

COMMITTEE ON FINANCE

May 3, 1999

6:30 PM

Mayor Wieczorek called the meeting to order.

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

A moment of silent prayer was observed.

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

Present: Aldermen Wihby, Klock, Reiniger, Sysyn, Clancy, Pinard, O'Neil, Girard, Shea, Rivard, Pariseau, Cashin, Thibault, Hirschmann

Messrs.: Solicitor Tom Clark, Kevin Clougherty, Mark Hobson, Sean Thomas, State Representative Steve Vaillancourt

Mayor Wieczorek addressed item 4 of the agenda:

Discussion with representatives of the Finance Department relative to their FY2000 budget request.

Mayor Wieczorek asked, Kevin, do you want to make a presentation first.

Mr. Clougherty replied yes. I've asked the Clerk to hand out three sheets that I think helps to summarize the information in our department and I can walk you through that. It's highlighted in yellow on the City-wide summary sheet and what we've shown there is the percent increase for our department versus all of the City departments in the Mayor's recommended budget. If you turn to the next sheet what we've done is summarized expenses for the '98-'99 budgets and compared that to the budget request for year 2000. If you take a look at the bottom line on this the difference between our 2000 request and the prior year's request is \$95,467. It's really comprised of two elements: an increase of \$73,111 in salaries and \$22,356 in expenses. The \$73,111 increase is comprised really of two elements: one element is if you take a look at the bottom of your sheet you'll see we have a complement of 15 and have had a complement of 15 positions for a number of years, but we've only been funded at a level of 14. So, for the year

2000 we're asking to be funded for an additional Financial Analyst I which would bring us up to the full complement and that would be \$36,000. If you subtract the

\$36,000 from the \$73,111 the remainder is about \$37,000 as well; that is the amount of money that is already included per Human Resources for our step increases and raises of the existing complement. So, that is stuff that is already in place, it is not something that we can control, they are already factored in. So, in terms of salary the variable there is the new position that's been included to get us to our full complement.

Alderman O'Neil asked, Kevin, what is that amount again.

Mr. Clougherty replied the \$36,000 is to get us to full complement and that would be another Financial Analyst I position. In terms of the expenses, the \$22,000 you see is primarily in equipment and that \$20,000 is almost exclusively for the cost of an upgraded copying machine. The copier in the Finance Department is over 10 years old. We've got 1.6 million copies on it. It's at a point where it needs to be replaced, so what we did was go out and contacted a number of different vendors and got a number in terms...

Alderman Clancy asked why don't you lease it.

Mr. Clougherty replied that could be an option; that's a more expensive option long-term, but it is certainly something that we would consider but we wanted to include in our budget request the copier and get that taken care of and that's something that we could look at certainly. But, that's the other big number there. If you take away the copier and you take away the additional position we're really at flat level from the prior years. If you take a look at the last three items: incidentals, auditing and actuarial and if you add those together they usually run about \$200,000 a year and each year depending on what cycle we're in there's a bit of a variance. So, for example, this year we had to do a number of actuarials. Next year because we've done them this year we don't need to do as many actuarials but we'll be issuing bonds. So, incidentals has to go up so that we can cover the costs of the credit rating agencies and the reports and the printing and all of that. But, it's still within that same \$200,000 number that we used for those three items that hasn't changed for the last 3 or 4 years. So, in presenting our budget what we tried to do was keep our expenses to a minimum, understanding that we had an equipment item that we had to deal with. There are different ways that we can deal with that certainly...the Mayor's budget includes the \$20,000 for the copier machine and if we want to take a look at different alternatives we will certainly entertain that and as far as the positions and the salary number about half of that is for normal increases that are part of the current system and the \$36,000 is

for the additional position that would get us to our full complement. We haven't had that position for a number of years, we'd like to see it filled. It provides the

Finance Department with backup that we need, it provides us with the staff levels we need in order to get things done on a timely basis. The next page is devoted to revenues. Now, a number of these taxes are paid to the Treasurer and that is why they are recorded in the Finance Department budget.

Alderman Hirschmann in reference to the personnel side stated you say you're not at a full complement and you'd like to reinstitute this position, wasn't there a deal struck in either Personnel or with you at one point to upgrade your deputies and get rid of this position, isn't that the truth. Because I sat on that Committee and I can remember two years ago that's what happened.

Mr. Clougherty replied when the Human Resources Department was created. When we came to the Committee we had three people in our office that were working on payroll, but payroll was the extent of Human Resources, we weren't doing any of the other things that needed to get done; that payroll activity that they were undertaking in our department was only a piece of what they did, they did a lot of other accounting and reporting. So, what we said is take the three positions, but we really need to have a couple more and we had asked for three positions. The Committee said take two, we'll upgrade one deputy position to bring it into conformance with what the study from Yarger Decker had said it should be at and see if you can get along without the other position.

Alderman Hirschmann stated that was the deal.

Mr. Clougherty stated we've tried, Alderman, and as I said we've been working and I think we've done a good job with the number of people we have. But, is it perfect, could we use that extra body to get things done that we are not able to get done now, absolutely. And, I have to come in and request that in good conscience and say we should be up at the 15. We tried to make it work, we've done every effort to do that, but it's real thin and we need to be able to get things back and get things done. You don't want to award that position...

Alderman Hirschmann stated if you go back in time and you remember the sales presentation given to upgrade those positions we're not going to need this position, we're going to give deputies raises and boosts in salaries and it's a thing of good faith. So, do we take those back.

Mr. Clougherty stated you upgraded one deputy position and it was upgraded at that point mainly because it was a request of the consultant's that that is where that position should be; that would have been upgraded as part of the classification that was done recently, I think anyway. So, we really are off that one position.

Mr. Hobson stated I wanted to add that at the time what happened was an upgrade of three positions in the old system to Grade 29 and then two other Grade 29's about six weeks later or so were rolled back to a 27. So, one of the positions remained upgraded and still is but came into a new number in the classification system and, in fact, that position was frozen in the new system. So, that's what happened at that time.

Alderman Hirschmann stated I'm trying to get the facts straight in my mind.

Mr. Clougherty stated I think that's important if I may, Alderman, because at the time we were trying to get the additional position, the third position and it was clear that in order for this thing to work within the numbers that the Aldermen wanted at that time you had to lose that body and we said that's fine, we'll try that. Trying to deal with the reclassification of the deputy as part of it didn't really give us any time. So, we saw that as a separate issue, but I certainly understand where you're coming from and from our perspective we're still short that one position and that's what we've included. Now, certainly if the Board chooses not to fund that position you know where we're at today and we do our best to make that work.

