

COMMITTEE ON COMMUNITY IMPROVEMENT

June 12, 2000

7:00 PM

Chairman O'Neil called the meeting to order.

The Clerk called the roll.

Present: Aldermen O'Neil, Wihby, Clancy, Cashin, Lopez

Messrs: R. MacKenzie, Alderman Gatsas, S. Maranto, F. Thomas, F. Torres,
S. Stephen-Hubbard

Chairman O'Neil addressed Item 3 of the agenda:

Amending Resolutions:

"Amending the 2000 Community Improvement Program, authorizing and appropriating funds in the amount of Three Thousand Six Hundred Forty Six Dollars and Eight Cents (\$3,646.08) for the 2000 CIP 411200 NH CLIQUE Campaign Patrols."

"Amending the 2000 Community Improvement Program, authorizing and appropriating funds in the amount of Fifty Thousand Dollars (\$50,000) for the 2000 CIP 511500 Park Improvement Program."

On motion of Alderman Cashin, duly seconded by Alderman Lopez, it was voted to approve the amending Resolutions.

Chairman O'Neil addressed Item 4 of the agenda:

CIP Budget Authorizations:

1997	650218	Enterprise Community Grant - Revision #1
1999	220799	HIV Prevention - Revision 31
2000	411200	NH CLIQUE Campaign Patrols
2000	511500	Park Improvement Program (Bond) - Revision #1

On motion of Alderman Lopez, duly seconded by Alderman Clancy, it was voted to approve the CIP Budget Authorizations.

Chairman O'Neil addressed Item 5 of the agenda:

Communication from the Director of Planning recommending that approximately \$100,000 in HOME funds be reallocated for the Elm Street Restoration Project.

Alderman Clancy moved to approve the recommendation. Alderman Cashin duly seconded the motion.

Alderman Lopez asked the \$100,000 of program income due to the City from that agency...can you explain that a little bit more. I am a little confused about that. This is not the \$100,000 that we gave Neighborhood Housing is it?

Mr. MacKenzie answered this is money that was allocated a couple of years ago that was intended to be paid back with a loan. It is program income that is coming back on a specific project. On this particular project, the Elm Street Restoration Project, they had asked the City for \$400,000 during the CIP process. At the time of the HOME Fund allocation, there was not enough money to fund that entire \$400,000. They were given \$300,000 so they are asking to make the project work to get that \$100,000 back from this program income.

Alderman Lopez asked the project being what.

Mr. MacKenzie answered this is the renovation project on upper Elm Street across from the old Sears building. There is a series of old tenement type buildings that they would be rehabbing.

Chairman O'Neil asked, Bob, could this money also be used to address an item later in the agenda like #16. Does that fall under that same thing?

Mr. MacKenzie answered yes. HOME funds can be used for any type of housing project.

Chairman O'Neil asked are we locking up most of our money with one agency.

Mr. MacKenzie answered I do have to say that we have been going over our old HOME projects and it does turn out that we have a couple of hundred thousand dollars in older projects that have not been utilized and balances that we can use for other projects. Actually, they are HUD monies and we have to commit them by August 30 of this year.

Chairman asked why wouldn't we be using that money towards their request for \$100,000.

Mr. MacKenzie asked Mr. Maranto to come up.

Mr. Maranto answered the program income that comes back needs to be used for affordable housing. It can't be used for any other purposes so if it came back to us we would still be reallocating and having the same situation.

Chairman O'Neil asked so really all this is doing is paying in to a pool of money.

Mr. Maranto answered to be used for similar types of activities, correct.

Chairman O'Neil asked so this doesn't restrict us from doing other similar types of projects.

Mr. Maranto answered no.

Alderman Cashin asked is this paid back. Is this a grant or a loan?

Mr. MacKenzie asked the \$100,000 going to Elm Street.

Alderman Cashin answered yes.

Mr. MacKenzie replied that is a loan.

Chairman O'Neil stated so we are loaning them money from a payback on an old loan.

Mr. MacKenzie replied that is correct.

Mr. Torres stated no.

Alderman Cashin asked well is it or isn't it.

Mr. Torres stated the \$100,000 in question is money that the City had loaned to us to do a variety of projects. Those projects have been completed. We now have those funds prepared to pay back to the City. The request is instead of us paying it back to let us use it for this project. It is funds that we have available to be paid back to the City that the NHS has to pay back to the City.

Chairman O'Neil asked so at some time you would still have to pay this back, correct.

Mr. Torres answered no.

Chairman O'Neil stated one is saying no and the other is saying yes.

Mr. Maranto replied if I can interject here we have an agreement with Felix's organization that calls for a repayment of those funds so we need to keep an audit and a paper trail showing that they complied with the terms of the agreement. It does not mean that we cannot in turn come back and reallocate those funds once again for them.

Alderman Cashin asked the \$100,000 is something that you are paying back to the City but instead of paying the City back you are going to use it to fund Elm Street. Is that correct?

Mr. Torres answered that is correct.

Alderman Cashin asked so you are doing Elm Street too then.

Mr. Torres answered yes.

Alderman Cashin asked at the end of the construction on Elm Street, that \$100,000 is due back to the City right.

Mr. Torres answered it is structured as a loan but won't be repaid for a much longer period. It is not structured to be paid right away.

Chairman O'Neil asked the full amount or partial. When do you start making payments?

Sal Stephen-Hubbard answered usually when we put grant funds or what would essentially be grant funds into a project like the Elm Street project we structure them as a loan, but the loan is so soft, in other words it is so far behind anybody else's debt that it gets paid after a whole bunch of other debts get paid out of available cash flow, which we can't really project for quite some time. If we say to you we will pay it back in 10 years, I can't show you on paper that the project will be able to pay it back in 10 years. It is really behind so many other sources of financing that it is really hard to predict that.

Alderman Lopez stated it sounds like you never pay us back. Is that correct? You just go through the shuffle of paperwork?

Ms. Stephen-Hubbard replied sort of because it is so hard to be able to carry enough debt that we have to get as many sources of soft grant money that looks like loan money into one of these projects.

Alderman Lopez stated, Sam, I go back to Alderman O'Neil's question. How do we help other people if people never pay us back?

Mr. Maranto replied they do pay you back but you have been committing money each year to their organization. You have an opportunity, if you want, to reallocate those funds to other individuals.

Alderman Gatsas asked, Sam, the first \$100,000 that they borrowed what was the interest rate.

Mr. Maranto answered probably about 3%. It is based on cash flow. I was not involved in putting that one together several years ago so I really can't answer that.

Alderman Gatsas asked is their an interest rate. Let me ask another silly question. Do we have a security agreement in the property?

Mr. Maranto answered we do.

Alderman Gatsas asked do we. Somebody is shaking their head yes and somebody is shaking their head no.

Alderman Cashin stated I bet you don't.

Mr. Maranto stated the project needs to comply with Federal regulations or the project is in default per the terms of the contract.

Alderman Cashin responded that doesn't necessarily mean that we have a security interest.

Mr. Torres stated it depends on the particular project. There are some projects that we used City HOME funds on where there is a security interest in the project. Usually it is behind a first or second mortgage. There are other projects where the funds have been granted directly to the NHS and then NHS lent those funds to the particular projects, which is a function of Federal tax legislation and refers to how

low income housing tax credit works, which is something that provides us most of the funds to do projects.

Alderman Gatsas stated correct me if I am wrong. Are you a non-profit?

Mr. Torres replied yes we are.

Alderman Gatsas asked so those tax credits flow through you.

Mr. Torres answered no. What happens is we get allocated...our project applies to the State, the NH Housing Finance Authority and we are allocated a certain amount of credits. In return, those credits are bought by private investors, typically corporations because it doesn't work for individuals so the affordable housing projects are owned, 99% of the project is owned by investors and 1% and we are the controlling partner, is controlled by the NHS.

Alderman Gatsas asked so what you are saying to me is that we are lending you money at a 3% rate, correct me if I am wrong, those ITC's are probably worth, well it depends on who the corporation is but you could be up as high as 38% on the ITC level that you are selling out.

Mr. Torres answered typically the investors look for an internal rate of return of around, and it depends on the project and time, 8%.

Alderman Gatsas stated I would say 12% is probably what the going rate today would be.

Mr. Torres replied well ours because we use a special non-profit pool, the investors are more socially conscious so they tend to get less than you would get from the open market.

Alderman Gatsas responded right but the 8% that you are talking about for a return, that is return dollar to dollar. That doesn't include the ITC, which is probably going to bring it up to 12% when you are done writing that off of your tax return.

Mr. Torres replied I am not sure what ITC stands for.

Alderman Gatsas responded Investment Tax Credit.

Mr. Torres stated the low income tax credit, the 8% return that I am quoting, is a total internal rate of return, which includes the present value and includes the worth of the credit to them. Now there are some deals that are much higher so it depends, but our fund last time I think the investors were getting an 8% return on their investment.

Alderman Gatsas asked so what you are saying is that the tax dollars that the taxpayers of Manchester are giving you at 3% you are selling out and getting a return for 8% on those same dollars basically. Obviously we are a soft dollar and you are taking that out to a 20-year payback.

Mr. Torres answered I understand what you are saying, but it doesn't quite work that way. If I can give an example.

Alderman Gatsas replied I am giving you the easy synopsis so that people on this Board and whoever else wants to listen...

Mr. Torres interjected I think I can clarify that.

Alderman Gatsas responded go ahead because I would love to know how we are lending you money at 3% and you are getting an 8% return.

