COMMITTEE ON FINANCE

April 8, 1996 **7:00 PM**

Mayor Wieczorek stated he had to leave as he was doing a television show and then there was a School Board meeting he had to attend so asked the Chairman of the Board, Chairman Wihby to conduct the Committee on Finance session.

Chairman Wihby called the meeting to order.

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

PRESENT: Ald. Wihby, Elise, Reiniger, Sysyn, Clancy, Soucy, Shea, Domaingue, Pariseau, Cashin, Robert, Hirschmann

MESSRS.: A. Gaudreault, R. MacKenzie, R. Lemaire, T. Clark, R. Ludwig, T. Jordan, R. Girard, L. LaFreniere, H. Keegan, R. Johnson

Chairman Wihby advised that the purpose of the meeting was to initiate discussions with various departments relative to the 1997 proposed budget.

CITY SOLICITOR'S OFFICE

Solicitor Clark stated there was no new positions in the budget; that to bring the Board up-to-date a little bit, last year a new position was included as a prosecutor; that the District Court had just recently moved to Amherst Street and has begun running both prosecutor's at the same time, so they were running two courtrooms at the same time instead of one; that as a result of their hiring the second prosecutor they have been able to cancel Police officers ahead of time and get them out of the courtroom ahead of time and they've estimated that they've saved from September through the end of January about $20,000 in Police overtime; that they submitted what they consider a bare bones budget to the Mayor and he in his review ended up cutting us about $25,00, just a little over $25,000; that the majority of that cut came from the incidentals account; that historically the City budgeted incidentals as a non-departmental account and it was used by various departments and our department used it when the City was sued to hire experts, to do depositions, to pay court fees; that in the event the City required a specialized attorney on specific instances the money came out of that fund; that we've been budgeting that between the $40,000-$50,000 range since the last three years when that non-departmental account was broken up and put into specific departments; that we requested it at $40,000 this year and the Mayor's Office reduced it to $20,000; that we understand the budget crunch that the City's in and that is the money that is going to be available to us to hire experts to defend the City, to do whatever costs we need; that in the event we don't have enough there we will have to come back to the Board for a contingency transfer and we don't control what it's going to cost us to defend the City in court or we don't know what types of lawsuits will come out in the future or if the City is going to require special attorneys in either environmental or other matters, but we'll attempt to live within it, if we need more, we'll have to come back.

Chairman Wihby stated since this is the first budget that some of the Aldermen have seen asked Solicitor Clark if he could go down line-by-line and tell them what's in it so that when they the account numbers for the rest of the departments they could know what it was; that in looking at the top of the budgets it said the year '95 obligations and what was actually spent in '95, '96 - adopted budget which was the budget they had been given, the modified budget would be any changes that may have been made; that in '96 - total obligations and what's been spent up-to-date noting it was as of April 2, 1996; that '97 was the budget request from the department head and the Mayor's recommendation which was the second to the last column with the last column indicating what the change was.

Solicitor Clark stated 101 was salaries which was his office and the office of Risk Management which was now part of the Solicitor's Office; that the 200's were the restricted items noting they had no control over them (i.e., FICA, Worker's Comp, etc.) which was figured at roughly 38 percent, but it was changed this year being taken out of the department's budgets with the total being put in the Finance Department budget; that other services was part of the Risk Management budget which was the Safety Officer who was a consultant noting it had been determined to be less expensive for the City to do it through a consultant rather than a part-timer or a permanent employee; that service agreements was for agreements to maintain dictaphones and one of the computers; that in maintenance and repairs was money used to fix equipment during the year (i.e., typewriters, telephones, etc.); that Insurance/CGL was a restricted item; that telephone was for the monthly billings, postage the same; that their office did do a lot of postage as they handled a lot of prosecutions and as a result they were mailing discovery and Police reports on a daily basis to defense attorneys; that in advertising this year they had none but was usually an item whereby if you were to hire somebody you'd have to advertise; that printing, publishing, binding was what they used when they went to the Supreme Court and when they had to have their briefs printed and bound; that mileage reimbursement was to reimburse employees who travelled on City business noting most of their travel was going to either Concord or going to the Registry of Deeds in Nashua or Exeter depending on the County; that contract manpower in the event they needed assistance there during the year noted the Mayor was recommending zero in that line item; that duplicating services were the copying fees as they had to provide copies of all Police reports to defense attorneys as part of discovery and other copying they did during the year whether it was letters or big contracts; that general supplies would be pens, pencils, paper clips and items of that nature; that the books were for their legal library noting it was a very expensive item and they would be finally on-line May 20th for their new computer system and the result of that but was not sure of the cost noted the final result would allow them to go on-line for research and be able to actually cancel some of the books and they would not require as extensive a legal library as they would be able to do most of it on computers.

Chairman Wihby asked if they would still need the whole amount.

Solicitor Clark replied at this point, yes; that later on in the year they would know more but right now they need it; that freight was the line item used for purchasing books ; that in equipment, furniture, and supplies it was zeroed out this year; that line item 905 was the incidentals account which was the money used in the legal aspects of defending the City.

Ald. Clancy stated they had only spent $20,000 over and above what their budget was for hiring other lawyers such as hiring those going over to court to represent the City in say Supreme Court and asked how they spent that.

Chairman Wihby replied they would come back to the Board and request funding from contingency or they could allow budget changes in his budget.

Ald. Soucy asked if it would be possible to get some history of the incidentals account noting it had been zeroed out since 1992 to give the Board a ballpark, some ideas as to what that amount was tracked as and also wanted to know with reference to postage asked if Tom was expecting to see an increase in postage doing more prosecution this time around with another attorney and the other court house.

Solicitor Clark replied it was very likely; that one of the items they had worked out with the Public Defender's Office was that since they had to go to court, they would stop by and pick up the material rather than having to mail it to them, but now that the Solicitor's Office was no longer located in the court building they had stopped coming so they were attempting to have a courier service either through their own prosecutor's going to court and leaving it for them over there, so they were hoping to keep it down but it might increase noting they had requested a slight amount more.

Ald. Shea in reference to line items 228 and 230 stated Solicitor Clark had explained it, however, it had not understood it.

Solicitor Clark replied it was FICA and the City's Retirement System; that the restricted items were generally developed through the Finance Office and the Mayor's Office and up until this year they had been put individually into the departments, but as he understood the process this year they were putting one lump sum in the Finance Department.

Ald. Hirschmann stated in looking at the Solicitor's revenues noted the recognized revenues for 1996 right now were $2,700 and the Mayor was recommending $1,150 for next year and was curious why their revenue sources were going down by 50 percent.

Solicitor Clark replied it was not really their revenue source; that the City used to have a centralized copying agency which was physically located in their office; that it was a very large Xerox machine which could handle copying for almost all City departments and it was a non-departmental item, so they had been given money in their budget to pay the agency at three cents a copy which was recorded as revenue; that over the years all of the departments have received their own copying machines so the thousand dollars there was basically their office making copies and paying the City back three cents a copy.

Ald. Domaingue in reference to item 810 Dues, Fees, and Licenses noted it was up 45 percent and asked why.

Solicitor Clark replied it went up because of the new attorney that had been hired last year.

Ald. Domaingue in reference to line item 110 Regular Salary asked what the 9.8 percent increase represented, was it the actual salary or was it reflective of something else.

Solicitor Clark replied it was actual salaries.

Ald. Domaingue asked if the 9.8 percent was reflective of the additional person that had been brought on board.

Solicitor Clark replied that was the increases of the cost of salaries next year over what they were last year.