Alderman Girard asked what sorts of things are not getting done or are not getting done well as a result of not having this position and what would you expect would get done or get done better with this position.

Mr. Clougherty replied the position that we're talking about was a position where in the Finance Department we have a lot of people that are dealing with processing now. They have payables, receivables, and they're doing what they can in their area. This position that we had had was the position that pulled together all the information and prepared preliminary statements and got that done faster. So, it's really the ability of getting information to the Board faster that we're talking about. When we had that position, we could do reporting better, we had more time to help departments and do things of that nature; that's what's not getting done. In terms of the reconciliation's and other things as was mentioned at the meeting the other night, the auditor's are going to come back next week and we're excited about that because they're, I think, are going to give you a good report that we're really ahead of where we were under the old system. So, it's really the ability to take a lot of items and pull them together in forms of information and get that out to people...whether it's the departments, investors or the Board and that slows us down.

Alderman Girard asked, Mr. Clougherty, are you saying that as a result of not having this position you are not able to assist the departments as they need to be assisted and you're not able to provide this Board with information in a manner as timely as it should happen.

Mr. Clougherty replied it's slower.

Alderman Girard asked has the conversion to the new computer system heightened the need for this position and would it facilitate the department assisting the other departments with the conversion.

Mr. Clougherty replied I think the system from our standpoint is providing more information, better information, but in order to get that broken down and pull it together and get it out faster...and it's not so much a problem with the system, it's just the City. The City is getting bigger, we're getting more complicated. The tax laws aren't getting simpler, the financing that we're doing at Hackett Hill Road, the reporting requirements for your bonds, the Generally Accepted Account Principal standards are getting more sophisticated and what they're requiring us to take a look at and report on are more involved. So, in order to keep up with the standards that are being imposed on the City and not just the City, it's all cities, we need to be able to pull the information together in a better way and we'll do the best we can and have done the best we can with what we've got and we're making progress slowly, but you could get that faster and do other things with that if we had the position.

Alderman Girard stated so this is to make sure you keep pace.

Alderman Shea asked how is it being done now or is it not being done.

Mr. Clougherty replied right now I'm doing some of it, Randy's doing some of it and it takes from our time and it just takes a lot of...again, if we have to do it in addition to all of the other things we're doing it just gets done slower.

Alderman Shea asked is there someone in your office that is responsible for this type duty.

Mr. Clougherty replied with the lack of that position, we've all kind of pitched in to try and make it work.

Alderman Shea stated when you say all, do you mean all 14 people or what.

Mr. Clougherty replied yes, in their own way because the people on receivables are doing a little bit more and those on payables are doing more and people in the treasury also noting everybody does a little bit more to try to make up for the missing of that position, but because they're all pulling to do that other things slow down and you're not able to get things done.

Alderman Shea asked were extra hours added to any people in your office from 35 to 40 under new system.

Mr. Clougherty replied in my office there was pay but you have to remember...

Alderman Shea asked was there any additional hours added to any of the employees.

Mr. Clougherty replied prior to Yarger Decker virtually everybody in my department with the exception of the secretarial staff and I'm not even sure that's an exception because she's in there a lot, we're all putting in over 40 hours already.

Alderman Shea stated you mean they were getting paid overtime.

Mr. Clougherty replied no, they weren't. Now, they're getting compensated but we really didn't pick up any extra hours because people were already working those extra hours.

Alderman Shea asked is that what they were supposed to be working or were they on a 30-hour week.

Mr. Clougherty replied they were on 35 hours and they were in doing to the extent that they were exempt and we had under the old...remember, prior to the Yarger Decker study virtually everybody in my department was considered exempt. They were all working those extra hours doing the extra work. So, we didn't gain a lot of extra hours as part of the study. It would have been nice if we did.

Alderman Shea stated what I am saying is under the study were extra hours added to employees even though they were working extra hours under the old system, did their work week extend from 35 hours to 40 hours.

Mr. Clougherty replied for the most part everybody was already working beyond that, Alderman.

Alderman Pariseau stated that wasn't the question. Is you staff still at 35 hours.

Mr. Clougherty replies no, my staff is at 40 hours. But, my staff has always been working 40 or 50.

Alderman Pariseau stated we don't care about that.

Alderman Cashin interjected that is not what he asked you, Kevin.

Mayor Wieczorek stated let's not get into a free for all.

Alderman Cashin asked why doesn't he just answer the questions, your Honor.

Mr. Clougherty stated I thought I was.

Alderman Pariseau stated, Kevin, Alderman Shea was asking if your employees were working the 35 hour a week and with Yarger Decker they went from 35 to 40 although they may have been working those extra hours prior to this study, that was the question.

Mr. Clougherty stated, Alderman, I'm sorry. I thought...in terms of compensation you're right they went from 35 to 40 like everybody else. In terms of the hours worked, they were already beyond that.

Alderman Pariseau stated I understand that.

Alderman Wihby in reference to the Aggregation Program which we're going to look at next week is moving it over to the Highway Department, does that free up some extra time with your department so that you don't need this extra person.

Mr. Clougherty stated we have a certain amount of activity that we have to do. Any amount of time that has been put into Aggregation...if there's a meeting today that takes two hours, we have to work on Saturday to do that. There is a certain amount of work in Finance that has to get done. Aggregation is on top of that, so we really don't pick up a lot in that sense.

Alderman Clancy asked, Kevin, how much monies have you spent this year on overtime.

Mr. Clougherty replied I'm not showing anything, Alderman.

Alderman Clancy exclaimed huh! Well, you've got to get the answer for that, I want an answer.

Mr. Clougherty stated I'll get that for your, Alderman, but right now we're not showing anything.

Alderman Clancy stated I know you had some overtime.

Mr. Clougherty stated it was paid out of Salary Adjustment, I believe, Alderman, for the School work you mean.

Alderman Clancy stated yes.

Mr. Hobson asked are you talking about HTE overtime.

Mr. Clougherty stated it wouldn't be in this budget.

Mayor Wieczorek asked are you talking about HTE, Alderman, or what.

Alderman Clancy replied everything, I want everything, all of it. I want just regular overtime, how much he spent this year.

Mayor Wieczorek stated as a result of HTE or what.

Alderman Clancy stated they can break that down with HTE and just regular.

Mayor Wieczorek stated that money didn't come from the regular budget.

Alderman Clancy stated that was regular salaries.

Mr. Clougherty stated it came from the bond.

Mr. Hobson stated it's very minimal this year...General Fund Overtime in the Finance Department. As far as the HTE numbers go in total, I don't have that with me, but I can get it.

Alderman Clancy asked how about last year, Mark.

Mr. Hobson replied unfortunately if it was charged off to the bond, I'm not showing it in my General Fund reports with me, right now.

Mr. Clougherty stated I'll get it for you, the number is there and I think we've presented it to the Board in the past because we gave you those reports as it was being incurred on a regular basis, so that's available, we'll get that for you.

Mayor Wieczorek asked are there any other questions before we get to revenues.

Alderman Hirschmann commented, Kevin, you're going up 11.3% this year and when I look back in time didn't you go up about 10% last year, as well, growth in your department.

Mr. Clougherty stated the numbers we show in terms of increases have always been in the salary lines, it's not in the expenses area and most of the increases again at that point are based upon what's in the system for those existing positions and living within a complement of 14 to 15.

Alderman Hirschmann stated you are growing at about 10-11% per year.

Mr. Clougherty stated we hope not to. As I pointed out, the 11% that the Mayor approved includes an additional position which would get us to the 15 complement which we've always been talking about, so we wouldn't have to go beyond that and includes money for replacement of the copier. If you take those items out our increase is small. If it's the feeling of the Board that you'd like us to look at purchasing the copier to do something with Finance I'd be happy to work that out, that wasn't included in the Mayor's budget but that's something that we could do to reduce that number.

Alderman Thibault asked other than the HTE account as far as the overtime last year, did you have a significant amount of overtime in your own department.

Mr. Clougherty replied there was a significant amount of overtime that was worked, but it wasn't paid and that was pursuant to an agreement that had been made that we had to follow and was in arrangement with people from Info Systems, but I'll get you that information.

Mayor Wieczorek stated I remember we had a lengthy discussion about HTE and the overtime, but that was not in this budget, it was in the previous budget.

Alderman Cashin stated I don't think Kevin answered the question. Alderman Hirschmann asked is your department expanding on an average of 10% over the last couple of years and I think it has and maybe even greater. Now, is that a fact or isn't it. It requires a yes or no answer, Kevin.

Mr. Clougherty replied no it doesn't, Alderman.

Alderman Cashin asked have you over the last couple of years...last year did you go up 10% and this year you're going up 11%; that's 21%. Have you gone up 21% in two years.

Mr. Clougherty replied again, Alderman, if I may answer the question. We submitted to the Board or to the Mayor our budget request that had a number of items in there. What he's recommending is an 11% increase. If the Board approves that, yes it would be an 11% increase as what the Board approved last year.

Alderman Cashin asked how about last year, Kevin.

Mr. Clougherty replied it probably was about 10%, Alderman.

Alderman Cashin stated it wasn't "about" 10% it "was" 10% for a total of 21% in two years; that's not difficult. Why can't you just say yes.

Mr. Clougherty replied because the second year hasn't been appropriated yet.

Alderman Cashin stated if it is appropriated, it will be 21% in two years, is that fair.

Mr. Clougherty replied that is right, Alderman.

Alderman Klock asked are duplicating and general supplies in those two, is that a normal increase, I know it's not a lot, but it is a normal increase for those to go up. I know that they haven't gone up in the past two cycles.

Mr. Clougherty replied we're looking to see them increase because we think that we're going to be doing more reporting as part of the bond issues that we'll be looking for as well as we may have additional reporting requirements under the new State system. We weren't sure at the time, so we factored that in. Overall, the demands for information from the department have gone up significantly and they've gone up for printed copies whether that's from investors, from students... and we think that's a good sign. Businesses coming in are looking for numbers and we're providing them.

Alderman Girard stated assuming you're able to buy a photocopier this year and assuming that you get the extra body that you're looking for would you expect a ten or an eleven percent increase in your fiscal 2001 appropriation.

Mr. Clougherty replied no.

Alderman Girard asked how often do you buy photocopiers, Mr. Clougherty.

Mr. Clougherty replied the one we have is ten years old.

Alderman Girard stated so about every ten years you spend \$20,000 for a photocopier that will put out about 1.5 to 2.0 million copies.

Mr. Clougherty replied yes.

Alderman Cashin stated a couple of years ago he told us the same thing that if we gave a couple of deputies an increase he wouldn't need this position he's asking for. So, so much for that.

Mr. Clougherty stated that is not what I said back then, Alderman.

Mr. Girard stated, your Honor, I was just going to defend the Finance Department. I don't believe that's what Mr. Clougherty said tonight and I know for certain it's not what he said two years ago.

Mr. Clougherty in reference to revenues stated if you look at what's been presented these are the items that the Finance Department, over the last several years, has been in charge of receiving. You can see that this year's budget is off about \$1.3 million from the prior years. Now, there's a couple of reasons for that. Meals & Rooms revenue - if you look at that line we have always taken in \$457,000, that base amount. Half of that has always been budgeted in our department which is about \$200,000 and half has been budgeted in the Schools for their activity; that is the way it's always been going back. In 1998, we had the \$227,000 but then you also took a piece of the Rooms & Meals money to offset against some Highway paving and that was reflected as a revenue in our department. The next year '99 we had the \$227,000 and we had about \$700,000 worth of paving and other items that were put in. This year we're only putting in the \$227,000 because the Board has authorized the bond that's going to be backed by Rooms & Meals so you can't violate that Bond Resolution and use those dollars to offset, it has to be used as the Bond Resolution states to offset the debt and that's why that number is there.

Alderman Pariseau stated with the discussion on Rooms & Meals taxes, the City was to realize regardless of what happened \$457,000, so I don't know what bond issue you're referring to, but to drop that \$480,000 or \$457,000 down to \$227,000 is not correct.

Mr. Clougherty stated the \$457,000 has always been split - half in School's budget and half in Finance's because there's a City side and there's a School side and that's what we're saying is that that \$227,000 is reflected there as it has always been. The bottom line General Fund is the \$457,000, but for purposes of budgeting it has always been half and half.

Alderman Wihby asked where in the School budget.

Mr. Clougherty replied it's in the School budget under their revenues and it's considered for the tax rate setting.

Alderman Pariseau stated I was not aware that half of that \$457,000 was always given to schools.

Mr. Clougherty stated that is my understanding, Alderman. I'll go back and check that to make certain. But, that's my understanding.

Alderman Shea asked how much will we be getting from the State for Rooms & Meals this year.

Mr. Clougherty replied we think about \$1.3 million.

Alderman Shea stated out of that we have the money being applied to the Civic Center, is that the bond that you're talking about.

Mr. Clougherty replied yes, Sir.

Alderman Shea asked how much of that do you estimate will be applied to the \$50 million bond.

Mr. Clougherty replied under the terms of the Resolution for that bond it says that the Board has agreed to earmark the Rooms & Meals money for retirement of that debt. So, all of that money is for that purpose and that is why we are not including any of it above and beyond what has been in the budget in the past.

Alderman Shea asked was there some provision that a certain amount of that money, in other words...so I'm clear in my mind...that the \$457,000 is that to remain in the General Fund budget.

Mr. Clougherty replied yes.

Alderman Shea stated so in other words \$1.3 million is going to the bond issue and another \$457,000 is going towards the others, so we are going to receive \$1.8 million, is that correct.

Mr. Clougherty stated if you take the amount of money...basically, the bond that was authorized was for \$50 million and you said only authorized spending up to \$2.5 million. At the current year, you have about \$1.7 million in that fund, you'll take in another \$1.3 million that will be in excess of the \$2.5 million that you have authorized to spend so far, but all that additional amount has to be set aside for debt service and that's what we're talking about, it's conforming to the resolution that was adopted.

Alderman Shea stated what I'm asking is are we receiving \$1.8 million from the State or \$1.3 million from the State from Rooms & Meals.

Mr. Clougherty replied I think you're going to be receiving closer to \$1.3-\$1.4 million, but you have balances from before.

Alderman Wihby stated there's no money that goes on the School side for Rooms & Meals, looking at the projections. I think what happened there was the \$500,000 that we used additional last year is what you deducted off of this year's.

Mr. Clougherty stated that could be.

Alderman Wihby stated I don't know, but we were using some of that money...we had decided to use for additional paving this year.

Mr. Clougherty stated I'll go back and take a look because there are several items that were approved by the Board on that. If it's not in School, it should be either in ours and it's ordinarily in theirs, but if you want to include it that should be in there.

Alderman Wihby stated if this Board wanted to spend some of that money on paving like we normally do, the \$200,000...see, actually you know what it was because I think I remember asking Randy. Last year, when we took out the money and remember we were negotiating with schools at the time looking for money, what we said was we were going to take the money out and we weren't going to touch it again the following year or we were going to pay it back the following year. So, that is why that additional money is down, it's not because we're getting less, but we still are getting the \$400,000+ so that number could be back up to that.

Mr. Clougherty stated let me research that.

Alderman Wihby stated on top of that I want to find out because when we were doing CIP...what was the number we threw out for additional paving, Mary, do you remember.

Alderman Sysyn replied \$200,000.

Alderman Wihby stated we were giving Frank \$200,000 more to do additional paving, we were counting on that from there too.

Mr. Clougherty stated let me go back and do the research and find out what the Board did.

Mayor Wieczorek asked do you want to continue with the revenues.

Mr. Clougherty stated the other big amount is in Trust Funds (\$550,000). Over the years the City has had self-insurance funds for Worker's Comp, Health and a various number of entities. Those numbers, those dollars really should be in Trust Funds and we've discussed this with the Board over the last two years and the Board has taken an action that requires us to set up the Trust Funds that would be in accordance with the State statutes and Generally Accepted Accounting Principles. When you take those health insurance dollars and those Worker's Comp laws and put them in a Trust Fund they then fall under the jurisdiction of the Trustees of Trust Funds and are reported not as a General Fund item, but as a Proprietary Fund issue. Consequently, you can't count the interest earnings on those self-insurance funds as part of additional revenue. What will happen is, the amount of money that you will be getting for interest will be better, the money that you will be getting could then be as an offset against what you might have to appropriate for some of your insurance dollars, but they can't be reflected as a revenue from the City. Now, the Trustees of Trust Funds has been meeting and put in a place a structure to take on those dollars and do those investing in conformance with the resolution adopted by the Board this past year and we're ready to do that transfer, I believe Mayor, at the end of the fiscal period and that's why we have showing those dollars being taken out. The Airport reimbursement from the General Fund...

Alderman Wihby asked, Kevin, can you just go over that again. Why did we do it last year and not this year, we passed something.

Mr. Clougherty stated in order to make sure that these trust funds are, in fact, trust funds you have to move them over to the Trustees. The Aldermen have authorized that. The Trustees of Trust Funds are working with the financial advisor to make the proper structures so that they have a place to take that money.

Alderman Wihby asked what happened before if we hadn't authorized it we could count \$550,000 more. Because we authorized it we're losing additional revenue.

Mr. Clougherty replied I think you had no choice in authorizing, Alderman, if you want to be in conformance with Generally Accepted Accounting Principles and the laws governing the Trust, it really should have been moved years ago.

Alderman Wihby stated it never was and it was always fine. So, when did we authorize this Trust Fund deal, this year.

Mr. Clougherty replied this past year, I believe.

Mayor Wieczorek stated I think it was last year.

Mr. Clougherty stated we've been trying to try and get the structure with the Trustees of Trust Funds so that they've got a cash flow to be able to invest it properly in the right vehicle. I can get you a copy of the resolution.

Alderman Wihby asked is that because we weren't putting enough money in for the Trust Fund that was going to be needed for future years.

Mr. Clougherty replied no, Alderman. It's mainly just to come into conformance with standards. The \$60,000 Airport Reimbursement-General Fund did not get included in our budget this year and it should be. So, that's \$60,000 that's been not reflected and it should be because we do service for the Airport. We provide services when we do the bond issues and other items; that was not included. Somewhere along the line that got dropped and should be in there.

Alderman Pariseau in reference to the Airport asked does not other departments do work for the Airport and what is that revenue.

Mr. Clougherty replied yes they do; that goes to the individual department doing the work.

Alderman Pariseau asked what is the total revenue that we get from the Airport for services rendered including the Solicitor, City Clerk's Office, etc.

Mr. Clougherty replied I don't know off the top of my head, Alderman. I'll go back and find out, I'll get you and answer on that.

Alderman Pariseau stated I think we ought to assess the Airport somewhere in the vicinity of \$500,000, your Honor, for all the work we do.

Mayor Wieczorek stated you can charge them for precisely what you do and we should charge them for every single dollar.

Alderman Pariseau stated I don't think we're assessing them for every single bit of activity. You're not going to tell me that we only charged them (Finance) \$60,000. The City Solicitor must be twice that.

Mr. Clougherty stated the \$60,000 is everybody for the City.

Alderman Pariseau stated that's for everybody; that's sinful.

Mayor Wieczorek stated you have to justify the work.

Alderman Wihby stated those are bills brought in by the department heads.

Alderman Pariseau stated that is for everything that we do for the Airport...to review their contracts, the bru-ha-ha we had with the parking garage and all this other stuff. The consultant's probably got \$180,000 and we got a total for everything of \$60,000, we've got to be nuts. I think we'd better look at that and charge them.

Mr. Clougherty stated I'll get you a breakdown of all the charges.

Alderman Pariseau stated no less than \$500,000 ought to be coming back to this City, I'm serious.

Mayor Wieczorek interjected that's not the way you do it.

Alderman Pariseau stated, your Honor, where there's a will there's a way.

Mr. Clougherty stated I think there's some room in that area to take a look at the revenues is what I'm saying.

Alderman Pariseau reiterated I can't believe we're only getting \$60,000 a year and we're paying a consultant \$241,000 for the Aggregation Program. Where's the justice. I just think that we ought to get a little more out of the Airport for what we do, like \$440,000.

Alderman Thibault stated I do think we should scrutinize the Airport a lot more. I'm sure, Kevin, that in real expenses alone we probably have \$60,000; that doesn't make sense to me.

Mr. Clougherty stated I agree and that's why when we're looking at the number here we're trying to go back and say what should that be.

Alderman Sysyn stated why don't you ask Tom Clark.

Alderman Thibault stated they alone are probably even more than that, but I think if we look at every other department including the Highway Department, including Traffic, including everybody that's gotten involved with the Airport especially in the last two years.

Solicitor Clark stated my office and I assume most other departments bill the Airport on a monthly basis by hour.

Alderman Thibault stated when you charge one of your attorneys at whatever fee to the Airport the City is not paying them at that point, the Airport's paying them.

Solicitor Clark replied it comes out of my salary account, the hours, and then report to finance as to how many hours have been spent on the Airport based upon hourly attorney's fees, his weekly salary divided by 40.

Alderman Shea stated what I was going to suggest is that maybe the method by which we bill them should be changed. In other words, the techniques that we're using may be antiquated. We're going into the new millenium and, therefore, we should address the problems accordingly. In other words, if the Yarger Decker study indicates that our particular personnel should be in a leadership role and are going to be paid in that leadership roll and are going to be paid in that regard then I think we should bill them the highest at the rate of the City Solicitor's because they're taking time away from what he could...in other words, instead of billing them at a lower rate because they're subservient to the City Solicitor's salary doing the work we should bill them according to the highest rate and your salary and the department head at the Highway and so forth and I think we could get a little bit more. We have to squeeze this lemon as much as we can.

Mayor Wieczorek stated I don't see how you can do that; that would be like you going to an individual law firm and saying I want to pay the fee that the senior partner charges instead of a junior that I'm going to be working with. I don't think you can do that.

Alderman Shea stated I'm just saying we ought to examine the method by which we do these transactions.

Mayor Wieczorek stated we want to make sure that we're getting everything that we're entitled to legally, that we can take.

Alderman Cashin stated I guess my only question is it would be salaries plus fringe benefits plus certainly an administrative fee. Kevin, if you thought there was a problem with the \$60,000 why wasn't it audited so that you'd come here and tell us exactly what's been going on. The Airport's been in a massive construction period for the last three or four years.

Mr. Clougherty stated I'm not saying that's a problem, what I'm saying is that when I looked at the numbers in the budget for the preparation for the presentation tonight I looked at it and said that's wrong and I think that number...certainly, \$60,000 should be in there...whether it should be higher or not I will go back and look at that. There are certain requirements that the FAA has in terms of how you can charge. In the past, cities and towns like Philadelphia, for example, is one that...LA tried to charge their airports different rates and different things and lost in court. So, there's a certain direct expense that you have to keep track of and you can charge them for those direct expenses. With the new system, we have a work order provision in there and that is a way we can be tracking that for the next period which will be more accurate and we think that's the right way to go. But, I would like to go back and look at that \$60,000...see what came in.

Alderman Cashin stated so no one has been tracking it at this point, is that what we're saying.

Mr. Clougherty stated what happens is each individual department...

Alderman Cashin stated yes or no, Kevin.

Mr. Clougherty stated yes, we track it. Each individual department provides what their actual expenses are and that's what's submitted.

Alderman Cashin stated if you're concerned about the \$60,000...not maybe it is, maybe it isn't and you've been tracking it, we should know shouldn't we.

Mr. Clougherty replied absolutely.

Alderman Cashin stated we don't.

Mayor Wieczorek stated, Alderman, I remember we were getting \$315,000... sticks in my mind is a figure that we used to get every year from the Airport.

Mr. Clougherty stated 13 percent.

Mayor Wieczorek stated then the Airport said we couldn't do that and so we went through that break and now all we can do is charge them the actual expenses. But, we want to make sure that we get everything that we're entitled to.

Alderman Wihby stated that goes to all of the enterprises (EPD, Parks, etc.) too.

Alderman Pariseau stated there has got to be a way that the City can recoup its investment in the Airport via revenues and I've harped on this many times and I'm going to harp again. Since 1952, when the military got out of that airport we, my grandparents, my parents, myself have been told we have to invest in our airport for the economy of Manchester. We did that...everyone's parents and grandparents contributed to the Airport. The Airport becomes self-sufficient in 1984 and boom the City don't get a darn dime. So, what did we get back for our investment...nothing...\$60,000.

Mayor Wieczorek stated it saves you a trip to Boston.

Alderman Pariseau stated I don't know why we can't charge a car rental fee, they charge in Orlando, Florida a city tax for car rental, why can't we do that here.

Mayor Wieczorek stated the Airport already charges the car companies 13%. The State now is adding another 8% for 21%.

Alderman Pariseau stated I think what's happening is part of the revenues that should be coming to the City went to the Airport and I think the City...

Mayor Wieczorek stated that's what it is. The Airport has to support itself. As you remember when they first started they needed a City guarantee and a State guarantee.

Alderman Pariseau stated they've got a surplus of what \$140 million plus and we're struggling to make ends meet Downtown. Does that make any sense.

Mayor Wieczorek stated they are doing this based on their revenues, these were revenue bonds that were issued. This is not General Obligation Bonds.

Alderman Pariseau stated the people of Manchester should be getting more out of that Airport.

Mayor Wieczorek stated you've got to figure it out, you're making a very broad general statement and yes, it sounds good...I'd like to get more out of the Airport.

Alderman Pariseau asked then why don't you do something.

Mayor Wieczorek asked like what.

Alderman Pariseau replied charge them.

Mayor Wieczorek stated we're just telling you that the FAA states that you can't do this, you can only charge them for the actual things that you are providing. What you want to do is mark it up 1000 percent, you can't do that.

Alderman Wihby asked can we see what happened with our budget in reference to Claremont since Kevin's here and I know State Representative Vaillancourt is here.

Alderman Girard asked from Water Works, EPD and Recreation Enterprises where do the reimbursements we get for services rendered to those enterprises go. We have a separate line item here that we've argued over for the Airport, where do the other enterprise reimbursements come in.

Alderman Wihby stated I think the \$60,000 is everybody, I don't think the \$60,000 is just Airport.

Mr. Clougherty replied the \$60,000 is just airport. There was one year when the Board asked that we do something similar ('98), the one year it was implemented and not done in subsequent years, but if you'd like us to take a look at that we'd be happy to, we haven't included it this year because it wasn't included last year.

Alderman Girard stated am I to understand that we do not chargeback the other enterprises as we chargeback the Airport for services that the tax funded side of the budget provides.

Mr. Clougherty reiterated we did that for one year when the Board asked us to do that, but the subsequent year it was not appropriated, but we'll research that issue for you.

Alderman Klock asked why would the City only do that for one year, I don't understand that at all.

Mr. Clougherty replied I don't know why it was done either, but it was done for the one year.

Alderman Wihby asked couldn't the revenues be in the individual budgets.

Mr. Clougherty stated I raised that as a possibility for something that can be considered.

Alderman Wihby stated we never told anyone to stop doing it.

Alderman Klock asked does that mean we don't charge them. This year we did not charge them for anything, so we don't get any revenues back as that what I'm to understand. So, we did that for one year; that is ridiculous.

Mr. Clougherty stated there were a number of revenues in a particular year where we were looking to do something and we had some things done with parking and Trust Funds and it lasted for one year.

Alderman Wihby stated Steve put a letter together and I guess I just want to know where we are now.

Mayor Wiczorek stated I'm glad you're here, Representative, because I know every day you're monitoring what's happening up there.

State Representative Vaillancourt stated things are changing every day, also. The Bill passed last week and if you can...the first two pages are just some comments I wrote to everyone hoping that you won't spend everything we passed, but the third page breaks down how Manchester ends up getting \$36,813,540 and you can go through this and find out how yourself, but it is \$36,813,540 total and that's based on a basic formula that the Statewide Property Tax for Manchester based on \$6.60 per thousand, Manchester can raise about \$25.5 million with that rate. Manchester as the adequate number stated in this Bill needs to raise about \$62.4 million. So, you take the \$25.5 away from the \$62.3 and that's what the State needs to send

back to Manchester (\$36.8 million). The State is already sending back to Manchester under Foundation Aid this year about \$4.5 million, so the amount of new monies for Manchester is going to be about \$32.2 million. I do have a little more good news, I believe. Kevin was talking earlier about expenses for administering this. There's a provision in the Bill that one percent of the Statewide Property Tax raised will go back to the cities and towns for administrative costs. Now, Manchester will be able to raise about \$26 million, so I think you're going to get about \$250,000 for administering that. There might be another bit of good news...if you'll turn the page onto the sheet on the back here with the three charts...this gets complicated, but I'll go through it with you briefly because it could mean another \$2 million for Manchester...it's not there yet. But, you can see it's based on how many weighted students you have. Every student doesn't count the same...an elementary school student counts as 1.0, a high school students counts as 1.2, and then what they did in the Bill that they passed last week was give a poverty-weighting. If you have more than 12% of your students on reduced or free school lunches you're given an extra .5 weighting. If you have more than 24%, you're given an extra weighting of a full one point. Now, it so happens that Manchester has 23.3%. So, we only get an extra weighting of .5 per student. If we'd have an extra 7/10 of a percent of people on reduced school lunches we would have gone to one entire point weighting. Now, what does that mean. Well, if you're charging \$3,200 per student and that is the basic rate the \$4,200 rate that is noted here is the average weight, but you've got to go back down to the basic per elementary student of \$3,200. Well, the difference between a half an extra weighting and a full extra weighting is \$1,600 per student. So, if you take the number of elementary students we have that are on this reduced weighting which is around \$2,2,00 and multiply that by \$1,500 you're talking probably around \$3 million extra. So, if we had been 8/10 more of a percentage in terms of poverty weighting, I hate to say that, I don't mean to say it disparagingly, but it's defined as a reduced or free student lunch program student we would have gotten that. Now, I talked today with a couple of people on the Finance Committee and they were not pleased with this because when you try to enact legislation you shouldn't have three categories: 0-12% gets nothing, 12-24% gets half a weighting, and beyond 24% gets a full rating. The Bill has been passed and signed, however, this Bill was hoisted upon us at such a rapid rate that nobody really had a chance to see or look at it before it was passed including the Finance Committee and I believe what they are going to try to do is pass a corrections version of it and I believe what they are going to try to do is make many more categories, in other words, stairs instead of the three divisions. Now, it's not going to be that we go from .5 to one because they'll probably have .5, .55, .56, .57 and there are many ways to do it, but I would guess that we could end up getting between a million and two million dollars extra when this is graduated the way it should be. So, instead of getting the \$36.8 million, we could be getting closer to

\$39 million. Now, some people have said well, is this money real, is it coming back. What about the problems you have in the budget and you'll notice on the next page I've talked about some of the problems. These aren't your problems. You're going to get the \$36.8 million, these are the problems that we have in trying to figure out the State budget in the next month or so. Like today, we rules a couple of bills inexpedient to legislate that would have spent an extra \$100,000. Well, if we can find 50 more bills like that we might be there. But, you're going to get the \$36.8 million, it's going to come in four payments...you probably know when those are, but that's all been arranged...the Municipal Committee is pleased with that and I think everything has been settled satisfactorily there. So, the only thing that could change is that I think it could change for the better for Manchester with this, but the Bill is passed, has been signed and it will take effect unless something terrible goes wrong.

Alderman Wihby stated we had talked about an additional windfall next year of \$7 million.

State Representative Vaillancourt Stated the \$7 million is in there. If you'll notice on this page HB 1075...last year we set aside \$62 million in HB1075 to increase Foundation Aid. Manchester currently gets \$4.5 million or thereabouts...you're going to get about \$11 million this year; that \$11 million...that HB 1075 is that money. So, while I'm saying you're getting \$32 million in new money, you could actually reduce that by \$7 million if you already counted that, you can't count it twice, it's still new money although it was promised last year. So, instead of getting \$7 million in new money you're going to get \$32 million in new money.

Alderman Wihby stated there's an extra item for software or additional costs or something is that going to amount to anything.

State Representative Vaillancourt replied it depends on how many receipts the City needs and if you can justify them to the Department of Revenue Administration.

Alderman Wihby stated our chances are we get to recoup.

Mr. Clougherty replied yes, it's an issue of us going back and sitting down with the Assessors on Thursday at the Legislative Office Building in Concord, there's a briefing by DRA officials and others to explain some of the mechanics of how those things will be taken care of, so we'll have a better answer for you on Thursday night because they're going to go through all of these items and we can come back and report you a better number in the budget because there may be something there.

