

COMMITTEE ON FINANCE

January 6, 2009

Upon Recess of BMA

Mayor Guinta called the meeting to order.

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

Present: Aldermen M. Roy, Gatsas, Sullivan, J. Roy, Osborne, Pinard,
O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Ouellette, Murphy

3. CIP Budget Authorizations:

210309	Lead Poisoning Prevention
410709	NH DWI Patrol Program
410809	NH School Bus Enforcement Patrols
411009	NH Speed Enforcement Program
211308	Capital Improvements-CHS
212708	New Citizen Assimilation Initiatives-Planning
214008	Cities Readiness Initiative-State
214108	Naccho Accreditation Improvement-Health
410008	Homeland Security Grant-Fire
4100B8	Homeland Security Grant-Fire
4100C8	Homeland Security Grant-Fire
4100D8	Homeland Security Grant-Fire
411708	Firesafe Intervention Program-OYS
411808	Fire Ladder Truck Repair-Fire
510508	Project Greenstreets-Parks
511008	Martineau Park-Parks
511208	Hazard Tree Removal-Parks
511308	Millyard Maintenance-Parks
511508	Weston Street Neighborhood Park-Parks
511608	Veterans Park/Stanton Plaza-Parks
610408	Concentrated Code Enforcement-Building
611408	Manchester Micro Enterprise Program-MicroCredit
611608	Neighborhood Pride-Business Incentive-MEDO
710508	School Sidewalk Program-Highway
710608	Annual Bridge Maintenance Program-Highway

713408	Chronic Drain-Highway
810008	ADA Compliance-Planning
810108	Community Development Initiative-Planning
810408	Municipal Deferred Maintenance-HFD
810808	Vista Initiative Program-Health
210607	School Based Dental Services-Health
411807	Hazard Tree Removal-Parks
412407	Public Safety Interoperability-Fire/Police
412607	Security Fiber Connections Project-Fire
510807	Park Improvement Program-Parks
510907	Parks Improvement Project-Parks/Pisc. Trail Phase III
511407	Black Brook Dam Removal (Watershed Restoration) Project
511607	Bass Island Flood Damage
611507	Revolving Loan Fund-MEDO
710807	School Sidewalk Program-Highway
710907	Annual Bridge Maintenance-Highway
711207	Downtown Miscellaneous Repairs-Highway
810707	Community Development Initiative-Planning
810807	Master Plan Support-Planning
810807	Master Plan Support-Planning
810907	Neighborhood Revitalization/CBD Impr.-Planning
410006	Mobile Data Terminal/AVL'S-Fire
511306	Crystal Lake Master Plan-Parks
612406	Neighborhood Revitalization Program-MEDO
711206	Campbell Street Traffic Study-Highway
712706	Discretionary Sidewalk/Curb Program
810306	Economic Development/Master Plan-MEDO/Planning
810606	ADA Compliance-Planning
411103	Hazardous Materials-Fire
650300	Hackett Hill Development-MEDO

Acting City Clerk Matt Normand stated Your Honor, there are two deletions to this, items 211308 and 510508. We have been advised by the Planning Department that those need to be taken off.

Alderman Gatsas asked which ones are they?

Acting City Clerk Normand replied it is the Capital Improvements project 211308, about five down from the top, and then project Greenstreets 510508, about in the middle of the page.

Alderman Gatsas stated discussion on 650300 Hackett Hill Development-MEDO. Can somebody tell me...it's the last one. Can somebody tell me what's in that program and what it's for? Where do the funds come from?

Mr. Jay Minkarah, Economic Development Director, replied if I may, I can address that in part. If you have any detailed questions we have Ken Edwards, from Manchester Housing and Redevelopment Authority (MHRA) here, who can answer better than I. The overall costs, as we have it, were for miscellaneous acquisitions. These are the line items: construction costs; engineering; marketing, which really wasn't funded; administrative cost; and some miscellaneous costs such as insurance.

Alderman Gatsas stated maybe I didn't ask the question correctly. They show a balance of \$430,000; the source of funds is Other. I guess I need a clear definition, because it's been hanging around since 2000. I need a clearer definition, on what 'Other' means.

Alderman Shea stated point of order, Your Honor. Some of us have that information but some do not. That was on a CIP committee, so that we do have the figures.

Alderman Gatsas stated I'm looking for a clarification of what 'Other' means and how much was the original amount that was in there? Then I can ask a couple more questions after that.

Mr. Minkarah replied I would have to defer to someone else on the original source of funds. The original budget amount that we have is \$785,000. I must say, there is a discrepancy between what we have the balance as in our records versus Finance. I will need to get with Finance to figure out exactly why we have a discrepancy. According to our records, the balance is closer to \$200,000 remaining in the account.

Mayor Gatsas stated what we can do is table that particular item and have Mr. Sanders and Mr. Minkarah put together a report that would come back to Finance prior to a vote on that item. Would that be reasonable? I don't believe Alderman Gatsas' question has been properly answered.

Alderman Gatsas stated no, but if there is a discrepancy of \$200,000 in this account, are there other discrepancies in the other ones that are before us? You have another account of \$125,000, the Neighborhood Pride Business Incentive in MEDO, saying that there's \$125,000 in there. There is another one for Vista Incentive Program...

Mayor Guinta interjected Sam's not here. I know that that's the neighborhood... probably Kelly Street. Is that Kelly Street?

Ms. Pamela Goucher, Interim Planning Director, replied that is Kelley Street.

Mayor Guinta stated that is CDBG pass through.

Alderman Gatsas stated I hear what you're saying, Your Honor, but my question is, we have one department head here saying that an amount that we see before us that we voting on is \$430,000. He is not saying it is \$430,000 but the sheet is telling us \$430,000. Mr. Minkarah is saying it is at \$220,000 or some number... I am questioning whether the rest of these numbers that we have before us are accurate.

