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COMMITTEE ON FINANCE

May 13, 1996

5:30 PM

In the absence of Mayor Wieczorek, Chairman Wihby called the meeting to order.

Chairman Wihby called for the Pledge of Allegiance, this function being led by Ald. Elise.

A moment of silent prayer was observed.

The Clerk called the roll. There were ten Aldermen present.

PRESENT: Ald. Wihby, Elise, Sysyn, Clancy, Soucy, Shea, Domaingue, Pariseau, Cashin
Ald. Reiniger and Hirschmann arrived late.

ABSENT: Ald. Robert

MESSRS.: K. Clougherty, R. Sherman, H. Ntapalis, R. MacKenzie, R. Girard, L. Bernier

Continuing discussions with various departments relative to the 1997 proposed budget as follows:

MANCHESTER WATER WORKS

Chairman Wihby stated representatives of the Manchester Water Works had called him noting that they were on a different time period than the City indicating they did not have a problem with appearing before the Board, so if they wanted to come they would be willing to next year; that he had asked questions such as if there was any money available that Water Works could return to the City or if the City could charge them for taxes, etc.; that they did some numbers up and if the City were to charge them for taxes and then charge the City for water the City would probably end up at the short end of the stick; that one of their suggestions was that they would put some numbers together to look at which departments in the City could do for them and come up with some sort of a number so it could be added to the revenue in the General Fund and charge them off as was done with Airport and they could probably have those numbers ready for the Board at the beginning of next week.

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NON-DEPARTMENTAL

Mr. Clougherty stated when they referred to non-departmental items they thought of the items such as on page 19 such as Contingency, Civic Contributions, Non-City Programs, Conservation Commission, Safety Review Board, Cash allocation for CIP, MER, and Employee Medical Services which was really the charge for when people have medical exams for employment applications and things of that nature plus debt; that there was also sometimes restricted items such as health, dental, and life insurances.

Chairman Wihby asked if Finance could handle all but the health insurance and Harry Ntapalis could talk about that one.

Mr. Clougherty replied that could be done except there were some things under the restricted items which Harry might not be familiar with that they might be able to assist him with.

Mr. Clougherty stated Contingency was a provision for unexpected circumstances noting it was allowed under State law, there was a formula under the State law which said that you couldn't exceed a certain percentage of your budget for contingency purposes; that the City had never approached that State law; that the amount that has been included or requested at this part of the budget was the amount that was in there for the previous year about \$250,000; that the City using that dollar figure for this year had a balance of about \$130,000 in it for the current fiscal year.

Mr. Sherman stated there was still a lot of unfunded salaries which were coming up with the Salary Adjustment Account.

Mr. Girard stated the other thing they had this year was the solid waste money in the Highway Department budget which allowed them to overrun their snow budget in a big way which was why they didn't have to hit Contingency for that, so to take a look at the \$130,000 was somewhat of a misleading number.

Mr. Clougherty in reference to the green bar handout on page 20 stated it gave a listing of all of the items that were included in Civic Contributions and could see the differences between how it was funded in previous years and what was being requested this year; that it was items such as the City's membership in the Municipal Association and other programs.

Chairman Wihby asked if that was worth it, \$25,000 for them.

Mr. Clougherty stated they were being paid \$25,000, but thought their assessment was more than that based on population but they had whittled it back over time; that from the New Hampshire Municipal Service the City got the lobbying services where they were tracking all of the legislation, they provided a number of committee and policy types of things that affect all the cities and towns, so it had been of value; that the Mayor sat on a

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number of committees as well as those from Finance and it had been helpful; that the \$25,000 was a discounted fee that they'd been holding at for a while.

Chairman Wihby asked what the National League of Cities dues did for the City.

Mr. Clougherty replied the League of Cities was a National Association; that the Mayor participated in it to a large extent noting that the City received a lot of information from them in the form of newsletters whereas the New Hampshire Municipal Association was focused primarily on what was going on with State legislation, budgets, and monitoring things at that level; that the other organization was providing the same service at the federal level where they had people who were housed down the street from Congress and informed people of what was going on with legislation affecting cities and towns; that the Mayor's Office could probably provide more information with respect to his participation and what it involved.

Mr. Girard stated they also had very large libraries on various issues affecting cities and towns and if anyone wished to find out what was going on with a particular issue in the country they could be called and get a wealth of information.

Ald. Pariseau stated he was concerned primarily with 939.

Mr. Girard replied that was for "The Save Our Shipyard Group".

Ald. Pariseau inquired about the Science Enrichment \$8,000.

Mr. Girard replied that was a program that the City had traditionally funded which was something of an operating subsidy and something that the City School Department used fairly heavily which was why it was kept in the budget.

Ald. Shea asked how the School Department used it.

Mr. Girard replied the classes went on field trips; that it was a field trip destination, science classes, and things such as that.

Ald. Shea stated no; that all of the schools paid for their own field trips.

Mr. Girard stated it was for operational support.

Ald. Shea asked who received the money.

Chairman Wihby replied the Science Center.

Mr. Girard stated Dean Kamen did not operate the museum; that it was located in one of his buildings, but it was not his museum.

Chairman Wihby asked who the check was issued to.

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Mr. Clougherty replied it was issued to Science Enrichment Encounters; that it was a not-for-profit organization.

Ald. Cashin asked who was President of Science Enrichment Encounters.

Mr. Clougherty stated he guessed it was probably Dean Kamen noting he did not know it definitively but would find out.

Ald. Domainque stated she was curious as to why the City would continue to contribute noting science was important with the City having made that point, but by helping to fund the purchase of a building through bonded tax dollars and could not understand the purpose of wanting to continue to underwrite that operation when it clearly was not a City function, children did pay to go there and asked where did the money go if not toward those children.

Mr. Girard replied it went to their operating costs.

Ald. Domainque reiterated she had a problem with that.

Aldermen Domainque and Pariseau moved to withdraw the \$8,000 for the Science Enrichment Encounters.

Chairman Wihby stated a motion was not required, but would note such request.

Ald. Elise stated there were a lot of groups in town who could use money for their operating expenses such as the Palace Theatre, the Historic Association, etc. and thought that perhaps a committee could be formed to develop a policy on how to allocate monies towards those types of groups.

Chairman Wihby stated if the City had money it could do so, but right now were a little strapped.

Ald. Elise stated if the City wanted to give this particular group the money...

Chairman Wihby interjected that he was hearing they wished to take it out.

Ald. Soucy in reference to the Municipal Association dues asked if it allowed the City to participate in the municipal insurance.

Mr. Clougherty stated the New Hampshire Insurance Trust was a separate organization; that the Trust was started as an idea of the Municipal Association which was to put in place things for cities and towns, consolidated services, so that everybody was not replicating noting that was one of the things they did with the Trust; that they did not need to be a member to participate in the Trust noting they had just taken a look at the Trust and how they measured up in their services versus Blue Cross in terms

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of administrative fees; that the Municipal Association was the parent of that concept and the organization did spin off of it.

Ald. Soucy stated it was not a requirement to participate in it.

Mr. Clougherty replied it was optional.

Ald. Pariseau asked if there was a breakdown of revenues for the Senior Citizens Dinner.

Mr. Girard replied they could get it for him and noted the Senior Citizens Dinner did not come close to carrying itself.

Ald. Pariseau stated the \$10,000 plus the civic contributions received from whoever did not offset the \$10,000.

It was noted that they seniors were only charged \$3.00 per head.

Mr. Girard interjected the food was not donated, it was purchased; that the only things which were really donated were the door prizes and gifts and items of that nature; that the Center of NH gave the room at cost noting it was a pretty heavily-subsidized activity; that Civic Contributions 935 the \$10,000 in there was recommended by the Mayor per request of the 150th Birthday Committee to help them meet their ends.

NON-CITY PROGRAMS

Mr. Clougherty stated Non-City Programs were programs which had evolved over the years as a result of...they started with federal funding and when the federal dollars went away the City picked them up; that in each of the cases they were looking at operating expenses with the exception of the last item which was the Deferred Day Care; that he did not know why the Deferred Day Care was listed under Non-City Programs noting it should be under the Restricted Account as it was a contract requirement provided for teachers and others and with that exception the other programs were pretty much things which had developed in the CIP and had been picked up as operating expenses noting that many were multi-year; that the Mayor was recommending a cut in the Federated Arts Program; that the City received services from the Southern NH Planning Commission in terms of planning on regional basis; that Child Care Coordinator was through Child & Family Services.

Chairman Wihby asked Mr. MacKenzie if he had looked into the VNA Program.

Mr. MacKenzie replied he had checked with the staff and it was being funded for FY96 which was the current fiscal year.

Mr. Sherman stated the Day Care Center was funded and one other item, but they used to actually fund part of VNA operations noting that was no longer funded out of the General Fund, but did still carry the CIP program.

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Mr. MacKenzie stated the CIP Committee had requested they look into it; that it was being proposed at \$75,000 which was the same as in FY96; that the Committee had requested they review it noting they would be providing information to the Committee at a later date.

Chairman Wihby stated the reason they had asked staff to look into it was because he thought that was the program they had stopped funding.

Ald. Domainque asked if the Child Care Coordinator was contractual.

Mr. Clougherty replied he believed it was.

Ald. Domainque asked if it was a part-time position.

Chairman Wihby stated he thought the City paid half and they paid half.

Mr. Clougherty stated when he indicated it was contractual he believed there was an obligation to pay through this year noting it was not a multi-year contract or something that the City was tied into on an extended basis, but could research such.

Mr. Girard stated the City had an established Child Care Committee and the Coordinator served to help the Committee which came up with resources for parents to not only put their kids in day care, but find things for their adolescents or older kids to do, different programs they could go to to try to keep them off the streets.

Ald. Domainque asked if this was in conjunction with Youth Services.

Mr. Girard replied no; that it was with Child & Family Services (Kim Valdez).

Ald. Shea asked what Child Health Services related to.

Mr. Girard stated it was operated by Dr. Deitch for underprivileged children noting they served a constituency the City had no other way of reaching.

Ald. Cashin stated for those who have not been around for a while noted that woman was probably the most dedicated person when it came to young people and people could not just say enough about her indicating that was the best money they would ever spend.

Ald. Shea stated that during his school work he had a lot of kids who availed themselves of the services.

Chairman Wihby questioned the Conservation Commission funding.

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Mr. Sherman stated they had a part-time staff noting the funding was for office supplies such as stamps and those kinds of things.

Chairman Wihby asked about Safety Review.

Mr. Ntapalis stated the Safety Review Board was established by ordinance in the early 80's; that primarily its role had been and still was to assist the City in preventability of work-related accidents and any of the pain and suffering which would go along with it; that the increase to \$20,000 in that line item was an attempt to address the managed care responsibility that had come about recently to towns and municipalities in trying to...especially where the City was self-insured trying to maintain costs much lower and to comply with the New Hampshire Labor Department's rules and regulations dealing with the managed care component; that the \$20,000 primarily was applied to using a Case Manager over the past couple of years; that the \$10,000 decrease was manageable and was a livable amount as he believed the balances were about half with the year being almost out noting the bulk of money of the \$10,000 expended was applied to that managed care component with the Safety Review Board monitoring it very closely and provided two various departments an incentive such as if they've kept accidents at an all-time low in their respective divisions there were awards granted which seemed to be one of the most workable solutions in trying to meet that managed care component of the self-insured program in place, but the \$10,000 was manageable and they would need that amount of money in order to meet their obligations and maintain that managed care program to comport with Labor Department requirements.

Chairman Wihby inquired as to the CIP Program funding.

Mr. Clougherty replied that was the Cash appropriation necessary to carry out the capital improvement programs; that when the CIP budget resolution would be adopted there was included an amount in there for Community Development Block Grant funds, an amount for Bonds, federal grants, and a piece made up of City Cash; that the City Cash portion of the CIP had to be appropriated noting this was the vehicle for appropriating that number so whatever the Board would decide what it wanted to do with City Cash was part of that CIP budget.

Ald. Pariseau asked if the CIP Committee had finalized its budget.

Chairman Wihby replied the Committee would be meeting on Thursday and hopefully next Monday it could be brought back before the Board.

Ald. Hirschmann asked if the full Board got an opportunity to discuss priorities.

Mr. Girard replied, yes it did.

Chairman Wihby stated the Committee would be looking at it on Wednesday at which point it would go before the Board the following Monday for discussion with Bob MacKenzie making a full presentation to the Board as he did with the Committee.

Mr. Clougherty stated the eight seventy-eight number was the number they received from staff at the beginning of the year as to what they thought it might be.

Chairman Wihby asked if the Motorized Equipment Replacement account number was included.

Mr. Girard stated what the Mayor had decided to fund was in the black book noting the Mayor had made specific recommendations relative to the \$300,000 on which vehicles he thought should be bought adding that because of the central fleet proposal which had been adopted by the Board, all of the departments who did not have garages had their line items for vehicles removed and a reduced number put into CIP so that all of the gas and vehicle maintenance and repairs would be coming out of that MER Account and believed that number to be around \$50,000 for those seven or eight departments.

Chairman Wihby asked about Employee Medical Services.

Mr. Clougherty stated Employee Medical Services was a line item which was under the Personnel Director; that it was the amount of money they paid to have people go to be tested if for some reason it was felt there was a medical opinion that was necessary either as part of their employment application noting that a lot of the money was for when they did Fire and Police testing and things of that nature; that there were also times when Mr. Moran needed it for second opinions.

Ald. Hirschmann asked why it was underfunded.

Mr. Girard replied it was a data entry error by the Mayor's Office noting the Board would be receiving a memo from the Mayor regarding that and that it should have been keyed in at the \$50,000 level which was included on the 3-page summary.

Ald. Hirschmann asked if the error was carried through to the bottom line.

Mr. Girard replied no because the tax rate number they had developed came off of the three-page summary noting that in the summary the account just funded it to \$50,000.

Chairman Wihby stated \$35,000 was what had been requested and asked why it was proposed to be funded at \$50,000.

Mr. Girard stated actually that request was not \$35,000, it was strictly a carry over from last year for budgeting purposes and

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they'd already overrun that at this point noting the \$50,000 might even be overrun; that there really never was a formal request submitted for it which was why last year's allocation was moved into the fiscal '97 budget.

Ald. Pariseau asked if that was because of the Police Department retesting that they needed the additional fifteen for that one year.

Mr. Girard stated he could not recall; that he knew that both the Fire and Police Departments had indicated they would have testing coming up this year in fiscal '97.

Mr. Ntapalis stated he knew the account they were talking about now more than ever with respect primarily to Fire and Police line people who might become exposed to blood bond pathogen diseases which either their health insurance did not cover noting that Worker's Compensation wouldn't respond to in that nature and there was no other place to turn to for the funding and properly cared for; that over the past couple of years that had been the fund which had responded to those needs.

Chairman Wihby asked if a couple million could be chopped off the Maturing Debt.

Mr. Clougherty in reference to last two items Maturing Debt and Interest on Maturing Debt noted Maturing Debt was the principal with the interest on the debt; that the numbers reflected were the actual debt service payments to be made during the fiscal year as based on all of the bonds which had been issued; that right now the City only have one small bond they hadn't issued for about a half-a-million dollars and everything else they'd been to the market, issued the debt getting the lowest possible rates; that they were actual numbers based on bond issues; that they had not included anything in there for anything this year or as a cushion to deal with anything in that regard, it was a straight takeoff of the financial statements in terms of the actual debt service the City had to make and obligated to make.

Ald. Shea asked if the Middle School were included.

Mr. Clougherty replied it was not included; that if they were going to do the Middle School they would probably issue it in the latter part of next year, so it would be effective in the following year's budget and there would be no principal and interest payments this year.