Mr. Torres stated if we get a project that costs us say \$100,000, because the rent of the families living in that unit or units is less than \$100,000, the actual rent that they are paying would only cover a very minimal debt in which case the debt that...the actual income covers very little of the debt. On most of our projects, probably 10% to 20% is actual debt and that is what these renters pay for. The additional money is either equity, which is provided by the investors or subsidy which is what the HOME funds do. So, the investors put in their money to get us to say the way the tax credit works so I am at \$100,000 and we have \$10,000 of debt that we can afford and then you have the \$90,000 and out of that \$90,000 the investor is another \$70,000 of equity and the remaining money is the subsidy from the City.

Alderman Gatsas responded this Committee should understand that the 70% equity that is coming in from the investor is probably worth to them on a write-off basis somewhere in the range of \$100,000 to \$120,000 depending on what their tax bracket is.

Mr. Torres stated again I am not an expert on the low income tax credit. My understanding is that on every dollar they invest they get between an 8% and 15% return.

Chairman O'Neil stated may I suggest that we table this. I think, Felix, that you and your people need to get us specific information. This is getting a little wilder than I thought.

Alderman Lopez asked, Sam, is this the only project that this money could be used for at this time.

Mr. MacKenzie answered there are a couple of other...you probably saw in the newspaper today that there is a question about the Huse Road manufactured home park and there are a lot of issues dealing with that particular one. You will see in the agenda further on a request by Doug Gherlone to help rehab a property on Manchester Street.

Chairman O'Neil asked the situation that NHS runs into, would this be similar with any of the other ones that are in this HOME Fund program. Is this the nature of the program?

Mr. MacKenzie answered just to clarify the program a little bit, HUD provides us this money. We get roughly \$550,000 each year from HUD to help with affordable housing. Now under the HUD guidelines we can give that as a direct grant to a non-profit organization or we can give it as a low or zero interest loan. The intent of the program is to provide affordable housing, but also to address some of those tough, inner-city housing problems that we have had. For example, the large vacant buildings that turned out to be crack houses. Sometimes it is important to give a deeper subsidy, which is sometimes a grant, to make sure we get rid of some of those problem properties. So, the HUD money that we get can either be a grant or a low interest loan situation. More recently, we have been making most of these low interest loans versus a grant situation.

Alderman Cashin stated okay but Bob the original loan that you gave to NH Housing is due to be paid back because they are coming back with \$100,000 right.

Mr. MacKenzie replied yes.

Alderman Cashin stated so there must have been an agreement someplace that that would be paid back in a certain amount of time and it is now due. Now what you are asking us to do is take that \$100,000 and put it into another project with no guarantee of ever getting it back. Is that fair?

Mr. MacKenzie replied again, this money could be a grant. We could just be giving them the money out right as a grant. That is an option under HUD regulations and we have done that before. This particular project is a fairly complex project and we felt that in this situation some type of low interest loan would be better than an outright grant.

Alderman Cashin responded I asked you when we first started. I said is this a loan or a grant and you said it is a loan.

Mr. MacKenzie replied I think they need it to be a loan in order to match against the low income housing tax credit. Is that correct, Felix?

Mr. Torres stated the money has to go into the project as a loan at an applicable Federal rate in order for it to be considered in basis to make sure we get the tax credit, otherwise the \$100,000 comes off the basis of the project.

Alderman Clancy rescinded his motion to approve the request.

Alderman Clancy asked, Felix, who owns this building.

Mr. Torres answered we own the building.

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

Chairman O'Neil stated might I suggest a summary of everything that is out there on this HOME fund, whether they are specifically grants or loans so we know that and then if Neighborhood Housing Services could provide some detail on this specific project that would be great.

Alderman Gatsas asked do you look at any pro formas that somebody is submitting to you for a loan or a grant.

Mr. MacKenzie answered we know early on...

Alderman Gatsas interjected do they give you a report on the building. What the income is and what the expenses are? Do you look at that pro forma?

Mr. MacKenzie answered they do prepare a pro forma. We take a look at that although we do not have a separate investment firm look at those. Generally, they have a track record...

Alderman Gatsas interjected I think you should submit that to the Board when you are coming in looking for a loan. I think that should be part of the documentation that is submitted. Obviously, I think that before another loan is made that first loan should be paid in full and the funds received by the City and there should be some proper documentation on not going out because if this is...I didn't know that was happening with these funds that the ITC's are being sold because...are we selling those to local investors or where are they going?

Mr. Torres stated most of our projects are usually bought by a bank, for example, Fleet Bank who is an investor in a couple of projects and then there is something called the NH Investment Fund, which NH Housing Finance Authority set-up years ago and they are a non-profit, tax credit indicator and they buy the credit. They are make up of a pool of investors. Most of them are local banks if there is such a thing as a local bank.

Chairman O'Neil stated both City staff and NHS have to come back to the Committee to revisit this item.

Chairman O'Neil addressed Item 6 of the agenda:

Communication from the Director of Planning relative to the proposed addition to the McLaughlin Middle School.

Mr. MacKenzie stated I did handout...in your package was quite a bit of the documentation on the proposed McLaughlin School addition. That one that was in the package included the assumptions and the cost estimates we had put together along with a schedule. If you look at the schedule, it is actually quite a tight one. We would have to get underway fairly quickly in order to have the addition hopefully completed by December of next year. What was not included in the package that we have been working on over the week was, in essence, a financing package and that is what you see before you now. I am going to be going after this meeting to the School Board because they will be trying to finalize whether they want to proceed. They have some questions on how it was financed, the impact fees, etc. In the small package here it is not critical. You look at the other times in the back, although if you are interested there is information on the impact fees that have been collected, what the previous ones are committed to, etc. Just to go over this financing package with you if I could, Mr. Chairman, we are estimating the total cost to be roughly \$2.6 million. We would propose that current projects or balances of them of five different projects be the seed money to get going - \$26,000 to get our feasibility study going and the current impact fees, actually current plus anticipated impact fees next year totaling \$700,000 be the money that we would start out with and get the project actually under construction.

Then next spring as part of the FY2002 CIP process that the balance of \$1.874 million be allocated to the project. Now this project would have to proceed like the McLaughlin Middle School did, which was we broke the funding for the McLaughlin Middle School into two fiscal years. \$4.5 million in one year and \$4.5 million in the other year. The Board would, in essence, have to approve the construction contract in order for the project to proceed. At this point, I would be happy to answer any questions.

Chairman O'Neil asked Mr. Thomas to come forward. On the construction side, are you comfortable with the timetable and the cost and all of that because I think it is going to be our responsibility to get this thing built.

Mr. Thomas answered we have reviewed it, both Tim Clougherty and Kevin Sheppard and myself and we do agree with the dollar amount.

Chairman O'Neil asked it is aggressive but you think you can get it done.

Mr. Thomas answered we will do our best.

Chairman O'Neil asked what is the recommended number of classrooms. 12?

Mr. MacKenzie answered this would be a full 12 classrooms, which is larger than what is needed.

Chairman O'Neil asked how many classrooms are they requesting.

Mr. MacKenzie answered 12. The Board actually suggested 8. We went back initially with the School Administration and they started talking 10 classrooms and in the end they started going even more conservative and ask for 12.

Chairman O'Neil stated I am going to bring up a point that we went through with Parkside. We were going to build 16. We fought and thought we were going to build 6 extra classrooms and the day they opened we were using 22 classrooms. If we are going to spend the money, does this solve our problems or should we be putting instead of 12, 16 classrooms.

Mr. MacKenzie replied this would become the largest middle school in the City and it would be projected...the peak of middle school will hit us next year and it is anticipated with this addition that even at McLaughlin they would have excess capacity of 100 to 150 students even at the peak. Hillside and Southside next year will actually go down because of students moving over to McLaughlin. Overall, both the East Side and West Side, we believe, will have capacity even for the peak. Beyond that, the enrollments will start to decline.

Chairman O'Neil asked if we added four additional classrooms, what would that cost the City.

Mr. MacKenzie answered in this case you do have to build these by pods. It is actually a pod of five plus a special needs classroom.

Chairman O'Neil asked so they have pods of 6 then.

Mr. MacKenzie answered yes. That is why they were looking for 12. If you jump to 18 then you would have trouble breaking it by class. Right now you are going to add two new pods of let's say eighth graders and add the capacity. If you jumped another one that is an odd number and you would have three new pods being added. I think the School Department is comfortable. We reviewed this against their NESDEC enrollment projections and it is larger than the Board had originally requested but I think this will give more than adequate capacity. It will bring you to 1,100 students, which is large for a middle school.

Alderman Lopez stated I am in support of the project, but this bonding if we are working on the premise of three-year bonding so next year we will have roughly \$2 million less. We had \$13 million this year and supposedly next year we will have \$13 million in bonding so we are going to have about \$11 million. Am I correct in that assumption?

Mr. MacKenzie replied yes, although this would actually be considered during that budget process so you will actually see this number this year. This will be coming out of the School portion of that CIP process. Hopefully of course that would be high on the School Board's priority request when they submit this over, but yes it would come out of that total \$40 million.

Alderman Lopez stated it is a priority. Once we approve this and the full Board approves it, it has to go next year. We can't just make the plans. It is already committed, right?

Mr. MacKenzie replied correct.

Alderman Clancy stated I don't feel comfortable. I think maybe we should add one or two more rooms. They are always looking for space. I am seeing here two special classrooms. Who wants to teach 10-20 kids in one room? Maybe they can break it down someday. Special needs are costing the City all kinds of money. I would be comfortable putting maybe two more rooms on.

Mr. MacKenzie replied we are always tight on money. We did try to put this together with the right combination of an adequate space at the best value in terms of money because again we are limited to \$40 million roughly over three years and we have already committed \$13.5 million of that so anything you start to add on here will either take away from future school projects or other capital projects. I do think we have struck the right balance. This is a large addition. It is more than originally anticipated and will be above what the maximum enrollment is anticipated to be.