Mayor Guinta stated I would agree, except the difference between the two is that every other funding type is identified. The one that you are citing is the only one that doesn't give specification. I think it's more than reasonable to remove that.

Alderman Gatsas interjected there is a whole bunch of them. You have another one that's in MEDO; you just explained it.

Mayor Guinta stated the other ones either say CDGB, cash, or federal or state funded.

Alderman Gatsas stated my question is, even with them telling us what it is, are the balances correct?

Mayor Guinta replied I would have no reason to believe that they're not, but if you'd prefer to have a different motion, I would be willing to hear it.

Alderman Lopez stated just a clarification, Your Honor. Maybe the Highway Department could answer that question. Just as an example the annual bridge maintenance is \$65,000. The real question is how much money has been spent out of this that was authorized? You've got \$65,000. What does he have left? None of this is shown.

Mayor Guinta stated we can do a couple of things. Obviously, we can pass all of this, part of it, or table all of it, or part of it. If you would like different reporting information to the Board we should probably instruct staff on changing or adding some information. I am concerned if you are saying our balance is different on this item, 650300. I don't believe we should be voting on that. Do you want to hold up the rest because of that one item?

Alderman Lopez stated I think it is a procedure of extending the deadline in order to meet some administrative procedure. They should process each item and tell us what is left in that account.

Mayor Guinta stated I have no objection to table and hold.

Alderman Gatsas stated just for clarification, I was having a conversation with the CIP Chairman. That requested was asked for many moons ago, so that every Alderman understands what is left in accounts. When somebody says we are looking for \$3,600 and we get a reaction from staff that says, oh yes, I think we can find it. I think that every Alderman should understand where the money is so that if there is a project they are looking at, they can find it.

Alderman Garrity stated how about if we just send it back to CIP and get all that information that was requested.

Alderman Gatsas stated I want every one of these, because I think we are in a tough budget cycle. I think we should find out if we need to move on some of this stuff.

Alderman Garrity moved to sent all CIP Budget Authorizations back to the CIP Committee for further documentation. The motion was duly seconded by Alderman Shea.

Alderman O'Neil asked is the intent to find what the original amount was, what has been spent or is committed, and what the balance is?

Alderman Garrity asked that is correct Alderman. That was requested about three months ago in CIP.

Mayor Guinta stated and where is the money coming from.

Alderman O'Neil asked am I correct, Your Honor, some of this money may be committed although not spent?

Mayor Guinta replied correct.

Alderman Lopez stated I have just one point, and I am for the motion. I think there might be an administrative procedure, which is the reason why they extend the money in order to do the paper work for whatever... I know if the Finance Officer or City Solicitor could help us. They do this all of the time, and they tell us it is an administrative procedure in order to keep moving along.

Mr. Sanders stated I believe the answer is that technically these projects would expire by their date unless extended. Consequently, the authority to spend the money would expire. If there was a bill to be paid, or something to be done between this evening and whenever it comes back, we would not be authorized to spend the money. If it was a short period of time, I am not sure that would be an issue. If it was less than 30 days or something...

Mayor Guinta interjected I certainly think our intention is less than thirty days.

Alderman Garrity stated we have been asking for this information for three months, so if they want to extend the projects they will have the information for us.

Alderman Lopez stated I would ask for a friendly amendment, to extend the projects that have been requested, because of the administrative technicality that we might run into. At the same time, complete the motion and get the information to the Board of Mayor and Aldermen. They can provide that information the next day.

Alderman DeVries stated thank you, Your Honor. I see Pam Goucher, who is the acting planning director who would have oversight, is looking to add something, so I would like to bring her up.

Ms. Goucher stated thank you. What Mr. Sanders said is technicality correct. We like to pay our bills on time and technically the projects expire if they are not extended. Frankly, I would like to see the Board take an action to extend the projects. It seems like the last one is the one in question in particular. We will try to get together with Finance and Jay Minkarah and Ken Edwards to try to resolve it. These are balances that we get from the Finance Department. They are supposed to reflect the latest charges and encumbrances. Certainly we can also talk with Bill Sanders and see why there are discrepancies and if there are discrepancies in other ones. Quite frankly, some of these are ongoing and departments are charging to them. We would like to be able to pay the bills in January. If this gets postponed another month, we may be in jeopardy of that.

Alderman DeVries stated Pam, the CDBG in particular, as well as the federal funds that we have here, there's a lot of oversight involved for the accounting of those funds. I happen to work on the board of a non profit that utilizes that and there is a monthly review of the expenditures and balances. This is required by the federal government. Isn't that correct?

Ms. Goucher replied right. Every month we usually are in the business of processing about \$250,000 to \$300,000 from about 45 non profits. Those come through and they are reviewed by...if it's specific housing funds, it's usually Sam Maranto. The non profits were usually handled by Nina, who is no longer with us; so it's falling onto Sam. We are reviewing and scrutinizing all the bills, and it would not let us enter a bill payment and charge it to this account number if there is no money in it. I can't explain the discrepancy that Jay says he believes is in that account versus the balance that we have here. Again, we can do whatever we can to try to get the answer to that question. But, it really is important for this Board to extend them. We normally do it in December. January is late for us.

Alderman DeVries stated the reason would be because if we have contracts or ongoing projects that vendors or others are expecting a payment...Homeland Security grant I see is part of this... There are a lot of projects here.

Ms. Goucher stated I would certainly defer to both the City Solicitor and Bill Sanders. A bill came in on a project that wasn't extended and asked them whether or not it was appropriate to pay it, but that's generally why we ask for extensions. I understand the questions that are being asked about the balances.