RESTRICTED ITEMS

Mr. Clougherty stated the Health insurance were calculated by Risk Management and based by the number of employees, types of coverage whether it be family or whatever; that they took a look at the traditional amounts of costs and pro rate on a department-by-department basis.

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Chairman Wihby inquired about the City Retirement line item.

Mr. Clougherty stated the City Retirement paid for the old system and the new system.

Chairman Wihby asked if there was anyone in dispute at this time.

Mr. Clougherty stated the number which was included had to be based on what had to be paid from the prior period; that there had been a question as to whether or not it should be paid and a meeting was held with the Solicitor's and Mayor's Office as to whether or not it should be paid; that the Retirement Trustees had indicated an interest rate reimbursed for a period of time which was about 31 percent.

Ald. Elise asked if that issue could be explained as he had received calls from individuals expressing their concerns that the City was obligated to pay.

Mr. Clougherty stated each year the City did an actuarial, or the Retirement Trustees performed an actuarial in terms of what they felt the City's contributions should be; that there was some question as part of the budget process in terms of whether COLA's should be included or not and how they were calculated; that the long and short of it was that the City should pay the COLA's, so the City had to pay back in addition to what they had this year an amount going forward; that the Retirement Trustee felt that because they didn't have those dollars they should be reimbursed what they would have earned on that money during the period of time they didn't have the money; that during that time they probably went through one of the best equities markets noting the earnings were nothing short of spectacular; that if the Board were to accept such they would then have to budget that amount to pay the Trustees noting that was what they were requesting and if there was some dispute it would have to be reconciled; that it was his opinion at least appropriate the amount to cover it so in the event they wanted to pay the whole amount they would have it and would not be short; that it was a large percentage increase, however, the earnings during that period were substantial.

Ald. Elise asked if that number would cover everything that was owed.

Mr. Clougherty replied it would cover the principal plus the amount which was forecasted by the Trustees.

Chairman Wihby stated for the 31 percent interest.

Mr. Girard stated it was hard to say; that the Retirement System at the time the Mayor was putting together the budget would not forward him a written estimate of what they thought the dollars were going to be; that he was unsure if they had received it; that in discussion with Mike Netkovich, Chairman of the

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Retirement Board, had indicated that the City for budgeting purposes should use last year's number which was the \$718,486 which they did use and added the difference between that and the million dollars for that belated payment; that if the assumption on the FY96 were to change the City could find itself short.

Mr. Clougherty stated the Trustees were meeting tomorrow morning and if the Board wished he could speak to them at that time to find out what their opinion was, but the principal amount could not be paid until the budget was adopted so depending on what was happening in the current market it would arguably, from the Trustees standpoint be something which was on the table noting that had to be looked at and provided for.

Chairman Wihby asked if they couldn't argue that the City wanted to pay a fair rate say 10 percent or 8 percent instead of 31 percent noting that was exorbitant.

Mr. Clougherty stated if that was the feeling of the Board they would be the ones to approach the Trustees and negotiate it, but in the event that they decided they would like to pursue it and felt they had a position.

Chairman Wihby asked if the City Solicitor was asked whether or not the City had to give the 31 percent.

Mr. Girard stated he believed the Mayor had started a discussion with the Solicitor but was unaware of what the outcome was.

Chairman Wihby stated if the City could save fifty, sixty, or seventy thousand thought the City ought to try to see if they would be willing to pay whatever else the City owed at a descent rate and asked if Mr. Clougherty could relay that message to the Trustees.

Mr. Clougherty stated he could relay such message tomorrow morning.

Ald. Shea stated he was not sure he understood.

Mr. Clougherty stated one of the things which was questioned was how cost-of-living increases were funded and put into the actuarial formula; that there was discussion at one point between the actuary and the budget people who had indicated the City didn't have to pay a particular portion noting that wasn't the case and after having gone back and looking at it and reviewing it, it was their opinion along with the Solicitor that that should be paid by the City; that because it wasn't paid for a period of time during which the fund made significant money, the Trustees of the Retirement System had performed well during a bull market, so they were trying...their position based on their discussions with legal counsel was that the City owed them the principal amount plus lost earnings; that if the Board wished to approach it differently he would bring it before the Trustees

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noting if they said no both would then enter into some sort of negotiations process or litigation or wherever it might lead but the Trustees had made it clear that they thought the money should be paid which was currently on the table.

Chairman Wihby stated see if they would be receptive to perhaps dropping off \$50,000 or something, settle it with them, and proceed from there.

Ald. Soucy stated wasn't it just lost earnings on the COLA's they were looking for and asked how far back did it go because 30 percent on top of the \$718,486 in rough numbers was only \$941,216.

Mr. Sherman stated they were looking for \$200,000 for the COLA's plus 31 percent on top of the \$200,000 which only got them through December of 1995 noting they had not added on the other six months interest from December '95; that what Richard did was to take \$718,486 which was last year's funding and threw in \$282,000.

Mr. Clougherty stated conceivably the market could go the other way.

Ald. Shea stated the City hadn't contributed what it should have.

Chairman Wihby stated he believed they were at a dispute, the City didn't think they owed it and the Trustees said the City did, so the City held it back and because it was held back the City Solicitor had ruled that the City shouldn't have and now they wanted the interest also.

Mr. Clougherty asked if it was the wish of the Board that when he met with the Trustees tomorrow that he indicate to them that the Board would like to see some relief in that area.

The Board was in agreement to such.

Mr. Sherman stated as a matter of record when the City used to make quarterly payments to the Trust, they only charged the City five percent, so the City would not make its first payment until September, then one in December, October, January, and July of the next year; that the option for fiscal 95 was that they still provided an option for quarterly payments at five percent and the City had made the payment all up front in order to save the five percent, so during that period when they were going to give the City five percent they were charging over 20 percent for that one 12-month period and to get out to the other six months it got it to 31 percent noting the 31 percent was a flat rate and was not a compounded or an annual rate.

Chairman Wihby stated wasn't there around \$50,000 the City could still give them at a descent rate and not give them the 31 percent.

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Mr. Sherman stated if the City went back to five percent it would be giving them \$10,000 instead of \$60,000.

Chairman Wihby stated why not try that and see what they say noting it was hard times and the City wanted to work with them.

Ald. Cashin asked how long it had been going on.

Mr. Sherman replied it was fiscal '95 in which the COLA did not get paid; that if the quarterly payments had been done they wouldn't have received their last quarterly payment until July 15, 1995 which would have been the beginning of fiscal '96.

Mr. Clougherty stated he would relay the message tomorrow and ask if there was some way they could sit down and work on it.

Chairman Wihby asked what the Tuition line item was based on.

Mr. Clougherty stated it would allow for people to go to school, tuition reimbursement.

Mr. Sherman stated it was all capped based on the contracts.

Chairman Wihby asked if all the money was used.

Mr. Sherman replied for the most part.

Mr. Girard interjected he did not believe that was the most it could be; that it could be over \$70,000 and perhaps \$75,000.

Mr. Sherman stated it did not include what the teacher's had.

Mr. Girard stated the teacher's were separate in the School Department budget, but it could be more than the \$61,500 based on the contracts.

Ald. Hirschmann stated the requested expenditure for FICA was \$5.1 million and noted the Mayor's proposal was \$4.7 million and asked if that was because of the District Fire Chiefs and other things.

Chairman Wihby stated it was because the budget was cut from the recommended to what he did noting that number would go down.

Mr. Girard stated it also included the creation of the solid waste enterprise; that all of the numbers the Mayor recommended presumed the creation of the solid waste enterprise, so all of the benefit numbers...and what they did was to shift all of the people off the General Fund and into the enterprise, so all of the benefits would have been paid by the enterprise fund as all other enterprises were and in bringing back Bag and Tag onto the City side those numbers would have to be adjusted because they'd be added to.

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Chairman Wihby inquired of the CGL Insurance line item.

Mr. Ntapalis stated that was the Comprehensive General Liability which was based on department-by-department, a loss history which included slips, trips, falls that people may have, bodily injury, property damage type claims; that there were some ancillary premiums paid out of there for smaller commercial policies; that the City by-and-large had relied a great deal on its limited statutory immunities and municipal caps so it wasn't a large fund and included the insurance premium on commercial insurance with the large portion of it being property insurance for all of the City's buildings.

Ald. Clancy asked who the insurance carrier was.

Mr. Ntapalis replied the property broker who had won the last bid was The Insurance Exchange, with the carrier being CIGNA Insurance Company.

Ald. Shea asked if it was a mutual-type of funding where dividends were received back.

Mr. Ntapalis replied it was a flat fee as far as the property portion of what was paid; that there was very little in the way of commercial insurances the City paid premiums on; that the account was used to pay premiums with the largest being the property exposure where \$260 million worth of property was insured.

Ald. Shea asked what the payment schedule was.

Mr. Ntapalis replied what had happened when the premiums were about \$160,000 per year they used to spread it out on a semi-annual basis; that they took advantage of the soft market and a good loss experience at the time and when they bid the insurance it cut rate in half the condition being they'll maintain a small rate per hundred, per value which was currently three cents, however, they would want it up front right now which was \$80,000.

Chairman Wihby stated there was \$500,000 the Mayor had put into the Salary Adjustment line item for the School retirements and asked if that was for 15 retirements.

Mr. Girard stated he believed the average the School Department used was \$25,000 per retirement.

Chairman Wihby stated he would go over the health insurance first; that he received a letter from Blue Cross which indicated "compared to the latest renewal proposal submitted, the total annual savings generated to the City of approximately 8.2 percent equates to \$940,602 if all general service employees enrolled into the BlueChoice Program effective July 1, 1996." and asked if they agreed with that number.

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Mr. Ntapalis stated he had not received it noting there had been a lot of dialogue which was in close proximity to what they'd committed to, right around the million dollar mark.

Chairman Wihby asked Mr. Sherman if he agreed with that number; that if the City were to take out \$940,602 from Health Insurance and put it down below in Health Insurance/Salary Adjustment as people switched from Blue Cross to BlueChoice they would take that money and move it to Salaries and if they didn't switch they'd take the money and put it into Insurance; that the number given by Dave Hodgen was \$606,000 or something like that was necessary to go to 2.5, 2.5 and change insurance, so it would still allow about two to three hundred fifty thousand dollars in that account where if they were able to get everybody by July 1st 2.5, 2.5, and Blue Choice they could deduct \$350,000 right off the budget; that it couldn't be done because some of the unions wouldn't settle for it and wouldn't come in on July 1st, so the money had to be kept in the account in anticipation of them not switching and thereby having to pay the full \$940,000 in insurance premiums, but thought that some of those people would change during the course of the year and did not know how many, but as they changed some monies would be saved and asked if it was practical to use some of that money to fund Salary Adjustment for retirees and save a couple of hundred thousand from Salary Adjustment.

Chairman Wihby asked how many retirements were funded this year.

Mr. Girard replied this year \$560,000 was funded to do what Chairman Wihby had just explained and \$300,000 for School Severance; that one of the things that drove the School numbers this year was that there were some changes threatened in the State Legislature to the State Teachers Pension System which would have penalized some teachers if they had not retired this year noting that it was probably safe to say that as long as those threats didn't exist in the State House the City wouldn't have an onslaught like it did this year.

Chairman Wihby stated they didn't know that, so to take out one or two hundred thousand out of the Salary Adjustment account and leaving it at \$300,000 they could run into a problem, but knowing there was another \$350,000 in case contracts were settled as a backup including that money asked if they could take \$100,000 out of that account.

Mr. Clougherty stated they'd be cutting it pretty close.

Ald. Cashin stated he was not trying to tell them what to do, but they got themselves in this position today because they've been doing it for the last four or five years and the chickens have come home to roost and if they kept it up they would not be solving the situation, but making it worse and maybe he was the only one who thought that way, but it was a fact, it was here and it needed to be addressed.

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Chairman Wihby stated he did not feel they would be losing another 25 teachers this year.

Mr. Sherman stated the only thing they had to keep in mind was that they were entering the last year of their contract and if they didn't see any raises coming the next July they might see 25 teachers jump again.

Ald. Shea stated it was an older type of School system; that there were a lot of people with a lot of years in.

Mr. Girard stated that approximately 70 percent were at the top step or higher.

Ald. Shea stated age was a factor; that if a person did not indicate they were going to retire before January 1st they then lost out on their severance pay which was about six or seven thousand.

Chairman Wihby stated they had run into problems a couple of years ago when they wanted \$500,000 or a \$1 million when in fact they only used \$300,000 of it.

Ald. Shea asked if this Board told them how much they would be getting or what.

Chairman Wihby replied he did not know how the Mayor arrived at his numbers.

Ald. Shea asked if it couldn't be cut out of the budget.

Mr. Girard stated they could, but they couldn't noting the Board had received a memo from the Mayor outlining how he came up with his cuts to the School Department budget which basically showed the thought process he had in coming to the numbers; that they could target severance or whatever they wanted at the Board level as a rationale for the cut, but the only thing they'd send to the School Department was the bottom line and once they got their bottom line they could spend the money anywhere they wanted unlike any other department.

Chairman Wihby stated this had nothing to do with this noting the Board put the money in that they thought the School Department would need and it stayed here; that it was taken out of their budget because they were playing games, or it was felt they were playing games back then, took it out, left in the City's account so it was not controlled by the City and could make it higher or lower.

Ald. Elise stated in terms of the number of teachers retiring from the system regardless of the reason that without a merit system in place they did not know if they were losing good teachers or bad teachers.

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Mr. Clougherty stated going through the budget process and looking at individual line items noted it was almost like looking at every tree in the forest and see if this one could be cut back a little or groomed or what its needs might be and go through that process; that sooner or later they needed to stand back and look at the forest to see whether something needed to be done to a group of trees or other things; that in looking at the financial reports which were prepared and the audit reports their big concerns were or one of the biggest issues in the City's health going forward was dealing with long-term debts which was the accumulation of benefits for severance and retirements and all of those issues and at some point the City would have to deal with that issue; that dealing with it did not necessarily mean appropriations, it could mean looking at benefits through contracts and changing things; that on this particular issue they could go back and do some type of an analysis giving the last five years and trying to talk to Mr. Bernard and give the Board better information than perhaps what they had on this particular issue this evening, but going forward at some point once the budget process was beyond, the Board needed to sit down and take a look at the future because they couldn't just deal with it year-to-year-to-year but had to tackle in on a longer term basis and was merely making a pitch in that direction so that if the Board heard him coming back in a couple of weeks or months to do so hoped the Board would support them in that regard.

Chairman Wihby stated he thought they had been doing something with it; that he had thought they would never have that problem again with January or whatever but apparently there was still a problem because it was still here.

Mr. Clougherty stated a lot of the bottom line problems in the overall financial picture was what had to be paid out based on existing contracts and how they all...it was not just the raises but the other things in there as well that had to be accounted for which were real monies; that they affected the bottom line, the fund balance so there wasn't the flexibility to apply more fund balance to help you in this regard; that at some point and he was not sure if now was the time but thought they should sit down and explain how the whole cycle works with the revenue and everything else so that the Board understood how all of the pieces fit together because the decisions the Board was making would help them in the next year, but they had to sit down to plan how they would deal with it long-term or the City would continue to be in the situation year-after-year.

Chairman Wihby asked Mr. Clougherty to look into the situation and talk with Mr. Bernard.

Mr. Clougherty stated they would put it on the list and find out better projections and see if there was something that could be done.

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Ald. Clancy asked about sick leave and vacation benefits.

Mr. Sherman stated some of them had gone up through negotiations.

Mr. Clougherty stated they did not see them appropriated here, but they had an impact on what needed to be set aside which had an effect on the fund balance noting it had a real impact.

Ald. Domainque stated as a single Alderman, she would like to have a presentation on the entire picture noting it was up to the entire Board as to whether or not they could find time during this budget process or hold it off, but she was a little concerned with whether or not the employees were provided with any kind of any annual information sheet telling them what the value of their benefits were; that there were some employers who did that where they listed the salaries, the cost of health and dental benefits, costs of life insurance benefits, etc. so that the employee understood that at the bottom of that sheet what the value of holding that job was and asked if the City did that also.

Mr. Clougherty stated the Trustees did that for the Retirement System.

Mr. Sherman replied the City did not do that in-house.

Mr. Clougherty stated it was merely a product of the software and the payroll system which hopefully with the project that the Board had authorized to replace the financial/payroll system would be able to get it into a format which was usable; that currently what would be required in manhours to go back through the payroll system and pull it out would be incredible.

Ald. Domainque stated with the high cost of all of those benefits today and given the fact that the City paid 90 percent of the premium thought it would be helpful for the employees to understand when the City was in a situation such as it was now to know what those benefits represented in addition to their salaries; that the question she had was in the Salary Adjustment and requested expenditures and asked Mr. Girard if he could tell the Board how the School Department or how that Salary Adjustment figure of \$193,600 was arrived at and what did it represent as it was significantly higher than either the 1996 tax rate listing.

Mr. Girard stated when the School Department submitted its budget to the Mayor it did not have severance included therein; that for budgeting purposes as a beginning step for the Mayor's budget process he took that \$860,000 which had been allocated in FY96, added a half-a-million dollars to it specifically for School Severance noting that was what was entered into the request for that line item; that originally knowing that some of the contracts had been settled and others hadn't believed the Mayor was hopeful that he would be able to set something aside to bring all of the contracts to resolution but obviously given the

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numbers the Mayor had to deal with that option was removed and the half-a-million dollars that was put in for School Severance was what was ultimately recommended; that it was just a budgeting exercise on the Mayor's Office part because the School Department had not submitted any numbers to them.

Ald. Domainque in reference to the Fire State Pension stated if in fact the amounts would be going up for next year as Randy had indicated asked why was that number less than the Mayor's proposal.

Mr. Girard replied because the Mayor's proposal eliminated five District Chiefs and also eliminated the Emergency Services Coordinator and all of the new position requests of the Fire Department.

Ald. Domainque asked Chief Wihby if they had covered Worker's Compensation as she wondered if the Board could get some input on the Worker's Comp number; that she thought that when Mr. Ntapalis had appeared before the Board previously had indicated those numbers would be going down and if in fact the number of claims were going down asked why would there be a higher figure represented.

Mr. Ntapalis stated when he had talked with the Personnel/ Insurance Committee the managed care element of what they were attempting to do in the lump summing of older claims which had been a drain year-after-year where people might have been out of work for 6, 7, 10 or better years what they had been doing was lump summing and reducing the draw in that fashion, however, from the Worker's Compensation the claims in even though the numbers were down the costs to deal with some of the claims now had gone up; that they also had in place excess Worker's Compensation coverage where they drew from the Worker's Compensation Account to pay the premiums each year which was to deal with in the event there was a multiple loss or a catastrophic loss situation; that at one point they did not have any mechanism by which other than the Self-insured Worker's Comp Fund to address claims which might have been a multiple injury scenario which could have run into the millions noting it would have meant not only wiping out the City's Worker's Comp line item, but probably having to look elsewhere for capital so the City paid a premium for that sort of commercial coverage; that they also paid for commercial coverage out of the Worker's Comp line to deal with the federal programs which were about \$3 million worth of School Department federal programs which were at one time handled by the School Department as a separate insurance coverage; that the Welfare Department under the Welfare Commissioner dealt with in her Workfare Program about another half-a-million dollar or comparable salary noting the City also assumed that about a year-and-a-half ago and pay the premium out of the Worker's Comp Fund which was something that Welfare did not have to do at this juncture, so it was sort of an involved encumbrance to the City, but indeed the number of claims had dropped, the number of long-term drain on indemnity in

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that would be reduced but to limit the number of dollars requested was afraid the City could run into a problem.

Ald. Hirschmann in reference to Harry reviewing all of the open litigations with the Personnel/Insurance Committee asked if there were any numbers carried over for those.

Mr. Ntapalis stated the claims addressed that evening would be under the Comprehensive General Liability; that litigation had dropped off about a decade ago and had been averaging about a good three dozen lawsuits a year noting with many having spilled over into other years; that over the past couple of years they had seen them drop to about a half-a-dozen with maybe an average of four over the last two years; that a certain amount of dollars were reserved to deal with the claims which was built into the Comprehensive General Liability Reserve noting it would be reflected in there.

Chairman Wihby stated the Board had just reviewed pages 2 and 3 which totalled about \$45 million out of the \$145 million budget and asked if anyone had any recommendations to cut into the \$45 million noting they had saved \$8,000; that Kevin would be looking into the \$50,000, the Salary Adjustment, and report to Ald. Cashin relative to debt service, School Severance, Tuition Reimbursement.

Ald. Domainque stated the Mayor's Office had mentioned that the Bag and Tag proposal had moved something to the Enterprise which had to be moved back and asked what they would be looking at in that area.

Mr. Girard stated he believed the numbers that had been forwarded to the Board by Frank Thomas regarding what it would cost to bring the program back onto the tax side included the benefit calculations; that they may need to add numbers to the specific line items but could perhaps pull them out of the numbers submitted by Frank for his operating budget.

Chairman Wihby asked what those numbers looked like now with the Bag and Tag back in.

Mr. Girard replied they were talking about adding another 30 employees to the tax sided payroll; that the entire Scavenger operation had been removed as part of the Mayor's budget proposal, so all of the numbers that the Board had been dealing with on the Bag and Tag proposal of \$4 million plus had included those benefit numbers; that if the Board voted not to do the Bag and Tag those numbers would then go back, so it wasn't as though money had to be added on top of the \$4 million which had to be carried over, there was not a double cash there; that that number had been carried in the Highway Department's number for the ease of moving the numbers around they'd be dealing with one account rather than several, but when the Mayor had set up the Solid Waste Enterprise it was treated like any other enterprise with

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all of the employee's salaries and benefits, etc. were carried in the cost of that enterprise and taken off the tax rolls noting that was what had been done with the Recreation Enterprise.

Ald. Shea stated that Len Bernard had mentioned the School Department lost a million dollars in tuition.

Chairman Wihby stated those numbers had been revised after having found another \$300,000 noting they were still looking.

Ald. Shea asked if it was State, Federal or Trust funding.

Mr. Girard replied there was a formula which the City used to determine what it could charge the towns who sent their students to the City for tuition noting there were various costs which could be included in it which was a State derived formula and based on the City's costs for providing those services; that he did not know the mechanics of it indicating Finance could probably speak better to it.

Mr. Clougherty stated it was part of the tax rate setting process whereby the School Board was required to fill in a State form which included not only what their appropriate services were, but all other services they had received from say Police, Fire, Highway, Parks, etc. noting the individual department provided those numbers with all of those numbers getting factored into the form which went to the State; that the basis of the form was two parts; that when they go to set the tax rate there was an amount included to City, School, and County which served as the basis because they took a look at the total City appropriations but then they figured out how much was really school versus City; that it secondly served as the basis for the determination for the out-of-town tuition rates in concert with a similar exercise done by all of the other cities and towns doing it, so that was where that rate came from; that in coming up with the number which was being discussed this evening was really in two parts with one being the rate going up or down and secondly, were the numbers of students going up and down.

Ald. Shea asked if there were fewer students.

Mr. Clougherty replied he thought that was what the School Department was revisiting currently noting they should be getting better numbers from the School Department in terms of what they were forecasting.

Ald. Shea asked if the cost was the same this year per pupil.

Mr. Clougherty replied it would not be because the budgets were going up, the costs were going up, the salaries were going up.

Ald. Shea stated so in reality they would be charging more for students coming from Bedford to West, etc.

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Mr. Clougherty replied, yes unless they stopped service delivery of some sort which would offset that and wished to give Mr. Bernard the opportunity to revisit that and come up with different numbers.

Ald. Shea asked if the City's contribution to the County was a fixed number.

Mr. Girard interjected that it was not a contribution, but rather a tax.

Chairman Wihby stated it was a certain formula based on valuation and what the City had compared to other towns noting it changed all the time.

Mr. Girard stated for the Board's knowledge now that the County tax had been brought up the County sends the City a bill which has to be paid; that this year the Mayor had budgeted \$7.5 million for the County tax noting that last year the City had come in just over that; that last year the County tax went up four percent, this year it was projected to go up over four percent which was the budget that the Commissioners had submitted, so the \$7.5 million could be in trouble based on what was happening with the valuations in the cities and towns as much as what was happening with the City's.

Chairman Wihby stated the City did not receive that number prior to the City's budget though.

Mr. Girard stated the County Commissioners had submitted its budget to the delegation but did not know...

Ald. Soucy interjected that the budget subcommittees were only now just working on it.

Mr. Girard stated the County tax if the budget were to pass would have gone up over eight percent in the last two years.

Ald. Domainque stated there was a public hearing on the County budget and asked if the City would be informed as to when that might be so if there were Aldermen who wished to go and speak to the County could be notified.

Mr. Girard stated he would check to find out when the date was and would notify the Board.

Ald. Domainque asked if there was a monthly report, quarterly report on where those Worker's Comp cases were and how they were progressing and how many, if any, settlements were taking place.

Mr. Ntapalis replied to the best of his knowledge he had gone before the Committee on Accounts on a couple of instances as the Committee did have an opportunity to look in particular at the lump sums or the annuities structured to decrease; that each

department received on a quarterly basis a loss history from the City's third-party administrator, a statistical breakdown of how many claims, the nature of the claims, the costs, and the reserve amounts of those claims so that each department had an opportunity to have some input on probably helping in the initiatives of Risk Management and the Safety Review Board to change that course; that because of confidentiality and reported by names he did not send it to any public meetings but would certainly be able to make it available to Aldermen.

Ald. Domainque stated she could probably get what she was looking for by attending a meeting of the Committee on Accounts.

Chairman Wihby asked Board members if they wished him to take the two different numbers and use them for the Blue Cross, use the nine forty, take it out and leave it /Insurance and Wages.

Ald. Soucy asked if that number would change.

Chairman Wihby stated that was the number given.

Ald. Domainque asked if it was based on everyone going to BlueChoice.

Chairman Wihby stated the \$940,000 was for General Funded employees switching from Blue Cross to BlueChoice on July 1st.

Ald. Domainque stated it meant settling the contracts in a sense.

Chairman Wihby stated he would take it out of Insurance and put it /Insurance and Salary Adjustment and if they didn't finalize would be moved into Salary and if they did finalize they'd move into Insurance; that the money was still there, it was the same amount, and they wouldn't use any of it to save and if they didn't switch the money then went all into Insurance (\$940,602); that if they did switch they would save \$350,000, but wouldn't recognize that until next year.

Discussion relative to what the effects of a 1%, 2%, or 3% cut to the Mayor's proposed budget would have on departments and in which direction the Aldermen wish to proceed.

Chairman Wihby stated they went through \$45 million of \$145 million and saved \$8,000 and now they would begin going through the departments noting it was a \$100 million and go through the one, two, or three percent submitted by departments and asked for input from the Board starting with the Board of Aldermen.

ALDERMEN

Chairman Wihby stated the Worker's Comp number did not need to be included so they could cut three percent from the Aldermen if that was what the Board wanted; that it would total a deduction of \$780.00 out of the line items.

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Ald. Cashin wanted to know where exactly the cut was coming from.

Chairman Wihby replied it was coming out of line items 521, 540, and 550 for a total of \$780.00.

Ald. Cashin stated the Board had requested the departments tell them where they would make the cuts; that if the department head told them where the funds would be coming from and the Board started to second guess them then they would not get anywhere and suggested that the cuts which had been suggested by the department heads be accepted.

ASSESSORS

Chairman Wihby stated he had talked to Paul Porter who had indicated that it was a big cut and would cut someone from his department.

Ald. Pariseau stated that was where cuts would have to come from, personnel, and there were no ifs, ands or buts about it and if they were going to bring the tax rate down to four percent, it meant heads would roll.

Chairman Wihby asked what was the recommendation for the Assessors.

Ald. Pariseau replied he had no idea.

Ald. Domainque stated the reduction in percentages from the Mayor's recommended proposal reduced the amount available for Incidentals noting that the Assessors cited Incidentals as being money they used to strengthen their position in dealing with cases litigated in Superior Court and asked why the City would need them to pay for that when there was a City Solicitor's Office.

Chairman Wihby replied he did not think the Solicitor's could do all of the work.

Mr. Clougherty stated it was not always legal people; that it involved real estate experts and engineering people, so it was a combination of consultants they used noting it was for legal hearings, but may not be legal expertise, but rather people who had expertise in other areas they usually contracted with.

Ald. Domainque stated before the Board went department-by-department through the budget asked what they were looking at in overall scenarios if they dropped the Mayor's proposal by one, two, or three percent and asked if they knew what the range of dollars was that they were working within and whether or not it was realistically going to bring them down to a percentage they felt was acceptable.

Chairman Wihby stated there were a couple of issues; that one was the Reclamation Fund which was currently held up in committee which made sense and the Highway Department had recommended and if the Parking Fees increased using the Mayor's numbers of \$650,000, the recommendation from Traffic was \$1.1 million; that he spoke with Rich Davis stated he thought there should be some increases, the guy in Boston thought there should be an increase in parking fees, but did not know if they should be across-the-board; that using the number from Traffic and assuming that passed, using the Reclamation number of either \$350,000 or \$450,000, using one percent on some of the departments they were looking to get to a 3.9 percent increase and were looking for about \$400,000.

Ald. Soucy stated that did not include the Bag and Tag number.

Chairman Wihby stated it did.

Ald. Pariseau stated instead of going through that process, asked if it wouldn't be to the Board's advantage to find out what the tax rate would be with a one percent cut, a two percent cut, or a three percent cut and then go from there.

Ald. Elise stated it didn't include the decision as to whether or not they should use the money which was saved from the Rooms and Meals Tax noting the Board still had to decide whether or not it wanted to use about \$750,000 or so.

Ald. Hirschmann stated he felt it was their obligation to go through the budget and make the cuts as much as possible for the taxpayers.

Chairman Wihby stated there were some hard choices with the one percent cut; that they would hear the School and Fire Departments being upset but thought the other departments could probably live within those numbers and didn't know if there was more that could be taken from other departments; that there would be a big outcry from the School Department with a one percent cut.

Ald. Cashin stated there were perhaps some departments where some departments could have one percent taken out, but yet others where 1.5 percent could be taken.

Chairman Wihby stated that was what the exercise was for.

Ald. Cashin asked how would the Board find out what would be cut noting there had to be a give and take.

Chairman Wihby stated they had to have a number to be able to send to public hearing..

Ald. Soucy asked if Chairman Wihby could explain the \$400,000 which would be cut.

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Chairman Wihby stated in looking at the Mayor's number, refining them, revisiting issues and looking at different areas, making a one percent cut on most departments but not all they were about \$400,000 short of that goal to come in in the three percent range; that in the Mayor's numbers it was assuming that the Reclamation and the garage fees; that in his own numbers there were instances with a million dollar cut from departments and additional revenue they picked up citing they knew they could pick up \$100,000 from EPD and Water Works and Enterprise funds; that they knew School had found \$300,000 in tuition.

Ald. Cashin asked where they got the \$100,000 from Water Works.

