central garage, who is still taking their vehicle home.

Ald. Hirschmann: Is there a central garage committee?

Ald. Elise: You want to create a committee?

Ald. Hirschmann: I'm asking the question. Who will put it together?

R. Sherman: It could be Administration or Public Works. I'm not sure.

Ald. Elise: I'll have everybody know, I didn't do all the talking today.

Ald. Pariseau: Well, you did most of it.

Ald. Shea moved that item #11 be removed from the table. Seconded by Ald. Pariseau. Motion passed:

> Discussions with representatives of the Finance Department relative to revenue policy and investment policy.

R. Sherman: What we would like to do... The revenue policy was sent out to the Departments. We've gotten some good comments back. We would like to bring in some revision, but we haven't heard from all of the departments yet. Retable the revenue policy. That would be appropriate. The investment policy we'd like to see moved along because we need to have an investment policy in place to take advantage of the trust fund legislation that's going through this year.

Ald. Pariseau moved to table the revenue policy and move along the investment policy to the full Board. Seconded by Ald. Shea. Motion passed.

The Chairman recognized R. Sherman regarding item #7, a review of quarterly financial statements.

R. Sherman: I'd like to spend more time on this. There are some items I'd like to point out. If you take the quarterly financial report first. Unless anybody has some specific questions on it, look at page 1. The issue that I would like to point out here is that the column on the far right, "General Long-term Debt," total $188 million. Those are all the items that you approve but don't fund. Now $120 million is debt. We fund it every year as those payments come up. The other $68 million, pension benefits, old system pensioners. You have compensated absences. Your accruals for sick and vacation pay. We have in there certain insurance items. We're on a pay-as-you-go basis with all these items. However, they are real liabilities that are out there, that at some point need to be taken care of. As you saw this year with the teacher retirements. That's a big item. We just want to bring to your attention that when you pass items such as increasing vacation accruals -- everybody says well, that's a no-cost item because they only pay the employees 52 weeks a year anyway, so it really doesn't cost me anything -- just so you know, it does cost. It sits out there on your balance sheet. You have -- the fourth item down there is "Compensated absences," $19 million. That is sick and vacation and teachers' summer pay. That was all pushed off to another budget year. The $16 million under that is your landfill closure. We've known for years that the landfill was going to close and we never funded it. Now we're going to have to go out and borrow that money to pay that off. Those are the types of liabilities that the city has always continued to defer. We just wanted to bring that problem to your attention.

Ald. Hirschmann: You're pointing out that if we wanted to lock the doors to the city today, this is what we owe.

R. Sherman: You'd need $188 million. The next item down, $21 million, is the old pension system. You still have 294 employees that are on that old pension system. Again, this is unfunded. Now, you have the new retirement system that is over 100% funded. You also fund the state retirement system: police, fire and teachers. These are people that are left, pre-1974 employees. We appropriate money every year to pay their pensions.

Ald. Shea: Are we to assume that 294 people will receive $21 million?

R. Sherman: That's how much they would receive over their life expectancy.

Ald. Pariseau: Why would anybody want to stay on the old pension?

R. Sherman: To get 50% of their salary when they retire.

Ald. Pariseau: But if they don't retire, they don't get anything. If they kick the bucket.

R. Sherman: Right. Like Joan Walsh. She retired and three months later, died, and got only three months. That was it. No survivors' benefits or anything like that.

Ald. Pariseau: But why would they do that?

R. Sherman: I think that back in '74 when they opted to stay on it, they could work 20 years and get 50%. Everybody that's on there now could retire. There are 47 still working. They could all retire right now and get 50% of their salary. 247 are currently retired. 47 are still working.

Ald. Pariseau: And those 47 can all retire?

R. Sherman: They're all eligible to retire right now.

Ald. Shea: Is there money included in this $21 million?

R. Sherman: For those 47 as well, right. When they die, they die. They come off the list. They get no COLA's, no survivors' benefits. But they get 50%. And that was the beauty. They could work 20 years and get 50%. If they went under the new system, after 20 years you got 30%. That's why they stuck with the old system. Plus under the old system there's no contribution. Which is why you have no assets to pay that.

Ald. Shea: I worked for the city. Scavenger. And a guy who was 17 when he started retired at 37 at 50%.

Ald. Pariseau: And then you have -- what was the guy's name? Caron? --who worked for the city 50 years, died before retirement, and didn't collect a dime.

Ald. Shea asked if Randy had any comments on how to deal with this matter.

R. Sherman: Every year we run into problems. People retire and there is no money to pay their retirement. We may also be looking at about $2 million in unfunded benefits for police and fire. We recommend that you chip away a little at a time.

Ald. Pariseau: Wouldn't it be better to do away with city retirement and contribute to the state retirement system?

R. Sherman: Most of the other cities belong to the state or national retirement systems. The city should probably look into getting into the state system and/or give employees the option of which system they wanted to join.

Ald. Pariseau stated that it would be an advantage to the employees. They wouldn't be stranded in Manchester. If they moved to work for another city or town, they wouldn't lose any retirement.

The Chairman asked if there were any further questions or comments. There being no further business, the Chairman recognized Alderman Pariseau's motion to adjourn. Seconded by Ald. Hirschmann. Motion passed.

A true copy. Attest.

Respectfully submitted,

Leo R. Bernier

Clerk of the Committee