Alderman O'Neil stated Your Honor, if we extended these projects to January 30th that gives time for this information to be gathered. Then we can extend it again. I think in Committee there was some explanation with detail on what some of these projects involved. That was one of the things asked by the Committee. Alderman Garrity is right. The Committee asked for detail information a number of months ago that we have yet to receive. I think extending it to January 30th, bills get paid but yet there is an expectation that the information has to get to the Board.

Mayor Guinta stated I would be in favor of that compromise, as long as it's very clear that the explanation get to the Board. Again, you have been asking for this information in Committee for three months. I would be okay with extending it for 30 days, but with the explicit understanding that a full and complete explanation will come to CIP in that same time frame.

Alderman Garrity moved to extend the CIP authorizations for 30 days, but to require a full and complete explanation of the expenditures at that time. The motion was duly seconded by Alderman Shea.

Alderman Shea asked how long do we wait until we find out that we no longer need the funds for a particular project? In other words, this is 2000.

Ms. Goucher replied we get responses from the departments that are in charge of administering particular grants. If they request an extension, that's how it gets on the list for the Aldermen.

Alderman Shea asked is there a time in which...some of these funds which have been around for maybe two years. There is no longer any need for these funds. In other words, the expiration date has run out. We didn't use enough of the funding, so we can transfer these funds to some other situation.

Ms. Goucher stated we did go through this in the CIP Committee when we were asked to show some monies that might be available for other projects. In that process, we asked department heads if any of those funds that were still languishing, if you will, because that's what you have been stating, could be used for other projects? The response was no. They are still working on finishing or hiring somebody to continue on that project. Certainly if there are certain ones that you want to ask the department that's in charge of administering whether or not they really are using them, that's up to the Board to make that decision. We did go through the exercise a while ago in terms of what monies were available.

Alderman Gatsas asked if I take a look at a discretionary sidewalk curb program, from 2006, and it's cash, and it has \$15,700 in that account. Does this Board have the ability to take that \$15,700 and move it into contingency of this year?

Ms. Goucher asked I am sorry, which one are you on?

Alderman Gatsas replied 2006 cash, 712706 Discretionary Sidewalk/ Curb Program.

Mayor Guinta stated if it is cash, I would assume we would.

Alderman Gatsas asked Mr. Sanders, do we have the ability to move that into contingency?

Mayor Guinta asked do we have the ability, Mr. Sanders, to move cash items from previous years into contingency of the current budget?

Mr. Sanders replied I was just discussing that with the Solicitor. I don't believe we do. It would have to be part of the budget process, and an actual appropriation would have to be made within the general fund budget. You could transfer it, but there is no authority to spend it, because it's not in the original budget.

Alderman Gatsas asked but if we had the authority to move it, and it was in contingency, could it be applied to the deficit of this year?

Mr. Sanders replied we were just discussing that. The thought was that it probably would roll to surplus or to offset the deficit, yes sir.

Alderman Gatsas stated so if we looked and saw that there was some \$30,000 in cash, just in 2006; another \$10,000 in cash in 2007; and \$17,000 in cash we could move that all to contingency and have the ability to reduce the budget deficit that we are looking at and are going to be talking about in a short time.

Mr. Sanders stated that is correct. The Solicitor advises that you wouldn't even necessarily have to transfer to contingency. The Board could direct that the funds not to be spent and be transferred to fund surplus at the end of the year.

Alderman Gatsas stated then I'll make a friendly amendment that no funds are disbursed from 2007, 2006, 2003, or 2000 because I don't know what 'Other' means. It's got to be cash, I would assume.

Mayor Guinta stated before you make that friendly amendment... rather than make that amendment tonight, why don't we get a list of all of the cash projects? This is just a small portion. Let's get a list of all of the cash projects, get it to CIP so we can have...

Alderman Gatsas interjected I don't have a problem with that, Your Honor, but I'd like to put a freeze on that so that there is no spending on any of those cash projects in the next 24 days.

Mayor Guinta stated I don't disagree with what you're trying to do. I just want to make sure that we're not stopping a project right in the middle. I think it's just prudent to take a look at the status of a project before we coffin it. I don't disagree with what you're trying to do; I wouldn't want to halt a project in the middle of it.

Alderman Gatsas stated I would say that any project that was out here from 2006, we are not halting.

Mayor Guinta stated you are only looking at a portion of a list.

Alderman Gatsas replied I hear that. I was looking at this as being what is available and out there.

Mayor Guinta asked so you are just talking about this list?

Alderman Gatsas replied I am talking about any list that may contain cash. I think we need to take a look at reducing the deficit in this budget.

Alderman Lopez stated thank you, Your Honor. I just wanted to comment, sort of on the same line. Some of these projects are in existence now and are being completed, even if it is 2006, like Crystal Lake and other places like that. We need to know where each of these projects is before we take the money away from major projects that were approved by the full Board. I am in agreement, if there is some cash there, and it is a project that we don't want to move forward with right now, we have to have that information. Some of this money is already committed. We should know the facts before we just take it away.

Alderman Garrity stated let's do this in CIP. We have all of the CIP cash projects will be a priority at the next CIP meeting before the next full Board meeting. We'll do it right.

Alderman Gatsas stated can we also have them... I don't know if there are funds that we can replace or supplant from other years to reduce the cost of the budget that we're in. I'm not sure if that's available to us but I certainly would like to find that out. Maybe there is another project in 2006 that's funded in some other way that we could get it funded with some of the dollars that we have here, and free up some dollars that we have in this budget. Maybe we need to...

Alderman Garrity interjected let's meet with the CIP staff before the meeting.

Alderman Gatsas replied I would think that maybe we could get all of the projects that have a CIP number to them, and spend a couple of hours in CIP to find out if there is anything we can move around from later dates into current dates, to eliminate some of the pressure that we are going to be seeing.

Alderman Garrity stated that is fine.

Mayor Guinta asked is there currently a motion on the floor?