Alderman Cashin asked didn't you say you are building it in pods. So that is four or five right?

Mr. MacKenzie answered it is really what I call five plus one. There are five regular classrooms and one special needs room for each pod.

Alderman Cashin stated so we couldn't give you two more rooms if we wanted to anyway.

Mr. MacKenzie replied I am not sure how useful they would be at this point.

Alderman Cashin stated right now you are building 12 extra classrooms and you are building two team rooms and four bathrooms, right.

Mr. MacKenzie replied right.

Alderman Cashin asked and that is what the School Board said they needed and you feel that we are going to max out in the next couple of years anyway.

Mr. MacKenzie answered that is their projection and they tend to agree with our projections. We have already seen the peak in terms of elementary school so they are actually declining.

Chairman O'Neil asked we aren't using the same formula that we used at Parkside, I hope, though. Do we have a new revised formula with better numbers?

Mr. MacKenzie answered I am not sure what you mean by formula.

Chairman O'Neil stated for some reason we ended up needing 22 classrooms and not 16 at Parkside.

Mr. MacKenzie replied Parkside, before construction, was smaller than McLaughlin is now. McLaughlin, when complete, will be larger in total than Parkside. So, we started out with a smaller building at Parkside than we have at McLaughlin. Let me put it that way. So we needed more to bring it up to par.

Alderman Gatsas asked, Frank, is there anyway...obviously we are looking at a December 1 date, which is a strange one. Have we ever incorporated into a bid process that there would be a bonus or a reward if they completed by September 1?

Mr. Thomas answered not down at the Highway Department. I am not aware of anything like that and I don't believe it conforms to our procurement code.

Alderman Gatsas asked so we can't add something to a bid process that says whoever the low bidder is if you complete such and such by a certain date we will give you an additional 5% or 10%.

Mr. Thomas answered I believe we would have to change our procurement code in order to do that. It is possible. The procurement code is just an ordinance.

Alderman Clancy asked, Bob, are we going to have the same contractor or are we going to put this out to bid.

Mr. MacKenzie answered we would put it out both for the design and construction contract.

Alderman Clancy stated we had problems with Bonnet, Page & Stone from Laconia. The roof is leaking. The gym floor is cracked.

Mr. MacKenzie replied there have been...of course in a complex building like that you will have problems. Overall, it is one of the best schools that I believe the City has right now.

Chairman O'Neil stated, Mr. MacKenzie, you don't pay money to have problems. You pay money to have a project that is complete. I think that we need to take a look at that and I think it would be in the City's best interest that if they can negotiate with architects and contractors with regards to our buildings, I think we get a better product and I think it gives more flexibility than our current procurement code does because I think in the long run we don't end up saving money.

Alderman Gatsas stated just to follow-up, the only reason why I asked that is because the cost of the portables is \$177,000 for the second year and I would rather give that to the contractor and say if you complete the project September 1 it is \$177,000 bonus for you.

Chairman O'Neil asked, Mr. MacKenzie, did you want us to do something with this. You don't have the resolutions, right?

Mr. MacKenzie answered we don't have those ready yet. We are just trying to put this package together. I think we are looking for consensus or support from you that this is the way to go and we will have those because in order to keep to that schedule we are going to have to go out and work with Highway and get the qualifications for design and at the next meeting we would have the detail start-up sheet for those balance transfers.

Alderman Cashin asked you are going to the School Board tonight with this right.

Mr. MacKenzie answered yes.

Alderman Cashin asked do you want a consensus here tonight. Do you want a motion?

Mr. MacKenzie answered perhaps a motion contingent upon the School Board.

On motion of Alderman Cashin, duly seconded by Alderman Clancy, it was voted to approve the proposed addition to McLaughlin Middle School contingent upon a vote of the School Board.

Chairman O'Neil asked when are you going to present the \$26,000 to the Committee.

Mr. MacKenzie answered we would have that ready for you at the July CIP Committee meeting.

Chairman O'Neil stated we have to...that action needs full Board approval. Somehow maybe we should try to schedule that before our July meeting because we only have one meeting in July and we could lose the whole month and that could be a very critical month in this process.

Alderman Lopez stated to follow-up on Alderman Gatsas' question, in the process, Frank and Bob, when you go out to bid if the City attorney agrees can there be some language in there regarding a bonus. I think Alderman Gatsas makes a very valid point. This is something that you might want to talk about tonight at the School Department. Not to commit to the second year for \$177,000 and use that as a bonus figure if it can be done legally. I think he makes a very valid point.

Mr. MacKenzie replied just to comment on that, I did want to offer to the School Board the suggestion that if they can get a one year contract with a six month option that they would be better off and if they had the opportunity to get out of that six month option they could potentially.

Chairman O'Neil asked, Mr. MacKenzie, do you have any other items on the agenda to address before you leave.

Mr. MacKenzie stated I think Sam can help on Item 12. If you want to continue on with the agenda, I will just slip out at 8 PM.

Chairman O'Neil asked you don't want to head out now.

Mr. MacKenzie answered no. I have about 20 more minutes.

Chairman O'Neil addressed Item 7 of the agenda:

Communication from the Director of Planning relative to unanticipated budget shortfalls for both the Youth Recreation and Fun In The Sun Programs due to recent changes to the compensation paid to season employees.

Alderman Clancy moved to find the money and approve this request. Alderman Lopez duly seconded the motion.

Chairman O'Neil asked where is the money coming from.

Mr. MacKenzie answered basically what happened was when they requested money in the CIP program they did not know that the Yarger Decker was going to bump up the seasonal worker's pay and it did. They are looking at either shortening the season for several of these things or finding more money. We do potentially have some ideas on how to do it, although I am not sure we are ready to talk about those.

Mr. Maranto stated as of right now we do have an idea. We need approximately \$8,000. We have a planning project called Human Development Initiative that would have that balance in there that we could transfer to this project.

Chairman O'Neil replied we don't want to shorten the season.

Chairman O'Neil called for a vote on the motion. There being none opposed, the motion carried.

Chairman O'Neil addressed Item 8 of the agenda:

Communication from the Public Works Director requesting to publicly bid the sale of two (2) street sweepers such funds being deposited into the MER account to then be utilized toward the purchase of a replacement sweeper.

On motion of Alderman Cashin, duly seconded by Alderman Clancy, it was voted to approve this request.

Chairman O'Neil addressed Item 9 of the agenda:

Communication from the Public Works Director in response to a request from the Latin American Center seeking assistance in converting unused space on East High Street into additional parking.

Alderman Clancy stated I rode by there and how many spaces are you going to get there.

Mr. Thomas replied if you flip to the second to last page of the attachment, as noted in my correspondence based on the set backs 10 feet off the property line and 4 feet off the building, you basically don't have a lot that is big enough to provide any parking. Even if you get some kind of variance or what not to waive the setback line from the property line, you really are only going to pick up approximately two spaces or maybe three depending on how you wedge the cars in there. It is not really a feasible location for an on-site parking lot.

Alderman Cashin stated based on the information you submitted I would like to move that we receive and file or deny because it just isn't practical.

On motion of Alderman Cashin, duly seconded by Alderman Clancy, it was voted to deny the request.

Alderman Lopez asked are you talking about 4 feet from the parking setback line.

Mr. Thomas answered that is correct. If you take into account the two setbacks, you have 4 feet at one end and 14 feet at the other.

Alderman Lopez asked this is diagonal parking that they were talking about, right.

Mr. Thomas answered yes.

Alderman Lopez asked did anybody look at making in between the two strips there just down the center.

Mr. Thomas answered again, if you are just looking at paving an area that would meet setback requirements, you are looking at a long, narrow piece of pavement that is 4 feet wide. I guess you would only have the right to even drive over it. You would have to get some kind of waiver of the setback requirements to accomplish anything in there. If you did that, you probably could get in as I mentioned two, three or four spaces parking parallel.

Alderman Lopez asked but as you were saying it won't meet the qualifications if you did that.

Mr. Thomas answered right now the way it is stated it won't meet setback requirements even if you waive the 10 feet. It really doesn't meet any design parameters. It is just not a feasible piece of land to develop.

Chairman O'Neil addressed Item 10 of the agenda:

Communication from the Deputy Public Works Director requesting the replacement of three (3) city vehicles with projected FY2000 MER account funds of approximately \$50,000.00.

Mr. Thomas stated as noted in my correspondence we have some balances, basically from the sale of some old vehicles that were auctioned off and various balances. Because of the tight MER appropriations for next year, we are requesting that these funds be allocated to purchase three vehicles. One is a van for the Building Maintenance Division of the Highway Department. One is to replace a Building Department vehicle and another one is to replace a vehicle at the Highway Department.

Alderman Lopez asked this \$50,000 has nothing to do then with the Mayor's holding back or anything.

Mr. Thomas answered no.

On motion of Alderman Clancy, duly seconded by Alderman Lopez, it was voted to approve the request.

Chairman O'Neil addressed Item 11 of the agenda:

Communication from the Deputy Public Works Director requesting \$151,798.00 be reallocated from the NORESKO contract (security line item) to the Human Resources Department along with rebates from PSNH (\$102,500) and FY2001 CIP funding in the amount of \$250,000 for the School Security Project.

Mr. Thomas stated what we are trying to do there is consolidate all monies that have been identified for school security issues and transferring that money under the control of Mr. Robidas out of HR who is responsible for security. I would just like to make one amendment to what is being proposed here. It has just recently come to my attention that Public Service has turned over or donated another approximately \$22,000 to this area and I don't have the exact figure. I just found out about it tonight but if you do authorize this, it would be authorized to include a number to be determined by Kevin Clougherty, the Finance Officer, which is going to be approximately another \$22,000.

Chairman O'Neil asked so about another \$125,000 then.

Mr. Thomas answered from Public Service. That is correct.

Chairman O'Neil asked so this has nothing to do...prices are coming in at what we thought they were going to come in at. This is just getting all three projects under one roof?

Mr. Thomas answered right. It is basically consolidating all of these different funding sources into one budget under the control of Mr. Robidas.

Alderman Lopez stated I just want to make sure of something in my own mind. I thought security in schools was put in the Mayor's budget at \$250,000 and now we are getting all of this other money and it is going to go into security, your breakdown or something. Is that what all of this money is going to be used for?

Mr. Robidas replied at the time of the budget preparation, Alderman, we had requested a figure of \$400,000 from CIP because we knew there was \$102,500, which had already been allocated by the Aldermen for the line item for security. We calculated that into the response. In sitting down with the CIP staff with the budget request they actually came back and said so the bottom line figure if we

move these allocated line items into the security we would need \$250,000 from CIP, which is the correct figure. So, the Mayor's \$250,000 of CIP appropriation was taking these amounts into consideration at the time, which would give us the full value of what we needed.

Alderman Clancy asked how many schools is that going to take care of.

Mr. Robidas answered all of them. There will be no schools left off the list.

On motion of Alderman Lopez, duly seconded by Alderman Cashin, it was voted to approve the request, amending the number to \$125,000.

Mr. Robidas stated the reason we went through the process of removing from NORESCO is because it is a cost saving for the City by handling the project ourselves versus going through NORESCO.

Chairman O'Neil stated they were getting an administrative fee of some sort.

Mr. Robidas replied right. We sat down and calculated the first figures we had received, the figures that had gone into NORESCO and the figure that was charged back to the City and we save approximately 40% by doing the project ourselves.

Alderman Cashin asked is that why NORESCO has reduced their budget by \$151,000. Is that what you are saying?

Mr. Robidas answered that is correct. There was \$151,000 left in there and we asked NORESCO to put that money back in because it is a security line item but in reality that \$151,000 only bought us about \$110,000. The rest was administrative fees so we asked for that money to come back and be coupled with this. In looking at the totality of the project, we are saving about \$185,000 by handling the project ourselves.

Chairman O'Neil addressed Item 12 of the agenda:

Communication from the Welfare Commissioner requesting CIP funding (\$35,000) for the replacement of a majority of windows at the Manchester Emergency Housing, Inc., the family emergency shelter.

Mr. Maranto stated essentially we are looking to utilize...we have some money coming back from a Eastgate housing, which is basically earmarked specifically for housing projects and Susan LaFond is really looking to, as my letter indicates, replace all of the windows and paint the exterior of the building and repair

damaged walls. There are also plumbing problems and I think she came to this Committee several months back to take care of that. \$35,000 is really an up front figure. We do not want to come back in the middle of the summer in case we need additional money. I am very confident that the figure will not be exceeded.

Alderman Lopez stated in the correspondence here you indicate loan repayment returned to the City. From previous housing? Is that what you are referring to?

Mr. Maranto replied that is correct.

Alderman Lopez asked it is not a loan repayment to Welfare people right.

Mr. Maranto answered no. On the Eastgate Housing Project on Holt Avenue we saved some money.

Chairman O'Neil asked is that HOME money.

Mr. Maranto answered no, it is not. It is a housing development action grant from 1985.

On motion of Alderman Lopez, duly seconded by Alderman Clancy, it was voted to approve the request.

Chairman O'Neil addressed Item 13 of the agenda:

Petition for discontinuance of a portion of North Hampshire Lane submitted by the State, Department of Transportation.

Alderman Clancy stated I know where North Hampshire Lane is. What are they referring to?

Mr. Thomas replied it is the section just immediately south of the Notre Dame Bridge. There is a little sketch in the attachment.

Alderman Cashin asked does this have to go to a road hearing, Frank.

Mr. Thomas answered yes. I was just going to say that. This street was accepted by the Board of Mayor and Aldermen and as such it has to be discontinued through the road hearing process.

On motion of Alderman Clancy, duly seconded by Alderman Cashin, it was voted to refer this item to a road hearing on August 8, 2000.

Chairman O'Neil addressed Item 14 of the agenda:

Petition for discontinuance of a portion of West Mitchell Street submitted by Yvan Houde.

Mr. Thomas stated this section of the roadway has never been opened or approved to travel by the public. As such, it has lost public status per RSA 231:51. There is no action other than to release it from public servitude.

On motion of Alderman Cashin, duly seconded by Alderman Lopez, it was voted to deny the petition for discontinuance and find that same be released from public servitude under the provision of RSA 231:51.

Chairman O'Neil addressed Item 15 of the agenda:

Communication from Marc Denis, Property Manager of ALT Management Co., Inc. suggesting that neighborhood dumpsters be utilized in high-density neighborhoods within the City in order to help alleviate the ever-increasing trash problem.

Alderman Clancy stated he is talking about the old asylum at 285-287 Concord Street.

Mr. Thomas stated right. That is a multi-family apartment complex. The Board of Mayor and Aldermen and the Highway Commission going back to the beginning of time have taken the position that we will pick-up trash at the trash place down the street at the curb in accordance with the ordinance, however, we aren't to enter onto private property to pick-up trash whether it is in barrels or it is in dumpsters. If you granted this gentleman's proposal, you would be opening up a door to allow us to go into condominiums and apartments and it would be an extreme burden. If this gentleman feels that dumpsters are the way to go, he may consider contacting BFI or Waste Management.

On motion of Alderman Clancy, duly seconded by Alderman Lopez, it was voted to deny the request.

Chairman O'Neil addressed Item 16 of the agenda:

Communication from Douglas Gherlone inquiring into the possibility of funding for the renovations of property located at 71-73 Manchester Street.

Chairman O'Neil asked, Sam, this is similar to our tabled item earlier and there was a suggestion that...Alderman Gatsas maybe you can help me out.

Mr. Maranto answered at this time we have not received any financial performers from Mr. Gherlone yet. We brought this to the Committee to see if you would entertain funding a private developer. We have assisted private development in the past, but it has been three or four years since we have done that and that is why we came to the Committee to see if you wanted to entertain this project.

Alderman Cashin asked have we ever gone to \$250,000.

Mr. Maranto answered yes we have.

Alderman Cashin asked in a private development.

Mr. Maranto answered yes we have.

Alderman Cashin asked residential private development. \$250,000?

Mr. Maranto answered yes we have. On the West Side, Joliette Street and Douglas Street we have done projects with private developers.

Chairman O'Neil stated the project you talked about, is that the old bakery over on...

Mr. Maranto replied yes. We are also pleased to note that he is looking to make two to three handicapped accessible units on the first floor, which the City is in dire need of at this time.

Alderman Lopez asked why wouldn't this be a revolving account to help out this guy.

Mr. Maranto asked the business revolving loan fund.

Alderman Lopez answered yes.

Mr. Maranto stated I think it is more appropriate that we would use housing funds to do that and use the revolving loan fund for economic development.

Alderman Gatsas asked when we get into lending this money, Sam, do we ever have appraisals done that they should pay for to bring to us so that we can see what our security interest is.

Mr. Maranto answered the City...

Alderman Gatsas interjected \$250,000 sounds like it is going to exceed security interest.

Mr. Maranto stated again it is very preliminary. We had one 20-minute meeting and brought it here. He needs to come back to us and we need to review the entire project, what the benefits are, how many individuals are going to live there, what their income is, etc. We also need to make sure that he does not unduly gain from utilizing Federal money as well.

Chairman O'Neil asked once a formal application is made, this will be brought back to the Committee.

Mr. Maranto answered if you agree, yes.

Alderman Cashin moved to table the item.

Chairman O'Neil asked do you need action or does tabling it give you...

Mr. Maranto interjected we can receive all of the information from him and bring it back to you.

Chairman O'Neil asked you don't need action from the Committee in order to proceed.

Mr. Maranto answered no.

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

NEW BUSINESS

Mr. Thomas stated what you are about to receive is a table called the Chronic Sewer and Drain Projects. This is a list of projects that have been identified through Aldermen, citizen's request, etc. Many of them date back quite a ways. I am only asking...first of all let me tell you about the funding. We were allocated \$55,000 in this coming budget. We have a balance and the past appropriations were about \$80,000. What I would like is authorization to proceed with three projects that I have highlighted. The reason for that is a backlog of approved projects is starting to run low and I want to make sure that our drain crews are busy. So, I am requesting that you approve the three projects highlighted and for your next CIP meeting I will be revising this list because as I was going through this list trying to decide on what projects to consider for funding, I noted that some of the projects quite frankly need to be dropped off this list. Some of them have

been pieced together Band-Aid style and the problems really don't exist anymore. With your authorization, this evening I am requesting that you consider the three projects.

On motion of Alderman Clancy, duly seconded by Alderman Cashin, it was voted to approve the request.

Alderman Lopez asked when you do revise the list do you plan on putting them in priority order.

Mr. Thomas answered yes, I will be glad to. I really need to go through, as I mentioned, and review this. In the past, what I have tried to do is instead of prioritizing them one, two, and three because it is very difficult, I try to put them in categories based on the dollar value. Obviously, something for \$29,000 may have a higher priority but you get more bang for your buck by doing three or four smaller projects. That is the way I will try and break it down for you.

Chairman O'Neil asked which amount are we approving here. Material costs?

Mr. Thomas answered yes.

Chairman O'Neil stated so \$12,000; \$5,000; and \$7,500.

Mr. Thomas answered that is correct.

There is no further business, on motion of Alderman Clancy, duly seconded by Alderman Lopez, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee