

COMMITTEE ON FINANCE

April 22, 2000

9:00 AM

Chairman Cashin called the meeting to order.

Present: Aldermen Wihby (late), Gatsas, Levasseur (late), Sysyn (late), Clancy, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Cashin, Thibault, and Hirschmann

Messrs: W. Robinson, F. Thomas, B. Connor, Chief Kane, B. Lemire, Chief Driscoll, Deputy Chief Duffey, P. Beaudoin, R. MacKenzie, K. Clougherty, D. Prew, T. Lolicata, H. Tawney, M. Hobson

Chairman Cashin called for the Pledge of Allegiance, this function being led by Alderman Pariseau.

A moment of silent prayer was observed.

Chairman Cashin stated first I would like to thank the Aldermen for coming in today. I understand that it is a Saturday and I understand that it is going to be a long session, but it is the only way that I really knew how to put this thing together so that everybody could participate and nobody would be left out. I want to thank the department heads for coming in. I realize that it is a Saturday for them too and we are not paying overtime, but that is the way life is. I see the Mayor is here. I would like to turn it over to Wayne Robinson. We certainly have plenty of information and all of the back-up we need and I want to thank him for that. He has done a lot of work and I really appreciate it. I would like him to suggest which form we should work off of.

Mr. Robinson stated before I begin, I would have to say that I know we have all heard the term you can't see the forest for the trees, but today you can see the forest because for the amount of information produced, we have had to cut down a lot of trees. Yesterday you should have received three sets of reports. All of the numbers should be the same. Just to detail the reports, there is a report with pages 1-63, which lists departmental expenses with no benefits listed. The second report contains 71 pages, which are department expenses with benefits. This is the report that I suggest we work off of today. The third report is roughly 233 pages, which lists department expenses by organization. If you really need to get down to the

detail level, that will be the report that you would use. I think for today's exercise, if we can use the report containing 71 pages we should be able to get to where we want to be. Is everybody clear?

Alderman Vaillancourt asked so we don't need the black binder at all.

Mr. Robinson answered probably not.

Chairman Cashin asked, Mr. Thomas, do you have the report we are talking about.

HIGHWAY DEPARTMENT

Mr. Thomas answered yes. With your permission I would like to work off of the presentation package that I put together. It has the same information, but fewer pages. I would like to make a short presentation based on the packet of information that you have and then open it up for questions. Hopefully in my presentation I will be able to answer a lot of your questions. The top cover page with the pie chart basically just notes that the Highway Department is made up of four budgets. We will be talking about Highway and the Building Maintenance Division budgets here this morning. The second page I think is the important one. It summarizes the various budget scenarios; similar to what Wayne passed out to you this morning. On this page, it has a little fold out at the end. The first one is FY00, the budget that we are presently in. What we requested is the next column over. The third column is what we call the Mayor's Base. The Mayor's Base was approximate FY01 salaries, which included salary adjustment funds and FY00 operating expenses. In our case, operating expenses were allowed to go up in one line item and that was Solid Waste Contracts and I will talk about that in a second. The fourth column over is the Mayor's budget as we were requested to prepare it with the 2.5% cut taken out of operating expenses and then the last column which is the folded page. If we are allowed to reallocate that bottom line, that would be the way we would propose to do it at the Highway Department. Now I would like move down the page. The different color shaded sections are going to be talking areas. As I mentioned the bottom line salary number, if you go across you can see it increased. That again is because salary adjustments were put in our salary account. When we calculated our salaries, including salary adjustments, quite frankly our number was \$75,000 higher than what HR projected so if our number is correct we would have to maintain a three position vacancy rate in our complement to accommodate that \$75,000. Also, if you look at the overtime line item you will see that HR, for whatever reason, determined what overtime should be for us at \$580,000. I am not sure how they arrived at that number. We do a calculation and our calculation is based on certain assumptions regarding the amount of snowstorms and whatnot. I haven't been able to get a determination of how they came up with that, but again if we are allowed to adjust the numbers you

can see in the green that we would restore the overtime number to what we projected. Moving down the list, you can see that under Line Item 439, Maintenance of Buildings, we had to reduce that line item down to nothing. Originally, we had budgeted \$15,000 for security based on a Police audit and we also budgeted \$20,000 for ADA modifications to our office area. That has all been cut out. The contracts line item, the next shaded area, Line Item 445, that had to go up. If you can turn to the little chart that is included in your package you can see that the solid waste tonnage has continued to go up over the years. It is going up at a rate of about 6.5% a year. Next year we are projecting that we will be collecting, transferring and disposing of 47,000 tons. The contract that we have with Waste Management is a very good contract, but with this increased tonnage that line item continues to go up. We will be paying next year approximately \$53.60 a ton to haul that material from Auburn to Rochester and dispose of it. That is a very good price. Most municipalities that are contracting for that disposal are paying close to \$90 or \$100 per ton. Right behind that little chart is a table that breaks down the cost of these contracts. It is not just the transfer, but the cost of the recycling program and you can see the history of that contract line item. With the final cuts, you can see that the cuts were in areas where we didn't have long-term commitments and areas mainly in street maintenance. Moving down the budget and getting back to that page, if you go down to Line Item 683, Resurfacing, you can see what we tried to do there. This year we have \$250,000 in our budget for resurfacing. In our request we had hoped to increase it by \$50,000. The Mayor's Base brought it back to \$250,000 and with the cuts in operating expenses we had to drastically reduce resurfacing. If we can reallocate the bottom line number, we would propose to bring resurfacing up and provide additional cuts in the salary areas, which pretty much means that we would have to maintain a six person vacancy rate in our operations to meet that last column. We feel that it is reasonable because we can always reallocate from operating expenses back into salaries but we can't take money out of salaries for operating expenses. The resurfacing line item is also actually the contingency line item in our budget. We typically spend the money in the CIP for resurfacing first and get through the winter. If we have a mild winter then we can utilize that resurfacing money. If we have a severe winter then we can reallocate that resurfacing money into the snow related areas and avoid the need to come to the Board and ask for money out of contingency. We have learned in the past that the citywide contingency account is usually pretty much shot by February or March anyway. The resurfacing is like a contingency account for us.

Alderman Shea asked when we register our cars don't we give you \$5 for resurfacing.

Mr. Thomas answered there is \$550,000 in the CIP and I believe that is where that money goes.

Alderman Shea asked so in addition to that, you want \$250,000 for resurfacing.

Mr. Thomas answered correct. That is what we had this year and we are going to have some money for resurfacing in this year's budget.

Alderman Shea asked is that what you call discretionary funds for resurfacing. Do you take that \$250,000 out of that amount?

Mr. Thomas answered when I say discretionary it is allocated for resurfacing but as I mentioned if we have a severe winter and I have to take from other line items, resurfacing is one area that I could potentially take from instead of having to come to the Board and ask for money from contingency.

Alderman Vaillancourt stated when you mentioned the vacancy rate, what number are you building off of.

Mr. Thomas replied the complement at Highway is 183 people. Continuing down the line, the Equipment line item is the next shaded area. You can see that this year we have \$107,000. We asked for a little bit more to buy a compactor up at the drop-off area. We were able to show that there was a short payback period, but again going back to the Mayor's base, we came back to what we had this year and in order to accommodate the 2.5% cut we cut the equipment line item down to what I feel is a minimum. I do have a breakdown of what goes into that \$63,000 of equipment. It is basically to replace a couple of salters each year, buy dumpsters, and buy things like chainsaws and whatnot. Equipment that wears out during the course of the year. As I mentioned, I do have a breakdown on that. Street lighting. That one is pretty much 98% power cost. We are able to cut that down a little bit because we do budget some money for new streetlights. I had to cut that street lighting account a little bit which means that I don't have as much flexibility in adding new street lights. However, with deregulation, if that does happen there is a chance that there will be a reduction in that budgeted line item but until that happens and until I see what develops there I wouldn't recommend cutting that account. The bottom line here is we have a very, very tight budget. I purposely didn't come in here saying that I am cutting all of these services because I don't think that is my job. My job is to try to make the budget work with the monies that I have available and that is what I have done. It is very tight, but it is a doable budget. If you figure the 2.5 cut of the Mayors and what I feel has been a cut in salaries between the calculation of HR and us, it is a 3.3% cut. Again, it is doable and we will survive. Also, in this package there are a few pages of write-ups. I am not going to go through that but the write-ups summarize what I just went over on that budget page. I would like to jump onto the Building Maintenance Division budget before we open it up for questions. If you go to the Building Maintenance budget it is the one right after the pink page. Again, you

have a budget summary. The budget summary has three columns on it and again what we tried to do was keep it pretty simple. The three columns are this year's budget, what was requested and the Mayor's budget. Just to talk briefly about what was requested, everybody or anybody who takes a look at the Building Maintenance Department as far as the number of people who are there, the responsibility, the number of buildings, the square footage, the age of the building and whatnot, everybody recommends that there should be an increase in staffing. Our request this year was to increase their staffing by five new positions. The request included two painters, another HVAC technician, a building maintenance technician and a plumber which would have increased the in-house capabilities and reduced the amount of outside contract work. If you go down the Mayor's budget column, under Line Item 445, Contract Work, you can see that this year we had close to \$400,000 and we are dropping that down to \$250,000. That, quite frankly, is where the majority of the 2.5% cut came out of. It is tight, but in our reorganization, when the Highway Department took over that operation we were able to shift four people into the technical side, the hands-on side of that operation and still keep the complement the same. We did that because there were two people and all they did all day was inspect the work of the custodians. Those two people were qualified HVAC people so we shifted them into hands-on. There was a vacant plumbers position for some reason and we recommended that it be filled and we took the department head position and we created a structural maintenance person out of that. We do have more in-house capabilities, but we wanted to see more so that is why the Contract line item has come down. Line Item 591, Contract Manpower, that is our ServiceMaster Contract. That \$3,190,000. That stayed fairly flat even though there were provisions in it to go up...cost of living adjustments because there was a one time catch up cleaning in there. That remains fairly constant. Moving down the sheet to Line Item 682, Construction Materials, you can see that that line item has gone up from this year. Again, that is to reflect our focus on doing more of the repair work inside and less need to contract out. If you move down to Line Item 898, Special Projects, you can see that it remains pretty much the same. That line item covers the work in the facilities that are over like \$1,500. If the question is asked what would it take to restore the five people that we requested back in the budget, it would be about \$195,000. The next page is just impacts on the cuts. I want to note that the cuts basically came out of the contract work line item. Line Item 0445. For your information, School chargebacks, the majority of the Building Maintenance Division does get charged back to the School Department. In the Maintenance area about 85% and in the Custodial area it is about 90%. The next page is just for your information. It is a little history that notes what the complement of the Building Maintenance Division was back in 1988, 1994 and 1995 when the cuts were made. If you look across at the FY94 column, you can see in the Structural Division and Mechanical Division there were 14 people. In 1995, for some strange reason, that got cut down to 5 people. We brought it back up in our reorganization to 9 and we were

hoping to bring it back up to the 14 level. Maybe some day in the future we will be able to do that. At the bottom of the page, I know people think building maintenance is just custodial and doing some of the minor repairs, but we try to summarize for your benefit some of the other areas of responsibility and what goes into that division. The last page is something that has come up since the Mayor submitted his budget and we submitted our request and that is the seven new portable classrooms that the School District is proposing. There is going to be a cost to maintain those. Typically, the portables that they buy are not the best quality and as a result they require maintenance. We anticipate that the seven new portables are going to cost for maintenance about \$21,500. That would be 100% chargeback. I don't think we need to talk about it a lot today other than to make the Board aware that this was not included in the budget. This was an add-on and we were either going to have to charge directly to the School Department for any work in that area or somehow figure out a means of adjusting the budget. I will not be glad to open it up for questions.

Alderman Thibault asked was it in the School budget.

Mr. Thomas answered I really don't know except that after the budget was submitted and the Mayor submitted his...we heard talk that they were going to have these new portables but nobody really approached us to coordinate it. Again, when you add to the facility square footage, there is a cost to that.

Alderman Shea asked when you put this in your budget and then you charge the School Department that amount and they give you that amount back, do you put this money then towards your budget or towards the general fund. What happens to that money that comes back supposedly?

Mr. Thomas answered Wayne may be able to speak to this better, but the City has identified a School chargeback number which is like a revenue I guess to the City side and we just track the cost as such so you fund our budget and we charge the School through School chargebacks and that money comes back into the general fund. Now what I was saying is that this \$21,000 hasn't been funded or identified anywhere. As such, we may have to have it be a direct charge. We will do the repairs, but that money would come back into our operating budget.

Alderman Lopez asked, Mr. Thomas, I am wondering if you can educate me a little bit here. I noticed that you have \$550,000 for resurfacing in the CIP 710701 and the special fund from the Traffic gets \$5, which comes out to \$450,000 into that special fund. Is that rolled into that \$550,000 do you know? The other question is under 71001 you have another \$250,000 for resurfacing and you have another \$200,000 in your operating budget. I am trying to picture how much money we have for resurfacing total.

Mr. Thomas answered I am not 100% sure what you are looking at. In the CIP, there is \$550,000 allocated for resurfacing. It is my understanding that that is funded through those registration fees so there is one \$550,000 in the CIP. Depending on what scenario you are looking at...

Alderman Lopez interjected let's deal with that number. That special fund that the Board set-up comes out to \$450,000. Are they allocating you another \$100,000?

Mr. Thomas replied that is correct. What has been allocated for resurfacing is \$550,000 whether the revenues that are generated through auto registration come out to \$400,000 or \$450,000 or \$500,000.

Alderman Lopez stated the other item was another \$250,000.

Mr. Thomas replied that, I believe, is the street reconstruction money in the CIP. \$250,000 was allocated to reconstruct roads. We are probably going to do a section of Bridge Street with that money.

Alderman Lopez stated and another \$250,000 in your operating budget.

Mr. Thomas replied that is correct. This year we have \$250,000 in our operating budget and next year if I can reallocate the bottom line we are looking at potentially \$200,000.

Alderman Lopez stated the question I have is have you determined with the \$550,000 plus the \$250,000 for reconstruction and utilizing the \$200,000 from slush fund to pull from that if you need it someplace else, is that what you do.

Mr. Thomas responded I don't pull from it. Actually, in the last couple of years I have added to it. What I was trying to say is resurfacing money in my budget is for street resurfacing. That is what it is in there for. That is what I utilize it for. I don't take money out of there to go to the Bahamas or anything.

Alderman Lopez stated but you did say that if you need it that is where you take money from.

Mr. Thomas replied right. If we have a severe winter and we are getting blasted with snowstorms and my overtime budget is doubled, my salt account is doubled, etc. I have to try and scrounge up whatever money I can get and by having \$200,000 in resurfacing in my budget that allows me under an emergency situation to dip into that. My only other recourse is to either not plow the streets or come to you and ask for money out of contingency and there is never any money in

contingency. It is like a safety net, but it is for resurfacing. Last year, when we had a mild winter, I asked and I got permission to reallocate money into resurfacing so I added \$200,000 of my budget into resurfacing last year over and above what was allocated to me and I would have done the same thing this year except...

Alderman Lopez responded thank you. That clears it up.

Chairman Cashin stated before you do any of this and transfer any funds you always come back to this Board anyway don't you.

Mr. Thomas replied certainly. Again, three or four years ago we had a fairly severe winter and I notified the Mayor that there may be a need to tap into contingency. Luckily I was able to survive in the budget by reallocating lines. I don't want to give you the impression that the resurfacing money is a slush fund. It isn't. It is resurfacing, but it does act as a contingency if we do have a severe winter.

Alderman Thibault stated I am looking at mileage reimbursement. Who are we paying mileage to.

Mr. Thomas replied we have a couple of construction inspectors that take their own cars. Actually, they are subdivision contractors. We charge the contractors for their time and that gets reimbursed as a revenue but we don't have City cars for them. Quite frankly, I think it is cheaper in the long run instead of maintaining those dark police cruisers.

Alderman Shea stated the money you spent for resurfacing is probably the most important money that I think other than salaries and benefits in your budget because this really benefits the people in different wards who contend with all of the different difficulties they have in driving so this is just for the Board's information but I found in recent years this is upgraded...if we are talking about quality of life in different wards, this really has helped a great deal. I would like to see money in the resurfacing. It is very important I think.

Mr. Thomas replied I share that same opinion. That is why in that column that had the green on it in the far right I want to increase resurfacing back up to the \$200,000 level and took additional cuts in the salary areas because again I share that same feeling. There was a period when we were getting \$100,000 a year which was totally inadequate and in the last couple of years we have gotten it up to the \$800,000 range and I would like to see it stay up in that area because of what you just said.

Alderman Shea stated I don't want to see anyone laid off either.

Mr. Thomas replied we are not looking at lay-offs. We are looking at maintaining a vacancy rate of six people.

Alderman Clancy asked isn't it true over the last few years that you have allocated around \$50,000 for each ward for resurfacing.

Mr. Thomas answered yes. What I try to do is break-up the allocation for resurfacing fairly evenly throughout the wards. I do make the final selection, but it is fairly even.

Alderman Hirschmann stated, Kevin, I am looking at the revenues for auto registration and they are way up. 10% from what I can gather. My question is does Frank have an account where he can draw down those \$5 fees. If we budgeted for so much and it goes over, can Frank draw down the excess.

Mr. Clougherty replied no. You really don't appropriate the revenues. That goes toward the general fund and you would have to go through a reappropriation process to do that.

Alderman Hirschmann asked so if we over register cars that just goes to the general fund. It doesn't go...why don't we set-up an account for the \$5 fee and have it go to the capital reserve for Frank's department?

Mr. Clougherty answered there is a portion of the registration that does go for that purpose but again that is an offset against the fund. That is nothing something that is out there as a separate pool that he can draw from. He already has that factored in to his revenue.

Alderman Hirschmann stated so if there is an overage we don't...

Mr. Clougherty interjected if there is an overage then it is fund balance.

Alderman Vaillancourt asked are you saying that every ward gets the same amount for resurfacing. Even Ward 6 or Ward 8 which has a lot more road? Are you giving the same amount of resurfacing money to each ward?

Mr. Thomas answered approximately the same to each ward. The need is there. If I had an unlimited amount of money for resurfacing, then I would probably break it up based on mileage of the ward, but because we never have an adequate amount of resurfacing money and because the need is great no matter what ward you are in, we try to keep it reasonably even throughout the City. Now, we don't

keep balances down to the penny or dollar. If you go and take a look at our books over the last few years some wards are getting more and some wards are getting a little less, but we don't get into the controversy of trying to play favorites between Aldermen or wards.

Alderman Vaillancourt replied I think playing favorites is giving a ward that has half as many miles the same as a ward that has twice as many miles but I won't get into that. It is just interesting to know and I am glad that we learned that. On this sheet you said you have 183 people with a vacancy rate of 6. On this other budget, the Building Maintenance Division your salaries is about \$535,000. How many people is this funding? Did I hear 9?

Mr. Thomas responded no. There are 14 people in the Building Maintenance Division.

Alderman Vaillancourt asked so there are 14 people in that division.

Mr. Thomas answered that is correct.

Alderman Vaillancourt asked and your vacancy rate is zero.

Mr. Thomas answered we try to keep it as close to zero as possible.

Alderman Pariseau asked sidewalk construction comes out of where.

Mr. Thomas answered CIP.

Alderman Pariseau asked strictly CIP.

Mr. Thomas answered that is correct. We do have a line item that is called Construction Materials and Supplies, Line Item 682. That allows us to buy asphalt to patch potholes and gravels and this and that...any type of construction material but sidewalks are funded out of the CIP. I believe there is \$500,000 or \$550,000 in the CIP this year for sidewalks. That is broken into the School sidewalk program that gets about \$200,000 or \$250,000 to potentially build sidewalks in connection with the CSO construction work. I think there is another \$50,000 to \$100,000 in what we call discretionary sidewalk money.

Alderman Pariseau asked is there a listing identifying what sidewalks are being proposed for this fiscal year.

Mr. Thomas answered yes there is. I don't have that information, but I will send out a memo to all Aldermen noting what is anticipated in the breakdown of those dollars for sidewalk construction.

Alderman O'Neil stated I don't know if it is easier to talk with or without restricted items.

Mr. Thomas replied I would like it if you left out the restricted items because they get me confused.

Alderman O'Neil stated what you are asking us if you are allocated \$14,028,413 and allowed to rework your numbers within the line items you can make that work.

Mr. Thomas replied yes. It is going to be very tight and there is a potential that there will be some delays in plowing sidewalks or removing snow in the downtown area. I may have to cut back in overtime areas, but it is a budget that I can live with without dramatically impacting services.

Alderman O'Neil stated if I may shift a moment to the Building Maintenance Division, the reduction in the line item for contract work, do you have any idea how much of that is emergency if you had to put a percentage to it.

Mr. Thomas replied 100%.

Alderman O'Neil asked it is all emergency work.

Mr. Thomas answered yes. Normally, the HVAC systems may be broken down and we have a limited amount of staff and they may be out repairing a boiler that is down somewhere or doing something else and we have situations like that develop where we have to go out and hire an outside contractor to come in and maybe fix something here at City Hall. Usually that is what that line item is used for.

Alderman O'Neil asked is your request and the Mayor's funded of \$250,000 based on getting the five positions. If you have the five positions does the \$250,000 work? We spent almost \$400,00 this year.

Mr. Thomas answered that line item was set based on five additional employees. However, when we were asked to cut the Building Maintenance Division's budget, we had to look at what area it makes sense to cut. We cut it in that area because we are hoping to do more with our in-house staff.

Alderman O'Neil stated when you say more with your in-house staff, that is with the additional personnel or with the personnel you currently have.

Mr. Thomas replied with the personnel we currently have. What potentially may happen is we may have to again delay repairing something instead of responding as quickly as we would like to. If we had that line item built up to the right area with our limited staff we would be able to respond a little bit faster with the private sector.

Alderman O'Neil asked have you given any consideration to, if you had to prioritize the five additional people, have you put them in numerical order or did you just group them all together.

Mr. Thomas replied I think I will let Barbara respond to that one. Quite frankly, I would like to see a couple of painters. Two of those positions were painters.

Ms. Connor stated I would hire the HVAC technician first and then the Building Structural Technician and then the Plumber and then the two Painters last.

Alderman Wihby stated you know this color sheet that you have, Frank, so you are looking in the Highway budget for \$14.028 million. Is that what you are looking for?

Mr. Thomas answered no. That is what the Mayor gave us.

Alderman Wihby stated so I am looking at a sheet we got with the tax rate on it and it says he gave you \$14.074 million. I also looked at another sheet with three different totals and they don't match.

Mr. Robinson replied I can address that. In putting the Mayor's budget together, after we had presented it we found an error in three departments when we did our budget cuts. Highway, Building Maintenance and the Health Department. When we did the budget cuts we gave them a 2% cut as opposed to 2.5%. So, the budget that the Highway Department is presenting is a 2.5% cut.

Alderman Wihby asked so what sheets do we have that make up that number. First of all, we should have gotten a new sheet like this. Did we?

Mr. Robinson answered no you have no. I do have it, but I have not presented it.

Mr. Thomas stated I think the sheets that you got today or yesterday do have the correct totals on them.

Alderman Wihby asked could you walk us through those.

Alderman O'Neil stated it was suggested earlier that we work off of the 71-page handout.

Alderman Wihby asked so the 71-page report is the correct one.

Mr. Robinson answered yes.

Alderman Wihby asked is it with the restricted or not.

Mr. Robinson answered with restricted.

Alderman Wihby asked with restricted in the number.

Mr. Robinson answered that is correct.

Alderman Wihby stated so automatically it is going to be higher because of the fact that the restricted items are in there.

Mr. Robinson replied that is correct.

Alderman Wihby stated so we are going to throw out all the ones...is that how we are going to prepare the budget. Have we decided that yet?

Mr. Robinson replied I don't understand your question.

Alderman Wihby asked we had two handouts. The other one was 63 pages. Can we just disregard that?

Mr. Robinson answered the 63 page one is the same except it does not include restricted line items.

Alderman Wihby stated I don't understand why we have to go both ways. We should decide which one we are going to throw away first.

Mr. Robinson responded that is my question. I have been asked to present the documentation three, four or five different ways. I have tried to please everybody.

Alderman Wihby asked, Mr. Chairman, can we proceed with the restricted items in each department so we have a better accounting of each department rather than the old way that we did it when we had at the bottom the restricted items numbers displayed. The numbers will be higher, but they are going to come out the same. We just wouldn't have anymore restricted items below.

Alderman O'Neil asked so you are talking about the one that is 71 pages.

Alderman Wihby answered yes.

Chairman Cashin stated if we work from the 71 pages, that is my understanding.

Alderman Wihby asked could I throw out the 63 page one then because we are not going to use that anymore.

Mr. Robinson answered if you desire, yes.

Alderman Wihby stated what is going to happen is if you look at the sheet that we normally look at, the restricted items all have those numbers there in that middle. If we use the 71-page report they won't have that anymore. They will all be the top numbers and that is the way we were headed in the last couple of years and we were promised that we were going to have that in the last couple of years and we never did but it actually puts all of the health insurance, dental, etc. where it belongs with the department. I think they can calculate that better if it is within their department.

Chairman Cashin asked so you are suggesting that we work with the 71 pages. Does anybody have a problem with that?

Alderman O'Neil stated I think he wants the one page with the restricted items in it.

Alderman Wihby replied the one page would have to be changed according to the 71-page report.

Mr. Robinson stated as the process moves along we can change that.

Alderman Gatsas asked do we have that page now.

Alderman Wihby answered no.

Alderman Gatsas stated you said this page here had the wrong calculation.

Mr. Robinson replied correct.

Alderman Gatsas asked is the budget increase higher. Obviously, if this page is at 2%...

Mr. Robinson interjected for Highway and Public Buildings...

Alderman Gatsas interjected the tax rate would be less. Is that what you are saying to me?

Mr. Robinson stated yes. As a matter of fact, when I recalculated it was like two cents.

Alderman Wihby stated but if you gave us the page with the 71 in it, it is very easy to go back and make one like this without any restricted items.

Mr. Robinson replied yes.

Alderman Wihby stated not today, but you can do that.

Mr. Robinson replied I can do that. That is no problem.

Alderman Wihby stated can we proceed then that the restricted items will not show up as separate items and that they will be put in with the departments and throw out all of the other sheets.

Mr. Robinson asked on what department should the administrative costs and all of the other costs appear.

Alderman Wihby asked as far as what.

Mr. Robinson answered like administrative costs for health insurance. If we allocate the restricted items to the departments, there are some administrative costs that the City has to incur.

Alderman Wihby stated I am just trying to make sure that each department has its restricted items. Whatever is allocated to that department should be allocated to that department and if you have any extras leave them under restricted. You could probably get rid of health, dental, and disability.

Alderman Gatsas asked when you (Mr. Robinson) are talking about administrative costs, what are you talking about.

Mr. Robinson answered I am assuming that there are other fees besides charges to the department.

Alderman Gatsas asked give me an example that you think because there shouldn't be. That should all be in the number that they have given us. There shouldn't be any lag like for health insurance if the administration fee to administer the claims is \$1 million, that has to be in each department appropriately with the single, couple and family number that should be listed.

Mr. Tawney answered that is true. We can allocate what the cost is, but we have here an insurance pool so there are claims coming in and if somebody in Information Systems has triplets and they are born premature, the claims cost as we pay that out is going to go up. In other places it may be down. If all of the money is in the pool, then it works as an insurance pool. Maybe I have a misconception of what you are doing.

Alderman Wihby stated Mark Hobson was the one who tried to set this up in Finance three years ago and we were promised that with HTE that could easily be done so that all of the associated costs would go to that department. Everyone would know what is in their complement, how much that is and when somebody leaves and it is a two person and they are hiring a single then they are going to save some money and they will know that themselves. That was supposed to be able to be done in HTE.

Mr. Tawney replied I can do that for you. I am ahead in administering this once we have the budget. Do I still have a pool of money or am I trying to allocate the cost as claims come in back to the department? That is my question.

Alderman Vaillancourt stated you have prepared a 2.5% scenario here.

Mr. Thomas replied that is correct.

Alderman Vaillancourt asked could you tell us if you went through the exercise of the 5% scenario and how Draconian that would be for you if we were to go with the 5% scenario.

Mr. Thomas answered we identified that. I think we prepared every scenario possible from 1% to 6%. Quite frankly, any additional cuts in my operating budget are either going to have to be made in the resurfacing line item or in salaries. I have nothing else to cut.

Alderman Gatsas stated, Mr. Tawney, maybe you can help me. Most of the time if you use what an insurance company gives you for a COBRA rate for a single, couple and family, you should by chance come pretty close to a total health plan number. If we aren't doing that, then the summations we are using for COBRA are wrong and the summations that these departments are looking at or what we are charging an employee for their percentage is wrong so we need to get something which should be close. If total claims are \$7 million and let's assume we have 2,500 employees and that breakdown is a mix of whatever, we should be able to multiply their monthly times 12 times the number of employees and come up with a \$7 million or close to number. It is not going to be right on the money, but it should be pretty close. That includes administration and everything else in there.

Mr. Tawney replied yes it does. The rates we put in include administration and stop loss fees and our expectant claims.

Alderman Gatsas asked so when I look at the restricted number on a department, that would be assuming there are 10 singles, 12 couples, 15 families with no administration so what Wayne is saying about an additional administration cost hanging around somewhere doesn't exist.

Mr. Tawney answered that is correct. It is all in there in that one figure.

Alderman Gatsas asked and what you are saying about claims falling to a different department, we are not dealing with that. We shouldn't be talking about that because that is your internal administration on claims. We should just be looking at what it costs for a single, couple and family.

Mr. Tawney answered okay.

Alderman Gatsas stated if he has a family member right now and he hires somebody to replace him and it is only single cost, then obviously in that budget number there should be a savings.

Mr. Tawney responded yes.

Alderman Gatsas stated now when we talk about restricted numbers and maybe somebody can help me...Frank, restricted numbers to you...obviously you don't care about pension, FICA or any of those numbers because you can't move them around.

Mr. Thomas replied I do not have access. I can't spend them. I can't move them around so they are just numbers that are in my budget.

Alderman Gatsas asked so you aren't accountable for that.

Mr. Thomas answered no not for the restricted items.

Alderman Gatsas stated well that is not really the way a department should be set-up. A department should be set-up so that he is concerned with restricted items also. That has nothing to do with Human Resources. He has 400 employees. You should have the accessibility to that money. If you have somebody leaving that has a family plan and somebody comes in that is a single and there is \$600/month to your benefit, that is a \$7,200/year savings that you produce or that you can use someplace else.

Mr. Thomas replied but I don't have total control. Even utilizing that scenario, I don't have any control over negotiating the rates or setting the rates.

Alderman Gatsas responded that has nothing to do with you having that control. It has to do with you being accountable for that money because if you go out and hire 40 families instead of 40 singles, that is going to charge up your benefit line enormously. I don't know who to talk to about restricted items but there are some numbers that don't work.

Chairman Clancy stated I think that is a policy decision. I think we can discuss restricted items at a later date.

Alderman Hirschmann stated when Human Resources comes up, that is when we discuss it.

Alderman Wihby stated the only problem is...if we decide it now we can get rid of half of our paperwork. We won't be working off of two different packages.

Alderman O'Neil stated I agree with Alderman Wihby. We should either decide if it is going to be included in the department budgets and that is the package we work off of or it is not. I think that is the issue before us.

Chairman Cashin stated the problem I have with putting it in the department budget, I will be quite candid with you, is it could give the departments extra money that we have no control over. That could be a problem down the line.

Alderman O'Neil asked is it your suggestion that we should work without the restricted items.

Chairman Cashin answered that would be my recommendation, but it is the Board's decision.

Alderman Gatsas asked, Alderman Wihby, what happens at the State level.

Alderman Wihby answered you have to do a budget and you are given, in this case a 110 account which would be your salaries and automatically you are given all of your benefits and everything else. Those numbers don't change. They are there. They are yours and you can't change them. That would be the same thing here. They wouldn't have any control over those numbers but they would be allocated to that department so you know exactly what each department costs in the budget.

Alderman O'Neil asked doesn't this sheet here do that. It gives us everything and then gives us a bottom line restricted.

Chairman Cashin answered I think it does and that is why I want to work with the 71-page document. I don't care if you throw the rest of the stuff out.

Alderman Wihby asked if we are working on the 71-page document, which I agree we should, then this first sheet would be changed the next time he gives it to us.

Chairman Cashin answered then we will change that sheet to correspond with the 71-page document.

Alderman O'Neil asked do you want a motion on this.

Chairman Cashin answered this is informal today. I don't care if you make a motion or not.

Alderman Wihby stated what that would do if we use the 71-page, all of the restricted items will not be there. They will be up top and you have to realize when you are comparing last year's numbers to this year's numbers they are going to be higher because restricted is in there also.

Chairman Cashin asked does Finance have a problem with that. So my understanding is we are going to work from the 71-page document and we will update that one sheet to correspond with the 71-page document at a later date. Is that agreeable?

Alderman Pariseau asked do we need the 63-page document.

Alderman Gatsas stated getting back to the last page that you had for the maintenance of portables, I would think that \$19.25 per hour is an excessive rate to clean those. Are you telling me 20 hours a week at \$385? Is that what you are telling me?

Mr. Thomas replied it includes supplies.

Alderman Gatsas stated I don't care what it includes. \$19.25/hour is an excessive rate.

Mr. Thomas replied this is just an estimate. The actual chargeback to the School would be...

Alderman Gatsas responded I understand that but if it is an estimate, is the estimate \$17 or \$19.25 or \$25. Then it opens up an awful big hole when I look at \$3.1 million of contract labor. I am looking at that and saying what is that hourly rate.

Mr. Thomas stated we went through a procurement process for the ServiceMaster contract. We had proposals come in from three different vendors. ServiceMaster was by far the cheapest of the three vendors who submitted proposals. I don't have an answer for you as far as what is the hourly rate. I know what they pay their employees but what it comes out to on an hourly basis Citywide I don't know.

Alderman Gatsas replied I understand that it was procurement. I am only saying, Frank, that when you look at Department 210 and you look at \$3.1 million or almost \$3.2 million in that contract manpower, the red flag comes up when I go back to the last page that you gave me and I look and it is \$19.25 per hour.

Chairman Cashin stated that can't be right.

Mr. Thomas stated I don't know how to respond to that.

Alderman Gatsas asked do you see where I am coming from. If I look at that and say it is \$19.25 and then I look at the \$3.2 million, which is a pretty big number and if it is \$19.25 you probably would have a lot of people down at the Highway Department looking to change jobs real quick.

Mr. Thomas answered without a doubt. That was just based on some assumptions like the number of hours per week that it would take.

Alderman Hirschmann stated I think their overhead rate is built into that.

Alderman Gatsas replied I understand that, but if that has the overhead rate built into this then is the \$3.2 million the overhead rate built into that.

Alderman Hirschmann responded it is a contract service. I would think so.

Alderman Gatsas stated I am just saying, Frank, if you look at it at first blush.

Mr. Thomas replied I understand what you are saying. What we did was we went to ServiceMaster and said can you give us an estimated cost for the additional cleaning of those facilities and that is what they came back with. That includes snow removal services and supplies. We can go back and try to negotiate that and get it down. I can also try to give you some ideas of what it is costing square foot wise for the rest of the City. Again, I understand where you are coming from that it seems like a high number, but that was the number that we got from the contractor. We didn't negotiate it. We just asked them to give us a ballpark price. As far as the \$3 million package. Again, I want to assure everybody here that we did go through a competitive procurement process and that was a very favorable total contract amount compared to the other vendors that were proposing services.

Chairman Cashin asked can Frank go back and find out what is in that number.

Alderman Gatsas answered I don't have a problem with that but the number I would like to see also is the number of hours in the \$3.2 million number. If that number comes back with overhead at \$19.25...

Chairman Cashin interjected well let Frank get the numbers.

Mr. Thomas stated quite frankly I can furnish that and I can also furnish you the full proposal. The reason I say that is it is not cut and dry as you are talking. What is included in that is the purchase of all the equipment. There is equipment such as a pickup truck, plows and this and that. That is all in that \$3 million number. To take that \$3 million and just divide it by the number of hours, I am not sure if it is giving you a completely true picture.

Alderman Gatsas stated I will go back one more, Frank, because I know that you are very frugal and very competent in what you do and if I said to you tomorrow I will pay you \$19.25 per hour, which includes your overhead, would you leave what you are doing right now and start your own company.

Mr. Thomas replied only if I could be partners with you.

Alderman Gatsas responded and Frank, trust me that with the budget we would be preparing we would make a lot of money. That is all I am saying.

Chairman Cashin stated I would like to say something. I don't want to stifle debate, but we have allocated 45 minutes for departments and we are now running an hour with this one department. According to my calculations, if we continue this route we are going to be here until about 7:15 PM.

Alderman Gatsas replied I don't know about you, but everyone looks pretty casual. We could be here until Sunday for breakfast if you are paying.

Alderman Vaillancourt asked could I get us back to the salary line. That seems to be where the money is as Willie Sutton used to say. It looks to me like you have from \$6.55 million to \$7.18 million. It looks like a 10% increase in the salary line. Now this is without any new people. This is just with the Yarger Decker adjustments. We are going up 10% in salary without getting any new people. It is just the natural course of things.

Mr. Thomas answered in addition, as I mentioned earlier, salary adjustments have been added into that line item, which isn't in the FY00 number.

Alderman Vaillancourt stated then if you go to the page where you have the Building Maintenance salaries, that is only going up \$3,000 from \$594,000 for 14 people to \$597,000.

Mr. Thomas stated Building Maintenance went through a transition a year ago. That salary number for FY00 included the salary at a level for a department head, which was reallocated for a lower pay grade person. There was extra money in the salary account for Building Maintenance, but there was also the same increase for Yarger Decker.

Chairman Cashin stated the fact is, Frank, that you didn't replace Dick Houle correct.

Mr. Thomas replied we replaced Dick Houle with a Laborer.

Alderman Vaillancourt stated just by giving us a way of knowing how much this mild winter saved us, could you tell us how much you had allocated for snow removal and everything and how much you spent.

Mr. Thomas replied let me respond a little bit differently. We did do a budget projection of the surplus and our surplus at Highway is \$350,000 and then there is an additional \$92,000 of improper worker's compensation settlement charges that were made to my budget. If I get that money back, you are talking approximately \$450,000 of surplus.

Alderman Vaillancourt asked strictly from the mild winter.

Mr. Thomas answered not completely. Part of that was the freeze on spending. Probably \$75,000 of that is equipment money that we won't be spending.

Alderman Wihby asked if you look at the sheets, Frank, where would that be. What does expenditures with carry forward mean? Is that anticipating the next couple of months?

Mr. Thomas asked where are you looking.

Alderman Wihby answered you know where you have Mayor's Recommended, Original, Revised. That last column. What is that?

Mr. Robinson replied that last column is the FY99 expenditures.

Alderman Wihby stated so YTD for this year is the second column in and where are the numbers that you are telling Alderman Vaillancourt.

Mr. Thomas asked as far as savings.

Alderman Wihby answered yes.

Mr. Thomas stated if you turn to the third page under Line Item 681, Salt, you can see in that second column from the right that there was an expenditure of \$337,000 while the balance between that and the \$450,000 allocated is a surplus in the Salt line item.

Alderman Wihby asked so you just go down all the different line items that you are talking about and that is where you are getting those balances.

Mr. Thomas answered right. What we did is as I mentioned we did a budget projection to the end of the year and went through every line item including salaries and that is what we came up with.

Alderman Wihby asked so the YTD expenditures are through the end of the year. It is not just today's number?

Mr. Thomas answered what you are seeing on that page is up until the date of the report.

Alderman Gatsas asked do you know how many employees you had in FY99.

Mr. Thomas answered 182. We gained one employee last year or in this budget.

Alderman Gatsas asked have you made any adjustments for fuel cost in your Fuel line item.

Mr. Thomas answered no.

Alderman Gatsas stated so you are way behind.

Mr. Thomas replied yes. We really got whacked with the increase.

Alderman Gatsas asked can you tell me so that I can better understand or maybe Kevin can tell me the difference between resurfacing and reconstruction because one is a direct line item cost as cash and the other one is a bonded issue and I don't think that you resurface anymore often a road than you reconstruct it.

Mr. Thomas answered resurfacing is classified as a maintenance issue and it is a maintenance function and as such I believe it has to be funded by cash. Also, a resurfacing project could last anywhere between five and ten years.

Alderman Gatsas stated stop right there. So that is resurfacing. Now on the bonding, do you have a number that we can bond resurfacing based on a five-year payback?

Mr. Thomas stated Kevin the question was can resurfacing be considered a bondable project.

Mr. Clougherty replied it hasn't in the past under the rules because it doesn't have a life long enough to justify the expense.

Alderman Gatsas asked when you say under the rules, under whose rules.

Mr. Clougherty answered the IRS.

Alderman Gatsas stated Frank just told me that based on his rule it is five to ten to fifteen years for resurfacing. What does the IRS have to do with it?

Mr. Clougherty replied the Internal Revenue Service wants to make sure that when you undertake a project and you bond for it that the life of the project is something that matches up to determine the debt service. They don't want you going out and bonding things that might ordinarily be considered operating expenses and that is a concern of the credit rating agencies as well. If you are going to bond something that has less than a five-year life...

Alderman Gatsas interjected who puts the life on it is my question. If Frank puts the life on it, he is putting it on five to ten years so in that instance it is bondable.

Mr. Clougherty stated if the life that he is putting on is consistent with what is in the CIP, then you could bond it but you could only bond it for those five years and if you bond something for five years that has a big impact on your debt service in those initial five years and will drive it up.

Alderman Gatsas replied Frank said five, ten or fifteen. I will go with the fifteen. I am trying to take some numbers out of here that will reduce the budget and, Kevin, explain to me on a ten year basis on resurfacing on \$500,000 what is that cost.

Mr. Clougherty responded if you are going to bond \$500,000 over ten years, it would be about \$50,000 a year in debt service a year after you issue it.

Alderman Gatsas stated so \$50,000 a year equates to what in taxes.

Mr. Clougherty replied every \$1 million is 28 cents.

Alderman Gatsas responded so it is 14 cents. So it is a 14-cent increase on the tax.

Mr. Clougherty stated no. Every million is 28 cents. We would be talking about \$50,000.

Alderman Gatsas replied so we are talking less than a penny. So less than a penny versus \$500,000 direct. So \$500,000 would be 14 cents so we would be bonding for a penny versus 14 cents. Am I right on those calculations?

Mr. Clougherty responded yes.

Alderman Gatsas stated so if we could find something that says resurfacing can go out ten years as Frank said because I am sure there isn't a road in this City that gets done any more often than fifteen or twenty on a resurfacing basis unless you like one Alderman more than another. So, we could bond that if we could find somewhere to bond it and save 14 cents for \$500,000. Is that right, Kevin?

Mr. Clougherty replied yes.

Alderman O'Neil stated the \$500,000 is coming out of anticipated motor vehicle registration, correct.

Chairman Cashin replied that is my understanding.

Alderman Gatsas stated that is a great point. Thank you. You just gave me \$500,000 in revenue that is going to save us another 14 cents. We are now down 28 cents and we haven't even left Frank's department.

Alderman O'Neil stated we have been down this route in the past about bonding and it has always come back to haunt us in the long run. I am very, very skeptical about that to be honest with you.

Alderman Gatsas asked can you explain to me why. I think if we are saving 14 cents on the tax rate and we haven't even moved out of square one here...if you said to me would we do it if we were a growing concerned business I would tell you we should absolutely do that. I don't mind, Alderman, if you can tell me why it doesn't make sense but we could resurface another \$4 million if you wanted to and not change the tax rate.

Alderman Vaillancourt stated isn't bonding like using your credit card and you really beat your limit occasionally.

Chairman Cashin asked, Kevin, what is your opinion on this.

Mr. Clougherty answered we haven't done it, Alderman, primarily because of what Alderman Vaillancourt just talked about. When Mr. MacKenzie does his CIP projections and he takes a look at the amount of debt he is issuing, he is trying to make a determination of how much debt service you are going to have every year. If you wanted to do what Alderman Gatsas is saying then you would take and you would either have to move that money into debt service and reduce Frank's budget by the resurfacing amount and if you do that and I will ask Frank to jump in here but if you were to take that money and you are right you could reduce it on the debt service. You could pay a few extra cents in debt service and you could cut his budget, but we have always understood resurfacing as a safety valve that Frank needs in his budget to deal with the seasonal fluctuations that occur as a result of the snow. If you somehow wanted to put in his budget a contingency or some other account, you could approach it differently but you would have to rethink the structure. If you take it away from one, he is left stranded with no safety valve there.

Chairman Cashin stated it sounds to me like this would have to be a policy statement that would have to be set-up by this Board and probably this could be discussed another day if that is agreeable to everybody. I don't think you are going to come to a conclusion today.

Alderman Gatsas replied, Mr. Chairman, I think it is very important that we go through this budget and understand that if we are going to reduce costs and save the taxpayers money, let's do it as we would do it if we were a business and not another day but today. He should understand that and he needs to focus on where we are going. He needs to be the lead player here.

Chairman Cashin stated if this Board should decide from a policy point of view that that is the route that they want to go, they could call Frank back in here and say here is what we plan on doing and how is it going to effect you. Today, I don't think you are going to come to a conclusion. I think there are too many questions out there.

Mr. Clougherty stated you would have to amend the CIP and go back through that process for authorizing the bonds and get Mr. MacKenzie's group involved also.

Chairman Cashin stated that would stop everything in CIP.

Mr. Clougherty replied you would have to amend it.

Alderman Gatsas stated we have a vote up for reconsideration of the CIP budget anyway. I am not done. If we want to continue, I can continue. Obviously, if we are going to talk about restricted on the 71 page report then he (Frank Thomas) has to talk about restricteds and understand where they are because they affect his budget. If I look at this, Frank, and I look at the little pass out that you gave us with yellow lines, purple lines, etc. and your requested amount for salaries, I take that number and I look at right next to the Mayors and there is about \$113,000 difference.

Mr. Thomas replied yes.

Alderman Gatsas stated that is \$113,000 that I can pull out of your bottom line right away because if you are telling me that you want \$7 million that is all you are looking for in wages.

Mr. Thomas replied yes but you would have to put that salary adjustment money somewhere.

Alderman Gatsas stated you asked me for \$7 million and if I agree to give you \$7 million that is \$113,000 that can come out of there.

Mr. Thomas replied correct.

Alderman Gatsas stated if we are doing a budget that is what we should be looking at. What you asked me for...now if I want a cut I should cut you off of what you want on that line and not what somebody else is giving you. If I am looking to play with wages.

Mr. Thomas replied yes.

Alderman Gatsas stated and I am not looking to play with wages.

Mr. Thomas replied again, you have to look at the whole picture.

Alderman Gatsas stated I know what the whole picture is. You only have to concern yourself with one department and this Board has to concern themselves with the whole picture.

Mr. Thomas replied right, but I can't live with that salary I requested if there is no salary adjustment money somewhere.

Alderman Gatsas asked but if I put it in there you can play with it and you don't have to come to this Board and ask for it.

Mr. Thomas answered that is correct.

Alderman Gatsas asked if I take it out, you have to come to this Board and ask for it.

Mr. Thomas answered well, whoever administers salary adjustment. It is usually HR.

Alderman Wihby asked why is there a difference. What is that \$113,000? Are you assuming that was going to be in the salary adjustment account?

Mr. Thomas answered in the Mayor's budget or if you are looking at my sheet the column that says Mayor's budget, it includes salary adjustment money. There is no salary adjustment account under the Mayor's budget scenario. Salary adjustment monies were put in all of the different departments.

Alderman Wihby stated there is no salary adjustment account on the sheet that we got with the tax rate on it.

Mr. Thomas replied there is no salary adjustment account. It is in our operating budget.

Alderman Wihby asked where is the salary adjustment account in the Mayor's number.

Mr. Thomas answered in our salary accounts. In each department's salary account. You don't see a salary adjustment line.

Alderman Wihby stated when the Mayor did his original number he had given you \$14.074 million.

Mr. Thomas replied which was wrong.

Alderman Wihby responded which was wrong by \$50,000 or whatever but then there was no salary adjustment line item anywhere else.

Mr. Thomas stated no because it is built into our salary account.

Alderman Wihby asked so it was already in that \$14.028 million.

Mr. Thomas answered that is correct.

Alderman Wihby asked so when you did your budget request...

Mr. Thomas interjected it did not have salary adjustment money in it.

Alderman Wihby asked so we are not talking new people we are just saying that your \$7.065 million is the same as the Mayor's \$7.178 million. No additional people or anything. It is just that there was a line item missing from your request.

Mr. Thomas answered that is correct.

Alderman Shea stated, Frank, you mentioned that you go hit hard with fuel. What I did was I ordered my fuel last summer and I got quite a bit off. Doesn't the City do the same thing? In other words don't you order your fuel when the price is lower?

Mr. Thomas replied the City contracts out for fuel and it is bid out once a year. We wind up with a vendor, but it is based on the spot market that day. If you are getting a delivery of diesel fuel, it is as of the spot market that day.

Alderman Shea asked wouldn't it make sense for the City somehow to set up a fund so that we could order the fuel when the price is lower like in May, June or July rather than paying out of each department.

Mr. Thomas answered we can look into that. I am not sure if we can do that at the volume we buy at. Again, the way it has always been done in the past is it is a bid and based on the spot market that day. We can certainly look into that.

Alderman Shea stated I would think that somehow all of the department heads could get together and say how much fuel do we use.

Mr. Thomas replied that is done. The Building Maintenance Division puts out the bid for all fuel for the entire City. That is done now. It is just that I am not sure if anybody has ever looked at trying to lock in a price for the whole year. We will look into that.

Alderman Lopez stated I agree with Alderman Gatsas, but I was wondering is the Finance Officer going to be looking at the Cash of \$550,000 as revenue and the bonding that he has in the CIP which is \$250,000, which is under Line Item 711001 to see if he can combine that into bonding and then we would have that cash. Is that my understanding?

Mr. Clougherty replied I would be happy to look at that, Alderman.

Alderman Vaillancourt stated I would like to clarify that the first line, the difference between the Mayor's budget in salaries and your budget is that the Mayor is counting on a three vacancy rate and you said you were counting on six, which is about \$150,000, which makes sense because I was given information that the average salary is around \$45,000 to \$50,000. I am just saying that out of 183 people if the Mayor is saying that you are going to have a three vacancy rate and you claim six, maybe we could have a nine vacancy rate and instead of saving \$150,000 save \$300,000.

Mr. Thomas replied a six vacancy rate I could probably live with because I do have some flexibility in the temp labor pool that I have available, but if I cut three more people it is going to start impacting the services that we provide.