Alderman Wihby in reference to next year asked do we know this money is coming, the following year.

State Representative Vaillancourt replied yes, two years.

Alderman Wihby stated when we do our budget this year we know that the following year we're going to get an equal amount to this number.

State Representative Vaillancourt replied yes, but not three years.

Alderman Wihby asked what happens in three years, we don't know.

State Representative Vaillancourt replied can't tell what the Legislature will do in the next biennium. Well, the bill doesn't have a Sunset clause in it, but there's every reason to believe that the next Legislature will change this, we could even change it next year, I guess.

Alderman Wihby asked of the Mayor's numbers (revenues) where would this \$36.813 and the \$250,000 and maybe the million or two...where would they correlate to the numbers that are in the Mayor's revenue numbers.

Mr. Clougherty replied let Sean answer that because he put the number in, but it's mainly...the number we didn't know how high or low we were going to have for a revenue, so what they did was make a best estimate and that's what we included.

Mr. Thomas stated we guessed at about \$25 million total of getting from the State, so \$11 million shows up under School revenue and that would be...\$11 million is State revenue (Foundation Aid) which is the \$7 million we got from HB 1075.

Alderman Wihby in referenced to the \$25.042...

Mr. Thomas stated \$11 million of that figure is State Foundation Aid, then \$8.5 million and the third amount we put in at the very bottom State Revenue at \$4.730 is the other amount.

Alderman Wihby stated if I added \$25.5 & \$8 is \$33.5 and then \$11, \$8.5 and \$4.7...so, when School gives us their numbers in their budget a total of \$19 million or something can you still use that number. Whatever they came in on their budget, that's different than this money coming from Concord. On the sheet they passed out for State Revenue sources they had Foundation Aid...I just want to know if it's part of the \$38 million...Foundation Aid \$11 million, that's part of the \$38.

State Representative Vaillancourt replied yes.

Alderman Wihby in reference to School Building Aid (\$280,000).

Mr. Clougherty replied that is not in there.

Alderman Wihby stated that is additional money we leave on the School revenue side.

Mr. Clougherty stated School Building Aid was not included as part of the formula.

Alderman Wihby in reference to Area Vocational School (\$288,000).

Mr. Clougherty replied that is not included, is my understanding.

Alderman Wihby in reference to Driver's Education is in Catastrophic Aid.

Mr. Clougherty replied yes.

Alderman Wihby asked is Child Nutrition.

Mr. Clougherty replied it is not.

Alderman Wihby asked is Kindergarten Aid.

Mr. Clougherty replied it is.

State Representative Vaillancourt stated I don't think Catastrophic Aid is in there, is it.

Mr. Clougherty replied I think it is included in the formula, you did include that didn't you.

State Representative Vaillancourt stated I don't believe so.

Mr. Clougherty stated I thought it was.

Alderman Wihby asked what about Tuition.

Mr. Clougherty replied Tuition is an outside.

Alderman Wihby asked about Earnings on Investments, is that on your side.

Mr. Clougherty replied yes.

Alderman Wihby stated if I took all of the ones you said isn't, I can use that under School revenue.

Mr. Clougherty stated we don't know that exactly, Alderman, that's why that briefing is on Thursday so we can go through all of those items with DRA and make a determination, have them tell us what's in and what's out; that is what we are waiting to do, to get that definitive clarification from them.

Mayor Wieczorek stated that will be Friday, as a matter of fact, I talked to Senator D'Allesandro who said...as you said Steve they're going to make all of the corrections that they have to make and hopefully we'll have it by Friday from the DRA.

Mr. Clougherty stated what we want to be able to do is come into the Board and say what's included in the revenue and I talked to Norm Tanguay about this the other day and we're reluctant to come out and say until we have these briefings, until we can go back because there are so many numbers floating around out there. What we want to do is get a definitive clarification from DRA on Thursday, we can go in and then go back through all those revenues and say this is how this works and this is what is included, what isn't included...this is what is in the rate and not and until we sit down with them we're really speculating.

State Representative Vaillancourt stated there is no guarantee that they'll change that poverty weighting formula because if you get more, somebody else is going to have to get less. If somebody, right now, is at 24.2% but the inertia that I heard today was that they didn't believe it was fair the way it was passed. So, hopefully, they will change it...no guarantees on that.

Alderman Wihby asked, Sean, are you figuring \$24 million then.

Mr. Thomas replied I think the number was more on \$25 when we added it up.

Alderman Wihby stated so, close to \$25 million was what we anticipated when this \$38 came in.

Mr. Thomas replied yes.

Alderman Wihby stated that included the \$7 million one-time shot and all that stuff.

Mr. Thomas replied yes.

Mr. Hobson stated there's about a \$10 million difference between your revenue number and what Representative Vaillancourt has presented tonight...between \$10-11 million.

Alderman Wihby stated that adding up all of the schools, etc. The \$14 million expected from Schools looks like it's closer to \$10 million; that would make sense if you're telling me it's \$10 million.

Mr. Hobson stated \$11.2 million approximately.

Alderman O'Neil stated, Steve, I just want to make sure as kind of a follow-up to Alderman Wihby...we can count for our fiscal year 2000 and fiscal year 2001 on those revenues, correct.

State Representative Vaillancourt replied yes. Now, if your number of students goes way, way down...you see this whole formula is based on the number of students you have.

Alderman O'Neil asked what if our number of students increase, numbers go up.

State Representative Vaillancourt replied goes up. It's based on...you can multiply the number of students you have, not the number of bodies, but the number of weighted students, remember I went through that weighting formula by \$3,201 per weighted student and you look at a weighted student as just an elementary school student not on reduced lunch or something. So, every elementary school student you get \$3,201 for.

Alderman Wihby asked what number did they use in this, next year's numbers. We've been told an additional 200 to 300 students next year, is that number in the \$38 million.

State Representative Vaillancourt stated 17,000 bodies, but weighted students. Well, you're beyond that you're up to almost 19,000 weighted students with the reduced lunch people.

Alderman O'Neil asked when does the money actually become available from the State.

State Representative Vaillancourt replied it's going to be in four payments. I didn't write that down, but I believe the first payment this year is July 1st.

Mr. Clougherty stated it's going to come...in subsequent years it's going to come different than the first year.

Alderman O'Neil stated they're on a different fiscal year than we are, correct.

Alderman Pariseau replied no, they're on the same July 1st to June 30th.

Mr. Clougherty stated part of the problem they have the first year is July 1st they don't have a lot of this money so they can't bring it back to you. In theory, next year they'll have collected some of these taxes and they'll be able to make the distributions on a different cycle than they have for the current year. But, we're looking at 1/8th I believe coming pretty rapidly like in July, followed by another 1/8th in September and then 3/8ths later on after the fiscal year when they have collected some money. So, you're going to get 2/8ths in the first half of the fiscal year and you're going to get 6/8ths in the second half. The second year that changes.

Alderman O'Neil stated the legislation that passed we can count on this money fiscal year 2000 and fiscal year 2001.

State Representative Vaillancourt stated again it's the number of students multiplied by that base figure. I can't tell you if your students go down...it's the same formula you can count on and the \$6.60 Statewide Property Tax...

Alderman O'Neil stated I just want to say, Steve, that I really appreciate the work you've done in keeping us informed on this because it's made my life a lot easier, I know that. Thank you very much.

Alderman Wihby asked, Steve, how do you deal with...they said they were going to bring 100 new kids in from Litchfield. They would come here and would be considered students and we would get money.

State Representative Vaillancourt replied you've got the tuition money, right. As your costs go up your tuition money will go up also.

Mr. Clougherty stated so it's not part of this formula.

State Representative Vaillancourt stated no, it's not part of this formula. The money would go to Litchfield and then they would send it to you, I assume.

Alderman Wihby stated we would only get in tuition money, nothing to do with this because they're not our students.

Alderman Cashin stated, Steve, the worse scenario...the formula could be changed next year by the Legislature, couldn't it and would affect to some degree what's coming back to cities and towns like what they did with Sweepstakes at one time.

State Representative Vaillancourt replied no, I don't believe so. As I say, the formula shouldn't even be changed now. When you're talking about this poverty weighting I just talked about that would be a policy change...normally, that wouldn't be changed after the bill has been signed but they may tinker with that, but the formula won't be changed for next year.

Alderman Cashin stated that won't affect the revenues coming back to cities and towns in any way.

State Representative Vaillancourt replied I suppose we could increase it if we find some more revenues.

Alderman Cashin stated it wouldn't be decreased in any way that you can see at this point.

State Representative Vaillancourt replied no and the Statewide Property Tax will not go up; that \$6.60 rate is set in stone and what will happen is if we don't have enough revenues it will have to come out of the General Fund to make up the rest, but your property tax is not going to go beyond \$6.60.

Alderman Cashin stated I would like to echo what Alderman O'Neil said, Steve, I appreciate all of the time you put into this.

Mr. Hobson stated I wanted to answer Alderman Wihby's question about the attendance. The School submits its attendance two times a year. Once, through the MS reports and a second time every October. So, the numbers that Representative Vaillancourt...as Alderman Shea would know from his days...the number they would use would get adjusted again around October. So, our numbers traditionally go up about another hundred students, so our revenue, therefore, would be adjusted in the second fiscal quarter, correct.

Alderman Wihby stated so that would be additional revenue more than the \$38 million. The additional students that they say they're going to get we could count on as additional revenue.

Mr. Clougherty stated my reading of the statute and again we'll find out on Thursday, but my understanding is they are not going to do multiple adjustments during the year. It's going to be one adjustment at the year and if they have to do some type of an averaging the Commission will do that, but they're not going to be giving the cities different numbers at different points in times that would just not make sense.

State Representative Vaillancourt stated you've got the number of students and you get your equalized assessment once-a-year also.

Alderman Wihby asked, Kevin, do you know what these numbers were based on, the students. Is it last year's number.

Mr. Clougherty replied it was the March numbers.

State Representative Vaillancourt stated the other thing that could change in the formula if your equalized assessment were to go from \$3.9 billion now, if it were to go to \$6 billion, then obviously you could raise a lot more by taxes, so your State aid would go way down. You don't anticipate an increase in equalized valuation to any great degree.

Mayor Wieczorek stated that's an incentive to keep taxes down, right.

Mr. Clougherty stated long-term the way the formula works is it equalizes everybody's property and right now Manchester and some of our properties are down and some of the surrounding towns are better because it's more advantageous to live out there. Once those towns and there's a five year phase-in, so it starts gradual. But, over five years a lot of those other towns are going to be paying more in, so the value of their properties may not be as attractive if they're going to have to have those higher rates and I think that gets to what Steve was saying; that as this formula starts to work over time there is going to be some fluctuations in the overall equalization of property around the State and Manchester can't always guarantee that it's going to be the lowest value because other things outside of our control are going to be affecting that. So, that's a caution that you have to take a look at as well.

State Representative Vaillancourt stated I'm not exactly sure. If you'll notice the phase-in the first year those property rich towns that have more monies than they can use, they only pay 10% the first year, we can raise about \$22 million and they're only paying 10% of that about \$2 million the first year, 20% the second, 30% the third, but don't even count on the third year. This plan isn't going to last any more than two years. So, they're probably not going to pay any more than

20% of what they actually owe in. So, I'm not quite sure I agree with that. Ideally, that would happen, but I don't think it's going to happen because two years from now we're going to "junk" this and you'll probably get an income tax or something.

Alderman Girard stated, Representative Vaillancourt, did I hear you say that they're going to take the student census in March to base the Aid figures on.

State Representative Vaillancourt replied I didn't say that.

Mayor Wieczorek stated Mark Hobson said that.

Mr. Clougherty stated that's the usual cycle, Alderman.

Alderman Girard stated I wanted to be clear. So, the student census of the district in March is going to be the basis of the aid for the following fiscal year.

State Representative Vaillancourt replied I don't believe that's correct.

Mr. Clougherty stated until we meet with DRA on Thursday and they give us a definitive answer on that it's only speculation; that is when the reports are going in now.

Alderman Girard asked, your Honor, in your budget of the \$36.8 million that we are anticipating from the State now, about \$25 million has already been committed, is that correct.

Mayor Wieczorek replied yes.

Alderman Shea stated just a quick question, Steve, about Special Ed; that is not included at all.

State Representative Vaillancourt replied Special Ed is included yes, it is. As you'll notice on this page...you've got your elementary students, then your high school students...Special Ed students count as a weighting as 2 instead of an elementary student counts as 1.0, a Special Ed student gets an additional weighting of one so it counts as a weighting as 2.

Alderman Shea stated so that's included in the formula.

State Representative Vaillancourt stated yes, but that is the kind of thing they might want to tinker with again, too, because there are Special Ed students who really don't cost you any more and then there are Special Ed students who cost you a lot more than twice as much. So, they may be tinkering with that in the next couple of weeks, but right now it counts as a weighting of one extra or two overall.

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

A True Record. Attest.

Clerk of Committee