Chairman Wihby replied between Water Works, EPD, and Enterprise Funds they were paying for the additional benefits used for Finance, Personnel, Negotiator, Solicitor.

Ald. Cashin stated what happened if Water Works turned around and started charging for water.

Chairman Wihby stated he had talked with Tom Bowen who had indicated he did not have a problem with it.

Ald. Soucy stated they could build that into the rate as it was a cost.

Chairman Wihby stated Tom had indicated they wouldn't have to do it because it was so small and noted it was the same with EPD as it was not a big number.

Ald. Elise stated she wanted to have a discussion now if the Aldermen agreed regarding the \$700,000 from the Rooms and Meals Tax noting she had thought about it long and hard and felt the civic center was dead and would not be going any further; that she would like to see a resurrected plan but knew it would take a long time to put it together; that she would rather use the \$700,000 in the budget to decrease the tax rate.

Chairman Wihby stated he personally thought it was a big mistake.

Ald. Elise stated the reason she felt that way was because there was over \$2.5 million in the GMDC account and if they so chose in the future to look at another civic center plan thought they could turn to GMDC for seed money; that with the budget situation the way it was she felt they could use the \$700,000 in the budget at this time.

Chairman Wihby stated it was his understanding that they were looking at a different funding for the project but that they would need additional seed money to start it and work with it and to perhaps assure that extra Rooms and Meals would be used until such time as they changed, but thought if they were to take the money out now and not use it for some sort of economic

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development thought they'd be asking for trouble because they'd never be able to get it back up again noting every year it would be the same problem; that what he was talking about was getting down to four percent which was basically the same number as the Bag and Tag which was the closure of the landfill costing \$4 million, so they really didn't have any increase other than landfill which was assuming that everyone was happy with cutting one percent out of some departments but if they did so and got the budget down to four percent they were still at the money for the landfill.

Ald. Elise stated she had received calls from individuals expressing their concerns about four percent or a tax increase period; that she knew the reason she felt that the decision would be legitimate was because they did have over \$2.6 million in GMDC and if the Board chose to go forward with the project in one or two or three or even four years regarding a civic center they could turn to GMDC for some assistance, so it wasn't as if there wasn't any money there and wished to state so now and asked how the remainder of the Board felt.

Ald. Domainque stated ideally, surely she would like to do that also, but thought she had a concern with respect to the future of the City; that if she were to be open to anything it would be to take a portion of that money, but to put all of the City's financial eggs and take them out of that basket and reduce the tax rate in one year knowing that the City of Manchester was in dire need of some type of major economic development project noting the Board would not responsibly take action on it thought they would be shortchanging the taxpayers in the long run and had a question and perhaps because it was the hour but an awful lot of numbers had been thrown out and knew they were talking about \$4 million in Bag and Tag which was back on, they were talking basically about a nine percent tax rate; that she saw where they made up approximately \$1 million between the Reclamation and the parking if it all went well; that \$400,000 in the EPD, Water Works, and School that had been found asked Chairman Wihby where was he right now with that percentage rate because she could not see it anywhere near four and asked what she was missing.

Ald. Soucy stated that was with the one percent cut which totalled a million and asked where was the other \$2.5 million which made up the rest.

Chairman Wihby replied \$175,000 was auctioned land (Tax Collector's) noting it might be higher because they had some auction land they had sold this year and when they went to sell it the people had backed out adding he was not prepared to go through the whole thing now; that Building came up with \$150,000 because of the Mall of NH.

Ald. Domainque asked when the Mall of NH was coming on.

Chairman Wihby replied they had started already.

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Ald. Domainque asked in terms of revenue.

Ald. Pariseau stated that would be next April 1st.

Chairman Wihby stated they had to get building permits between now and then; that Bob MacKenzie found \$7,000 in Planning; that the Fund balance was a million dollars and thought they could use the \$1.250 million in Fund balance noting it was currently being tracked; that he had talked with Paul Porter noting his number would be out either this week or next week and it looked as though it would be higher than what had been projected for the tax base and lower for the Overlay, but did not know that number yet, so hopefully they would be counting on something for that.

Ald. Domainque stated when they talked as the Board about planning for the future she hoped very sincerely that they would look strongly at reconstructing how those reports were done by the Assessors because she did not want to find fault with anyone but as far as making a budget was concerned if they didn't have their revenue projections and meant what they would be anticipating coming into the City on the tax rolls in hand, they would be acting blindly noting it had been done consistently, it had been the history of the City, and she, for one, did not want to continue operating that way.

Chairman Wihby stated he did not know if they could get it earlier and asked Finance if they could.

Ald. Domainque interjected the Assessors could give the Board a monthly idea of who would be coming on in the future.

Mr. Clougherty stated it was an estimate they prepared noting they had to look at the systems, what they were working with, how closely those systems were aligned with the other systems in the City such as the Building Department noting it was ultimately their call, it could be tracked so as to get an idea as to what was going on, but there were adjustments which needed to be made; that they had talked in relation to the Municipal Association was one of the things was perhaps getting the State legislation to consider a different timing of when reports had to be filed so they could coincide a little bit better with the budget process locally; that there seemed to be a lot of consensus in that regard, at least on the Finance and Selectmen's side, so they could see something in the form of legislation for a study committee to take a really hard look at it because an adjustment at the State level where the forms had to be filled in could go a long way; that there could be a year where they'd have to adjust for a transition period, but it could help in the future to have that information lined up a little bit better so Aldermen would have the information earlier, but the information they had in terms of the Veritas System was a state-of-the-art system.

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Ald. Domainque stated she could not see where they could operate in a budget system without it and could not understand why they had gone that long without knowing what they'd lost in the recession; that they received a ballpark figure because they really didn't have identifiable, quantifiable numbers in terms of what had been lost for either abatements or the tax base.

Chairman Wihby stated they did have those numbers noting they had those once-a-year when they went down to Concord.

Ald. Domainque stated once-a-year and asked how do you improve a system when it's only done once-a-year and reacting to crises and asked how do they improve.

Chairman Wihby stated he did not know if they could; that it was sent to Accounts to have them go talk to them as far as reporting procedures, but it was his understanding that they did not have those numbers until the Tax and Land people had to do something, etc. and finally got the number and when they did get the numbers they informed the Board as soon as they could; that they could perhaps give the Board a ballpark such as what they gave the Mayor, they were always afraid of going too high because the Mayor was the first one to jump all over them and they realized if they went too high and all of a sudden they had to come back and say they were a million dollars off, the Mayor would ring their necks.

Ald. Domainque stated there would be a trend established if they were reporting on a monthly basis and wouldn't talk about going too high...they would go too high when they were reporting only once-a-year, absolutely.

Ald. Pariseau asked if it was known how far behind they were in assessing new developments.

Chairman Wihby stated he did not think they were behind.

Ald. Pariseau stated they were behind in abatements and stuff.

Chairman Wihby stated they were not behind, they had always been as far as the process went noting they always came in after the Mayor gave the Board the number just before they brought it up to Concord.

Ald. Pariseau stated he thought they were working on 1994-95.

Ald. Soucy replied yes because they had been to the Board of Land & Tax Appeals noting that schedule couldn't be sped up and the Superior Court appeal beyond that level as well.

Ald. Hirschmann stated the Board was bouncing around a bit; that when Ald. Elise had mentioned the Rooms & meals Tax money indicated he did not advocate depleting that money either, but what he thought would be a rational thing to do was if they were

faced with a three percent or so tax increase to give back to the people some tangible improvements in the road resurfacing and sidewalks, so he thought that a quarter of a million dollars be given to Frank as he was asking for something like \$200,000 last week; that \$250,000 for resurfacing and \$100,000 for sidewalks noting those would be tangible assets spread around, reinvesting in the community indicating the three percent might be digestible by some people; that if they didn't do that \$700,000 sitting in an account wouldn't be...

Ald. Elise stated she would agree but based on the fact that there was over \$2.5 million in the economic development account they could fall back on.

Ald. Domainque concurred with Aldermen Domainque and Hirschmann and others that they should divvy it up a bit, but show the people that the Board was trying.

Mr. Clougherty stated their experiences have been and the recommendation made to the Board with respect to the money although it had been earmarked for CenterPlex was that it should go for economic development purposes; that it should not go into the Operating budget; that if it were built into the Operating budget they would be dependent on that money every year thereafter.

Ald. Pariseau asked Mr. Clougherty if he was talking about the Rooms & meals Tax.

Mr. Clougherty replied, yes; that again it would have to be made up every single year and as the money grew and more was done they would potentially be following the path of towns and cities as seen in Connecticut and California and others where it started with a couple hundred thousand and then it grows; that from their standpoint if there was a need to do the improvements they should be done as an Operating budget and taxed for or whatever, but the other dollars should be used for economic development purposes because they had to understand the relationship there; that once it was built into the Operating budget as was done with Revenue Sharing from the Federal government in years gone by, when that money stopped coming they would have an issue, a problem.

Ald. Pariseau asked if they couldn't take the normal Rooms & Meals Tax and apply it to the tax rate and keep the increment for economic development.

Mr. Clougherty replied that had already been done.

Ald. Domainque stated she heard what Mr. Clougherty was saying relative to economic development noting she was not in disagreement with him and did not advocate that it be done on an annual basis and change it and put it into the Operating budget, but she had to say that the Operating budget particularly for public works had suffered tremendously which was one of the first

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things the taxpayers saw when they left their driveways were the roads and they were hearing it all over the City in every single ward that they wanted to see some tangible evidence that what they were investing in in this City was being repaired or replaced and they weren't seeing it; that she felt the Board had an obligation to say back to the taxpayer as Ald. Hirschmann said that if they have to come up with a tax increase at least give the taxpayers tangible evidence that they were addressing what impacted them most immediately.

Mr. Clougherty stated he did not disagree that the roads shouldn't be repaired, but their concerns were that those funds be earmarked for economic development or something other than the Operating budget because they'd do one year and not be able to do it the next year unless they continued that funding.

Ald. Domainque stated that was planning and thought that after the budget cycle had run its course, the Board needed to talk about next year immediately and not eight or twelve months from now.

Mr. MacKenzie stated he wished to address sidewalks; that they were currently in the process of preparing a report for the CIP Committee, but thought it might be appropriate to review it now; that they had reviewed the amount of funds currently available which approached \$500,000 of which part of it was bond money and part being CD money and had not been expended at this point; that they did feel it was possible that a portion of the money (\$50,000) could be applied to the 50/50 Program which had been a popular and productive program in the past; that from the standpoint of sidewalks he thought it could be addressed without additional funding from this year's budget; that he concurred with Mr. Clougherty and some of the others that they did need a fund to really invest in the City in the long-term and thought it had been identified as a fund for economic development thinking it would be a shame to waste that entire amount in a shorter term.

Ald. Clancy stated he was told back in 1990 that they had \$600,000 for resurfacing and now there was only \$200,000 and asked if that was true.

Ald. Cashin stated they used to allocate a lot more money than they were now and suggested the Board look at the one, two, and three percent and did not know how they would react, but if they were going to discuss the one, two, or three percent for Highway depending upon what they would do noted they could be laying people off at Highway if they went to the three percent; that if they did so they could give Frank Thomas all of the money they wanted, but he wouldn't have the people to do the work anyway.

Ald. Clancy stated they were not trying to micro-manage the department.

Ald. Cashin stated you could give Highway all of the money they wanted but if he didn't have the staff to get the work done it wouldn't make any difference; that he was not opposed to taking some money out of the CenterPlex fund, but he wanted to be sure that if they were to give money to Frank Thomas that he would have the personnel to get the work done.

Chairman Wihby stated he had taken off one percent.

Ald. Cashin stated if it was one percent he saw no problem.

Ald. Soucy stated the point was that the Board needed to go through the budget to determine where the cuts would be and then go back and revisit priorities and look as to whether or not they needed to use any or the Rooms & meals money, but thought they needed to know where they were in the budget first because they could make that determination.

Ald. Elise stated the City had incurred and was paying out a lot of bills such as the capping of the landfill which had not been taken care of previously noting they did have this piece of revenue that they could use to absorb in the budget.

Chairman Wihby stated why not take the revenue and use it for the CSO's (sewer drains) when they knew they would need \$120 million.

Ald. Elise stated the Board could decide to do that too.

Chairman Wihby stated as long as Highway could do it and if the Board was willing to take \$200,000 and making it \$400,000 they could always take the \$200,000 and replace the \$200,000 they had and reduce the budget by \$200,000.

Ald. Cashin interjected again it came to priorities and asked if it would be a 50/50 sidewalk, street improvements, or what.

Chairman Wihby replied the 50/50 Program was covered by Bob MacKenzie; that the \$200,000 would be for resurfacing.

Chairman Wihby in reference to the Assessors stated in looking at what they asked for and what the Mayor gave them...

Ald. Hirschmann interjected in looking at their Incidental Account they had only spent \$1,100; that they had \$40,000 in Incidentals and they only spent \$1,100 so he did not see a problem in taking them down to three percent as they were recommending that it be taken out of their Incidental line item.

Chairman Wihby asked Mr. Sherman if they could use the Incidentals account without Board approval.

Mr. Sherman replied they could spend it, but they couldn't transfer it to any other line items without the Board's authorization.

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Ald. Domaingue asked if they could transfer form another line item into Incidentals.

Mr. Sherman replied not without the Board's authorization.

Chairman Wihby asked what the recommendation was.

Ald. Hirschmann stated the Assessors were recommending that it be taken out of Incidentals in their three percent scenario.

Chairman Wihby stated they were recommending \$13,430 out of operating expenses; that he had concerns with what they had done originally to that budget; that he was taking someone out who performed the duties that the Board had been complaining to them about namely the Board wanted the records and wanted them done fast, but yet they'd be getting rid of the help to do that; that if the Board did that it would have to recognize they would not have the person now to do it; that if they were going to chew them out and when they wanted numbers thought they'd have to be given more money than what the Mayor did as he believed he hit that department as he did Tax, did it on purpose.

Ald. Cashin stated you know why the Mayor did it as well as he did; that either they would put that person back in and then there was a legitimate right to expect what they wanted from the Assessor's Department, but if that person was not put in, don't blame the Assessors.

Ald. Domaingue stated the Assessors, all three of them saw a...as individual department heads in an individual department a 17 percent increase like everyone else in terms of department heads; that she understood that if they were short a person it would take them a little bit longer, what she could not understanding was if someone was hired at that rate which was a hefty salary in her definition and asked them to provide nothing more than they've provided which wasn't monthly reports at all and now they couldn't even do that because they were hurting then she had to question whether or not she had the right department heads in the right job; that those people were commanding a good salary, with excellent benefits and as far as she was concerned they were looking at a tax rate and no, she did not wish to have to hurt their department, but did not think they deserved any kind of special treatment; that the reports that should have been generated should have been generated and were not noting she would expect them to get the job done.

Ald. Cashin stated he was not suggesting that any department get special treatment from anyone, especially this Board, but thought that it was obvious to most of the Board members that there was a problem between the Mayor's Office and the Assessor's Office.

Ald. Domaingue interjected she did not care about that; that she cared about how it affected her.

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Ald. Cashin continued by stating he did not care how it affected her; that it was obvious for anyone who had sat on the Board long enough knew that there was a problem noting that needed to be addressed.

Chairman Wihby stated the way in which he addressed it was to take two percent off their total that they had to cut them down \$6,000, putting back that person, and still taking a two percent cut but if the Board wanted to do something different that was okay, too.

Ald. Pariseau asked Chairman Wihby if he used the Mayor's figure of \$282,744.

Chairman Wihby replied, no; that he used their number (\$308,339) because he thought that the Mayor's number really cut them noting he used the Assessor's number and cut two percent off of that.

Ald. Hirschmann stated if they were to use their number then he would definitely go with a three percent cut.

Ald. Shea stated he did not feel that the Assessors had a hard time preparing the material being asked for noting it was not a lengthy type of document and did not think it was beyond the capacity of those people to formalize what they had to do.

Chairman Wihby stated he thought they needed the direction on what was being asked of them specifically and if they were given such direction they could do it, but they hadn't been asked for such information over the last few years noting it was not their fault; that the Mayor had not had any communication with the Assessors, at all, and they didn't want to talk to each other; that the Assessor's were afraid of giving wrong numbers, so they didn't give any numbers and then the whole hassle of letters going back and forth and cc'd from the Mayor and cc'd from the Assessors noted it had been going on for years.

Ald. Shea stated the input had to come from the Assessors; that he was not in favor or disfavor of where the cuts had to come whether they needed a person or they didn't, but the actual material, the substance of what a report that they submit that had to come from them they had to do, they had the information noting that Paul Porter had the information as did the other two Assessors and it was not something which required an extensive amount of time; that with a little bit of background they could provide the number of abatements for the last six months, how many were granted, how many weren't, what was in litigation and so forth and why they were granted and why they didn't; that it was information the Assessors should be able to get.

Chairman Wihby stated that was why it was being sent to the Committee on Accounts noting the Finance Department had not provided reports until a couple of years ago and then they came

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up with a monthly report and quarterly, etc.; that it took them time to do it but it happened; that the Assessors were willing to do it.

Ald. Clancy stated it was the idea of bringing the information up-to-date and once it was they could just keep going.

Chairman Wihby stated he thought they could do so, but did not know if it could be done if they were cut to where the Mayor wanted and then cut another one, two, or three percent off of that.

Ald. Elise stated she was in agreement.

Ald. Clancy asked who was getting the abatements and he wasn't talking about a hundred dollars, but a hundred thousand and who was getting those abatements.

Ald. Elise stated she believed they would start getting those on a quarterly basis.

Ald. Domainque stated there was no question that direction was foggy here noting she did not ask Parks and Rec or Highway or any other department on a regular basis whether or not she could have their minutes indicating they were sent to her automatically; that she had never seen minutes from the Assessors, they met, they made determinations, and the determinations they made produced the kind of tax base that the City had to work with once-a-year; that she was not privy to that and hadn't been privy to that, she did not know why and hopefully after this budget process it would be corrected by the Board, but for right now she was at a loss whenever she talked about the Assessors because she had no idea what the history had been; that she would have been happy to tell them what she would have wanted and was sure the Board would have also been happy to tell them what they wanted, but in terms of just providing the basic information which gave them what they needed to come to the tax base they report out the Board did not even have the courtesy of that and asked Chairman Wihby where he was at with the minus one on their original request, what number was he working with.

Chairman Wihby replied minus two which would be \$308,339; that they had asked for \$314,630 and he cut them two percent.

Ald. Hirschmann stated Chairman Wihby was going the wrong way; that in '96 the number was \$294,000 and now he wanted to give them \$308,000 noting he would not go along with that.

Ald. Domainque stated neither would she.

Ald. Pariseau stated that was the reason the Chairman did so was because of the animosity between the Mayor's Office and the Assessors.

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Ald. Domainque stated that should not factor into it.

Ald. Cashin stated of course it would factor into it.

Ald. Domainque stated she did not wish to discuss their relationship; that she wished to discuss finances.

Ald. Soucy stated their relationship was what created the Mayor's recommendation.

Ald. Hirschmann stated Ald. Domainque had asked if cuts were made from the '96 number, if they wanted to level fund that department and keep the position in there then keep the \$294,000 plus their raises which would get them up to the \$308,000.

Chairman Wihby stated the way they had asked the departments to put their numbers together was to take the Mayor's number and give the Board scenarios of one, two, or three percent cuts off the Mayor's numbers; that he had not done so with the Assessors because he felt that they were underfunded because the Mayor had targeted them and Tax, so he felt that he took their request noting he wasn't going to give them all of their request so he cut off two percent and if that was wrong he asked the Board to give him a number, if they disagreed, give him a number.

Ald. Hirschmann stated \$272,262.

Chairman Wihby stated he was cutting them lower than the Mayor.

Ald. Domainque stated the difference between the one percent and the three percent from the Mayor's recommendation was only \$5,000 for Incidentals and the Assessors had stated that they needed the Incidentals in order for them to defend their position in Superior Court.

Chairman Wihby stated the way he looked at it was that he put the person back in and then he cut off of that rather than cut the person out.

Ald. Domainque asked what position the Mayor had removed.

Chairman Wihby replied the Mayor had removed the Temporary Clerical (\$18,600) and did not fund the new position and asked if anyone cared if the part-time position were cut.

Ald. Clancy asked what the part-timer actually did.

Chairman Wihby stated it was a permanent part-time position with no benefits and did not know who it was.

Ald. Hirschmann stated instead of having a decrease for the department there would be an increase.

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Chairman Wihby stated because the Mayor had already cut the position if the board were to fund the position there would be an increase.

Ald. Domaingue stated if they took their figure from 1996 which was \$266,374 and built back in \$18,600 would bring them to \$284,974 which was slightly more than what the Mayor had recommended.

Chairman Wihby stated that figure would be for the Salary account but they would still need more than \$284,000 for a total.

Ald. Shea asked how much more they would need in addition.

Chairman Wihby stated if Incidentals were cut out, they would just come back for more.

Ald. Clancy stated they would at least have \$5,000 left over out of that account.

Ald. Hirschmann stated look at the 5-year history on that item and given them that number.

Ald. Soucy stated they couldn't realistically because the number of cases they had after 1991 after the revaluation noted it should be going down but it depended on the size of the cases.

Ald. Clancy suggested they cut Incidentals in half by \$5,000.

Ald. Domaingue stated she would prefer cutting the temporary position in half to a part-timer.

Ald. Hirschmann stated give them \$9,000 so they'd have a part-time Clerk and then cut two percent.

Ald. Domaingue replied \$275,684.

Ald. Hirschmann stated that was a compromise noting it was lower than the Mayor's number, so they'd get a part-time Clerk.

Chairman Wihby asked how you'd get a part-time Clerk and go lower.

Ald. Hirschmann stated you'd take the \$18,000 and cut it in half.

Chairman Wihby stated it would have to be added to the Mayor's number as it was not in the two eighty-two.

Ald. Domaingue stated she was giving them the funding from last year and was not going with the Mayor's number.

Chairman Wihby stated they had to add all of the increases they'd had plus the 2.5 percent to that number.

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Ald. Domainque stated rather than pulling Ald. Wihby's number which was not to the Mayor's recommended and rather than pulling her number which was to level fund them from 1996 thought they should perhaps take a percentage off the Mayor's recommendation and let them deal with that.

Chairman Wihby stated it was up to the Board; that if they took any more numbers off of the Mayor's recommendation they would cost them the one person they said they needed.

Ald. Domainque stated they still had a total of six people in that department.

Ald. Clancy asked how many people did they need.

Ald. Domainque stated it would depend on the workload.

Ald. Reiniger stated the seventh position had been filled historically until this past year, so the Mayor was trying to cut the position out.

Chairman Wihby stated the Mayor did not fund any new positions and took out one position they had in his number and suggested they take the \$282,000, the Mayor's number, gave them \$18,000 for the person giving them \$301,344 which would be four percent less than what they wanted.

Ald. Domainque stated the Board was not dealing with what departments wanted, but rather they were dealing with trying to reduce the budget.

Chairman Wihby stated the Assessors would receive \$301,339.

Ald. Domainque stated why then could they not have done what she had asked which was to adopt the Salary line of \$266,374 that they had for 1996 which included the position and asked why would the Board add the \$18,600.

Chairman Wihby stated it would stay at the \$301,339.

BUILDING

Chairman Wihby stated they had found \$50,000 in revenues noting that the scenario showed that if they cut anybody from his department it would cost more in revenues.

Ald. Soucy asked if there was any reason why the revenue from the Mall had not been included earlier.

Chairman Wihby replied because they were unsure until they went back to review it.

Chairman Wihby asked if anyone had any problem with it as it would cost more to fund less.

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Ald. Soucy stated the only concern she had with the Building Department was the funding of the MER Account; that if anyone was without a vehicle or if they were spending an hour of their time as opposed to generating revenue going back and forth with vehicles was a problem.

Ald. Clancy stated whoever was in charge down at the garage should be aware of the fact.

Chairman Wihby stated the Board would talk about MER when it came up at the CIP Committee meeting next week.

Chairman Wihby stated with the one, two, or three percent cut they would save expense, but would also lose revenue.

Ald. Shea asked if the Board was working with the Building Department budget or the \$652,000 number.

Chairman Wihby replied he left the Mayor's number at \$652,000.

Ald. Shea asked if the Building Department could live with that number.

Chairman Wihby stated he did not hear a lot of yelling from him on it noting he did not care about the one percent either if the Board wished to cut it; that it didn't make sense to do it because more revenues would be cut by doing so.

Ald. Shea asked if they'd be cutting any revenues by doing the Mayor's budget.

Chairman Wihby stated that number would be right, the \$1,050,550.

Ald. Domainque asked Chairman Wihby why his numbers were different.

Chairman Wihby stated the number was \$1,000,550.

Ald. Domainque stated Chairman Wihby started the process by saying he was assuming a one percent cut across-the-board.

Chairman Wihby replied, not across-the-board, but in most cases.

Ald. Domainque stated the Building Department indicated that with a one percent cut of \$16,000, it would reduce revenues by \$23,000 and asked if the Building Department couldn't make up the \$16,000 anywhere else noting this was the part of the process she most disliked; that they heard from the Fire Department that they'd be cutting engines, ladders, firefighters; that they hear from Building they'd be losing revenues and they were handing out 17 percent pay increases, they were paying people to make the tough decisions here and not to come back with things that would be hot button issues for the taxpayers and did not see it happening and

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moved for a minus one percent cut from the Mayor's budget information.

Chairman Wihby asked Mr. Sherman how the Building Department would find one percent being \$16,000.

Chairman Wihby stated Building would be cut \$6,525.

Ald. Soucy asked if they were cutting \$6,525 what was the offset in revenue.

Ald. Domainque stated she would like to know how he ultimately got to \$16,000.

Chairman Wihby stated he did not know unless he added them together.

CITY CLERK

Chairman Wihby stated he was told there was an additional \$12,000 in rents somewhere and asked where that was.

Mr. Sherman stated in the City Clerk's Revenue it was under Pearl Street.

Chairman Wihby asked why it ended up in the Clerk's account.

Mr. Sherman replied the City Clerk's Office administered that account, however, payment was not necessarily guaranteed noting that there was also a tax lien, tax deed on the property, so the \$12,000 was questionable.

Ms. Johnson stated they were \$6,000 behind on the previous year, so what was taken in was put into prior years which meant they would probably not see this \$12,000 for another two years.

Chairman Wihby asked how much could they count on from prior years.

Ms. Johnson replied upon collection it went into prior year's revenues.

Ald. Cashin stated who was to say it would be collected.

Mr. Sherman stated it was questionable at this point; that the City could own the property shortly.

Ald. Soucy in reference to the one percent reduction scenario asked if it took into account the amount of money they thought they would need for elections this year as it was a Presidential year.

Mr. Bernier replied, no.

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Ald. Soucy asked what was the total in the revision.

Mr. Bernier replied it was \$27,000 in Manpower to be used for elected officials as well as temps; that recently the last two Board agendas had been double-sided which saved approximately \$3,600 per year; that he could probably absorb the two percent cut with the understanding that during the Presidential election if there could be an agreement whereby a small amount of money be placed into Contingency in the event the City Clerk's Office would need it.

Ald. Domainque asked Mr. Bernier if he knew what the amount would be that would be anticipated if they were to set aside funds in Contingency for the President election.

Mr. Bernier replied he had calculated the numbers from 1992 and believed the amount back then was about \$27,000; that with the Ward elected officials (Deputy Registrars, Moderators) the Mayor only appropriated \$30,000 which was a \$38,000 bill noting it was a fixed cost which he had no control over and believed that all records would be broken this November.

Ald. Domainque asked if Mr. Bernier was asking for the entire \$27,000 or additional to make up.

Mr. Bernier replied he was requesting "up to" \$27,000.

Ald. Domainque stated seeing the Clerk's Office was the first willing to go with a two percent cut and actually displayed some good cost savings measures indicated she was happy to move the minus two percent cut.

Chairman Wihby stated it would be minus \$10,518.

Ald. Cashin asked what had happened relative to the automobile accident involving Ms. Johnson.

It was stated it was currently in the Personnel/Insurance Committee.

Ald. Cashin asked what would happen relative to the Ballot Inspectors carrying the voting boxes, bringing them to and from the polls.

Mr. Bernier stated he would rent some vehicles for \$1,200 for two elections; that people would be assigned to deliver and pickup noting it was something new and different noting that Merchants Motors had a good deal.

Chairman Wihby stated the budget would be \$529,036 with an additional \$27,000 from Contingency if needed.

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MEDO

Chairman Wihby stated he had taken out the City Coordinator position and the difference between a couple of the employees as one was leaving and the reclassification noting he had reduced it by \$69,545.

Ald. Reiniger stated the City Coordinator's position was necessary noting that the City was woefully neglecting economic development.

Ald. Domainque stated she agreed with Ald. Reiniger that the City Coordinator position was essential, however, pointed out that she now had more oversight boards (i.e., Intown Manager, Intown Business Council) all kinds of oversight noting the Mayor had gone to the Charter Commission stating that the City did not need boards and commissions, well, now they had boards and commissions for economic development and if someone wanted to come to the agreement that the City did not need all of those entities and would hire a City Coordinator to do the job he should be doing, they would probably have her support, but it was so fragmented right now that she thought that part of the next year's process beginning July 2nd be how they address that, but was prepared right now to accept Ald. Wihby's proposal.

Ald. Sysyn stated she was in agreement.

Chairman Wihby stated the budget amount was \$200,384 for MEDO.

Ald. Reiniger stated the Board had addressed the fragmentation issue during the last Board with the GMDC fiasco and there was a committee set up at which time MEDO came about; that the City Coordinator's position was recommended.

Ald. Hirschmann stated the position had been funded for FY96, but it wasn't filled noting the money would go back into the General Fund and the City was still alive and there was a Mayor who had been in that office for seven years and he'd run the City and everyone else had run the City without the Coordinator and felt the position was not needed.

CITY SOLICITOR

Chairman Wihby stated he had taken one percent off of their numbers which brought the budget down to 501,617 and reminded the Board that they still were not where they wanted to be with his numbers; that they were still three, four, five hundred thousand and maybe a million dollars short.

Ald. Soucy stated that according to the Solicitor's memo the one percent change was in the Benefits Administrator position noting that was the one position Harry Ntapalis had.

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Chairman Wihby stated Terry Desrosiers would go from 40 to 35 hours per week.

Ald. Clancy stated she was on an extended work week.

Ald. Soucy stated there was very little else to cut in the budget as it was mostly salaries; that Terry's position...

Ald. Cashin asked if Harry Ntapalis had agreed to it.

Ald. Soucy stated Harry was no longer the department head.

Ald. Cashin stated he should still have some input; that he did not know how they could release Terry for five hours each week.

Ald. Soucy stated she probably worked 50 hours per week on her own.

Ald. Shea suggested a little money be taken out of the Legal Library or something.

Ald. Domainque asked if the Board could direct the City Solicitor not to remove that person.

Chairman Wihby stated he did not take the \$5,000 out figuring she would be less benefits, but took it out of expenses.

Ald. Clancy stated Terry was very valuable and knowledgeable.

Chairman Wihby stated they had \$12,000 for Books, \$3,000 for Telephone.

Ald. Hirschmann stated they had \$20,000 in Incidentals and had only spent \$4,000 this year to date.

Ald. Domainque stated Solicitor's had plenty of money and would go with a two percent reduction noting that she hoped for his sake he could come up with reductions which were reasonable in his budget.

Ald. Soucy stated she could agree to a one percent cut so long as it did not come out of Salaries and find the one percent elsewhere.

Ald. Domainque stated he had a lot of money in the other lines items noting he had just made an executive decision to do the one thing the Board could not afford him have to do and if they wished to reward him be her guest and noted she was real tired of it.

FINANCE

Chairman Wihby stated they took the one percent off which meant they would not fill a position for half-a-year or so.

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Mr. Sherman stated it would be the delay of filling a position until September.

Chairman Wihby stated if it were a two percent cut they would terminate the Clerk I position.

Ald. Hirschmann asked why all of FICA was moved into the Finance budget.

Mr. Girard replied FICA was a restricted line item which was based on a formula; that various amounts of FICA had to be paid based on the amount of money spent in salaries and the number of people on hand; that when they were assembling the budget they did not have the expertise at the time to use the Finance Department formulas to distribute FICA throughout the departments, so they took FICA out of all of the departmental restricted items, placed it under Finance noting it did not impact the bottom line at all; that with various people on vacations and time shortages they could not get the numbers to Finance in time for them to plug it into the computer to do the formulas and then input it into every department which was what they would have had to do.

Ald. Shea asked if the individual had been employed for a long time.

Mr. Sherman stated the individual who would be cut had been with them for about 18 months noting they had had the position for perhaps three or four years.

Ald. Shea asked if it was an essential position.

Mr. Sherman replied what she really did was to answer the phones noting she was really a file clerk, she did not some typing as most int he department did their own word processing; that they were supposed to be getting better automated systems so there would be less filing as well as better phone systems, and she worked a regular 35 hour work week.

Ald. Clancy asked if postage was going up.

Mr. Girard replied they were unaware of any postage increases when the budget was put together.

Ald. Hirschmann asked why didn't they go with Auditing or Incidentals.

Chairman Wihby stated a one percent cut from Finance was agreed upon.

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INFORMATION SYSTEMS

Chairman Wihby stated he took out three percent because it affected all of the departments which equaled \$35,000.

Ald. Domaingue asked Chairman Wihby if he could give an explanation as to his thinking on it.

Chairman Wihby replied the money for Information Systems affected all departments and not just one department's budget as most of the money in that budget reflected all the different departments in the City.

Ald. Domaingue asked if she was wrong or had Info Systems been before the Board talking about putting all of the systems together, networking all of the systems and that they were in the process of doing so and asked if that would hold up that process.

Chairman Wihby stated he believed they had one added position.

Ald. Soucy stated that according to the memo from Info Systems it would mean a delay in the acquisition of software.

Ald. Domaingue stated that the person who had been hired about six weeks ago had already left.

Mr. Girard replied it was the same position, but it was another person; that since the last position had been filled they lost another technician.

Ald. Domaingue stated she would go along with the three percent cut.

MAYOR'S OFFICE

Chairman Wihby stated a three percent cut of \$3,858 was made out of expenses.

OFFICE OF YOUTH SERVICES

Chairman Wihby stated when Mr. Lemaire made his presentation to the Board he had mentioned that they were not winning the war against drugs for teens noting that he had been requested to submit a letter outlining what he thought it would take to take care of it; that in his letter Mr. Jordan stated if he was given an additional...he compiled some figures, went to other cities; that there was an Outreach worker who only got 35 hours so his recommendation would be to make it 35 to 40 hours; that there were three or four people in-house who could be on-call as there were no telephone numbers for the kids to call; that the kids had to call the Police Department to tell them they had a drug

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problem; that Mr. Jordan recommended to have those people under him noting that Mr. Jordan already had a hotline for the EAP Program and would have line for the youths to call, so they wouldn't have to call the Police Department if they had a problem noting that never made sense; that to do that it would be an additional \$15,000 to staff the one 35 to 40 hours and the others on call with pagers to include airtime, salaries, brochures, etc. noting they would have one phone numbers in the schools indicating if anyone needs help to call a certain number which would be the same as the EAP number; that Tom Jordan would oversee the situation so as to coordinate his existing staff with the OYS staff and Regis did not have a problem with it either; that they also wanted to participate with the City youth athletics and do things at the schools such as speaking engagements, etc.; that it was actually putting in \$15,000 more than the Mayor's numbers as he felt it was something they should be doing as far as drug abuse.

Ald. Clancy stated he agreed with it.

Ald. Elise asked what the total budget for OYS would be.

Chairman Wihby replied the OYS budget would be \$305,264 noting there showed a zero because the Mayor had zeroed it out but it added up to \$15,000 more than the \$290,264 to fund the extra person and the pagers, brochures, and on-call.

Ald. Domainque stated she did not have a problem with it, but if they were reducing that job from the Police Department then that was another exercise they did not have to perform.

Chairman Wihby did not believe there was anyone in particular who got the calls; that Tom Jordan did a great job with his program noting he was on top of it, he had their numbers, was there day and night, and thought it was a valuable asset to do something like that which was why he asked them to put the program together; that they would have to go to Personnel for the extended work week.

Ald. Hirschmann stated there was \$5,000 in Special Projects; that there was all kinds of money in the budget.

Mr. Girard stated their Special Projects money was basically WinterFest and other kid related items such as that, which was programming for inner-city kids.

PERSONNEL

Chairman Wihby stated he took one percent off which was \$3,000 noting it was a small department.

Ald. Shea asked where they planned to take it out of.

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Chairman Wihby stated it would be taken out of curtailing the requirements for annual personal/professional legal journals, telephone, training issues, and related support needs.

Ald. Domainque stated she did not see the Board getting very far if they continued to cut at \$3,000 a shot.

Chairman Wihby asked if she wanted two percent.

Ald. Domainque replied in the affirmative.

Ald. Hirschmann asked why Worker's Comp went through the roof, it went up 784 percent, it went from \$3,400 to \$30,000.

Chairman Wihby stated he did not believe that Worker's Comp number meant anything.

Mr. Girard stated when they budgeted things such as Worker's Comp it was done on a City-wide basis, the number was plugged into the formulas in the financial system and distributed; that it had nothing to do with the department itself other than the fact that there were "X" number of people making "X" number of dollars; that it was not an operating expense to the department, but a restricted expense to the City which was why the Worker's Comp number for the Aldermen did not mean anything to their bottom line.

Ald. Hirschmann stated he could not understand why there wasn't \$3,400 there again.

Chairman Wihby inquired of the Board members if they wanted one, two, or three percent for Personnel. It was a general consensus that Personnel be cut at two percent.

PLANNING

Chairman Wihby stated he cut one percent from Planning noting he had also deleted all of the pays for the commissioners which was about \$15,000 for all boards and commissions; that Planning was \$7,200, took out ZBA, Police...

Ald. Domainque stated she would second that motion so long as they were not out of compliance with the Charter.

Mr. Girard stated the stipends were set by ordinance.

Chairman Wihby stated he had taken them all out, so some of the budgets were one percent plus the \$450 or \$600 or whatever for the boards and/or commissions; that in the case of Planning he took out \$7,200 plus one percent.

Ald. Soucy stated \$4,886 proposed revenue increase would offset more than the amount and under the proposal the department's revenue budget would be adjusted upward rather than cutting one percent from the operating budget.

Chairman Wihby stated the only thing he had taken out was \$7,200 for the Planning Board plus the \$4,886.

Ald. Hirschmann asked how are you going to do that.

Chairman Wihby stated he took all of the boards/commissions out across-the-board so nobody could bitch.

Discussion ensued relative to the compensation received by the Water Works Commissioners; that their yearly compensation was \$1,200 per commissioner.

Ald. Domainque asked if there were certain commissions within the City under Enterprise funds that may not be affected and could make their own decisions.

Chairman Wihby stated directives could be sent to Enterprises telling them not to pay commissioners.

Mr. Sherman stated he thought they would have to change the ordinance.

Chairman Wihby stated it could be referred to the Board this evening and brought up on June 21st and asked how the other members of the Board felt; that if they were to do it to one, they had to do it to all.

Ald. Clancy asked why one set of commissioners received a certain amount and others got either more or less.

Chairman Wihby replied it was because of inconsistency; that there were some commissioners who didn't get paid.

Ald. Hirschmann stated they probably wouldn't be seeing people dropping off noting they did not do it for the money; that he wasn't saying they weren't not hard working as some commissioners spent a lot of time on their respective commissions, but it was a way of saving \$15,000.

Ald. Shea asked about their expenses such as if they needed to use their cars or so.

Ald. Domainque asked if they came into conflict at all with the Planning and Zoning Boards because they were also regulated by State law.

Mr. Girard replied he did not believe so.

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Ald. Cashin stated he was not opposed to it, but would not support it this evening; that he thought as a courtesy the Board should at least send them a letter telling them what the Board was planning to do rather than go ahead and do it tonight and have them read it in the paper tomorrow morning.

Ald. Clancy stated he was in agreement.

Ald. Hirschmann stated that a letter be sent and then placed on the next Board agenda.

On motion of Ald. Hirschmann, duly seconded by Ald. Domainque, it was voted to refer the matter relative to removing the compensation plans for boards and/or commissions to the Board of Mayor and Aldermen.

Chairman Wihby stated Planning was technically one percent off of their budget which would bring it down \$12,085, but of the \$12,085 \$7,200 would not really affect them, so they were affected by \$4,086; that if they went with a two percent cut they would be cutting out Postage, Travel and Conference, and Special Projects; that Bob had never come in with a budget that was too high noting he had sacrificed a lot of people in the past, so he did not think there was a lot of fat in the budget.

Ald. Domainque stated she was in agreement; that considering the weight they carried for the City of Manchester in terms of the changing plans noted he had done a superb job.

PUBLIC BUILDINGS SERVICES

Chairman Wihby stated he cut one percent (\$32,000); that one percent would eliminate the procurement management audit and reduce contract work by \$8,000.

Ald. Elise asked if the procurement management audit was something that was needed.

Chairman Wihby replied, probably, but thought if he got \$3 million he could lose \$32,000.

Ald. Hirschmann stated the audit was part of the central purchasing edict to have the audit and asked Mr. Sherman if he needed the audit.

Mr. Sherman stated if he was going to do central purchasing, he needed to know what was being purchased and as Richard had mentioned previously the City had a financial system which didn't give a whole lot of information and thought what Mr. Houle was looking for was for someone to come in and set up a system for him; that under the City's contract for auditing there were

dollars for cost center type audits and could certainly speak to the City's auditor if it was something that would fall under their purview and if they'd done this in the past; that they'd be going into a new area the City had never been in before, there was no history of expenses noting there were line items that said Office Supplies, but Dick didn't know how much paper was bought whether it was 8 1/2 x 11 or 11 x 14, he needed to get those types of numbers so he could go out and deal with vendors and thought that was what he was looking for...to get some historical information and secondly to set up a system when there were not computers to help in the process.

Chairman Wihby asked if they wanted to cut one or make it two.

Ald. Domainque stated she'd make it two.

Ald. Cashin stated he would go with three percent; that in looking at Contract Services, Contract Manpower, and a few others asked why three percent could not be cut.

Ald. Domainque stated she could support the three percent if...she was terribly troubled by the fact that when looking at the public buildings in the City they were falling apart and could not see any long-range maintenance programs for the public buildings noting that would be expected out of a department head and asked if she had missed a piece of paperwork or did they not have one, she was being serious and asked did they not have long-range maintenance.

Ald. Cashin interjected, no there wasn't.

Chairman Wihby stated it was long-range if it were considered week-by-week.

Ald. Domainque stated even if they didn't have the money to fund it, it was still incumbent upon a department head to let the Board know where it was with that process noting what she had been pointing out all night was that the department heads were paid a very nice salary not to do what they should be doing.

Mr. Girard stated there was no plan noting he was only speaking from what the Mayor's Office learned during the budget process in trying to work with Dick, so was in no way advocating but rather trying to point out some of the things they had taken into consideration; that a couple of years ago Dick had been asked to begin a preventive maintenance program to begin to address some of those concerns and believed he had \$25,000 or so in his budget, but might have been more to begin addressing them; that money, part of it got removed after budget cuts by the Board with the other part of it being shifted into corrective maintenance; that what Dick had explained to them was that he had been pushed into a position where all he could do was react to when things broke; that the Contract money, not the Contract Manpower which would roughly a million dollar line item, but the Contract money

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he had was to hire contractors to go in and do the corrective maintenance such as if a pipe breaks, a toilet breaks, if light fixtures blow; that was what that money was used for and any emergency work that needed to be done; that he did ask for an additional plumber where right now he had one plumber to do emergency work for all of the City's 23 or 24 buildings; that he did contract out plumbing work noting it was more expedient for him to have somebody on hand to do that; that in addition Dick had had a lot of stuff thrown at him in recent years such as fleet, purchasing, and he'd taken on buying fuel for all of the City buildings and other things also; that he definitely had a problem there which stemmed from the fact that over a period of years he had not had the funding required to address things now being pointed out.

Ald. Domainque stated she did not question that he had been deprived of funding, but questioned why there were department heads not going forward to the Board as they came before it with plans that needed to be implemented long-range and under funding, but he did have an obligation to remind the Board where it should be at any given time which was part of why a department head was paid to be a department head.

Mr. Girard stated in Dick's case he'd either had to shift that money or had not had the people to develop the types of things being talked about and as to the purchasing matter Randy had alluded to earlier, Dick had been working with several people in town and also working with the National Institute of Government Purchasers and believed what he wanted to do as part of central purchasing was to try to develop the types of systems Randy was talking about and establish a standardized system throughout the City; that if there were to be cuts which they had talked to Dick about then Dick would say he would either have that money to do it because he didn't have an awful lot in his line items to take \$25,000; that the Custodians were basically a fixed contract cost which he would not be able to pull money from with the rest of the money going into maintenance and whether or not his own people were doing it or contractors it was going into maintenance for the buildings, so if something broke it had to be fixed.

Ald. Reiniger stated Ald. Domainque made a good point noting that was exactly the description of the City Coordinator; that the City Coordinator's description was to coordinate the efforts of City departments, Federal and State agencies, and private interests to promotion, planning, financing, organization, and administration of City development and improvement projects/programs and activities.

Ald. Domainque in response stated department heads elevated to that position; that by being a little bit smarter than the rest of the department and be able to look forward and do some planning within their own department structure; that if she cut out a City Coordinator's position it was because she would not fund that and watch all the other boards and commissions do the

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same job until they had an opportunity as a Board to address that in the future; that as far as this budget was concerned she would move to two percent.

Ald. Hirschmann stated he would not want to move more than two because all of the buildings such as schools and all the principals would be screaming at you.

Ald. Soucy stated based on what Randy said they could still move the three percent and still be able to do the procurement management audit as well, so it got done and it didn't have that great an impact; that it would have the effect of two.

Chairman Wihby called for a consensus of what percentage cut.

Ald. Clancy stated Dick Houle had too many hats.

Ald. Cashin stated this was exactly how Dick Houle got himself in trouble; that he asked to pick up the custodians years ago and had been advised not to because it would be too much for him, but he went ahead and did it anyway and it didn't work, so you know what his solution was to that; that he had worked with Dick as Chairman of the Committee on Lands and Buildings for a long time and had tried to talk to Dick about calling in consultants to look at some of the buildings to save money through energy and a few other things that wouldn't cost the City a dime noting he wouldn't even listen to it and which were a few of the problems he had with it.

Ald. Clancy stated the Police Department should be converted to gas with a \$200,000 electric bill every year.

Chairman Wihby asked what the Board wanted to cut, three percent.

Ald. Hirschmann asked how could they justify when they knew our buildings were not being maintained now, pulling another hundred grand away from the buildings, but give the Assessors next door more money than the Mayor was going to give them.

Ald. Cashin stated they weren't taking anything away from the buildings.

Ald. Hirschmann stated that would be what they would say when they hit you up in public hearing and they're going to have a strangle hold on you saying you took ninety thousand dollars out.

Ald. Cashin stated no matter what you do, what do you think he's going to say.

Ald. Hirschmann stated with every broken building in town they'll be calling about.

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Ald. Soucy stated they did anyway because they're doing a horrible job and go to Memorial High School some day; that first thing in the morning the place is filthy and there isn't paper in the ladies room noting he wasn't even doing the job he had because he didn't use the money he had effectively.

Ald. Sysyn stated Mr. Levine had stopped by today to tell her how lousy the schools looked now.

Chairman Wihby stated they were cutting \$94,800 out of PBS.

Ald. Soucy stated the \$99,171 was based on the \$3,305,701 and didn't include the restricted which was the difference which was Dick's number; that Dick was taking off the \$3,305,701.

Chairman Wihby stated he had only taken off \$94,800 and asked if they wanted him to take \$99,800; that he looked at the Mayor's number which was \$3,166,044.

Ald. Soucy asked why the restricted number was subtracted; that the total for agency was \$3,305,701 on page 30 and then restricted was \$145,057 noting that number was subtracted for a total of \$3,166,044.

Mr. Girard stated the number the Board should be working off of was the net departmental appropriation which was the line item expenditure...adding the restricted to the line item operations to get the total for the agency but the total for the agency because of the variations in restricted numbers wasn't real.

TAX COLLECTOR

Chairman Wihby stated the Mayor had already cut 3.3 percent from last year.

Ald. Elise asked if they could be cut any further.

Chairman Wihby stated she was looking for an additional \$12,000 over the Mayor's recommendation noting Ms. Gardner stated she could live with that and would not have to reduce their staff.

Ald. Soucy asked if there were any start-up costs with the Auto Reclamation.

Ald. Cashin stated he'd move on the additional \$12,000.

Ald. Hirschmann stated he was too liberal.

Ald. Sysyn stated he was not.

Ald. Clancy asked what number they were looking at now.

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Chairman Wihby replied \$12,000 more than the Mayor's number for a total of \$387,217; that in looking at what she requested and what the Mayor gave her of a 12 percent decrease than what she asked for.

Ald. Cashin stated he had been here with Tax Collector's where all you got was complaints; that he actually had people call him telling him what a great job down there and how come such a great turnover; that she was doing a yeoman's job.

Mr. Clougherty stated she was doing a better job than others; that she'd taken a lot of the things that the auditors had recommended.

Chairman Wihby stated her concern was that if she didn't get the \$12,000 they'd go back to where they were before, so if she could get \$12,000 more than the Mayor's number she could fill her staff.

Ald. Soucy asked if that included any additional costs to implement the Auto Reclamation Fund.

Chairman Wihby replied that was included the \$12,000.

POLICE

Chairman Wihby stated he did not touch Police, but left it as it was because the Board felt that they didn't want to touch safety, they were happy with the number.

Ald. Hirschmann interjected that he wanted the Operator put back into the budget.

Chairman Wihby stated the only concern they had was the MER Account which would be addressed at a later date when discussing CIP and asked anyone if they wished to cut the Police budget.

It was the consensus of the Board that the Police Department remain as it.

FIRE

Chairman Wihby stated he cut the Fire Department budget by one percent off the Mayor's numbers which they said would require the layoff of four firefighters.

Ald. Domainque stated this was a prime example.

Chairman Wihby stated if they did something with the District Chiefs and were to get rid of a couple of them, they would have some extra money to fund some of the firefighters, but it was their anticipation to keep the District Chiefs and...did not

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think they would have to layoff any firefighters with the Mayor's number, right.

Mr. Girard stated not if they eliminated the District Chiefs.

Chairman Wihby stated if they were given an additional one percent they would have to layoff four firefighters unless they rearranged the District Chiefs.

Ald. Domainque stated or unless they did a little bit of creative management of that department noting that all of the departments she had seen come before the Board this was a prime example of hot button departments; that they had been asked specifically... and knew individual members of the Board who went to Joe Kane and asked him noting she was one of them specifically if it was his priority to keep the District Chiefs asked him where would he want to remove that money from, but don't go back to the Board giving them a hot button issue telling the Board how he would eliminate firefighters and equipment because that was not service to the community and it came back and that was exactly what they did; that she had absolutely no sympathy for the Fire Department and its budget because of instead of attempting to do what they're supposed to do as managers which is reorganize the overtime line which was incredible noting he could do it if he was a good manager, but they come back in and tell the Board how many engines they're going to cut, how many ladder trucks they're going to cut, and how many firefighters they're going to cut and let them go face-to-face with her taxpayers and tell them noting that was not management and indicated she would stay with a two percent decrease with the Fire Department budget.

Ald. Cashin stated under the proposal they would layoff five District Chiefs...

Chairman Wihby asked him under which proposal.

Ald. Cashin asked Chairman Wihby what numbers he was using.

Chairman Wihby replied his recommendation was one percent of the Mayor's number which would mean...

Ald. Cashin stated in the Mayor's numbers that meant laying off five District Chiefs.

Chairman Wihby stated, no, because when they came back with their second plan reducing the Rust and all the other stuff they put the District Chiefs back in, but meant an additional four layoffs according to the Fire Department.

Ald. Cashin stated they couldn't afford to layoff firefighters.

Ald. Domainque stated he didn't have to, but rather let him learn how to manage.

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Ald. Cashin stated he was discussing this matter with Chairman Wihby and if he wanted to discuss it with an Alderman he would refer to that Alderman; that he honestly believed that if they started cutting firefighters they would be making a big mistake; that the fire insurance was based on the class of fire department and believed the former Deputy...noting eventually they would have to start pay higher fire insurance if they were not careful around here.

Chairman Wihby stated the budget was \$734,000 less than what they had asked for, so by putting back the District Chiefs and did so by going into the other accounts already and reducing them thereby putting back in the Chiefs; that most of the money was gone and thought there was perhaps something still there for one percent which was why he took out the one percent; that he knew that some members of the Board had wanted two and three percent but felt one percent was sufficient as far as their needs, but he was hearing zero and two, etc.

Ald. Hirschmann stated he really felt betrayed by the way Joe Kane came back here; that the Board had said "Joe, we're not comfortable getting rid of the District Chiefs, go back to the races, come back in a couple of weeks and tell us how you'd like to see your department in the future", so what did he do he came back and sat here and said "we're going to close down a ladder truck, a fire house, layoff four firefighters"; that was not what he had in mind, but rather the Business Service Officer for \$48,000 a year, Chief Doug Aiken who would retire in six months or so was making fifty grand and when he retires eliminate the position and asked why were they closing fire houses...it's true, it's true...this guy is going to retire and he's on the chart here for fifty grand.

Ald. Soucy stated because a person is going to retire they should eliminate the position.

Ald. Hirschmann stated he didn't do anything, give him a break.

Ald. Cashin interjected that Doug Aiken did all of the alarm systems in the City.

Ald. Hirschmann stated he knew a lot about alarm systems noting he had the floor here.

Ald. Cashin stated okay you're right here, I apologize.

Ald. Hirschmann stated thank you and indicated he was sorry for getting personal; that his point was that he didn't like the way they came and told the Board they would start sending firefighters home and asked if the Board had the authority...what did they want to do with the department; that they were fighting about District Chiefs, firefighters; that Ald. Domaingue's point about managing the department was right home; that he didn't know what to do in this case.

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Chairman Wihby stated he knew this was going to be a stickler as well as the School budget because those were the three hot buttons (School, Police, and Fire); that they didn't do anything with Police, but School was down \$2 million, and the Fire Department an additional \$100,000.

Ald. Soucy stated they needed to understand something about their budget, just adding up the total for their Salaries, Wages, and Employee Benefits and then dividing that number by their total budget they're Salary and Benefits were 91 percent of their budget, so what other part of the budget did he cut was the question; that the question was "which positions" was what it boiled down to.

Ald. Hirschmann stated so why didn't he choose the Business Service Officer over a firefighter.

Ald. Clancy stated that person had been there over 18 years.

Ald. Hirschmann stated he did not care how long he had been there and asked what was he doing.

Chairman Wihby stated the Board would not know until they had the money.

Ald. Clancy stated he was not about to start micro-managing anybody's department, but let them get the money and let them run it the way they wanted to run it.

Chairman Wihby stated they were talking about a \$10 million dollar and didn't think that \$100,000 was a lot on a \$10 million budget; that he did not think it would mean four layoffs, but thought they could do business persons or something like that; that once they started getting higher than that and maybe a two percent didn't affect them that much, but if they went to three they'd get into problems.

Ald. Reiniger stated that it seemed to him, in corporate industry in the world today you run into people who had been forced into retirement from management positions and did not think it was responsible to the taxpayers here to be advocating allowing the firing of the linemen instead of the management and that department, unfortunately was heavily laden in upper management.

Chairman Wihby stated the way in which to correct that would be when they go to Personnel and wanting to fill the Fire Chief or whoever, just tell them no.

Ald. Reiniger stated they knew it was coming as they had just filled the District Chief positions.

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Ald. Domainque stated they didn't have to explain to her, having had two fires in very close proximity to her home; that as she had explained most people did not think of them until they were needed and by that time it was a crisis, beyond a crisis; that her point was that he had Account Clerks in that department, he had a Clerk Typist, BSO; that he did not have to go before the Board saying other than they will do the job with the necessary firefighter complement noting that would have been responsible, but that was not what he did; that she could not reward management that did it and believed that they had the money there and could live with a two percent cut.

It was the general consensus of the Board that they did not want a two percent cut.

Ald. Clancy stated give him the money and let him run his own department.

Chairman Wihby asked what percentage was the Board looking at one, two, or three percent.

Ald. Shea stated give them a two percent cut, but with no firefighters laid off.

Ald. Domainque was in agreement.

Chairman Wihby stated they could probably do a one percent cut, without firefighters, but did not know about a two percent cut.

Mr. Girard in reference to what Ald. Hirschmann has mentioned about the Mayor's being able to make proposals, but the Aldermen couldn't state it really was not the case; that the Mayor's proposal was to eliminate five of the District Chief positions; that if the positions were eliminated they weren't telling the Chief who he could layoff or who he could hire noted the Board would be telling him the positions he had to work with which was the Mayor's proposal; that under the Charter the department head had sole authority over personnel, so if his line item is reduced, under the Charter the Board can not tell him he would have to layoff from management or what not because the Charter gave him that responsibility; that the Mayor's proposal and the District Chiefs actually would have terminated the positions and, therefore, he would still be operating within his realm.

Ald. Hirschmann stated he would go for one percent minus the BSO (Business Service Officer).

It was the general consensus that that could not be done.

Mr. Girard stated if he wished to propose the elimination of a position it could be done.

Ald. Hirschmann stated it was eliminating at the administration level and not guys at the fire station.

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Chairman Wihby inquired of the Board what they wished and the consensus was for a one percent cut which totaled \$10,042,626 for a budget.

HEALTH

Chairman Wihby stated he cut \$21,000 off the number they had requested because there was no number there noting that Fred was fine with that number.

Ald. Domainque asked where that was in comparison to the Mayor's proposal.

Chairman Wihby replied it was \$20,000 less.

Ald. Shea asked if that would take a nurse out of the schools.

Chairman Wihby stated it could take a part-timer out, but did not think it would even do that; that there was some extra money.

Ald. Soucy stated Mr. Rusczek had indicated in his memo that "a one percent cut would require that the new School Nurse position that was included in Mayor Wieczorek's proposed budget be eliminated. The position is badly needed to meet the student body."

Chairman Wihby stated Mr. Rusczek had mentioned something about a \$20,000 grant or something like that.

Ald. Shea stated there were two schools - Hallsville and Bakersville - who did not have a full-time nurse.

Chairman Wihby stated they would leave the \$20,000 and asked Mr. Sherman to check into it as he thought there was some federal funding or something that he got which he could charge off to some federal funds or something.

HIGHWAY

Chairman Wihby stated it was one percent which was \$202,441; that the numbers changed because of the solid waste and all that stuff, so what it really meant was a one percent cut; that landfill cover material, new street lights, and the highway crack sealing for \$81,746 even though the number was bigger it really meant a one percent cut.

Ald. Sysyn asked what the total Highway Department budget was.

Chairman Wihby replied the total budget...he did not have as he had crossed it off.

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Ald. Hirschmann stated if they went with the minus \$202,441, but then took \$200,000 out of that account and put it in CIP for him to use so that he would be almost level funded to do resurfacing and asked if that was how it was done.

Chairman Wihby replied, no; that the \$202,441 would be designated for resurfacing so he would not do new street lights, crack sealing, and landfill cover; that they'd be cutting \$202,441 from the \$11,247,906; that the difference was only one percent because the other money was for the landfill which he could take out because the Mayor had put in one months solid waste and noted it would not get rid of anybody.

Ald. Elise stated there would be no crack sealing.

Chairman Wihby replied there would be \$6,000 less.

Ald. Hirschmann stated the only concern he had was that this year the snow removal account they had taken money from the recycling project noted next winter there could be some problems.

Chairman Wihby stated it was built into the budget.

Ald. Shea asked how much was built in.

Chairman Wihby replied he did not know how much had been put in.

Mr. Girard stated if it's a winter like this one, not enough; that he had added to it but two out of the last three winters there had been surpluses in line items where they'd had to draw off of otherwise the City's budget would have been thrown into the red in a serious way noting that Highway had built in more money for snow removal but if there was another winter like this last one, it wouldn't be able to handle it.

Chairman Wihby asked the Board if they wished to go more or less.

It was the general consensus that one percent was okay.

TRAFFIC

Chairman Wihby stated it was a \$2 million budget, so it was a one percent cut of \$23,000 noting that Mr. Lolicata had indicated it would be in the parking meters section.

Ald. Soucy stated his memo indicated it would be parking meters whether it was a one, two, or three percent cut.

WELFARE

Chairman Wihby stated Commissioner Lafond had requested the one additional part-time person noting he gave it to her.

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Ald. Domainque asked Chairman Wihby if he was adding to the budget.

Chairman Wihby replied he was adding to Commissioner Lafond's budget the amount of money it took to fill the position which was \$26,915.

Ald. Domainque asked if it was a full-time position.

Mr. Girard replied it was.

Chairman Wihby stated it was because the caseloads were getting bigger.

Ald. Domainque stated she thought the caseloads were going down in New Hampshire, across the State and asked why they would be funding an additional position.

Chairman Wihby stated they did not know if it would go down; that once they saw the budget looked like from the Feds and the State.

Ald. Soucy stated part of the concern was that it could go up as a result of the changes at the Federal and State levels.

Ald. Domainque asked why was she funding a full-time position based on an unknown.

Chairman Wihby replied they'd be funding the same position which she had had for the last four years, so it was not a new position; that no matter what amount of money she needed she had to be given it because of State law and asked if that was the only department like that.

Mr. Sherman stated they also had to pay abatements, debt service, and any legal settlements.

Ald. Clancy stated in recent discussions with Commissioner Lafond she had told him that they would be doing away with Fuel Aid Assistance next year noting there were 20 to 30 people in the City for alcoholics who received \$100 a week noting that program would be done away with also because of funding.

Ald. Cashin stated if they're going to do away with Fuel Aid Assistance they had better take another look at that budget.

Chairman Wihby stated it was the filling of the same position that she currently had (\$26,915); that the budget was \$1,121,027.

PARKS, RECREATION, & CEMETERY

Chairman Wihby stated he had cut one percent plus the commissioners.

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Ald. Shea asked what the commissioners received.

Ald. Clancy stated it was in the vicinity of \$100-\$150 per year.

HIGH SCHOOL ATHLETICS

Chairman Wihby stated High School Athletics was already cut and left it the way it was which would allow for funding of the Coordinator noting it would be taken out of jerseys, new uniforms; that if one percent were eliminated most uniform purchases would be eliminated and would decrease the swim practice time and would keep the person; that if the cut were more than that they would start eliminating Freshman Soccer and Alpine Skiing, etc.; that they had actually changed their mine from eliminating the Director to making it uniforms based on their correspondence.

Ald. Hirschmann stated it really upset him; that when the School Board was yelling at him at the podium the other night such as cutting Athletic Directors noting that the next night they were taking it out of jerseys in uniforms noting he was really tired of the crap, would say it in public and was really tired of it.

Chairman Wihby stated he was in agreement; that it should have been taken out of the Athletic Director.

Ald. Domainque stated she also had a problem with it noting she had a problem with it overall that there was a high school athletics budget which was \$1 2 million which was for a very needed recreational item noting it was not a graded course, it was an asset to the School system, but seemed to have gone out-of-control in terms of expenses and did not see the School Board reining expenses in, but saw them adding programs and there was only so much the taxpayers could afford and wondered why no one had discussed possibly doing user fees where that budget was concerned.

Chairman Wihby replied they did get user fees.

Ald. Domainque stated she knew the user fees were given back to them, but wondered about in order to fund part of that skyrocketing budget whether or not user fees...whether or not the School Board as a management tool had considered assessing user fees for certain sports; that there were graded courses music and art that didn't get anywhere near that funding, they were lost somewhere in the bigger picture in the School budget, yet there was a specialty budget noting she had been reminded by the Superintendent of Schools that it was created by the Board of Mayor and Aldermen and it had gotten to the point of \$1 2 million which was an excessive figure during this kind of time.

Chairman Wihby stated that 75 percent of all of the kids in sports made the Honor Roll.

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Ald. Clancy stated baseball, football, and basketball at Central High were doing great for the City.

Chairman Wihby stated it had been their recommendation to get rid of the Athletic Director and did not know why they had not fallen through with it rather than eliminating uniform purchases noting the Board would all get phone calls.

Ald. Shea asked what uniforms they were talking about.

Chairman Wihby replied it sounded like all uniforms, any which may need to be replaced.

Mr. Girard stated a uniform replacement schedule had been developed; that last year they had added more than nine new sport teams in the athletic budget.

Chairman Wihby stated he had added that noting he would take the blame.

Ald. Domainque stated it was not a matter of blame, but a matter of what point did they control it; that she did not think the taxpayers had an obligation to fund every sports program that was considered by every group of parents; that she appreciated it, but they were talking about a \$1.2 million budget for an item which was not even a graded course noting it was agreed by all that they did not have enough money for needed textbooks and fundamentals in order to deliver on the School system right now and they were still talking about...heaven forbid, they touch this sacred cow...and was not saying to cut it, but was anybody considering user fees because if not, then maybe the Board of Mayor and Aldermen, as a directive would send a communication to the School Board saying this budget has gotten to about where we can handle it, it's got to come down.

Chairman Wihby asked how could people in Wards 3, 4, and 5 in the inner-city get involved in sports if there's a user fee.

Ald. Domainque stated they would have to learn to limit teams; that they couldn't continue to expand those teams.

Chairman Wihby stated that part of the increase in the Youth Services budget was to take care of the youth and try to do something with them noting it was the same with athletics.

Ald. Clancy stated if the inner-city youth were playing sports they'd be on drugs.

Ald. Domainque stated she was not arguing that logic but rather was stating they could not continue to fund at that level infinitum; that it could not continue; that she was looking for some type of compromise from the School Board.

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Ald. Elise stated at one point the School Board had been taking money out of the account which was why the Aldermen had developed it, so the Board could maintain some sports programs noting they had been built up since then and thought that they would severely regret it if they did cut it any noting it was one of the better investments that could be made and agreed that the arts and music programs were very important and had to work to make sure they stayed funded and could not see cutting that budget.

Ald. Soucy stated there were two issues; that one was that the budget now paid for a portion of Parks and Rec because they were an Enterprise Fund, so a portion of it went in; that besides that the Board a few years ago had voted to let the schools keep the gate fees noting they had stopped doing that.

Chairman Wihby stated that was still being done.

Ald. Soucy asked if all of those receipts were given to them; that it was stopped because it was a mistake.

Mr. Sherman stated the reason they had been given the gate fees was because they weren't being fully funded and so the School Board asked if they raised their fees, could they keep it and were told okay but then the Board went back saying to fully fund them and quit playing the shell games.

Ald. Soucy stated by letting them have their gate fees it was an incentive for them to try and generate attendance; that one of the problems was that they didn't have a lot of attendance at the athletic events, so if they wanted to continue the athletic program that by letting them keep their gate fees and trying to get them to generate more gate fees they would be paying for their programs.

Chairman Wihby stated they would not want to give them the gate receipts and then fully fund them and asked the Board if they wanted to cut it more or leave it or add it.

LIBRARY

Chairman Wihby stated he had left the Library with the Mayor's number because they were already cut a lot.

ELDERLY SERVICES

Chairman Wihby stated he had cut Elderly Services the amount...she could fund those people there and not lose anybody plus they just reduced the rent again by \$9,000, so the number he gave in order for them to stay there to pay that noting that he had funded them staying where they were and having the help they had noting he had \$203,091.

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Ald. Reiniger stated Chairman Wihby was saying no to a \$30,000 savings.

Chairman Wihby replied he was not saying that; that the decision had not yet been made so he funded the whole amount noting it was not \$30,000 anymore, it was minus \$9,000.

SCHOOL FOOD & NUTRITION

Chairman Wihby stated he had talked to Mr. Burkush today who had indicated he could cut one percent and not affect the revenues even though that had been mentioned in the letter because he had the inventory there already and could make money on that, so it would not be a problem to cut the one percent; that if two percent were cut he would have to cut additional revenues up and beyond the one percent cut, so he felt if they went to the one they could still give the revenues that were there.

SCHOOL

Chairman Wihby stated he cut School the one percent which was approximately \$524,000 for a budget of \$51 million noting that the letter received yesterday was a pretty sad situation; that the Mayor's numbers itself eliminated quite a bit.

Ald. Clancy asked if with a one percent cut would they fill the Assistant Principal's position at Memorial High.

Chairman Wihby stated the position would be cut from the Mayor's numbers.

Ald. Reiniger asked if anyone knew if those cuts would have an impact on the certification issues because the Superintendent had expressed concerns about that and asked if he had represented to Chairman Wihby that the cuts could be made without affecting the School certification.

Chairman Wihby stated the Superintendent had not said anything about certification with the one percent cut noting that he was still arguing over the \$2 million.

Ald. Reiniger stated it would not look good for the Board if the Superintendent were to say that they'd be messing up the certification issue.

Mr. Girard stated there were two areas where there were accreditation problems noting one was the facilities area which were around West and Central such as science labs, heating and ventilation and were being addressed through CIP; that they were in Phase II in fiscal '97 in heating and ventilation, the science labs at Central were done and were being done at West; that the other areas were curricular areas noting he had read the reports

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and did not purport to be an expert in education, but the curriculum areas had more to do with the way in which the curriculum was designed and the procedures in place to evaluate and assess teacher performance which were areas which were not funded areas; that it was his understanding that the School Board had groups of teachers working on improving the assessing tools; that as far as the building concerns went CIP was handling the structural concerns.

Ald. Shea stated Ald. Domainque had talked about the value place on athletics noting that eliminating strings and music was kind of scary and thought it was such an integral part; that there were a lot of kids that began playing which was an opportunity for a lot of kids and was in favor of keeping the program as it was very valuable at the elementary level; that others such as furniture and equipment he could probably jockey those around and did not feel he needed full-time assistant.

Chairman Wihby stated the Superintendent would still go back to the School Board who would make the final decision.

Ald. Domainque stated wasn't it true that the Board could raise those considerations when they met with the School Board in July although it would be after the budget was decided upon, so that perhaps the Board could send a little more direction to them and wanted to note for the record that the Board did not touch High School Athletics, but cut general education another one percent and thought that was the message she was trying to say the Board ought not be sending; that they were talking about accreditation and graded courses which included music noting they were willing to cut them an additional one percent which she would agree to but then to turn around and not touch High School Athletics which was not an accreditation issue and was not a graded course boggled her mind and asked if that was what the Board intended to do.

Ald. Clancy reiterated that if the kids in Wards 4 and 5, the inner-city area weren't playing sports they'd be on drugs.

Ald. Domainque stated so schools had no impact on them at all, was that what Ald. Clancy was saying.

Ald. Clancy asked what did they have to do after school, they had no mothers, they had no fathers, they were single families; that they were out there for themselves.

Ald. Domainque stated she understood that very well.

Ald. Elise stated she would move that a letter be forwarded relative to the Strings Program in the hope that they would not eliminate that program.

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Ald. Cashin stated \$2.5 million was being cut out of the School budget and asked what would be cut, what did they want to see cut; that they didn't want to cut athletics, didn't want to cut music, didn't want to cut curriculum, what did they want to cut; that they were either going to have a school system or wouldn't have an educational system noting they had better decide; that Len Bernard had appeared before the Board informing them of what the effects of the budget would be on education; that there was a State Department of Education costing the City millions of dollars because they had voted against the year 2000 noting nobody had said anything about that and asked would they have good education because they were talking about redevelopment and bringing in new industry; that if those young people were not educated they could forget about redevelopment and everything else because that was where it started and asked who would move into a community who did not have good education and thought they were making a mistake by cutting the School budget, a serious mistake.

Ald. Domainque asked if more revenue were to be found between now and the budget setting process asked if it was not true that they could add back in the one percent to the School budget and assess it as a priority.

Chairman Wihby stated he had talked with Mr. Bernard up until yesterday noting that \$300,000 in revenue was all that he could find and did not think he could find any additional revenues and asked if Finance had talked with them at all.

Mr. Sherman replied they had spoken with them a couple of days ago.

Ald. Domainque stated if additional revenue were to come forward the Board could make the education department a priority in terms of reestablishing their budget.

Chairman Wihby stated they could also say that the 4.3 or the 4.4 number had to go up to 4.8 or 4.9; that they had not changed a lot; that they were probably sitting at 4.3 and maybe as low as 4.1 which was also based on assumptions that they were waiting for some answers noting that if a couple of big things did not go through would affect it such as the parking fees alone which was about \$1.1 million and would be looking at a 5.3 percent increase; that if the Reclamation didn't go through they'd probably be up to 5.8 percent and the Board would sit here and cut further as they would not be happy with a 5.8 percent increase; that he did not think the numbers would come out any better than what he had noting most of the numbers were from today and thought that the only way they would get lower would be by making the cuts; that he was not happy with these cuts and thought schools were being hurt a lot and wished he could find more revenue.

Ald. Clancy asked with the \$300,000 how much more was he short.

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Chairman Wihby stated Mr. Bernard stated he not only did not want the \$2 million, but didn't want the two percent either.

Ald. Clancy stated Ald. Cashin was probably right when he said when people move into a town that's the first thing they want to check on is education, what kind of school system there was and thing of that nature.

Chairman Wihby stated the budget will still be at a four percent increase because of the fact that there was the landfill and to get lower than that they were talking them from departments and with the increases last year it should be higher than the four percent just because they were just trying to keep level funding for some of the departments and were trying to get it down as low as they could, but at the same time they couldn't exclude Fire, Police, and Schools because that was 90 percent of the budget and would have to cut 10 percent out of everybody to make it up, so it was hard to try and get the number down and had to try and get it where they were comfortable; that he had put it together because what he had heard the other day when the Board was together was that people were talking two or three percent cuts off the School budget noting he sat down and did the one because he felt that they couldn't even afford the one percent, but did it to see where they would be and now going through the process of putting new numbers together noted it wouldn't change a lot and probably picked up \$200,000.

Ald. Clancy asked so why should they scrimp.

Chairman Wihby replied they were trying to get as low as they could; that it was his understanding that there was another meeting tomorrow but did not know if they would accomplish anything then because they wouldn't have any new numbers tomorrow, so they probably shouldn't even have the meeting and come back next Monday and on next Monday he could put the numbers together along with the revenues found and the cuts, pass it out and review that.

Ald. Clancy asked if they could put the School Department on hold.

Chairman Wihby stated he would use the one percent cut and would probably end up between a 4.3 and 4.4 percent increase and there would probably still be some assumptions not yet voted on and they could see after next Monday what the assumptions were that were made and others which were still in Committee along with looking at things and seeing if anyone had more revenues or would want to put back the half-a-million back into schools.

Ald. Elise stated next Monday was going to be a very busy day.

Mr. Sherman stated there would be a public hearing on the Pilot Program.

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Ald. Elise stated she thought there was going to be a CIP presentation next Monday.

Chairman Wihby reiterated that nothing would be accomplished by meeting tomorrow evening as they did not have all of the numbers and suggested they could meet next Monday, have a presentation by Bob MacKenzie regarding the CIP budget and then go into the new sheets showing the Board where it stood and people could then decide on those numbers.

Chairman Wihby stated the Board had to do the number by Monday in order to send it the following week.

Ald. Soucy suggested numbers be received by Friday so they could be sent out with the Board's agendas with the changes made and updates made this evening which would allow them time to review it by next Monday.

Chairman Wihby stated next Monday at 5:15 PM would meet with the School Board, at 6:30 PM a meeting of the Committee on Finance and at that meeting they would have the new numbers on what the budget looked like; that they could discuss it and discuss CIP which was passed by the Committee at Wednesday's meeting.

Ald. Elise stated as a person not sitting on the CIP Committee would want to go through the Mayor's proposed CIP piece-by-piece noting she would not just look at what was recommended.

Chairman Wihby stated there was a tight timeframe as they had to have a number by the 28th, so if they came up with a number on Monday, they could send it on Tuesday to the full Board noting there was still a month to talk about the numbers but thought the Board ought to get closer to where they were so people would know where they stood; that if they were to pass the numbers that were there now they would end up getting the anti-taxers coming saying they couldn't live with a nine percent and if the Board knew it was going to be cut then they might as well send a number closer to where they would be noting that Fire and School people would be there instead of the anti-taxers.

Ald. Hirschmann asked what valuation were they using.

Chairman Wihby replied he was still waiting for the number; that there was a range which was the Mayor's number and another two or three million.

Ald. Domainque stated the Assessors had sent out a memo stating they would have a final figure by May 17th and asked if in four days they would be able to find another two or three million dollars.

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Chairman Wihby stated they were working every day putting in new numbers noting it changed every day.

Ald. Domainque stated that was probably the reason why she was having so much difficulty understanding how that department continued to operate that way because they should have had regular reports as to a direction that those assessments were going in.

Chairman Wihby reiterated they were working on it daily, inputting new numbers and had a range of where they would be.

Chairman Wihby asked when the Board wished to meet next.

The general consensus was that they would meet next Monday at 6:30 PM and send the number in the next day.

There being no further business to come before the Committee on Finance, on motion of Ald. Shea, duly seconded by Ald. Cashin, it was voted to adjourn.

A True Record. Attest.



Clerk of Committee