Alderman Vaillancourt stated three people out of 183 is only about 1/2%.

Mr. Thomas replied that is nine people, but if you take a look at the number of people that are out on a daily basis due to vacation, sick, or worker's compensation, you are talking a sizable number of people. It is not like you are talking six, eight or nine. You are talking maybe thirty people and that has a tremendous impact on our ability to provide all the services.

Alderman Gatsas asked, Frank, maybe you can go a little slow because I am slow, but the request that you made for wages, that includes the vacancies or not.

Mr. Thomas answered the request that I made in the requested column was a full complement without any vacancies figured in.

Alderman Gatsas asked the yellow or the green. The yellow line is the one that you submitted to the Mayor. Does that include all the vacancies filled?

Mr. Thomas answered that is correct.

Alderman Gatsas asked does that include Yarger Decker.

Mr. Thomas answered yes, it does.

Alderman Gatsas asked so if we pulled out...how many positions did you say you could live with less.

Mr. Thomas answered I said in the green column that I could maintain a six vacancy rate.

Alderman Gatsas stated maybe that is where I am getting confused here. The yellow is full so why is the number in green with a vacancy rate more?

Mr. Thomas replied because it has salary adjustment money in there.

Alderman Gatsas stated forget about salary adjustment. The number you requested which gives me full, what would that number be with your vacancy rate so that I can write it down here so that we are all on the same page.

Mr. Thomas replied it would be approximately \$140,000 less.

Alderman Wihby asked what is in the salary adjustment number.

Mr. Thomas answered it has severance in there and A-STEPS and it has longevity.

Alderman Wihby asked normally departments when they come forward won't have that number.

Mr. Thomas answered normally what is put in our budget in the salary account is the normal salaries and normal merit increase, which in this case is like 3% and cost of living adjustment. That is what we consider as the base salary. These other things are normally stuck in the salary adjustment account.

Alderman Gatsas asked so that is a \$253,000 savings from what you put in for which is \$6.925 million versus the Mayor's \$7.178 million and that is giving you what you need in filling some of the holes. That is \$253,000 right there.

Mr. Thomas answered I guess. I think you are losing me here. I think you are there. If you take a look at the last column, the green number, the \$7.107 million...

Alderman Gatsas interjected I don't want to go with salary adjustment. We can deal with that later. I just want to deal with what you submitted.

Mr. Thomas stated I think we are getting to the same place. If you take that \$7 million number and you take salary adjustment out of it, that, I think is what you are talking about because that number up top has six vacancies calculated in there and the only thing that is different between what you are talking about is the salary adjustment number.

Alderman Gatsas stated Howard maybe you can help me here. If you go to this 71-page report because I think Frank needs to understand his numbers on here and maybe you can help me. At some point, we need to put all of the lines in the right places and come up with a total. If you take a look and I am just going to use...I am not changing any numbers on this report but if you take...

Mr. Thomas interjected I agree. \$253,000 is the number.

Alderman Gatsas stated \$253,000 without you looking at any line items in here like equipment which we should be talking about...you know equipment that we can buy and bond over a ten year period which is going to save you on that end.

Mr. Thomas stated what you have just done here is cut the resurfacing line item. I have taken the salary money and put it into resurfacing in that last green column. What I have done is I have increased my vacancy rate to fund resurfacing. If you take that money, you are cutting resurfacing.

Alderman Gatsas replied I am not going to cut you, Frank. I am going to try and bond it for you and get you a little bit more money. Now, Howard, this number that sits here with regular and overtime hours if we add them up it comes out to somewhere around, well let's use the Mayor's recommended which is \$7.178 million? If I multiply that times 7.65%, which is FICA. If I go down to line 30, that number should be \$549,190. You have \$772,703.

Mr. Tawney responded yes.

Alderman Gatsas stated that is about a \$223,000 difference in FICA. Why?

Mr. Tawney replied we have recalculated FICA and I provided that information to the Mayor as to why the numbers changed.

Alderman Gatsas asked what.

Mr. Tawney stated we have gone through and done some recalculations.

Alderman Gatsas asked why are we looking at this stuff if it is not what we are supposed to be looking at.

Chairman Cashin asked what are we saying here.

Mr. Tawney answered we did some initial projections and we put it into the Mayor's budget recommendations. Since that time, we have gone through and printed line items with some different numbers and I have provided that to the Mayor's Office.

Chairmen Cashin asked are those new numbers in this package.

Mr. Robinson answered no.

Mr. Clougherty stated, Mr. Chairman, as you know they shouldn't go into this package unless the Board...once the Mayor's budget is passed over to the Board nothing should change on these sheets until you, the Aldermen, decide that you want to change something. You can get additional information if that is what Howard is saying, but in terms of the appropriation line, we don't want people coming into these reports and just changing the numbers on you. They only change if you, the Board, change them.

Chairman Cashin stated but Kevin this Board has to have the right numbers. Alderman Gatsas is right. If we are dealing with numbers here that aren't the ones that we are supposed to be dealing with, we are wasting our time.

Mr. Clougherty replied I agree. What we want to do on these sheets and I think Wayne would agree is tell you what has been spent to date and where you are. If there is additional information that HR has and can provide to you, that is great.

Alderman Wihby stated the budget is ours now. I think the numbers should have probably come to all of the Aldermen too and not just the Mayor so that in looking at this we would have at least had that information. Kevin is right. The numbers going forward are the Mayors but the numbers we are working on are the Aldermen's. That information should have come to us. Are there any other numbers that changed that we don't know of?

Alderman Lopez asked does this apply to all of the departments.

Chairman Cashin answered I am assuming that it is all departments.

Alderman Wihby stated as far as any other items. Are there any other numbers that you (Mr. Tawney) recalculated?

Mr. Tawney replied we went through all of the restricted line items.

Alderman Wihby asked and you have all new numbers.

Mr. Tawney answered some have changed, yes.

Alderman Wihby stated they have already changed like three times.

Alderman Shea asked have they changed lower or higher.

Mr. Tawney answered the total, I believe, is going down.

Chairman Cashin stated well it would be nice if we knew that.

Alderman Lopez asked is there any way that we can get the total figure.

Chairman Cashin answered we are going to get it. I don't think we can get it today.

Alderman Shea stated may I suggest that we get what the original figure was and then how much of a difference there is so there is some sort of comparison here. Obviously, we are working through three or four different sets of figures. It would be helpful if you could do that.

Alderman O'Neil stated last year as a member of this Board I believe the Board was positioned to approve a budget fairly early, but it seemed that every time we go ready to approve one the numbers changed. I am not going to sit through that this year. If some heads are going to roll because of it, that is fine. We better get the numbers and we better get them right and then we can take those numbers and decide where we are going with this thing, but we can't be getting new information every week. The numbers have to be right.

Alderman Wihby asked, Mr. Chairman, could we have a new book. We don't need all of these nice things about their accomplishments and their mission statements and all of that stuff but maybe something from each department similar to the one that Wayne just sent us that says the Mayor's recommended, the original FY00 budget, the YTD number and then maybe the new numbers of Howard's. You know just two or three pages for each department. It would be a line item and in one book and that is what we could go for instead of having to look through all of this. If we want to know what people's accomplishments were then we could look in the other book but just one book that has the right numbers in it with YTD so that we can compare based on that 71-page report and on top of it a new itemized one page that we can go by. It makes some sense I think in order to move forward.

Chairman Cashin stated we can still talk about expenses today and work on the expense budget and I hope to get that out of the way. To answer your question, I don't see why it can't be done.

Mr. Robinson stated I would just advise that as we move along, for example, revenues they change. The agreement on the Center of NH and the repayment of missing fees was signed this week so the revenue numbers on that one line item will change.

Alderman Wihby replied that shouldn't change. You have the Mayor's numbers and that is it. That is not changing. That is all we want in front of us. That number, if it is good or bad is going to come to the Board and the Board is going to vote on that number. It is not going to change your number.

Mr. Robinson responded that is what I am saying. As we move along, these are things that we know should change.

Alderman Wihby stated well you should only be putting down what is there now in the Mayor's number.

Mr. Robinson replied that is why I haven't submitted a new Mayor's budget.

Alderman Wihby stated that is what I am saying. There should be a Mayor's column and another column that is now the changes that Howard is telling us are the right numbers.

Mr. Robinson replied that is what I am working on, but I haven't submitted it yet because things are changing.

Mr. Clougherty stated everybody is right here. The Mayor's recommendations won't change. That is what he recommended. The columns that you have in front of you in the 71-page report won't change. We will add one more column and it will be updated based on information that is plugged in by Human Resources so that you have updated information and we can do that as meetings occur. We can update that every time you want to meet. We can add another column if that is what the Board wants. Then you will be able to compare the past, what is being recommended by the Mayor and changes by HR. Would that be acceptable? I would be happy to prepare that.

Chairman Cashin stated all right. Do we agree that we can go through the expense budget here today and work on that and leave the salaries and benefits for another day? Is that agreeable?

Alderman Vaillancourt stated I have a question in that regard. I don't want to be picky, but under telephones, I see you are up about 17% from \$11,000 to \$16,000. Is there a reason for the extra \$5,000 in telephones when postage hasn't gone up at all? Is there a reason for that telephone increase? I mean it is \$5,000.

Mr. Thomas replied I think the biggest change is because of the Nextel telephones. These telephones are a little bit more expensive, but it has eliminated the need for paging. They also act as walkie talkies so that we can communicate between departments and division and whatnot.

Alderman Vaillancourt asked that is not for the equipment itself is it. I assume that is for telephone bills.

Mr. Thomas answered that is correct.

Alderman Vaillancourt asked so the bills have gone up because of these.

Mr. Thomas answered that is correct.

Chairman Cashin asked who approved the cell phones. It seems to me that every City employee I talk to has a cell phone. Who approved that? Is that a department policy because it wasn't approved by this Board?

Mr. Thomas answered the departments each make the decision. Just recently, within the last few months, the Mayor's Office did ask for an accounting of who had cell phones in the City. As far as the Highway Department, not every employee has a telephone, just upper management both in the Highway Department and in the Building Maintenance Department. Again, it takes the place of a pager and it acts as a walkie-talkie and it does act as a telephone.

Chairman Cashin stated and it is a lot more expensive.

Mr. Thomas answered it is more expensive, that is correct.

Chairman Cashin asked are we looking into that Wayne. Are you getting those numbers?

Mr. Robinson answered yes. Diane Prew is heading up that project.

Alderman Levasseur stated as far as the Army Corps of Engineers, there was a price that was put on there.

Chairman Cashin replied that is out.

Alderman Levasseur stated it is out but there was an amendment put in there that you were going to pay for some outside person to come in and do it anyway.

Mr. Thomas replied the CIP requested project, that is correct. I believe there was \$40,000 allocated for that purpose.

Alderman Levasseur stated so it was put in the CIP and supposedly it was an Army Corps of Engineer's study that was supposed to be done and it was supposed to come to this Board and it was stricken out at the last meeting, but still the money was put in the CIP so why did you even bring in an Army Corps of Engineers amendment to this Board in the first place if the money was already in there. What were we supposed to do? Just say yes to the Army Corps of Engineers. I don't understand that.

Mr. Thomas replied the purpose of coming to the Board was that there had to be an agreement entered into with the Army Corps of Engineers by the Mayor and the Mayor cannot enter into that type of agreement without authorization from the Board of Aldermen. On the other side of the coin, the Board, once they approve a CIP project and that project goes through the CIP process and those funds are made available to the departments, the departments can go through the procurement process and engage the services of a consultant or whatnot.

Alderman Levasseur asked so instead of it being an Army Corps of Engineers consultant it is just a different consultant so we don't have to go through the approval of a different consultant, just the Army Corps of Engineer's consultant.

Mr. Thomas answered that is correct.

Alderman Levasseur asked and it is only \$40,000, but I don't see it listed. That was in the CIP budget?

Mr. Thomas answered that is correct.

Alderman Levasseur asked and that was in what number in the CIP budget.

Mr. Thomas answered I don't know off hand. I can get that for you.

Alderman Levasseur asked so it was just included in the CIP budget.

Mr. Thomas answered it has been in the CIP budget since our initial request.

Alderman Levasseur stated but it wasn't line itemed out so I couldn't tell whether the \$40,000 was for that or for something else.

Mr. Thomas replied yes. It was \$40,000 cash and it spelled out exactly what it was for.

Alderman Levasseur asked what did it say.

Chairman Cashin stated I think it was inventory facilities.

Alderman Levasseur stated I thought it was coming out of his budget so I guess we can't get that out of there now anyway because it is in CIP.

Alderman Wihby asked what is the difference between the original budget and the revised budget. The B and C columns?

Mr. Clougherty answered that is your modified budget. If there were line items transfers or movements of contingency into a line item that would be reflected in your revised budget.

Alderman Wihby asked so revised would have anything that was transferred in like the Aldermen would have done you mean.

Mr. Clougherty answered right. If there was contingency moved or something like that, it would be reflected in the revised column.

Alderman Wihby stated tires and batteries went down. Is that because the departments have the right to move it around?

Mr. Clougherty replied right, within the expense line items. They can't move it into salaries.

Alderman Gatsas asked about Line Item 521, which is insurance. I assume it is general liability. Is that a restricted item?

Mr. Robinson answered yes it is.

Alderman Gatsas asked can we move that up. Can you change that number in your computer so that we can get restricted items in one sequence? Do you see what I am saying? Pension, payroll, and health insurance, all of those are restricted. We should move the general ledger. I don't care what number you make it, but let's get it up in the restricted so that we are looking at the same page and I am not going through something and being \$120,000 off and I finally find it.

Chairman Cashin asked who is going to be responsible to see that this gets done. I don't want to be sitting here again.

Alderman Gatsas stated Wayne if you are going to do these pages again...

Mr. Clougherty stated we will work with Wayne on it.

Chairman Cashin asked and we are going to get the numbers from Howard, right and the three of you will work together.

Alderman Vaillancourt asked about Line Item 610. Having gone through this with a budget that is more complicated than this in Concord, the line we used to look at was column A, fourth line in. If there was a huge number there, that would flag our attention. I see your general supplies have gone up. Again, it is not glamorous, but it is \$7,500. It is an increase of 50% or 35%. Why has it gone up so much?

Mr. Thomas answered the main reason why that general supply line item went up is quite frankly the printer cartridges that we have for our laser printers in the office. They are very expensive.

Alderman Wihby stated Alderman Vaillancourt you are looking at A compared to B, but when you look at this budget it is A compared to C because that is the same number they used this year. That is why it is confusing. C is what you transferred money into this year so it is not a real increase this year but when you look at the column that Alderman Vaillancourt is looking at to look for increases and decreases, it doesn't really give you the right number there. It looks like you increased \$7,500 in one year but you didn't because you transferred money into that. That is why that number just confuses us more than anything else does.

Mr. Thomas replied keep in mind that I had to decrease another number to make that up. We are working off of a bottom line and there is going to be line items that change. There is going to be a lot of money dumped into the fuel account.

Alderman Wihby stated it is almost like we should use the revised budget number and then compare A and C for a plus or minus than it would be to use the original budget. That is why it is confusing with having two of those columns there.

Alderman Gatsas stated I think the most important number on that sheet is where numbers are actual. The actual FY99 expenditure. If you look at Line 610, you spent \$9,000 in FY99. You came back and you budgeted in FY00, and this is where departments are really good at moving numbers where they need them during the course of the year, and asked for \$20,000.

Mr. Thomas replied \$12,500.

Alderman Gatsas stated well it was revised to \$20,000.

Mr. Thomas replied I had to add to that during the year because our expenses went up in that area and one of the main reasons is like I said these darn cartridges for the laser printers. They are a lot of money. I forget the amount now but obviously when I check my budget on a weekly basis and I see a line item going up I ask why and the response I got on that line item was the cartridges.

Alderman Gatsas stated then this line that both of them are talking about should be A minus C for where the changes are. Not A minus B because that A minus B is not telling you anything. A minus B is just telling you what the Mayor is giving you and what you budgeted without any line item changes. It should be A minus C.

Alderman Wihby stated either you are getting rid of B and making it A and B or you have A and C.

Alderman Gatsas stated B means nothing.

Mr. Thomas replied it doesn't mean much to me either.

Alderman Gatsas stated so if we are using a comparison basis, it should be A minus C to give you what that change is.

Chairman Cashin stated why don't we make it simple and eliminate B for discussion purposes.

Alderman Gatsas replied but they have to make the change and have it A minus C.

Mr. Clougherty responded we can do that. We can compare any columns that you want.

Chairman Cashin asked, Frank, in the course of last year you changed some line items and you went from one item to another but you didn't change the bottom line.

Mr. Thomas answered that is correct. Last year I also turned money back in to the operating budget.

Alderman Wihby stated it is just a matter of when you look at it and you are going to look at that column and you are going to think it is an increase or a big decrease and it really wasn't because the number was changed depending on which column you looked at.

Chairman Cashin stated if we eliminate column B that will save a lot of confusion.

Mr. Robinson replied that was my decision to put those there because if you try to tie back the FY00 budget by using column C you will not be able to do that.

Alderman Wihby stated total wise.

Mr. Robinson responded potentially unless something was carried forward from contingency.

Chairman Cashin asked but eliminating it for discussion doesn't affect anything does it.

Mr. Robinson answered that is correct.

Alderman Hirschmann stated I have the Mayor's response from the department heads for 2.5%, 3%, 5% and 6% cuts. Do these things still hold up with all of the changes we talked about today? 6% in net expenses is only \$125,000 from the Highway budget? This is on the letter that you wrote to Wayne Robinson, Frank.

Mr. Clougherty stated I think all of the departments were asked to respond to a series of scenarios ranging from 2% up and I think that is what he is referring to.

Alderman Hirschmann stated 6% it says is only \$125,000 cut from next expenses. It didn't sound like a lot, but I was going to support that.

Mr. Thomas stated that was \$125,000 off expenses. That doesn't include the 6% cut in salaries.

Alderman Hirschmann stated he didn't ask for that, correct.

Mr. Thomas answered right.

Alderman Hirschmann stated all we are discussing is expenses, right.

Mr. Thomas replied the request was to look at a 2.5% to 3% cut off of salaries and a 5% or 6% cut in operating expenses. The total cut off of our budget with the Mayor's budget as it stands right now is about \$234,000, which includes a 2.5% cut in salaries.

Chairman Cashin asked but that is in the budget that you just presented, right.

Mr. Thomas answered right. The budget that you are looking at today has a 2.5% cut in the whole thing.

Alderman Gatsas asked on your department adjustment column, if I go down and look at operating expenses you have \$6.9 million. Is that a number that you can live with?

Mr. Thomas asked \$6,849,000.

Alderman Gatsas answered no; \$6,924,046.

Mr. Thomas replied yes.

Alderman Gatsas asked if we asked you to cut another ½% that would be roughly \$35,000.

Mr. Thomas answered I would have to cut it out of resurfacing.

Alderman Gatsas stated we are going to try and play with resurfacing somewhere else. Yes or no if we gave you the full complement of what you are looking for in employees which would bring you to \$6.9 million?

Mr. Thomas replied if I had my salary account funded 100%.

Alderman Gatsas stated which is \$6,925,764 million. That is with your six new people added on. You said that you could use a total of nine but you could live with six. That number was \$6,925,764 million.

Mr. Thomas replied I am not sure. If you are saying I can have my full salary complement minus salary adjustment.

Alderman Wihby asked why minus salary adjustment. It is going to be in your budget. Don't you want it?

Mr. Thomas answered I don't care one way or another.

Alderman Wihby asked so we can just eliminate it and you are not going to get any salary adjustment money.

Mr. Thomas answered as long as it is somewhere else.

Alderman Wihby stated it is not going to be anywhere else. It is going to be in your budget.

Mr. Thomas replied if it is going to be in my budget then I will keep it.

Alderman Wihby asked what is in the salary adjustment account again.

Mr. Thomas answered it is for severance, A-STEPS, etc.

Alderman Gatsas stated but that is in the number that you have already given us.

Mr. Thomas replied no. That is not in my budget requested number because every year except for this year there was a salary adjustment account.

Alderman Wihby responded right and if there is not one now, you still need the money.

Mr. Thomas stated that is correct.

Alderman Levasseur asked, Frank, if you had the option of keeping last year's salary or getting rid of people what would you do.

Mr. Thomas asked keeping last year's salary.

Alderman Levasseur answered right without Yarger Decker in it.

Mr. Thomas asked keeping last year's salary or laying off people. I don't know how I can respond to that. We have a union contract that I have to abide by. It is not like I can keep last year's number. If you give me last year's number and tell me that I have to live with it, I will have to lay people off and cut some services. It is not just laying people off it is also service cuts.

Alderman Levasseur asked because we are locked in on the contracts.

Mr. Thomas answered that is correct.

FIRE DEPARTMENT

Chief Kane stated I am going to be referring to a handout and you should also have an introductory letter that I will be reading and then we can go into the line items that we would like to talk about after that. Basically, I would like to thank the Board for allowing us to be here. I believe that some of your original material that you received as our original budget request. What we are dealing with today is not that budget request, but in fact the Mayor's budget and the Mayor's budget figures. There is an enclosed spreadsheet that we would like to go over in detail and basically our understanding is that we agree with Human Resources, the Finance Department and the Mayor's Office on the budget figures that we have in here. Some of the figures that are not included in here are the restricted items that

we don't have any dealings with. One of our biggest issues is the 2.5% Mayor's budget cut, which represents around \$210,000 in regards to our line items. What we have done there is taken that money out of our line items, which are fairly tight right now, and we can look at those areas that we consider short in regards to our equipment accounts and our capital accounts. We try to be conservative in our approach to the budget and try to take as many cuts as we can even before we get here. In summary, I would like to point out that the department tries to provide the City with the best emergency services that we possibly can realizing the constraints of the budget. There are some items that we are concerned about and I would like to go over those. If we go to the line items in our attachment, we use this as opposed to a different formula because it seems easier to read. It is all-inclusive in our budget and seems to be a smooth way to go through it. On our first page we have our regular salary items and then we have a total salary and wages and we concur with those figures. The Mayor's Office and Human Resources also concur with those figures.

Alderman Shea asked are you working with \$10,371,151. Is that the figure you are working with for your regular salary and wages? Is that where we are?

Chief Kane answered yes.

Alderman Gatsas asked do you have a budget that you submitted to the Mayor. Like Frank just gave us something like this that showed us what his submission was to the Mayor. Do you have something we can look at that is like that?

Chief Kane asked comparison as to what.

Alderman Gatsas answered if this Board said...you obviously submitted a budget to the Mayor. Let's say it was a number of \$1 million and if this Board said we will give you the full complement of what you requested it must be different than what we are seeing here.

Alderman Wihby asked you were just given a number weren't you.

Chief Kane answered in the salary account what we do and how we do the salary account is we collaborate with Human Resources and the Mayor's Office in regards to that number so the salary number is basically the number that we supplied to the Mayor.

Alderman Wihby asked didn't you start giving a budget and the Mayor told you to forget it and just use this number and then you prepared a budget based on those numbers.

Chief Kane answered that is correct.

Alderman Wihby asked you never really submitted what you really wanted. You submitted what the Mayor gave you for a number plus what we have in our book for additions.

Chief Kane answered there are two areas in the budget. Well there are a number of areas in the budget. The first area in the budget is salaries. To come to a budget number in salaries, Human Resources, the Fire Department, and the Mayor's Office worked together to come up with a single budget item. When we go into line items, we submitted our budget to the Mayor that we worked on together and those are projects and different things and line items so those numbers are different from our salary numbers.

Alderman Gatsas stated I am talking and maybe I am not making myself clear. Did you or do you have a complete line by line, including wages, budget that you would submit for either approval or denial.

Chief Kane answered yes. Would you like to see that?

Alderman Wihby stated, Mr. Chairman, I asked for those numbers from the departments regarding requests that were put in to the Mayor and I was told that they stopped all of those requests and that the Mayor called them and gave them a number. I thought that should have been an item that was in here for all of us to see and Wayne told me that the Mayor said don't give us the budget anymore, here is your number, take a 2.5% cut and submit that number. Which one is right? Is there a budget that the departments sent along or are there not?

Mr. Robinson replied to explain the process once again, the Mayor did ask for departments to submit their budgets. When the budgets were returned they were looking for an additional 34 ½ full-time employees. Those 34 ½ FTE's totaled \$1 million in salary and benefits. In addition to their current complement, they were looking at an additional \$4 million in salary and \$2 million in benefits. So, with that \$7 million increase without looking at other operating line items, we basically put a halt to the budget process and said we need to re-evaluate this. It was determined to put a hiring freeze on and to curtail spending. With that, the Mayor called his advisory committee together and the recommendation from the advisory committee was to fund the current complement 100%. For operating expenses, we went back to FY00, the year that we are currently in, and funded that 100%. We took those two numbers and added them together and ran various budget scenarios from that number. The number that was submitted was a 2.5% cut. The Mayor has never addressed their operating line item requests.

Chief Kane stated I agree 100% with that scenario. That is correct. The department, in order to build a budget, we start in September. Not knowing what the end of the road is going to be, we do have a budget ready to go in December. The department didn't look for any additional staff.

Alderman Gatsas asked do you have copies of the budget you submitted.

Chief Kane answered yes I do.

Alderman Gatsas asked do you have enough copies for everybody.

Chief Kane answered I don't. My understanding of the process is that we submit a budget to the Mayor and the Mayor formulates his budget, which he brings forward to the Aldermen. Although I do have the budget here, I did not bring enough copies for everyone.

Alderman Vaillancourt stated since we are running so far behind schedule maybe we could reschedule this department when they have the information in proper form.

Chairman Cashin stated I still think we can talk about expenses and I would like to get the expense budget out of the way if we can here today. I am not going to call him back here next Saturday if we can help it.

Alderman Levasseur stated what do we care what they budgeted. This is the budget that the Mayor has given them. We don't need to know the numbers they gave him. These are the numbers that the Mayor said they are going to be stuck with. If they told us they wanted \$7 million more, what does that matter now because this is what they are getting.

Alderman Gatsas stated I agree with Alderman Levasseur, but I think that obviously the request that a department puts in to any business should be looked at because that is what they feel is there optimum to operate with. I am not saying that we shouldn't look at different numbers, but I think we should at least give the Chief his due and look at what he thinks would run his department efficiently. Now I can't tell you that obviously the number that I am looking at here is the full complement of employees that he is looking for or it is not or if it is a cut or if he has nine shortages like Frank did and he is willing to fill six with a different number. All I am saying is that I would like the information that the department would like to run at an optimum. I think that is only fair to us to make a sensible decision.

Chief Kane stated in regards to salaries, the numbers are the same. The ones that I submitted and the Mayor's budget are basically the same. It is an issue where we have collaborated and agree on that number. The areas that differ between my budget and the Mayor's budget I can talk to those.

Alderman Gatsas asked the total wages that you have here, \$11.9 million roughly, how many employees does that include and does that include any vacancies that you currently have. Do you have any vacancies currently?

Chief Kane answered yes.

Alderman Gatsas asked how many.

Chief Kane answered eight.

Alderman Wihby asked your complement is 246 right.

Chief Kane answered correct.

Alderman Gatsas stated so 238 is your full complement and you have eight vacancies so you have 230.

Chief Kane replied no. 246 is our full complement and we have 238.

Alderman Gatsas asked of the eight, obviously this must include a salary adjustment in the \$11.9 million.

Chief Kane stated I am not sure what the question was.

Alderman Gatsas asked is the salary adjustment in the \$11.9 million.

Chief Kane answered as far as I know there is no salary adjustment in any other form in the Mayor's budget so all of the salary adjustment is in the \$11.9 million.

Chairman Cashin asked so the salary adjustment is in your salary line item.

Chief Kane answered the salary adjustment account for the most part is items that are contract related so there is no contract...we don't have any contract coming this year. The other thing in salary adjustment would be severance pay.

Alderman Shea asked are the eight vacancies included in restricted. Yes or no?

Chief Kane answered yes.

Alderman Wihby asked where is severance. Is it in that \$11 million number?

Chief Kane answered no.

Chairman Cashin stated you sat down in the Mayor's Office and came up with a salary budget and you agreed to a salary budget with the Mayor right.

Chief Kane replied that is correct.

Chairman Cashin asked so you are both in agreement with that and it is not a problem.

Chief Kane answered yes.

Alderman Wihby asked why is it different from Frank's. Frank said that his salary adjustment included severance and Fire is saying salary adjustment doesn't include severance.

Chief Kane answered I am sorry. It is in there.

Mr. Tawney stated it is in there for all departments.

Chief Kane stated Alderman Wihby there was a decision that was made whether to have salary adjustment as a separate item or not and you know that we have gone back and forth with this over the years. This year, as I understand, the severance in those salary adjustments is put into each department's budget.

Chairman Cashin asked can we say that we will not deal with the word salary adjustment because it is all in the salary budget at this time.

Alderman Wihby answered well that goes back to having Frank come back because when Alderman Gatsas tried to take out the money for salary adjustment, Frank said he needed it and now it is in there.

Chairman Cashin stated well we can call Frank back in.

Alderman Gatsas asked how much is salary adjustment.

Chief Kane answered well I can define what it is.

Alderman Gatsas replied you don't have to define it. Just give me the total. I don't care what it is or what you have in there. Just give me a total.

Alderman Hirschmann asked can we get an answer on the complement again and how many positions they need.

Alderman Wihby answered 246.

Alderman Hirschmann asked for next year it is 246. Is that right?

Chief Kane stated salary adjustment as I know it is about \$125,000.

Chairman Cashin stated I want to establish right now that salary adjustment is in the salary account line item. Is that right, Howard?

Mr. Tawney replied yes.

Alderman Wihby stated but the stuff Frank talked about that wasn't there is in there.

Mr. Tawney replied it is in there for all departments.

Chairman Cashin stated so we have to talk to Frank but I am going to assume from this point on that it is in and we don't have to discuss it any longer. Is that right?

Alderman Gatsas stated we need to discuss it to see what the amount is.

Chairman Cashin replied they should know the amount.

Alderman Gatsas stated if the amount comes out that we had salary adjustment in there last year of \$500,000 and we start adding all of this up and it comes to \$1 million then there is something wrong. Do you agree with that, Mr. Chairman?

Chairman Cashin replied yes.

Alderman Gatsas responded then they need to give us an amount. Either it is or it isn't and how much that amount is.

Alderman Clancy stated he said \$125,000.

Alderman Gatsas replied if I look at his \$11 million payroll and Frank is telling me \$136,000 then \$125,000 doesn't sound right because it is almost double Frank's payroll.

Chief Kane stated I was trying to define what the word salary adjustment means.

Alderman Gatsas asked when you were going to construct a budget for the Mayor and forget about what you sat in his office and agreed to, do you have a number that you submitted.

Chief Kane answered yes.

Alderman Gatsas asked what was it.

Chief Kane answered \$125,000.

Alderman Gatsas asked how much was the total wages including salaries and overtime. How much was it that you submitted?

Mr. Tawney stated the salary adjustment account that we had in there for the Fire Department included A-STEPS, the Tony LaPoor amendment, severance and the probationary and longevity increases and was for \$236,874.

Alderman Wihby stated and that is now in that \$11.9 million number.

Mr. Tawney replied that is correct.

Alderman Gatsas stated I think I said it should be almost double Frank's.

Mr. Tawney stated Frank's number is \$136,368.

Chief Kane stated I agree with that figure.

Alderman Shea asked could you explain the \$100,000 difference between one department and the other.

Mr. Tawney answered there were differences in A-STEPS and longevity increases were different and the severance.

Alderman Shea stated I think your department went up 11% in salaries with Yarger Decker and Highway probably went up 6% or so.

Mr. Tawney replied I would have to look into that.

Alderman Lopez asked, Mr. Chairman, didn't we say that we were going to get a copy with another line item for each department like this one piece of paper that Alderman Wihby was referring to.

Chairman Cashin answered we are going to get the breakdown.

Alderman Lopez stated we are going to get all of those in a format like this so the Fire Department will be giving us another sheet like this accordingly. Is that correct, Kevin?

Chairman Cashin replied we won't get it from the Fire Department. We will get it from Finance.

Alderman Lopez asked we are going to get it for all departments, right.

Mr. Clougherty answered right.

Alderman Vaillancourt stated I am not sure I understand this. The salary line item is up around 10% or 11%, yet your overall budget is up 16.5%. How can this be?

Chief Kane replied one of the things that they did was last year the salary adjustment was not in our budget. It was a separate line item and now they have taken those items and put them in our budget.

Alderman Vaillancourt stated but you have gone through and cut the 2.5% in every other line so if you hadn't cut the 2.5% you would be up around 20%.

Chief Kane replied that is correct.

Alderman Levasseur stated salary adjustment of \$200,000 doesn't equal 16%.

Alderman O'Neil stated, Chief, if I am reading the package that you sent to us you are not debating the salary, professional services, property services but there seems to be a yellow flag with regards to natural gas and electricity because you highlighted that in my book. The big concern seems to be in the 700 line items. Equipment, vehicles, special projects and protective equipment. Can you just...under 740, Equipment, what is included in that? I guess there is a summary ahead of that so I shouldn't...these are necessary items such as what?

Chief Kane stated if you pull out your black book there is a page in there that will go over what is in that.

Alderman O'Neil replied we are trying to avoid the black book as much as possible.

Chief Kane stated okay. I can just give you a summary of what is in that account. That equipment is basically equipment that we use on the fire line. Axes, hoses, nozzles, ladders and that type of equipment.

Alderman O'Neil stated so there really needs to be some kind of figure in that line item, correct.

Chief Kane answered that is correct.

Alderman O'Neil stated that is your every day and that is what you folks are paid to do. Rust repair, I am just looking at...it appears that there are three ladder trucks that need to have some repair of rust. Main Street, Mammoth Road and Hackett Hill?

Chief Kane replied that is correct. We are looking at those vehicles and hopefully we can get those vehicles repaired. Some of those vehicles are going to be going through an inspection process this July and if they fail the inspection process we need to be able to repair those vehicles and get them back up and running. We are talking about internal structural stuff that needs to be done to these vehicles, which would require us sending them back.

Alderman O'Neil asked so if these repairs are not done at some point, they will have to be put out of service and we will have less ladder trucks in the City, correct.

Chief Kane answered that is correct.

Alderman O'Neil stated and that will somewhat affect fire service.

Chief Kane replied that is correct.

Alderman O'Neil stated to be honest with you the special projects I don't think are a necessity. I saw some renovations and I think a couple of the issues like an exhaust system in a couple of stations might be able to be addressed by Lands & Buildings or the CIP Committee. The last line item that I am concerned about is the protective equipment. I am just wondering if the recommendation is no funding for that. If a firefighter comes to you with a ripped coat or a helmet that is cracked or something and it is not replaced what would happen?

Chief Kane replied obviously I wouldn't put anyone on a fire call.

Alderman O'Neil responded so that person is useless to us then or if they failed to even bring it forward because they knew there was no money and they got hurt because of defective equipment, that opens us up for liability, correct.

Chief Kane replied that is correct.

Alderman O'Neil stated so we need to look at putting some money in at least three or four of those line items, correct.

Chief Kane answered correct.

Alderman O'Neil asked could you give me a ballpark total of what would be a number. Do I take last year's numbers and add those?

Chief Kane answered obviously last year's numbers would be adequate in those areas.

Alderman Hirschmann stated what I asked Howard Tawney to do for me is give me your complement as of 7/1/99. He went through the W-2's for me and you had 242 people. As of 4/6/00 you had 242 people on the W-2's. Your complement is supposed to be 246 so it looks like you are consistently running about four light in order to make your budget or do whatever it is you are doing. I have no ambition to run the Fire Department. I don't want to cut your expenses. I don't want to cut your complement, but we do want to manage the City. I don't agree with the way the budget is going this year. I don't agree with us telling them to cut their expense items. We should do what we have done every year and judge the department as a whole. If he can afford to run with four less people, he is the manager of the Fire Department and I don't want to cut his line items 31.86%. It doesn't make sense. I don't agree with the way the budget process is going. If he can run with four less people and save that money he is the manager of the Fire Department. By us going and cutting the other side to death on him doesn't make sense. The budget process this year doesn't make sense.

Alderman Levasseur asked what is your suggestion.

Alderman Hirschmann answered give him a number and let the manager of the Fire Department tell us if he wants to run four light or six light and keep his operating expenses. That is how you run a business.

Alderman Clancy stated in order to run the Fire Department they need the protective equipment and all of the stuff that goes along with fighting a fire. That is why we have to fund them adequately for them to function efficiently.

Alderman Levasseur stated he has \$1.5 million in overtime salary and special salary wages so if he needs some money for a crack in his helmet or a rip in his coat he has the money in there. He just has to take it out of somewhere else. He is not going to take the money out of his expenses. He has all this money to play with in salaries. It is a huge number here.

Alderman Gatsas stated I am back to square one. Can you, because I agree with Alderman O'Neil and I agree with Alderman Clancy and I certainly agree with Alderman Hirschmann, I would like to see a budget from you that you would love to see. If you had a wish list and obviously that is what a budget is that you would submit it to this Board so we can take a look at it. I don't want to micromanage anybody. Obviously I agree with Alderman O'Neil that a firefighter should not be put at risk and if that is the case that shouldn't happen and I don't think there is a taxpayer in this City that thinks that a firefighter or a police officer should be put at risk because of equipment or any other reason. What we need to get from you is a budget so that we can look at it, understand it, and then come back to you and ask questions. Now obviously my big question is I look at FY00 and I don't see one nickel of overtime. I look at this year and there is \$800,000+ in overtime. Maybe it is somewhere else and it is plugged to a different number but somebody needs to explain to me how that occurred.

Chief Kane replied basically as you look at that number what occurred last year is that they took all of the salary accounts, all of them, and lumped them into one item. What they have done this year is they have taken different salary accounts and broke that out so while you are looking at last year's budget as opposed to this year's, those numbers that are new this year or those lines that are new this year last year were located in the salary line.

Alderman Gatsas asked so you went up \$1.5 million. Basically what you are telling me and I hear what you are saying is that if I took FY99 actual spent, not budgeted for FY00 and I take that number and I add regular wages and overtime I am going to come to a number and Chief this might not have anything to do with you and I am not looking to put you in the hot seat but it comes out to \$10,464,000, which if I use that number that is less than your revised budgeted or original budget for FY00. That is more money. Not by a lot but it is probably a couple of hundred thousand dollars.

Chief Kane replied I want to try to work with you to get through this.

Alderman Gatsas responded nothing against you, Chief, but I have to believe that this process, when we have the departments that we have, there should be a sheet that is provided to this Board that is exactly the same coming from every department. It should not be any different. I don't care what it used to be or what it is today. I am telling you that the process we should be looking at is a process that is exactly the same in every department whether it is a \$1 million department or a \$50 million department. Those numbers should be accurate and they should be in front of us. Chief, now that I have said my piece and hopefully we can get that changed before we all meet again maybe you can help me through this.

Chief Kane stated if you could look at the spreadsheet that we submitted to you, which is in the little booklet, on the top right if you look at the first three lines there that would be the breakout as we look at in regards to the different salary line items as opposed to looking at the HTE budget, which would lump all of those things into one.

Alderman Gatsas stated but you need to hear where I am going. I am saying and maybe you need to write these numbers down so that you see them clearly, in FY99 wages and overtime was roughly \$10.5 million or \$10,464,000 because I don't want to cheat anybody. That was that number for FY99. I now go to FY00, the budget, and I don't know where we are based on expenditures YTD or anything else and I really don't care. If I look at this 71-page report that we have, the total for wages, overtime and special salaries is \$10,334,531. That is on the current budget. Taking that number and using that on FY01 there is about a 6.1% increase in that number to what you and the Mayor agreed to in wages. 6.1%. All three years have the same complement of employees so somebody has to tell me how you went to an additional \$1.4 million when you have paid the same employees since FY99. Do you want to let the Finance guy answer it because I am sure he put the stuff in the computer?

Chief Kane replied okay.

Mr. Clougherty stated in the current year's budget as you know there is \$1.5 million for salary adjustment. We don't make that adjustment until the end of the year. My understanding is that Joe will be coming with a request for salary adjustment towards the end of the year that will result in his budget being increased.

Alderman Gatsas replied I don't think it is going to be that kind of a number, Kevin, but I could be wrong. Let me just check with my calculator. When I look at this FY00 YTD expenditure what is it?

Mr. Clougherty answered \$8,452,290.

Alderman Gatsas asked what date is that to.

Mr. Clougherty answered that is 4/20/2000. It doesn't include this week's payroll.

Alderman Gatsas asked is it 10 months. Give me months so that we can do this easy.

Mr. Clougherty answered nine and a half.

Alderman Gatsas stated so divided by 9.5 times 12 it is \$10,676,000. I am just using YTD so he can't be coming to us for anything. He is not going to adjust it so I am just using this number. Why are we adjusting it next year for \$1.5 million? I knew it wasn't you, Chief. I knew it had to be behind me or maybe to my left. Howard?

Mr. Tawney replied half this year or a portion of this year was funded for cost at the previous year because the contracts were not changed. The contracts were renegotiated so there were new costs added on. Just doing a straight line like you are doing does not reflect those new costs because they are changing.

Alderman Gatsas stated I am going to hit this button here times 3%. That is giving it to him for the whole year. 3%. Is that a fair number?

Mr. Tawney replied more than that.

Alderman Gatsas stated hold on. I am going to hit the total button. How about \$11 million because I am going to give you \$400,000? That is really taking it to the full complement because I am taking the full complement of where it started at the back end and giving you 3% on the total. Would you way \$11 million?

Chief Kane replied there are other things in here.

Alderman Gatsas stated let them answer the question. They are the ones that gave you the money. I just want to make sure it is there.

Chairman Cashin asked who are you referring your questions to.

Alderman Gatsas answered whoever wants to answer.

Chairman Cashin asked Howard if he understood the question.

Mr. Tawney answered I understand the question. He wants me to accept it and I can't.

Alderman Levasseur asked is the number not really 5%. Is it really 7% or 8%? Is that the salary adjustment that we are looking at?

Alderman Gatsas stated if you take a look at this nice big black book that you gave us, what you submitted for a complement of 246 for your total budget was \$10,061,000. Is that right?

Chief Kane replied it is \$10,371,000.

Alderman Gatsas stated it is the last page in the black book in case anybody else is looking for it.

Most of the Aldermen stated that they didn't have that page in their black book.

Alderman Wihby stated maybe it came from Howard and I put it in the book. It is probably in one of your other packets.

Chief Kane stated may I explain something else. Those figures there are February and that was before we came to a consensus.

Alderman Wihby asked on what you needed.

Chief Kane answered yes.

Chairman Cashin asked you sat down in the Mayor's Office and discussed your budget with the Mayor. The Mayor and you mutually agreed on these figures. Is that right?

Chief Kane answered yes.

Chairman Cashin stated so we are going to go from there. We can go all the way back to Day 1 if we want to.

Alderman O'Neil stated it appears to me that all we are talking about is a difference somewhere between \$175,000 and \$200,000 to address those 700 line items like equipment, protective equipment and rust. I am just trying to keep this moving.

Chief Kane replied that is correct, Alderman.

Alderman O'Neil asked is it possible and I know that I have asked you this before and it is tough for you to do, is it possible through not filling a position for a period of time and sometimes it happens naturally and sometimes you have to do it...I know when somebody mentioned the vacancies before it is because you have a number of retirements that just happened or are about to happen. My question to you, Chief, is could you make up that \$175,000 or \$200,000 through letting you move with your salary side a little bit and still getting to the same bottom line or does that put a gun to your head?

Chief Kane responded that would be difficult because as we have vacancies in the Fire Department it is not necessarily like other vacancies. Once I take a person off the line and say this person is no longer there then I need to hire someone or put a floater in that position to man that truck so it costs me in overtime. I am either taking from Peter to pay Paul or vice versa. When I have a vacancy, it does cost me money. Now, the reason I maintain vacancies is because during the slow part of the year and I am going to say January and February, I do maintain vacancies prior to hiring people to go into rookie school. I try to hire a group of people to come onto the department at one time to facilitate them going to rookie school and making sure that they hit the road running when we have a high period of vacations in the summer months. That is basically how we manage the department.

Alderman O'Neil asked then your position today is no you can't really do it through adjusting your salaries a little bit and am I correct to say that we might be only on the bottom line about \$175,000 to \$200,000 off here and you can make that budget work.

Chief Kane replied yes.

Alderman Hirschmann stated I have a question for Brent Lemire since he is your Business Service Officer. For this FY00 budget, I have your numbers from the auditing committee and could you tell us what your projection is for June. What is your fund balance going to be giving back to the City?

Mr. Lemire answered \$80,000.

Alderman Levasseur asked when you have overtime pay and a guy that works four days, his regular week, and he swaps does he get overtime if he works that extra fifth day for somebody else. When a guy works two shifts in a row three days and he goes over his 42 hours because he is replacing another guy does he get paid overtime for that?

Chief Kane answered the swapping has no effect on overtime.

Alderman Levasseur asked what affects overtime then.

Chief Kane asked do you mean when it occurs or when it goes to time and a half. When overtime occurs is when someone calls in sick or if there is someone going on vacation and we don't have people to put into those positions. We then have to hire someone to come in and take those positions. There is a formula in regards to when it goes to time and a half. Sometimes it is over 40 and sometimes it is over 48 depending on what the workweek is.

Alderman Levasseur asked but in no case is it overtime when he swaps with somebody else.

Chief Kane answered that has no effect on it.

Alderman Levasseur asked what if somebody takes three weeks and he takes two weeks in order to go off...you know he gets a one week vacation in February and takes two weeks and he has to swap for those two weeks that still doesn't effect anything. It is only when he calls in sick that you have replace that person and the person coming in would be paid time and a half.

Chief Kane answered that is correct or vacation or injury.

Alderman Levasseur asked are your injured employees included in this 242 number.

Chief Kane answered yes, actually the number is 246.

Alderman Gatsas stated I am trying to get there for you but I keep coming up with a number. I am willing to give you the \$175,000 that quick but somebody needs to tell me why these numbers aren't close. The salary numbers aren't close. I don't care who agreed to them. I can only look at what I am looking at and I can't get them to come close. Let's just take a number. Let's take last years and you are at full complement, revised, and I am going to give you the higher number of \$10,334,000 plus salary adjustment and that is not there yet. So we are talking wages to wages.

Chief Kane stated you have to add the salary adjustment.

Alderman Gatsas replied just bear with me for a second. Let's take that out. Let's not deal with that right now. We will plug it in at a later date so you can see where I am trying to get to. If I give you 5% for Yarger Decker, is that a right number or is it way off? What is it?

Chief Kane stated I think it is higher than that. The reason I believe that it is higher than that is because when you take a look at the 3% and 2% you are reflecting one year there and what you are trying to do is trying to do two years of salary adjustments. That base number that you are looking at is FY99. That is what that is based upon. Then, during FY2000...

Alderman Gatsas interjected no it is not.

Chief Kane stated during FY00 we had an increase.

Alderman Gatsas replied and I am giving you that increase. The increase is \$114,000.

Chief Kane responded not it is not.

Alderman Gatsas stated if I look at the original budget, it is \$10,220,000. When did Yarger Decker go into effect?

Chief Kane replied the Yarger Decker figure is \$498,000.

Alderman Gatsas asked effective retro. The number I am working with is \$10,800,000. I am taking last year's number and giving you 5% for this year. I am trying to put these numbers in as many ways as I can get to. I come out to \$10,800,000 again.

Alderman Shea stated just a quick comment. According to this budget analysis, the Fire Department's total budget had a variance of 11.96%. Now I am not saying that is all salaries but that is the difference in the total budget from FY00 to FY01.

Alderman Wihby stated it is all salaries plus because they cut the expenses.

Alderman Gatsas stated if you take the \$10,800,000 that was last year's adjusted and you take 5% on top of that, it is going to bring you to \$1,393,000 or \$1,400,000 for a round number. I am still \$400,000+ away.

Alderman Wihby stated I don't agree with that.

Alderman Shea stated it went up 11% and you are only figuring 5% or 6%.

Alderman Gatsas asked how did it get up there is my question.

Alderman Shea answered mostly in salaries.

Alderman Gatsas asked did we give 11% raises.

Chief Kane answered the 11% is over two years.

Alderman Gatsas stated I have already figured it in. I have given you 10% over two years.

Alderman Lopez stated we need a break.

Chairman Cashin stated can I make a suggestion. Again, I don't want to stifle debate. I think it is wonderful and I think it is a learning experience for all of us and I appreciate it, but could we accept the fact that there are some questions about the salary adjustment accounts, the salaries and the fringe package and we can discuss it at another meeting and deal with expenses today.

Alderman Gatsas asked who are we going to discuss it with, Mr. Chairman. Do you want to discuss it with them or do you want to discuss it with ourselves?

Chairman Cashin answered I think we should discuss it with the Human Resources Department, the Finance Department and the Mayor's Office.

Alderman Gatsas stated I think he is more important than anybody else. If we don't have a number that is agreeable by the Chief, we are in left field someplace.

Chairman Cashin stated my understanding is and correct me if I am wrong Chief but you sat down with the Mayor and agreed with all of these figures, right. Even the salary and the benefits, right?

Chief Kane answered right.

Alderman Gatsas asked he agreed to what.

Chairman Cashin answered he has agreed to the salaries as presented by the Mayor.

Alderman Vaillancourt stated well the Mayor may be wrong.

Alderman Gatsas stated I don't blame him for agreeing. They are higher numbers.

Chairman Cashin replied so let us sit down and discuss it.

Alderman Gatsas stated but if you are going to cut it you are going to cut him.

Chairman Cashin replied then we will tell him. We will tell him why but you are not going to solve that here today.

Alderman Gatsas stated okay. I guess that is the way you do a budget.

Alderman O'Neil stated I think Alderman Gatsas made a statement earlier that I absolutely agree with. We need to get every department on a similar form that might show FY99 actual. That was a very good point so that we are looking at

each department the same and I think that anybody who has an idea on how to develop that, that is fine. Nothing says four weeks from now we can't bring department heads back in again once we get the correct numbers. Now we found out earlier that there were changes this week that had never been presented to us on the restricted item side. If there is a way to break this salary adjustment down for a true comparison of last year with this year, that would be helpful. I agree with you, Mr. Chairman. I think if we can get away a little bit for today and Alderman Gatsas is not wrong. There are concerns with the salary side, but if we can just address the operating expense side today we will be able to move things forward.

Chairman Cashin replied I am not suggesting that anybody is wrong. Everybody is right and everybody is asking the right questions, however, it is obvious to me that we are not going to be able to solve the question here of salaries, fringe benefits and the salary adjustment account. Now, my understanding is that every department head has sat down with the Mayor and has agreed to these numbers. Now if that is not a fact, then I want to know that. Chief, you told me that you agreed to these numbers.

Chief Kane responded yes.

Alderman Clancy stated besides salaries and fringe benefits, how about the rest of the stuff that has been highlighted. We can agree to some of that stuff.

Chairman Cashin replied that is what I am saying.

Alderman Clancy asked why don't we do that. The natural gas has gone up so what the heck, we know that. As far as the equipment, listen if they want to send anyone to a fire who doesn't have any equipment, they need the equipment. We know these things. You certainly need protective equipment. All of these things are warranted.

Chairman Cashin stated I have to go back to the Chief saying that he sat down with the Mayor and agreed to these numbers.

Alderman Clancy replied these numbers here are warranted. I don't know about the wages and the fringe benefits. We can probably get that later.

Chairman Cashin stated can we just take the salaries out of the equation for now and go with the operating budget.

Alderman Gatsas stated let's give him the \$170,000. Do you want it?

Chief Kane replied sure.

Alderman Gatsas moved to give the Fire Department \$170,000. Alderman O'Neil duly seconded the motion.

Chairman Cashin stated we have a motion on the floor. What is the motion for exactly?

Alderman Wihby stated I think it was made in sarcasm.

Alderman Gatsas stated I made the motion because you made the statement, Mr. Chairman, that we will talk about salaries at a later date. I am saying to you that I don't have a problem with the \$170,000 because I am looking at the \$500,000. If you want to play that, I can play it. I don't have a problem doing that.

Chairman Cashin replied I am not trying to play anything.

Alderman Gatsas stated if you want to debate it, let's step down.

Chairman Cashin stated we are going to be here until midnight and I don't think we are going to accomplish a hell of a lot the way we are going.

Alderman Lopez asked is that a motion or what.

Chairman Cashin stated I am not going to accept a motion.

Alderman Lopez stated I have a question for the Chief in reference to what Alderman O'Neil said about the material. When you agree, Chief, with the budget and you didn't put any numbers in there, you weren't too concerned about it right?

Chief Kane replied what we agreed to is the salary lines. The process was that all departments were asked to take a 2.5% cut.

Alderman Lopez responded I realize that. I am going to the total supplies and materials for the equipment that you are speaking of here that was raised. You agreed to put no numbers in there.

Chief Kane stated the Mayor said he wanted us to take X amount of dollars out of the budget and that is what we had to do. Obviously, we had to take it out of the line items and in regards to the line items that is where we made those cuts.

Alderman Lopez asked do you consider it a safety hazard for your people in not having any money in there.

Chief Kane answered yes.

Alderman Wihby stated it is kind of confusing and first of all I don't want to reflect this on Wayne because I know that he has been working on trying to get numbers and he doesn't have a lot of stuff from last year so a lot of this everybody might be thinking is confusing but the first time you put a budget together this is going to happen especially when you have been used to the same thing for 10 years. Chief, wasn't the argument here is the number that the Mayor gave you, it is a 2.5% cut, which amounts to \$230,000 and then you come back and in your budget additions you put the items that you think you want to come to this Board and ask for. Where is that in here? Where do I see that you are saying...I see a thing that says you are going to cut \$298,000, it is 2.5%, March 17 is that the number that was cut and then you are cutting firefighters...what is that? Is that anything?

Alderman O'Neil asked where are you reading that.

Alderman Wihby stated it is in my book. It says in response to requests by the Committee, we have determined the following: a 2.5% cut for an amount of \$298,000. Is that no good anymore? That would represent eight firefighters.

Chief Kane replied that was an early request before the budget was totally formalized.

Alderman Wihby stated so what happened was you started to give a budget and you maybe even had numbers to complete a budget and normally this Board would have seen those numbers in a column and then we would have seen the Mayor's numbers and we would have seen that you asked for \$3 million more and the Mayor didn't give it to you. Then what we would have said to you is wait a minute, you wanted some numbers here and how important is that to you. You would have come to us and been arguing I need this stuff. Now what are you arguing today other than saying you agree with the Mayor's numbers? What are you arguing for? How much money do you need to make it work or are you agreeing with the Mayor's numbers?

Chief Kane answered I am basically with regards to salary agreeing with the Mayor's numbers. I have some concerns with regards to the line items because what I had to do was zero out...

Alderman Wihby asked is there a letter in here that says that you have concerns with the Mayor's budget and you want something done.

Chief Kane answered the presentation says that.

Alderman Wihby asked that second page. So you are saying that you didn't get that in the Mayor's number and those are things you asked for and think are important enough that you are asking this Board to consider them when we deliberate on what to give you.

Alderman O'Neil stated read the last three or four lines of that paragraph and it gives the numbers.

Alderman Wihby stated so you are happy with everything except you want that one paragraph to be considered when we deliberate.

Chief Kane replied that is correct.

Alderman Wihby stated the salary line item doesn't make any sense to me either. I see it off by \$400,000 or \$500,000, but we went from \$10.3 million this year and I guess that number is not real either because there is \$500,000 for salary adjustment that is not in there so it has gone from \$10.8 million to \$11.9 million. It has gone up \$1.1 million. Now we are supposed to understand that the \$1.1 million is 10% and that was all due to Yarger Decker raises and steps and not due to filling positions or anything else. That 246 complement that you had last year you did not have any holes in that that you couldn't fill.

Chief Kane replied I always have a little bit of a hole there that I don't fill. When I don't fill a hole, it is costing me money.

Alderman Wihby asked but the \$1.1 million is all due to contractual agreements and nobody can understand why that is more than any other department. Do you know why?

Chief Kane answered no. I would say that we are...

Alderman Shea stated they were treated very well by Yarger Decker, that is why.

Alderman Wihby asked so when everybody got reviewed the steps for your department when up.

Chief Kane answered right.

Alderman Gatsas stated he already said it was \$489,000 for Yarger Decker.

Alderman Wihby stated you are going from \$10.3 million plus \$500,000 for this year so \$10.8 million is going to be your bottom line number this year for salaries. Is that true? The FY00 budget that we are in. That number is going to end up around \$10.8 million?

Mr. Lemire stated last year in the contract negotiations when the firefighters came in apparently there was a misunderstanding in the step that they should have been placed in originally and we have to come back to the Board to ask for the other increase. That impacted the total amount for this year so in essence we are up under contractual obligations over 11% from this original budgeted figure, which did not include any of the contractual agreements for this year. It is basically a double hit that we have had to absorb.

Alderman Wihby asked and it is all due to Yarger Decker and not new employees or money somewhere else.

Mr. Lemire answered correct.

Alderman Shea stated I think and I know we are going to eat but I think part of that is when the salaries go up the FICA goes up, the retirement goes up and everything else is impacted by that. We all know that.

Alderman Gatsas replied we are not talking about that though. That is not in here. That is separate.

Alderman Wihby stated if you look at the 71-page report that we are going to be reading off of, that shows FICA as \$200,000 up by itself.

Alderman O'Neil stated if you add up their numbers, I think they felt that they were short about \$259,000. That does not include the special projects request. That is why I came up with a number between \$175,000 and \$200,000. I think that would put them in a better position and not jeopardize the safety of our firefighters or the services they provide. I think we need to keep a number around that in the back of our mind at some point when we are going to make adjustments and vote that up or down. I think we can end our discussion with the Fire Department there.

Alderman Vaillancourt stated I am interested in this health insurance and why there seems to be such an inordinate increase in health insurance as compared to other departments here.

Chairman Clancy stated we can address that when we meet with Human Resources and they can tell you. Are there any other questions for the Chief?

Alderman Wihby stated I just have one for the rest of the day. Why don't we let some people go home? It is already 12:30 PM and we are four people behind.

Alderman Lopez stated they all have the same problem anyway.

Alderman Vaillancourt stated I suggest that if a department isn't properly prepared we forego them for today and do ones that are prepared.

Alderman Wihby stated we are already going to 4:30 PM. Are we going to go until 9 PM?

Chairman Cashin stated we will stay here as long as it takes.

Alderman Wihby stated I just think that if we had different information on a different day and we take half of them today and half another day and get more information. I think that would be easier.

Alderman Thibault stated let's deal with the operating budget today and have everyone back for the salary accounts. We can do this in two or three nights. Let's get the operating budget done.

Alderman O'Neil stated the other thing is whoever wants to put it together come up with a form that is consistent for each department.

Chairman Cashin stated Wayne has worked tirelessly to get this information. I understand that it is a new budget and I understand that there are new players.

Alderman Gatsas replied Wayne's numbers are perfect.

Chairman Cashin stated we have more paper than we have had in the last 30 years. What are we looking for on another form?

Alderman O'Neil replied something similar to what Frank did I think gets us to where we want to be.

Chairman Cashin asked how many pages do we need.

Alderman O'Neil answered it is a one page.

Alderman Gatsas stated the departments at least should be aware of what we are looking at. If they don't know what we are looking at...

Chairman Cashin replied they know what we are looking at.

Alderman Wihby stated we don't even know what we are looking at.

Alderman Gatsas asked Chief Kane do you have a copy of the 71-page document.

Chief Kane answered I don't have the entire document.

Chairman Cashin recessed the meeting for lunch.

Chairman Cashin called the meeting back to order.

POLICE DEPARTMENT

Chief Driscoll stated we will be very brief. I would hope that everyone has a copy of this document that we sent out yesterday. This is the document that we would like to have you go through with us. If anybody doesn't have a copy, we have extras. We will be very brief. I think that our presentation will be informative I think that when we are done you will understand our budget and how it unfolds and certainly if there are any questions we would be pleased to answer them. We are going to talk to you about last year's number and why that number increased. We are going to talk to you about what we call zero base. We are going to touch on budget additions that we had originally proposed in our previous budget. We are going to talk about that 2.5% cut that has been reduced from the zero base in the Mayor's proposed budget. We are going to identify the impact that the 2.5% will have and then certainly we will answer your questions. If you will open to the first page, it talks about what we call the zero base worksheet. It starts with last year's FY00 budget number, which is \$11.901 million. In order to get what we called zero base, which is the \$13.701 million there were additions this year and I would like to go through those with you real quick. The contractual Yarger Decker money is \$1,395,000. As you folks know, there is \$175,000 that used to be controlled in the salary adjustment account, the severance money, and that has been added to our line items in our salary adjustment.

Alderman Clancy asked how much of an increase was Yarger Decker.

Chief Driscoll answered it is an additional \$1,395,000.

Alderman Clancy asked percent wise.

Chief Driscoll answered 12% or around there over the two years. The \$59,000 is a domestic violence grant that we have had for three years. It is for three people at the Police Department to do domestic violence. It matures this year and that money needs to be added in. The Universal Hiring and the UHP Local Match and the increase is something that we have had for about three years. We have had eight officers that we got under the COPS program. That grant ends in February. There is a total additional new money of \$1,799,000, which brings us to the \$13,701,097, which we call zero base. If you turn the page, I would like to break down that zero base for you. If you look at the \$13,701,097 and divide it into the three categories basically that we use at the Police Department, salaries are 93.3%, expenses are 65 and the capital is very, very small, .14%. Obviously, the huge chunk of our budget, that 93%, is salary. If you turn the page once again, you look at the \$13,701,097 which is zero base. The budget additions which I will go over to make you aware of them. Initially when we met with the Finance Committee and the Mayor we asked for \$260,077. In addition to that on the next page and I will get to that in a second, what those things were we have identified those positions and how that money would be used in the line items so that you would better understand that. That brought us to a total request of \$13,961,174. We felt at that time when we went to meet with the Mayor and his budget team that that was a number that we could very strongly justify. It included seven new positions, which are the top four entries for a total of \$183,803. It included \$76,000 based on real cost expenses for a total of \$260,077. I would remind you that that money is not presently in our budget. We were given a zero base budget. If you turn to the next page, once again the difference between what we call zero base and the Mayor's number it is \$13,701,097 to \$13,356,446 for a difference of \$344,651. That represents 2.52%. There are basically two places we can get that. We can get that out of the line items or we can get it out of the salary account. As you might remember, there is very little in the capital so there is not much we can get from there.

Alderman O'Neil asked the number of \$13,356,446, that is the Mayor's recommended to you.

Chief Driscoll answered yes it is. If you add that and the difference there, that would give you the zero base. The breakdown of our salary account...once again if you remember it was 93.3% of our budget. This breaks down that salary account and shows you how that money is spent. The regular salaries and wages was \$11,543,000. The overtime salaries and wages and that is the dark portion of the pie that I would like you to focus on here in a minute, is \$1,084,000. The severance is the smallest piece of the pie and that is \$175,000. Once again, that brings you back to the total of \$12,793,000 or 93%. If you turn the page one more time, I would like to now breakdown that \$1,084,000 for you because realistically in order to find \$344,000 this is where we have to go. If you look, you will see

that we have broken down the overtime expenses. The call back is \$300,000. If you look down that is when my investigative unit goes out and does a drug raid. It is in addition to their regular eight hours a day. If there is a homicide or a fatal accident or a major case investigation where they are called back and have to respond in the middle of the night or on a weekend or on a holiday, that is where those overtime dollars come from. That is what we call call back. There is emergency overtime, which is used to fill vacancies due to vacations, illnesses and injuries. That is about \$255,000. There is court. Court is a big chunk. There are possibly some savings there and we would like to talk further about that at some point with the Mayor's Office. There is an opportunity, we believe, long-term to save some money there. That is \$400,000. We are required to send our people to court. They are under subpoena. There is some revenue generated as a result of those subpoenas, which knocks that figure down quite a bit. Certainly, though, that is a big chunk. There is training in there for \$65,000. There is planned overtime in there for \$35,000. There are the special events and I don't need to go over all of those with you, but we believe that is a realistic number. The \$1,084,500. If you turn the page...if we are required to come up with \$344,000 this is how we will do it. We have looked at the line items. We believe that from the first 2, 4 or 5 things there we can scrape together \$30,000. Now I will tell you that we actually were looking at going the other way on the line items and we had asked for an increase of \$76,000 so what we are basically doing...what we believed we needed to fund the line items was \$76,000 plus the \$90,000 so we are actually reducing almost \$100,000 from our line items right off the bat. If you look down below that where it says reduction of essential services, these are the areas that we will have to go to in order to make up the difference between the \$344,000 and the \$30,000, which obviously is \$314,000 and we would be talking about patrol coverage, the major case investigations, training of our SRT, training of our K-9, communications coverage, the neighborhood programs and the school programs. These are all of the things that I believe make the Manchester Police Department a safe place to live and work and we are real proud of what the Police Department has done with the support of this Board in the last 10 years. If you look at the next page, it shows you the crime rate and the crime rate has gone down 46% since 1990. It has because this Board has supported public safety and worked with the Police Department. Those are Part 1 crimes. In summary, the proposed Mayor's budget for FY01 is \$13,356,446. Our zero base is \$13,701,097 for a difference of \$344,651 and there is a type that I see now that I didn't see before. It says FY20001 and it should be FY01. We are told by the folks at the Assessor's Office that it is 9 cents on the tax rate. I realize that you folks are trying to keep the budget down and we certainly support that and we will do everything possible, but I believe we are talking about our neighborhoods, our schools, and our businesses as well as dollars and we believe that it is very important to fund public safety. When we became an Enterprise Community, the City asked a cross section of the citizens what was important in their lives and one

of the things that they put at the very head of their list was public safety. I guess that is our presentation. We will be happy to answer any of your questions and help you out in any way we can.

Alderman Wihby stated if you go back three pages in to the \$260,077 in budget additions, basically what you are telling us today is that when you did your budget you were hoping to get this \$260,077 plus you were hoping to get that \$344,000. So, if you had \$604,000 more that is basically what the budget would have been that you would have been asking for.

Chief Driscoll replied yes.

Alderman Wihby stated because you didn't get all of that, you are actually forgetting about the \$260,077 and you are actually making deeper cuts for \$344,000.

Chief Driscoll answered absolutely. From our zero base, there has been 2.5% taken.

Alderman Wihby stated when I asked for the salary numbers and you are asking for...do you know what the salary number was for FY00.

Chief Driscoll replied \$11,908,782 on the first page.

Alderman Wihby responded that is the total budget. We have a number of almost \$11 million, but I don't think that includes the salary adjustment in it. Do you know what...and you are going to \$12.8 million.

Mr. Beaudoin stated \$10,994,000.

Alderman Wihby asked plus salary adjustment of how much.

Mr. Beaudoin answered \$175,000.

Alderman Wihby stated so \$11.2 million would be your total salary budget for FY00.

Mr. Beaudoin replied \$11,169,434 would be the total.

Alderman Wihby stated so if it is \$11.2 million and you say you need \$1.4 million more this year, why aren't you looking for \$12.6 million instead of \$12.8 million.

Chief Driscoll replied I am not with you.

Alderman Wihby stated if your total FY00 budget for salaries is \$11.2 million and on your note here you have contractual increases of \$1.4 million so why wouldn't I just add the \$11.2 million to the \$1.4 million to give you \$12.6 million.

Mr. Beaudoin stated you have the additional money for the grants that are ending.

Alderman Wihby asked does that normally come under salary.

Mr. Beaudoin answered yes.

Alderman Wihby asked and this keeps the same complement that you have now.

Chief Driscoll answered yes it does.

Alderman Thibault stated there is a lot of vandalism on the West Side, especially next to the schools and also the damage that was done in the City park two weeks ago. I would hate to see them cut in any area that will affect that. I would like the Board to take that under consideration.

Alderman Gatsas stated I certainly understand and I agree with what you said about the restricted items, but I think they should understand what we are looking at and I don't know if it is right or wrong but at some point when you look at worker's compensation going up three fold in a year, I don't know if that is something they are aware of or not. We obviously address that with departments because they need to be aware of what that cost is on a line item if it is affecting their department. They don't see it as a cost, but it is an inherent cost back to the City. If nobody is concerned with that and I am not directing this at the Police or any department, then at some point that is a number that if they aren't aware that it is affecting big dollars we need to get into a safer work environment to bring those costs down. I am not saying that the work environment is unsafe there. I am just saying that when you look at those numbers we need to look at them as a whole and every department should be cognizant of that. I don't know when we start talking and I have been trying to stay away from it, Mr. Chairman, because the three departments that came in are the bulk of the worker's compensation money. Either we are going to bring them back in and discuss it with them and put it in a number so they see it or is that something we are planning on doing at some point.

Chairman Cashin stated I would certainly recommend that, once we decide how we want to handle it. I am sure the Chief knows what his worker's compensation costs are.

Chief Driscoll replied I can't tell you the specifics of that at this moment, but annually we sit and discuss whether it is 32%, 33%, or 38% and always look at that window so we are aware of it. Can I tell you what the dollars are and how that breaks down? Not at this moment.

Alderman Gatsas responded I understand that, but using percentages isn't factual and it is not good. It should be actual so that you know what an actual number is and not a percentage number. Your percentage number in your department based on worker's compensation rates should be much higher than 33% versus somebody in Finance or the City Solicitor's Office because they are all clerical people and your people are at a much higher rate on the worker's compensation side. That should be reflected and I don't know if we do that reflection when we do this or are you just using losses. Howard?

Mr. Tawney stated that is Harry Ntapalis' area, but we do charge the payroll line against all worker's compensation.

Chief Driscoll stated can I just respond to the last question. This is a budget worksheet that the deputies and I get from Paul and his division on a weekly basis or close to a weekly basis. It has those numbers on it. We are aware of the large numbers that health insurance and dental insurance and worker's compensation and the retirement system costs, but they are numbers that we have never been able to impact. They are just there for our information.

Alderman Gatsas stated where I was going is let's assume that I am a contractor and I am looking to open a street to get to the sewer line. I request a police officer and you send him to me. You then send me a bill. What is that hourly rate billed me?

Mr. Beaudoin replied the hourly rate for working extra details is based on a patrolmen's...I believe it is in the Decker Study letter F or G...the overtime rate for that patrolmen. Whether you are a patrolman or a captain working a detail that is the rate that is billed to the contractor.

Alderman Gatsas stated let's use a number and when you say overtime that makes me a little uneasy. Is it a flat rate or an overtime rate?

Mr. Beaudoin replied it is a flat rate based contractually on a figure.

Alderman Gatsas stated let's take a number. You pick it.

Mr. Beaudoin replied I think it is \$28.63/hour.

Alderman Gatsas asked that is what we bill out.

Mr. Beaudoin answered yes. From that, there is \$1.70 per hour that the City takes as a revenue for administering the extra detail program. There is also the City's share of the State Retirement System. It is 4.9% of the gross and it covers the entire amount that the City pays in. The balance goes to the office working the detail. From there, they take their portion of the taxes and retirement. The amount that the City takes, that \$1.70/hour, covers the Clerk that we have administering the extra detail program and it also takes into effect the impact that the cost of worker's compensation has where officers are working details versus if they had no details. It is a very complex formula to work out.

Alderman Gatsas stated let me simplify the formula for you because I am only looking at nuts and bolts and we will do it easy. If we take \$28.63 and I multiply that times 7.65%, which is the City's matching FICA...

Mr. Beaudoin interjected there is no FICA. Officers do not pay into FICA. They pay into the State Retirement System.

Alderman Gatsas asked, Howard, matching FICA do we pay in.

Mr. Tawney answered no. They are special and under an Agreement, Section 218, which states that they are exempt from Social Security.

Mr. Beaudoin stated neither side pays into it.

Alderman Gatsas asked do you know what the worker's compensation rate adjusted to a police officer is.

Mr. Beaudoin answered no I don't.

Alderman Gatsas asked the \$1.70, does that line item go directly to the officer. Is it a separate check or in his weekly check. No, the check that he receives for the detail. Does he get a separate check?

Mr. Beaudoin answered no. That goes into his weekly payroll.

Alderman Gatsas stated so what you are saying is \$1.70 should cover handling charges and worker's compensation.

Chief Driscoll stated there is one more variable that I would like Paul to tell you about. The administrative fee.

Mr. Beaudoin stated what has happened over the course of many years is contractually there would be a \$1 additional fee to set-up a revolving fund for the officers who are paid their details the following week. Sometimes the City has to wait a few weeks for the money to come in from the contractors and right now there is over \$100,000 in that fund and it is a floating amount depending on when the contractor's pay and when the officers are paid. That takes into effect certain things such as when contractors go bankrupt.

Alderman Gatsas asked where does that \$1 come from.

Mr. Beaudoin answered it comes out of the officer's share of the money. The contracts as of June 30, 1998 or 1999 stopped that \$1. That is instituted as needed to keep that fund up.

Alderman Gatsas asked who holds the fund.

Mr. Beaudoin answered the City.

Alderman Gatsas stated I guess I am a little confused as to why we have a fund.

Mr. Beaudoin replied basically because officers are paid by labor laws the following week for work that they perform and if there was no fund, then the City's money would be used to pay them versus having the fund...it is like a fund balance to pay the officers out of that fund so that as the City waits to receive money from contractors as we bill them out, the City is not using their own money to pay the officers.

Deputy Chief Duffey stated one of the things that was agreed to by the unions is that we would not use City funds to ever pay extra workmen. If you see an officer working an extra detail out there, there are no City funds paying for that detail. By Labor Law, as Paul said, we do have to pay the following week and sometimes it may take us two or three weeks or six weeks and as Paul was further explaining sometimes some of these companies actually go bankrupt on us and that is where the \$1 comes back. When we get down below a certain amount, we go to the unions and they kick in the \$1 until we build it back up. All of that extra work that you see out there, no City funds are ever used. It is out of that revolving fund, which is administrated by the Finance Department.

Alderman Gatsas stated I think with the risk factor that if you were in an everyday business and you were looking to bill out that officer at his rate, you would have to take into consideration a worker's compensation rate, which is going to be far in excess of \$1.70. All I am saying is that is when it is relative that I say your number on the worker's compensation line is extremely high. We aren't and I

don't know how much money is in that number we are talking about for special detail.

Chief Driscoll replied \$1 million a year.

Alderman Gatsas stated if we are paying out \$1 million a year to employees for that, that number is a substantial number on the worker's compensation side that we aren't getting back from the contractor or whoever hires the police. Do you see where I am going with this? I don't think we are billing out enough for what our risk factor is. The \$1.70 is not covering the City's side of that number.

Chief Driscoll replied the unions have been very responsible in handling and working with the City and I am sure if that is an issue...

Alderman Gatsas interjected I am not talking about a policeman getting paid enough. I am saying that we are not collecting enough from the developer to open the street.

Mr. Beaudoin stated what we have done over the course of the years is every other year or so we will check and it is a very time consuming and detailed process of determining exactly what the impact of worker's compensation is by having extra details. What we do is every single officer who was ever injured, we will take their salary breakdown and what they were paid worker's compensation rates on and back out what it would have cost had they never worked a detail and from that amount we will determine whether or not the City is collecting enough for worker's compensation. Every time we have done it in the past, we have found that there was enough money being taken out for that.

Alderman Gatsas stated but you are looking at it incorrectly because if you were a business tomorrow and your worker's compensation carrier said to you that worker's compensation for a safety officer is \$32 per \$100 and I came to you and said I need an officer for an hour, you would not bill me at \$23.68 would you.

Mr. Beaudoin answered no.

Alderman Gatsas stated so my question is looking at it in the respect that you are looking at it is incorrect because the worker's compensation is a collective item and not just based on a detail. I am saying that the City is looking at this number and we are not billing out enough money to protect. Just to break even on our side. I am not saying that we should make money on, but we should at least break even. The \$1.70 doesn't even come close to covering it.

Deputy Chief Duffey stated one of the things that Chief Driscoll just said and we know this to be true is that the unions work very closely with us. If, in fact, that number is different and we are not billing out properly we have always had very good luck with the unions to agree on what that number should be and change it. If you are saying that the number is incorrect, all we need to do is sit down with Finance, figure out what the correct number is and we could renegotiate that. The unions have been very cooperative on this issue with us in the past.

Alderman Gatsas stated why is that a union issue. Do they get a number off of the gross amount?

Mr. Beaudoin replied it is in the two contracts. It is based on the overtime rate for a particular officer in Schedule 18, either F or G and that is what was chosen for the contracts.

Alderman Gatsas responded let's say that rate is \$30/hour. That does not affect the officer. He would continue to get that number. The number that we would bill out would be based on the \$30 plus the gross.

Mr. Beaudoin stated I believe as the Deputy said that if the unions were contacted and we told them that we were not getting enough money to cover the cost for the City they probably wouldn't have a problem with that.

Alderman Gatsas stated based on the worker's compensation, I think somebody needs to take a look at that.

Chief Driscoll stated we would be pleased to meet with Finance and explore that and see where it goes.

Alderman Lopez stated in cutting the least important I suppose it is the school programs and I just read that you got a \$500,000 grant for school programs. I am trying to correlate how you come up with that.

Chief Driscoll stated that \$500,000 Cops in School grant for school resource officers...the City has been designated and we are very pleased. We applied back in June for that grant. It is a three-year grant and correct me if I am wrong, Paul, with an \$18,000 match per year or actually a total of \$18,000 matching. We think that is...the middle schools are where the action is now. It is most important to have a police officer there. We believe that it is a very strong thing, but what we have looked at is reducing essential services. What I don't want to do is limit the number of police cars that we send to the south end or the north end or the east side or the west side so if we have to, because our salary line item is 93% of our budget, that is about the only place we can go to get that \$314,000 and if we have

to start looking at some of this, this is the stuff that will have to be cut. There is no fluff here. Every one of these things is going to hurt the Police Department.

Alderman Lopez stated I agree with you. I am just asking why that is the least important.

Chief Driscoll replied these aren't prioritized. It is a little bit flexible. We gave you a figure for emergency overtime and a figure for call back overtime. If we shouldn't have the number of serious incidents, Part 1 crimes or the homicides, that number might go down and I hope it does. Realistically, if that is what we spent this year it is likely that is what we are going to spend next year. When they call me at home at night and say there has just been a homicide on Beech Street, I tell them quite frankly do what you have to do. That is what my budget is about.

Alderman Lopez stated but no matter what, our schools will not suffer.

Chief Driscoll replied I would certainly hope not. These certainly aren't prioritized. I believe that the elementary school and middle school and high school programs that we offer are the future of our City.

Alderman Hirschmann asked the must be cut page is from your package correct.

Chief Driscoll answered yes.

Alderman Hirschmann stated these numbers don't add up.

Chief Driscoll replied I think they do. There is a subtotal there. Maybe it is not as clear as it should be.

Alderman Hirschmann asked \$314,000 comes from school programs.

Chief Driscoll answered no. That is the total of all of those.

Alderman Hirschmann stated I looked at the 71-page report and under the uniform line item the Mayor recommends zero and you had \$90,000 but on here it says \$8,000.

Mr. Beaudoin replied what happened was back when Wayne needed to put the information into HTE to come up with these reports, all he was concerned with was coming up with that bottom line figure of the Mayor's budget which was \$13,356,446 so I asked him if he wanted me to go in there and figure what we were going to cut and he said no. He said that Howard was going to take care of the salary amounts and all he wanted me to do was take \$344,000 out of my

operating expenses and make my budget equal the Mayor's. I told him that I couldn't do that because we might as well lock the doors and go home. I can't live with \$344,000 less on an \$800,000 operating budget. He said it doesn't really matter it is just to get the number out there so that the grand total Citywide would equal what the budget was. I didn't take any care in it. I just went through and hacked and cut and carved to bring it down to that level.

Alderman Hirschmann stated so the bottom line is correct but the rest is incorrect.

Mr. Beaudoin replied the HTE figures are a fallacy. The report you have in front of you from us is right.

Mr. Robinson stated we gave you a bottom line, but we didn't tell you how to allocate it.

Mr. Beaudoin replied right.

Mr. Robinson stated so by saying that we gave you zero on uniforms is not correct.

Mr. Beaudoin replied that is what I am saying here. In trying to realistically cut and carve in just operating expenses and cut down \$344,000, I couldn't do that.

Alderman Hirschmann asked so you decided where the cuts were going to be.

Mr. Beaudoin answered I just took it out so that the bottom-line coming out of HTE would equal our bottom line.

Chief Driscoll stated we have provided many scenarios over the last few weeks in order to try and make this whole thing work. When we got the bottom line number, I met and have continually met with my staff and Paul in order to determine where we would get \$344,000 and this is our best information to you as to where that money would come from.

Alderman Hirschmann asked how much does it cost to operate the Animal Shelter every year.

Chief Driscoll answered we came up and we projected a number and gave some information to Alderman Gatsas. I think we projected just under \$10,000.

Alderman Hirschmann asked is that in your cut.

Chief Driscoll answered no, it is not.

Alderman Hirschmann asked would that be another \$10,000 you would want to cut.

Chief Driscoll answered I think what they were talking about is privatizing...well I don't know if privatizing is the right word but certainly that money is money that we expect to pay this year to keep that facility open. If, at some point, that transfers to those folks and the City fathers decided to allocate those funds, I support them having their separate budget if, in fact, this occurs.

Alderman Hirschmann stated so we could almost put \$10,000 back into your FY00 budget if that is what it cost.

Alderman Vaillancourt stated I am totally confused and there is probably a simple explanation but you are talking about \$13.7 million and \$13.9 million, but then I am looking at the 71-page document and it says \$16,748,616.

Mr. Beaudoin replied that number has restricted items in it. All of the health insurance, FICA, etc.

Chief Driscoll stated those are line items that we have no control over.

Alderman Gatsas asked on your FY01 revenues, I look down at Line Item 4740 and it says Games of Chance. Is somebody playing poker machines that we don't know about?

Chief Driscoll answered it is down 33% and that is a good thing, Sir.

Alderman Wihby stated you gave us on the first page contractual of \$1,395,104 and then in my packet towards the middle the title is the same thing and it says \$1,141,176.

Chief Driscoll replied I am not sure what page you are on.

Alderman Wihby responded probably a page that nobody else has again, but it was the same as the Fire Department. Two separate sheets that have the same title and two different totals. It is in the black book.

Mr. Beaudoin stated I understand what you are talking about. The contractual in the new amount includes part of the Decker costs that were originally in salary adjustment like A-STEPS, the Tony LaPoor, the longevity and things like that. I added those into here to be part of the total contractual for Yarger Decker. I didn't have those in the first one because those weren't the game rules at the time. The contractual in the first one is lower because it didn't include those other costs.

Alderman Wihby stated moving on to revenues, Line Item 4237, Extra Details-Administration Fee, is that one of the items that we were just talking about. Why is that going down \$27,000?

Mr. Beaudoin replied part of the...that extra \$1 that we had for the revolving fund was originally carried forward into FY00 and what happened was during negotiations that never happened and I never realized it so the projection for FY00 was up higher than it should have been. In reality, we are not going to meet that amount so for FY01 it is going to be more realistic as to what we are going to have this year as well.

Alderman Wihby asked so you don't think you are going to hit the \$1,347,483 total.

Mr. Beaudoin answered no. We are going to be shy on that.

Alderman Wihby asked how much.

Mr. Beaudoin answered I don't have it with me but it might be \$20,000 or \$30,000 shy.

Alderman Wihby asked so you are going to come close to hitting last year's projection.

Mr. Beaudoin answered yes.

Alderman Wihby asked you don't see any extra revenues in there that you are going to pick up for next year.

Chief Driscoll answered I don't think so.

Alderman Wihby asked why are district court fines going down. Is that because it is running lower now?

Mr. Beaudoin answered we have no control over that. It is whatever the judge has imposed. There are certain fines that we receive the revenue for. One year it will be up to \$50,000 and the next year it will be down to \$20,000. It is just like a rollercoaster so I try and gauge it historically.

Alderman Wihby asked so you don't think you are going to hit the \$50,000 this year.

Mr. Beaudoin answered no. Not based on the revenue we have received so far.

Alderman Wihby asked and violations is the same thing.

Mr. Beaudoin answered yes.

Alderman Wihby asked so basically the ones that are going down are the ones that you don't think you are going to hit this year.

Mr. Beaudoin answered correct.

Alderman Wihby asked but if you are going to be almost the same as this year, why wouldn't you raise some and end up at the same thing.

Mr. Beaudoin answered for instance, alarm citations, Line Item 4622, this year we had a project of \$98,000. We are not going to hit anywhere near that because we had problems with our computer system not being able to bill out properly. As a result, a lot of people have gotten free rides because we weren't able to get the proper information out of the computer system. We recently changed over computer systems and have corrected the problem.

Alderman Wihby asked if you look at the total and you are going to end up with \$1,325,000 let's say, why wouldn't you have at least projected that for FY01.

Mr. Beaudoin answered I am pretty close to that. I am only \$8,600 shy for FY00. Are you looking at the new one?

Alderman Wihby stated I have FY01 revenues. Is there a second page to it?

Mr. Beaudoin replied in the package we gave you, there are some revised revenue figures in there as well.

Alderman Wihby asked is one older than the other.

Chief Driscoll answered we made a presentation to the Mayor's Budget Committee and have since reworked this to provide the best information we could again.

Alderman Wihby asked does everybody have the old numbers in the book or the new numbers.

Chief Driscoll answered everybody has the new numbers in the packet that we handed out.

Alderman O'Neil stated, Chief, you may have answered this and I just want to make sure that I didn't miss it, is there a correlation between the page that says breakdown of overtime and the following page titled what must be cut. Are you suggesting down in the \$314,000 that training budgets will be cut because of overtime to pay the officers to do it? There might be some cuts in major case investigations with regards to overtime. Does overtime relate to that?

Chief Driscoll replied absolutely. What we tried to show you by the previous page that the court issue is a contractual thing and something that we have very little control over. If you add up the sum of the rest of those and if we are going to take \$314,000 out of the salary line items that is where we are going to have to get it. In order to do that, we need to look at the areas on the following page. In order to find that money.

Alderman O'Neil asked and basically it always comes down to patrol coverage. Is that the first basic service you need to provide?

Chief Driscoll answered absolutely.

Alderman Shea stated Mr. Beaudoin mentioned that there was a problem with the computer system. Was that the HTE system?

Mr. Beaudoin replied no.

Alderman Shea asked is that working okay now in your judgement.

Mr. Beaudoin answered we still have some issues with it, but I believe some of those issues are going to be addressed with the new box being put in and we are still waiting to see what will happen with that.

Alderman Shea asked so there are still some issues with the HTE.

Mr. Beaudoin answered yes.

Alderman Shea stated the second point is last year we talked about the patrolmen escorting people from the Valley Street Jail to the court. Has that been taken care of? Do the sheriffs do that now?

Chief Driscoll answered absolutely. That was House Bill 204. Deputy Duffy and a number of other people worked real hard at the State level with the Legislature. We worked in conjunction with the Sheriff's Department. That was a very successful operation. We have taken our people...although from time to time we

assist to avoid a public safety issue at the district court. We have actually taken our people out of those court assignments at the district court. It has worked much better. That is no longer our responsibility.

Alderman Shea stated a third point is that right now I believe there are three officers at the high school level and the new grant that Alderman Lopez spoke about will allow three officers at the middle school...

Chief Driscoll interjected four.

Alderman Shea asked if cutbacks were needed that would impact programs directly relating to the elementary level such as Officer Friendly and the D.A.R.E. Program and that nature but I am speaking more from the point of view of the relationship between the Police Department and the School Department. Are those the key areas?

Chief Driscoll answered that is one place we would have to look. As I said, I would be very reluctant to do that.

Alderman Shea asked but the grants and the officers in place now though wouldn't be impacted with any cuts right. The three officers would remain at the high school and the four middle schools would be serviced by the grant right.

Chief Driscoll answered if you were to cut \$314,000 out of my budget, that is one area that my deputies would be looking at. Once again, we would be very reluctant to do that and would be looking real hard to scrape money from other areas but certainly we look at what is absolutely essential for us to provide. Officer Friendly is very necessary, but not absolutely essential. The D.A.R.E. Program is absolutely necessary, but not essential. We certainly don't want to do that, but we certainly will look at all areas and do the very best we can.

Alderman Levasseur asked how much are you planning on giving back to the general fund at the close of this budget year.

Mr. Beaudoin answered I believe we are looking at somewhere in the area of \$50,000.

Alderman Levasseur stated I know you may have touched on this but I just want to clarify for my head, what is your policy for the number of detail hours that a police officer can work in one week.

Chief Driscoll answered 24.

Alderman Levasseur asked that is the maximum amount.

Chief Driscoll answered yes.

Alderman Levasseur asked what about overtime. Are they given overtime on an as needed basis or do they request it?

Chief Driscoll answered there is a very complicated, contractual agreement. A process by which they select fairly to assure that everyone gets an opportunity to select overtime.

Alderman Levasseur asked which one are they jumping for. The detail work or the overtime?

Chief Driscoll answered I don't think they are jumping for either one. I think that both provide opportunities. Some people would prefer to work a construction job and some would prefer to work a normal uniformed shift in a cruiser. I think it is fairly well balanced.

Alderman Levasseur asked but the difference between the overtime that we have in the City and the difference between the detail work is that we pay worker's compensation on the overtime but not on the detail. Is that what you were saying before?

Mr. Beaudoin answered if an officer is working overtime the City is picking up all of the benefits on it. If it is an extra detail, then the City is reimbursed for those expenses through the extra detail rate.

Alderman Levasseur asked is your normal shift for an officer 40 or 42 hours.

Chief Driscoll answered 8.5 hours a day.

Mr. Beaudoin stated actually over the course of six weeks it averages out to 39.75 hours.

Alderman Levasseur asked so when you add the 24 hours of detail work in there does that affect your worker's compensation. Does that increase it at all because most likely if you are going to work an extra 25 hours a week in detail work you are going to be more of a liability during your regular hours? Does that affect your worker's compensation rate?

Mr. Beaudoin answered it affects the rate in that if an officer works a lot of detail or overtime his average weekly pay will be higher.

Alderman Levasseur asked so it will increase his rate also.

Mr. Beaudoin answered correct.

Alderman Levasseur stated as far as the horse patrol, is that regular pay or is that an overtime job or an extra detail.

Chief Driscoll replied that is a regular assignment, grant funded for the equipment and the animals.

Alderman Pariseau stated going back to the School programs, if you are given a grant totaling \$500,000 for high school coverage and now the four middle schools how do you justify taking money away from that \$500,000.

Chief Driscoll answered I can't. The City, for many years, has had an Officer Friendly Program, a D.A.R.E. Program and a G.R.E.A.T. Program. They are not grant funded.

Alderman Pariseau asked so you are just looking at those three programs.

Chief Driscoll answered I would hope so. I hope that I don't have to look at any of those programs.

Deputy Chief Duffey stated anything that we have a grant for we are obligated to keep that going and we are not looking at reducing any grant programs. We would be violating the grant so we are not looking at those. As the Chief said, there are the other very proactive programs that we have had in the schools that we feel are very necessary but if I am going to have two cruisers on the west side versus having somebody in the school teaching D.A.R.E. on a particular day, I think you are going to see the deputy chiefs look at the chief and say I think we need the coverage on the west side. That is what we are looking at. We are looking at some real tough decisions if we lose this \$344,000.

Alderman Lopez asked if it was the policy of this Board to say that the schools needed an officer with the number of officers that you have and stay within your budget, would you agree with that.

Chief Driscoll answered I am not sure that I understand the question.

Alderman Lopez asked if this Board instituted a policy whereby we wanted a police officer in every school with the complement that you have without going over budget...

Chief Driscoll interjected I certainly work very closely with the Aldermen. I seek your input. I work very close with my Commission and the Mayor's Office, but I would hope that you would never say to me that we want three officers in this area and two officers in this area. That is what I have my deputies for.

Alderman Lopez replied I realize that and I am not saying that. If you said to this Board we are not going to put any officers at the high schools and that was your decision and this Board said we want officers at the high schools because we have major problems, how would you answer that?

Chief Driscoll responded if we had major problems you wouldn't have to tell me. They would already be there like they are now.

Alderman Clancy asked when the officers march in the parade are they paid.

Chief Driscoll answered absolutely.

Alderman Clancy asked as far as the grants, do you have any major grants ending this year. How many years is the \$500,000 for the schools for?

Chief Driscoll answered three years and four officers.

Alderman Clancy asked when does the Cops Ahead end.

Mr. Beaudoin answered in February of 2001.

Chief Driscoll stated that particular rotation of officers.

Mr. Beaudoin stated we have had a total of 12 police officers that we have hired through the universal hiring program. It has given the City \$900,000 over the course of the program and the last eight officers, their grant ends in February.

Alderman Clancy asked so the City has to pick up...

Mr. Beaudoin answered the City has to pick up those positions.

Alderman Vaillancourt asked what is the total number of personnel under the salary line.

Chief Driscoll answered 275.

Alderman Vaillancourt asked are there any vacancies.

Chief Driscoll answered we have vacancies.

Alderman Vaillancourt asked how many.

Chief Driscoll answered I think we have three and please don't hold me accountable to this but I think we have three police officer positions and we presently have a janitor's position which the Mayor has given us permission to fill. I think we have one Senior Records Clerk position that is presently open and we have some grant funded positions for dispatcher. Maybe as many as five that have not been filled at this time.

Alderman Vaillancourt stated I understand that this Board cannot tell you what to do by way of police action, but certainly the amount of money we give you for personnel determines how much you can do. I am kind of personally glad to see, since I brought it up at a meeting, that you don't have an officer here during Aldermanic meetings in this Chamber on a regular basis anymore but the overall big question that we should get to, where the rubber hits the road is, can you give us for example how many hours and then we can extrapolate how much time was spent on the raid at Billy's Sports Bar.

Chief Driscoll asked how much time.

Alderman Vaillancourt answered we can extrapolate how many hours were spent and how much it cost us to nab those people.

Chief Driscoll stated to be honest I can't at this time. There was a significant...

Alderman Hirschmann interjected it is money well spent whatever it is.

Alderman Vaillancourt replied well that is for us to decide.

Alderman Hirschmann stated it is a stupid question.

Alderman Vaillancourt replied it is not a stupid question. I am trying to gauge how much it costs us to do certain things and then we can perhaps determine if we want to do those certain things. We should have the information before we make the decision and that is why I am trying to get the information.

Alderman Hirschmann stated we are micromanaging now.

Alderman Vaillancourt replied well if it happens to be a couple of thousand dollars, it might be a good micro.

Chief Driscoll stated I can assure you that it is not a couple of hundred thousand dollars. We worked on a variety of investigations, including Billy's Sports Bar over a significant period of time, perhaps 12, 14 or 15 months in conjunction with the NH Attorney General's Office and the NH State Police and did what I believe to be a very effective investigation.

Alderman Vaillancourt replied I am not questioning its effectiveness. I am trying to find out how much it cost.

Chief Driscoll responded it would be very difficult for me at this time to give you a figure.

Chairman Cashin asked could you please get back to him with a number if you can at a later date.

Chief Driscoll answered it will be difficult, but I can do that.

Alderman Shea asked, Mr. Beaudoin, do you write up the grants or are you responsible for the grants.

Mr. Beaudoin answered I have done some. I now have a full-time grant coordinator who does that.

Alderman Shea stated those are very important and I think at the meeting we had an I am going a little bit off track, but I wasn't aware of the full impact of your responsibilities within the Police Department and I will try to reconcile my views in that regard.

Alderman Levasseur stated I just want to say thank you for cleaning up the inner City. I feel like I can walk through there now without wearing a helmet. First of all, I would like to say do you know how many officers you had in FY99?

Chief Driscoll replied I don't have that information with me.

Alderman Hirschmann stated somewhere around 235 I believe.

Alderman Gatsas stated they had 262 in 1997.

Alderman Levasseur asked how many do you have now.

Chief Driscoll answered 276.

Alderman Levasseur asked how many employees did you have in 1990.

Chief Driscoll stated I would like you to clear up for Alderman Wihby because I can see his reaction and he may be looking at that other page. Will you clear up the complement for him?

Mr. Beaudoin stated the complement that was provided by HR for this past year also includes full-time equivalents, which are the school crossing guards. We never really included them in any of our complement lists because basically they work 10 hours a week and it is a set number of people that we have. This year, they included those in our complement list to bring it up to 283. The numbers there are all apples and oranges going backwards. Some years didn't include grant positions and some did. It is very confusing.

Chief Driscoll stated one of the documents that we have put out there that wasn't distributed today also had seven positions in it that we were requesting for FY01. The number that we believe is 276 is our complement, however we have asked for more, as you know.

Alderman Levasseur stated the reason why I am getting to this is in 1990 you had 7,500 Part 1 crimes and in 1999 we have 4,000. Can you tell us why you need more officers to do less work? We shouldn't be increasing the amount of officers we have if our crime rate has dropped by 3,000 crimes.

Chief Driscoll replied I assure you that if it were that simple...

Alderman Levasseur responded it is not that simple, is it. The argument is going to be that if we have more officers there is going to be less crime, but having more officers doesn't create less crime. The economy is at 2.1% and people are working right now. Would you use that as a verifiable reason for why crimes have dropped by 3,000 in the last 10 years?

Chief Driscoll stated the reason crimes have dropped by 3,000 in the last 10 years is as a result of the support of this Board and the good work that my officers have done out there and the Federal grants that we have been able to obtain. I can tell you that a short time ago I received this magazine called the State and Local Government Source Book and I get a lot of publications but I opened it up and on the first page it talks about public safety and I went right to it and Manchester was identified as one of the 75 large cities in this nation and when it talks about what we have accomplished and what New Hampshire has accomplished, I think this City can be very, very proud.

Alderman Levasseur replied I have not dispute with that, but in 10 years when I am still sitting in this seat and you are still sitting there, Chief, I hope that when unemployment is at 8% or 9% and we still have the same amount of police that there was a real effect. Do you understand where I am going with this?

Chief Driscoll responded absolutely.

Deputy Chief Duffey stated most of us can remember going back six, seven or eight years when we had shootings at Merrimack and Elm and some at Cedar and Beech and over the last several years, because of the Board of Mayor and Aldermen, the Manchester Police Department has changed from a reactive police department to a very proactive police department. I often hear the Mayor say to different groups in the City that he would like to see them get together and have some political clout. I will tell you that the Manchester Police Department has, in the past several years, formed neighborhood watch groups out there and you can see our signs all over the City. You can see from the horse patrol to the bike patrol to our undercover unit that we have become very proactive and that is one of the reasons that I believe you see such a reduction in the crime rate. What we are asking you today is we don't want to turn into a reactive police department. We don't want to go back. We have brought the crime rate down and that is because we have what we need to go out there and reduce crime and we are hoping that you allow us to continue to do that.

Alderman Gatsas asked if you had the ability to bring us a budget, can you bring us a budget of what you would like. Let's first start with wages. The number you have given us here is based on 275 employees, which is a full complement.

Chief Driscoll answered yes. It is 276.

Alderman Gatsas asked in your budget that you presented to the Mayor, what was your budgeted number for employees with open vacancies. The number that you presented to the Mayor in your budget for positions and open vacancies? 275 is a full complement.

Chief Driscoll replied yes.

Alderman Gatsas asked how many vacancies in the 275.

Chief Driscoll answered what I am told is that right now we have one Senior Records Clerk vacancy, six dispatchers, all grant funded. So you have one SRC, you have three police officers and one janitor. So, five in all.

Alderman Gatsas stated so 271 is where you are at currently according to my 71-page report.

Chief Driscoll replied okay.

Alderman Gatsas asked what can you live with between 271 and 276.

Chief Driscoll answered that is a tough question. I would hate, as the Chief of Police, to come before you ever and tell you that I am willing to cut a police officer.

Alderman Gatsas stated that is not what I said to you.

Chief Driscoll replied you asked me what I could live with.

Alderman Gatsas responded I asked Frank Thomas the same question and he gave us a number of what he could live with.

Chief Driscoll stated what I would tell you is that I need those three police officers. If you were going to take away the...

Alderman Gatsas interjected I am not...you don't have to tell me. You can think about it quietly. You don't have to give me a number. I am not looking to cut police officers. If you want to cut accountants or whatever else you have in there that is up to you. You need to give me a number. I don't care where they come from. You give it to me so that I can write it down.

Chief Driscoll stated I guess my answer would be our total complement.

Alderman Gatsas replied if that is what your answer is, that is what your answer is. That is fine. I will put the 276 down. I was trying to help him, but and maybe this question can go to the Finance. Salary adjustment. What do you have for a salary adjustment amount?

Mr. Beaudoin responded our real salary adjustment is just severance costs of \$175,000.

Alderman Gatsas asked what do you have for salary adjustment, Mark, for police.

Mr. Hobson asked for this year.

Alderman Gatsas answered for the 71-page document that we are all talking about. This year. Last year doesn't help us.

Mr. Hobson stated I know that I wasn't here for all of the discussion. I just want to be clear that the \$715,000 from FY99 was not put into the departments. I think you all know and heard that and so far this year in FY00 none of the salary adjustment has been put into any of the departments as well. It is still remaining in a salary adjustment line.

Alderman Gatsas replied well we all ought to go home because the players have changed and the answers have changed so either we get Howard back and stay on the same page or we can start from Page 1 again with Mark and get some different answers.

Mr. Hobson responded Howard answered your question regarding the fact that we broke out a spreadsheet that said what would be needed in each department for salary adjustment based on when and if the contracts went through. I said last Monday night that I hoped that we could save that \$1.55 million and not spend it in the departments this year but Paul's answer is right.

Alderman Gatsas stated let me just stop you there for a second. The wages that you have here, Chief, \$12,793,000, is just your zero base.

Chief Driscoll replied yes.

Alderman Gatsas asked how much of that...I am looking at numbers here and again I am about the same amount off that I was with Fire. About \$450,000 with that number. Every time I try and back it in to take in the number...

Mr. Beaudoin interjected I get it now. I develop my budget differently than Howard does for HTE.

Alderman Gatsas asked what is your wage number.

Mr. Beaudoin answered it is the same. Everything except for the \$175,000 so it would be \$12,793,749 minus \$175,000. It would be \$12,618,749. That includes regular salaries and overtime.

Alderman Gatsas asked the total carried forward and maybe you can help me with this, I am looking at the 71-page report. If you go back to FY99, I love looking at actual numbers and FY99 I know is a tough one to look at for salaries, but when you look at budgeted items and operating expenses, that is the best one to look at because that tells me exactly I every line what you spent so if you cheated and took some out and moved it to another line you could pay for it if somebody looked at that and studied that.

Mr. Beaudoin replied correct.

Alderman Gatsas asked if I use that number in FY99 for wages and I take the \$10,588,053...are you looking at the same sheet.

Mr. Beaudoin answered I don't have that sheet at all.

Alderman Gatsas stated it is up there somewhere.

Mr. Beaudoin asked what page. Are you talking about the page with \$10,588,053?

Alderman Gatsas answered correct. If you look at the next line down it is overtime. The next line down is special salaries and that is a deduction. Could you give me an explanation?

Mr. Beaudoin replied that is the way HTE carried special salaries. That involves the wash through of accounts for the extra detail funds.

Alderman Gatsas stated so what you are saying is I shouldn't even...just throw that out.

Mr. Beaudoin replied correct.

Alderman Gatsas stated okay that might help me a little bit here. If I total those two up, just wages and overtime, I come out to \$11,610,000.

Mr. Beaudoin replied okay.

Alderman Gatsas stated if I look at where you are, forgetting about FY00 because that is going to cause a real problem, if I take that number and subtract \$11,709,249 from there and subtract \$1,884,500 from there and subtract the \$175,00, we are going to have a problem hitting what you did in FY00.

Alderman Pariseau stated it is \$1,084,500 not \$1,884,500.

Alderman Gatsas replied that is right. That is what I have in here. If you take those two numbers and you take it backwards there is not very much in Yarger Decker increases in here.

Mr. Beaudoin responded correct. The reason you see such an increase on our spreadsheet is because it is an impact of two years. The half year of FY00, which is then multiplied by the FY01 increases and there are certain things in there like

the A-STEPS which take effect July 1, the Tony LaPoor amendment takes effect July 1 and things like that that add into that.

Alderman Gatsas replied but that doesn't give you...let's assume the number is 8%. If I took 8% of the FY99 budget and put it into the FY00 budget and then 8% of that one, I don't think I am going to be at the number you are looking for.

Mr. Beaudoin stated we also have the impact of the grants that are ending in the upcoming fiscal year.

Alderman Gatsas replied I am not using grants.

Mr. Beaudoin responded well that impacts the general fund amount.

Alderman Gatsas asked why.

Mr. Beaudoin answered when the grants end we have to pick up the balance of the officers and their salaries for the remainder of the years. It is \$230,000 of impact next fiscal year.

Alderman Gatsas stated just bear with me for a second. If I took FY99's number of wages and overtime, that total is \$11,609,000. If I took 8% of that for Yarger Decker, which is high, that is \$928,000. If I add the two of them together, I get \$12,537,000. That would be what the number should look like in FY00. It doesn't here. I am just trying to come up with a number. If I took that number and I am playing on the high side, if I took 8% of that number for FY00 to take you into the longevity and the Yarger Decker steps and everything else into FY01 in your budget, 8% of that is \$1 million. It brings me to \$13,540,000. I think there is a problem somewhere.

Mr. Beaudoin replied our salary request is actually less than that though for FY01.

Alderman Gatsas asked how can it be less.

Alderman Wihby asked what was your budget for FY00 with the salary adjustment.

Mr. Beaudoin answered \$11,901,000 plus about \$450,000 out of salary adjustment.

Alderman Wihby asked what did it come up to.

Alderman Gatsas answered \$10,994. Is that right? More or less. Plus \$175,00. \$11,169,000. Is that right?

Alderman Wihby stated it was \$11.2 in FY00.

Alderman Wihby asked and now it is going to what.

Mr. Beaudoin asked are you including overtime.

Alderman Gatsas answered I am including overtime.

Mr. Beaudoin stated so it is more than \$11.2 million.

Alderman Gatsas stated you have \$10,606,000 plus...

Mr. Beaudoin interjected there is also a problem with...I don't know what has happened with this spreadsheet as far as our overtime. Our overtime budget for this fiscal year was \$998,114.

Alderman Gatsas replied that is why I am saying the numbers aren't right here. I am not saying they are on your side. I am saying that what I am looking at going from FY99 that I know is exactly accurate.

Chief Driscoll stated we have been through this before and that is why when we come in we try to verify our numbers before hand and we make sure that we are talking with Finance and Human Resources, apples and apples, and we come in and try to use these numbers here. When we switch over to your numbers...

Alderman Gatsas interjected Chief, I agree with what you are saying but somebody is asking this Board to put together an intelligent number that this City can live with and until we can look at it from some...I mean the only number I have that is a guarantee is FY99 expenditure. That is the only number that I know is Gospel. Would you agree with that?

Chief Driscoll replied yes.

Alderman Gatsas stated that is the only one that anybody can say that happened; we have that as an experience. If I take that number and I put it down, that number tells me that your number for FY99 is higher than it was in FY00 for wages without Yarger Decker. I have a problem with that.

Chief Driscoll replied so do I.

Mr. Clougherty stated again, it may not be that, FY99 is your actual but we do not make changes in the FY00 on salary adjustment until the end of the year. So, there may not be the impact of the FY00 transfer...you are not going to see that in his modified budget or his expenditure to date column because that transfer hasn't been made yet because he still has money in his budget that he is drawing on now under his salary line.

Alderman Gatsas replied he doesn't have enough.

Mr. Clougherty stated that is what the Chief was talking to me about the other day. At the end of this current year, he is looking to come to salary adjustment for a transfer this year but that has not happened yet.

Alderman Wihby asked are you sure salary adjustment is that FY99 number. Are you positive of that?

Mr. Clougherty answered yes.

Alderman Gatsas stated it has to be, it is an expense.

Mr. Clougherty stated FY99 is your actual. FY00 you may see an adjustment this year for Yarger Decker.

Alderman Gatsas replied just so you see where I am coming from, FY99 total, the two of them, overtime and wages, is \$11.6 million. Let's take FY00 and you are telling me it is \$11.2 million. It can't be right because FY99 has no Yarger Decker in it. I am trying to help you here. I really am. Trust me on this one.

Mr. Beaudoin stated I know that these numbers don't match. I have a report here that I verified. It was from Human Resources back on March 15. It was the final report that we verified between our departments to make sure our salary items were even and that we were counting everything to within a few dollars at the completion of this report. I feel comfortable that somewhere the numbers match as far as what we are looking for and as far as what is in the budget.

Alderman Gatsas asked does somebody have an answer for me.

Chairman Cashin asked, Mark, can you jump into this.

Mr. Hobson answered in FY99 the \$715,000 for salary adjustment and, Kevin, can I just ask this question and point this out because you and I are now in disagreement over this point and I just want to be clear on this. I will go with what you state, but this is what I was told. I was told that the \$715,000 that we put for salary adjustment in FY99 was not utilized.

Mr. Clougherty replied that is true.

Mr. Hobson stated so it would be returned to the general fund's bottom line.

Mr. Clougherty replied right.

Mr. Hobson stated so it would not go into his account.

Mr. Clougherty replied right.

Mr. Hobson stated okay. In theory, there are a couple of reasons why his salary will not always run to actual. One of them that we talked about with the Mayor and the Mayor's Committee is the rate of turnover. The City runs about an 8% turnover rate at any one time. The second reason why his actual expense to what is projected could be, particularly in their department...

Alderman Gatsas interjected let me stop you right there for a second. The information that I have in this 71-page report tells me what it is from July 1 until June 30 on a run. It has nothing to do with turnover because if it is a turnover somebody is going to step back into that position, probably at less money and not more. Am I right?

Mr. Hobson replied yes.

Alderman Gatsas stated so where you are going with that is not in the right spot.

Mr. Hobson asked what was your question. Your question was to actual wasn't it?

Alderman Gatsas answered I am looking at actual numbers of FY99 being wages and overtime of \$11.6 million. That number is a concrete paid number with W-2's.

Mr. Hobson replied right.

Alderman Gatsas stated if that is the number then I can't get to the number they are looking for in FY00 because they tell me it is \$1.2 million and you don't have W-2's for that right now. We can only go by what you folks are telling us and if I look at the number on YTD expenditures, we are not even close.

Alderman Shea asked did you mean \$11.2 million or \$1.2 million.

Alderman Gatsas answered the budget that we are in now is \$1.2 million.

Alderman Wihby stated if I am looking at FY99, you have 275 and in FY00 it is 285. If I take 10 out of 285 then you have 265 compared to 275 for a total number of people.

Mr. Beaudoin replied I am not following you at all on this.

Alderman Wihby asked would you have had 10 less employees in FY99 then you would have had in FY00.

Mr. Beaudoin answered I don't believe so. They were captured in the spreadsheet differently. One year did not include the grant positions.

Alderman Wihby stated that is the explanation. That is four people.

Mr. Hobson stated can I just jump in here. The FTE report is adjusted this year on that department complement that you saw, but the grant funded positions...

Alderman Gatsas interjected why don't we say one thing and probably this would clear it up and it would be a wonderful breath of fresh air if we heard it and somebody said I don't know, we could have made a mistake, let us look into it.

Mr. Hobson replied I am not even quite sure exactly what your question is.

Alderman Gatsas stated what I am saying is that wages in FY99 without Yarger Decker were \$11.6 million. Wages that I am looking at that are budgeted for this year are \$11.2 million including Yarger Decker. There is a \$400,000 difference and I am not even talking Yarger Decker in FY99. Can that possibly be right?

Mr. Hobson responded why don't I give you the answer you are hoping for and I will go research it with Paul and get back to you.

Mr. Beaudoin stated I am not sure exactly what this report captures out of HTE for that \$763,000 reduction. That may actually be something that the way HTE captured it you might have to actually reduce this number by \$763,000 to get the

full impact of what FY99 was. Again, in the beginning of HTE there were some problems and issues with capturing the extra detail money and again that may be the whole problem here. That \$763,000 may have to be backed out of there.

Alderman Gatsas asked do you think I might have already tried that over here. I have already done that and it comes out to \$10.8 million.

Chairman Cashin stated I don't think you are going to get an answer here today. We are going to have to get to it no question. I am not arguing. I just don't know how we are going to get there. I have sat here patiently listening to this and we are not getting anywhere.

Alderman Vaillancourt stated I want to make a point and it gets to Alderman Levasseur's question, which I don't think was ever answered. I think the true point is to find out how many people we had in 1990 versus how many people we have today and compare it to not the unemployed although that might be a good gauge, but really population should be the base. It should take X number of people to protect 100,000 and 2X to protect 200,000. I think the point I am trying to make is that the population has not increased commensurately with the number of people that you have had. I think I understand the reason why. It is because those people up in Concord like myself might have something to do with that because the more laws you pass, the more opportunities you have to enforce them. In other words, you could spend a great deal of your police time going after cigarette sales to minors or bar owners allowing their patrons to drink and then drive home or gambling or now Senator Cohen has a gun lock thing or porn on the Internet, or children's seat belts. I guess what I am saying is you have a wide array of options as to what you can spend your time and your manpower doing, but it seems to me that you have about the same number of citizens to protect, yet you have a lot more police officers to do that. I am wondering if we need this many officers and if I feel safer in my home because you have this many more officers. That is the philosophical point and I think it is a very important one when you get to the bottom line.

Chairman Cashin stated you are not going to cut any police officers I don't think.

Alderman Vaillancourt stated the answer to the question is...well what is the answer. You have gone from 234 to 285. I guess that is it. You have increased by about 25% when the population has gone up about 5%.

Alderman O'Neil stated that is very misleading because it is not all police officers.

Chairman Cashin replied of course it is misleading but that is all right.

Alderman Vaillancourt responded I didn't make it up.

Alderman Levasseur asked, Chief, does that have to do with the quality of people who come to our City.

Chairman Cashin stated okay we are going to wrap this up.

Alderman Shea stated I would be remiss if I didn't compliment the Chief and Assistant Chief Duffey and Assistant Chief Stewart and the rest of the Police Department for instituting the substation at 207 Wilson Street. I think you all agree that it was well worth the effort and the time.

Chief Driscoll replied thank you. We believe it will be a big help.

Alderman Thibault stated it seems to me that this goes all the way back to when we first started here this morning. I have to agree with Alderman Gatsas that if we had a piece of paper here that showed the actual FY99, FY00 and FY01 we could go right through this and not have these problems. We have tons of paper here and I don't think anyone knows what any of it is.

Alderman O'Neil stated I think this City is a lot safer than it was 10 years ago. I commend the Police Department for their hard work. I know that I have gotten very few calls in the past two and a half years that I have been back on the Board with regards to criticizing police service. They are doing an outstanding job and if we are \$330,000 off to maintain the level of police service that we have now then I will be the one making the motion to increase their budget by \$300,000.

Alderman Wihby asked, Chief, you know how you have retirements and people leave and everything else. Do you know how much money that adds up to in the course of a year?

Chief Driscoll asked as far as severance.

Alderman Wihby answered no. As far as saving salaries out of your budget. If we were to fund two more positions and not give you the money, would you be able to do that with the turnover and everything else?

Chief Driscoll stated if you were to allow me to increase my complement I would do two things. One is I would work very closely with Tom Clark to try to do the juvenile court prosecution differently than we do and try to save some money on witness fees. The second thing I would do is create a Lieutenants position to work for Jimmy Stewart and the SIU unit in order to make some sense of what is going on with the drug issues that we are encountering.

Alderman Wihby asked could we do that without increasing your budget because of the turnover that you have.

Chief Driscoll answered I think you could do one of them, not through turnover, but just through creating a position and saving some money in district court.

Alderman Wihby stated you said earlier that you had seven or eight positions that were unfilled.

Chief Driscoll replied there is some flexibility there, but as we have people who are out on sick leave and so forth, we use that money, the City has always been very good about allowing us to use that money to pay the overtime. It is very difficult if there is nobody to drive that car I have to pay somebody overtime and I am spending the salary plus some so I am digging around trying to come up with more money as it is.

Alderman Gatsas stated I am sure that somebody probably has already done an analysis but everytime...obviously the three big departments have been in here but the overtime expenditure and I am not saying not pay overtime because obviously that means reducing service but I am saying if the overtime were looked at with a complement of employees because on the overtime side you are paying time and a half to get to a number and by the time we are on a benefit portion plus, if I said to you and I am only using percentages for you because I can't give you a hard number if I give you 10 employees can you reduce the overtime by \$400,000 and increase your wage line by 6, has anybody looked at that.

Chief Driscoll replied I can't tell you that we have looked at it specifically.

Alderman Gatsas asked can you look and see what that would make for a...obviously everybody says they want a freezer number and I don't have a problem freezing employee numbers if you are not going to do anything with a bottom line number and say we can add 10 employees and that number is going to go to a zero overtime and it effectively is going to save us \$300,000 to the bottom line then that is something we should consider. So you will take a look at that and see what you come up with for a number? I don't expect that you are going to come back using the whole \$1 million.

Chief Driscoll answered and you don't want us back this afternoon I hope.

Alderman Gatsas replied no but tomorrow morning by 9 AM will be fine.

Alderman O'Neil asked would that be similar to the Highway Department and Fire.

Alderman Gatsas answered I think the three big numbers we have seen has been about \$4 million total or \$3 million+ in overtime. Obviously, if I am saying that to Police, I would say to Fire can we do the same with them and can we do the same with Highway. If that number is going to reflect into a lower number, that is where your big number...you are at 10% of wages when you look at it real quick being overtime.

Chief Driscoll stated one of the big problems there though is that court issue. We have \$400,000 a year in court and sometimes higher than that. That is the number that we would really like to get our hands on.

PLANNING DEPARTMENT

Mr. MacKenzie stated I will be short. I did want to review and I hope that everyone got this tiny package that I just handed out. On the first page, hopefully, is the information you have been talking about today. The first column is what our first year budget is. The second column is what we requested to the Mayor and the third column is what we reallocated once the Mayor gave us a bottom number. You will also see in this package some other reference materials. The second page is an organizational chart and categories of activities that we do. The third page, for some of the new Aldermen, is what does the Planning & Community Development Department actually do. This lists on one page the activities that we do. The third page is our annual goals and it is going to be a very active year. We are looking at projects like implementing the Senior Center, completing the Chase Building rehabilitation, looking at completing the Hackett Hill Master Plan, and the Fire Station in the Cohas Brook area so it is going to be a very active year. We are relatively stretched, but are looking forward to completing these projects. The final page of this package is the mission statement of our department. Just a couple of notes before I complete my presentation. One is that generally speaking our numbers, our salary numbers in particular, are consistent with what Finance, HR and the Mayor's Office has. The other numbers, generally we apply. Once we are given a bottom number, we plug in where we think we should put them when we are given a bottom number by the Mayor's Office. At this point, I am open for questions.

Alderman Pariseau asked what is the last column layover.

Mr. MacKenzie answered it is a very, very tight budget. Our operational expenses are actually less than half of what was requested. I am hoping at some point...that is a number and you can see a bottom line way over to the right of \$1,100. That is something that I perhaps would like to ask the Board to add to my budget just to cover some of the basic things like equipment repair and maintenance that is very tight. I do know that it is a tough year and that is why I

am not requesting close to what I had requested before, but I am hoping to request an additional \$1,100 to cover a couple of those line items.

Alderman Shea stated you are probably going to increase your budget by about \$39,000 from last year. Is that correct?

Mr. MacKenzie replied that is correct. It is about 4.5%.

Alderman Shea asked is most of that due to the Yarger Decker study.

Mr. MacKenzie answered all of that is in salaries. The operational has actually declined.

Alderman Shea asked how much would you say the salaries have actually gone up. I have about 5.6% or something like that.

Mr. MacKenzie answered I don't have the exact percentage.

Alderman Clancy asked regarding your duplicating machine, do you own it or do you rent it.

Mr. MacKenzie answered we purchased ours last year. It is a good machine. We do normally buy it because we run it into the ground and typically it has been cheaper for us to buy than to lease.

Alderman Vaillancourt stated you said 4.5%, but to me it seems closer to 7%.

Mr. MacKenzie replied I hate to get into this discussion, but I am factoring out the salary adjustments because in our current FY2000 budget there is a set amount of money for A-STEPS and longevity that is now being included in our proposed FY2001 budget. When you factor that out...in order to compare apples to apples...

Alderman Vaillancourt responded I wasn't complaining because the previous people had come in with about 15% so I wasn't complaining. I did want to ask you how many people that includes in the salary line.

Mr. MacKenzie replied our department has 13 people.

Alderman Vaillancourt asked you don't have any vacancies.

Mr. MacKenzie answered no.

Alderman Clancy stated the Planning Department does a hell of a job. They have a good staff and they are always willing to help.

Alderman Gatsas asked about the City Contributory System. Why is there no number there on the Mayor's recommended side? Does anybody know? It is zero on the Mayor's recommended side and on the original budget side it is \$11,980.

Mr. Clougherty answered what that is is the amount of contributions that the City has to make for the so-called new pension system. It is our match. We wait for the actuarials to come, which we got a couple of days ago. It hasn't been given to us to put in yet. If you look in the summary sheet that the Mayor had, it is in there but it hasn't been prorated amongst the different departments because you have to go back and do that.

Chairman Cashin replied so if I understand, you are telling me that it is a lump sum, but it hasn't been prorated into the departments.

INFORMATION SYSTEMS

Ms. Prew stated there are a few points that I would like to add to my budget information. When you review the information that is in the budget book, we have, this year, consolidated two of our organizations into one. It doesn't affect the cost in any way, it just reflects the organizational structure of the department. Our line item in salary and wages, the increase is due totally to the Yarger Decker Study and to the 2% COLA. There are no new positions that are reflected in that amount. The one thing that I would like to call to your attention is that in the 2000 budget, overtime was included but it was not broken out separately. For the 2001 budget, it is separated so that you can see it. Overtime in our department is very necessary to keep the systems running and take care of maintenance and upgrading tasks on off-hours so that we don't impact the user community or the citizens during regular working hours. In terms of my regular line item budget, the line items have all gone down or remained unchanged. This is a status quo budget for us. It does not reflect any new technology that we can provide to our user departments. As part of the budget process, the departments send their requests to us for hardware and software that they feel they need for the coming year. This year, we received over \$400,000 of such requests and in my budget I have a number of a little over \$45,000 to address those requests. The last item that I would like to make the Board aware of is that technology is constantly changing. Within reason, we need to keep up with that technology. If we don't, in a matter of a few years we will not be able to support the kinds of programs that the City is looking to provide to its citizens. I think it would be important in the future that we consider a three to four year replacement plan to maintain the investment that

we have in technology today. Having said that, I will now answer any questions you may have.

Alderman Wihby stated so we are falling behind as far as taking care of the departments' needs.

Ms. Prew replied yes.

Alderman Wihby asked are we going to fall even further behind with only \$45,000.

Ms. Prew answered right. We will be able to address very minimally what has been requested.

Alderman Wihby asked is there some way...and I know that technology changes fast, but is there some way that we could include something in CIP to fund this on an ongoing basis rather than cash or is it because it is so short lived.

Ms. Prew answered we had some discussion about this at the Systems Advisory Committee with Bob MacKenzie and at that time it was felt that it really should be a line item amount; it should be part of the line item budget because it is a yearly amount that needs to be put into place to take care of this and it is not really a bondable item.

Alderman Wihby stated we never put it in though.

Ms. Prew replied that is a problem; yes.

Chairman Cashin stated we may have to bite that bullet.

Alderman Gatsas replied that is a cheaper bullet than cash though.

Alderman Vaillancourt stated it seems to me that your department is one that should effect a cost savings from other departments. Could you tell us which of the departments that you serve City-wide should yield to a potential savings, therefore, perhaps as I mentioned the other night a reduction in personnel in other departments because of the increased savvy computer-wise we have that I will never be savvy to personally, but I am sure the department heads are. In other words, as we get wiser with computers, we should be able to use fewer people or work more efficiently. Which departments do you think should benefit most from the efficiency that you provide?

Ms. Prew replied one that comes to mind is the Tax Office that collects a much higher rate of transactions per teller than any other community that we are aware of. This is directly related to the type of automation that they are using in that department. I think one of the things and I will use my own department as an example, I think with the introduction of word processing capabilities and such that we have been able to keep down the number of clerical people that are necessary. My staff is 19. We have two clerical people and those people do very little in terms of the letters and memos and those kinds of things. The staff does all of that themselves and they do all of their own documentation because they have the tools to do that with.

Alderman Clancy asked, Diane, I understand that you have the new telephone systems in a few of the buildings in the City. Is it up and working well in City Hall?

Ms. Prew answered yes.

Alderman Clancy asked how about the Library.

Ms. Prew answered the Library is coming to your Committee for approval Monday night. No, I am sorry it is going to Alderman O'Neil's Committee, CIP.

Alderman Clancy asked how about the Highway Department.

Ms. Prew answered I know that we have worked with them. I think their system is not...I am sorry I would have to research that.

Alderman Clancy asked what about the HTE system. Is that up and running in all departments now?

Ms. Prew answered we still have modules that we are in the process of bringing up. At the request of the Administration Committee, we have done a survey of our user departments and we will be addressing the issues that they have brought forth in that survey. We are currently installing the new hardware equipment and in about three weeks that will be complete and that should address some of the speed issues that people have had.

Alderman Clancy stated I see where you have \$45,000 here for different essentials in the departments and you say that in three to four years we should look forward to getting some new equipment in the City. How much would that cost? Do you have a ballpark figure?

Ms. Prew replied we are talking about PC's and the network. We had, in our original request, a figure of about \$270,000.

Alderman Clancy stated so we should look forward to that.

Alderman Shea asked the HTE system, how is that working in the City. How would you rate it?

Ms. Prew answered I have been asked by the Administration Committee to do that and put something together for them. I can certainly disseminate that to the entire Board if that is acceptable.

Alderman Shea stated I am not quite clear on how much you are asking for a budget. Maybe it is just me but am I looking at \$1,713,271 or is it \$1,928,098?

Ms. Prew replied I agree with the numbers that are presented in your book. The \$1,928,098.

Alderman Shea asked what did the Mayor give you. Did he give you that?

Ms. Prew replied that is the Mayor's recommended. Those numbers are correct the concerns that I have spoken about.

Alderman Shea stated in other words the proposed expense was \$1,713,271, but it is \$1,928,098 now. I am just using the sheets we were handed.

Chairman Cashin stated we are working with the Mayor's proposed budget right now.

Alderman Shea replied so his proposed budget went from \$1,713,271 to \$1,928,098.

Alderman Gatsas asked, Diane, are you at your full complement of employees right now.

Ms. Prew answered no. Actually, I just hired a programmer yesterday and I have one more vacancy. That position is frozen at this point.

Alderman Gatsas asked what is the...to save me from looking at the 700-page report, how much is that employee being paid.

Ms. Prew asked which employee are you talking about.

Alderman Gatsas answered the one you said that you just hired yesterday.

Ms. Prew replied his starting salary is \$36,000+.

Alderman Gatsas stated let me just go over the numbers here quickly. Do you have this 71-page document? If you go to year-to-date expenditures, which obviously have to be accurate, that and the FY99 expenditures are the only two that we can deal with as accurate. Total wages in FY99, including overtime, was \$710,000 or \$711,000 if you round it off. Year-to-date, which is 9.5 months, is a total of \$557,216. If I divide that by 9.5 and multiply it by 12 for the year run, it comes out to \$703,000. So, the budget that we are looking for at \$804,000...and you are going to spend \$703,000, it looks like we are about \$100,000 over in wages.

Ms. Prew asked are you talking for this year, for FY200.

Alderman Gatsas answered yes.

Ms. Prew stated for FY2000, up until May 15 I will have had two vacancies the entire year.

Alderman Gatsas replied but you have a hiring freeze on one.

Ms. Prew responded right and the one that I just hired will be starting on May 15.

Alderman Gatsas stated I am going to give you a full year of him. I am going to include it in the number of FY2000 as a full year number because that is the only way I can go forward, which brings us to \$740,000 for the full year. Mr. Hobson, is this number based on Yarger Decker? 5%? 6%? 7%? Where are we at?

Mr. Hobson asked what was the question.

Alderman Gatsas answered I will give her 7% and that is probably a bigger complement than Mark would give her so if I use that 7% number, I come out to a total of \$791,000 for FY2001, which is about \$100,000 less than what you are looking for. That is giving you a full complement for this year.

Ms. Prew replied the number that is there, I have the details on what those people are getting paid and when they get their merit increase and longevity steps and all of that and those numbers are correct. If you are trying to compare my FY2000 budget...my FY2000 budget was not fully funded to begin with. At the end of the budget process, a number was taken out of it. HR looked at it and said you are

probably going to have vacancies during the year and a number was just taken out of it so the budget number that I was given doesn't really reflect...

Alderman Gatsas interjected I am trying to help you here. The number that I am looking at based on 9.5 months carried out to a full year with your two unfunded positions would be \$703,000. Is that right, Kevin?

Mr. Clougherty asked what was the question.

Alderman Gatsas stated if I carried her out to a full year would she be at \$703,000 without the two funded positions.

Mr. Clougherty replied yes.

Alderman Gatsas stated so if I added the entire position of \$36,000 for that FY2000 budget, that is going to bring you up to about \$740,000 of actual dollars that you would have spent if you could have filled your complement this year. I am going to take, what is the Yarger Decker percentage for Info. Systems.

Mr. Hobson replied it actually went up twice. Their department was running around 10%. It went up 9% in 1999 in the beginning of the year so it went up about 19% over a 24-month period for those positions.

Alderman Gatsas stated if you are telling me that it increased in 99, the actual number that I am looking at for FY99 has an increase in there for part of that year. The total wage number for that year is \$711,000. The number that she was budgeted for FY2000 had that 10% increase in there.

Mr. Hobson replied it carried, yes, so the people who were working there, their increased wages would carry from FY99 to FY2000. That is correct.

Alderman Gatsas asked so the number I am looking at for YTD expenditures on this sheet includes those increases.

Mr. Hobson answered yes.

Alderman Gatsas stated so we are back to square 1. For the FY2001 budget, what is her percentage of increase expected to be with steps and longevity? 5%? 7%? 10%?

Mr. Hobson responded I have that on one of the reports that we gave. My guess is 9%.

Alderman Gatsas stated so Diane he tells me that it is 9% so if I take the numbers that he is giving me and giving you your complement that you need with the employee you just hired brings me to \$740,000 and 9% of that number brings me to \$806,000, which is \$70,000 less than what is budgeted here.

Ms. Prew replied I can only tell you that we have individually worked out the salaries of each member of the staff and have gone through that with the HR Department and that reflects that number.

Alderman Gatsas asked could somebody give me an answer of what that is then. Diane, maybe you can help me. \$35,000 in postage. What do you send out of your office for postage?

Ms. Prew answered we send out the tax bills. We send out the notices for when your motor vehicle registration is due. We do the mass mailings. Those all come out of our budget. Those items are printed in our office and are processed and go out to a mail service who puts the postage on. We address all of that.

Alderman Gatsas just another one of the things for worker's compensation and again somebody has to take a look at this. Worker's compensation in this department is being expensed out at \$10,239. Now the clerical people, if you take that and the clerical rate that sits around is about 42 cents per hundred on a clerical person which is \$2,800. The numbers we are being fed, again, for them to take a look at...if I was a department head and I saw somebody throw that number at me, I would say what are you charging me \$10,000 for worker's compensation for. I think that when we go through this either we need to sit down with the departments that are accountable for these numbers so that the department head can sit in the background and listen because these numbers aren't right.

Ms. Prew stated we have fiberglass ducts that are...the surface is very rough and the moisture encourages mold and bacterial growth and we have been told that those should be shut off. It is a health issue and it has been recommended. We need to have humidity control in our office because of our location and because of all the equipment that is there and certainly for the staff. We are requesting...\$11,000 of that is for the humidifier. That is really a health issue for us. The remaining amount is for putting up some additional partitions and desks for staff. I need two additional work stations. The new programmer that is going to be coming in on May 16 has no place to sit at the moment.

Alderman Shea asked how much will you be returning to the City that you won't have spent in your budget.

Ms. Prew asked for this year. Conservatively, I am looking at \$45,000. There may be slightly more.

Alderman Pinard asked what is the \$326,000 for service agreements.

Ms. Prew answered that is for all of the contracts that we have to maintain, the licenses for the software and such. I can give you specifics on that. Those are all of the support fees that we pay to HTE. It is what we pay for maintenance on our hardware on all of the various systems that we have. It is really a fixed cost.

Alderman Pinard stated you have maintenance and repair of \$50,000.

Ms. Prew replied that is where we maintain all of the PC's in the City and the printers. It is hardware maintenance and much less expensive than if we had a company do it for us.

Alderman Pinard asked about general supplies.

Ms. Prew answered that includes paper, toners, all of the things that we use to print all of the bills and maintain the equipment.

Alderman Pinard asked is there some way that you can cut the expense for that seeing that we are low on cash.

Ms. Prew answered that would be difficult. If we don't fix the equipment, the departments won't have the printers. We have been working on that over the years. We do most of the maintenance ourselves as opposed to having a vendor or contractor do that. That is much less expensive at our labor charges and our purchasing the parts then it is to pay somebody else.

Alderman Pinard asked do you do a lot of printing out.

Ms. Prew answered we print all of the tax bills.

Alderman Pinard asked do you do any printing on the outside.

Ms. Prew answered not at this point. With the laser printers, it is cost effective for us to do it because you can print a lot of the forms. We have done a lot of experimentation with that over the years and worked with various vendors. We had, at one point, had the tax bills printed outside. We have tried different kinds of forms. I really think that we have gotten it down to about as low a cost as we

can until new technology comes about and then maybe we can make some cuts there.

Alderman Hirschmann asked aren't there some open bond balances in CIP for Y2K equipment and that kind of thing.

Ms. Prew answered yes. The Y2K balance was \$250,000, but I understand that \$100,000 of that was taken for other projects within the City. We are again meeting with the CIP Committee on Monday night to discuss the Library telephone needs, which is \$50,000. That system continues to deteriorate so we are hopeful that it will be approved. That will leave \$100,000 there and there was some discussion about the policy and procedures manuals. I am not quite sure how that is going to work.

Alderman Hirschmann stated I knew that there was a large amount of money there and you have an equipment item of \$45,000 that maybe we could use out of that money that is already bonded and you are asking for under furniture and fixtures a humidifier and that shouldn't be in your operating line either. We are asking the Fire Department and the Police Department to take \$344,000 out of their budget and I am not saying that you don't need humidifiers, but they shouldn't be in your operating budget. I think we could cut \$19,000 out of furniture and fixtures and that \$45,000 line for equipment I would say the CIP could handle some of that.

Ms. Prew asked are you suggesting, Alderman, that those items would then come out of that bond balance.

Alderman Hirschmann answered yes and that would reduce your budget so you could help us out.

Ms. Prew replied I would say the one thing there is we would need to check with Bob MacKenzie to make sure that those items are bondable.

Alderman Hirschmann stated they are capital pieces of equipment so I wouldn't see why not.

Alderman Lopez stated for a number of years you have been down in what I call a hole. Is it costing the City more money being in that atmosphere than if you were in a better atmosphere. It seems that every year you always need something down there. I have been down there and there is no air down there. I can attest to that.

Ms. Prew replied right. There are some issues. I think what has happened over a period of years is we have outgrown the facility and we have more people down there than it was originally designed for. That is where there are some difficulties with the ventilating system and such.

Alderman Shea asked if, in the future, we were to determine that it would be better for you to move someplace, what departments would you be closely allied to. In other words, if you had to work with two or three departments in the City.

Ms. Prew answered we work with every department in the City.

Alderman Shea asked but more prominently with some than others.

Ms. Prew answered if you were to look...if we were closer to the City Hall complex that is where there is the largest number of departments.

Alderman Shea asked would Tax be a department that you would work more closely with if there were room here.

Ms. Prew answered I don't think...where you would gain a benefit is that my staff wouldn't spend as much time traveling to the departments. That is what the benefit would be because they have to go all over and the more spread out things are, the more time is taken up just moving around. We are taking steps with some of the software that we can manage from our own office now so we don't have to go out.

Alderman Gatsas asked the 610 line item which is general supplies, that is probably the best line item that any department that I have been associated with loves to dump stuff that is just stuff in. It is pretty tough when you ask the CPA or CFO in a company what is it and they answer it is stuff. If you look at all the stuff things in 610 in all of the departments it is an awful lot of stuff. We should get some clarification of what that stuff is. We are not talking about a whole heck of a lot for an operating budget, but that is a pretty big number for that operating budget.

Ms. Prew answered for one thing we purchase things like wiring parts and PC parts depending on the kind of disposable items. There are a lot of wiring and cables and it is a lot of stuff. It is not for use...we don't consume those items ourselves. Most of these items are purchased for the benefit of the departments.

TRAFFIC

Mr. Lolicata stated good afternoon. With your packet, you have two spreadsheets. You also have our service indicators, our mission statement and our budget adjustments at the end that I have asked for but have not received. On my budget, on the line items and the salaries on the spreadsheets I had a zero based budget like most people and I have a 2.5% cut from the Mayor's Office like most people I believe. My bottom line actually had some change until we lost 2.5% of \$19,000, which is now \$2,544,182. On my budget adjustments, I received zero. I know that I went in asking for a few things and I thought at the time and still do that I need some of those things but they are not included in this. Under the salaries, the Yarger Decker is included.

Alderman Gatsas asked have you lost a lot of employees.

Mr. Lolicata answered over the years I am just down two.

Alderman Vaillancourt stated the salary line has gone from \$1.1 million down to \$655,000.

Mr. Lolicata replied on the second spreadsheet, we had the garages included in the original one and they gave us a new number under manpower. Look under manpower in the 2.5% cut. Those are your salaries for the garages. On the first spreadsheet they had it under salaries.

Alderman Lopez asked what account are you looking at.

Mr. Lolicata answered we are working on the top spreadsheet with the 2.5% cut. I am showing a new line item, manpower, which is \$591,000, which on the first spreadsheet was put under salaries for last year. That is why it looks like it was so much money. The bottom line is \$544,000. I would like to have something out of budget adjustments. The reason I asked for so much in that packet is based on a lot of things, including snow removal coming up next year, the civic center, etc. I need a meter man and extra people. I still have the same complement. The salaries that you see in front of you are based on the complement I now have. Anything extra that I asked for is under budget adjustment. My line items went down a little bit, but my salary account went up. Basically, I am open for questions.

Alderman Vaillancourt stated your health insurance line seems to be way, way up. More than most departments.

Mr. Lolicata replied that includes the garages too, Alderman.

Alderman Vaillancourt stated the health insurance line has gone from \$96,000 to \$344,000 and even if you take the manpower which is about \$500,000, it shouldn't be that much.

Mr. Lolicata stated I don't have those figures.

Alderman Vaillancourt replied it is in the 71-page document.

Mr. Lolicata stated these figures come out of HR. We do not have those. We have no say in this matter.

Alderman Vaillancourt asked how many employees do you have.

Mr. Lolicata answered 17.

Alderman Vaillancourt stated well \$344,000 for health insurance doesn't sound right.

Mr. Lolicata replied that must include the garages.

Alderman Vaillancourt asked how many employees do you have at the garages.

Mr. Lolicata answered those are all contracted out.

Mr. Hobson stated this is the first year that we have extrapolated...we will have to get back to this number. We extrapolated those contracted services out of their salary line. I have to take a look at that. That is not right. It appears to not be correct. I have to look at it.

Alderman Lopez asked the \$3,153,000 and revenue of over \$2.5 million if I am reading this correctly what would an Enterprise system do for you if you kept all of that revenue. Say you were an Enterprise and you got \$2,599,853 and you are short roughly \$200,000 or \$300,000. Could you make that up?

Mr. Lolicata answered the revenues include the garages and we don't know what we are going to do with that. If you are talking to me strictly, that would be more than enough probably for Traffic alone.

Alderman Lopez stated so you could operate as an Enterprise system.

Alderman Gatsas stated I disagree with that.

Mr. Lolicata stated all of our revenue is from leases, the lots and the parking meters.

Chairman Cashin stated so you would have to raise the rates to come up with the difference in revenue.

Mr. Lolicata answered yes.

Alderman Gatsas stated even if he did those things, Mr. Chairman, you don't have any debt service in there. If he was an Enterprise Fund, you would have to use the debt service and it wouldn't work.

Mr. Lolicata stated you are correct. I was talking strictly Traffic.

Alderman Gatsas stated I know that you sent a nice packet and I am sure it is in here somewhere about what it looks like on a carrying basis for a garage. Can you help me? Do you have something in front of you that I can ask questions off of because I know where I want to go if you have a copy for me. I am going to have to look through 71 pages. I am looking for the comparison.

Mr. Lolicata replied I sent that to the Mayor's Office. That did include the debt service.

Alderman Gatsas asked does everybody have a copy of it. If you look on it, it shows you the Pearl Street Lot and the Middle Street Lot. I know it was sent to us but I can't put my finger on which one it was. Let's take the Victory Parking Garage. There is a total of 856 spaces in there. Total number leased is 595 plus the City has 54. The daily parkers is 290. So the meter revenue can't be a daily number, it must be yearly. You came over and told me that it was a daily number of \$138,000.

Mr. Lolicata answered for daily parkers that is a yearly number.

Alderman Gatsas stated so if I took the revenue that you have there which is on the lease side, which is \$329,000 and the meter revenue on a yearly basis, which is \$138,000, that is \$467,000. Now the garage expense, does that include labor and maintenance?

Mr. Lolicata replied yes.

Alderman Gatsas stated so if I subtract that out, it leaves us \$265,000 a year profit. Kevin, what was the cost of that garage and what is the debt service that we are carrying on a yearly basis?

Ms. Shaffer replied the original price was \$745,000.

Alderman Gatsas asked is there any debt service on it now.

Ms. Shaffer answered I don't believe so.

Alderman Gatsas stated so it is paid for and that garage is running a \$270,000 profit.

Mr. Lolicata answered correct.

Alderman Gatsas asked what is the assessed valuation of that garage. Does anybody know?

Mr. Lolicata answered in the ballpark, about \$4 to \$5 million but I couldn't give you an exact figure. I have no idea really.

Alderman Gatsas asked what is the tax rate. So you are talking \$120,000 a year. If we took that and turned around and received \$120,000 in revenue and sold it it probably wouldn't be a bad deal. If I go up and continue through some of these numbers and I don't know what daily parkers mean. So, 650 out of the 850 leaves us 200 spaces so we are turning those over maybe one and a half times.

Mr. Lolicata answered close to it.

Alderman Gatsas stated so if we looked at some other numbers in here, that one there shows as a positive.

Mr. Lolicata answered yes.

Alderman Gatsas stated some of the others show as a negative so if we did them as an entirety and the one at the Center of NH is probably the one that is most glaring of what that is for the number of spaces so asking you if you could run as an Enterprise Fund it is almost virtually impossible if you had to cover debt.

Mr. Lolicata replied yes especially with the Center of New Hampshire.

Alderman Gatsas stated, Kevin, maybe you can help me with this. The parking garage at the Airport is how many spaces and what did it cost to bond?

Mr. Clougherty answered it has 4,600 spaces and the bond was \$46 million roughly.

Alderman Gatsas replied so that is \$10,000 a space.

Alderman O'Neil stated I think that number was adjusted. I think it went up to \$15,000 a space.

Mr. Clougherty replied it went up \$15,000 from the original amount but it was \$46 million and about 4,600 spaces.

Alderman Gatsas stated again this is probably going down an avenue for Alderman O'Neil, but rather than taking a look at the Desmond Report that says that we should be building spaces in the Millyard to accommodate what we are looking to do, it shows somewhere in the vicinity of \$8 to \$12 million if we completed their entire study. I am saying if that was the cost of \$10,000, if we are going to spend \$7 million or \$8 million or \$10 million to do it, then why don't we look forward and say let's build one garage, not with 4,600 spaces obviously, but if we are doing it for \$10,000 a space, maybe we could put in 1,000 spaces and reduce costs and put in one big garage that we can utilize. That would certainly lighten your burden on what we are trying to do just adding bits and pieces as we go through. I am just saying should it be done now, yes it should be done now and it should look forward and obviously our bonding capacity is down some from where it was last year and it is leaving some possibilities of adding some bonding capacity. I just think that we need to look on a forward venue rather than adding 70 spaces for \$1.2 million, if we can get 120 out of that same delivery of money then we should do it some other way. Do you agree with that, Mr. Lolicata seeing that you are the expert on the parking end of what we can ask from the City?

Mr. Lolicata replied based on comments that the Mayor has received from people in the Millyard and based on what we are going through with our leases, I would have to say that the long-term range about nine or ten years ago you are there. You are close to saying this is a final thing for a garage. I am not saying 5,000 or 6,000 spaces but right now with what is going on down there, they have a long range plan. Planning and everybody else has been looking at it and I believe the time has come for a small parking garage.

Alderman Gatsas asked what would you suggest looking forward and obviously I don't want to get into a middle school issue that was completed in June and they are looking for 10 portables less than six months after operation so with the space that is left down in the Millyard, if we were to ask you today what do you project that we need for spaces in the next 10 years.

Mr. Lolicata answered I can't conceive 10 years from now but in the next few years there is going to be a saturation point where every space is going to be taken in the Millyard no matter what. What that number is, I don't know. Based on what we are going through now, you are talking at least close to 1,000 spaces that I can see coming in over the next few years. That wouldn't be far off because we are almost there now as far as the leases are concerned. I would say close to 1,000 spaces in the next few years anyway in that area. I would like to know how much that holds down there with all of the buildings at full capacity to give us a better idea of what we could do in the future. Say it holds 35,000 or 40,000 people and no more because you can't go anywhere. If we could work on something backwards like you would say, maybe we could be a little more definitive about the future needs. I would say 1,000 within the next three or four years the way they are coming in right now.

Alderman O'Neil stated to follow-up with that, Alderman Gatsas, based on the discussions that we had the other night with regards to revenue bonds, I spoke with the Finance Officer yesterday and I think certainly one of the topics for the next Riverfront meeting is going to be the whole parking picture and does it make sense to look at the whole thing. Your suggestion about a garage solving a lot of the problems with the small decks here and there and I think we need to look at that and we need to look at that soon going forward. That will be a topic very shortly.

Alderman Levasseur asked the McQuade lease of \$816 is that for the year.

Mr. Lolicata answered that is correct.

Alderman Levasseur stated as a business owner myself who works down there, I pay \$20 a month and that means that I am paying \$240 a year and there are about 25 businesses that are in that block included so what is McQuades getting. I will be honest. There is no sign on that lot that says that I can park there.

Mr. Lolicata stated let me bring you up to date on how this all started. First of all, that was done through a Committee eight or nine years ago. It does not include McQuades alone. There are 17 businesses.

Alderman Levasseur replied correct. He is charging each one of us a separate price.

Mr. Lolicata responded he went in front of the Board a year ago showing where the expenses went.

Alderman Levasseur asked what expenses.

Mr. Lolicata answered what he is charging you. It is not a standing lease. It is something that the City has approved year after year.

Alderman Levasseur stated there are 80 spaces and if you look at the 86 leased spots for the Bedford Lot, you are getting \$16,000 for that correct. I don't know if those are \$22 a spot. I am just trying to compare the number of \$816 to \$16,000.

Mr. Lolicata replied you are getting \$25/month in the Bedford Lot.

Alderman Levasseur stated if you put the 80 meters back in, what would you be getting. What do you average in a meter a day? Probably \$5.

Mr. Lolicata replied they don't have meters in that lot.

Alderman Levasseur responded not the Bedford Lot, the McQuade's Lot.

Mr. Lolicata stated there would be about 31 spaces you are talking about.

Alderman Levasseur stated if McQuade is charging the 17 businesses, he is not turning the money over to us unless he is responsible for plowing and stuff.

Mr. Lolicata replied if you have a change, go down and see Brooks McQuade and he will probably give you the same figures that he gave the Aldermen about two and a half years ago as to what the expenses were. Maybe that is what he is charging you for.

Alderman Gatsas stated at \$20 a spot per month, that is less than a penny a day.

Mr. Lolicata replied you are correct.

Alderman Levasseur stated we need to review that in Traffic.

Alderman Lopez moved to televise the meeting with the School Department. Alderman Pariseau duly seconded the motion. Chairman Cashin called for a vote. There being none opposed, the motion carried.

Alderman O'Neil asked what are we going to look for coming out of today, that we need the salary and salary adjustment and try to get everybody on the same page. Who is going to make sure that this is followed-up on?

Chairman Cashin stated Mr. Robinson will get the numbers from HR and Finance.

Alderman Gatsas asked can we have a meeting before we meet with department heads again with Risk and HR because obviously we need to get a handle on benefits so that we know where we are going because that is the biggest number that anybody is going to look at here. We need direct answers on what they are, why they are and what we are going to do to improve them. I will give you a quick example. Worker's compensation insurance in Manchester is about \$1.3 million. Mark, how many employees do we have both on the School side and City side?

Mr. Hobson stated about 2,800.

Alderman Gatsas replied I will say 3,000 to help you out. There are 2,500 employees on the Nashua side and they pay \$400,000 compared to our \$1.3 million on worker's compensation. I would say that we need to take a look at it. We need to find out why the gentleman that is helping us achieve bids is that far in left field. I think it is absolutely imperative that we get a handle on this before we talk to a department.

Clerk Bernier stated the only meeting we have next week is Monday at 4:30 PM Lands & Buildings and at 6 PM CIP so we could meet next Tuesday. If you want, we can probably meet just before the public hearing on May 1, which is the following Monday.

Alderman Gatsas replied no.

Clerk Bernier stated my suggestion then would be to schedule it on Tuesday.

Mr. Hobson stated on Friday we gave the Mayor a potential adjustment for the restricted items. This is, and I am not trying to make excuses, but this is the first year that we are moving the restricteds into the departments and there is some change there. We made some proposal to the Mayor on Friday in terms of all of the health insurance numbers and the dental. Risk management and worker's compensation that comes under the Solicitor's Office and we did not make any projects on that. You are right, Alderman Gatsas, that we need to talk about that. I don't know exactly what all of those issues are. I think we can be ready by Tuesday night with revised numbers for health and dental. It is fair that we need to talk to the Risk Manager and the Solicitor.

Alderman O'Neil stated, Mark, I heard the words I think and it is not going to do us any good to meet Tuesday night if the departments are not going to be ready.

Alderman Gatsas replied we are not meeting with the departments. We are meeting with HR, Finance and Risk Management.

Alderman O'Neil responded that is what I am talking about. If they are not prepared to respond to questions, it is not going to do us any good to meet. I think we should have the numbers is what I just heard. We don't need "I think's" Tuesday night.

Alderman Gatsas replied I am not concerned so much with numbers because we can't effectively change numbers until we effectively change policy, direction and ideas.

Alderman Levasseur stated we should have a mini-Committee on Finance. We have small Committees on CIP and such and I think there should be a sub-Committee on Finance which may speed this thing up a little bit.

Clerk Bernier asked are we meeting on Tuesday.

Chairman Cashin answered yes at 6:30 PM.

Clerk Bernier stated to meet with Finance and HR and Risk Management and talk about restricted items.

Alderman Lopez asked for clarification on who is going to be at the meeting. Is Harry Ntapalis going to be here?

Chairman Cashin answered yes.

Mr. Hobson stated one of the issues with health insurance and again this is an operational piece but everybody needs to understand it, one of the issues with health insurance is again since December we are not extrapolating School from our health insurance numbers and dental and all of the rest of the restricted items. Again, that is causing a bit of a stress on the system. They received some information from us on Friday in terms of what our expectations are and they are coming in here on Monday night obviously and just to answer Alderman Gatsas' question on whether or not we will have all of those numbers by Tuesday night, I am still at an "I think" stage.

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

A True Record. Attest.

Clerk of Committee