

COMMITTEE ON FINANCE

June 17, 1997

5:30 PM

Mayor Wieczorek called the meeting to order.

Mayor Wieczorek called for the Pledge of Allegiance, this function being led by Alderman Shea.

A moment of silent prayer was observed.

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

Present: Aldermen Wihby, Reiniger, Sysyn, Clancy, Soucy, Shea, Domaingue, Pariseau, Cashin, Robert and Hirschmann
Alderman Elise arrived late.

Messrs.: K. Clougherty, R. Davis, R. MacKenzie

Chairman Wihby requests a recess to discuss union negotiation strategy with the Chief Negotiator.

On motion of Cashin, duly seconded by Alderman Hirschmann, it was voted to recess the meeting to discuss union negotiation strategy with the Chief Negotiator.

Mayor Wieczorek called the meeting back to order.

Mayor Wieczorek stated he unfortunately had to leave at this time as he had to attend a high school graduation and asked Chairman Wihby to conduct the Committee on Finance meeting noting action would not be taken on the budget until such time as he returned to the meeting from the graduation.

Alderman Hirschmann asked Chairman Wihby if the remaining Board members would sit here until the Traffic Committee convened.

Chairman Wihby replied the Board would work until seven o'clock when the Traffic Committee convened and upon its conclusion, the full Board would reconvene to discuss other issues, but would not address the budget resolution until the Mayor's return.

Chairman Wihby addressed item 5 of the agenda:

Resolution:

“A Resolution appropriating to the Manchester Airport Authority the sum of \$12,975,285 from Special Airport Revenue Funds for Fiscal Year 1998.”

On motion of Alderman Soucy, duly seconded by Alderman Elise, it was voted that the appropriating resolution be read by title only, and it was so done.

Alderman Domaingue moved that the appropriation resolution ought to pass and layover. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

Chairman Wihby addressed item 6 of the agenda:

Resolution:

“Appropriating to the Central Business Service District the sum of \$175,000 from Central Business Service District Funds for Fiscal Year 1998.”

On motion of Alderman Soucy, duly seconded by Alderman Reiniger, it was voted that the appropriating resolution be read by title only, and it was so done.

Alderman Sysyn moved that the appropriating resolution ought to pass and layover. Alderman Reiniger duly seconded the motion. The motion carried with Alderman Domaingue duly recorded in opposition.

Chairman Wihby addressed item 7 of the agenda:

Resolution:

“A Resolution appropriating the sum of \$2,637,542 from Recreation User Charges to the Recreation Division for Fiscal Year 1998.”

On motion of Alderman Soucy, duly seconded by Alderman Clancy, it was voted at the appropriating resolution be read by title only, and it was so done.

Alderman Clancy moved that the appropriating resolution ought to pass and layover. Alderman Sysyn duly seconded the motion. There being none opposed, the motion carried.

Chairman Wihby addressed item 8 of the agenda:

Resolution:

“A Resolution appropriating the sum of \$9,259,964 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 1998.”

On motion of Alderman Shea, duly seconded by Alderman Cashin, it was voted that the appropriating resolution be read by title only, and it was so done.

Chairman Wihby advised of a related communication:

Communication from Thomas Seigle, EPD, requesting an increase of \$97,816 in Salaries & Wages as a result of the ratification of the AFSCME contract thereby increasing the total budget request to \$9,357,780.

Alderman Shea moved to amend the appropriating resolution from \$9,259,964 to \$9,357,780 as requested by Mr. Seigle as a result of the AFSCME contract ratification. Alderman Clancy duly seconded the motion. The motion carried with Alderman Robert duly recorded in opposition.

Alderman Clancy moved that the appropriating resolution ought to pass and layover as amended. Alderman Sysyn duly seconded the motion. The motion carried with Alderman Robert duly recorded in opposition.

Chairman Wihby addressed item 9 of the agenda:

Resolution:

“A Resolution appropriating to the Manchester Transit Authority the sum of \$900,000 for the Fiscal Year 1998.”

On motion of Alderman Soucy, duly seconded by Alderman Clancy, it was voted that the appropriating resolution be read by title only, and it was so done.

Alderman Cashin moved that the appropriating resolution ought to pass and layover. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

Chairman Wihby addressed item 10 of the agenda:

Resolution:

“Appropriating to the Manchester Aggregation Program the sum of \$1,058,685 from Aggregation Fees for the Fiscal Year 1998.”

On motion of Alderman Soucy, duly seconded by Alderman Clancy, it was voted that the appropriating resolution be read by title only, and it was so done.

Alderman Soucy moved that the appropriating resolution ought to pass and layover. Alderman Clancy duly seconded the motion. There being none opposed, the motion carried.

Chairman Wihby addressed item 11 of the agenda:

Resolution:

“Amending a Resolution ‘Approving the Community Improvement Program for 1998, Raising and Appropriating Monies Therefor, and Authorizing Implementation of Said Program’.”

On motion of Alderman Soucy, duly seconded by Alderman Clancy, it was voted that the appropriating resolution be read by title only, and it was so done.

Clerk Johnson noted there had been a communication distributed from Intown Manchester and it was her understanding from the CIP Director that there was no amendment required for that.

Chairman Wihby stated there was a communication from Rich Davis, Intown Manchester, asking for additional money noting he had talked to Bob MacKenzie today who was present and who could address it; that Bob was able to find \$80,000 to give to Rich and asked if they were able to come to terms on it.

Mr. Davis stated we certainly apologize for this request coming in at the last minute, but we found in May that our commitments which had kind of trickled along at about \$60,000 out of the \$120,000 that we were allowed for Central Business District Building Improvements had suddenly increased to about \$115,000 and that meant that if we sought some more money from you to help support this program - the building improvements and the technical assistance that backs that up; that that effort would start to come to a halt sometime soon and to keep that moving, we went back to the Mayor and to Bob MacKenzie to try to find some additional funding for that noting it did support the building improvements along Elm Street and elsewhere throughout the district. We have seen five projects completed and will start to see more as the construction season progresses this year.

Alderman Reiniger stated I just want to clarify that if the...I spoke to Mr. MacKenzie today and he said there might be up to \$100,000 available. I don't know if you've continued to look...is the figure \$80,000 or \$100,000, apparently there's potentially four more projects if another \$20,000 were to be found.

Mr. MacKenzie replied we identified monies out of the Downtown Improvement Program that we knew would be available which was \$80,000. We also discussed the possibility of trying to find another \$20,000 in CDBG funds, perhaps in the next four to five months. We can't guarantee that, but we can work towards that if the Board was comfortable with that.

Alderman Clancy asked what are you going to do with that money, how are we going to spend it.

Mr. MacKenzie replied roughly 80% of that would go directly into improvements and building facades in the Downtown and typically the way that it has been structured through Intown is that some of that money is used for facade

improvements, but that leverages a lot of private investment and plus the banks have developed a pool of \$1.4 million that's even a larger loan pool, so all that money is being vested in the physically plan of the businesses.

Alderman Clancy asked do we have to pay that money back.

Mr. MacKenzie replied no.

Chairman Wihby stated it's a good project, it's helped Downtown.

Alderman Hirschmann asked are these projects going to be scrutinized by the Revolving Loan Fund Committee.

Mr. Davis replied where revolving loan funds are involved they are scrutinized, but so far these are separate funds.

Alderman Hirschmann asked who decides who gets that \$80,000.

Mr. Davis replied basically we do on an ad hoc basis, but we review those projects on a monthly basis with the Planning Department, so that they know where we stand and who's involved.

Alderman Hirschmann asked is there a committee that decides or is it Intown that decides.

Mr. Davis replied Intown basically takes the applications as they come in, we funnel the technical assistance through one of our architects or engineers that is working with us on this program and then it's pretty much on a first-come, first-serve basis - who gets their application's in and if they meet the criteria of the program which are established and have been reviewed, of course, by the Planning Department...they meet the criteria, we help them work through the program. It's pretty much on first-come, first-serve basis.

Alderman Hirschmann asked could it be amended so that...we put together this revolving loan fund to make sure that all of these companies and people that get the funds in Manchester are solvent and are going to be around for a while. Could the revolving loan fund be of assistance to you. There is a committee of people that are giving loans.

Mr. MacKenzie stated I'd like to respond to that. There is really three programs going on. One is what they are doing here which is small grants that is for larger development or project and that's where these are very small grants - \$5,000 and

then that leverages five times that amount in investment. There is also a bank loan pool which is \$1.4 million which is for other physical building improvements in the Downtown. There is also the Business Revolving Loan Fund and that's operated by the Economic Development Office which approximately \$500,000 and that's not necessarily toward physical improvements, but ensuring providing working capital and other investments to make sure the businesses themselves are able to grow. So, we have been trying to coordinate these three...Rich Davis, myself and Jay Taylor...to make sure that they are all working together.

Alderman Domaingue stated I guess what I'm hearing and I need clarification on this is that you're asking us to appropriate an additional \$80,000 to Intown Manchester which is a private company, if you will, using public taxpayer funds, is that what I'm understanding you're asking us to do.

Mr. Davis replied that is correct. These monies remain in the City until those projects are completed.

Alderman Domaingue stated I appreciate that and I'm not against the concept, however, with the public taxpayer funds we normally have some form of oversight group of people such as Alderman Hirschmann has mentioned and I would feel more comfortable appropriating that money if I knew that a group that had been chosen by the elected officials were part of that oversight process. I'm not just going to hand out \$80,000 of taxpayer money as good an effort is may be without any oversight by the elected officials as to how that money is being spent.

Chairman Wihby stated one of the things we are doing today is we are not appropriating that money, do you guys plan on cutting back the CIP or somebody.

Mr. MacKenzie replied what I would like to do is to review this, we have just been working on this today and we'd like to come back to the CIP Committee and perhaps iron this out a little bit more, next week they are meeting on the 24th.

Chairman Wihby stated this has nothing to do with this budget...

Mr. MacKenzie stated this would be monies under existing program, the Downtown Improvement Program that we have been reviewing to see if it would be available.

Chairman Wihby stated we are not voting on it today, we're still going to have it back at the CIP Committee in which case we can review it and come up with anything we want to come up with.

Alderman Domaingue stated I appreciate that, but as an Alderman I wouldn't feel comfortable. You're talking taxpayer dollars, we're not talking private business investment of that particular amount of money. I think we owe it to the taxpayers to have an oversight group.

Chairman Wihby stated we can still do that when it comes up at the CIP.

Alderman Shea stated I'd like to express my concern as well because if we open up this particular situation in the Downtown area, what's to say that other sections of the City might want to come into this kind of an endeavor, as well, and I think we ought to be very cautious that we don't hand out public funding indiscriminately. The Downtown area is an important element of our community, but so are other aspects of our community, as well, and I don't feel that we should overemphasize one at the expense of others, so I have misgivings of this at this time.

Mr. Davis stated, Mr. Chairman, we certainly do want to be accountable and from month-to-month we do show and review our projects with the Planning Department and we'd be happy to do that on a regular basis with any public body that you would indicate. Certainly, there is some confidentiality involved where we have tenants who may be seeking assistance and landlords have not yet been approached, have landlords that may be seeking assistance and tenants may not have been informed. So, there is a certain amount of confidentiality involved which we, as a group, try to respect. But, certainly we believe that the money ought to be allocated and is allocated according to publicly-established criteria and we have worked closely with the Planning Department and to make sure that that is the case. Pretty much on a first-come, first-serve basis, if you meet the criteria of the program and you do the design, you are eligible and we work through them one-by-one.

Alderman Cashin stated, Rich, just for the record, I want to publicly thank you. I think you done one helluva job and it's very noticeable and I believe that this Board should be willing to give you the tools to work with. We all sit around on the Board and we say we want to do something about Downtown, we all want to get involved, and I remember when I first got on the Board an older Alderman, Tom Enright told me once, Bill, remember this..."if you're not willing to invest in yourself, don't expect anybody to do it for you"...and I think that is the attitude we've got to do and we've got to give them the tools to work with and if it means \$80,000, I have no qualms with that. I think what you've done so far has proven to me that it's well spent. Thank you.

Chairman Wihby stated I think this whole Board echoes that as far as what Downtown looks like since you've been here even.

Alderman Elise asked in terms of the money you have discovered in the Downtown area, is that money that can only be spent in the Downtown.

Mr. MacKenzie replied yes. There is money that came through various projects including the Center of New Hampshire project that are earmarked specifically for Downtown projects.

Alderman Elise stated in terms of the Intown Management organization, it's basically a quasi government organization that oversees money that they raise themselves as well as money give from all different sources - City, Federal government, etc. There is a board in place that oversees the distribution of this money, right.

Mr. MacKenzie replied right and I would also note that we as a Planning Department went out for requests for proposals and Intown was among a couple of organizations that did apply for to run this program and they were selected because they had a strong proposal, so there was a competitive proposal process in selecting Intown to carry out these projects.

Alderman Elise stated so if there is money not being utilized in other projects that can be utilized for this particular program, I certainly would like to support that and I would like to say that we have a lot of work to do, maybe not as much work as we think to be number one small City in the United States next year.

Chairman Wihby stated actually it's a good sign that the money is actually being used up because people care about their property and want to do good and the Downtown is being revitalized.

Alderman Reiniger stated I also want to point out that the Downtown is experiencing a resurgence in large part because of the efforts of Intown Management and Richard Davis, but also I don't think that people should forget the near, in most cases, the near unanimous support of this Board and its commitment to the Downtown and this is one example, this program.

Alderman Elise stated I know that there are other areas of the City that do need some attention and I know that Alderman Shea has been a big advocate for his Ward and I certainly would be willing to look at other areas of the City in terms of maybe structuring some other types of programs.

Chairman Wihby asked, Alderman Pariseau, did you have a question on another part of the CIP.

Alderman Pariseau moved to amend the CIP resolution even further, Mr. Chairman, to include the \$25,000 for the study at Precourt Park that has been bandied about for four or five months now. The Parks & Recreation Department has requested it to see where, in fact, we will be going with Precourt Park, we have a lot of interest in developing some of that area and I think we ought to take care of the residents of South Manchester with that request.

Alderman Cashin duly seconded the motion.

Chairman Wihby asked do we have a total dollar, Carol.

Clerk Johnson replied the \$25,000 that Alderman Pariseau is referring to would be on your Cash Table 1-3 and it would increase the number to \$1,192,200.

Chairman Wihby stated that in the budget process, we will have to find the \$25,000 somehow and we can look at that once we get there.

Alderman Elise stated I would just like to ask Bob MacKenzie where does that fall on the priority list for upgrading the park system. I know we have a priority list and we allocate funds to projects on the listing.

Mr. MacKenzie replied I do not have my request forms here, but the Parks & Recreation Commission did have it on a list to prioritize parks. I know it was on the list, but it was not in the top third, because the top third were the projects that were funded, but I cannot remember the specific place, but think it was a ways down.

Alderman Elise stated you don't know then which projects are placed in higher priority that may not be attended to.

Mr. MacKenzie replied not off hand, no.

Alderman Elise stated I am just very, very concerned about following priorities so that each Board and each section of the City gets allocated monies appropriately. If we stop following a priority system, I think we can really get ourselves into a lot of trouble.

Chairman Wihby called for a vote on the motion to amend the CIP resolution by adding \$25,000 for the study at Precourt Park. The motion carried with Alderman Elise duly recorded as abstaining.

Chairman Wihby called for a motion on the \$1,192,200 figure.

Clerk Johnson noted that the motion he would want would be on the entire CIP Resolution as amended, unless there was to be further amendments.

Alderman Pariseau moved that the CIP appropriating resolution ought to pass and layover as amended. Alderman Cashin duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Pariseau, duly seconded by Alderman Shea, it was voted to recess the Committee on Finance meeting to allow the Committee on Traffic to meet.

Chairman Wihby called the meeting back to order.

Chairman Wihby stated prior to addressing item 12, Alderman Pariseau had made a motion, seconded by Alderman Cashin to fund Precourt Park for \$25,000, we do have Contingency money left over this year that we can take it out of rather than affect next year's budget, and asked Aldermen Pariseau and Cashin to move to take it out of Contingency this year; that in five days when discussion will be opened up for CIP, we will have to amend it down then or there may be something in the Committee now that's going to increase that anyway, so they'll be \$25,000 we'll have to remember that's extra in five days when we sit down again.

Alderman Domaingue stated I would like clarification. I think what I heard was that you wanted to take the \$25,000 instead of out of next year's budget, out of this year's Contingency. Fine, thank you.

Alderman Pariseau moved to take \$25,000 out of the 1997 Contingency account to fund the study for Precourt Park. Alderman Cashin duly seconded the motion. The motion carried with none being recorded in opposition.

Chairman Wihby addressed item 12 of the agenda:

Resolution:

“Raising Monies and Making Appropriations for the Fiscal Year 1998.”

On motion of Alderman Soucy, duly seconded by Alderman Clancy, it was voted that the appropriating resolution be read by title only, and it was so done.

Chairman Wihby stated everyone should have a new budget in front of them and wanted to go over a few items that have changed. First of all, in the Aldermanic number all of these numbers have changed as far as expenditures go and revenues because we've had updated numbers. The expenditures in some cases will look higher but it's because we've put in the negotiations and the raises and they are all in the line items they belong in. Most departments in their numbers have seen a one or two percent decrease and then we threw in the raises that we had already negotiated and in some of those cases some of the departments had to even eat some of those raises, so that it why some of the increases in the expenditures are there. But, in the Aldermanic figure I just want to note that I did not fund the two at-large Aldermen and if that goes through it will have to come out of Contingency. The Coordinator position is taken out of MEDO. There is the Personnel reorganization in the three lines items namely: City Solicitor, Finance and Personnel. So, I know that Personnel hasn't voted on that yet, Bills on Second Reading did, but the numbers are changed so that I envision that the reorganization to go through. If it doesn't go through, I was told by the Finance Officer that we could have a directive to switch the numbers back. The number reduces the Mayor's number by the extra position that he had asked for along with one current position. The number that's associated with Finance, the \$7,183,421 includes \$200,000 as we did last year that we took out of Rooms & Meals and it also anticipates that EPD, Parks and Airport, like they did last year will contribute \$100,000 in support of what Finance and Solicitor and everybody else does and they did that last year also. We eliminated the auto registration charge which

amounted to...actually in this year's budget is amounted to 37 cents and that's eliminated and that's incorporated into the budget. We reduced the School Severance by \$50,000 after Mark Hobson looked over that number and said there's

probably going to be a little less retirees. We anticipated, on the second page, under Health Insurance there's a reduction there because of the negotiations and the people going to BlueChoice and there is also anticipation of using a quarter of a million of the surplus in Account 102. In the Worker's Comp number, we increased \$175,000 because of the fact that Police were going to have a problem. If somebody was out-of-work the anticipation is that you don't fill the position until the person comes back, we can't do that with Police. So, that number they said they could not incorporate into their budget, we've put it in there for their Worker's Comp and other departments said they could incorporate the number. The actuary savings, the \$426,340 is down because we had an actuary already done on that; that in Salary Adjustment - \$2.6 million - constitutes two numbers: one is \$1.4 million put in for Teacher Negotiations and the other number is \$1.2 million that was put in per the accountants and bond people who wanted us to take care of the problem we got into about five years ago when we did the fiscal year conversion, so this is a one lump payment, a paper payment and gets us out of trouble with the bonding companies and also next year it will be gone and we're going to do it all in one lump sum. The Valuation as seen on the third page is higher than we had expected, so the tax base is growing. The Contingency is a little higher than what the Mayor had put it basically to take care of any problems because it is a tight budget. There's a new number in there that I had stuck in there, it's called Travel/Contingency and what that number is last year we took out all of the travel out of the departments and they still ended up using travel anyway because they just transferred their own money. This year what I did was I added up all of the travel in the departments and put in one lump sum there under Travel/Contingency. My anticipation is that people would go to the Committee on Accounts to okay using that money for travel, for conferences, for meetings. So, the Committee would look at that, review it and if so the money could be used for Travel/Contingency. It was there rather than taking it out and having people use some of their own money, it's there to put a little leeway there. If the Committee feels that it doesn't want to honor any travel and meetings and some of them, by law - City Clerk, Tax Collector, a few of them have to go. Finance has to go to do bonds. So, there are some of them there that are legitimate expenses. The total that the departments had asked for was \$31,000, the number we used last year was \$22,000. So, I anticipate \$25,000 because I don't think that a lot of the departments will come forward anymore asking for travel, but the number is there. The fund balance has grown. Revenues are better than they are, expenses are better than anticipated, so the fund balance is \$1.3 million. The County Tax is down 1.1%, so we've taken that number and the Overlay as we've all gotten a

letter from the Assessors, the Mayor had funded it at a million dollars and they need \$1.2 million, so we put that \$200,000 back in the budget. The only other thing is under Motorized Equipment, we had funded three Police cruisers extra for the Police Department in that number and the bottom line for this budget, if you look at it, if you compare the '97 tax rate it is \$38.84 and the 33 cents that it actually cost the taxpayers for the registration fees, the net effect was \$31.17. If you look at this year's budget it's \$31.16, so it's actually down a penny, if you're comparing apples-to-apples. Now, we are doing the work. Some Aldermen have said well, we're not doing the work anymore, so it's not the same. The work is being done now within our budget and the fees, the charges are in our budget, there's no longer a fee schedule. So, the taxpayers paid a tax and the taxpayers paid a fee. So, if you added those two things together it ends up that this year's budget is actually the same net effect to the taxpayer out there. It accomplishes...we threw in the amount of money for the City highways (\$400,000) was what Frank said he could use, so that number's in there. We funded another \$50,000 for Sidewalks and all the negotiations are in there including the teacher's that we anticipate coming shortly. So, I'll answer any questions.

Alderman Robert asked is there money in the Highway budget budgeted for street lights.

Chairman Wihby replied I don't know if it's in the Mayor's number, Rich says there is.

Alderman Robert stated in the number's that we are considering right now.

Chairman Wihby replied yes. I didn't delete any numbers from the Mayor's number. All we did...he went through his budget, he took a one percent cut which I think amounted to \$30,000, he funded raises, but pretty much everything that is going to stay in there is going to stay in there that the Mayor had put in.

Alderman Clancy asked how much money was put in for the resurfacing this year, \$200,000 or \$400,000.

Chairman Wihby replied this year was \$400,000 total.

Mr. Clougherty stated that is my understanding.

Chairman Wihby stated the Mayor had \$200,000, we decreased the Rooms & Meals by \$200,000 and added that to the resurfacing and that was the number that

Highway felt comfortable with and they said if they had any additional money they wouldn't be able to do all of the work anyway.

Alderman Clancy stated he had been receiving a lot of calls about streets needing resurfacing.

Chairman Wihby stated even \$400,000 won't take care of the problems, but one of the things we're doing is spending a lot of money on road reconstruction and we probably should switch that in the future and do more repaving than reconstruction.

Alderman Hirschmann stated with City Schools, the Mayor had \$56,700,000, you're putting in another \$292,000, what does that represent.

Chairman Wihby replied \$56.7 million really wasn't the number. If you remember, we questioned them about a million dollars almost in Medicaid money where they weren't sure where that was; that was outside of the Mayor's budget, so they really had \$56.7 million plus a million, so they really had \$57.7 million and so when we found that out, they've now decided that the best accounting way of doing that would be to take the Medicaid money and put it into the General Fund. The net effect is that almost \$57 million that we are giving them is their total budget, they won't have any Medicaid money and it's short roughly \$700,000 from the Mayor's and it also includes raises in that number that we've given the Principals and MESPA and AFSCME and all of those raises are incorporated in there also. It's a tight budget, they think they can live with it. I've been in constant contact with the Superintendent and Mark and there's a lot of money that's tied up in Special Ed, but it is a decrease from the Mayor's number and especially when you add in all of the raises that are in there.

Alderman Hirschmann stated it took me by surprise, I didn't expect to see that extra \$290,000. If we had stayed with the Mayor's number, what wouldn't have gotten funded.

Chairman Wihby replied the Mayor's number was \$56.7 million plus the million on the side from Medicaid, so that number was not in the Mayor's number, it was money that came in from Medicaid that they actually kept the revenues, so they really had \$57.7 million to spend.

Alderman Clancy asked how much money are we going to get from the State for the Kindergarten Program.

Chairman Wihby replied if you look at the number with the Governor's proposal and what the House and Senate are hopefully going to pass, it's almost \$3.2 million more than last year, that is where the big part of our budget was helped with the Kindergarten funds and the Foundation Aid. I think the net from the Kindergarten is \$750,000. If Governor Shaheen's plan passes there's an additional \$250,000 that would come to the budget.

Alderman Pariseau stated Parks & Recreation has an appropriation of \$1,562,715, yet a short time ago we voted on a resolution appropriating \$2.637 million out of the Recreation Division. Does this \$1.5 million just represent Cemetery.

Chairman Wihby replied the other part is basically the Enterprise Fund and I don't know if the Cemetery is just in this number or are they in both.

Mr. Clougherty replied the Enterprise includes the facilities to operate as enterprises like Gill and McIntyre and those facilities and this would be the balance including Cemetery. Now, included in these numbers are their revenues, as you know Alderman, we get certain dollars from trusts and that's included as part of their revenue to offset that number for the Cemetery.

Alderman Reiniger asked, Mr. Chairman, why are you recommending eliminating the City Coordinator position.

Chairman Wihby replied that was actually a decision that when we came to MEDO, I think the consensus at the time was to eliminate the Coordinator as it was last year.

Alderman Reiniger asked is that your recommendation.

Chairman Wihby replied I supported that recommendation.

Alderman Reiniger stated I thought that one of the points of your study committee that you held earlier this year was because of the lack of coordination of our economic development efforts and I think you correctly pointed out we need to have more coordination, it's vital to this community. So, it just surprised me that the City Coordinator's position which seems to flow right into that would not be funded.

Chairman Wihby stated I think we can do the communication and what is going to be needed to be done with the amount of staff that we have now. I think Jay Taylor and Bob MacKenzie have been doing a great job heading up that and Rich

Davis and the Downtown association, I haven't heard a lot of problems and I think that the staff we have is sufficient.

Alderman Reiniger asked is Mr. Taylor here. I believe they are doing a very good job and I don't want to speak for any of them, but it was my understanding and they've expressed to me that they are very strapped and they need this position now. I'd rather have them testify to that, I'm not going to put words in their mouths, but that is my understanding.

Chairman Wihby stated they never used any words such as "strapped" with me, but the Board can vote anything up or down or add anything.

Alderman Robert stated in talking with the folks who were trying to get the Riverfront Stadium through and another group of people who were looking to accomplish something, both of these folks expressed to me a certain amount of frustration in trying to guide their projects through the system and they really expressed a desire...both groups said it would have been helpful if they had someone who could help them with that. I know Bob and some of the people you had mentioned do a good job and I'm sure they did the best they could, but I think as a community if we are going to aggressively pursue economic development projects that we have to work on a City Coordinator would probably pay us back several times over.

Chairman Wihby reiterated again, that is up to the Board. I had a discussion with Bob MacKenzie earlier yesterday about his philosophy about moving projects, as you said a little faster and working with people and we're trying to come up with what we thought was the best way of doing that...having somebody a big project can go to, work with them, get them through all of the hoops and push the project along faster and that is what the City needs is to get the development in and not give them some hassles. We threw some things around and the biggest problem that we had with it was if an Alderman in one ward is against the project and now this person is trying to push the project along faster and the Alderman's against it in his own ward, what's going to happen. Is that person going to lose his job because the Alderman is upset with the person or how is that going to be pushed along. What project is that person going to push, which projects is he going to help out and I said to Bob, come back with something for us to look at because I think it is maybe something we should look into, I don't know what we would do but he is looking into that.

Alderman Robert stated that is well and good and the Board has spoke on that as well, but it's budget time again and I guess what Alderman Reiniger is trying to say and what I'm trying to say and Mayor Wieczorek because he included it in his

budget is trying to say is for the Board to progressively pursue redevelopment, development of the Downtown. We're just saying that we feel the position is important and we won't go as fast as we would if we had somebody to look at that full-time.

Alderman Domaingue stated with all due respect to my colleagues, the actual work of planning and preparation for projects in the City usually starts in the Planning Department and rather than fund an economic development coordinator, although it is not in this budget, I would have preferred to have seen an additional staff person in the Planning Department because they are strapped and they cover all of the territory throughout the City, not just special enterprise projects or future development. They cover it all and so if we were going to talk about adding any personnel anywhere, I would be more than willing to champion one in Planning before I would an economic development coordinator.

Chairman Wihby stated I have talked to Bob about that and he's going to bring something forward once he can come up with how it should be done and what that person would be doing and reporting to.

Alderman Shea stated I think we discussed this earlier at the budge hearing with Jay Taylor and also with Bob MacKenzie and I think that the same issue was brought up at that time. At this time, I'd like to amend the budget...to reduce the tax rate...take \$300,000 out of the Rooms & Meals Tax to reduce the taxes and I'd like to have a roll call vote of the Board to see if there is support for that. This would be to reduce the tax rate and not do anything else with it, but to reduce the tax rate.

Chairman Wihby stated there is a motion to add \$300,000 in revenue by using the Rooms & Meals Tax.

Alderman Hirschmann duly seconded the motion.

Alderman Domaingue asked could we find out from the Finance Director what that would translate into in terms of the tax reduction, what that \$300,000 equates.

Alderman Robert stated it was just my understanding, I guess I'm just going back a few years maybe even to campaign time when I was asked that question...what would I use the Rooms & Meals Tax for...I can't say that the revenues we're getting will be around forever. I perceived it as a windfall then and I still perceive it as a windfall now. My feeling was at the time not to build a budget around it and become dependent upon it. I'd rather use it for infrastructure improvements as opposed to using it to reduce the tax rate. When I say reduce the tax rate \$300,000, it's not a tremendous amount of money and we can fix parks, we can fix roads, we can do substantial things for \$300,000; that's my feelings then and it's still my feeling now.

Alderman Shea stated I'm glad that Alderman Robert is very concerned about that because he is usually a very frugal Alderman in that regard. According to my figures here, we are due to receive about \$800,000 in 1997 - \$1.242 million, plus in 1998 \$1.685 in 1999 and it goes on and on and I think it would reduce, I think you said the tax rate was 31 cents or 32, it would probably bring it down to about 25 cents, if I'm not mistaken. But, I'd like to do that this one time because I feel that we do have a surplus in that area and I would rather see it benefit the taxes. We heard the people at the public hearing which was not well-attended, but the people who did speak, the concern of those people was that we don't do enough to help the taxpayers of Manchester and if we have a chance to do that, I think we should do it this time. Maybe in future years we can look for other things.

Chairman Wihby stated I would hope that this Board would oppose that motion only because of the fact that we just spent \$150,000 on having a study done and we're going to get that answer back in a month or two, so it seems to me that we would just throw away \$150,000 if that motion goes through today because if in fact, we decide that we want to use the increment in the Rooms & Meals...

Alderman Shea stated I can't hear, the acoustics are bad, you said \$150,000 for what, please.

Chairman Wihby replied if, in fact, we wasted \$150,000 because we had a study being done right now and the results aren't complete yet and I would hope that we would wait until we get the study back and at such time when the study comes back if it says it's not a feasible opportunity, we could spend it next year. I don't see what the rush is in spending it this year, the money is sitting there, it's not being used and this Board can always use it. I used \$200,000 only because we've used that amount of money previously. I think the bond concerns would be there and I'd like Kevin to talk about that because I think once you start depleting the fund up and down that is sending a sign to people that we are going to be asking to

help finance and that money might not be there and the Aldermen, anytime, can take the money out.

Alderman Shea stated Manchester is the only community in New Hampshire that does not use the Rooms & Meals Tax exclusively to lower the tax rate, we use \$200,000 to improve the roads. Every other community in New Hampshire uses the Rooms & Meals Tax to lower their tax rate.

Chairman Wihby stated that is why were number 6. Kevin, am I right in anticipation of the bond counsel and everybody else, what would they feel about using additional money out of that.

Mr. Clougherty replied the position that the City has taken is that it wants to set aside these dollars to take a look at a specific project and that's the civic center and it has allocated some dollars to move forward out of the economic development area to take a look at the feasibility of doing that project. If the results come back and you want to move ahead with the civic center it is going to be very difficult, I think, to argue to the bond insurers, in particular, as well as the credit rating agencies that there is the fortitude among the Board to stay with the discipline to make that money available for debt service. In bonding, in general, we've not gone to the market and issued bonds, I know the Board has approved and authorized bonds over the last few years, but we have not gone and sold bonds in the market for a number of years. We will be going in the second half of this year and it's particularly important when we go down there to issue bonds whether it is for general obligations bonds, it is particularly important that when you go down there you have certain things addressed. It was mentioned tonight that included in the budget we are dealing with the one management finding that we had last year which is the 27 week, you're addressing that in this budget, you're dealing with outstanding contracts. The Board has done a good job in dealing with those this past year and is laying the ground work for more of that. You've maintained a discipline with respect to the "rainy day" fund which is another important criteria. It seems to me with all of those things and with your setting aside these dollars to look, at least to get the reports back and to look at the civic center, puts us in a position to go down to Wall Street and say we've exercised some discipline managerially and we've addressed a lot of the problems that we weren't about to get to when our valuations were dropping and now that we are going in the other direction, I would hope that the Board would support the Mayor and the Finance Officer going down and trying to get a credit rating. I think what they wanted to see was trends. If you read the credit rating report from Moody's, the thing they said is you're doing a good job, you've made some very difficult decisions and we want to see a longer trend. Well, we've given them that and I

think now is the time to stay firm and keep moving in that direction so that when we go down there we can see something beneficial.

Alderman Domaingue stated, Mr. Clougherty, I am having a difficult time understanding how you make the leap from being eligible for an excellent bond rating and turning that in support for a civic center. I'm finding a very difficult time doing that because we are making the right moves, you've already stated that. What Alderman Shea is asking is, is this Board willing in a year when the taxpayers are looking to us for leadership on the issue of lowering their rate to the lowest possible, are we as a Board willing to step forward and say okay, we still haven't made a determination on the civic center. He's not asking us to deplete the civic center money set aside, he's asking us to make a good faith effort to take a portion, a small portion given the amount of money that has already been set aside of that money and give it back to the taxpayers because it is Rooms & Meals Tax money and the intent from the State Legislature was for us to use it to offset the expenses at the local level and that is what he is asking for and the leap you have just made is certainly not an easy one and I certainly can't make that leap. I understand where you're leading with bond counsel and the bond rating and how it affects the tax rate, but it by no means is going to severely impact whatever this Board ultimately decides to do with the civic center and what Alderman Shea is asking you tonight, from my understanding not wanting to put words into your mouth is, can we take one further step to say to the taxpayers we would like to give you the lowest possible rate we can and here is a portion of the money that was handed back from the State to be used for this intention, we'd like to give it back to you and lower the rate further.

Chairman Wihby stated that decision can be done, do you have something further, Kevin.

Mr. Clougherty replied, I'd just like to clarify my point so that it is understood. The Board of Aldermen with respect to Rooms & Meals and some of these other dollars, I think has taken a very distinguishing position and that is that these dollars that can be used for reducing the tax rate should be used by putting those dollars into economic development as opposed to just throwing them into your operating budget; that position, I think, has distinguished the Board on Wall Street. I think most other cities and towns in Connecticut, in California and in Massachusetts when they got large insurgence of dollars of this type did exactly what you are recommending, threw it right into their operating budget and that was fine as long as the money kept coming. The idea of taking the dollars and putting them aside for economic development and building up valuation which lasts longer is something that I think is what I'm referring to, it's that policy. Whether you use the money for a civic center or some other economic

development project, I think is the choice of the Board. But, making sure that you use that money for economic development and don't build a reliance in on the operating budget for these dollars, I think is an important management signal and I think if there's a change in that direction and if that's perceived on Wall Street that you are going to become more reliant on the state government in terms of these dollars in the General Fund as opposed to the School dollars. I think that is an important distinction that they will pick up on and I think that's a concern.

Alderman Reiniger stated I think Alderman Shea's point is a good one that other communities have used this to reduce taxes, but my point of view on this is having experience in a church board, I'm sure it's the same with temple boards and other non-profits, they have endowments ideally and my view of this might be great for the City to maybe approach this as an endowment fund to be set aside whether for a civic center or some other maybe emergency in the future and I think that the Chairman and the Mayor's Office in their budgets have done a very good job at coming to very close to zero and I think that gives us the ability this year to enhance the endowment, so to speak. I think if we were having a much bigger problem with the tax increase you would be absolutely right, I think, to try to get into this fund, but I think we have an advantage this time to be able to put it aside and to build the endowment.

Alderman Hirschmann stated even the Chairman of this Board has recommended that we go into this fund this year and take some two hundred thousand dollars for infrastructure improvements and he put that into his budget and he called around and he got a consensus of this Board that we want infrastructure improvements, we all want our roads paved in our wards and we all had to make that decision and the Rooms & Meals fund, we don't want to deplete that account and I agree with you that that is an endowment fund, I agree with you and I agree with Chairman Wihby and I agree with Mr. Shea. We owe it to the taxpayers to give them the lowest possible number, we owe them infrastructure improvements, and we owe them a civic center and all three of these things should be figured out and it's our job to sit here and deliberate how much money are we going to put towards our roads to give back to the taxpayers and to set aside for the future and I think that with Mr. Shea's motion that the account is not depleted, there will still be some three hundred thousand dollars left in that account, four hundred thousand dollars left in that account plus next year it will be over a million dollars. So, I'm not saying that we do that every year, I'm saying this one time we reinvest in our roads, we give a little back to the taxpayer, Rooms & Meals money, and we have an endowment for the future, all three things.

Chairman Wihby asked, Kevin, what is the number that is in there right now.

Mr. Clougherty replied to date we have \$666,180.

Chairman Wihby stated but I used \$200,000 of that, so there is \$466,180 left to date.

Mr. Clougherty stated the impact of \$200,000 added to the budget, instead of a tax rate of \$31.16, you'd have a tax rate of \$31.11.

Chairman Wihby stated instead of \$31.16, it would be \$31.08 if we take the additional \$300,000 out of Rooms & Meals.

Alderman Shea stated in other words \$300,000 would only reduce it eight cents. So, it would go from...

Chairman Wihby replied it would go from \$31.16 to \$31.08.

Alderman Shea stated it would reduce it from...if it's 32 cents now and it reduces it eight cents, it would go down to...

Chairman Wihby interjected it would be a 24 cent increase.

Alderman Shea stated 24 cents, that's right. Not thirty-one.

Mr. Clougherty stated you put in an additional \$200,000.

Alderman Clancy stated the motion is for \$300,000.

Chairman Wihby stated another hundred thousand is probably two cents. Instead of \$31.16, it would be \$31.08 if we take the additional \$300,000 out of Rooms & Meals.

Alderman Shea stated in other words \$300,000 would only reduce it one or two cents.

Chairman Wihby stated it would reduce it eight cents.

Alderman Shea stated so it would go from...

Chairman Wihby replied it would go from \$31.16 to \$31.08.

Alderman Shea stated if it's 32 cents now, reduces it eight cents, it would go down to...

Chairman Wihby stated it would be a twenty-four cent increase. If you take the thirty-one cents equivalency on the fees, it would be a minus nine cents that they should net.

Alderman Shea stated we are talking the actual amount that people would have to pay...they would pay less than 25 cents, is that correct.

Chairman Wihby stated this Board seems to think that people didn't pay the fee. I don't understand when everybody talks about the actual amount that people pay, they paid that fee. It was a tax and it was on top of the \$30.84 and the average was \$31.17, so it was there and they paid it. We can tell by all of the phone calls that everybody got and why we switched it back. Now, they're still paying it, but they're just paying it a different way.

Chairman Wihby asked is there further discussion on the \$300,000. Did I have a second on the \$300,000. Chairman Wihby stated the motion was made by Alderman Shea, seconded by Alderman Hirschmann.

Alderman Cashin stated, Ladies and Gentlemen and Alderman Shea, I have a great deal of respect for this Board and to ask to take another \$300,000 out of the Rooms & Meals Tax, I think is really short-sighted. If we could, let's take the civic center out of the question here for a minute and let's just look at what this money means. This money could be used for a lot of things. But, to use it to offset the tax rate the way that is being suggested tonight is not going to solve anything. You're going to need...just as sure as I'm a foot high...you're going to wish you had some of that dough before this is over and I'm asking you. I talked to the Chairman about this budget, I had a lot of questions about it and the Chairman and I have discussed it and I feel that this is a pretty good document. You know, Dave, you are to be congratulated, you've done a good job with this.

Alderman Sysyn interjected I agree wholeheartedly with that.

Alderman Cashin reiterated you don't want to touch the Rooms & Meals. Rooms & Meals is not guaranteed to go to the civic center and if that's the concern here, let's please forget that for now. We've got a study going on, let the study come forward and let it be presented before this Board and then make our decisions as to what we want to do, but that should not influence our judgment here tonight. Thank you, Mr. Chairman.

Alderman Sysyn stated I just wanted to add to that, Mr. Chairman, I do want to thank you very much because you did a lot of work on this, a heck of a lot more than I did and I think we all owe you a big thanks.

Alderman Domaingue stated I too want to echo the sentiments...letting you know that it's very much appreciated by this Alderman that you took the time to listen to concerns, not only to mine, but of others in formulating this budget. I just want to point out though that the people who have been carrying the burden when business left Manchester for six years plus are the people who send in their property taxes twice-a-year and they continue to ask as much as we talk about economic development when are we going to begin to give them something back in terms of a reduction in taxes. Now, we brought it down, but it isn't anywhere near zero and if moving it down to under 25 cents will help send the message to them that we heard them and that we appreciate it knowing that we still have that fund for economic development, knowing that we are probably going to see an increase in tax revenue base before this is all over and the rate is set. I think I can make that effort, at this time, because I am going to support Alderman Shea's motion.

Chairman Wihby stated Alderman Shea has called for a roll call vote.

Alderman Domaingue asked could you read the motion, Mr. Chairman.

Chairman Wihby replied the motion is to reduce the budget \$300,000 by taking \$300,000 from the Rooms & Meals revenue and putting it into the General Fund.

Alderman Soucy stated point of clarification, it's not to reduce the budget, but to increase revenue which...

Chairman Wihby stated which in turn reduces the budget to thirty-one dollars and...

Alderman Soucy stated it was just to add it to the revenue line, not to any part of the budget in particular.

Chairman Wihby stated it reduces the budget by doing that, but that's the intent to reduce the budget.

Alderman Soucy stated it is not added to any one line in the budget was my point.

Chairman Wihby stated it would actually be added to the Finance revenue number of an additional \$300,000. If it passes, it will go from \$31.16 to \$31.08.

A roll call vote was taken. Aldermen Shea, Domaingue, Hirschmann and Clancy voted yea. Aldermen Pariseau, Cashin, Robert, Elise, Reiniger, Sysyn and Soucy voted nay. The motion failed.

Chairman Wihby asked is there any other discussion on budget numbers.

Alderman Reiniger stated in looking at the Mayor's budget, you're recommending that it be at \$114,080 instead of the Mayor's \$171,580, is that correct. Is there a recommendation that the Mayor be given a staff of a phone receptionist and one assistant or is it subject to change.

Chairman Wihby replied this deletes the new position and deletes one administrative staff.

Alderman Reiniger reiterated that leaves one phone receptionist and one assistant.

Chairman Wihby replied as of right now. As you know, we have had discussion on this and that could change, but as of right now this budget is passing unless there is a motion to do something with it, the number does not include one of the aides or an additional aide.

Alderman Reiniger asked is the change reflected in the Contingency budget.

Chairman Wihby asked what change.

Alderman Reiniger stated you just said that it is subject to a change.

Chairman Wihby stated this Board can make any motion that it wants, to increase or decrease anything in these numbers. Contingency is larger, as you see over previous years and if they wanted to take money out of Contingency rather than raising the tax rate, they can do that or they could just add it back in and then raise the tax rate.

Alderman Reiniger stated I think it would be a serious public policy mistake for the Mayor's Office or a City of one-hundred thousand people, the biggest City in the State of New Hampshire to only have a phone receptionist and one assistant and when the voters just voted a new City Charter with the idea of enhancing the powers of the Chief Executive and they also in a conservative City added to the salary of the Mayor. So, I think given all of that it goes against what the public wants and it's a mistake in terms of public policy.

Chairman Wihby stated I think the past Mayor's and Alderman Cashin can correct me if I'm wrong because he's been around a lot longer than I have, I think have had one assistant in the past and this is the first Mayor that has had more than one assistant, is that true, have they had more than one assistant.

Alderman Cashin replied there has been occasion where there have been two assistants, but in most cases it's been one.

Chairman Wihby stated that is the discussion that this Board can have either today or before the final resolution passes.

Alderman Reiniger moved to amend the figure to \$146,580. Alderman Robert duly seconded the motion.

The motion failed.

Chairman Wihby stated a motion is in order that the appropriating resolution, as amended, with these number, ought to pass and layover.

Alderman Pariseau moved to amend the appropriating resolution to \$155,553,156. Alderman Elise duly seconded the motion.

Alderman Hirschmann stated it's just on principle, \$25,000 for a travel account that didn't exist before and even if it was in other people's line items, I can't go on record as when you're increasing people's taxes to give out a travel contingency of \$25,000 and the City's carrying a Contingency number already of \$285,000, so that's \$310,000 of Contingency agent and moved to strike the travel contingency and amend the overall contingency to \$250,000.

Alderman Domaingue duly seconded the motion.

Chairman Wihby stated you're looking to delete the Travel Contingency \$25,000 and another \$35,000 from Contingency.

Alderman Hirschmann stated for a total of \$250,000 in Contingency because last year we got by on \$210,000 in Contingency, so we would actually be increasing that account by \$40,000.

Chairman Wihby stated all I can say is that these numbers are tight and that's why I had thrown the extra money into Contingency.

Alderman Hirschmann stated if the Committee on Accounts wants to pass any travel plans, it could come out of that \$250,000.

Chairman Wihby reiterated that \$250,000 is tight.

Alderman Soucy suggested although the Contingency last time, the overall expenditure was \$210,000 that was based on a pretty mild winter and I've seen times in the past where we really have to do a lot of searching to come up with the money to fund the Highway Department, they give their best guess, but you don't know what's going to happen and that's usually where a lot of it gets eaten up and I would be concerned if we reduced it that much.

Chairman Wihby stated I appreciate Alderman Hirschmann's request, but I really feel uncomfortable lowering that number mostly because of the Worker's Compensation number that is in there because we really don't know how, I don't know if the full department's know what that really meant to their department even though we specified when we called them up. I can't believe that Fire never responded or Highway never responded. So, I think there is some mix-up in the way that that is being calculated and that's why I threw a little extra in there - Police were right on and understood what was going on and needed the additional money, but I have a concern with that Worker's Comp number alone, let alone the other numbers that are in there. But, again, we have a motion to go ahead and take out \$60,000 in total.

Alderman Soucy asked what is the reduction, do we know, in the overall Worker's Comp that was spread out throughout the departments.

Chairman Wihby replied seven-hundred, six-hundred thousand was it.

Alderman Soucy asked what is the differential between what was spread out through last year's and now with the number all in one place.

Chairman Wihby stated last year it was \$1.488 million and this year it's \$1.175 million, so there is about a \$300,000 difference that people will have to absorb in their budget which means that they can't fill the position while that person is out and that was some of the money, for instance, that Police and when they caught it, Police filled the position because they need Police officers on the road and the anticipation was that maybe it's alright to do it in an office where you have clerical workers and you have someone fill in, but you have to have an officer on the street. I still have a feeling that the Fire Department might be...even though they haven't said, they said they okay, I have a feeling that they are in that boat

and haven't looked at it yet. So, that is why the number is a little higher in anticipation of coming back.

Alderman Soucy asked and Highway as well.

Chairman Wihby stated those were the two concerns I had, Highway and Fire.

Chairman Wihby called for a motion to decrease \$60,000 from the Contingency account.

A roll call vote was taken. Aldermen Clancy, Soucy, Pariseau, Cashin, Robert, Reiniger and Sysyn voted nay. Aldermen Shea, Domaingue, Hirschmann and Elise voted yea. The motion failed.

Alderman Domaingue stated when the Traffic Committee met earlier this evening, there was a discussion relative to improvements to the parking area at Memorial High School. Can that still be brought in should the Board tonight vote to move these numbers and lay them over.

Chairman Wihby stated that would be brought in to the bonding side of the CIP which we already passed today. We can amend that number today to include that and to decrease the \$25,000, if you want to go back to that after we do the budget, we can take that vote next.

Clerk Johnson suggested that that be taken up at the Special Board meeting that you are going to hold after this because you're going to have a report of the Committee and you can amend the report on the floor and I will make sure that it does not get missed.

Chairman Wihby stated it would not affect the General Fund, by the way.

Alderman Pariseau moved that the appropriating resolution ought to pass as amended to \$155,553,156. Alderman Cashin duly seconded the motion. The motion carried with Alderman Reiniger duly recorded in opposition.

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

A True Record. Attest.

Clerk of Committee