

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

**May 30, 2000**

**6:30 PM**

Chairman Hirschmann called the meeting to order.

The Clerk called the roll.

Present: Aldermen Hirschmann, Lopez, Levasseur, Thibault, Pinard

Messrs: T. Lolicata, J. Taylor

Chairman Hirschmann addressed Item 3 of the agenda:

Referral from Committee on Traffic/Public Safety regarding the Parking Rate Increase Proposal.

Alderman Levasseur moved the item for discussion. Alderman Lopez duly seconded the motion.

Alderman Levasseur stated mostly everybody is in agreement on this increase. I have only heard one complaint and that is the increase, the 40% on the meters. Did you make an adjustment on that to show what the numbers would look like if we made the numbers equal?

Mr. Lolicata replied the revision is the second page that we gave you. We had the percentage right. We put the percentages in there because that was brought up at the last meeting. If you notice in each column it gives you the percentage increase of what it is from the current increase. Now the adjustments have not been made. There are still proposals in front of you. If there are any adjustments to be made...I guess that Traffic did not make the adjustments. If you people want to make any type of adjustments I don't know what the procedure is on that.

Alderman Levasseur stated your increase of Proposal #2 seems to be in favor with the Board from CIP, which I attended. I think that this Committee would also find that total increase for Proposal #2 favorable if you could just make one adjustment and that was the difference down in the Millyard and the increase of 40%. If you could take that number and decrease that to the same amount as the parking garages, I think you would make everybody happy and I don't think there would be any kind of a problem passing this whatsoever. That middle column over here

on the increase for proposal #2 if you took those and made that 20%, if we decrease that number we could find out exactly what that number would be?

Mr. Lolicata replied basically you are taking the garages at 20% and then the second column under the first proposal is what you are probably saying.

Alderman Levasseur responded second proposal.

Mr. Lolicata replied right. In other words, Proposal #1 under the lots.

Alderman Levasseur asked okay so just take the...okay that sounds good.

Chairman Hirschmann asked did this come out of Traffic with a recommendation as to #1, #2 or #3.

Mr. Lolicata answered we recommended Proposal #2.

Chairman Hirschmann stated so let's just discuss Proposal #2 and stay on track with that.

Alderman Levasseur stated to bring you up-to-date, if you take Proposal #2, which is what Tom is saying and you take that 40% increase in the second column if you look over to the middle column you will see the 40% increase, if you look over to your left you will see the first year's proposal, the 20% increase. We would just like to switch those two columns around and that would make everyone down in the Millyard happy. They have also agreed to the increases and everything except for that 20% to 40%, which I think is a fair amount to adjust by. I just need to know what that number would change by.

Chairman Hirschmann asked so you want to go from \$25/month to \$30/month.

Alderman Levasseur answered instead of \$35; that is correct.

Mr. Lolicata stated that is a 20% increase.

Alderman Lopez stated I wasn't here, I was out of town, but from what I understand from conversations is that a lot of these people haven't been increased for a long time. Is that correct?

Mr. Lolicata replied that is correct. We are talking about 14 years.

Alderman Lopez stated and the reason for that at the time the economy and the Millyard and everybody was given the break or whatever the case may be and the Board did not want to go along with it. We have good economic times now and I can't support going backwards. I think this brings everybody up to par. Your recommendation, I totally support. It just brings everybody up to par. Now maybe over the years that you have tried to come into the Board and say we should go 4% or 5% or whatever that hasn't been accomplished and, therefore, the City has suffered in the revenue aspect. Would that be a good assumption?

Mr. Lolicata replied that is a good assumption. We basically had our own, by ordinance, and of course the ones that you saw in the Millyard were original leases, which escalated to ordinances. They are lower than the other part of the City and actually the lower they are, if they go to the same figure as the people say in the Hartnett Lot there is going to be a higher increase because of their paying \$25 or \$22.50 where the other people were used to paying \$30. We sat down and took this apart and we came up with these proposals and we figured that the only way to try and do this properly is to try and stay as close as possible and as fair as possible because we figure this is probably going to last another 10 or 12 years or whatever it may be.

Alderman Lopez asked do you know if any of these parking spaces are like a benefit package to the employee working at those places and the company pays for them.

Mr. Lolicata answered I believe some of them are packages.

Alderman Lopez asked so it is a benefit to the business owner and could be a tax deduction in the end.

Mr. Lolicata answered right. It is like a business because when I read the article a month or two months ago and I helped decide this, I was thinking way back when these people were paying for them at a low rate and you only had maybe \$7, \$8 or \$9 a square foot and today they are up to \$17 a square foot. Now taking that into consideration and the marketing down there where it was saturated, we are trying to stay as fair as possible. Now if the Aldermen and this is going to go to the full Board later on anyway and I imagine it will be picked apart again. Whatever you come up with is fine as long as a fair increase is involved. My proposal is what we are staying with - #2. I can see now some Aldermen the way you are talking are probably going to want a different proposal because of the Millyard. That is a possibility. I haven't got a crystal ball but right now I would like to stay with Proposal #2 and if we have to have any more conversation, I imagine the full Board will take it apart.

Alderman Lopez stated I think the problem is that once we start dissecting this then John Doe over here is going to say it is not fair for me to get 10% and maybe I should get 5% so I totally agree with you and I support your proposal.

Alderman Levasseur stated I feel like I am on the Titanic without a lifeboat here. Tom, could I ask you one favor before we bring this up to the Board because I am truly by myself on this. I would like to see Proposal #2 broken down to a 20% increase and then another number at 30%. Maybe I could convince the Board to at least split the difference between 20% and 40% and go 30% on the Arms Exterior, the Arms Lot, the Arms Outer Lot, the Bedford Lot, Granite Lot and Myrna Lot at least somewhere in that ballpark so I can at least bring this to the Millyard without...this is not a small increase, 40% and I know it has been a long time but it hasn't been a long time that the Millyard has been at a peak. The Millyard has only just filled up in the last one or two years and they are still just catching their breath down there also and I agree that there should be an increase and I think everybody does. There were also five or six people from the Millyard here that agreed but they didn't think that it should go to 40% all in one whack and that is a big increase. I am just looking for some sort of a...I mean the adjustment is there.

Chairman Hirschmann replied it is \$10/month that you are talking about.

Alderman Levasseur stated \$10/month is \$120 for the year.

Chairman Hirschmann stated Millyard on street is still \$30 in that proposal. You can go \$30 on the Millyard street if you don't want to be in a lot.

Mr. Lolicata stated you can play with numbers all night long. If it is a low number it is going to be a high percentage. The bottom line on all of these is a mostly a \$10 increase on all of them. That is what it basically comes down to.

Alderman Levasseur stated but if a company is paying for 100 employees it is not coming out of one person's \$10/month, it is coming out of one big corporation that has to pay for 100 employees at \$10/month and you are talking a lot more of a bang for one company to pay for all of their employees. I understand if it is just you or me going down there and doing that and I am only pulling out \$10, that is one thing but like you just said, most of these employees are paying for these packages and now you are hitting them with a much bigger package because they are paying for their employees and are you taking a chance that now they are going to tell their employees we are not going to pay for that anymore? I don't have a problem with the increase but if we did it incrementally, we don't have to do it all in one shot in one year. We can also make an adjustment...we don't need to be making increases every 14 years. That is a mistake that we shouldn't have

made in the first place. 14-year increases are not good. They don't look good and they are a lot to bite on. When you get these property tax increases of \$100, it might not sound like a lot but some people can't afford \$100 because they didn't get an increase in their wages in one year. I just don't like the perception of having these things go at such dramatic increases and I am not asking for a lot by taking it just one year out and next year maybe going a little bit higher. I don't think I am asking for a lot and I am swimming against the tide on this.

Alderman Pinard moved to approve Proposal #2.

Chairman Hirschmann recognized Mr. Jim Mahr.

Mr. Mahr stated I was at that meeting when the increases were discussed and I agree, we all agreed, basically all that were here from the Millyard and other parts of the cities that increases were needed and the parking lots and garages just ended up getting a 20% increase and all of the sudden because the meeting was moving very quickly because they were running out of time a number was pulled off of Mr. Lolicata's survey and before we knew it they had approved a 40% increase for the on street parking, which was double the other. I immediately asked if they would reconsider it and they were in the process of reconsidering it if you remember and it was brought to Mr. Clancy's attention that the City Charter calls for your Committee to review it and that you could make changes that you felt were appropriate. Therefore, I respectfully request that the on street parking program receive the same percentage increase that the other parking programs received. I have a client at International Insurance that has most of the on street parking permits in the Millyard that are leased if I am correct. International Insurance employees 115 people. They will be employing upwards of 200 people by the end of the year. They occupy 80,000 square feet of the Waumbac Building. This is a matter of record in the Building Department. They have invested upwards of \$6 million into that building out of their own pocket. They are basically the best thing that happened to the Millyard since Dean Kamen landed his helicopter on the roof of 340 Commercial Street. So, on their behalf and on behalf of everyone who participates in the on street parking program I would appreciate your Committee recommending to the full Board that the increase be held to 20% so it would go from \$22.50 to a figure of 20% over that. At this moment in time, the on street parking permits are \$22.50/month.

Chairman Hirschmann asked is that for the Arms Lot that you are talking about.

Mr. Mahr answered no. I am talking about the on street parking program.

Alderman Lopez asked, Mr. Lolicata, did you pull these out of your hat.

Mr. Lolicata answered these figures have stayed the same since we initiated them. At the meeting that he is speaking of when they brought this up they were talking about a figure of \$27 and that was brought up because of the 20% and when on street parking came up they were talking about charging \$27.50 in that particular area. On street parking only. These figures have never changed. They are the same figures that we brought in originally and they are still there now. The only thing is that we now have percentages with them because they were asked for at the last meeting. We are talking \$27.50/month now for on street parking in the Millyard.

Chairman Hirschmann asked so 30% of that would be \$30/month. Is that correct?

Mr. Lolicata answered if it went to \$25 it would be an 11% increase. The 20% they are speaking of, Alderman, I believe would be the \$27.50 raise. That is where the number came in at the meeting.

Mr. Mahr stated the exact math brings it up to \$27 per permit, per month.

Mr. Taylor stated there is an issue that I would like to bring up and that is clearly I don't think I have heard anybody say that an increase is not justified and I don't think there is anyone here or at the previous meeting who would disagree with that statement. I think we have gone well beyond the bounds of reason here in not increasing the rates. Let me just tell you what my concern is that we don't throw the baby out with the bath water and the issue here is is the parking operation going to be self-supporting and what I mean is is it going to bring in enough revenue to support its entire debt service and operations expense? My view is that it is not and the City is going to for some time in the future be required to subsidize the parking operation. The question becomes not are we going to subsidize but to what degree are we going to subsidize. That is my opinion. I want to compliment Tom Lolicata and Denise and Jim Hoben for going through this excruciating exercise. This, believe me, is not an easy thing trying to come up with a series of rates that are going to fly. This issue has come up a number of times and it has been kicked out each time. I think it is about time that this Committee and the full Board recognize that we do need to look at a rate increase. Being a conservative individual, my approach would be to take a look at this on an annual basis and I would like to recommend that the Committee take a look at these rates every year. That doesn't mean you have to increase them, but it means that you need to look at them every year and see what the market is and do you need to increase, do you need to change the mix, what is it that you need to do. I guess what I am here to say tonight is that I think the increases proposed in the garages are reasonable. A \$10/month charge in my view is not excessive and there is an extensive waiting list and to the extent that people who are paying the

fee now and can't afford to pay the additional probably will be replaced by those on the waiting list and we will probably not see any decrease in net occupancy, however, in the instance of the Millyard, I guess I would like to see the percentage increase applied to the garages in the downtown lots applied to the Millyard as well so that we can maintain some sense of fairness. My sense is that the Millyard employers and employees are more an individual matter than they are in the downtown and that there are more employees who may pay their own fees in the Millyard than those in the downtown and I guess I am just concerned that we kill the Millyard resurgence before it gets started. I would urge you to be cautious there. There is no reason that a year from now you can't look at these rates again and decide if you need to, to jack them up some more. That is all I really had to say.

Alderman Levasseur asked, Tom, if you take your column with the 20% increase form Proposal #1 and you subtotal those numbers with the same numbers across where you have your 40% increase, that is a \$29,700 increase between the 20% and 40%. I don't think that \$29,700 really crushes your increase in Proposal #2 but at the same time I think it is more fair. I don't think it takes away as much income from your whole proposal as it first thinks. If you take the two numbers it is \$291,600 under the 20% proposal for that column and it is \$321,300 for the 40% increase and if you minus those it is roughly \$30,000. You could live with a \$30,000 decrease in your whole proposal of \$625,000 so you are still looking at a \$600,000 increase in revenues and still making a lot of people happy and not throwing a big increase at them at one time. We could always do this again next year. It is a lot of money for one company to have to pay.

Mr. Lolicata asked so basically you are saying that the garages on Proposal #2 will stay the same and the lots go under the 20%.

Alderman Levasseur answered exactly. Just switch those two columns around and it is a \$30,000 decrease.

Mr. Lolicata stated I can live with this but can you and the full Board and the people live with this. I am just showing you people proposals that we thought were fair.

Alderman Levasseur asked do you understand what I am saying. If you switch those two columns from the 20% to the 40% it takes \$30,000 of his total increased Proposal #2 which still gives us \$600,000 in revenue increases instead of \$625,000.

Alderman Thibault stated I would like to apologize for getting here late. Tom, how long has it been since those rates have been looked at?

Mr. Lolicata replied at least 12 years.

Alderman Thibault duly seconded the motion to approve Proposal #2.

Alderman Lopez stated, Jay, I have a question for you. Taking in all of the factors that are involved without repeating them, on many occasions we said supply and demand in the Millyard and if other people don't use them I am sure there are a lot of people down there begging for spaces or we wouldn't be trying to build garages and everything else down there. I think it is fair. I think it brings everybody up to par. I totally agree with you that every year we ought to look at this. The economy dominates the factor. Next year, who is to say...hey we might have to decrease it to get people. Every year we should look at it but at this present time I truly believe that this is a fair package for the entire parking situation that we have and Mr. Lolicata and his staff have worked tremendously on this and he has brought this before the Board many times before and it is not to bash the business person, believe me. That is not the intent whatsoever here. We need revenue. We need to help everybody in this City so we don't have any taxes. My friend, Alderman Levasseur may be absolutely correct that we will only lose \$30,000 or \$40,000 but even \$30,000 we need that. Those \$30,000's and \$10,000's are going to add up to \$500,000 or \$1 million so that our tax rate goes down. I think the supply and demand is there. Would you agree with that?

Mr. Taylor replied while I agree that the supply and demand is there and I can't argue with the reasoning behind increasing the rates, I am not here to take issue with increasing the rates. I guess my issue is to what degree do we increase the rates and do we do it in one step, do we keep the percentage increase equal across the Board, or do we do this in several steps. Had we done this on a regular basis for the last 12 years we would not be here tonight having this discussion because the rates would be where they should have been and there wouldn't have been a big jump. My concern is the big jump and what effect, if any, that will have on potential occupants of the Millyard, which we have just started now to see coming back again from the effects of the recession and I guess as an economic development person I would not like to see that cut off at the knees for raising the rates \$5/month. That is my concern.

Alderman Levasseur stated all I can say on this, Mr. Chairman is that it is so nice to save people money and you say we need revenue and yes we don't need any taxes, but if you are the common, regular guy who comes to work everyday how would you like it if someone increased your parking rates by 40%. I don't know anybody who gets a 40% increase in their pay and I don't think anybody has gotten a 40% raise in 14 years. They are lucky if they have gotten 1% or 2% in the last five years and you think it is okay to just turn around and whack them with \$120 charge on their parking fees and you don't think that is a tax. Whether you

call it a fee or you call it a tax, they are both the same thing. They are an expense for people who try to come down here and work. Going from \$25 to \$35 because other Committees before us did not do the right thing and increase these things at \$1 or \$2 a year and to whack them after 14 years just because we didn't do it for 14 years is not what I consider a fair argument. I think that it would have been more fair to go from \$25 to \$30, which is a 20% increase and fair under any one of these other assessments. So you call it a fee or you call it a tax, they are both sinful, they both cost the regular person who comes to work everyday money and \$120 is a lot of money for a person to come to work. I think \$60 would have been a much fairer number to throw at them. Like I said, I am swimming against the tide here so you guys vote the way you want to vote.

Chairman Hirschmann stated the way I look at it, Alderman, and let me tell you my perspective. To have a prime parking space anywhere in that district for less than \$9/week is quite a deal. So, \$8.50 times 4 weeks you are looking under \$35.

Alderman Levasseur stated I don't disagree that the money should be in there. I just think it is a dramatic increase to do at one time.

Chairman Hirschmann replied it is a dramatic increase because the City has shown a favorable condition down there for all of these years and all we are trying to do is get a little back and if I had my way I wouldn't even stop this year. I would go another percentage next year because at these rates if you look at some of our sister cities, we are very generous in the parking...I wouldn't call this parking revenue. We are not even breaking even, Alderman. This is parking negative revenue enforcement here. We are very generous to the people who are in the Millyard district. We have no desire to make them go away. This is not a dramatic increase. For under \$9/week, an employee can park in a space.

Alderman Levasseur stated whenever we use the argument of our sister cities, the sister cities are doing very well compared to this City.

Alderman Hirschmann stated some of our sister cities charge \$100 for a garage and \$60 for a space. We are very generous.

Alderman Pinard stated I have been around a long time and you look at 12 years. Look at the cost of living in 12 years. We had a recession and we came out of it. Look at the wages of employees in the City of Manchester. That has gone up. Twelve years without a parking increase is enough and I think this is a fair increase. I don't think anybody in the Millyard will criticize it.

Chairman Hirschmann called for a vote on the motion. The motion carried with Alderman Levasseur being duly recorded in opposition.

Alderman Lopez asked, Mr. Lolicata, would you bring this back on a yearly basis to the Board of Mayor and Aldermen.

Mr. Lolicata answered we can do that through the Traffic Committee, yes.

Mr. Mahr stated after the meeting last week a bunch of us that came on behalf of the Millyard felt that it might be a lot easier if you voted in annual increases and put them in place now. Am I correct in assuming that you agree that the 40% increase should be a 20% increase?

Chairman Hirschmann stated the vote passed on the 40% for that district at this time. Next year if it went up \$5, it wouldn't be a drastic increase.

Mr. Mahr asked 40% for all of the parking in the Millyard.

Chairman Hirschmann stated the Bedford Lot, Granite Lot, Myrna Lot, Arms Lot, Arms Exterior Lot, and Arms Outer Lot are being increased by 40%. The Hartnett and Pearl Lots are going to cost more.

Mr. Mahr replied I realize that and they get more per square foot up there to. The vote you took tonight was to raise all of the Millyard parking 40%?

Mr. Lolicata stated they voted on Proposal #2. What you see in front of you right now. The whole proposal. That includes the whole City.

Alderman Hirschmann stated I have a communication from Randy Sherman that is not on the agenda. At our last meeting at the Historical Society we talked about who we would have the internal auditor audit. The reply from the Finance Department was they would like to audit the following: tax exemptions, building permits and assessments, fleet management, asset management, notes and leases, the golf course and ice rink. I don't know if we want to take action on that or have the Clerk put that on the agenda for the next meeting.

Alderman Levasseur stated I thought we were already doing fleet management. I thought this was already being audited. I thought he was already doing it.

Chairman Hirschmann stated I personally requested it. I didn't request it through the Committee so maybe they are asking for an action of the Committee.

Alderman Levasseur stated I am wondering if he should come in front of us before he sends us a letter. I actually think there are other things that we should audit before we audit this stuff. I don't think these things are anything that we care about. A couple of them are Enterprises. I would like to see them audit the Library first. I would like to have him come to the next meeting.

Alderman Levasseur moved to table this item. Alderman Thibault duly seconded the motion. Chairman Hirschmann called for a vote on the motion. The motion carried.

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

A True Record. Attest.

Clerk of Committee