

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

May 3, 1999

5:30 PM

Chairman Hirschmann called the meeting to order.

The Clerk called the roll.

Present: Aldermen Hirschmann, Rivard, Thibault, Girard, O'Neil

Messrs.: Kevin Clougherty, Rich Davis, Tom Lolicata, Tom Nichols

Chairman Hirschmann address item 3 of the agenda:

Review of reports from the Board of Assessors.

A brief presentation was given by Tom Nichols regarding the various reports submitted by the Board of Assessors.

Alderman Girard in reference to the payment in lieu of taxes list, I don't see anything here for the Manchester Housing & Redevelopment Authority.

Mr. Nichols stated they don't pay us, they pay Finance.

Alderman Girard asked are there any other non-profits or entities like that that make a payment to a department other than to the Board of Assessors.

Mr. Clougherty replied we can give you a summary on that.

Alderman Girard asked do you know, off hand, how much the payments are.

Mr. Clougherty replied I think they are about \$130,000, but let me find out for you.

Alderman O'Neil expressed his appreciation to the Board of Assessors for their providing the documentation to the Board prior to the meeting.

On motion of Alderman O'Neil, duly seconded by Alderman Thibault, it was voted to accept the reports as submitted by the Board of Assessors.

Chairman Hirschmann addressed item 4 of the agenda:

Review of a detailed list of expenses of the 1999 Aggregation Program.

Alderman O'Neil stated it's a pretty detailed breakdown and pretty self-explanatory and I appreciate that, but I don't think this is the place, Mr. Chairman, to get into philosophy of some of the aggregation. I think just looking at some of the consultant money, but we're not here tonight to debate that.

Chairman Hirschmann stated this is the type of report I expected and thank you for getting it to the Committee. In reference to the SVBK Consulting Group asked can you explain more to us the RFP, when did it start, when does it end...I see every month that they're getting large sums of money.

Mr. Clougherty replied SVBL is a Consulting Engineering firm and basically what they do is provide services with respect to aggregation on the design of the marketing and what you need to carry it out, but they are also expert witnesses for Attorney Grills when he goes up to Concord to explain the economics of restructuring, how that would affect Manchester, and why Manchester is arguing for a certain rate as opposed to something else. But, the important thing in these ratings procedures is to get on the record with expert testimony the information. If you don't have a good plan to make a case and that is what SVBK is paid for. All of the contracts for the consultants were let during the time that the Solicitor and Finance Officer and Jay Taylor were reviewing what the needs were early on. The competitive process was selected and it came, I believe, before this Committee for approval. I don't have the details in front of me, but I'd be happy to get a copy of the contract. It's put at a certain rate and they provide us services at that rate as we need the services. I don't believe there was a termination date because we didn't know how long the case would go on and we didn't want to have a situation where we would need them to give testimony and the contract ended and we were out of luck, but we negotiated those pieces with the Solicitor's help and if you'd want to get into the contract we could have Tom Arnold at the next meeting and go through all of the details of each one of them.

Chairman Hirschmann stated the latest number is up to \$329,000.

Mr. Clougherty stated they also provided services in terms of negotiating the contracts and have also provided services with respect to the dam, so there are a number of pieces that they are working on.

Chairman Hirschmann asked can we expect more from them.

Mr. Clougherty replied the design of the project is done, if deregulation started tomorrow we'd have the vehicle, the contracts, and everything else. But, as far as the court cases those aren't done and we think that the case has been presented, we'll be winding down and don't expect to have to bring in more expert witnesses because we've already done that. Our office takes care of the accounting work, but it's really the Solicitor's Office and expert counsel that make a determination as to how they want their expert witness used.

Alderman Thibault stated as it is right now, you no longer have anyone working on this in your department, right.

Mr. Clougherty replied that is correct. The contracts and everything are with the Finance Department and certainly the day-to-day things we'll do...we have finance stuff that has to get done. If there is aggregation stuff that has to get done today, we'll do it.

Chairman Hirschmann asked is Tina Parsons still running aggregation.

Mr. Clougherty replied she is working on a part, I think, but then again you should check with Frank as she is under his direction.

Alderman Girard stated there have been some concerns expressed by some regarding the figures, there seems to be a couple sets of different figures out there about what is actually being spent. There are numbers that the Finance Department is putting out and there are numbers...I don't know what source is putting them out...can you account for the discrepancies in the information.

Mr. Clougherty replied certainly there are some Aldermen who have spoken to members in my department other than those that are directly involved and they got some figures, but that happens.

Alderman Rivard stated \$246,000 has been spent to date and asked who is the gentleman that showed up recently.

Mr. Clougherty replied Peter Grills is an Attorney that's an expert in utility law and he's the one who has been working with us to make sure that when you set up your energy contracts and work out what we need to do to explore all of the options are going to be preserved. He also is the one who is putting on the case for us at the State before the Public Utilities Commission.

Alderman Rivard stated his fees aren't included in this list then.

Mr. Clougherty replied that would be SVBK Consulting Services.

Alderman Rivard stated there's no idea as to how long these services will be required.

Mr. Clougherty replied I think the court case is going to get resolved; that they do have to make a decision one way or another and once that happens these services have been rendered and you don't need to have an attorney, we can do that ourselves.

Alderman Rivard stated I guess I didn't ask the question correctly. I know the court case is going on and I know that eventually it will be resolved, but it can be three, four, five years is that true.

Mr. Clougherty replied that is true.

Alderman Rivard stated so we're saying that there are no limitations as to how much we can spend until this gets done and we could spend hundreds of thousands of dollars, how does this work.

Mr. Clougherty replied there is no limit in terms of finance because as you know the Finance Officer doesn't control legal expenses through the Solicitor's Office who make those judgments about how cases should proceed, etc.

Alderman Rivard stated you have no idea if there is a "cap" on this. So, it's unlimited, is that correct, is that your answer.

Mr. Clougherty replied I don't think it's unlimited because we have provided a budget.

Alderman Rivard asked so what is the budget.

Chairman Hirschmann stated I wanted to ask the same questions...when will the contract start, when does the contract end, what about the RFP's, etc. Don't mean to put you on the spot, Kevin, but it isn't open-ended is it.

Mr. Clougherty replied with legal services you buy their services for the case. Certainly, if the Board decides they want to trim back or if the Solicitor feels that that's where we should be going then they can make that recommendation. We're turning back on what we have spent because the role has been in presenting the case and once you've presented it you wait for the court to make a decision with the PUC.

Chairman Hirschmann stated I was under the impression that Manchester was not allowed, in this case, as an intervenor, is that correct.

Mr. Clougherty replied there are a couple of proceedings going on at a couple of different levels. We are an intervenor at the State level, we were not allowed to intervene at the Federal level. The Federal judge has basically said to the PUC...listen, you guys have to resolve this piece in the State of New Hampshire and furthermore, said to the PUC this is your priority, you can't do anything else but work on this and get it resolved.

Chairman Hirschmann stated based on that answer Manchester was allowed as an intervenor for the State, we are repaying SVBK to fight at the State level, not the Federal level is that correct.

Mr. Clougherty replied that is correct.

Alderman Thibault asked do you stay in touch with the City Solicitor in that we've hired this attorney now...

Mr. Clougherty replied during the year Tom Arnold is intimately involved with all aspects and is informed on that. The Solicitor is designated to carry that ball. If you look at the resolution that was adopted for 1999 you'll see that there's an amount of \$300,000 set aside for incidentals and that's where we would be charging.

Alderman O'Neil stated my concern, Kevin, is you said \$300,000, but we've already spent \$305,000 to date. So, we only have about \$60,000 left to pay the consultants, right.

Mr. Clougherty stated some of that may be supplies also.

Alderman O'Neil stated 70 percent of what's been expended in the area of consultants and I think that's the end and maybe we should make a recommendation that if we're going to talk about anything at the full Board level let's have the Finance Officer, the Solicitor in to talk about where we're going with these consultants...

Mr. Clougherty stated I don't want to speak for the Solicitor, I don't want to speak for someone who's done work for Jay.

Chairman Hirschmann in reference to the year 2000 stated a common sense approach where Alderman Rivard brought up a good point where this thing could run for five long years, right. We don't know because a Federal court issue...if we put it in the year 2000 in suspended animation and we're paying a salary for one key person to keep their eyeballs on this thing and not spending hundreds of thousands of dollars on consultants. What do you feel about that.

Mr. Clougherty stated that is basically what you told us to do this year. The budget was \$600,000 +, we cut back a position...you should recall when this whole program started there was interest and we were going to save money and we should be pursuing it, but there wasn't any place to put it so they asked Finance to do it because we had contract information and we've been pulling on other departments. I would agree with it that you shouldn't be going great guns with this until there's a court action. I think you need to get the attorneys in and make a presentation to you as to what they think is a reasonable time frame and take it from there.

Chairman Hirschmann stated based on that should we make a recommendation to tighten up on aggregation not to cancel it, but put it in suspended animation as it's not resolved and we're going to be there when ready.

Alderman Girard stated I think everybody is concerned about the amount of money that we've spent and the idea that we may continue to spend money without knowing exactly when the money will stop being spent, not knowing exactly when we can start to see returns. What more, if anything can be done to "tighten" this up because I guess the concern I would have Kevin and I'd like you to comment on this is if we suspend to pursue where we are now are we jeopardizing our ability to recover what we've put in and I'm not sure I understand what is meant by "tightening or suspending" these proceedings, but what more can be done to allay some of the concerns here if that can be done. What do we need to move forward.

Alderman O'Neil stated not that my colleague doesn't have the right, but I think these questions belong at the Board level and not here. We wanted just to take a look at where is money being spent...

Chairman Hirschmann interjected we are a Committee and this is where we workshop things.

Alderman O'Neil stated I know, but we weren't assigned to oversee the Aggregation Program.

Chairman Hirschmann stated I, as Chairman, put this on the agenda because I wanted to see where the numbers were.

Alderman Girard stated my intent is...as the Committee on Accounts we want to track the expenses, but I think we also want to know what our liabilities are moving forward and what our chances for recovering those expenditures and investments are and that's basically the thrust of my question. I don't really mean to get into the policy debate of aggregation. So, if I didn't explain myself clearly enough I apologize but that is really where I'm going with that.

Mr. Clougherty stated two things: there is a special committee that has been formed and it is my understanding that it is meeting on the tenth and we're gearing up to do a presentation to explain all of this and would encourage anyone from this Committee to attend. The other thing is if you look at what's been happening with the program most of it has been in the area of consultants and I can't answer that because I'm not an attorney, but you really need to talk to the attorneys and get a little bit more of a comfort level with where they think that's going and where the case is going and when there might be some final resolution to that. If the case ends this year we've got the infrastructure and contract to move forward and I think that is what we've been talking about.

Alderman O'Neil moved to accept the report from the Finance Department and that it be referred to the Special Committee on Aggregation with concerns about the consulting portion and ask that it be reviewed. Alderman Girard duly seconded the motion.

Chairman Hirschmann stated my personal opinion is that I was opposed to having another committee formed noting this should be reviewed at the full Board level and would prefer to see it referred to the Committee on Finance during budget deliberations.

Alderman O'Neil stated I don't have a problem with that, however, the Chairman of the Board has named a special committee and amended his motion that it also be referred to the Committee on Finance. Alderman Girard duly seconded the motion. There being none opposed, the motion carried.

Alderman Thibault stated I would hope that this Committee would allow the Special Committee on Aggregation to review it and make a presentation to the full Board at that time.

Alderman Girard stated I agree that another special committee is not the way to go.

Alderman Rivard stated this is a very complicated issue. It is my understanding that the Finance Department was given the responsibility/authority to "run with the ball" and I'm rather confused because if they are in charge of this operation, they should know what the City Solicitor is doing and they shouldn't be putting this off to the City Solicitor. These people should be more aware of what's happening here which is why I'm confused as to who's in charge.

Mr. Clougherty stated we have a budget, we have a number, we know what they're doing, we're proving that. In terms of forecasting what's going on in this case you really have to talk to them that is not something that I can do.

Chairman Hirschmann asked is Manchester the only one with the exposure. How come Keene and Nashua don't have the exposure we have.

Mr. Clougherty replied they have proportionate to their piece of it.

Chairman Hirschmann addressed item 5 of the agenda:

Review of parking fees, locations and revenues.

Mr. Lolicata stated tomorrow night the Traffic Committee will be hearing a presentation regarding the Commercial Street parking and I'm also bringing in the Bedford Street project noting it had been started previously, but had been stopped. These are producing 100-150 more meters for revenue. If not, at least leases for people in the Millyard where all of this trouble originated. The only thing I have to mention about these things is there's a meter there and we have a lease instead, we're talking a loss in revenues. The meters were done yesterday on Elm Street, they're completed to accept nickels and dimes which took us 4.5 hours to complete.

Chairman Hirschmann asked what was the conversion cost estimate.

Mr. Lolicata replied merely 4.5 hours in overtime. I'm projecting a loss on Elm Street and the reason I'm saying this is because I'd like to try this for two or three months noting we had just put these in a little over a year ago. This is a tough time of year as the revenues will go down anyway because of summer vacations, etc. but I can give you something to work with after two or three months after which the Traffic Committee can then decide which way to go.

Chairman Hirschmann asked do you report these things to Finance monthly.

Mr. Lolicata replied they get a monthly report. I'm doing this because I was told it would be either two or three months, maybe August or September depending.

Chairman Hirschmann stated so if within two to three months if we saw revenues substantially down it would take 4.5 overtime hours to revert back.

Mr. Lolicata replied that is correct. Tickets are supposed to go up for violations, but I say it won't because they don't have the help as they only have two people covering the Downtown area now.

Mr. Davis stated on behalf of Intown Manchester we'd just like to thank Tom and this group for getting this pilot program in place in a timely manner. Certainly, the merchants and others who use Elm Street for short term parking are going to appreciate it and that's great. Certainly, over the summer we've noticed also that parking uses tend to decline for shopping and other purposes, so I'd simply ask that we look at a month-to-month comparison which is what I think Tom had in mind anyway such as June of this year based on June of last year and so forth and we'd get a better picture of it that way and try to factor out the seasonal decline.

Chairman Hirschmann stated I remember reading something that Hartnett is being redesigned is that yours.

Mr. Lolicata stated I am part of that, Highway and the Parking Facilities Program.

Chairman Hirschmann asked will that mean more spaces.

Mr. Lolicata replied no. As a matter of fact, there will be a loss of space because of the ADA requirements for a ramp. There won't be a great loss, but there will be some and will know more when the configurations come in.

Chairman Hirschmann asked how much the current leasee's are paying...
\$30/month.

Mr. Lolicata stated all of them are \$30, the garages are \$45 but the Millyard will stay as is because that was the incentive to bring all of the business down there.

Chairman Hirschmann asked are there contracts stating the leases will stay that low for a certain amount of time.

Mr. Lolicata made reference to the Seal Tanning listing noting that the rest were by ordinance and were the only ones that had on-street leasing. Leases have gone up, but that in turn means that those meters aren't being paid in-full by the public. Secondly, in the lots by ordinance he needs to stay within the 85 percentile. We could probably do a little bit more, but there are other things that I need to hold off on also. In working with Jay Taylor and others we are trying to get other clients in and regarding UNH, we still don't know how many spaces they'll need. On a few occasions over the past year-and-a-half I've had to hold off on Pearl Street because of the old Telephone building.

Chairman Hirschmann stated you're not making your evidence in 99's budget. The revenues are already forecasted for 2000, did you increase them or what.

Mr. Lolicata stated I have to take in consideration of the other two lots when we make these projections and I don't like that. I want to be more conservative, I had nothing concrete to work with. I don't like doing that personally. Between the Policing Program having taken off the way it has is where you might get a loss in revenue because of the set price of \$30 or whatever it may be, so that is why we are trying to gain some more spaces. I think most of them will be leased.

Alderman Thibault in reference to the Middle Street Lot asked what's the \$2.00/McQuade's (17 spaces) means, is that the whole lot at \$2.00 per month.

Mr. Lolicata replied that is for the 17 spaces only with the rest being meters and no leases.

Alderman Thibault in reference to the Arms Lot (\$25/month) over 100 is \$22.50/month.

Mr. Lolicata stated when we started this Mr. King and I think Mr. Manning down there had over 100 people and they were given a cut rate of \$22.50, the one-street price for having 100 or more in that parking noting the others are set at \$25.00; that there are two different deals going on down there between the on-street parking and the lots.

Alderman Thibault stated my other question is not so much that people mind paying a quarter for parking, that's not part of the problem. A lot of times you get Downtown, there's no place to park, I pull into a meter and I need a quarter...I don't have quarters. I'll probably have two dimes and three nickels and I can't put it in the meter, so why can't the meters be set up so I can put in two dimes and a nickel.

Alderman Girard asked on average when a parking space goes from being metered to being leased what percentage of the revenue do we lose.

Mr. Lolicata replied depending on the ordinance and location...for example, in a parking lot if there is 100% use it could go as high as 50%.

Alderman Girard stated the Traffic Committee on behalf of the Board really is responsible for reviewing, could this Committee send a request to Traffic to review the current rate structure for parking throughout the Downtown, whether it's at a meter, in a lot or garage and ask them to review whether or not the parking fees that we set in place years ago are appropriate for today's circumstances and ask them to make recommendations back to the Board on what if anything should be changed.

Chairman Hirschmann stated that can be done here.

Alderman Girard stated with all due respect I think the Committee on Traffic which has the purview of reviewing rates and making recommendations as to what they should be with parking is a specific power of that Committee, I think all we can do is sit with Mr. Lolicata and figure out why we're having the problems.

Chairman Hirschmann asked where would you like it reviewed...here or in Traffic, does it matter.

Mr. Lolicata replied Alderman Girard is right in one respect, but in another respect there is always a change in command, the Committee every two years. We've gone through different studies ourselves, we've come up with different locations, we find different things, and now we're at the point where I am trying to change over to different types of meters. I've got two types out there, I've got ordinances to fool with...I guess the structure you're talking about has been restricting lots, restricting garages, so I think something can be done of that nature, so long as we stay at that level.

Alderman Girard stated I'm mostly concerned with the leased rates and the only reason why the issue of parking rates is here is because the department's revenue collections were falling well short of the budget forecast. Otherwise, this wouldn't be here. So, I guess, Mr. Chairman, given what Mr. Lolicata has told this Committee about the loss of revenue that occurs when we go from a meter space to a leased space and given that Traffic has control over percentage of spaces that are leased, the rates that are charged for the leases, the deals that are negotiated for the leases, I think it would be appropriate for this Committee to ask them to review it and make recommendations back to...

Chairman Hirschmann stated I do agree that they discuss those things but I disagree because this Committee is the one charged with revenues and the finances.

Alderman Girard interjected we're to make sure that things are coming in as they're supposed to, if not we are supposed to figure out why.

Chairman Hirschmann stated if we want to we could send it to Administration where policy is designed, but we're here...this is the Committee that is concerned about revenues...Alderman Clancy is a nice gentleman, but he doesn't have the same charge that we have. We are concerned about this man making his revenue numbers and that everything happens...that is more of a public safety thing over there and that's how it's run, it's not run by a conservative group that is trying to make a budget.

Mr. Lolicata stated over the last two years some things go up, some things come down. There's no crystal ball here at all. When the leases took off everybody was very happy...they just didn't realize the loss at the other end and holding off to try and make things better for the City by waiting for certain policies to come in and fill these lots hasn't occurred and I am not really comfortable with this year's to be honest with you.

Chairman Hirschmann stated I want to give Alderman Girard an example because we both sit on that Committee. The change to the nickels and dimes just happened, the two of us didn't agree with it because we knew it was going to cost the City money; that Committee still went and implemented it.

Alderman Girard stated the Traffic Committee made a recommendation to the Board of Aldermen which the Board of Aldermen...

Chairman Hirschmann interjected they certainly did against my hopes and his hopes.

Alderman Girard stated that is right and we all sit in Committees where votes don't go our way and we have a chance to...

Chairman Hirschmann stated this is the Committee that is worried about revenues, so that's why it's staying here.

Alderman Girard stated I just asked the Clerk, Mr. Chairman, to get a copy of the Committee descriptions because I think you'll see...

Alderman O'Neil stated I know it says the spaces leased at the Holiday Inn are \$20.00 per space, the 300 other spaces that are leased, what are the rates of those.

Mr. Lolicata replied it's the regular \$45.00.

Alderman O'Neil asked how long are we bound to the \$20.00 contract.

Alderman Thibault stated all the parking goes up every year, I know we made a deal with these people, but for how long.

Mr. Lolicata replied my understanding right now is that we have 400 from us with JPA Associates having the option for 600.

Alderman O'Neil asked where do the other 200 come from...do 200 come from the 300 metered spaces.

Mr. Lolicata in reference to the Center of NH/Holiday Inn listing stated it shows a composite of the 1,000 spaces there noting the Center was redone because of handicapped, etc. and now have 1,000 even spaces whereas there used to be 1,018 spaces; that of those 600 of those are public parking with 400 with the tower or the Center of NH themselves noting they have an option of 200 more which would bring the public parking down to 400 if they take that option. Based on that right now, they also lease out to certain people themselves. They pay the City so much a year, I think it's \$96,000 a year for those spaces and they in turn sub-lease.

Alderman Thibault asked what I want to know is how long are we bound to that contract with Holiday Inn. I know we did this 18 or 20 years ago.

Mr. Lolicata replied in the interim out of a good partnership between Mr. Wallace my predecessor, myself, and even the Mayors till now that price has stayed just about the same because the business they bring in more or less fill it up and we're trying to help them as a business center. The formula going back years ago to the Boston Index of some sort has risen. Sitting down with Sean O'Kane we more or less agreed if they bring in some business to the City we will help them also and I've heard nothing ever since. It's a give-and-take situation - they bring people in as well as helping us and we do the same.

Alderman Thibault asked in 30 years from now are we still going to ask for \$20.00 to park Downtown when everybody else is paying \$50.00. I think that's wrong and I think there should be a time limit.

Mr. Lolicata stated I think the original agreement goes for quite a few years from the way it's set up.

Alderman Rivard stated so it's a good will type thing.

Mr. Lolicata stated just for those certain spaces. The Center brings in all of the people and are the ones that generate people going into different stores and places Downtown when the expos are held.

On motion of Alderman O'Neil, duly seconded by Alderman Thibault, it was voted that it be referred to the Committee on Finance in the Traffic Department budget.

There being no further business to come before the Committee, on motion of Alderman O'Neil, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee