

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

March 16, 2009

5:00 PM

Chairman O'Neil called the meeting to order.

The Clerk called the roll.

Present: Aldermen O'Neil, Garrity, Osborne, Pinard

Absent: Alderman Murphy

Messrs: B. Christiansen, G. Fleury, T. Arnold, M. Pilotte, A. Veilio,
D. Burken, K. Kincaid

TABLED ITEM

11. Communication from Bryan Christiansen from Comcast with notification of certain price increases for cable services and equipment starting in December 2008.

(Note: Referred by the Board of Mayor and Aldermen on 11/12/08. Tabled 11/24/08 Representative from Comcast to attend the next meeting.)

On motion of Alderman Osborne, duly seconded of Alderman Pinard, it was voted to take this item off the table.

Alderman M. Roy stated the biggest question, it wasn't mine but I do remember it, was regarding the increase in franchise fees and discussion of our City use of the fee generated.

Mr. Bryan Christiansen, Comcast, stated as most of you know the franchise fee is kind of on the bottom of your cable bill and in the City of Manchester it is five percent of your bill. If you have a \$10 bill it would be five percent of \$10 or if you have a \$200 bill it would be five percent of \$200. We pay a check quarterly to the City of Manchester. I am rounding but it is roughly about \$350,000 a quarter, probably a little more than that. I don't have the figures in front of me. You made a comment about the cable prices adjusting. We definitely have products that start at \$15 which is for basic cable roughly to channels 3-25 and gives you broadcast stations and three stations here in Manchester. We also have

products if you built on HBO and Showtime, all the bells and whistles, DVR , HD receivers your cable bill can increase. We charge five percent. It is required by the franchise here in the City.

Alderman M. Roy asked when does that contract expire?

Mr. Christiansen replied I think it is 2015.

Alderman M. Roy stated if it is not in the next fiscal year and you are positive of that...

Mr. Christiansen stated I am positive of that. It is either 2012 or 2015. I think it is 2015.

Alderman M. Roy asked what is your understanding, or the legal understanding, of what the dollars can be used for?

Mr. Christiansen replied that is the million dollar question in the State of New Hampshire. There are some states that dictate where the money needs to go. In the State of New Hampshire that is not spelled out nor is it spelled out in the franchise with the City of Manchester.

Chairman O'Neil stated Bryan, another thing that is always good to check in on, is to make sure that we are getting information out especially to the seniors about what truly is the lowest tier. That one comes up every so often. There is always the basic package and then something below it I believe. I don't know what the current terminology is.

Mr. Christiansen stated there is what is referred to as basic service which is \$15.70. As I said to Alderman Mark Roy, that is roughly channels 2-25 and it essentially carries ABC, NBC, CBS, broadcast and local stations.

Chairman O'Neil asked that in fact what you referred to as basic is the lowest tier available to our citizens.

Mr. Christiansen stated yes that is our lowest tier available. We have other tiers available. One thing we launched in the past three or four months is the economy tier. The economy tier of service is \$39.95. It doesn't have everything that standard cable has that we are all familiar with but it has a significant amount of programming. It has CNN and FOX and FOX News and that sort of stuff. What it doesn't have is sports programming. It doesn't have ESPN or NESN.

Chairman O'Neil asked what is that tier referred to as?

Mr. Christiansen replied it is called the economy video tier and it is \$39.95. I can leave a sheet with the information as well.

Chairman O'Neil stated I think every so often it is good to get before the Committee and talk about the tiers because if there have been complaints over the years it is the public understanding the various tiers often. I am guessing, probably the economy video tier is one of the most common.

Mr. Christiansen stated it is not common yet. Our most common is actually our digital starter tier. Economy video was only launched about three to six months ago so it is gaining popularity. We felt it was important to package a tier of service that meets the demands of the economy right now.

Chairman O'Neil stated I am embarrassed to say I have no idea what tier I have. It has what you mentioned including the sports channels.

Mr. Christiansen stated that is the most common tier. I would also recommend and encourage constituents to visit Comcast.com and we also have a customer service office here in Manchester at 676 Island Pond Road.

Chairman O'Neil stated if we can get out at some point to the seniors, that seems to be where some of the issues are. Some literature reminding them that there is a basic service tier at \$15.70 might be helpful.

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted to receive and file this item.

Chairman O'Neil addressed item 7 of the agenda:

7. Communication from Gerard Fleury, Manchester Employees' Contributory Retirement System, requesting support for an amendment to HB 149 for language correction.

(Note: Referred by the Board of Mayor and Aldermen on 1/20/09.)

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted to discuss this item.

Mr. Gerard Fleury, Employees' Contributory Retirement System, stated House Bill 149, and you should have had a copy of the legislation provided to you, adds a few words to an existing statute that helps to clarify what an individual who is departing from the City is actually entitled to with respect to his pension money.

We discovered about a year ago that there were individuals who were leaving the City service that met the normal requirements of age and the law in order to qualify for a benefit. That simply is any member who has either attained the age of 60 years or has been in the service to the City since January 1, 1974 and completed 20 years of service shall be entitled to a normal retirement benefit under the provisions of this act. An individual, the key term is 'or' who has attained 60 years of age is entitled to take a benefit if they terminate. We discovered that that was not happening and it wasn't happening because of an error. An individual who works for the City for at least five years reaches vesting service. A person that came to work for the City at age 19 could work for five years and leave and be vested and leave that benefit there and come forward when they are 60 and say I'm back and here to collect that benefit. The important part is that meeting the normal requirement age, which is simply being 60 and being vested, are separate and mutually exclusive things and had been a point of confusion there. We sought to clarify that because there were individuals who were leaving when they were 60 and had not been told that they had the option for a benefit. It does not always behoove them to do that. We went back and searched to find out if there were any individuals that fell into that bracket and we were able to find either 13 or 14 depending on how you count it because one individual came and left twice. In one particular case the individual who worked for a short period of time, it would have taken him 33 years to get the equivalent to a refund back, if he said I want to take the lump sum. For other people it is a pretty simple situation where if they took the benefit instead of taking the refund after about three years, they would be better off for it. It is a benefit that they seem to be entitled to. When I discovered that, and that goes back to about last March, I wanted to be sure that I was clearly interpreting the statute because that is not how the system had been operating. I wrote to our legal counsel and asked if I was correct in what I was seeing in the law. They replied and the answer was essentially yes, you are and you should take corrective action on that. You need to do due diligence on seeing whether any of these people were missed, which we did. To give you some order of magnitude of this, all of the individuals that we have found if we were to award them a retirement pension, these are very small pensions, comes to about \$11,000 a year for the entire fund. We wanted to correct that to make sure that we were going to be doing what we were supposed to be and that the law would not be confused in the future. In the existing section of law that talks about benefits upon termination of employment prior to the normal retirement date, we said any member and then we introduced the language, who has not attained the normal retirement date. If the person terminated and they were not 60 then it was clear that they would be entitled to the refund. Then we went on and said any member who has attained the normal retirement date and who wishes to receive a lump sum distribution plus interest in lieu of a monthly retirement pursuant to Section 12 of this act and Section 12 is the normal retirement provision may do so upon completion of a waiver from the system. If

you had that person that was going to take 33 years to recover their refund, they didn't have to take it. They could say no, just cash me out and I will be on my way. We wanted to be sure that the law was going to be clear. Those people that had that entitlement were going to get it and those that didn't want to take it didn't have to. We believe that that was the intent of the way that this was drafted.

Chairman O'Neil asked Gerry, in going forward this can't happen, correct?

Mr. Fleury replied we have been living under the provisions of this since counsel notified us last May that that is how it should have been happening. We got the legislation drafted during the summer and found a sponsor in the fall; we were hoping to get it corrected in this session.

Alderman Osborne stated I am just having the City Solicitor take a look at this quickly and see what his thought is on this particular add on. I think it is a good idea to get some information from him at least.

Mr. Thomas Arnold, Deputy City Solicitor, stated my admittedly quick read of it is that it will do precisely what Mr. Fleury is saying it will do.

Mr. Fleury stated also Alderman Osborne, we wanted to keep the City completely informed in this. We didn't want any parties in the dark and we provided Tom Clark with copies of the information that was given to this Committee, of the legislation so the City Solicitor's Office has had this information for some time.

Alderman Osborne asked on the full Board what was the main question or couple of questions that they had that they had sent to Administration in the first place?

Mr. Fleury replied my opinion and it is only my opinion is that there was some degree of confusion as to why a request like this didn't start out at a Committee of the Board rather than coming to the full Board.

Alderman Lopez stated I think one of the other questions was whether or not it was going to cost us any money. You are sure this is not going to cost us any money?

Mr. Fleury replied no, I have to recant my testimony. When I appeared before the full Board of Mayor and Aldermen I had thought that it would be a cost neutral event and as part of the work that we have done since then, working on the evaluation of the fund for 2008, I brought this information directly to the attention of the actuary. I wanted to be sure that when I am dealing with either the Board of Mayor and Aldermen or the New Hampshire Legislature that we are completely accurate with our statement that this is a cost neutral event and the actuary said

that is not the case. There is a cost associated with this and we were unaware that the system was doing this. Now that you have brought it to our attention, we have to tabulate what that cost is. The actuary determined that as a percentage of salary, which is how that rate is determined, this would have an impact of 0.19%. In essence what it does is a very unusual thing because of the nature of what is happening. The City has two components to its liability. One is a future liability that is out there called the accrued liability and the other portion in the normal cost. The actuary has said that this switched some of that accrued liability bringing it forward. The impact of that was about \$122,000.

Alderman Osborne asked is this going back to the full Board? Is that how it works?

Chairman O'Neil stated we can only make a recommendation to the full Board. I think one of the issues was, Representative Pilotte was asking where the City stood on this and Morris I don't want to speak for you but you have a vote, correct? The legislature, our delegation, was looking for some clarification on this and the representative reached out to the Clerk's Office so we cannot make an action for Representative Pilotte to go back with. All we can do is say that there is a consensus and he can go with that. Am I correct, Maurice, you are not getting crossover until next week or two weeks?

Mr. Maurice Pilotte, State Representative, stated that is correct.

Chairman O'Neil stated so you need to get the bill out of the House.

Mr. Pilotte stated we need to get the bill out. This bill really in essence because there was no tremendous fiscal impact does not need to go to a referendum question. We did not need to come to the Board. It is just that being on that Committee in deference to the Board I ask the Chair not to vote the bill out until the Board has had an opportunity to weigh in on it. I managed to get that through two times when we had our voting sessions and last week we did pass it understanding that between now and when it gets to the Senate, Senator Gatsas can pull it or anyone can clarify to make sure that the City fathers are in favor of it.

Chairman O'Neil stated we have not taken a formal position and I apologize we had a number of cancellations because of availability of a quorum. We had bad weather one night, so I apologize for that but I do appreciate on behalf of the Board of Mayor and Aldermen your following up and your interest in trying to make sure you and your fellow committee members understood the City's position on this so I want to thank you for that.

Alderman Pinard asked will that have an impact on the budget process? If it does we have to look at it because the economy is not all that great. The taxpayers are very concerned with how we are spending our money.

Mr. Fleury stated we have discovered this problem in time for the actuary to be able to incorporate it into the rates that are being given to the City. The City Finance Officer, Mr. Sanders, is aware of this. Because of the fact that legal counsel had told us that we have no latitude in this, we would be in violation of the statute if we weren't doing it. In fact we are doing it now. The actuary has said it is a given cost. It is already in there you have to be doing this. When the City was given some budget estimates, and those are being refined, the Board did not approve the valuation rate. They found some ways within a margin of error to be able to mitigate the rate for the City. That is being done and we expect to see a lower rate than what the City has been using for its budget estimates. It will actually be certified by the Board in April. The number is in there, Alderman Pinard. It has been included in the numbers of what the City is using currently.

Alderman J. Roy asked Mr. Fleury, if this law is enacted, what type of effect is it going to have on the fund going forward in the relationship to the ability to pay the retirees that collect money over time? I think you may have answered it a little bit with the 0.19% increase and what needs to go in but I just want to make sure that people who are retired already or are going to retire in the future and are going to want a payout over the years that it is not going to affect that.

Mr. Fleury replied the things that are going on in the financial world right now cast such a large shadow over funding costs and obligations that nothing we could do to the benefit structure, and I don't mean to sound trite about it, would have the impact that a good day in the market couldn't change one way or the other. The year 2008 was not a good year for us. It was the worst year in the history of the system in its 30 or so years. Our funding ratio was reduced considerably and hence the City's obligation to the fund increase proportionately. It is not a happy situation. I have been in the business for over 30 years. I could never have imagined that the economy could be this bad with respect to its effect on pension funds. This particular piece of legislation is less than a drop in the bucket.

Alderman J. Roy asked so the portion that the City has to pay in is minute?

Mr. Fleury replied yes, that is correct.

Alderman J. Roy asked that is the 0.19%?

Mr. Fleury replied that is correct.

Alderman J. Roy asked is any of that cost taken care of by the employees? Is their contribution looked at from time to time and adjusted?

Mr. Fleury replied well, in the design of the plan it is determined how much an employee has to contribute. A few years ago we made a change in the design of the plan and employees who have previously contributed 3.75% began contributing 5%. The only time that their percentage paid changes is if the benefit changes. In other words if your normal retirement age were to change or the amount of service credit that you are allowed, for having worked a year, would have changed and then that would find its way into the amount paid by the member. Since this does neither of those, there is no impact there. As part of the plan design, the member is paying 5%.

Alderman J. Roy stated the nature of the benefit hasn't changed. It is actually what has been happening all along anyway. We just haven't been accounting for it properly.

Mr. Fleury stated I think that is a good way of putting it.

Chairman O'Neil stated I think what might be in the best interest is maybe a discussion at the full Board and for the City to go on record it needs action of the full Board. I think a motion to send it back without a recommendation would be appropriate. The full Board can take it up. Maurice, is it already coming out of the house?

Mr. Pilotte replied it is.

Chairman O'Neil stated it is going to the Senate, so as Representative Pilotte said, if we are in opposition or in support we have time to let the Senate know about that.

Mr. Pilotte stated I'm sorry Mr. Chairman, it will be going on the House floor next week. It is out of Committee.

Chairman O'Neil stated if we want to take a position one way or the other we still have time in the Senate to take that position.

On motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to refer this item to the Board of Mayor and Aldermen without a recommendation.

Chairman O'Neil addressed item 9 of the agenda:

9. Discussion relative to the approved taxi rate increase.

Chairman O'Neil stated when we approved this I think fuel was well over three dollars and probably inching up to almost four dollars. I think we did the right thing then but last week I think I paid \$1.81. I am comfortable with moving it back to the previous rate. I think if we see the price of fuel move again, we can always revisit it. I think for the drivers and for the owners we can make changes here regularly if need be. We wouldn't want to make changes too often but more importantly I am concerned and I do hear from some of the consumers out there that because of the price of a cab ride now, they are not taking cabs.

Alderman J. Roy stated I was hoping to hear from some of the drivers.

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted to discuss this item.

Mr. Al Veilio, Queen City Taxi, stated I think what we need to discuss is that we haven't had a permanent rate increase since 2001. I brought some concrete research for the Aldermanic Committee if they care to look through that. The price of the dollar, what you are still getting paid essentially, since 2001 has been declining because of inflation. Also because the owner's costs have gone up during that time frame, we pay a higher lease. I believe the lease was \$90 or \$95 and it is now \$115. That is just another indication of inflation over that time frame. We are getting squeezed everywhere you look at it.

Chairman O'Neil stated I don't disagree with what you just said. The issue before us tonight specifically is the rate increase that we put in and we have had to extend it here a couple times by action of the Board. That rate increase was specifically increased and we had done it previously a number of years ago. We took action to address the current prices of fuel. If we want to have a discussion about...you said the last time there was a fixed increase was in 2001, I would prefer we do that on a separate night. No disrespect to that but we are specifically talking about the temporary increase we gave regarding the increased fuel prices. That wasn't supposed to be permanent. We have actually extended it two months beyond when it was supposed to sunset.

Mr. Veilio stated we are thankful for that.

Chairman O'Neil stated we have seen fuel prices come way down. We are all paying less. I think we all recognize that the drivers pay for the fuel not the owners. That comes out of the drivers pocket. I commit to you that we can have a discussion in the future about the permanent rate for the taxi cab service but we are specifically going to talk tonight about the rate increase that we granted while fuel prices were very high.

Mr. Veilio stated you could rescind that seeing as how the price has come back down. Another thing about that is that it has been like a roller coaster. We might be back here in three months.

Chairman O'Neil stated I commit to you if we see that again. I think the Board would consider adjusting the rates again if we saw it go up over \$3.00 or \$3.50 as we did previously. We are not going to leave the drivers hanging.

Mr. David Burken, Queen City Taxi, stated right now business has stabilized at least for Queen City Taxi. By bringing the rates back down to what they were prior to the gas going up, myself and I know some of my other co-workers are not going to be able to pay our bills. Our business has not come back up to pre-gas prices level. With the economy being as bad as it is right now, taking 40% of our income away we are not going to be able to pay our bills. As of right now, Monday, Tuesday and Wednesday, I work for free. That is 36 hours that I work and I make maybe \$35 to \$40. That is on an average. Maybe we have a good day and get lucky. As of right now though Monday, Tuesday and Wednesday for me are out the window. I am working for nothing. The only days that I am making any money to pay my bills, is Friday and Saturday. Between those two days I am making maybe \$450 a week.

Chairman O'Neil asked the lease you pay on your cab, has that gone up since we have changed the rates?

Mr. Burken replied no, it has not.

Chairman O'Neil stated I can tell you that I have heard from consumers, people who use cabs regularly who are telling me that because of the increase they are not using cabs. You are saying that your volume is down and I am telling you that volume is down because of the rate. We are going to try to do a balance here.

Alderman Pinard asked what is the age bracket of your customers or people that take cabs in the city? If you have a bunch of senior citizens, those are the ones that are not going to be taking a cab because of the economy. I think that has to be taken into consideration because I think that everybody is hurting right now.

I think we have to hold hands until this recession is over. I think maybe you should cooperate with the Chairman and hold the line until something breaks.

Mr. Veilio stated we are hurting too.

Chairman O'Neil stated I understand. I think that you are in a catch 22. People are telling us that they are not using cabs because of the price and you are telling us that if we drop the price you cannot afford to lease your cab.

Mr. Burken stated my lease is \$115 on the books. Last week I had \$93. That means that I had to pay out of my tips and out of my own pocket.

Chairman O'Neil asked when did the leases last go up on cabs? You guys can only speak for Queen City because you both drive for them.

Mr. Burken replied the last time our lease went up was three and a half years ago. We had a \$5 increase. We went from \$110 to \$115.

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted that the taxi rates be changed back to \$3.00 for the first one-sixth of a mile and \$.25 for each one-sixth of a mile thereafter.

Chairman O'Neil stated we are bringing it back down. You need to stay in touch with Mr. Kincaid from the City Clerk's Office if you are seeing movement on fuel prices. We all know it but we may not necessarily be automatically thinking of you folks so if you see some issue there please reach out to the Clerk's Office. At some point in the spring we can review the fixed rate. I think we will have to ask Mr. Kincaid and Mr. Normand to do a little research first. I commit to you that we will look at it. I will not commit to you that we will take action one way or the other. This is a message from me, for the drivers, maybe equally important for the cab owners, the conditions of the cabs are not getting better. We have been trying to work on that. It has got to improve folks. We are going to take cabs off the street. Plain and simple. Secondly, this goes out for all, I see an awful lot of drivers smoking. That is not supposed to happen. We are going to enforce it. There is supposed to be no smoking in the cabs, correct?

Mr. Burken stated according to subsection 118.39 the use of all tobacco is not allowed while passengers are in the vehicle.

Chairman O'Neil stated correct, and I see it pretty regularly so we are going to speak with Mr. Kincaid about that and we are going to start coming down on drivers. We want to improve cab service in the City. We want you folks to make a good living but we need some help from the drivers. We support you but we

will enforce the ordinances as they exist. We may have been a little relaxed with that but we are done with that.

Mr. Veilio asked is there any procedure to set forth another agenda regarding a permanent increase?

Chairman O'Neil asked does that usually come from the drivers, the owners or both?

Acting City Clerk Matt Normand replied it has come from either.

Chairman O'Neil stated if the drivers want to initiate it, it would be helpful for someone to put something in writing and address it to the City Clerk's Office just asking the Committee to review the fixed rates.

Alderman Osborne asked think if this taxi business was unregulated, where do you think you would be today?

Mr. Veilio replied that would be hard, extinct.

Chairman O'Neil stated Kevin, it has been brought to my attention an issue of people with physical disabilities and the ability to get into front seats of some cabs. I know some of our companies are using vans but there was a specific issue, I am not sure if you are, regarding a constituent and they sent me an email.

Mr. Kevin Kincaid, Licensing Compliance Coordinator, stated yes, Sir. There are some concerns as to whether or not a cab driver can have a passenger in the front seat of the cab. There are only two circumstances by ordinance when they can do that. That is if the person is physically handicapped and has a medical disability or if they are an elderly citizen who has difficulty getting in and out of the back seat of the cab. Those are the only two times that they are authorized by ordinance to carry passengers in the front. That ordinance was passed in order to protect the cab drivers. We require a safety shield in between the front seat and the back seat to protect them. That was the reason that ordinance was put in place.

Chairman O'Neil stated that was after the murder of a cab driver.

Mr. Kincaid stated yes, sir.

Chairman O'Neil stated I think there might have been another cab driver that was seriously injured. Is there an exception if a driver has picked up a fare and the dispatcher says you are going right by a certain address can you pick up another fare, can that second person get in the front? Is that an exception?

Mr. Kincaid replied yes that is another exception. If the back seat is full of passengers then he can carry someone in the front.

Chairman O'Neil stated this has been brought to my attention as an issue that some drivers are just having people ride with them in the front seat, which I think is a violation of the ordinance.

Mr. Kincaid stated they can only do that when they are training another driver.

Chairman O'Neil stated several years ago we made some great strides with cab service in the city and I think we are slipping back a little bit. In working with the City Clerk's Office, the Acting City Clerk himself spent a lot of time on this and now Mr. Kincaid is going to be working on it. We are going to be out there folks and we are going to be enforcing. We are going to bring the quality of our cab service back up. It has slipped a little bit. I think that is part of why you have lost some volume. We want to address this issue of handicapped people and their ability to ride in the front seat.

Alderman Pinard stated talking about safety and being on the highway, I think one of the violations that I see with the cab drivers is they roll through stop signs. I think that should be another issue that we look at.

Chairman O'Neil addressed item 6 of the agenda:

6. Communication from Alderman Lopez requesting reorganization of the Assessors Office.
(Note: Referred by the Board of Mayor and Aldermen on 11/12/08. Response from the Board of Assessors attached.)

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted to discuss this item.

Alderman Lopez stated thank you very much, Mr. Chairman, for taking this up. This is an issue that has been around a long time, and I go back to 2002 when I was the chairman of the Human Resources Committee. It was brought up by the former Mayor. In participating in this, we tried to change the grade structure. We grandfathered the three assessors in. I think at that time we grandfathered them in because these people were there and when they retired we got down to a Grade 25 for the department head and two at Grade 24. I would like to read this letter into the record and ask the Aldermen to try to keep an open mind like I know you will.

Chairman O'Neil asked this is the letter that was handed out tonight, Alderman?

Alderman Lopez responded yes, I had a chance to rebut some of the letter that was attached to your attachment from the Board of Assessors. This communication was a response to the Board of Assessors' letter to the Committee dated March 9th. 'In my opinion, we must gain more accountability within the department while staffing more appraisers for the public in order to get the job done efficiently.' First I would like to identify some facts that are true facts. One of them I've already mentioned is the Assessor Grade going from 26 to 25 and two Grade positions of 24. The other one was grandfathered in at Grade 26 until they retired. As I mentioned in my letter dated back in October 2008, we are still the only city in New Hampshire that has three full time assessors. I would like to elaborate just a little bit on that because I didn't put in the fact that I served on the Charter Commission when the Charter was put into place, and that was a big subject. I must admit that I was one that thought the three assessors were needed at that time, and I got the rest of the seven commissioners to agree at that time. The only reason that there is a Board of Assessors...let's make it very clear, is for granting or denying abatements or exemptions. The exemptions are put in by the policies of the Board of Mayor and Aldermen or by state law that they have to follow. So it doesn't take a scientist to figure out whether you qualify for an abatement or to deny an abatement or an exemption. The Board of Assessors do not account to anyone when they give an abatement, and in my opinion, they should. I want to make the point to you that the past department head had plans for open meetings with minutes but with all the abatements could not fulfill that and so that went by the wayside. Secondly, I would like to respond to some of the Assessor's remarks within the letter submitted to the Committee dated March 9th. The same responsibility will still exist as a department, with or without three assessors. Manchester's tax base is \$9.7 billion. Nashua's tax base is \$9.3 billion. I use Nashua because it's a comparison city. Nashua, however, has a part time board with more worker bees. I strongly disagree that performing an abatement is an incredible responsibility that requires experience and expertise. As long as you have residential and commercial appraisers in that office, after presenting information to the part time board, the facts become very much common sense. At the present time what we have is a built-in conflict of interest because we have assessors that do the appraising and the abatements at the same time. As far as the board administrating all exemptions and credits, they are required to follow all of the policies of the Board of Mayor and Aldermen, as well as the state law and other departments. I agree with the statement someone made a long time ago. We have one person to hold accountable for the management and effectiveness of each department. This is not the current structure of the Assessor's office. As you know, we have three positions functioning as individual department heads. In my opinion the Board of Assessors only grant or deny abatements and exemptions. Let me take this one step further. The City Solicitor has ruled that each assessor is equal and that all assessors are officers of the City, with one assessor being the

department head and evaluating. This presents a conflict with the other two assessors who operate under the belief that they work for the department head, which they do not. They have a fiduciary responsibility to this Board. To me this is not being accountable as an officer of the City. Everywhere in the state of New Hampshire, there is no other system like ours. Let's remember that all assessors are supposed to be appraisers. They are not just to go to Concord to fight cases on behalf of the City. As a matter of fact, our assessors should be able to fight cases in Concord and put the data in the computer. I think having more appraisers working in the office, keeping up with everything, is more important than having three assessors. Remember, appraisers are doing the work the assessors should also do. Finally, let me say I believe we have the potential to save \$80,000 to \$100,000 by hiring another appraiser or finding highly qualified volunteers for the Board of Assessors performing abatements and exemptions. It is important that your Committee remembers that the service we get today from the assessors would not change whatsoever but would alternately provide greater accountability in this department. I would request approval of this and have it be effective the first of July.

Mr. David Cornell, City Assessor, stated first of all, actually I'd like to thank Alderman Lopez for at least looking to find efficiencies. He came to me back in the fall. We said we will clearly research this. If there are areas to find efficiencies, we support that endeavor. Assessor Hurley was not here at the time so I said I will start this endeavor. I will research to see what other communities are doing. We'll look at all the pros and cons of what the other communities are doing. As you know, Mr. Hurley was also hired in November, and then our other assessor Tom Nichols also retired. After looking at all the pros and cons, after looking at what the other communities are doing, after looking at the unique issues that do face Manchester, it is our recommendation that we keep the current three member board structure as is.

Alderman Osborne asked what exactly is why you mentioned that it should stay the way it is? You don't give any good reason why it should stay the way it is, as compared to a part time situation. I'm just asking this question: What is it a part time employee or assessor or whatever can't do that you're doing?

Mr. Cornell responded the Assessor's office has a ton of work that needs to be done, but specifically for the Board of Assessors, what the Board acts on is abatements and then approves any elderly or any of the exemptions. So specifically, let's talk about the abatements. After the revaluation in 2006, there was roughly \$1.2 billion of property that was under appeal. So as a Board of Assessors, we have to go through each property and either approve or deny the abatement. In that case, it was about 1,200 abatements. In the last two years there have been about 700 or 800 abatements each year. That is, at least in our opinion,

a huge responsibility and it's a huge task that we need to do, of going through and either approving or denying 700 or 800 abatements, \$600, \$700, \$800 million of appeals. You do need a certain level of expertise to make sure that the right decision is being made and the City is being properly taken care of. When an abatement is granted it's done so with professional staff and staff that is knowledgeable in the market so we know we're making the correct decisions. These are tough decisions and many of these properties are fairly complex, and so we do the best job that we can to make sure that we are making the correct decisions in all cases.

Alderman Osborne asked does Nashua have full time or is that part time?

Mr. Cornell responded Nashua, as far as their Board of Assessors, it's a part time board of assessors, but Nashua actually has more personnel than we do. As far as who would finally approve an abatement in Nashua, the part time Board of Assessors would be the board that would either deny or grant an abatement.

Alderman Osborne stated I know the other Aldermen want to speak here, and there are a million and one questions I think you could ask and it takes a long time to go through his pros and cons and your pros and cons, and it's not something that you can get together in one evening here, especially with just three of us here. There should be a full Committee with something this large.

Chairman O'Neil stated we're going to go to Alderman Pinard and then I'll go to the other Aldermen. Alderman Pinard has a neighborhood meeting tonight. We're going to lose a quorum. When everything was planned, it wasn't known that the other two Aldermen were going to be away. So, we're going to lose a quorum. We may end up, before he leaves, tabling this issue.

Alderman Pinard stated that's what I'd like to do is make a motion to table this to give the Chairman of the Assessors a chance to review everything and then come back to this Committee, and we'll make a decision then.

Chairman O'Neil stated before I accept that motion, let me go to the other Aldermen. We've got a few minutes here.

Alderman J. Roy stated if the intent is that we're going to come back some other night and we can discuss this at length, I can wait till then to ask my questions.

Alderman M. Roy stated likewise. I would just ask that the department bring forward its organizational chart with positions, pay, longevity and responsibilities.

Chairman O'Neil stated I'd just encourage anyone to take the time, and if you have some questions and can meet with the assessors or with Alderman Lopez if you want both sides, please take the time and do that, if at all possible. I know things get a little crazy here and will by the end of the month once the budget is on our table. This is an important issue and whichever way we go, either leave it as is or make the changes, we've got to get it right. There's too much on the line for that.

Alderman Lopez stated I thank you, Mr. Chairman, for taking the time, and the other Aldermen agreeing to really look at this because there is an important aspect as we move forward. The one answer to the question of Alderman Osborne, the thing in Nashua is the accountability. The department head in Nashua has to prove to the Board of Assessors. The material as far as the appraisal and all that is going to happen anyway. Once the revaluation is done, the cards are in place. The only time it changes until the next revaluation is when someone is going to do something to their property. That's all information that's already on the computer, so the department head going before a part time board in Nashua presents the case with the appraisers as to whether or not the person should get an abatement versus an exemption. An exemption is clear-cut. It's just a form. Just to answer that question...I would like to provide up-to-date information of the positions and the salaries we are paying them and what type of savings, and I will provide that to the Committee. I have an old copy, but I want to update it.

Chairman O'Neil stated David, when I spoke with you briefly, our total valuation of the City is about \$10 billion, correct? Right now we have an abatement request of...did you tell me about \$900 million?

Mr. Cornell responded correct, yes.

Chairman O'Neil stated so that's roughly a little less than 10% of all of our tax base. How many cases does that relate to?

Mr. Cornell responded well, for 2008 there were roughly 700 abatements filed.

Chairman O'Neil asked on that \$900 million?

Mr. Cornell responded that's correct.

Chairman O'Neil stated I've got to be honest. Somebody is going to have to convince me how a part time board could handle that. I just don't know. We have too much on the line. The percentage of it being commercial versus residential is what?

Mr. Cornell responded the majority of that would be commercial. I don't have the exact figure, but the vast majority.

Chairman O'Neil stated you said the total is about 700. Are there 100 residential?

Mr. Cornell responded yes, there are maybe 100 or 200 residential. The rest would all be commercial.

Chairman O'Neil stated we have a lot of money on the line here, and we need to make sure we get this thing right. I do want to commend Alderman Lopez for bringing this idea back. We did make a commitment at one point that we have two assessors on board now. They are both fairly young; I don't think they're going anywhere. But we certainly made a commitment to Mr. Hurley that the three-member board was the structure at the time when he came on board. That's my recollection.

Alderman Lopez asked may I comment on that? Just to be...openly, Mr. Hurley knew that this was in the process long before he was hired, that the possibility was being brought...I was straight up and forward to the department. Is that correct?

Mr. Cornell responded yes.

Alderman Lopez stated the other point that I want to make, just as a clarification, is that that \$900 million is a lot of money, but they're going to do the work one way or the other. The difference between that is they give the abatement, they give the appraisers...presenting something to a part time board of the facts proves to be that they have to do the work anyway.

Mr. Cornell stated if I may comment just a little bit on this. We are dealing with a vast amount of money here. We may have a property that's appraised at \$50 million. If that gets reduced \$4 million...let's say a part time board agrees to reduce it \$4 million less than what we would like to see to be done, in that one case alone you lose \$100,000. So, to say a part time board may save some money, you may save a little bit of money over here, but if you're not making the correct decisions, you can start losing a significant amount of value and a significant amount of the tax base fairly quickly.

On motion of Alderman Osborne, duly seconded by Alderman Pinard, it was voted to table this item.

Chairman O'Neil addressed item 3 of the agenda:

3. Recommendation from Matthew Normand, Acting City Clerk, regarding a policy for street closures and license events.

On motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to table this item.

Chairman O'Neil addressed item 4 of the agenda:

4. Communication from Jennie Angell, Director of Information Systems, submitting a cell phone policy for the Information Systems Department.

On motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to table this item.

Chairman O'Neil addressed item 5 of the agenda:

5. Communication from the Board of Assessors updating the Committee on the changes in the Disability Exemption Law.

On motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to table this item.

Chairman O'Neil addressed item 8 of the agenda:

8. Communication from Thomas Clark, City Solicitor regarding a Naming Rights Policy.
(Note: Referred by the Board of Mayor and Aldermen on 2/3/09.)

On motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to table this item.

TABLED ITEMS

10. Communication from Barbara Potvin, New England Sampler, requesting the City hold a public forum to discuss the process of closing off city streets and the impact that these closings have on local small businesses as well as the benefits drawn by the City of Manchester and its local citizens.
(Note: Referred by the Board of Mayor and Aldermen on 10/21/08. Tabled 11/24/08 recommendation to be submitted by staff)

This item remained on the table.

12. Discussion relating to the potential merger of the Planning and Community Development Department and the Building Department.
(Note: Referred by the Board of Mayor and Aldermen on 11/12/08. Proposal and updated information previously forwarded to the Mayor and all Aldermen under separate cover. Tabled 12/15/08 review of grades and responsibilities of positions to come from Human Resources. HR approved 1/22/09)
On file for viewing with Office of the City Clerk, One City Hall Plaza.

This item remained on the table.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee