

7/17/96 CIP

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COMMITTEE ON COMMUNITY IMPROVEMENT PROGRAM

July 17, 1996

6:30 PM

Chairman Robert called the meeting to order.

The Clerk called the roll.

PRESENT: Ald. Robert, Reiniger, Clancy, Domaingue

ABSENT: Ald. Wihby

MESSRS.: R. Girard, R. MacKenzie, S. Maranto, T. Seigle,
W. Jabjiniak, F. Thomas

Chairman Robert stated he wished to address tabled items first as there were individuals present and he did not wish to keep them longer than needed.

TABLED ITEM

On motion of Ald. Domaingue, duly seconded by Ald. Clancy, it was voted to remove item 6 from the table for discussion.

Discussion regarding 9.9 percent EPD billings.
(Tabled 2/6/96)

Chairman Wihby stated the item had been on the table for a while due to the recent increase in charges and requested Mr. Seigle to address it.

Mr. Seigle stated he had forwarded correspondence following the first time it had appeared on an agenda; that back in 1988 when it was decided to expand and upgrade the Treatment Plant there was a five-year raise in fees put into place to the Board of Mayor and Aldermen to pay for the expansion; that to prevent great shock there was a series of five-year increases, so because things either were better financially than what they had expected or the project didn't move ahead as quickly the rate increases didn't proceed as they were passed but rather were stretched out and never did get up to the maximum they had projected back in '88; that in 1992 the Board of Mayor and Aldermen made a change in philosophy where they decided to put all of the debt that had to do with wastewater collection and treatment on EPD, so at that point any existing outstanding debt that was being paid through the General Fund was transferred to EPD and picked it up under their budget; that at the same time they were told that future

budgets would be EPD's responsibility, so they were directed to put together some sort of capital improvement plan to spend approximately \$3 million a year beginning in fiscal '97 for various projects, so at the time they compiled a listing of various projects which were outstanding; that they don't function independently down there; that their budget is approved by the Board of Mayor and Aldermen and any rate increases that they received were also approved by the Board of Mayor and aldermen as well as any new projects they may do; that currently their rates were set and projected up to the year 2008 in order to fund the capital plan; that the first projects they would be starting were currently under design which included the Cohas Brook Interceptor and also covers for the tanks at the Wastewater Treatment Plant to handle the odor problem; that the Cohas Brook Interceptor was a long-term project which would probably cost \$30 million by the time it's done.

Ald. Clancy asked if the west side was completely done.

Mr. Seigle replied yes; that the sewers were all connected and going through the pump station and over to the Treatment Plant.

Ald. Clancy asked which part had been the last.

Mr. Seigle replied the last part had been part of the northeast part of the City which was hooked up in March 1993.

Chairman Robert stated what had triggered this matter was the last increase and asked where the City would be going with respect to rates and if they maintained the goals and objectives set.

Mr. Seigle replied their projection would indicate another rate increase in January of 1998 to \$1.70 and ultimately reaching \$2.40 in the year 2008; that if they stayed on the progress there would probably be rate increases every two years.

Ald. Domainque stated there was no question in her mind as being recipient of the Cohas Brook Interceptor in Ward 8 and also being home to the Wastewater Treatment Plant that those improvements were necessary noting it was probably 20 years overdue; that the problem she had as well as Ald. Hirschmann because he had raised the issue initially was that they were getting phenomenal number of calls relative to the sewer rate increase; that she was a little astounded to hear some of the differences between the previous quarters bill and that present quarters bills and homeowners who really did not know what had transpired and were unaware of what the usage was for the funds; that she had initially questioned why they had changed in 1992 from being a bonded program to funding it out of the department's budget and what she saw the direction of the City taking was that everything was going to be a "user fee"; that when talking about that particular project there were people who had been waiting 30 years in certain sections of the City and much of it in Ward 8

and Ward 6 to be hooked up to something as expected and regular from all of the other taxpayers as a sewer line; that the remainder of the people who were already hooked were thinking they were the only people funding it and funding it at quite an increase as they were making up for lost time, making up for 30 years of neglect and making it up at today's cost, so the reason she and Ald. Hirschmann had brought it up to the forefront was to see if the Board of Mayor and Aldermen or any Committee of the Board wanted to undertake looking at the issue in a different light and certainly not going back as they recognized that funds had to be there for those projects which were long overdue, but perhaps funding it differently.

Mr. Seigle stated they knew it would impact the rates, so he didn't know what options there were for funding.

Ald. Domainque stated that was not the beginning of the solution she was looking for but rather looking for someone to provide whether or not there were alternatives at this point for the homeowner who was looking at all kinds of increases (i.e., electricity, taxes, and now the whopping sewer increases).

Mr. Seigle stated the big problems which caused the increases to be so drastic was because the federal grants program died; that they used to get 75 percent funding which was why it was such a big impact and didn't know what other funding there was other than the user charges or the tax base.

Chairman Robert asked if there were any options.

Mr. MacKenzie replied, not too many; that he was not involved when it occurred in 1992, but it was probably unlikely that it was left under the typical bonding process of the City that the projects would be funded; that typically the City had a bonding capacity each year of \$8 to \$10 million noting there was tremendous pressured for that from highways to schools to other infrastructure and there was a lot of competition for those monies; that this year alone they were looking at perhaps, in this year's CIP they were looking at \$12 million for the Cohas Interceptor and the Treatment Plant Odor Control noting there was no way to fund it through traditional ways; that it could be done but they would see a jump in the tax rate as CIP had been designed for a long time to have minimal impacts on the tax rate, so it would either come out of user fees or the property tax base; that both projects were needed in the City.

Ald. Domainque stated unfortunately what she was hearing was that the City had other priorities and this being an essential part of being a homeowner was not one of them for the longest time for certain sections which was too bad noting that it had to be made up now and asked if there was any projection on how much of the burden got picked up by the additional people who came on line with a sewer system paying the additional sewer fees.

Mr. Seigle stated he really didn't have an answer; that the first piece of the interceptor which was the foundation of the building would not take up a lot of additional flow, but it needed to be built in order to get where they were going; that they would pick up a lot of flow such as Green Acres School, Crystal Lake, the Youngsville area, the Bodwell Road area, but did not know if it would offset the cost noting it was a very expensive piece of construction.

Ald. Domainque in reference to the covers on the Treatment Plant stated it was her understanding that those covers were being funded through the State Revolving Fund at \$2 million per year at a one percent interest rate and asked if it had changed.

Mr. Seigle replied, no; that the way it worked was that you borrowed money from the State during the construction phase and when the job was done it was rolled over into a low-interest bond at probably around three percent noting that was still a pretty good deal.

Ald. Domainque stated it would then affect how the City paid for it.

Mr. Seigle stated they could either have the option of paying off the State in a lump sum or the City could bond it over for 5, 10, 15 or as many years as it chose.

Ald. Domainque stated if it were a 10-year project, at the end of the project would the bills go back down.

Mr. Seigle replied if they didn't have anymore coming on, yes; that he would anticipate if there was no debt return payments which was forty percent of their budget he would say, yes, payments could either be reduced and not increase; that at some point assuming that Manchester continued to grow they may not go up; that when they reached the \$2.40 rate he believed that was when it would become stable because they would just have the operating costs and increases which were minimal, but it was the construction which impacted it the most; that the Treatment Plant expansion was \$26 million and charged Bedford, Londonderry, and Goffstown for their shares.

Ald. Domainque asked if he was talking about the initial cost or the \$16 million upgrade.

Mr. Seigle replied the upgrade was \$26 million.

Ald. Domainque asked if the taxpayers could ever expect to see any relief from it or was it just now a built-in, so long as we had the money we'd spend it.

Mr. Seigle replied it was up to the Board; that when they had the public hearing on the Cohas Brook Interceptor there were about 50 or 60 people there who were all in favor of the Interceptor

noting that a lot of them had stood up with letters from the previous Chief Engineer in 1980 who had indicated they would have the sewer within two years and now it was 1996, there was no sewer, and would probably not get it for another ten years.

Chairman Robert stated the question before the Committee was whether or not they wanted to change or look into other methods of paying for it, did they not want to have a department of sewage or what.

Mr. Seigle stated in looking at the 9.9 percent increase and depending on how much water is used in a year could range anywhere from \$18.00 to \$27.00 a year increase in the bill.

Ald. Domainque stated those were not the differences she had heard of.

Mr. Seigle stated if they took the \$1.27 from \$1.55, it was 18 cents.

Ald. Domainque asked which quarter were they basing it on, summer or winter.

Mr. Seigle replied it was based on an average year; that they had 100 units, 120 units, and 150 units which was 89,000 gallons a year, 112,000 gallons a year; that if they used a lot in the summer the bill would be higher unless they had the deduct meter.

Ald. Clancy stated the people who weren't on the sewer lines were still paying up in Ward 6.

Mr. Seigle stated they were not; that if they were not serviced, they were not paying; that the only thing they would pay for would be if they brought septage from the tank down to the Treatment Plant; that if someone was not connected and were being charged they should contact the business office and get a rebate.

Ald. Clancy stated he knew of a couple people in Ward 6 who were on septic tanks who thought they were paying.

Mr. Seigle stated back in 1987-88 the State had placed a moratorium on the City because of the raw sewage going into the river and anyone who wanted to construct a new house were required to put in a septic tank with the overflow from the septic tank into the sewer; that the deal was when the sewers were hooked to the Treatment Plant the septic tanks were then supposed to be removed; that the City notified everyone when the plant was on-line.

Ald. Clancy stated they would be putting aside \$3 million yearly till 2010, so before they even got started there was 90 cents on the tax rate as \$1 million represented roughly 27 to 30 cents.

Mr. Girard replied it was about 28 cents, but that money if it were to be put on the tax rate would be a bonded cost, so the

impact...every million dollars bonded on the tax rate cost \$84,000 for the length of the bond; that through the CIP process this year it was seen that there was not an awful lot of bonding capacity and the reason being projects had not been done for 30 years because some of the sewer projects had exorbitant price tags which could eat up the entire CIP budget for the better part of a decade which was to the exclusion of doing anything else on the bonded side, which was why in 1992 it was done through the user fees as was done at Water Works and would be getting projects done and in a manner which was less expensive than it would be if it would have been thrown on the tax rate.

Chairman Robert stated he was in receipt of a letter from a Mr. Hebert who wanted to know why he was charged \$21.00 for the service charge as opposed to an \$11.00 fee for a single-home as he thought there was a discrepancy whereby a tenement person was getting a cut and he was not and thought they should be equalized.

Mr. Seigle stated that was the way in which the Ordinance was currently written; that there was a service charge which was broken down for single-family, multi-family, etc.; that there were three ways in which to go with it - one being to leave it alone; that they had considered that maybe the service charge should be based on the size of the water meter, so if there was a 5/8" meter servicing the house it wouldn't matter if you had three apartments or one or whatever, but it would be an administrative problem because they'd have to go and change the whole rate structure; that right now it was based on getting so much in service charges which was the flat fee with the rest being based on usage rate, so if they were to change the methods to the meter things some place like say the hospital which had a large meter would have a large service charge.

Chairman Robert asked why anyone paid a service charge.

Mr. Seigle replied it was referred to as an availability fee; that the sewer was there 24 hours a day or night whether it was used or not which is the way in which the system was structured; that they would have a hard time convincing people it wouldn't cost them anymore because the rate per hundred would go up if the service charge were dropped.

Ald. Domainque stated for the record if there was ever the opportunity for the City to be on the upswing economically she would like to revisit the issue because she would feel better knowing that the taxpayers weren't constantly being hit with user fees especially in a good economy where money was being made the City should bear the responsibility of going back to those types of issues and providing the funding to get it done rather than constantly increasing either user fees or taxes at the local level.

On motion of Ald. Clancy, duly seconded by Ald. Robert, it was voted to receive and file.

Chairman Robert addressed item 3 of the agenda:

Communication from Robert MacKenzie, Director of Planning, relative to policies on Housing Programs funded by HUD (CDBG & HOME) monies.

Mr. MacKenzie stated he wanted to make sure that the Committee was comfortable with the approach to be taken this year noting he had provided a two-page summary of both the background and what the options were; that they would be receiving a little over half-a-million dollars in HOME funds from the Department of Housing and Urban Development noting it had to be used towards some housing project; that the City had also historically used a small portion of CDBG also for housing projects; that there had been a lot of difficulty with the housing stocks since the recession, significant increase in vacancy rates, change in preference towards housing so there was less demand for the larger, old multi-family stock in the City and, therefore, had a high vacancy rate in those areas which had caused problems especially to some of the bigger abandoned buildings in some of the neighborhoods; that there were several options that the City could direct the funds for which were listed under Options for Housing Programs; that New Construction of Housing would have to be geared towards low and moderate-income families; that Rehabilitation of Structures could be either through a developer who would want to take one or more buildings and rehab structures or it could be done on a lower level to rehab programs of smaller landlords, with the third major category being Homeownership Programs and thought that was what had been discussed more over the past couple of years noting there were a number of reasons for it being the predominant preference for people was home ownership; that in a recent survey 9 out of 10 people preferred to own their own homes and not everyone could own a new single-family home; that frequently they could buy a duplex and rent out one side or buy a 4-family or 3-family; that they had thought of stressing the importance of the Home Ownership Program; that the City historically had a fairly good balance of rental home ownership until maybe 30 years ago it was a 50/50 mix; that according to the last census they tipped more towards rental units 65 to 75 percent rental with only about 35 percent homeowner; that they thought it was good for a number of reasons to stress home ownerships programs and particularly in some of the neighborhoods that are kind of transitioning right now; that people stay there longer, take pride in their properties, protect their properties and protect their neighborhoods.

Chairman Robert stated in looking at the different programs and approaches noted he lived in a neighborhood which had the need, but found a definitive preference noting there were negatives, but did not wish to touch up them unless he had to; that there was not a good feeling about the "housing" project, the low-income housing project; that there was a stigma whether it was

real or perceived that the people who lived in those areas weren't like most people with people not wanting their children to hang around with their kids; that the people who live in those areas felt as though as they were different than the rest of the neighborhood; that the placement of the different types of projects had caused problems with some people moving away, property values dropping; that if the City moved in a direction stated it seemed to him that there were much more positives in it; that most of the programs were federally-sponsored noting he may not agree with them and all of their approaches but thought that if the Federal government wanted to subsidize people's rents and housing then the City should get as close as possible without actually providing the housing; that with some of the neighborhoods that the City did have it might need a push to get those people living in those neighborhoods; that the Manchester Housing and Redevelopment Authority was a housing program which provided public housing and elderly projects and was not sure if that was needed as he had a question in his mind as to whether or not services could be provided to subsidize people's rents more effectively through the existing housing stock and questioned if there was the need to build a huge infrastructure, take the infrastructure off the tax rolls while there were apartments which were not rented where perhaps incentives could be provided for property owners to renovate the existing housing stock to where it would be more worthwhile to the renter, property owner, and the neighborhood in general and not have a negative impact on the tax rolls; that Manchester Area Housing Trust was another organization which provided the infrastructure; that generally speaking it had some of the negatives that MHRA had, but it was also perceived not only by him but by others as well as competing for private landlords noting some took offense to and uncalled for particularly when there were empty apartments and space and questioned the need for it; that private developers, rehabilitation, maybe low interest loans to people who were in need (elderly); that there were a lot of older people in his neighborhood who hesitated to fix up their houses because the money may not be there to do it; that if they could direct more of the money to where the need was to serve more people who needed it as opposed to spending it on infrastructure and any extras and believed what Mr. MacKenzie had stated pushed them in that direction.

Ald. Clancy stated as far as Neighborhood Housing and those people were doing a fine job in the inner-city area; that the only thing he found to be at fault right now would be the absentee landlords which was a big concern; that in some of the housing being rehabed they were doing a good job, but wished they would school some of the people moving into those houses a little better; that the neighborhood has been cleaned up real well, everybody was doing their job noting he was proud of it and people were telling him they could go out and walk around now; that he did not see any more prostitutes or druggies around noting there were some around at night time and commended the people of Merrimack Street, Auburn Street, and Cedar Street and

was proud of the area now compared to what it was before and if they could knock down a few more of the houses over there and get a little space in between it would be great; that there were still a couple of areas over there where he was concerned about, but right now he would let it go because hopefully they would knock a few of those houses down; that if Tom didn't want those people on the west side, he knew that the people on the west side were complacent and set in their own words...don't send those people over here next to us, we're too good for them...but over at the east side they were kind of happy with what Neighborhood Housing's been doing.

Ald. Domainque commended Mr. MacKenzie for the program review noting it helped her out a lot as they were not issues necessarily related to her ward, so it gave her a better background; that she was very troubled by the paragraph which stated "our trend if the reverse of the national average" because when she looks at the City of Manchester she sees the potential for people making the investment in Manchester and would hope that there would be some kind of influence over rewarding people as Ald. Robert had alluded to or helping people out who want to make that investment in property in Manchester and would think that the priority would be to rehab the existing buildings rather than letting them to continue to deteriorate while they fund new projects noting it didn't make any sense to her and she did not think anyone, low-income or elderly, would object once they had a rehabilitated structure to moving in and settling in; that as a City there was the obligation to at least attempt to go in that direction.

Chairman Robert recommended to the Committee if it so desired that Options For Housing Programs thought if they had a choice new construction was not the priority, but would want to put our money into rehabilitation and home ownership programs and thought that would be something which would be very helpful; that Options for Administering the Housing Programs noted some of them were out of their realm; that the only thing he could see out of the options presented was that in his view is not necessarily the Manchester Area Housing Trust; that the other approaches seemed viable and he knew that at least in his neighborhood they would receptive to those approaches.

Mr. MacKenzie stated their general strategy would be focused on the home ownership programs which included several things; that training programs were mentioned noting that MNHS ran some good programs on helping prospective homeowners learn the responsibilities and how to handle them; that there were frequently young homeowners who got in over their head quickly because they didn't understand all of the additional costs of being a homeowner noting that a homeowner's training was part of it and would like to stress homeowner programs in certain cases do certain rehabilitation citing certain buildings out there which are a detriment to the neighborhoods and in those cases, for example, the Brook and Canal Streets project which was

currently being rehabbed was an eyesore coming right into the City; that there were other impacts which were positive to the neighborhood as well as the City on selective projects and thought that in those cases he would probably like to bring them back to the Committee before committing to a large chunk of money and would continue with the home ownership programs.

Ald. Clancy stated he would like to be able to give somebody some money to fix up a building and down the road they'd make a profit in selling it; that eventually that would happen; that they could perhaps own it for ten years, the City would give them the money and they'd have to own it for ten years before they could turn it over.

Mr. MacKenzie stated they could take a look at it.

Ald. Clancy stated he knew a few of the guys over there and knew them by name, and knew some of them were a little "slippery".

Mr. Girard in reference to rehabilitation stated that the Mayor had worked with Mr. MacKenzie over the past few years on CIP and with John Snow before him regarding the shifting and the change in the priority and where the monies were going to; that one of the things the Committee needed to be aware of on the rehabilitation was that more often than not and usually always, the funds used for the rehabilitation required that the property remain low and moderate-income housing for a period of about 30 years; that the other thing according to the last census was that over 40 and nearly 50 percent of the housing stock in Manchester was already considered low and moderate-income housing noting they had to walk a fine line between creating a City that would just service that type of population and in fact attract it and have to provide services to it and generally it was a high-service population as opposed to one that did not have just a concentration of density of that type of housing, so while rehabilitation was not always an option as Mr. MacKenzie pointed out it could have consequences that needed to be carefully thought of; that those funds did commit them to certain courses of action, so what they would do in effect would be to institutionalize low-income housing through the use of those funds.

Ald. Domainque asked if there was any way they could turn it; that if that was the trend in utilization of those funds asked if they could turn some of the percentages around, so rather than being the reverse of the national average become more in-line with the national average or had they gone too far and asked if the percentage of the rehabilitation in new housing was dedicated to the elderly.

Mr. MacKenzie stated he would be happy to stabilize the rate noting they were talking about 44,000 dwelling units in the City with 66 percent of that was over 20,000 units, so they would need several thousand units to change to really bring it back to a

50/50; that for the long-term goal of the City it could be to have a good 50/50 balance; that right now they had to stop the slide, to stabilize the figure, and find out ways of bringing it down towards the long-term goal, but it would not be something which could be done overnight as there were a lot of long-term issues and wanted to make Manchester overall an attractive place for homeowners to want to be noting it had to compete against the suburbs now for prospective people and they had to make the City a quality City to come and live and raise their kids, etc. and thought it could be a long-term goal to have a better balanced housing market in the City; that it was very important to the City in the long-term; that city's that had gotten over a critical number and lost a certain number of homeowners noted he'd hate to name specific ones such as in Massachusetts; that once they reached a certain critical point then it was downhill and when a lot of people moved out of the City and Manchester had not yet reached that point yet, but had to stabilize before they did; that the funds here were not earmarked for elderly or non-elderly; that the Manchester Housing and Redevelopment Authority did have their own separate funds which did not come through the City noted those were earmarked for elderly housing programs and separate elderly Section 8 vouchers.

Ald. Domainque stated none of those programs could be accessed by the elderly.

Mr. MacKenzie stated everybody would get an equal chance such as a lot of the homeowners like the one through four unit property owners.

Ald. Clancy stated the only thing he could see that the inner-city could use was a community center and thought if St. Augustine's was going to sell the nun's rectory at the corner of Spruce and Beech Streets noted it would be an ideal spot to buy.

Mr. MacKenzie stated they would make note of it.

Chairman Robert stated he saw the federal government giving the City a big chunk of money noting he saw them as trying to figure out what to do with it; that he saw some people who could use some help, but the more help people received, the more they relied upon it and thinking back a few years ago felt they were creating a huge pocket of dependency upon the federal government and asked if they foresaw a point where the population of Manchester generally could be self-sufficient and could the City get to the point where it was not needed; that he got the impression that the money was coming down because it had been allocated and was being put to use in various ways and maybe not in the most effective ways, and thought maybe all of it was not needed such as the sewer rates and asked if they thought the City would ever get to a point where it would start dropping down if the federal government wanted to cut down the budget.

Mr. MacKenzie replied a lot of it was philosophical; that he would want to make sure that they would not become dependent and

to create welfare states noting he did not think Manchester was close to it; that the smart thing to do would be to utilize those federal funds that could be used for the City's own purposes, but the programs that came down that had too many strings thought the City ought to be careful about and thought that was why they were selective in applying for the grants in the City noting they had to be beneficial to the City and not just to the federal intent and thought they had to be careful in a lot of programs that they did not make Manchester viewed as the center of all services; that with the factories there were a certain number of people who were wealthy with a majority of the residents were moderate-income, so he thought they certainly had to serve and it there were funds to help those people who were low and moderate-income here in Manchester had to attract them, but did want to be careful that the City became so attractive that Manchester got a lot of people in here changing that trend.

Mr. Girard stated in reference to Ald. Domainque's statement regarding the elderly noted the federal government had a "funny" definition of elderly which did not necessarily have anything to do with age; that they did have age requirements with the elderly but when the elderly high rises were designated elderly housing if they had physical disabilities which the feds considered such as legal drug addiction they could gain access to that housing noting there were interesting problems in the high rises as a result of the population eligible for them and in a lot of cases here in town the Housing Authority did not have much choice or discretion as to who get provided the units on what basis because of the federal regulations so it was kind of hard to answer the questions about what opportunities the elderly had for the housing because of the way the federal government defined elderly and in addressing Chairman Robert stated if he did not want to deal with the requirements simply refuse the money noting that the City had the option of not accepting the funds and if the City did not accept the funds then the City was not bound by federal restrictions on any project the City may do with City funds; that in reference to the 1990 Census numbers there were a total of 17,456 dwelling units in the City of Manchester which were considered very low or low-income noting that was not getting into the moderate-income, so the total population in the City of very low or low-income was in excess of 43 percent.

Mr. MacKenzie stated he had wished this type of discussion so as to see if the Committee was comfortable with the direction they would be heading in.

Chairman Robert requested Mr. MacKenzie reiterate which direction the City would be heading in, so there would be no misunderstanding.

Mr. MacKenzie replied that the primary focus would be on home ownership programs and training programs and helping people get into first-time housing, helping homeowners rehab existing houses which might be a one-family or a four-family which would be owner

occupied; that they would also have some type of rehab program for other non-ownership, but any major ones staff would bring back to Committee noting they would be looking at a Brook/Canal type rehab which was fairly significant; that they had had instances last winter where there was a family that needed to have their heating system replaced noting that those types of small rehab projects they would do in-house, so that would be their approach this year and may be utilizing the Neighborhood Housing Services (NHS) as one of their primary missions was home ownership in the inner-city noting they were also considering expanding their focus area as right now there were very limited in the center-city and might be looking to expand their focus outside of the original block and knew there were other areas in adjacent wards that had wanted to have some help and were not in the original NHS target area.

On motion of Ald Clancy, duly seconded by Ald. Domainque, it was voted to receive and file the communication from Mr. MacKenzie.

Chairman Robert addressed item 4 of the agenda:

1997 CIP Budget Authorizations:

- 6.10312 CIP Housing Administration (CDBG) - Revision #1
- 6.10312 CIP Housing Administration (HOME) - Revision #1

Chairman Robert asked where the CDBG monies were going.

Mr. MacKenzie replied it was a \$900.00 correction that was in one program and was supposed to have been in another program.

Chairman Robert asked where the money was coming from and where was it going to specifically.

Mr. MacKenzie replied there were two sources; that the first was CD noting there were costs incurred for administration for running the program.

Chairman Robert asked who were the people, who were the organizations.

Mr. MacKenzie replied there would probably be an in-house consultant for those selective rehabs which could be done fairly easy.

Chairman Robert asked who the HOME funds were for and where would the funds be going.

Mr. Jabjiniak replied it was simply a swap in that it was being taken out of CDBG and put into HOME noting it was a correction because they had programmed too much CDBG money and were \$900.00 short.

Mr. MacKenzie stated the \$46,000 would be if they contracted NHS for additional units.

Chairman Robert asked was any of the money going to or from the Manchester Area Housing Trust.

Mr. MacKenzie replied no.

Ald. Clancy stated his main concern was that he wanted owner-occupied.

On motion of Ald. Clancy, duly seconded by Ald. Domainque, it was voted to approve the 1997 CIP budget authorizations.

Chairman Robert addressed item 5 of the agenda:

Discussion of disposition of land on Pollock Drive.

Mr. MacKenzie stated it dated back to 1987; that there was currently a privately-owned piece of land which was triangular; that it was originally a request by Mr. Eloi Pelletier to buy a piece of the City property to square it off and make it a buildable lot; that he had since passed away and now his son was also making the same request noting the triangular lot was not a buildable lot and suspected that in time it would become a tax deeded parcel since it was not usable, so their request was to take the chunk out of the larger property of the Parker-Varney School which was located up on the hill; that the School Board had reviewed that matter and felt it appropriate to carve it off as they were not concerned about its location or its use; that it was their concern that someone would use it to build a big project (the Robie sand pit) but did not look as though there would be any access down there; that they believed it was appropriate to keep it from becoming a tax deeded property and would create one more house building lot; that the Assessors had originally looked at it and guessed its worth at \$10,000; that the person requesting the property came back saying that was a little steep and offered \$5,000.

Ald. Clancy suggested they meet them half way at \$7,500.00.

Chairman Robert asked how precise the Assessors were with their guess of \$10,000.

Mr. MacKenzie stated typically the property being sold would not have a street frontage, so its true value as a triangular lot would be much less than \$10,000 and thought the Assessors were looking at its value in making a building lot.

Ald. Domainque asked if there was any type of deed restriction or would it be appropriate for them to put a deed restriction on that particular agreement assuring the City that there would be no other use other than single-family home lot.

Ald. Clancy stated it was included in the contract.

Chairman Robert asked members how much they wanted to sell it for.

Mr. MacKenzie stated he had mentioned \$5,000 with Mr. Pelletier proposing \$5,500 noting it was up to the Committee to counter offer if they chose to.

Ald. Clancy suggested \$7,000.

On motion of Ald. Clancy, duly seconded by Ald. Domaingue, it was voted to approve the sale of the land in the amount of \$7,000.

TABLED ITEM

On motion of Ald. Domaingue, duly seconded by Ald. Clancy, it was voted to remove item 7 from the table for discussion.

Request of the Building Commissioner to demolish the Pine Island 4-H Center.

(Tabled 12/5/95 in Committee on Lands & Buildings)

Mr. MacKenzie stated he wanted to confer that the Building Commissioner's strong concern about leaving that structure as is; that he had serious concerns about safety issues and was hoping that the Committee would act promptly in allowing the use of funds for the demolition of the building.

Ald. Domaingue stated there was either a lack of communication here noting it ought to be cleared up; that it was her understanding as of the last discussion was that the City was waiting on the County and asked did she miss something, no; that the City would like to have them demolish it, but that was not the issue; that the issue was who was going to pay for it; that the County was not communicating back to the City asking is that where it stood.

Mr. Girard stated it was his understanding that the City Clerk's Office had sent a letter that the Board had asked to have sent noting the City was still waiting to hear back from the County.

Chairman Robert stated Armand had money to take buildings down and asked why couldn't he use that and reimburse him later.

Mr. Girard replied there was no reason why they couldn't; that the only problem was that they had yet to obtain any commitment from the County period; that the City could do it in the hopes of getting reimbursed, but given the way in which the County has conducted it thought if it was done and the County was probably waiting for the City to do so, they would then say "it's all taken care of and we're not going to pursue it with our insurance company" and then the City would have to take them to court.

Mr. MacKenzie stated he thought there was a commitment.

Mr. Girard stated there was a verbal commitment, but he didn't have anything in writing; that Kathy Giacoponello had not responded, in writing, to any of the letters that the Mayor, Alderman Domaingue or Alderman Robert had sent, and had not responded to the follow-up that the Mayor had asked him to send; that she called the Mayor saying "if you promise not to sue us for replacement costs, we'll pursue demolition costs with our insurance company"; that the Mayor had him call her to ask her to send that in writing so it could be put on the Board agenda, she did not do that; that the item was on the Board agenda which was when the Board had the City Clerk send the letter okay we won't sue you for replacement costs if you would go for demolition and we haven't heard.

Ald. Domaingue asked how long it had been, technically two weeks.

Mr. Girard replied technically since July 3rd; that the thing from the Building Commissioner which he was questioned on was that they were quotes, not bids; that if they were bids they would go up; that the quotes were provided to the County in the hopes that the County would do it, to contact one of the people the City received quotes from and use that quote to try to minimize their costs; that if they had to go to bid for it the prices would go up.

Ald. Domaingue stated with all of the expertise in the City of Manchester why couldn't they demolish their own building.

Mr. Girard stated the City had to contract for demolition; that as a City it did not have the capability to take down buildings on its own.

Mr. MacKenzie stated there were liability issues including asbestos, oil tanks, lead paint which had to be handled noting normally that was done by professional contractors.

Chairman Robert stated why not just take it down and even if they don't pay it...

Ald. Domaingue stated it had to come down; that there was no question in her mind; that her fear was liability; that if somebody went into that building and something fell on them even though it was posted "no trespassing" the City was liable for damages.

Mr. Girard asked if he could make a recommendation to the full Board that the Building Commissioner be directed to take that building down and that the City pursue reimbursement from the County for that expense since they did commit.

Chairman Robert asked in what manner.

Mr. Girard stated whatever manner the County wanted to pay the money in; that if that was the concern of the Committee then having the Building Commissioner send out bids to have it demolished and pursue reimbursement through the County would be appropriate; that it wouldn't take much to go through all of the newspaper articles.

Ald. Clancy stated just visualize that school it out, kids are mischievous, they're out there playing, and if somebody falls and gets hurt there's a liability.

Mr. Girard stated the other thing he could do would be to call the County tomorrow for the Committee and ask what the status of it is.

Chairman Robert stated he liked Mr. Girard's first recommendation.

Ald. Domainque stated she thought they ought to pursue it anyway and make the recommendation to the full Board, but also continue to pursue their commitment in writing.

Mr. MacKenzie stated the Board would meet next on August 6th which would give the County time to react.

Ald. Clancy stated he had talked to a few people down there who had indicated the County would not pay.

Mr. Girard stated the policy the City had was for \$107,000 plus demolition expense; that the policy for the County provided for demolition expenses.

Ald. Domainque stated that was actually written into a policy.

Mr. Girard stated it could be part of the contract the City had with the County.

Ald. Domainque stated they could not afford to deal with "maybe's" and thought that perhaps someone like the City Solicitor's had to pull the policy out, Risk Manager, whoever and pull up that policy now and find out rather than making accusations of the County that they may not have a good foundation to stand on.

Mr. Girard stated the County had publicly committed twice.

Ald. Domainque stated she was nor arguing that point, it was just that if they were hanging on a technicality the City ought to be aware of what the technicality was rather than get surprised at the end of the process.

Mr. Girard stated he thought they'd have to talk to the Risk Manager about that.

Chairman Robert suggested the Committee move on item 7 and keep item 8 on the table and send a recommendation to the full Board that the Building Commissioner be instructed to go forward with the demolishing of the building.

Ald. Domainque asked if he had to go out to bid.

Mr. MacKenzie replied, yes, but that it could be done quickly and asked out of what funding source.

Ald. Clancy suggested out of the \$30,000 he had and asked if it was CD eligible.

Mr. MacKenzie replied he did not think so but asked about if there were any historic reasons.

Mr. Girard stated it took three years before they were able to take down the Rimmon Street Fire Station because it was considered historic even though it was burned down.

Mr. MacKenzie stated there was a lot of Federal red tape with CD funds.

Chairman Robert stated the funding source would be...

Mr. MacKenzie interjected that the options were the existing demolition program or the monies that had already come to the City, the \$107,000 and presumed...

Ald. Clancy stated they ought to use the fifty K because Ald. Domainque may want to do something with the \$107,000.

Mr. Girard stated they might not want to do that because Armand had two demolition quotes, he had CD money which was restricted in where it could be used and then he had Cash which could be used anywhere in the City; that because CD funds were restricted they couldn't use it anywhere; that this was a CDBG eligible project.

Mr. Maranto stated it was eligible because it was a safety hazard, but would still have to go through a historic review which could take somewhat longer.

On motion of Ald. Domainque, duly seconded by Ald. Clancy, it was voted that the building be demolished immediately using City Cash and pursue demolition cost reimbursement from the County.

Mr. Girard asked Mr. Maranto how long it would take to do a history review.

Mr. Maranto replied it could take anywhere from 2 to 4 weeks.

Ald. Domainque stated it would take two weeks to get to the Board anyway and asked if it could be done in two weeks.

Mr. Maranto stated the CD funds could not be spent until such time as the historic review was completed.

Ald. Domaingue asked what was recommended then.

Mr. MacKenzie stated if the Committee could allow the discretion as to whether it was Cash or CD they could handle it, do the reviews promptly and check with the State they'd use CD and if not it would take six weeks.

Ald. Domaingue asked if they could confirm a communication to the County that says that regardless of the cost the City anticipates that the County has a responsibility to this issue and that they recognize it because if the City ultimately has to go out to bid and the cost goes up the City would be doing so because of a lack of communication from the County and they needed to know that the City was incurring additional cost because of their inability to respond and thought the City needed to communicate that and moved on same. Ald. Robert duly seconded the motion. There being none opposed, the motion carried.

Communication from Kathleen Giacomponello, Business Manager, Hillsborough County, advising of payment in the amount of \$107,000 which represents the settlement on the Pine Island facility as a result of the fire that occurred on October 21, 1995; and further expressing concern relative to liability issues directly attributable to the burnt-out structure and discussions relative to the money being isolated for future use at the Pine Island site.

(Note: copy of a communication from Mayor Wieczorek to Ms. Giacomponello dated May 23, 1996 enclosed.)

(Tabled 3/12/96)

This item remained on the table.

There being no further business to come before the Committee on Community Improvement Program, on motion of Ald. Clancy, duly seconded by Ald. Domaingue, it was voted to adjourn.

A True Record. Attest.

L.R. Bernier
Clerk of Committee

