COMMITTEE ON LANDS & BUILDINGS

February 2, 2000 **5:45 PM**

Chairman Cashin called the meeting to order.

The Clerk called the roll.

Present: Aldermen Cashin, Gatsas, Levasseur, Shea, Thibault

Messrs: D. Muller, T. Nichols, Chief Driscoll, T. Nicholas, R. MacKenzie, M. Steinmetz

Chairman Cashin advised that the first purpose of the meeting was organizational in nature, and requested the Clerk to provide a brief overview regarding typical issues addressed by the Committee.

Deputy Clerk Johnson stated I can give you a rundown of what typically used to be addressed by Lands & Buildings and is anticipated to be brought back. Alderman Cashin can probably tell you more than me because he sat on this Committee years ago. Basically, anything that deals with disposition of City property would come before this Committee, that is an automatic under the Ordinance. You will be dealing with issues like the police station, which has been referred by the Board. Pretty much any property or building issues will come before the Committee for recommendation back to the full Board. In addition, there may be side issues that may come up with properties that the City owns or to work something out with Parks & Recreation. Sometimes it is Parks & Recreation who is controlling the property, but they may want to get some opinions from the City or work something out. Obviously, facility maintenance issues generally will come before this Committee.

Alderman Thibault asked does that include school custodial services.

Chairman Cashin answered yes, and noted that with other aldermen being present he would entertain a motion to act as a Committee of the Whole.

On motion of Alderman Thibault, duly seconded by Alderman Gatsas, it was voted to make the Committee a Committee of the whole.

Chairman Cashin stated I believe that if another Alderman is at a Committee meeting, they should be able to participate and they shouldn't be closed out.

Chairman Cashin addressed Item 4 of the agenda:

> Communication from the American Lung Association requesting permission to display a Volkswagen Bug GL at City Hall Plaza for a few days in March to promote their "Get Bugged About Smoking" campaign.

On motion of Alderman Thibault, duly seconded by Alderman Gatsas, it was voted to approve the request.

Chairman Cashin addressed Item 5 of the agenda:

> Communication from Attorney James Schulte requesting that the City agree to subordinate an elderly lien on Mary Mathes' condominium at 19 Country Club Drive to a new mortgage, which would be in an amount not to exceed $10,000.

Chairman Cashin asked Dan Muller to explain this issue.

Mr. Muller answered currently Ms. Mathes has an elderly lien on her property and essentially she deferred her taxes from 1988-1990 with the Assessor's Office and, therefore, a lien in the amount that was deferred was put on her property. Currently, the City is in the number one position in terms of priority. It is my understanding that she did have a prior mortgage but that was paid off so the City is number one. My understanding from her attorney is that she is seeking to purchase an automobile, however, her lender will not lend her the money unless the City agrees to subordinate this lien for the new mortgage and essentially the property would be the capital. As I said, to subordinate is to essentially put your lien in a lesser position in the event that there is a foreclosure or anything whoever has the top priority gets paid first and so on. From my office's perspective, usually the issue here from a legal standpoint is whether there is sufficient equity in the property to make it worthwhile in terms of consideration. If there is sufficient equity, essentially at that point it is a policy choice. I did speak to the Assessor's Office today and I have a copy of their latest assessment. The total assessed value right now is $37,000 on this property. The principal amount of our lien is a little over $2,500 and interest accrues at 35 cents a day. As of July of 1999, the total according to the Assessor's Office was $3,700. It has continued from that point at 35 cents a day. I am not sure if any portion of it has been paid down or not. Those are the facts that I am aware of. I think I saw Tom Nichols from the Assessor's Office in the hall. If there are any other facts, he may be able to tell you.

Chairman Cashin stated so I understand that we have $37,000 equity in the condo.

Mr. Muller replied that is the assessed value. Obviously, market value could go up or down from there. That is the assessed value. That is usually a little conservative. She is asking for a mortgage not to exceed $10,000. The only other thing I would note is if the Committee is inclined to do something with this, to allow my office the ability to make sure that she cannot exceed that limit because obviously she can get a mortgage and go on and get further money down the road and then you might run into a situation.

Chairman Cashin asked so if the Committee were to approve this, the motion probably should be to approve it subject to approval of the City Solicitor's Office.

Mr. Muller answered basically, the question is about $10,000. It is probably in the City's interest that this was to be taxed to make sure that it is under $10,000. There are a couple of ways to do that. You may coordinate a particular note, but obviously that would all have to be done after the fact and my office would need some authority to act in that respect.

Alderman Thibault asked what has been the policy of the City prior to this. I am sure that we have been hit with this kind of stuff before, or is this the first one.

Mr. Muller answered frankly, with respect to elderly liens, this is the first time I am aware of it. I did speak to Tom Clark and Tom Arnold and I don't think they were aware of elderly liens. I have a feeling that requests have been made with respect to welfare liens, but I this is the first I am aware of that is an elderly lien.

Alderman Thibault stated I would like to make sure that the City is protected in every way and I don't know how we can do that. Legally, can we protect the City 100% from this? I don't want the City to have to come up with some money because she died or the car didn't get paid or whatever. All I am looking for is the protection of the City.

Mr. Muller replied the only risk with respect to any lien deals with the value of the amount of equity, which is how much value is in the property vis a vie the liability or debt, etc. The only things that can effect that, obviously, are changes in the real estate market and this is assessed at $37,000 now. The only other possibility is that there is some provision whereby she increases the amount beyond $10,000 because obviously at 35 cents a day, the City's interest in this case in terms of the amount of it's loan is only going to go up slightly. It will take quite a while for it to accrue.

Alderman Thibault asked would it be possible to call Tom Nichols out in the hall and see if he can enlighten the Committee on this matter.

Mr. Nichols stated I guess back in 1988, Ms. Mathes must have come into the Board of Assessor's Office and asked for some help. What the Assessor did at the time was to give her the elderly deferral, which helped save her condo at the time. In 1990, she came into the Board of Assessor's and she put three years under deferral. She also has been getting an elderly exemption on top of that and her assessment is around $37,000 so she doesn't pay any taxes because her assessment is less than her exemption. This money, however, is still due to the City of Manchester.

Chairman Cashin asked how much money does she owe.

Mr. Nichols answered taxes are $2,526.92 and interest we calculated until July 30 and that was $1,173.55 which gave us a total of $3,700.47 and per diem is 35 cents per day.

Alderman Thibault stated so she already owes the City $3,700.47.

Mr. Nichols replied yes.

Alderman Shea stated actually what she is doing is paying about $127.75 a year, right. That is what she is paying, 35 cents a day and you are saying that she has an assessed value of what?

Mr. Nichols answered it is assessed at $37,000.

Alderman Shea stated but I mean market value.

Mr. Muller replied I have no idea what the market value is.

Alderman Shea stated probably $60,000 so what she wants to do is borrow $10,000 and will she pay back that amount. In other words, does she have any resources to pay back that $10,000 to the bank?

Mr. Muller replied I do not know what her financial situation is beyond the fact that the bank…

Alderman Shea interjected is the bank willing to loan her the $10,000.

Mr. Muller responded my understanding is that if the City agrees to subordinate its lien to the mortgage, they will do so. That is what has been represented to me by her attorney. Beyond that, in terms of the bank's position, I can't say anymore. Unfortunately, Atty. Shulte or Ms. Mathes would have to be here to supply that information.

Alderman Shea stated but the bank doesn't loan money if the person doesn't have resources to pay it back.

Chairman Cashin stated let me try to put this in some kind of perspective. The condo is assessed at $37,000 so we have an equity value of somewhere around $37,000. She owes $3,700 and she wants to borrow $10,000. If we deduct $10,000 from the $37,000 there is still $27,000 in equity so we are going to be covered no matter what happens. This woman can't borrow from the bank because we have the first refusal if I understand it or something to that effect. All she wants to do is release us from that so she can borrow $10,000 and we still have the equity and if something happens we still get our money, right.

Mr. Muller replied we would be second in line.

Alderman Thibault stated as long as the City is protected, that is all I was looking at.

Alderman Gatsas stated in the letter from Atty. Shulte, the second paragraph states that Ms. Mathes is looking to remortgage her condominium for the sum of $12,000. If you continue down, it says the mortgage is not to exceed $10,000. Now I assume the rate on the taxes is 12%.

Mr. Nichols replied on the elderly lien it is 5%.

Alderman Gatsas stated I don't have a problem if she has the ability to get a mortgage at $12,000 and let her pay us $2,000 and subordinate behind that unless I am reading it incorrectly.

Mr. Muller replied as I said, to date they have only mentioned up to $10,000.

Alderman Gatsas responded well that first sentence says remortgage.

Mr. Muller replied I know. I have to speak with Atty. Shulte. I don't know why that amount is there.

Alderman Gatsas stated it might include her closing costs.

Alderman Levasseur stated maybe she wants to use the $12,000 to take the $10,000 to pay off that loan and that is how she will get the money for it. Once we are out of the way, she will be able to get a home mortgage from a bank.

Alderman Gatsas stated my question is whether it is $10,000 or $12,000.

Chairman Cashin stated it is whatever we approve. If we approve $10,000, it is $10,000.

Alderman Thibault stated she owes $3,700 now. Why couldn't we ask her to pay that $3,700 and then take the $10,000 if she wants. It is over and above the $12,000 that she is asking for but at least let the City get its money now. She owes $3,700 to the City as it is. Why couldn't we get that money and if she wants to borrow $10,000 from the bank, I have no problem with that. Like you said, the property is worth $37,000.

Alderman Levasseur stated the lady is very smart. She is getting a 5% interest rate from us. Why would she want to pay 12% at a bank?

Alderman Gatsas stated my concern is that it doesn't go from $10,000 to $12,000 because of closing costs.

Mr. Muller replied I will have to ask Atty. Shulte.

Chairman Cashin stated all I am asking this Committee to do, if you approve it or don't approve it, is $10,000. I am not talking about $12,000.

Alderman Thibault stated I would just like to have her pay that $3,700 first. What she wants to borrow doesn't matter to me.

Chairman Cashin asked could we table this and give you an opportunity to speak to her attorney and find out exactly what this is all about.

Mr. Muller answered yes.

Alderman Levasseur stated could you also make whatever note we decide to do with the attorney that he is responsible for all closing costs and he is also responsible for the filing fees and that the City is not to pay for any of those filing fees. We have to pay the recording fee after we allow that and once we try to put the lien on ourselves, which we are going to have to get second in line, we are going to be responsible for those costs and she is asking us to do this for her so we should defer that cost to her.

Mr. Muller replied I could speak to him about that.

On motion of Alderman Thibault, duly seconded by Alderman Gatsas, it was voted to table this item pending a report from the Solicitor's Office.

Chairman Cashin addressed Item 6 of the agenda:

> Matter of new police station facility referred to Committee by Board of Mayor and Aldermen.

Alderman Levasseur asked as far as the architectural plans, Lavallee Brensinger came in and gave his opinion that your building cannot be used for present demands or future demands. Is that correct?

Chief Driscoll answered I am not sure that I follow your question.

Alderman Levasseur stated you got an opinion from somebody stating that the building is outdated.

Chief Driscoll replied the building is absolutely too small.

Alderman Levasseur asked where did that opinion come from.

Chief Driscoll answered everybody that has walked through it and who has come to the Police Department.

Alderman Levasseur stated I thought I saw a professional opinion from Lavallee Brensinger that said something about it. Is there a professional opinion on the matter? I know that I walked through it and thought it wasn't the greatest thing, but I am not a professional on those matters.

Chief Driscoll replied there was a study done on the space that was needed for the number of people working there and it was compared to the number of square feet available. It was projected what an adequate building would need for square footage. They were way apart.

Alderman Levasseur asked who did that study.

Chief Driscoll answered to the best of my knowledge it was Melissa Bennett.

Alderman Levasseur asked before you sent it to the architects, you didn't have a professional come in and give you an opinion on whether you could have used your space in a better fashion or could have done a production design or changed things around and tear down a few walls to make offices bigger or do the evidence room a little different. You didn't have one of those studies done first?

Chief Driscoll answered no we didn't have a study such as that done. I think we have been in that building for a number of years and we have used every available inch of space to the best of our abilities. I, quite frankly, think that we made the best use of the space possible and I think it is readily recognized by everyone who visits that building that we are in need of a significant amount of new space.

Alderman Levasseur asked how many feet is the firing range. Do you know?

Chief Driscoll answered no; I would have to check. It is probably 50' x 20' maybe.

Alderman Levasseur asked what about the weight room. How many square feet is that?

Chief Driscoll answered I don't know. That has all been assessed, but I don't know.

Alderman Levasseur stated let me tell you where I am going with this so that I can let you in on what I have for an idea here. I think that because of a little bit of background that I have in production design, I think that we should have a study done by a production designer or an architect to see if that building can be redesigned or have some of the rooms changed around to make it better for now until we can decide whether we are going to build one in the future. In the meantime, your firing range is not being used and it is going to have to be cleaned up and taken apart anyway so I think you can fit a lot of office space in there and the weight room, I think, has the potential for more office space. The only reason I am saying that now is that I am not against the police station but I don't think we are going to be able to get it to you as quickly as you will need it. In the meantime, we can probably get you some space by bringing in a person or a company that specifically can reengineer rooms and reengineer buildings and take things down like you did with the architectural plan when you put all of the secretaries on the first floor. I am just wondering if we should take that step first before we decide that we are going to spend $15 million on a new building.

Chief Driscoll stated I don't have the background in that type of design, but I am quite comfortable that if, in fact, that was a possibility that the architects that we did hire to do the space analysis would have recommended that to us. That certainly was not their recommendation.

Alderman Levasseur replied I asked you if the architect's did a space analysis on the building you were in now and it seems to me like they just went ahead and gave you a new building without doing a space analysis. I think that a space analysis is very important before we go to that next step.

Chairman Cashin asked do we have a space analysis.

Chief Driscoll answered I am not sure. We have 276 people that are employed by the Police Department. We identified clearly what the functions were, the number of people that worked in each office, the growth potential of each office, their responsibilities and compared that with the existing square footage. We looked at every corner of the building and initially talked, as you know, about an expansion. It was determined that an expansion was not the best use of the City's funds and we went on from there. Have we done a space analysis? I think that I am comfortable that the architects looked at the building from top to bottom, looked at all of the systems within the building, looked at the air conditioning, the heating and ventilation and all of those things. I believe that initially the way to go was to do an expansion and then I believe that wasn't a feasible process so we came back and recommend to the full Board that a building be built with that building being used for smaller City departments. I am quite comfortable, Mr. Chairman, that those preliminary steps have been looked at and that we would be taking a step backwards if, in fact, we started to go into putting office space in the cellar and eliminating the weight room, which is a much needed facility in our building. I don't think that would be a wise move.

Alderman Thibault asked when was that building built.

Chief Driscoll answered 1976.

Alderman Thibault asked how many people did you have in the department at that time.

Chief Driscoll answered I would say probably 220 or 225.

Alderman Thibault asked and now you have how many.

Chief Driscoll answered 276.

Alderman Thibault stated what I am trying to get at is with all of the new technology and all of the new computers that have gone into the Police Department, as well as many other departments, I am sure that this adds to the capacity of the rooms that you have in that facility. I think the thing that hit me the most when I went over and looked at it is that all of the rooms seem so crowded and I am sure that it is because of the new technology and new computers and everything else that has come up in the last 25 years that has brought this on. It is not so much that you were only 225 people, but now you have 50 more people over and above all of the new computerized equipment.

Chief Driscoll replied the best analogy I can make is that law enforcement in 1976 and the technology that we had then and law enforcement now is entirely different.

Alderman Thibault stated that has to be taken into consideration. I just wanted the Committee to understand that there are other things that come into this. It is not just personnel. It is also equipment that has come in to the Police Department, which is pretty technical in nature I am sure that has brought them to this point. I just wanted the Committee to be aware of that.

Alderman O'Neil stated I specifically remember a document that I think was just when it was Bennett Architects itself that gave present square footage for a division and then it make recommendations for future needs based on how many people were in the unit. Now that was during the discussion of the addition. I specifically remember…I can’t remember what the document was titled but it specifically talked about number of personnel and square footage. It was very detailed.

Chief Driscoll replied yes, it was a multi-page document and it was done by Melissa Bennett. It was a space study to find out if, in fact, the space was adequate. That does exist.

Alderman Levasseur stated I saw something from Lavallee Brensinger that said something. It was perhaps a half or a quarter of a paragraph that said a new facility is needed and I thought there would be some documents attached to that.

Alderman O'Neil stated this was before…under the old contract for the addition the contact was just with Bennett Architects. I am pretty sure the document you are looking for exists.

Chairman Cashin asked is there such a document.

Chief Driscoll answered yes there is.

Chairman Cashin asked please make sure that Alderman Levasseur gets a copy of it.

Chief Driscoll answered yes.

Alderman Levasseur asked how much is still owed on this building. Does anybody know if there is an outstanding bond on that or anything?

Chief Driscoll answered I don't think so. It was $2.5 million 26 years ago.

Alderman Levasseur asked did we bond money for the new communications in the Police Station.

Mr. MacKenzie answered there were two phased improvements. One a communications center and one a first floor renovation. Those bonds are still outstanding. The first floor renovation was $320,000. The communication center was quite a bit less than that at $90,000. Those bonds are still outstanding. We owe roughly $380,000.

Alderman Levasseur asked could you tell us what that number is and what it means please.

Mr. MacKenzie answered the $3.35 million was requested for the future expansion and there is a bond issuance out, a first phase bond issuance originally for an expansion or new station and that money rolled over to a new station. That was $2.35 million.

Alderman Levasseur stated so that was for the Phase III building expansion. That hasn't been done yet?

Chief Driscoll answered no.

Chairman Cashin asked that money hasn't been spent yet, right.

Chief Driscoll stated there was $190,000 left over from one of the projects and Mr. MacKenzie would have to tell me exactly how much. We have gone a little bit over that into that $2.35 million, but not much. That money is still sitting there. It has been bonded, but has not been spent.

Alderman Levasseur asked so you guys originally were going to do a $3.5 million expansion. What does that building expansion mean?

Chief Driscoll answered this was bonded over three years and that was the first CIP allocation of a three year bond. Something in the area of $13 million.

Chairman Cashin asked does that answer your question.

Alderman Levasseur replied it answers my question as far as there is no outstanding money owed on the building.

Chief Driscoll responded on the old building there is still a bond for the communication center and first floor renovation.

Alderman Levasseur asked how much was that for.

Mr. MacKenzie answered in total it was $410,000 so part of that principal has been paid off so we probably owe around $380,000.

Alderman Levasseur asked and that communication system can be brought to the next building.

Chief Driscoll answered yes.

Alderman Shea asked, Chief, what are you looking for this evening.

Chief Driscoll answered I am looking for the blessings of this Committee to go forward and look for sites that meet the requirements of this Committee and the full Board of Mayor and Aldermen to build a new facility.

Chairman Cashin stated we are not going to have a CIP budget until March, is that right.

Mr. MacKenzie answered right.

Chairman Cashin stated so we really don’t know how much money is available for the police station or schools or whatever else has to be done around here. Is that fair? Would it be agreeable to you, Chief, if you want to look at different sites that is fine but until we know exactly how much money is available for whatever, you can look for sites but I don’t think at this point we can commit to anything down the road until we know how much money we have. You may not like that, but can you live with that. This is February and in March we are going to have a budget so we know where we are at.

Chief Driscoll replied since this project was referred to the Lands & Building Committee, we have not met with the architect. She came in one day with a consultant to look at the communications room and assess the equipment in that room. We haven't gone any further with the design of the building believing if we take the building from the site at Merrimack and Pine and move it someplace else that the configuration might be a little bit different, we have put that on hold. I would like to go forward and start to investigate and work with the CIP and Bob Mackenzie in Planning to talk about potential sites and come back to this Committee with recommendations and so forth as the CIP process continues.

Chairman Cashin asked you would be working with the CIP Committee, is that right.

Chief Driscoll answered I would be working with Bob MacKenzie and perhaps Jay Taylor and others who can maybe point me in the right direction. I would be more than pleased to hear any suggestions that members of this Committee have as far as looking at potential sites if there is anyplace that you would like us to look at.

Alderman Gatsas stated, Chief, obviously this is a Santa Claus wish list, assuming 65,000 square feet, assuming $150 a square foot. Let's assume and obviously I can hear where everybody is going here what it is going to cost. Let's assume that you went back and pruned it down and said we can live with 55,000 square feet. We don't need to spend $150 a square foot. We can do it at $115 because $150 per square foot for business office construction is some awful expensive space. I know that you have bullet proof stuff and there are different scenarios that are there.

Mr. Steinmetz replied I was going to say my understanding is that the firing range and security cameras…

Alderman Gatsas interjected I am not saying cut down on safety measures.

Mr. Steinmetz replied no, Sir and I may not be saying it correctly as it relates to business but that $150 per square foot is all inclusive of everything that would be needed throughout the building including the holding facility, the cell block, communications and transferring those over, computer need, the firing range. It wouldn't be just business office space.

Alderman Gatsas responded obviously the cellblock area is a lot less expensive than $150.

Mr. Steinmetz replied I am not sure that is true but it is all factored into the $150.

Chief Driscoll stated the $150 was the best number that the architect could give us and we have asked her to look long and hard at the cost. I guess the other part of it is can we downsize. We are 44,000 square feet now. To build a new building and only add 10,000 square feet doesn't make a lot of sense to me.

Alderman Gatsas replied you are only adding 14,000 more than the building you are in now.

Chief Driscoll stated we will go to 65,000 or 67,000 square feet, which is almost 1/3 bigger.

Alderman Gatsas stated it says renovations of 29,000 square feet of existing building, addition of 14,000 square feet over the existing parking lot.

Chief Driscoll replied that was for the expansion, not the new building.

Alderman Gatsas that is what I am saying. 14,000 added to the 44,000 is 58,000.

Mr. Steinmetz replied that is why we didn't do it. It just wasn't big enough.

Alderman Gatsas stated but if this Board comes back and says go back to your expansion plan of $6.9 million and that is where you are, I am saying you are only going to have 58,000 square feet. 58,000 square feet drops the price about +$2 million.

Chairman Cashin stated we have a problem because we have another meeting here at 6:15 PM so we are going to have to wrap this up. Is it agreeable to this Committee that we approve that the Police Department go out to look for sites and come back to this Committee with the understanding that until we hear about the CIP budget we really can't make any commitments at this point.

Alderman Shea asked will we have to add any money to your budget or do you site selection predicated upon…is there a cost factor.

Chief Driscoll answered certainly we would involve the architect in that on a limited basis. The site requires about 2.5 acres. Probably between the Police Department, Planning, Jay Taylor and anybody else we could get input from, we could come back with some preliminary sites without spending a lot of money.

Alderman Thibault stated, Chief, I would like to see and what I hear from the Committee here is that they would like to have identified, if you will, to some extent the reason for the cost of some of these extras things like the cell block. We would like to know what the cost is and how come it is that high. There are reasons for that and I think that this Committee should know that before we vote on it.

Alderman Levasseur stated I am not convinced that we can't use what we have available to us right now if we do a proper study and until I see that study done by a professional I don't think we should go forward with anything.

Alderman Thibault moved to allow the Police Department to proceed with site selection for the new station. Alderman Shea duly seconded the motion. The motion carried with Alderman Levasseur being duly recorded in opposition.

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

A True Record. Attest.

Clerk of Committee