Acting City Clerk Normand replied what I have on the floor right now is to approve extensions through January 30th which was a motion made by Alderman Garrity and seconded by Alderman Shea.

Mayor Guinta stated with responses back to CIP.

Acting City Clerk Normand responded right.

Alderman Gatsas asked Pam, can you tell me what 'Other' means on the Hackett Hill development?

Ms. Goucher replied I just had a conversation with both Jay Minkarah and Ken Edwards; they are not aware of... I don't know if it was monies from a sale. It could have been French Hall.

Alderman Gatsas stated in 2000 that number started at \$785,000.

Ms. Goucher replied yes.

Alderman Gatsas stated I guess we are going to have a conversation on that...

Mayor Guinta interjected let's do that at the next CIP meeting.

Alderman Gatsas replied no, we are going to have a conversation because we have some document in here from someone pertaining to those questions that we had at the Lands and Buildings meeting last night.

Mr. Minkarah stated the budget amount for the current project was \$785,000. There was more money from the sale of French Hall. Although I don't want to speculate, I think that's what we're seeing here. Some of the French Hall project money, I think, is lumped in with this. That's why we are seeing a difference in the numbers. Again, Ken Edwards might be able to clarify this more, but I believe the French Hall project was a separate project from the \$785,000, that is listed here as the Hackett Hill project.

Alderman Gatsas asked can we get a total breakdown, not a lump sum for administration. I want a breakdown, line by line by line, on every penny that has been spent on Hackett Hill and any revenue that has come in at Hackett Hill on a line by line item.

Mr. Minkarah replied yes.

Alderman Gatsas stated thank you.

Mayor Guinta called for a vote on the motion to extend all cash project in CIP through January 30, 2009, with the understanding that a full and complete explanation of the projects will be reported to CIP in that same time frame. There being none opposed, the motion carried.

Alderman Lopez asked do you want to bring up a Finance item, which was brought to our attention by Mr. Sanders, or do you want to do that separately?

Mayor Guinta replied I am happy to do it in Finance.

Mr. Sanders stated we handed out this evening an update of the 2009 budget projections based on the department head estimates that were received last week. As you can see in the schedule, we are currently projecting a General Fund operating deficit of \$1.9 million for fiscal 2009. If this proves to be completely accurate, which it is just an estimate at this point, this net shortfall would be recovered through the rainy day fund. There is about \$9.2 million in the rainy day fund today. The estimated deficit of \$1.9 million is primarily attributable to a substantial reduction in our estimated revenues for auto registrations. We believe we will be \$1.1 million short of our previous estimate. Interest income will be about \$450,000 short of our previous estimate, and building permits will be \$450,000 short of our previous estimate. As you walk through the schedule, you can see on the expenditure side that overall at this point the City is under spending its appropriations, so we are creating an expenditure surplus currently estimated at about \$338,000. That netted against the \$2.2 million revenue shortfall, gives rise to the \$1.9 million net deficit that would be charged to the rainy day fund. There are a couple points that I would make on the three major declines in revenue. The auto registration number is down a significant amount of \$1.1million. Since we did the October forecast that was used for the tax estimates, auto registrations in November and December have fallen dramatically. Auto registrations in November were \$702,000, which is about \$450,000 lower than they were in October. The auto registrations for the month of December are higher; they are up at \$890,000, but that is still substantially below the approximately \$1.2 million that we need to achieve each month in order to meet our full year estimate. The \$702,000 that we received in November was the lowest figure for monthly auto registrations since prior to the year 2000 in any month in any of those years. The interest income reduction of \$450,000 is entirely attributable to the free fall in interest rates over the last two months. Today if we invested one dollar of the City of Manchester, the interest rates that we would receive would be between .5% and 1%. In the months of September and October, we were investing at approximately 2.5%. Interest rates have declined three and four fold in just the last two months. Finally, the other large adjustment is in the building department, a decline of \$450,000 in our projection of building permits for the rest of the year. It is primarily attributable to the reassessment of the Jac Pac Rivers Edge project. We originally had expected approximately \$1 million in permit revenue this year. We are now anticipating approximately \$600,000 in permit revenue. That concludes my comments.

Alderman Gatsas stated thank you, Your Honor. Bill, what is the additional \$200,000 in Finance? You said \$450,000 was interest income.

Mr. Sanders replied it is, and the other \$200,000 is an adjustment to our expectation of the Parking Division reimbursement to the City. We had previously anticipated approximately \$2.2 million; we have revised that estimate down to about \$2 million.

Alderman Gatsas asked we are down 10% on parking with all the things that we have been doing with the City and all the people that we've been hiring to give out more tickets and our income is down?

Mr. Sanders replied our projection for the full year income number, yes sir, is lower. As with auto registrations, the parking division has recognized decline in revenues in October, November, and December. We are projecting a flat remaining of the fiscal year there.

Alderman Gatsas asked can we get side by side revenue and expenditures for the parking department, over the last two years? All of these things I keep hearing, these proposals that came forward were suppose to increase revenues not decrease them.

Mr. Sanders replied yes sir, we can provide that.

Alderman Gatsas stated my next question is, did you authorize spending money for removing snow off of the sidewalk?

Mr. Sanders replied no, I did not.

Alderman Gatsas asked can you tell me who took taxpayers' dollars to remove snow off of the sidewalk? Whose decision was that? It never came to this Board.

Mr. Sanders replied it is my understanding that it was a committee decision of a group of people.

Alderman Gatsas asked Aldermen?

Mr. Sanders replied I believe there was an Alderman at the meeting. The Public Works Director, I believe, was at the meeting, and Brandy Stanley was at the meeting. There may have been others. It was a decision to implement a pilot program, as I understand it, to see how effective it would be.

Alderman Gatsas stated so my understanding is...and I have to ask the City Solicitor for clarification. Is it possible that outside meetings can spend taxpayers' dollars without consent of this Board?