Ald. Domaingue asked if that was non-department, non-affiliated department head increases.

Solicitor Clark replied it was all of the employees.

OFFICE OF YOUTH SERVICES

Mr. Lemaire stated all of his budget has been zeroed out noting he had learned of it when he received the materials from the Mayor; that he had talked to the Mayor on Friday which had been the first time he had been able to talk to him primarily because their budget was placed under the Health Department; that the Mayor at this point was supposed to have explained it to him, so since he was not here it put him at a disadvantage because he had wanted the Mayor to explain what he was trying to do; that in reading on page 5 of the Mayor's report to them - "Once I was familiar and comfortable with what I had asked Fred Rusczek to do to develop, he met with Barbara Vigneault from Elderly Services and Regis Lemaire from Youth Services." - that was not quite accurate, we met after the fact, if Mr. Girard will confirm.

Mr. Girard stated if you want, Regis, I'll fill in for the Mayor here and explain the situation. Mr. Girard stated you may have had a chance to review the Mayor's budget referrals to Committee which were presented to the Committee on Administration was the consolidation of Health, Elderly, and Youth Services; that the Mayor had talked at length with Mr. Rusczek early on in the process and was able to develop a conceptual reorganization plan; that in the last week before the Mayor presented his budget he was finally able to pull what loose ends there were together, view the anticipated space, and he did meet with Barbara Vigneault from Elderly and in viewing the space at 50 Bridge Street did talk to Mr. Lemaire regarding the proposed consolidation at least in a conceptual phase; that after the meeting the Mayor had asked him to contact Mr. Lemaire and advise Regis that he would like Regis to work with Barbara Vigneault and Fred Rusczek to develop a consolidated budget for presentation to the Aldermen and inherent in that would have been zeroing out the Youth Services and Elderly Services budgets and a presentation of a consolidated Health Department budget; that due to the lateness of that approach and the time constraints of all three department heads that was not possible, so at the Mayor's direction they went through the numbers, the Mayor and himself went through the numbers for all three departments, developed a consolidated departmental allocation which at that time they should realize was preliminary; that they had reviewed the numbers somewhat with Mr. Lemaire last week and in consolidating the budget there wasn't a whole lot removed from either Elderly or Youth Services because of what they were trying to do and at this time any further discussion on the numbers because of the preliminary nature would really need to be hashed out at the Committee on Administration with these department heads and that was precisely why the Mayor had it referred to the Committee on Administration, so Mr. Lemaire was really not in a position where he could comment on what had been added to the department of Health on his behalf though the adjustments to his budget were relatively minor as they were to Elderly Services before the consolidation.

Chairman Wihby asked if all three departments were added up and looked at what the Mayor had given the Health Department noted there was only a $2,000 savings and asked why would they do it for a $2,000 savings.

Mr. Girard replied there was a $2,000 savings in the first year and in looking at the numbers they had to account for a third of a year and it was the feeling of those who had worked to develop the proposal that the space at 50 Bridge Street would be ready by November 1st, so you would have to spend 8 months rent at 50 Bridge Street and four months rent in the fiscal year at the current Elderly location on Hanover Street and at the corner of Merrimack Street with the Health Department, but in addition they had to pay utility costs for that third of the year at the Health Department and Elderly Services and the reason for going through with it was that in the next fiscal year once all of the obligations for rent were gone at the Health Department and after they'd be out of Elderly Services the rental cost alone would drop by $40,000; that the utility costs would be zero because the preliminary discussions with the landlord at 50 Bridge Street was an all inclusive rent at $10.00 per square foot which included heat, electricity, and hot water which neither arrangement currently with the Health Department or Elderly Services was there and it was also anticipated that there could be personnel savings noting Mr. Rusczek had access to federal funds which could be able to pick up funding for other positions right now, so in the out years they'd be looking at approximately $60,000 in year two of this consolidation.

Chairman Wihby asked if Mr. Rusczek could get federal funding the way it was now and did they have to consolidate to do that.

Mr. Girard replied the position which was being looked at currently was a position which was in the Office of Youth Services, a temporary employee noting that was a detail which would have to be worked through but because of some of the programs that the Health Department ran the federal funding was available to him and not to the Office of Youth Services.

Mr. Rusczek stated everything they had done to date had been in concept noting they had looked at some things that could occur; that one of them was as he received federal funds for things like HIV prevention that he could build in some of the business service officer type positions to help increase the hours of a part-time Youth Services Assistant to facilitate some of the budget work that they had at the Health Department, as well; that there were also funds which could come in which could support items such as clerk/receptionist if there was some savings to be brought about by combining positions; that he was not that prepared to speak about the concept tonight since he was on tap for a couple of weeks from tonight for his budget presentation.

Chairman Wihby asked when he came before the Board with his budget presentation would he present all three together and what they planned on doing.

Mr. Rusczek replied he had not even looked at what his plans would be, but would be happy to come forth with what he saw as a concept, but keeping in the mind the only way the problems could ever be identified would be by the three department heads working together.

Chairman Wihby stated it should have happened before the numbers had been put together.

Ald. Cashin asked if they could accomplish the same thing with Youth Services by contracting with them.

Mr. Rusczek replied there were two driving factors which both surrounded the leases; that one was the lease cost of Elderly Services and the other being the lease cost at 50 Bridge Street.

Ald. Cashin asked once again if he couldn't contract with Youth Services and accomplish the same thing that they were saying would be accomplished if they merged.

Mr. Rusczek replied it depended upon how they were physically located; that if there were benefits to be using the same account clerk to be doing books and stuff they would have to be physically located nearby.

Ald. Cashin noting Mr. Rusczek had mentioned HIV prevention asked if he could contract with Youth Services to accomplish the task without merging the two departments.

Mr. Rusczek replied if they were physically located in the same building he imagined they could contract with Youth Services.

Chairman Wihby asked if there were any savings in moving them into the same building, but didn't consolidate them and asked what would the savings be then.

Mr. Girard replied part of the issue with the consolidation was the fact that all three departments were somewhat strapped for administrative help and the idea in putting it together was to try to create a situation where the administrative help could be shared between the departments; that the conceptual reorganization with the exception of the elimination of a part-time employee which was added to the Elderly Services budget to help keep them centers open when people were on lunch or vacation or whatever the case may be did not envision any downgrades, any reclassifications, any shifting of responsibilities; that there were three departments which had similar missions which more or less worked well together now and if they could be consolidated under one roof and in one space would find the ability to administratively support themselves in a manner which would enable them to improve their service delivery noting that was the other item that was driving it; that the potential for space now at 50 Bridge Street was not going to be there next year which was one of the reasons why they tried to seize upon it in this fiscal year and asked could you put them together in one room without consolidating, he saw complications with that because the way the Charter was currently written every department head had exclusive personnel authority over their own employees and would get into territorial issues and was not saying there would necessarily be any, but again part of the consolidation was to try and bring some services together, improve them at a savings, and realizing that there were a lot of details which needed to be worked out was why the Mayor asked that it be referred to the Committee on Administration so that some of them could be worked out and to put Mr. Lemaire or Mr. Rusczek on the hot seat tonight was not...

Ald. Cashin stated he was not putting anyone on the hot seat and asked Mr. Girard if they had talked to the department heads about combining them all at 50 Bridge Street before they committed with this plan.

Mr. Girard replied, yes, did we do it in the time frame the Mayor would like to, no.

Ald. Cashin asked could we put them in the courthouse and make it work.

Mr. Girard replied, no.

Ald. Cashin asked why.

Mr. Girard replied because there wasn't enough space at the courthouse to accommodate the departments.

Ald. Cashin stated he was not talking about the Elderly Center, just the departments.

Mr. Girard stated even with the administrative offices there was not enough space at the courthouse to accommodate the administration of those three departments without the Elderly Center, there was not enough space.

Chairman Wihby stated that was true because when they had looked at it, Fred did not want to be in that place because of the problems he had.

Mr. Girard stated including the actual Elderly Center which was about 3,000 square feet they were talking about over 13,000 square feet of space.

Ald. Cashin stated those people could be located someplace with a clerical pool that they could all draw from, if they really wanted to be creative.

Mr. Girard stated that was what they were trying to do.

Ald. Cashin stated they were not trying to do it, they were merging all the departments first.

Mr. Girard stated it would accomplish the administrative pool that he was looking at.

Ald. Cashin stated it could be done just as well without making Regis Lemaire report to Fred Rusczek and making Barbara Sullivan report to Fred Rusczek you could accomplish the same without doing this.

Mr. Girard stated if they could have figured out a better way to do that and affect the savings they were looking at over the long term they would have.

Ald. Hirschmann stated it should be tabled until the Committee thoroughly examined the proposal so that tempers would not flow.

Chairman Wihby asked Mr. Lemaire if he wished to make any further comments.

Mr. Lemaire stated he had felt they should wait before looking at his budget until he knew what was going on; that he also felt he had contracts as a department head with the State and so forth which needed to be looked at in that if there was a consolidation how would it affect the contracts and the funds he was already accumulating; that if he took a look at his organizational chart on page 9 and looked at the Clerk Typist II position and Youth Services Assistant noted those were not paid for by the City; that in looking at Community Relations Developer worker noted that was cut out two years ago, so they were down to the bone and was basically someone who was working directly with the Manchester Police Department because his office was created out of a diversion type program and they also had the Employee Assistance program in their office which was really separate from their office even though they were administering it and they felt they needed to maintain that, as well.

Ald. Domaingue in addressing Mr. Girard asked if she understood him to say that all three departments were currently strapped for administrative help and that by making the consolidation that it would ease that problem.

Mr. Girard replied, yes.

Ald. Domaingue stated when talking about preliminary presentations and preliminary proposals asked if she was assuming correctly that there would be a follow-up to it or would it be left up to the Committee on Administration asking if the Mayor would be going back to the Board with a final proposal or would it be left to the Committee.

Chairman Wihby replied it would be presented to the Committee on Administration at which time the Mayor would try to sell his program there after which Administration would then vote on it one way or the other.

Mr. Girard stated it was their hope to be able to work with the Committee and the department heads to finalize a proposal for the Board's consideration.

Ald. Pariseau in addressing Mr. Lemaire asked if the six people listed in his department were not totally funded by the City.

Mr. Lemaire replied the Office of Youth Services Assistant and the Clerk Typist II was not.

Mr. Girard stated the only thing in the black budget book regarding the personnel complement were those positions currently funded by the City; that any of the positions which Mr. Lemaire had which were funded by the State were not listed as part of the personnel complement and were not listed in the black book as City funded and added if in pursuing the consolidation they thought they might have jeopardized Mr. Lemaire's funds that would have been a reason for them to reconsider and they were not envisioning any changes in the services being provided, so they did not feel that those positions were in danger of losing their funding and becoming commitments of the City.

Chairman Wihby asked what does the City Youth Services Office supply for 24-hour coverage as far as substance abuse and related problems go.

Mr. Lemaire replied their office had a 24-hour line to the Manchester Police Department on services to youth that they feel would be related them in some capacity; that there was no total 24-hour coverage as they could not afford it, should they he agreed that there should be.

Mr. Girard stated another thing for the Board to consider was another factor of having it was the fact that the lease at the Elderly Center was up and the Board had to make a decision by May 1st as to whether or not to renew the lease there and under current terms they would have to renew the leave for a 5-year period and thought there had been negotiations between the Mayor and the realtor who managed the property, they had yet to be able to get from them anything in writing regarding what their proposal to the City would be noting they had given a verbal one and what they had given verbally was still a good deal more than what they would be able to get at 50 Bridge Street for rent noting they could get the space at 50 Bridge Street under better terms which was another issue which was driving the consolidation and right now they were paying over $14 per square foot plus all of the utilities to run the Elderly Center and was very expensive space which was not really that good.

Ald. Soucy asked how long were the terms of the lease they were considering at 50 Bridge Street.

Mr. Girard replied that was still in negotiations on the amount of fit up but they were probably talking about three years and one of the factors they were also trying to consider was the fact that the Health Department, the Employees Assistance Program, and the Youth programs were types of programs and including Elderly Services because of the Senior Center were programs and departments would you never get onto City space and, therefore, would never have not paying rent; that they didn't usually go to central locations as there were considerations with the services provided by Regis and Tom Jordan and with the services that Mr. Rusczek provides there was certain confidentiality considerations, there was a certain lack of comfort with being in a central location such as City Hall or City Hall Annex which was why the space at 50 Bridge Street which provided various access, entryways, a whole lot of parking which was a problem for the Health Department and the Elderly Services Department and the clients that use both was one of the reasons for taking a look at that space, so the exact terms of the lease haven't been negotiated because they needed a commitment from the City but at this time they were holding the space for us and will do so through the budget deliberations hearings, but they had a general idea of the price and they knew that all of the utilities were included; that it was basically the same deal they currently had with the Welfare Department which was a very good deal.

Chairman Wihby thought they had experienced problems with the youth and elderly previously.

Mr. Lemaire replied they had and both he and Barbara Sullivan had discussed it thoroughly; that one of the problems they had was access to elevators and they had to look at a number of things as it was dealing with the population dealing with acting out behavior (youngsters) who were not necessarily the best people to deal with all the time and the elderly and acting out youngsters could be a problem, so they would have to take a look at how were they doing this, what was their access, how did they get in and out and unfortunately their youngsters go to a lot of places unless they set up some sort of protection.

Mr. Girard stated they had taken a look at it; that the Elderly Center was envisioned to be on the first floor which meant the elderly would not have to use the elevator and the administrative offices of the departments would be consolidated and located on the second floor of that building and there were also direct access points to the Elderly Center and to the elevators which could be separated and were, in fact, at this time, so they had looked into it.

Ald. Hirschmann asked if anyone had consulted with the Housing Authority (Grace Hicks Grogan) to ask about the Gallen building for a Smile Center, there were enough Housing Authority buildings in the City.

Mr. Girard replied that the Housing Authority had recreation rooms in their elderly centers; that in discussions with Barbara Vigneault there apparently was some sort of astigmatism or whatever term attached to locating an elderly center in one of the elderly high rises; that apparently for the elderly who were in the high rises it was not as beneficial simply because they didn't get to leave the building or the premises and go to a different space and for people who weren't of the high rise population there was not as much access to that space and because of various security concerns and whatnot that were around there; that the other problem with separating a space like that was that they were trying to keep the administrative offices as close to the actual space as they could so they could cut back on the personnel requirements needed to keep space open when various administrative personnel were elsewhere, so it was discussed with Elderly Services but they did not look kindly on it.

Ald. Hirschmann stated he had mentioned security concerns and when you mix them with juvenile delinquents, I think you're going to have...

Mr. Girard stated they were trying to take that into consideration with the layout of the building and that was why the way the space was currently situated was an advantageous situation at 50 Bridge Street.

Ald. Shea noting the elderly would be located on the first floor asked where would the clients for the Office of Youth Services be located.

Mr. Girard replied they'd be on the second floor; that the space for the Elderly Center was ground level which was handicapped accessible and had windows like the current center and things of that nature.

Mr. Lemaire stated he would have to take a look at where they would come in on the bottom floor as there were two accesses to the building, one at 50 Bridge Street with the other on the back side of the building and asked which would they be using.

Mr. Girard replied one or the other.

Mr. Lemaire stated it would make a difference as their youngsters would come in on both sides.

Mr. Girard stated that was a detail that they would need to work out.

Chairman Wihby noted Mayor Wieczorek would have to tough sell over there, so they'd have to wait and see what happened.

Chairman Wihby in reference to the Employee Assistance Program stated there was a 24-hour telephone noting those numbers were posted everywhere throughout the City for employees to see and be able to call and asked Mr. Jordan if we were winning the war with substance abuse or not.

Mr. Jordan replied there had been a great deal of effort put into it but from his own experience and particularly with substance abuse he did not see any drop or decline in the usage and saw an increase in the heavier usage of substance abuse.

Chairman Wihby asked why the phone number couldn't be posted in schools where everyone could see it (kids, teachers, parents) and have someone to call other than Police when they need help and have it run by EAP for anyone who would need help.

Mr. Jordan stated he thought it could be arranged noting they were already on call the seven days a week anyway and the same number could perhaps be used if they made some arrangements to screen those calls particularly after hours.

Chairman Wihby asked Mr. Jordan if he could put something together that would accomplish that and did not think it would be a lot of expense and they could perhaps put some people on extended weeks or upgrade them a little to give them something as it would be 24 hours or so, but didn't think posting of signs would be an extra added expense and asked if he could prepare something so as to be able to get help in the schools rather than calling the Police.

Mr. Jordan replied he could do so and thought it would be a good idea.

Chairman Wihby asked Mr. Jordan if he could oversee such a program to make sure there would be coverage for 24 hours a day.

Mr. Jordan replied he did not see it as being a problem and thought it would be for minimal cost.

BUILDING DEPARTMENT

Mr. LaFreniere stated they had anticipated that the Board might be running a little late and as a result had prepared a presentation which delineated some of the budget highlights as they saw them and the issues regarding their requested funding levels as opposed to what the Mayor's budget recommended; that in the interest of the Board's time he briefly mentioned a couple of issues to steer them through some of the information and then allow the Board to ask them questions and perhaps take the information away with them to disseminate at their leisure; that the handout he distributed was essentially two parts with the first being the reactions to the individual lines items which were affected between the two budgets and those being the requested funding levels and the Mayor's budget with the second part being a worksheet they had prepared prior to the process or at the beginning of the budget process which might be a little easier to follow with regard to what the individual line item funding requests were as well as what those line items were intended to cover; that they had a few items on the list - 271 Staff Development and the 580 Travel, Conference & Meetings - which might warrant some explanation with regard to why their requested funding levels were at and why they felt it was important for them to give consideration to those levels as opposed to the Mayor's recommended budget; that they had undertaken a program to certify their inspectors over the last year which was a process they hoped to bring to conclusion in the

FY '97 budget cycle; that the City as were all municipalities throughout the country would be undergoing a process whereby they would be rated by the insurance services organization which ultimately was used by the insurance companies nationally to determine municipal insurance rates; that the program had begun in the northeast and they had two separate interviews by the insurance organization representatives to review their status with regard to the updated, the current dated status of their codes which was something that they had general discussions on because they were currently under the '87 editions of the national code standards and they were hoping to bring in an update in fairly short order to bring them up to the '96 editions and also another point of discussion with those representatives was the status of certification of their inspectors; that it was a national trend and they were trying to stay current with it and the funding levels they had requested they felt were really the minimum that they needed to try to both conclude that certification process as well as maintain it as it did have a component attached to it which required maintenance through continuing education; that account 630 Books - was also a related item because the funding level they had requested in their budget reflected the fact that they were anticipating updating their codes to the '96 national code standards; that statutory requirements dictated that they have available for public viewing sets of the standards in certain public locations those being the City Clerk's Office and the Library and what it essentially did was that the codes which were quite expensive they had to compile on three separate sets to put in the different locations and believed Mr. Gaudreault had figured out $600 worth of codes which would not be available to them to use, but to satisfy statutory requirements they would have to purchase and have on file if they were successful in updating their codes to those current standards and if they moved ahead with that program they felt there was some particular attention which needed to be addressed; that the status of their revenues with their budget projections had come up with approximately 138 percent of their budgetary requests noting they were a department which brought in some measure of funding in excess of what their costs were; that their budget request was reviewed by the Mayor's Office and they obviously in their quest for additional revenues looked for whether there were any opportunities to enhance those projections; that they had increased their building permits projected revenue from $500,000 to $525,000 which wasn't reflected in their request, so their budgetary request actually equated to $924,500; that the Mayor's recommended budget brought it up to $950,550 which was another $25,000 they were uneasy about to put it, but the Mayor's Office felt it was an appropriate figure to put in there; that one other comment he had overlooked when he started the presentation was object class 110 Regular Salaries & Wages noting they had come up with a budgetary request of $636,902 based upon their existing staff complement at the time the budget was prepared and subsequent to that time they have had a retirement of a long service employee in the department which would permit them to ratchet that figure down to reflect the fact that they would be able to fill that position at a lower rate of pay; that they were anticipating and have been so approved by the Personnel Committee to fill that position and were looking to fill the position from within and if they did so, they could accommodate a reduction in that amount of $7,500, so that would bring their projected budget number at the Mayor's number, so they were in complete agreement with it and so noted in his memo.

Chairman Wihby noted they were $19,000 off from what they had requested.

Mr. LaFreniere replied, yes noting the $19,000 reflected the centralized motor pool, so $10,000 of that was their vehicle accounts (gas, oil, diesel, tires & batters, and vehicle maintenance); that they had concerns, of course, with the maintenance of their fleet if those figures were pulled out and went to some centralizing of that function, but they recognized that the net impact on their budget was somewhere around $9,200.

Chairman Wihby stated they saw no further additional revenues which they could come up with noting those might be too high.

Mr. LaFreniere stated it was kind of a crystal ball, a roll of the dice in trying to come up with some of the numbers because they could spike them by bringing in a big project that had some positive impact on their revenue picture noting they anticipated some of the projects coming in during this fiscal year as they were now working with the Mall of New Hampshire, but knowing what was on the horizon was always a bit questionable so they were a bit nervous about putting in figures which would not be realized.

Ald. Hirschmann asked if they had put in a spike for the Mall of New Hampshire.

Mr. Gaudreault replied they were currently working on it now; that they were working on Filene's which would probably get their permit prior to the budget end; that they had also met with representatives from the Mall who might also be getting some permits prior to the end of this budget.

Ald. Hirschmann with reference to the anchor store at the Mall asked if they couldn't amend their revenues once they knew more.

Mr. Gaudreault thought it was in there already; that they weren't sure when some of it was going on-line and Filene's was just about ready to go now.

Ald. Reiniger stated in reference to code noted there was a big problem in renovating Downtown buildings and the Millyard area and owners had told him that the codes were one of the problems in updating those buildings and asked if the new codes would address that issue or were there other ways to do it.

Mr. Gaudreault replied it was a little of everything; that he did not think it was the buildings themselves but the people wanting to invest noting he had not seen too much going on in any of those buildings.

Mr. LaFreniere replied the answer to the question was yes; that the newer additions of the code he believed would aid a situation which was now aggravated with the fact that they were under codes which were almost 10 years old which was mostly in the area of mixed uses; that the older codes had very rigid requirements with regard to fire separations and those sorts of things with regard to mixed uses and the newer codes recognized alternative methods to accomplish those which could result in some cost savings and a lot of the costs were borne by accessibility requirements which fell outside of their purview of regulatory status and so, yes the codes were a big part of hit in terms of handicapped accessibility especially to the Downtown buildings, but that was something that came from a higher authority than what they had control over or influence with.

PLANNING/CIP PROJECTS

Mr. MacKenzie stated he wished to start out by highlighting some of their key goals because there were some important projects noting they could find more information in the black book which was provided by the Mayor's Office; that one project they were working on now was a zoning ordinance update; that the zoning ordinance was over 30 years old, it was starting to create problems for them in the City in terms of both questions about neighborhood stability as well as economic development; that in the East Industrial Park area the three largest employers in that park all needed variances from the ordinance and believed it told them something that the ordinance was now somewhat archaic, so that was one of the main reasons they were looking at it; that the zoning ordinance affected every property in the City and it was also important in terms of economic development; that Manchester had to remain competitive with other communities and a well-written ordinance could avoid problems such as those they were seeing right now and believed that was a major project for the City; that they were in the process now of working on some of the key facilities in the City including making capacity improvements in the School system, making School upgrades and facility improvements particularly like the high schools that are having accreditation problems and also they would try to address the City Hall and the Annex which were severely deteriorated at this point; that another area they would focus on this year was planning for Downtown and central area revitalization; that the central area had been more adversely affected by the latest recession than other parts of the City and it had also been a problem for the tax base; that they had started to see the first glimmer of some new work in the central area; that they'd been working with the owners of the Myrna Shoe building to rehab that major mill building and also across the street they've worked with a group to rehab a historic structure (Brook and Canal Streets), but they wanted to make some additional strides; that they would be looking at reconstruction of Elm Street, changing the parking to increasing the parking in the Downtown, they want to make some Millyard improvements, they want to develop a business improvement program in the Downtown area and they wanted to be working with the new Intown Manager to make additional improvements; that there were a lot of other projects they were looking forward to this year and thought they were very important to the City; that this year the Mayor had asked that each department look at what they were trying to address this year and those were some of the key ones; that in terms of the budget proposal itself they had some cuts as recommended by the Mayor and thought that most of them were in operating expenses and thought the cuts were still doable provided they had some flexibility between line items noting it was always unpredictable to tell whether they would need "X" amount of advertising or postage, but as long as they had some flexibility he thought they would be okay in that area; that another thing he wished to address came in the form of part-time benefits noting it had been proposed that part-time benefits be removed and personally he had some concerns with that; that they currently had two employees who were part-time in the department, both professionals with a considerable amount of education and experience; that it had been quite cost effective for their department to have that part-time expertise and at the present time the preference of these individuals which would be to remain part-time if there were benefits associated with those and primarily because they were working mothers and both had young children and thought there was also a question of equity in that if there was a professional working five days a week getting full-time benefits you could also have a professional working just four days a week and having zero for benefits, so he thought the system they had had traditionally in a pro-rated system of benefits where if you work half of a week, you get half the benefits and you have to pay the balance had been an equitable situation; that it had been cost effective for his department believing it would continue to be to have professionals which were on a part-time basis and it was important for those individuals, he believe, to have medical and other benefits and, therefore, he would request that those benefit systems remain the same; that in terms of the CIP Program, it was his understanding that it had been referred to the CIP Committee which was a fairly sizable program this year, close to $60 million with most of it not being from local sources, but State, Federal, private and other sources; that although it was referred to Committee and would be discussed at Committee he would be happy at either this level or individually meet with Aldermen who were not on the Committee to answer any questions about the program.

Ald. Hirschmann stated it sounded like Mr. MacKenzie wanted to keep his people part-time but because of the policy they were being forced to go full-time.

Mr. MacKenzie stated if they wanted to keep benefits, under the current proposal they would be eliminating benefits to part-time employees and in order to keep those benefits they would have to go full-time, yes.

Ald. Hirschmann stated because of the policy that was in effect was that the reason they were zeroed out as part-time and going full-time.

Mr. MacKenzie replied he had requested that they go full-time basically because he couldn't lose them at this point.

Ald. Hirschmann stated if that policy did not change he would then lose those two people.

Mr. MacKenzie replied it was a possibility, yes; that their first preference as he understood it would be to work four days a week and get pro rated benefits noting that would be his preference, as well; that he had requested full-time just so that he would not lose those individuals.

Chairman Wihby stated the problem with that was once you start that you would do that for everybody and then you would see all part-timers getting benefits.

Ald. Hirschmann stated two part-time people equated to, hour-wise, one full-time person.

Mr. MacKenzie replied they were full-time authorized slots; that he had for budgetary reasons and for reasons that the individuals wanted to work part-time had been paying them on a part-time basis.

Ald. Hirschmann stated policy was forcing his hand basically.

Chairman Wihby stated what he'd done was to cut down a day for each of the two because he knew he didn't need them, so he had actually saved some money; that the decision to be had could be taken by Personnel noting that once the decision is made to do it for one person then they would have to start looking at everybody else working part-time citing Welfare as an example in the past.

Ald. Pariseau asked if pull came to shove would the members of the Zoning Board would have any problems with doing what their doing as other commissions and/or boards do and probably take the $7,200 and shift it over to benefits for those part-time people.

Mr. MacKenzie replied he could not speak for those existing members of the Zoning Board of Adjustment as he suspected they might have a problem with giving up that salary.

Ald. Domaingue stated conversely to the argument presented if it were offered to one department the opportunity to put them on part-time benefits asked couldn't it also be said that if they were to grant each department that came forward with that proposal of part-time status resulting in full-time benefits be an increased cost to the City.

Chairman Wihby replied they already had full-time positions and asked Ald. Domaingue for clarification.

Ald. Domaingue stated they were paying part-time, not full-time salary and they were getting part-time benefits based on pro ration of the amount of time they worked, so if they went on full-time they would be receiving full benefits which was an actual increase to the City.

Chairman Wihby replied if it were done in this case money was saved because he did not need the help, so what they would end up doing would be seeing those who hire the part-timers and then come to the Board saying they could only have the part-timers if they get benefits, so where before those benefits would not have been given now they would start and that is where it would start costing money, but in a situation such as this you would actually save noting the situation would have to be controlled and would probably have to come up with some criteria where it worked; that if there was a full-time position and wanted to put a part-time in there but if there was a person who was part-time all the time and all of a sudden they wanted that part-timer to start getting benefits it would add additional money and wouldn't want to get into that situation.

Ald. Pariseau stated they would also save money with the job share people in the Tax Collector's Office instead of having one full-time person there were two part-timers working 17.5 hours per week; that they were looking to see if they could help those single mothers and widows to maintain the medical insurance.

Chairman Wihby stated it was a very delicate situation; that if there's a full-time position and you want to cut it down you're saving money, so in concept that works, but if you're going to start saying well, now we have part-timers collecting benefits, so let's make all part-timers collect benefits they'd end up paying some big bucks.

Ald. Soucy asked why couldn't they grandfather existing arrangements as they had attempted to do with the Welfare situation and as something new would come forward consider it at that time.

Chairman Wihby stated they were not saying it couldn't be done, but they had to look at a position which was full-time and that position because it was full-time now, could maybe get benefits but they didn't want to start saying that all part-timers get benefits noting in this case they'd save money.

Ald. Reiniger asked what were the position titles being talked about.

Mr. MacKenzie replied Planner and Program Planner.

Ald. Reiniger stated it was his understanding that Mr. MacKenzie was performing certain functions of the former City Coordinator.

Mr. MacKenzie replied some of the functions were split between himself and Jay Taylor and perhaps to a lesser extent Kevin Clougherty.

Ald. Reiniger asked if it was a situation and not to put him on the spot, if he found it to be fairly impacting upon his Planning Director responsibilities and asked if he was comfortable in continuing with those responsibilities.

Mr. MacKenzie replied it did put him on the spot.

Ald. Reiniger stated the reason he was asking was because he knew there had been some discussion as to whether there was a need for a City Coordinator.

Mr. MacKenzie stated the two key functions he'd been working on which were probably City Solicitor related were working with the Central Business Service District and working on the contracts for that and heading up the Enterprise Community Program which were probably the two key ones he'd taken over since there had not been a City Coordinator; that Jay Taylor had also picked up several of those functions, so certainly their organization was stretched fairly tight at this point noting he could probably carry those for some period of time.

Chairman Wihby stated the money in the budget would allow him to pay those people full-time.

Mr. MacKenzie replied in the affirmative.

Chairman Wihby stated so if he didn't have to do that asked how much would he save.

Mr. MacKenzie replied he thought in was in the order of $12,000 which would be for payroll; that the slots were there for full-time, but he would have to get the funding for it at some time to fill them.

Ald. Shea noting the rental was $39,000 per year asked if they rented by square footage also and how much for that.

Mr. MacKenzie replied in the affirmative noting that they were just under $12 per square foot noting it was slightly higher than the 50 Bridge Street location or the Elderly Services.

Chairman Wihby believed they had not gone up in a number of years.

Mr. MacKenzie stated they had actually gone down from $14.00 and had been negotiating downward for the past four or five years.

Ald. Shea asked how long Planning had been at that location.

Mr. MacKenzie replied almost ten years; that they were looking at the potential for their office and another to go into the City Hall Annex.

Chairman Wihby asked that was the reason it was being put into the budget because it wouldn't come next year.

Mr. MacKenzie replied it would be a fairly long process because if they were to start rehabbing City Hall and the Annex they had to start with certain departments, perhaps move them to another location, so there would have to be a phased approach noting it could take 18 months to complete it.

Chairman Wihby asked if his lease was on a month-by-month basis.

Mr. MacKenzie replied it would be month-to-month in a few months.

Chairman Wihby asked Mr. MacKenzie if the CIP budget would be discussed at the Committee level.

Mr. MacKenzie replied it would be discussed at the Committee level unless the Aldermen had any specific questions right now.

Ald. Soucy in directing her question to representatives from the Mayor's Office asked if there was any consideration given to retaining some of the space either from Health or from Elderly Services so that in the event that another department needed to be relocated out they would already have the existing space.

Mr. Girard replied there was because Mr. Rusczek's lease would go for about eight months after they would move him out; that the idea was to renovate the Annex and displaced departments could be put at the space in the Health Department which had City telephone and computer hookups for the interim, so it would not be wasted City space or wasted rent.

Ald. Hirschmann stated in the workbook it went over the complement of positions and after all the positions listed it noted other Zoning/Commissioners ($6,000) asked what it was.

Mr. MacKenzie replied the Zoning Board received $6,000 in a stipend or salary and an additional $1,200 for travel allotments.

Ald. Domaingue asked if those commissioners received any medical or dental benefits.

Chairman Wihby did not think so and believed they had looked into it previously when it was brought up under Water Works.

PARKS, RECREATION, AND CEMETERY DEPARTMENT

Mr. Ludwig stated he would not reiterate everything that they brought forth in the Mayor's budget as he thought it was pretty much straight forward, but to enlighten the newer members of the Board and to let them know what they had been doing at Parks, Recreation, and Cemetery as it related to enterprise versus tax funded portions of their budget noted it had taken them some time to realize an enterprise and a tax funded budget which was unique to them; that new things arose everyday in a way which they found difficult to deal with; that effectively they had a cross over charge in the enterprise as it related to a tax funded portion of people doing work in the Parks Division and the Cemetery Division to the enterprise; that they had found that there were people working in the Parks Division working on athletic facilities as it related to West Field or Memorial Field which were effectively receiving a subsidization from the enterprise account which could be a little confusing and it was taking them some time to get a handle on those numbers coming forward and there were now people in place in the department who had been able to help previous staff at doing those kinds of things and thought they were moving forward; that as they moved into the preparation for this budget go around they looked at a couple of things and since he started last February he had on the Personnel table a plan to reorganize the department and he had wanted to go forward with it at an earlier date, however, he needed some time to find out as he was talking over from the previous Superintendent and also doing the Recreation Supervisor's position as well and what he really needed and what areas he needed help in and how he wanted to reorganize the department, so some of the previous members of the Personnel Committee may well remember that his reorganization plan or his effort to go forward he never really had an opportunity to do so, however, as they moved into this budget process it seemed to lend itself that this was now the time to come forward with the plan and as a result of it and in receiving some assistance from Personnel and the Mayor's Office they were able to move forward with the project and were able to save some dollars; that their tax funded budget was more than what the Mayor's budget was recommending by about $36,000 noting they would have to live with it, but they really may not have done themselves a service when they prepared their budget from what they felt were more actual numbers than they had in the past and could it come back to haunt them, it could but that was their honest effort to move forward and try and do something in an honest way noting this was his first time at preparing a budget with Elaine only having been around for a little over a year, so it was new to both of them; that Carol in the office who had prepared the budget for a number of years in conjunction with Mr. Lemire was unavailable due to an illness although they had called her a number of times on the phone for her assistance and was helpful but in a odd sense of the way it was probably good that the two of them kind of got stuck doing it and asked how does the enterprise work versus the tax funded; that for them enterprise was not a way by which they could say cost out this item or let's charge this much for that item; that in recreation they had to be sensitive to the needs of the people at different levels; that it would be nice to say that in Environmental Protection we set a rate, we generate more money and that's it and if you don't like it, well lump it, but with them that's not it, they have competition in the ski area, in the ice arenas, on the golf course and they have to be sensitive to what the market will bear as well as how much do they want to, for a lack of a better word, double tax the people to do what they're already paying for recreationally - does it work - the enterprise as it presents itself was working; that for the first time in 20 years he'd been able to take some dollars and put it towards capital expenditures which, quite frankly, he had never been able to do before almost to the point of disbelief; that there were a lot of things which could affect the future outcome of the enterprise noting he saw it coming and wanted everyone to be aware of it; that additional expenditures as it related to people finding out that they should be paying their own way for insurance and services received from other departments noted those items were coming forward and if that continued at a rate faster than they could effectively generate the fund balance necessary to stay afloat then it could work, but it was a delicate balance between the tax funded portion of the people that work there and the recreation enterprise people because there was that crossover of charge that needed to exist between the agencies, so he thought they would see as they prepared their budget that it wasn't prepared from the standpoint - the reorganization had helped them keep their numbers down; that they realized that in the future some of the additional consolidations within middle management would occur through attrition process, but the Commission's feeling in conjunction with the Mayor's Office that consolidation and reorganization should be done with some sensitivity and thought they had tried to approach it in that manner, so as it related to the tax funded portion of their budget were prepared to live with what the Mayor had recommended but much beyond that would begin to cut into what they felt was the nucleus of what was left of the full-time people in the department as they tried to supplement it with part-time people; that as they entered into this season, he saw them hitting one of those peaks and valleys whereby they were not attracting a large number of people to work for $6.00 or $5.50 and when they did they stay for a week or so and they did not have the ability to go get somebody else down the Space Center here playing pinball asking them if they want to work next week, so when they hire someone and they stay for two weeks and leave and would start to count on more and more part-time people which they would see in the tax funded portion of their budget, they've done that; that it took more managing, more juggling, and it took more training and teaching and all of those things which took those managing more time to accomplish things noting they would work with it, but also saw a trend whereby people were not knocking doors down to come cut grass and rake and those types of things; that at this time of the year to get people he didn't know where they were and thought they perhaps didn't want to work for that amount of money any more.

Ald. Soucy asked to explain in broad terms how the funds from the trustees noting there were a lot of trusts which existed in the Cemetery Department, how those funds were used to offset any budget expenses or if they were at all noting it was confusing.

Mr. Ludwig replied it was confusing; that they had been making educational trips such as the one a couple of weeks ago to the Attorney General's Office to try and educate themselves of the process; that the Trust Fund had a principal side as well as a cash side; that the fact of the matter was that the principal side could never be touched, so it would sit there and generates and each one of the little deeds were those who had bought lots generated interest which was part of the process that Ken had been going through for the last three years and to separate all of those items and attach a name back to them where they were grouping them together before which according to Terry Knowles up at the State Attorney General's Office was not the way to do it, so there was a principal side and a cash side to the Trust Fund; that the cash side effectively was where the City could draw from, then there was perpetual care and non-perpetual care as it related to how you would draw from that fund noting the City has been drawing at a 70/30 percent split which had been drawing down quite heavily on the cash side of the Trust Fund for a number of years - what makes up the cash side of the Trust Fund as it relates to some of the items as internment, sales of lots and graves and some into the general fund, but the money going into the cash side could be used to reimburse the Cemetery Department; that this year they were very concerned about the action of the cash side of the Trust Fund noting Elaine had been trying to stay in contact with the Trustees of Trust Funds - where are they going, how are they doing - percentages are very low they knew, but they had always been told that that was not their concern, but rather Finance's concern and as far as he was concerned it was their concern that there was a way they could help to address the problem and thought that there was; that it was a shame that in all cases they hadn't listened to Ken Morse as he had some good ideas which related to sources of revenues for the Cemetery Department which would get them or take them to another level as it related to the sales in the Cemetery Department in 1996 and thought that was where they had gone a little wrong in the Cemetery in that they were attacking, they were talking a look at how to cut expenses and how to do a better job with the worker which was great, but on the revenue side they missed a little there such as cremations which had gone from 3 percent to 26 percent and they hadn't moved in a direction which accommodated people in all cases such as development of walls in their moratorium, development of sections of the cemetery which were much smaller areas, etc. and he wasn't saying something that Ken Morse hadn't been telling people for a long time and he thought that in some cases it made sense; that some of the funding Ken had asked for the past had effectively fallen onto deaf ears and was not sure why; that it was difficult for him in coming from Parks and Recreation to Cemetery to think it's a money maker, but it was a money maker; that in reference to Mt. Cavalry which was a completely different situation so from a maintenance standpoint they were set up perfect; that there was some more dollars to be made there and they had to track on the cash side; that they really didn't put anything in as revenue from the Trust Funds but yet Finance puts in $300,000 which was a little bit less than what they normally put in over the past few years and thought that Finance and Joanne Shaffer recognized the fact that they needed to.

Mr. Girard interjected that the Mayor's Office had plugged that in at the recommendation of Finance.

Mr. Ludwig continued by stating they had left that number blank because... how's the cash side doing, they'd been asking and asking but, well, don't worry about it too much, so basically they hadn't controlled that figure, so it looked like there would be a little bit more money coming forward and was unsure as to whose recommendation it was.

Mr. Girard stated the Finance Department right now was concerned that the Trust would not support the level of funding that it had in the current fiscal year which was $400,000 noting they were recommending an amount from the Trust Funds of about $300,000 and thought that was the outer limit of what the Trust Funds would be able to produce; that the Trust Funds as he understood were in some trouble with what they were generating for income, so they were seeing a diminishing return on the principal and knew that the Trustees of the Trust Funds were trying to address the problem.

Chairman Wihby in addressing Mr. Ludwig asked if he was saying that he thought there was a hundred thousand dollars more there.

Mr. Girard replied they were a hundred thousand dollars less this year than last year.

Ald. Soucy adding to Mr. Girard's comments stated she and Kevin Clougherty had a meeting scheduled for tomorrow morning with the Committee on Conference who was dealing with HB 417 which was a request of the Finance Department which essentially would allow Trustees of Trust Funds to develop an investment policy in consultation with the bank they contracted with in an effort to allow them to better access the market; that currently when the Trustees chose to invest in something they had to have manual signatures citing as an example if one Trustee was in Florida and another elsewhere, they'd have to wait and a lot of times with the Stock Market the way it was today they were losing valuable time and money noting it would be an attempt to expedite that process, would allow the bank to do it, but it could help the Cemetery portion of the Department in that it would allow them to generate more money in the long run and hopefully they could get that enacted in June.

Mr. Girard stated there were also pretty tight restrictions on what the Trustees could invest in knowing the City was taking a look at legislation to open that up also.

Ald. Shea asked if Ms. Shaffer was investing the money in bonds or stocks, etc.

Mr. Girard replied the best way he could answer that question was that she was investing it in whatever State law allowed her to invest it in noting there were pretty tight restrictions on where that money could be invested.

Ald. Shea stated Parks, Recreation, and Cemetery really didn't know exactly, should they know.

Chairman Wihby commented that they knew.

Ald. Soucy stated the Trustees of Trust Funds made the determination and made the report.

Chairman Wihby asked if any Aldermen wished for a brief history of it.

Mr. Keegan stated he had been a Trustee of Trust Funds for about three or four years; that the problem was over the last 20 or 30 years when a piece of land was bought by the City, the Trustees of Trust Funds were a separate group of people and also had separate Cemetery Trustees who didn't charge enough for the lots; that in spite of maintaining the perpetual care they didn't know how much perpetual care was noting that when he was there it looked like about 30 percent and the State said they had to determine who had bought the lots and when they found out that 70 percent of the lots people had paid for they had about a $2 million surplus built up because they thought that only 30 percent was perpetual care and now it's 70 percent, so the $2 million comes down with only about $300,000 left; that the problem with investing the money is that they are restricted by the State how the money can be invested, for example, in a bank stock you can't buy this, you can't buy that; that they had what they called an approved list noting he was pretty familiar with an approved list as he ran a bank and felt it was not up to them to generate revenue as it was a tax based part of their organization and it was up to the Aldermen to look into the situation and see what they would do and it was a serious problem; that he'd been waiting for the axe to fall but nobody wanted to look at it over the last two or three years, but it was here now.

Ald. Domaingue in reference to page 30 of the revenues for the gold course noted that the revenues would be up about 5.6 percent but if she went down to the golf cart rentals column she was looking at a revenue increase of 316 percent and asked did something happen there or did they just expect a lot more people to be riding than walking.

Mr. Ludwig stated they had changed golf professionals this year and as a result they had gone out for a request for proposals and the new agreement instead of bringing in 50 cents for nine and a dollar for 18 holes per cart now would bring them 20 percent of the golf cart revenues.

Ald. Domaingue asked where they stood in relationship to, in competition to the other golf courses, were they bringing in enough revenue out of the golf course, was the City competitive or was the City really cheaper than the average golf courses.

Mr. Ludwig replied it depended on what type of golf course you had noting this was a municipal golf course, it was not the Manchester Country Club privately-owned, not Intervale, but rather a combination of semi-private and public, it was not Passaconaway which was strictly a greens fee public golf course, so it was still a tax funded golf course and if they wanted to maximize profits they might be changing the theory as to how it related to how they ran the golf course but they would also be effectively eliminating a lot of people an opportunity to play; that the golf courses built today (i.e., Passaconaway, Charmingfare) lend themselves strictly to greens fees and pay as you play every time and that was a very expensive way to play the game but it maximized as he called them "outing type" golf courses where they go with a cooler, ride around one day and play golf and it really didn't lend itself to golf as golf is supposed to be played the way people at the Derryfield play it and did not recommending going to that philosophy and thought that the Derryfield was very competitive; that they were in line or ahead of the likes of Beaver Meadow and other municipal golf courses such as up in Concord and Riverside in Maine who they have checked with noting the City was right in line with them and they were probably running with a thousand members where most golf courses were running 300 or 400 members, charge them a lot more and try to make it up in greens fees on the other end, but that would mean closing their membership down somehow to taxpayers which never seemed to work.

Ald. Domaingue stated maybe it was her but was she to understand that the City had an inferior golf course as compared to some of the other private golf courses in the area.

Mr. Ludwig asked inferior as it related to what.

Ald. Domaingue stated what the average golfer would expect to find when they go out onto the green.

Mr. Ludwig replied quite to the contrary; that Derryfield was in very good shape but they had to remember and it had to be taken into context that it was not the Manchester Country Club noting they did not have the necessary funds although the last year and a half they were starting to get a few dollars to pump back into the golf course at a particular rate, but that did not always happen at that level; that they had taken in $500,000 and when they went to buy a utility vehicle for ten it went down the street as a fire engine for $650,000, so that's what you get.

Ald. Domaingue stated all she was asking was if they were getting the maximum amount of revenue they could out of the course as she personally did not think the City should be operating a municipal golf course and the benefit and opportunity to play; that somewhere in there there was a cost factor which needed to be recovered through the revenues being weaned out of the facility.

Mr. Keegan stated it was a very, very popular course as they had over a thousand members.

Ald. Domaingue stated obviously "very popular" had to do with the amount of money they were saving by going to Manchester's Derryfield and not going somewhere else.

Chairman Wihby asked Ald. Domaingue if she was trying to imply that they were not making enough money.

Ald. Domaingue replied she was implying that they were not making enough money.

Chairman Wihby asked if on the golf course itself did they have it broken down as to how much they made and how much was it costing to run the golf course.

Mr. Ludwig replied there was a philosophy as it related to golf and how you're going to play the game and whether you're going to charge people a permit or a membership to do so; that if they wanted to absolutely maximize and thought what was being alluded to was that people come and say "Derryfield is the best bargain in New England as it relates to golf"; that to maximize profits all they would have to do and he was not advocating or suggesting it but to make it a greens fees golf course which would take an awful lot of people out of being there because every time he puts a member out there and takes $25.00 out to walk out on that tee, he makes more money and was not advocating that, but felt they'd be taking away the ability from their juniors to play the game, they'd be taking away the ability of the seniors to play the game, and would take away the ability of a lot of people who like to play it on a regular basis other than just an outing and he could never recommend either limiting to the taxpayers how the golf course ran now.

Ald. Hirschmann in reference to page 19 noted that $541,000 went back into the general fund as revenue and on page 30 $1.8 million stayed in as an enterprise reinvestment and stated when he had voted on the Parks restructuring program he had looked at the restructuring of the positions but did not look at the revenues side and if he had known that $1.8 million would come out of the general fund and put them in a budget fix, he never would have voted for it.

Mr. Girard stated he had not voted on that at Personnel; that the recreation enterprise had been set up more than two years ago and the type of revenues which were being generated for the enterprise didn't even come close when it was a general fund revenue in 1995; that the restructuring had been driven by the fact that they had had a year or two of experience operating both the enterprise and the tax funded under that one umbrella.

Ald. Shea commented that as a citizen whose children played at the Derryfield Country Club and who enjoyed their participation, particularly his son as his daughter was not too patient indicated it was a wonderful opportunity for kiddos and thought they did a great job and it allowed people of moderate and lower incomes who could be sponsored or helped to use it and thought it would become too exclusive and would loose the rationale for which it had been organized.

Ald. Cashin stated it had always been the feeling of the Board that they knew they could make more money in golfing by charging greens fees, but it was always felt that they never wanted to deny anyone the ability to pay golf and they had tried to keep it competitive and that was what Parks and Recreation and done and would hate to see that change.

Ald. Sysyn stated there were a lot of seniors who stopped by where she worked telling her about the fees and everything.

Mr. Ludwig stated they had to remember that the juniors who would effectively be the seniors who play golf someday used to come out of the ranks of the caddies and now they don't because there were no more caddies, but the juniors were allowed to play at Derryfield for a relative inexpensive amount of money noting that was the future of golf.

Chairman Wihby asked when the sod at Rimmon was going in.

Mr. Ludwig stated the other thing he had wanted to do was mention that the department was going to a maintenance mode noting that construction was not one of their areas but they would be contracting it out shortly and was pressing Ron Johnson on a daily basis to do that type of work.

Chairman Wihby asked if the track was a million dollars or was it a million dollars for everything they wanted to accomplish at Livingston.

Mr. Ludwig replied he did not think a million dollars could accomplish everything that needed to be done at Livingston.

Mr. Johnson replied they were currently doing a master plan for the various improvements.

Mr. Girard stated that the Mayor's Office had been advised that construction of the track at Livingston Park would cost roughly

$800,000; that it was a million for the swimming pool but in prior discussions and in speaking with both Messrs. Ludwig and Johnson and the Planning Director it was about $800,000 to build the track and believed the Oval Society also gave him those numbers.

Ald. Domaingue asked if there was also a plan in place for the Pine Island 4-H Center.

Mr. Ludwig replied he spoke on the anniversary of the cancellation of the lease and thought that from his standpoint he found that it had not yet been torn down noting it bothered him and he had called Harry Ntapalis today regarding it indicating his concern noting that if he were to wake up tomorrow and found out that someone had injured themselves.

Ald. Domaingue noted that was a risk management issue; that she was asking him if there had been a plan, had Parks & Recreation built into their budget for '97 a plan to reestablish that building.

Mr. Ludwig thought the plan should come from a bunch of different agencies and not just the Parks and Recreation Department; that the agencies involved as it related to the 4-H Center, the County and the rest of the people were the ones who should come in with a plan as he never felt they should have to develop a plan whereby the 4-H Center was part of it and felt they had actively been pursuing what was going on at the 4-H Center and as he had indicated previously did not agree that the County was on base here as it related to that place.

Ald. Domaingue stated the answer to the question was that there was nothing in the budget which would reflect any kind of plan.

Mr. Girard replied there was a CIP request but did not believe the Mayor had funded it.

Ald. Clancy stated the people at Wilson Street School were still waiting for their playground equipment.

Mr. Johnson replied it was currently out to bid.

Ald. Shea stated Rick Groleau had requested him to distribute Adopt-A-Block pins to the Aldermen for their activity planned for next Saturday.

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

A True Record. Attest.

Leo R. Bernier
Clerk of Committee