Mr. Thomas Arnold, Deputy City Solicitor, stated without the consent of the Board probably not; it depends on how that consent is given.

Alderman Gatsas stated not probably not. That's a yes or no question.

Mayor Guinta asked are you familiar with the issue in question? I don't want you to give an opinion on something if you are not familiar with the issue.

Mr. Arnold replied if you are speaking to me, no I am not, as I was about to say, Your Honor.

Alderman Gatsas stated let me give you an example. Let's say, that, myself and three department heads met outside the City. I told Kevin Sheppard that he should be collecting garbage on Fridays in Ward 2, when it is usually done on Tuesdays, and he went out and did that. Is that something that I could direct him to do or a committee could direct him to do without approval of this Board?

Alderman DeVries asked can I request a clarification? Aren't we talking about an Enterprise?

Alderman Lopez stated I think we need an explanation here. There is some miscommunication on somebody's part here.

Mayor Guinta stated there are a couple of different issues here. I understand that this issue apparently needs some debate. Is it possible to try to deal with the projection sheet in front of us and take that issue separately so we don't co-mingle the issues?

Alderman Lopez stated I would love to do that.

Alderman Gatsas stated sure we can do that, because I think it is pertinent regarding this parking issue.

Mayor Guinta stated there's no question that it is relevant, but it certainly deserves its own discussion.

Alderman Gatsas stated I think that the pertinent discussion is that every time we heard about a parking issue that came forward that this Board voted on it, it was supposed to increase revenues.

Mayor Guinta stated at this point...

Alderman Gatsas interjected I need some explanation on every plan that came forward, including changing Elm Street to a dollar, including parking on Saturdays. Those issues were supposed to create revenue. Adding more people to give out tickets was supposed to add revenue. Now we're hearing there is a 10% decline in revenue. I guess we need a clearer explanation, and we need to take a look at a \$2 million item a lot closer than we have been watching it.

Mayor Guinta stated I think you have asked for a side by side for the last two years. In addition to that, since that responsibility is under direction of the Finance office, would it be appropriate that you and Mr. Sanders sit down and make sure that every item you are looking for is...

Alderman Gatsas interjected you don't want me to micro manage that do you, Your Honor?

Mayor Guinta replied I want to give you a full opportunity to make sure you get every question answered.

Alderman Gatsas replied I will make sure that I sit down with Mr. Sanders and get it itemized.

Alderman Shea stated I am not sure if we can go on to a different subject, but I will anyway. Have you made any plans to try to control the budget, like any kind of...

Mayor Guinta interjected I am always making plans to try to control the budget, but they don't always come to fruition.

Alderman Shea stated well sometimes there is a freeze or there is control over people going on other...

Mayor Guinta interjected there are a couple of things we can do today. Obviously, this number is something that has to be dealt with. It has to be considered a high priority, not just by this Board, but by the department heads, and I think by the taxpayers of the City. Obviously, we have fiduciary responsibility to address it. We do have a hiring freeze. I would certainly ask for a spending freeze to be effectuated this evening. I could put together some language, specific language, inside of a week. We could even have a special meeting a week from now to go over other recommendations that I may have for the remainder of the fiscal year. At the very least, if you want to give me authorization for a general fund spending freeze, I could do that today. Obviously, just like in the past, we are going to pay our employees. We're going to make sure public safety is addressed. We're going to make sure plowing is taken care of, and we are going to make sure

garbage is picked up. Essentially, I will be focusing on discretionary spending, very similar to what we have done in the past. Again, I can put some language together inside of a week.

Alderman Shea moved to institute a general fund spending freeze, with the language to come from the Mayor's office. The motion was duly seconded by Alderman J. Roy.

Alderman Gatsas stated I would also suggest that we inform MCTV that we have to open up their contract. As you can see, there is \$137,000 that we've paid. According to Mr. Sanders, that payment goes in July. Somewhere in here, with the increases that we had on cable fees, that contract needs to be relooked at and it needs to be renegotiated.

Mayor Guinta stated I would be more than willing to come back, with a recommendation in about week, when we have a special Finance meeting that would included a recommendation on MCTV.

Alderman O'Neil asked Bill, are you pretty comfortable that the departments appear to be tracking okay? Can the departments remain in that positive light moving forward?

Mr. Sanders replied I believe that to be the case on the larger departments. There are one or two smaller departments that we are watching closely from the Finance office. I have left them at zero at the moment, but there could be some problems there later.

Alderman O'Neil asked Bill, for next week, if we're going to meet, or whenever the Mayor is going to call a meeting, can we get a breakdown as to what is involved, a little more detail? I wrote down the revenue side as you were talking. Just a little breakdown...for instance, the Police...I know two of the challenges for them are attributed directly to the Board in my opinion. the Chief didn't want to put the ten or eleven police officers on back when we approved the budget. We said put them on, so we helped create that issue. We also...

Mayor Guinta interjected I wouldn't phrase it that way. He was asking for additional funding if I remember.

Alderman O'Neil stated he also said, and we can pull the minutes, it is very clear that the Chief said it is going to create a problem for him financially. We told him that we'd have his back. The same thing happened with Drugs and Guns. We were hoping for federal funds to come in and I don't think to date they have come in. I think we chose \$150,000, if memory serves me correct, to continue that.

Some of these things... I just wanted to refresh your memory. There was an article in the paper that the Board has caused, not caused, but through Board directives that the Chief has carried out, that is part of this \$585,000.

Mayor Guinta stated actually as I recall, this number has actually come down. He actually has done a good job.

Alderman O'Neil stated my understanding, the last time I talked to the Chief or Deputy Simmons a couple of weeks ago, it was a much lower than this. I know we will get Alderman J. Roy going on this whole severance thing. I don't know what Deputy Lussier is going to get, but I think Deputy Chief Leidemer was around \$60,000. Is that correct, in severance? That creates a problem even for the larger departments. I'm sure we're going to be hearing from Alderman Roy all springtime about severance pay. Thank you, Your Honor.

Alderman Smith stated thank you, Your Honor. I would like to ask if we can have an accounting now, with all the snow coming up, how close the Highway Department is going to be coming. With two storms projected this weekend, and I know it is probably \$100,000 a storm. With the ice and so forth, I would like to know how much he has in his budget.

Mayor Guinta stated so far, I think you are okay. I know it is only January 6th.

Alderman Smith asked how many snow storms are you ready for, or can you afford? All kidding aside, Kevin how much does it cost the City on nightly snow removal, if it falls at night where it's overtime?

Mr. Kevin Sheppard, Public Works Director, stated a snow storm can cost anywhere from \$75,000 to \$125,000 plus.

Mayor Guinta asked per storm?

Mr. Sheppard replied per storm. Right now, we are about 50% of our budget. What I have here is approximately six storms that we've had, and we consider it a storm any time we call out the full fleet. If we have a partial storm we put in under miscellaneous snow. Part of the issue we have is our salt came in at 15% higher than we originally budgeted. We budgeted a 15% increase, and it actually came in at a 30% increase. As I've worked with the Finance Director, we are trying to manage the best we can within our budget. There are other line items that I will look at, such as equipment. If I need to put off buying a small piece of equipment, for example, because our snow budget is very tight, that is what I need to do. That is my job to manage the budget. We are doing everything we can, and

that's why I informed the Finance Director that we doing everything we can to live within the budget, but I can't control mother nature.

Alderman Smith asked Kevin, you said you used about approximately 50 to 55% of your budget already for snow?

Mr. Sheppard replied approximately 50%, salt and overtime.

Alderman Smith stated and we have not even gone through a month of winter.

Mr. Sheppard replied correct.

Alderman Smith stated I am sure we will see you in March.

Mayor Guinta asked do we want to take a vote on the motion?

Alderman DeVries stated I need clarification of what we are voting on. We've gone around several times. Maybe you can have the Clerk read the motion back first, and then I might have a question or an addition.

Mayor Guinta stated the motion is to have a general fund spending freeze.

Alderman DeVries stated there were several other things added to that motion.

Mayor Guinta stated that wasn't necessarily part of the motion. I was just giving examples for everyone's edification of what that means. I'm focusing on discretionary spending, so everyday general fund occurrences will still be taken care of. Basic administrative functions will still continue. Anything discretionary would have to be approved by me. We will have a meeting next week where I can bring more formal language, language that I have brought to the Board in the past.

Alderman DeVries stated I understand where you are headed on that. I heard a specific proposal to open up the contract for MCTV.

Mayor Guinta stated that was not part of a motion. Alderman Gatsas mentioned that, and I said I would bring back recommendations at the special meeting that we will have, which would include...

Alderman DeVries interjected that is the clarification I was looking for. Thank you, Your Honor. I am ready for the vote.

Mayor Guinta called for a vote on the motion to institute a general fund spending freeze, with the Mayor providing specific language. There being none opposed, the motion carried.

Alderman Lopez asked do you want to talk about the stimulus package at this time or later?

Mayor Guinta stated if you have a question, I would be happy to try to answer it.

Alderman Lopez replied I would like to know where we stand, and I don't know if you want to do it in Finance. Where do we stand on submitting any documentation to the state or Congress as far as the stimulus package before January 20th ?

Mayor Guinta replied we're not submitting anything to Congress

Alderman Lopez asked where are we submitting it?

Mayor Guinta replied to the state. DOT has been instructed to informally ask municipalities for priority projects. As I understand it, the state will compile a list, and as I understand it, the state will be sending this list to Washington, whether it is the President or Congress. We have compiled a list. We complied with that request by the DOT Commissioner. I believe the Governor was the individual who asked the DOT Commissioner to make these requests. They will compile a priority list and they are going to send it down to Washington, should there be any stimulus package. I have stated that I don't anticipate or expect any stimulus package, and we are going to continue to focus on our budget as if it is not going to occur. If it does occur, we can discuss how to spend any monies that the City would receive. But as I understand it, if there is a stimulus package and if it's passed, those dollars will go to the states and the states would then distribute it to municipalities.

Alderman Lopez stated the question that I have is we're not going to have any input as to what the priorities that we want as a city here and as the Board of Directors. Who is going to say this is a number one priority when at least this Alderman has a different prospective as to what is the number one priority for infrastructure.

Mayor Guinta stated if you want to put your own list together, be my guest.

Alderman Lopez asked is the City putting a list together?

Mayor Guinta replied the Transportation Committee ...

Alderman Lopez interjected the Transportation Committee should submit that list to us then. We should have a special meeting to determine what our priorities are, not the Transportation Committee. That's my viewpoint.

Mayor Guinta replied okay.

Alderman O'Neil stated I guess that I'm one of those Aldermen that were commented about in the paper because I take some great interest in this. I think we should be submitting... because somebody said to me, you can't hit the ball if you don't swing. I'd like to know what all the projects are. With all due respect, Your Honor, I not only have read about what the city of Portsmouth has done regarding contact the Congressional Delegation, it's my opinion, based on articles that I have read, people I have met from other communities, both in New Hampshire and beyond that most municipalities are feeling that they are going to get squeezed out by the state. Municipalities around the country are contacting their Congressional Delegations directly. I have read that in numerous newspapers. I think it would be a mistake for us to not forward that request, whether it is the same one that goes to DOT or to Environmental Services...I don't know if Mr. Brewer has to send a list to the FAA or whomever; maybe that is DOT as well. We should let our Congressional Delegation know about what our requests are.

Mayor Guinta stated there has been no formal document sent to this city by any entity asking us for our opinion about any stimulus package or what our priority list is. There has been nothing in writing, as I understand it, sent by the Governor, by any state entity or by any federal entity. I'm not sure what you want us to respond to. There was an informal verbal request made; it wasn't made to me. It was made by the Commissioner. I am not sure who it was made to... it was made to the departments. If you'd like, I can send a letter to the Governor, and ask if this is a formal request, and if so, the Aldermen would like to respond formally. There has never been a formal request made. So, I'm not sure what you want me to respond to.

Alderman O'Neil stated I think we just need to be... some stimulus package is going to pass. I can't tell you exactly what the numbers are going to be. It's my opinion, that the cities across this country feel they are being left out of the discussion. It's all about the states. I haven't seen any indication of how the money is going to get back to the municipalities, if it does. It is my opinion that the cities across this country are going to go on the defensive to their Congressional Delegations. The City of Portsmouth has already done it.

Mayor Guinta stated I do not disagree that people should plan, just in case. So the verbal request that has been made by DOT to the department heads has been responded to. If this Board wants to put a formal request together to anybody, you can take that vote, and we can put a list together. I am telling you, there has been no formal request made. I don't know what the piece of legislation is; I don't even know a number, Alderman. I understand there is a lot of expectation in every state and every city across the country, I'm sure, about a bunch of money that is going to come to us. I'm not planning as if we are going to get any money. The informal requests that have been made have been responded to. Unless there is a formal request, we would have to actually initiate a conversation with either the Delegation or the Governor.

Alderman Lopez stated if I may, Your Honor, I think we have to have that conversation. I think as a City and as a Board of Directors, we need to have our input as to what we believe, if there is going to be a stimulus package, whether or not, for example, whether or not having a new highway department is going to make sense. I think Senator Gregg was quoted as saying don't look at this pie in the sky of \$300 million coming to the state that it's all going to go toward a railroad, because it's not going to happen. But I believe that Congresswoman Shea Potter has been in contact with your office, and I believe she is having a meeting on the fourteenth in Laconia. Exeter and Portsmouth have already presented some kind of plan as to what they want. I don't understand why the largest city in the state is not moving forward as to what we as Directors want to put forward for the City.

Mayor Guinta stated Alderman, the City of Manchester, in my opinion, should not have its hands out begging for money, when we don't even know what, if any, stimulus is going to come through. We have complied with a verbal request. I had a private meeting with Congresswoman Shea Porter. She asked what earmarks the City would like. I had a general conversation with her, twice. Beyond that, there has been no formal request.

Alderman Lopez stated we don't even know as a Board what earmarks you are presenting.

Mayor Guinta stated I had an informal conversation with the Congresswoman, because she asked what earmarks I was interested in.

Alderman Lopez asked how about us?

Mayor Guinta replied apparently, you are having conversations with her too.

Alderman Lopez stated absolutely, I notice you met with her on December 8th.

Mayor Guinta stated just give her your list.

Alderman Lopez stated this is a Board here.

Alderman Gatsas stated just for clarification, for my colleague, is the highway building shovel ready?

Alderman Lopez replied yes.

Mayor Guinta stated no, it isn't.

Alderman Gatsas asked you have plans and everything else, shovel ready?

Alderman Lopez replied they have initial plans.

Alderman Gatsas stated shovel ready means putting the shovel in the ground tomorrow if you get the funds. If it's not there, you're going to lose it.

Alderman Lopez stated apparently you know a lot more than a lot of us know. You and the Mayor know more than we know.

Alderman Gatsas replied I would hope so.

Alderman Lopez interjected I am going to put it this way. We as a City, and as Board of Directors, should have input as to what is the first priority that we want if there is a stimulus package.

Mayor Guinta stated Alderman, there has been no formal request made to this City. I don't know how many times I can say it. If there is a formal request it goes to the full Board. If you would like to make a request without any expectations asked of us, we certainly can do that. The Transportation Committee is meeting next week. I can have them bring their suggestions to this Board, and if you want to vote on it, that is fine. There is an assumption that we have been asked formally for a list. That is not the case.

Alderman Lopez stated maybe I should ask formally for a list and not send anything to the state until this Board approves it.

Mayor Guinta asked I am not sure what more you would expect when there has been no request made?

Alderman Lopez replied I would expect the priority be approved by this Board of Aldermen before it is sent to anyone. I don't care if it's the Governor...

Mayor Guinta interjected if there is a formal request made to this City, of course that request would come to this Board. It would be addressed to the Board of Mayor and Aldermen and it would come to this Board like every other document. That has not happened, Alderman.

Alderman Lopez stated I am requesting that this does happen, that those requests come before this Board and be approved by this Board, to be sent to anybody.

Mayor Guinta stated let me make sure you understand what I am saying.

Alderman Lopez interjected I understand what you are saying.

Mayor Guinta stated if the state or if an entity from Washington, DC makes a request to this City for a list, we will provide it to them. That has not happened. If you are saying that you would prefer to send a list to these entities, my response to you is that the Transportation Committee is meeting. They can bring their recommendations to this Board and if the Board wants to prioritize them, you can do that. I am telling you that there has been no formal request made. I don't think it's appropriate to send a message to people that we are anticipating money. There is no legislation; there is just discussion about it.

Alderman Lopez stated I agree with you, Your Honor. I understand that there has been no request or anticipation. But everyone is talking about it and I want to be ready too. And I don't want the City of Manchester to lose out because of some committee out there determined that they are going to put millions in other projects that we don't want.

Alderman J. Roy stated thank you, Your Honor. First I want to tell everybody that I didn't talk to any of our Congressional leaders. But I am of the belief that we have to plan this next budget without planning on having any money coming from anywhere. We may hope that happens but we cannot plan on it happening. My question to you, Your Honor, is I believe you said that there was a list made by a committee.

Mayor Guinta replied the Transportation Committee is reviewing a list. The expectation is that list comes to this Board for this Board's review. That is a formal process. The only informal thing that has happened is that there was a conversation, as I understand it, between Commissioner Campbell and some department heads. It is not a formal request...

Alderman J. Roy interjected the point I wanted to make is that once that list is developed, I would like it to come to this Board.

Mayor Guinta replied that is the plan; it is coming to this Board.

Alderman J. Roy replied thank you very much.

Alderman Sullivan stated thank you, Your Honor. Alderman Roy stole a lot of my thunder. I was going to make the same suggestion. I would also suggest that once the Transportation Committee has a list of shovel ready projects that inot only is it forwarded here but a copy of that be sent to Senator Gregg, Senator Sheehan, and Congresswoman Shea Porter as well. I don't see any harm in being proactive in working with the delegation inn addition to, not in lieu of,our efforts in working with the State Department of Transportation. DOT has close to 300 cities and towns. I don't see any harm in us working with the delegation trying to bring some of these projects to their attention. If the funds do become available, we might have some resources available to us that we cannot anticipate at this point.

Mayor Guinta stated so noted.

Alderman Shea stated thank you, Your Honor. I would be remiss if I didn't include schools in a priority list because I think that is a necessity that we have to address. I'm hoping that the committee that you have either assigned or is working on the list, would have that as one of the priorities. I know that publicly the President-elect has indicated that he is going to try to put money into the schools. The School District has been searching frantically for money for a new school. I would hope, Your Honor, that when we do see that list that that would be included. I would like to really stress that because it is very important.

Mayor Guinta stated I will have that conversation with the Superintendent.

Alderman Lopez stated Your Honor, we have a meeting next week in reference to, not only the budget aspect of it, but this particular aspect, the stimulus package. Will we see all those recommendations that all these department heads are requesting, so that we can then priorities them and send them to whoever it might be, DOT or the Governor?

Mayor Guinta stated I don't understand your question.

Alderman Lopez replied I want a meeting next week, and see that list.

Mayor Guinta asked does anyone know what date the Transportation Committee is meeting? The Transportation Committee is meeting a week from this Friday. Is this to finalize the projects? When that's done can we then send it to the BMA?

Mayor Guinta asked when that's done, can we then send it to the BMA?

Alderman Lopez stated that sounds like the 20th; it may be too late.

Mayor Guinta asked are they going adopt...is he going to get sworn in and get this piece of legislation done on the same day?

Alderman Lopez stated first come first served is the old saying. I think Laconia, Exeter, and Portsmouth are already there. So I think that committee, there's no reason they can't meet and we have a meeting next week. I don't know why we should prolong this. I've talked to a couple of people. They've had their plan in. I don't know who is holding it up? Who's in charge of this?

Mayor Guinta asked who's in charge of what?

Alderman Lopez replied this committee and who's putting this thing together?

Mayor Guinta replied I can get you a list of the members of the Transportation Committee if you want by the end of the night.

Alderman Lopez asked there's nobody on your staff working on this?

Mayor Guinta replied yes, Sean is working on it.

Alderman Lopez stated you must have a list by now. Can't we get that list?

Mayor Guinta replied when the list is done, the Aldermen will get it.

Alderman Lopez stated so if you prolong it until after the 20th, we're out in the cold. That's what you're saying?

Mayor Guinta replied no, I'm not saying that, Alderman. Why is the 20th a magic date for you? Is there something that's going to happen on the 20th? Is there legislation...

Alderman Lopez interjected yes, we're going to have a new President, number one.

Mayor Guinta asked is the President waiting for Manchester, New Hampshire's, list on the 20th?

Alderman Lopez stated they have been talking about this since December the 8th.

Mayor Guinta stated they have been talking about this since December and today is January 6th.

Alderman Lopez stated that's correct. That's why they're moving at a fast pace, in order to get some of these things done. With all due respect, Your Honor, I think we are going to miss the boat if we don't see that list and prioritize and send it to wherever you want to send it to.

Mayor Guinta stated the committee is meeting at its regularly scheduled time. When their list is completed, we will get it to the Board.

Alderman Lopez stated I don't understand why they can't meet right away.

Alderman O'Neil asked does that committee include water, sewer, and schools? Are they doing everything or is it only transportation-related projects?

Mayor Guinta replied it's only transportation. I have talked to Tom Brennan about any items that the school side would have for review by this Board.

Alderman O'Neil asked what about water and sewer? Is that list going to be reviewed by the Board? Is the Airport part of the transportation?

Mayor Guinta replied yes, but let me make something clear here. A request on behalf of the City is not going to be made unless it has approval by this Board. I want to make sure people understand that. I have not responded to any request because no request has been made to this City.

Alderman M. Roy stated thank you, Your Honor. I can appreciate the fact that no request have been made from either the state or the federal government regarding this. But, other people are selling their cities and I think Alderman Lopez's point...and correct me for speaking for you, Alderman, but if we don't get out in front of this, when something does officially come, we are going to be behind the eight ball. I for one would like to see us as be as proactive as possible.

Mayor Guinta stated I disagree with that statement. What eight ball are we behind?

Alderman M. Roy replied other cities are contacting our delegation and getting themselves in line. They are getting commitments from the people who are going to vote on this ahead of the schedule. We don't know if anything is going to pass, but if something does pass, we are already behind three other major cities looking for potential earmarks. I would just like for you to work with the Aldermen to go ahead and get something out.

Mayor Guinta stated I disagree with the statement that we are behind anybody.

Alderman M. Roy stated meetings are being held, Mayor.

Mayor Guinta stated okay.

There being no further business, on motion of Alderman J. Roy, duly seconded by Alderman Sullivan, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee