COMMITTEE ON FINANCE

April 22, 1996 **7:30 PM**

In the absence of Mayor Wieczorek, Chairman Wihby called the meeting to order.

Chairman Wihby called for the Pledge of Allegiance, this function being led by Ald. Reiniger.

A moment of silent prayer was observed.

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.: J. Taylor, R. Houle, S. Lafond, F. Rusczek

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

Chairman Wihby stated for the benefit of everyone present the Aldermen had advised and as everyone knew money was tight and the budget would probably be cut more than what the Mayor had suggested noting they all should have received a communication relative to the one, two, and three percent reductions.

MANCHESTER ECONOMIC DEVELOPMENT OFFICE

Mr. Taylor stated that in addition to the normal business retention and business promotional activities that their office had historically been engaged in there were a couple of new initiatives which they were currently involved with that he would update the Board on; that the first was the Revolving Loan Fund which was approved by the Board recently to initiate; that they had originally applied for a $500,000 federal grant from the Economic Development Administration and had not yet heard as to whether or not they would get the money noting it was tied up in limbo at the federal level; that they had been advised that although the application had been accepted and was complete that the money was not there and they would be looking at the grants on a priority basis and unfortunately in the year or so that had expired since they submitted the application Manchester had become less eligible than it was a year ago, so it was his guess that they would look upon the City's application as being less of a priority rather than more, but until they had actually been denied they were still in the pot; that they had decided to proceed with the Revolving Loan Fund using the allocation of Community Development Block Grant money they had ($390,000) which would certainly get them off and running with the Loan Program and presumably they could come back and request additional money through CDBG in the subsequent fiscal year if they depleted that source of money and hoped to have the program up and running in the next 30 or 45 days; that he second initiative was the Small Business Incubator on which they had signed a contract with NH College to manage whereby they had identified a location in the Millyard to operate the facility and were currently in the process of trying to work out the final glitches in getting that program up and running noting there were a number of federal regulations which came as a result of the two funding sources, one CDBG money and money from the Enterprise Community where both of the sources had different regulations noting they could actually be conflicting to the point where it made it a little difficult, so they were having some trouble resolving the issues, but thought they would be able to get to that shortly and hopefully have it running later this year; that in terms of the budget itself, the agency request which they submitted through the budget process was approximately 1.8 percent higher than the fiscal 96 approved budget; that they were able to accomplish that because the City Coordinator position having been vacant during the past year they were assuming that when the position got filled it would get filled at the entry level salary rather than the mid-range salary which the previous incumbent had been paid so they saved some money there to keep their total request down; that since that time he had also been advised as late as last week that their secretary who had been with him since he'd been with the City for 28 years would be retiring at the end of May noting there was action pending at the Personnel Committee for tomorrow night to replace her with such replacement being done at a lower grade level which would continue to give them a little more latitude in terms of the budget, so frankly they should be okay in terms of coming in at a figure that was at or slightly below the 1996 appropriation, so he did not see any particular problem in living with what the Mayor's recommendation was at that time and would be addressing the comparison of the three, two, and one percent decreases in written form by the end of the week.

Ald. Pariseau noting he had mentioned something about the City becoming less eligible for federal funds asked why.

Mr. Taylor replied the economy had improved to a degree which would make the City...if the City were to apply for the EDA funds today the City would not be eligible because of the economy's improvements; that it was one of those paradoxes where they applied for something back in March of 1995, had been dragging for that period of time, and now the City would not be eligible for those same funds, however, they were not disqualifying the City on that basis, but rather what they were saying was that they would award the money on priorities and guessed the City's priority level would probably not be as high now as it would have been a year ago and again that was no fault of the City's.

Ald. Pariseau asked what had happened to the $150,000 the City had contributed to GMDC, was it over with.

Mr. Taylor replied that contract had been cancelled with the money no longer contributed to GMDC; that there was no further contractual agreement there, so the money was in the Manchester Economic Development Office budget.

Ald. Soucy asked Mr. Taylor if he could address the impact on his department and Bob MacKenzie's department as well of not having a Coordinator noting it had been several months since there had been a Coordinator, the budget was really tight and asked if the position weren't filled for six months or so how much was that stressing his department, particularly his duties.

Mr. Taylor replied they had a small department as there were only three of them there and didn't have a lot of latitude to add additional duties because the number of people were the same; that he had said in the past and would continue to do so that in his opinion the Coordinator's position was a vital one to the City and it probably should be filled; that in the interim since John Snow's resignation a year ago he thought they had been able to between Bob MacKenzie, Kevin Clougherty, and himself had split up some of the duties whether it was by formal intent or not, but it happened informally if for no other reason; that the question remaining in his mind was how long they could continue to do so and whether things would begin to fall through the cracks that were not being attended to that really should be, but to the extent of those remaining could continue to pick it up indicated they probably could continue to do so on a temporary basis but did not think it would be in the best interest of the City to continue doing that over the long-term.

Chairman Wihby in reference to the corner of Elm and Bridge Streets asked if that parcel was being advertised anywhere.

Mr. Taylor stated one of the things he wanted to do now that there was a Manchester Economic Development Corporation Board in place was to talk to the Board about a marketing plan, some initiatives to get into the promotion of it to see what could be done to try and attract some interest noting over the past few years there had been very little demand for anything of that size; that in going forward they might be able to attract some interest as the economy seemed to be picking up and maybe they could get something, so he thought they needed to get a strategy in place which would address it and was one of the things he wished to get before the new Board as quickly as they could.

Chairman Wihby stated he had seen magazines with advertisements offering free land, no taxes and wondered if perhaps something like that couldn't be done with that corner parcel.

Mr. Taylor stated they could offer free land, but not no taxes; that a case could be made for a particular level of investment on the property and could justify giving the property away; that with their having been in limbo and no one having the authority to do anything...at least now there was a Board with whom they could now start to take action with.

Ald. Reiniger stated he had a number of people complain to him about the unsightliness of that piece of property.

Mr. Taylor stated that could be brought up as discussion are held relative to what could be done on a temporary basis so as to make it a little more attractive and maybe there was an inexpensive way in which grass could be planted or something.

Ald. Robert noting that Mr. Taylor had stated the City Coordinator's position was vital asked if he could illustrate for those who were not familiar with the Coordinator's job what the person in that position actually did and why was it vital, why did the City have to hire someone to fill it.

Mr. Taylor replied going over the position historically with a couple of individuals who had filled the position previously was that the Coordinator got involved in exploring new initiatives that the Board of Mayor and Aldermen might want to assign from time-to-time citing that the Coordinator had been leading the charge on the trash program early on; that it was areas such as that which required some specialized knowledge and some time to get into the details of those kinds of issues; that if they were trying to do something other things such as he was doing and got into a situation where you'd have to delve into a trash situation but which you knew nothing of to start with would require a concentrated amount of effort and time noting it was difficult if that person was trying to carry on other responsibilities; that it was in areas such as those that the Coordinator could be most effective in trying to marshal all of the City's efforts in a particular direction; that historically the Coordinator had been able to bring in the various departments to work on a particular project which had been necessary to get the work done and thought it was difficult for either him or Bob MacKenzie who were department heads like the rest to marshal those efforts in some sense because they really didn't have the authority to be doing so noting they could request that it be done, but had no real authority to get things done, so he thought that to be the area as the weakest and if the City wanted to get into some new areas it would be very difficult he thought who could get into the details of it right now.

Ald. Robert asked Mr. Taylor if the City wished to progress, then they would need to fill that position.

Mr. Taylor replied if the City wanted to look at new initiatives, new areas which the City might want to take a look at, yes, it would need somebody to fill a position like that one.

Chairman Wihby stated one of the biggest things that needed to be done in Manchester was to get economic development going...CenterPlex was dead on arrival and would not go; that there were rumors about spending the money on saving the tax rate noting he did not wish to put Mr. Taylor on the spot, but felt that if they took that money and reduced the tax rate a disservice to the City would occur and it should be used for economic development and either saved or go forward with something (public funds) or have that money available at least for another year to look at what's going on or use it for some economic development tool Downtown or in Manchester somewhere and asked if he agreed.

Mr. Taylor replied he totally agreed and thought the worst thing they could do would be to take that money and apply it directly to the taxpayer because when that is done it's a one shot deal and it's gone forever whereas if it were put into a capital improvement or something of that sort the money would keep providing a benefit; that one example they were looking at was that the University of New Hampshire had been talking about an expansion in the Millyard noting the City was basically out of industrial land, there was no vacant industrial land left and one of the things they'd been looking at was their property on Hackett Hill Road and if the City were to buy and try to develop that property for business development purposes there would be some capital required to the extent that if they could have some money sitting in a fund to use for that purpose it meant it would be that much less they would have to borrow and thought that would be the type of project they would want to use the money for.

Ald. Pariseau asked if Hillcrest Terrace would allow the City to take that land over for industrial purposes.

Mr. Taylor replied he did not think Hillcrest Terrace would have a whole lot of choice and asked was it because of their abutting location.

Ald. Pariseau replied, yes.

Mr. Taylor stated it could be taken by eminent domain if they had to, but didn't think that would be necessary and hoped to think not.

Ald. Hirschmann stated for 1996 they had $4,000 in Travel noting as Industrial Agent it didn't seem like he had traveled very much and thought he would like to see him spend that $4,000 to travel around and try to bring someone in to Manchester and asked if he had any future trips planned and asked what his future plans were.

Mr. Taylor replied historically they had not done a lot of traveling with the reason being that the State Office of Business and Industrial Development had two people assigned specifically to be traveling out-of-state and would be calling on the same companies he probably would if they were going to be traveling, so the travel was looked at...and he could spend a lot of time on the road traveling all over the place, but if he was doing that he wouldn't be able to be dealing with inquiries and calls coming into the office here; that probably 75 to 80 percent of his time right now was spent on working with companies that where already here that wanted to expand and relocate and it was more important to him to stay here and be dealing with those issues than it was traveling around calling on the few number of companies that they might be able to attract to Manchester and thought his time was better spent working with companies that were already here so they could try to get to expand and remain in Manchester; that it was very difficult to get new companies to look at a community if we can't keep the companies we already have, so that had been his philosophy.

Chairman Wihby commented that the people up at the State did a good job as they were out there all the time bringing people in to see Jay during the day and showing properties in Manchester.

Ald. Elise asked how much money was in the MEDO account, the money that used to be held by GMDC.

Mr. Taylor replied that the asset fund balance was somewhere in the vicinity of $2.9 million which money would come under the direct management of the Finance Department shortly whereby they would be managing it, reporting on it noting it was already included in the City's audit, so going forward it would continue to be included in the City's audit and the Finance Department would be managing it; that they were showing $120,000 of revenue which was income off of the assets to offset the budget.

Ald. Elise asked if those monies would be going to the $2.9 million or into the General Fund.

Mr. Taylor replied it would go to the General Fund; that it didn't take away from the GMDC assets but simply was the income off of those assets.

Ald. Elise stated that was not what happened previously though.

Mr. Taylor stated what happened before was that the income stayed with GMDC.

Ald. Elise asked what policy, decision-making went on regarding the revenue from that $2.9 million.

Mr. Taylor stated as he recalled that was one of the recommendation they had made as a result of the GMDC Task Force; that the money be used to offset the budget.

Ald. Elise stated in terms of his presenting his budget that should be something that he presented.

Mr. Taylor replied, yes, he had shown a $120,000 revenue item in the budget.

Ald. Clancy stated he knew the economy was turning around and in reference to Grenier Field down on Kelley Avenue where there were a lot of buildings.

Mr. Taylor replied part of that was not City as the line ran through the middle of the Airport, so some was in Londonderry and some in Manchester but all of those were owned and controlled by the Airport Authority noting they tried to keep track as best they could if there were vacancies because occasionally they got inquiries for small buildings and as he understood the policy they were only leasing them at a year at a time basis.

Ald. Clancy stated one of his constituents had a building in the area who had asked him about a long-term lease.

Mr. Taylor stated the reason for that was because that area had been obtained from the federal government back in 1968 as a public benefit transfer which in essence the City got it back for nothing as long as the income was used for Airport purposes; that in the event that some air oriented use were to be interested in that area he believed it was the Airport Authority's position that they don't want to have those buildings tied up for long-term use which would preclude them assembling a large piece of land for an air oriented use and thought that was the reason they did not lease them long-term noting it was difficult to have people go in and make substantial investment in a building when they only had a years lease but thought that the flexibility was important and giving the Airport Authority the ability to clear that area out if they needed to for some reason.

Ald. Elise in terms of the City purchasing some other land such as the UNH piece of property asked if they would be using the $2.9 million in the GMDC account or would they want to favor using the Rooms and Meals revenue.

Mr. Taylor stated there would be a policy decision and there were several ways of doing that in his opinion; that one would be to use some of the GMDC money with the second being a method to potentially use the proceeds from the sale of land at Manchester AirPark at the Airport; that there was money there which would be available to put back into some economic development use and certainly a third alternative would be to use some of the funding from the Rooms and Meals Tax increment, if it were available so there were a number of different ways it could be approached.

Ald. Elise in terms of them going forward with the new MEDO office asked how would he advise the economic development group in terms of direction that they should do.

Mr. Taylor replied there was no staff; that the Manchester Development Corporation had no staff but they were probably going to act as the facto staff at group noting there was a meeting in a couple of weeks at which time one of the things to be discussed would be what sorts of direction should the group be taking in the future; that the Directors would be discussing the role of the organization should be going forward, what kinds of things should they get into, what recommendations if any they should bring to this Board for adoption; that the final word was in this room and this Board had the final word on anything that that group did, so anything that happened or any discussions which occurred or any recommendations coming out of those meetings would ultimately go to the Board for approval; that one thing they wanted to get at was the Bridge and Elm Streets issue; that there were a series of housekeeping issues which needed to be dealt with noting that many of the assets that GMDC had was still in the GMDC name, all of which had to be changed (i.e., leases, mortgages, etc.) which would have to be resolved and put into the correct name before they got into problems and thought those few issues would take up the first several months of their time noting that the group probably would not be meeting more than once every couple of three months and beyond that the meeting come up would hopefully identify some areas that the group felt they should be looking into and getting into in more detail and then maybe they could come back to the Board with some thoughts on that at a later time.

Ald. Elise stated Manchester being the largest City in the State and banking center noting it also used to be the insurance center indicated it would behoove them to work on being the business development center for the State and encouraging groups, any types of groups dealing with economic development, real estate, commercial real estate, lending institutions to come here and be focused here for workshops or whatever, and wanted to see this area become more of a business development center of the State also.

Mr. Taylor stated if Ald. Elise had any thoughts in that area she might want to consider attending the next meeting and making them known.

Ald. Shea asked if the rent which was charged was on a yearly basis or what.

Mr. Taylor replied it was a lease which ran through the end of April 1997.

Chairman Wihby asked if it was yearly after that.

Mr. Taylor replied there was a four-year option potential whereby the price would be renegotiated at that point.

Ald. Shea asked Mr. Taylor to elaborate on the second point he had previously mentioned where he had talked about the Small Business Incubator with New Hampshire College and asked if he could explain it again.

Mr. Taylor stated a Small Business Incubator was essentially an area that was set aside where early stage, start-up and early stage businesses could occupy small amounts of space and take advantage of economies of scale and get centralized copying, telephone, conference center as well as professional advice in marketing, legal, and accounting; that it was not a free rent situation and people would actually pay market rent, but they might only rent 250 or 500 square feet of space and would get the other services as part of that rental payment with the idea being that those companies would, hopefully, be able to succeed because of the environment noting it was an employment creating opportunity, add jobs, and eventually move out into regular space and become productive members of the tax paying society which was the intent of it.

Ald. Shea noted he had also mentioned enterprise.

Mr. Taylor stated the City was designated last year as an Enterprise Community which was the federal program and part of it...the Amoskeag Millyard was, in fact, in the Enterprise neighborhood and, therefore, that particular program was eligible for inclusion in using Enterprise Community funds which was in the original plan.

Ald. Shea asked if there were other funds available.

Mr. Taylor replied, yes, they would be using part of the City's CDBG (Community Development Block Grant) allocation as part of the funding, as well.

Ald. Soucy asked if the current MEDO Board would devise a budget for themselves out of the $2.9 million in assets for any costs associated with printing or with their meetings or would it be included in his budget since he was providing the staffing.

Mr. Taylor replied he did not think there was any real intent to get into a budget for that organization; that the Incidentals they could deal with out of their office, but if it got to be something substantial that was a different issue, but did not think there was any intent to do so.

Ald. Domaingue asked Mr. Taylor if he had said that the Manchester Development Corporation was separate from the Economic Development Office.

Mr. Taylor replied, yes.

Ald. Domaingue stated there was the Manchester Economic Development Office, there was the Manchester Development Corporation, Intown Manchester, Chamber of Commerce had a Downtown Business Council and asked if there were any others working and networking with each other and with the City to produce economic development.

Mr. Taylor replied there was the Manchester Housing and Redevelopment Authority.

Mr. Girard interjected that the Chamber of Commerce had disbanded the Downtown Business Council in favor of the Intown Management entity and believed they had all been merged together.

Ald. Domaingue stated there were several fronts in which they were working on activity in and around the Downtown area of Manchester so if for some reason they could not fiscally afford to fill the position of City Coordinator that effort would not be lost to try and maintain economic or improve economic development for the City.

Mr. Taylor stated it would not be lost, it would be diminished.

Ald. Domaingue stated as far as filling the position they were about to lose of Senior Secretary they would bring someone in at less than the $30,600 salary.

Mr. Taylor replied they were talking about a Grade 13 as opposed to that position which was a Grade 15 so there's be about $7,000 give or take.

Ald. Domaingue asked why they would even need a Grade 13.

Mr. Taylor replied the position did require some ability to deal with people coming in off the street who were business people who ask questions about the community and they planned to use the position for doing some of the work in terms of finding out what properties were available, dealing with real estate brokers and so forth, so it did require some degree of confidence, it wasn't just a Clerk position where you might find them doing just filing and typing.

Ald. Domaingue thought they might be able to realize a little more savings than that and asked if the rental of their building was pretty much locked in until 1997.

Mr. Taylor replied, yes.

Ald. Domaingue asked if there was any intent to move it noting it was mighty expensive.

Chairman Wihby stated Dick Houle could talk about that when he addressed the Committee.

Ald. Domaingue stated there were two other areas she wished to inquire about; that one was with Postage which seemed to go up about 50 percent and asked if there was a mass mailing plan.

Mr. Taylor replied, no, but they were going to be close to going over the existing appropriation so they added some money to try to maintain to keep their ability to continue to do mailings.

Ald. Domaingue asked if it was the same for Printing, Publishing, and Binding which was also 50 percent.

Mr. Taylor replied they had requested $750 which they got.

PUBLIC BUILDINGS SERVICES

Chairman Wihby asked Mr. Houle if he could answer Ald. Domaingue's last question.

Mr. Houle stated the City had authorized up to a million and a half for the renovations of City Hall and City Hall Annex; that a contract with the Architectural firm of Lavallee/Brensinger was bid and had been awarded the contract and would begin reviewing the space needs of all of the departments noting that District Court had moved up the street from the top floor of the Annex; that in addition to the departments which were currently in the Annex and City Hall was also being considered for space in the Annex being MEDO and the Planning Department, so they would expect a report or a recommendation to the Board in the near future.

Chairman Wihby asked when they had to let the landlord know that the City did not want to renew the contract.

Mr. Houle replied that perhaps by summertime they would be making a recommendation to this Board as to who would fit over there and over here and if the Board agreed with the concept then would follow.

Mr. Taylor stated if they wanted to renew they would have to let them know by the end of October.

Mr. Houle in reference to his department's budget stated that one of the major activities of the department was custodial services contract(s) which they would be rebidding for a 3-year contract in the next several weeks, so they would have firm numbers for custodial contract(s) by early June; that the budget would also continue to rely on CIP Annual maintenance funds for structural or mechanical contract work and in addition to that the Office of the Mayor proposed two initiatives as part of the budget one having to do with centralized purchasing and the other fleet maintenance noting that both of those initiatives were being reported to the Committee on Administration and the Committee on CIP respectively; that the Committee on Administration had reviewed centralized purchasing and would be recommending he believed to the full Board; that they were talking about the implementation of a Procurement Management Audit which was part of the budget such audit would cost up to $25,000 and were also talking about the establishment of a Central Purchasing Advisory Committee to advise the Board of Mayor and Aldermen relative to centralized purchasing issues and were also talking about implementing on July 1st of this year the government purchasing commodity class codes into the City's financial system which would help identify who was buying what, when, how much, and from whom noting the commodity code was used by governmental procurement units of governments throughout the country; that they were talking about implementing a centralized bidding and contracts for office supplies and printing in addition to heating and motor fuels, were recommending substantive legal review of all contract and bidding documents for commodities, building construction, and services which would be done by the City's legal department; that they were also talking about implementing a centralized location on the Internet for all municipal departments which was known as electronic solicitation; that normally central bidding would involve setting up vendor lists and notifying people in writing and in advertising which would require a great deal of staff work for what it had traditionally done in maintaining bid lists; that they were looking into using the Internet and advising the entire world on the Internet that certain items were being bid, they would not bid the specifications, if they had an interest in bidding them they would contact the City and would be charged an appropriate fee for the bid documents and they would advise again through the Internet the process of three steps for each item that was bid first that the item being bid, secondly what the bids are that were received and lastly what the disposition of the bids were as to who was awarded the contract; that they would also maintain membership in national and local organizations regarding centralized purchasing; that the initiative relative to fleet maintenance was basically that the City had about 547 vehicles; that 55 of those were in the smaller departments which included Building, City Clerk, Health, Info System, Mayor's Office, PBS, and School Departments; that they were talking about a demonstration...not a demonstration, implementing a fleet maintenance program for those departments at the MTA; that the Mayor's Office, MTA and PBS had been working out some of the specifics as to how it would be handled; that the prices were quite reasonable, they were talking about a labor rate of $23.00 per hour their costs and doing routine preventive maintenance and routine oil changes ($18.00), preventive maintenance check with all other oil change they anticipated about two oil changes a year for each of those vehicles would be about an additional $10.00; that one of the additional recommendations for...all departments would have maintenance/fleet maintenance responsibility would be that everybody adopt a vehicle maintenance reporting standard and mandatory odometer logging when they fill their vehicles with fuel, it would be punched in automatically, they could not get fuel dispensed without it and again it was part of a proposal and would be going to Committee on CIP and eventually to the full Board; that the City was looking at a new financial system in terms of hardware and software and there would be a fleet maintenance system, a fleet maintenance component as there would be a centralized purchasing component; that with reference to fleet maintenance they were talking about and Advisory Committee and fleet maintenance made up of representatives from the public and private sector to advise the Board of Mayor and Aldermen relative to fleet maintenance policy issues.

Chairman Wihby stated there was currently an Account Clerk.

Mr. Houle replied, yes, there was.

Chairman Wihby asked why they would need another one because of centralized purchasing.

Mr. Houle replied, no, if they didn't have centralized purchasing and they didn't have fleet maintenance they would be there asking for it; that PBS work orders they were looking at an increase from FY94 to FY96 currently being up by 21 percent and were talking about 5,000 to 6,600; that purchase orders were up 125 percent; that PBS invoices were up 45 percent; that there would obviously be some increases because of fleet.

Chairman Wihby asked when Mr. Houle would present his one, two, and three percent cut to the Board he would not have that position, but would cut it from somewhere else.

Mr. Houle replied he was not willing to cut that position; that basically right now they were a couple of years behind in reporting on grant funds to the Department of Energy, they were behind on reports to the School Building Aid Program, they were behind on reports for the Odds Fund, they were behind on reports to the Environmental Protection Agency, and it went on and on; that one of the problems that compounded it over a year ago was that their prior Account Clerk became pregnant, was out, filled in for close to eight months with temps and finally rehired and she transferred to another department and went on and on and they were at a point where he would not recommend cutting the position.

Chairman Wihby in reference to the MER account and the $300,000 the Mayor had put it noted there were 17 cruisers and thought they were asking the Committee the other day that he would replace those 17 cruisers or exchange them noted that they were adding more vehicles to the State fleet by a couple or three or whatever and asked why couldn't they just exchange the vehicles and then sell all 17 cars, why did they have to...just because they had them start passing them out to people in the City.

Mr. Houle replied they were not; that he was requesting because of the demonstration with the MTA they currently had two pool cars which would be used by people going in dropping off their cars, taking a pool car, going about their business, and requesting a third pool car for emergencies as they now had two for emergencies; that he was proposing in October once the smaller departments had the opportunity to upgrade their pending funding and any other departments out of the larger departments wanted to take a look at them and had the funds to upgrade theirs fine, but it was his intent to...

Chairman Wihby asked if it was his intent to sell them to the other departments.

Mr. Houle replied, no he was not planning on it; that of the number 17, they would sell 16 at auction in October.

Chairman Wihby asked if those 16 were part of the MER account and how much were they figuring on getting from the 16.

Mr. Houle replied perhaps $10,000; that they were only getting $700/$800.

Chairman Wihby asked if the Mayor had already counted that money in.

Mr. Girard stated in reference to MER under tab #27 in the black book the Mayor, this year, attached specific recommendations for vehicle purchases for the MER which came to a total of $241,000; that in the total they also had to add out $7,000 to buy blue lights for the new cruisers which had already been purchased and which would be coming in soon; that the balance of the money was for vehicle repair and fuel for departments that Dick mentioned who they were trying to bring into the central maintenance program noting they had eliminated those line items from every department who would participate in the program which was every department that did not have their own garaging facility; that they took the money out and reduced it by between 5 and 10 percent in put it in the MER for Mr. Houle to administer, so that when the departments went to buy their fuel or whatever they would be charged directly against the MER account under Mr. Houle's direction.

Ald. Hirschmann stated one thing that concerned him which was not next year's budget but in looking at his unobligated balance for this year noted he was almost out of money from what he could see noting he was under 10 percent of his balance and asked if that was correct.

Mr. Houle replied most of their money for custodial contract noted they were out of money and would be making a request of the CIP Committee tomorrow evening to transfer $10,000 for the CIP Annual Maintenance account to Public Buildings Services Department.

Ald. Hirschmann asked Mr. Houle if he thought he would only need $10,000 between now and June 30th.

Ald. Domaingue interjected she thought he had requested $150,000.

Mr. Houle replied $150,000 was the shortfall.

Ald. Hirschmann stated in this year's budget he was in really tough shape and it didn't look like the budget was growing 5 percent, but were actually talking about tightening the belt and asked if there was any management style or anything he could do.

Mr. Girard stated most of Dick Houle's money was tied up in two line items: custodial contracts which by and large by this point in the year had been committed, so they would naturally see that money gone, but it was also in contracts for corrective maintenance (line item 445); that traditionally there had been two accounts, two or three accounts where the City had gone for maintenance in the buildings - 445 Contracts and the Construction line items and in the CIP cash portion of the budget there was a program called Annual Maintenance; that the corrective maintenance basically came out of those three items noting it had been the policy of the Board over the last two years that those Annual Maintenance monies be the last money tapped for corrective maintenance work in the schools, so it was part of his budget without being part of his budget, so he was really not in the dire straights that he appeared to be in.

Ald. Hirschmann stated he could request those Joint School Buildings funds which would assist his budget but was not in his budget; that the rebidding of the school maintenance asked if they were anticipating that it would come in lower this year.

Chairman Wihby asked if that was line item 591 Contract Manpower.

Mr. Houle replied yes, it was almost $2 million higher; that they anticipated about 70 percent of the schools to come in at about the same and anticipated about a third or 30 percent to come in a little higher, but they would be back here in time prior to final budget resolutions if there were any significant problems.

Ald. Hirschmann noted he was asking for $10,000.

Mr. Houle replied he was asking for $100,000.

Chairman Wihby thought it was $150,000.

Mr. Houle stated he was anticipating $150,000 based on straight line extrapulations of their expenditures for the past nine and a half months and thought they could get through the year with $100,000.

Chairman Wihby stated that was not what the letter indicated but rather $150,000.

Mr. Girard interjected the letter stated if spending were to continue as is the anticipated shortfall would be $150,000, but they would try to keep it to $100,000 which was all he was requesting at this time.

Mr. Houle stated the letter read "and, therefore, it's recommended the CIP Committee consider authorizing $100,000 of the $166,000 available in CIP." with the second paragraph stating "as per the attached spread sheet it is currently estimated that this department will require an additional $150,000 to complete the year."

Ald. Cashin stated his questions would be directed to Dick and would expect Dick to answer them and didn't need anybody else to answer them, okay; that in 1992 was when salaries and wages were $2 million or something and they had the custodians, let's take what we had in '92 and what we have now; that in salaries in wages in '92 there was $2.238 million, contract services was $42,000, purchase services was $22,000 for a grand total of $2.302 million with the Mayor's recommendation in '97 at $589,000 for salaries and wages, $135,000 for contracts, and $1.983 million for contract manpower and believed that was the janitors for a grand total of $2.938 million and you say you have a shortfall of $150,000 and asked if that was right.

Mr. Houle replied, yes, based on straight line projections.

Ald. Cashin stated it was then roughly 3.88 and in 1992 when they had the janitors they were only at 2.3 and asked where were the savings.

Mr. Houle stated in 1992 they had the custodians and the budget was $3.5 million.

Ald. Cashin stated, no, I'm talking about just the items I gave you, Dick.

Mr. Houle replied, I can't look at it that way.

Chairman Wihby interjected the wages weren't in there, the benefits.

Mr. Houle stated I could give you a breakdown by division, but what they were doing was combining...

Ald. Cashin stated you have to say that there's a discrepancy of now over a million dollars between '92 and...and this is without contract...and now you have to renegotiate the contracts for janitors, is that right, so that could go up.

Mr. Houle replied we're not renegotiating, we're bidding it; that basically in FY96, let's go back...FY95...

Ald. Cashin interjected, Dick, I don't want to go back, I want to take your numbers just the way they are, don't confuse the issue; that the fact is you're going to have to be budgeted, renegotiate or whatever you're going to do, so that number could go up, it doesn't have to be a hundred, it could be two, it could go two ten, two million ten, right, so there hasn't been any savings as far as losing the janitors has there.

Mr. Houle replied, yes there has.

Ald. Cashin asked where is it, Dick.

Mr. Houle replied I'll be happy to bring in a report, it's rather difficult...

Ald. Cashin stated, Dick, this is your budget, it should be here tonight, if you don't have it, then you don't have it.

Mr. Houle stated basically the savings have exceeded $700,000 if we compare this past year to '94, if we compared '95 to '94 the savings were in excess of a million dollars and the savings may diminish slightly now because as contract costs go up we also have to assume that if there were salaried people on board their wages would also go up.

Ald. Cashin stated in just the three items I talked about - salaries and wages, contract, purchased services - you had a difference of $600,000 there roughly between 1992, now you have a shortage...

Mr. Houle stated we have three divisions, Alderman, and you just can't pull those out, you can't pull those numbers out like that, you can't do that.

Ald. Cashin stated let's go to the bottom line then, well what are you supposed to work with in your budget.

Chairman Wihby stated that was what he would like to talk about; that the bottom line was equal and asked if there was other money that was not on the bottom line.

Ald. Cashin stated the bottom line was not equal if you threw $150,000 into it and asked what other department in the City of Manchester used CIP money to balance their budget.

Mr. Houle stated his department had been doing it for 15 years.

Ald. Cashin stated that was his point.

Ald. Robert in reference to fixing up the buildings and so that everyone would know where they were at stated Mr. Houle had requested a pittance of what he needed and asked Mr. Houle what he would need if the Board told him to go out and fix all of the buildings the way they were supposed to be so that everybody would be happy, particularly schools, what would it cost.

Mr. Houle replied approximately $100 million.

Ald. Robert stated in looking at what was budgeted asked Mr. Houle what he would call that.

Mr. Houle replied they fixed things when they broke which was all that the budget did.

Ald. Robert asked if this was minimum.

Mr. Houle replied it was absolute minimum; that there were initiatives in the budget as part of this year's operating budget when considering one of the differences was an additional $50,000 which was in the current budget and was placed there for preventive maintenance program which was being developed; that additional funding...most of the savings from the prior year (custodial savings) the Mayor pumped in and the Board may recall it from last year, monies into this year's budget for corrective maintenance and thought at least $100,000 went back in.

Ald. Robert stated in terms of money he had to bring the buildings up-to-par was next to nothing and going back to the custodian savings from what they were used to was unsure and wanted to hear a number percentage wise, dollar wise, what they were saving by doing it from say the last year.

Mr. Houle stated from 1994, the last 12 months and comparing it to the first full year of privatization which was 1995 the savings was in excess of $750,000; that if they consider or don't consider that they continuously compared the Workmen's Comp that they paid in 1996, if they took it out and don't compare it because the only reason they were comparing it was because they were still paying for it, but nevertheless that was not a cost of privatization and that increase was a savings to over a million.

Ald. Robert asked if there were any other soft costs the Board should be aware of.

Mr. Houle replied that was the softest; that in looking from 1994, the last 12 months of '94 compared to '95, yes a million dollars, a little bit less in '96 over '94 and would be more than happy to break those figures out.

Ald. Robert asked Mr. Houle to please do that for him and distribute it to the rest of the Board; that in reference to the quality issue asked Mr. Houle what he was able to do, did they still have people who were not happy, had the overall situation gotten better, has it gotten worse, had he been able to get more done.

Mr. Houle replied in his view noting it could certainly be stated as self-serving people were generally happier with the cleaning contract work right now, custodial services in general they were much happier; that there were problem schools and still managed to have problems time and time at Memorial, Southside and Green Acres and did not know why they couldn't lick those, but nevertheless that had been a problem with that contractor.

Ald. Robert stated there had been a question as to why his budget was done right now and why he was looking for money from the CIP budget and asked if he could explain why Mr. Houle counted on funds in the CIP and if he was entitled to that money why he didn't take it before now.

Mr. Houle replied since privatization prior to that any project that exceeded $1,500 that PBS dealt with under the normal condition was funded through the Annual Maintenance account; that in FY '95 and '96 the Committee asked that he hold it until the end of the year; that out of the $100,000 that he was asking for now, at least $50,000 traditionally would have been some of the $1,500 projects noting he had not made any requests on those monies.

Ald. Robert stated if they wanted to do something different next year and if the Board approved the money he would normally get to repair buildings right up front, he'd be able to spend that down along with his budget and would zero out at the end of the year and wouldn't have to go to CIP around budget time asking for more money.

Mr. Houle replied, hopefully, but it seemed to him if they did nothing, for example, at West and Central things would just get worse and worse, they'd get more phone calls and they'd be fixing more broken equipment and hoped that eventually there would be a reversal of it, but noted it was impossible and was surprised they could budget from one year to the next based on events they did not know happening because they were not doing a preventive maintenance program noting they did do some, they try doing as much on the ventilation fans as they can, but the rest was all breakdown.

Ald. Hirschmann stated he wished to applaud Dick for the centralized purchasing effort and wanted everyone to know that it had been passed through Committee unanimously and thought that next year a lot of things could be purchased more effectively noting the only thing he didn't grasp this evening was that they would put another committee or group of individuals together, but wanted everyone to try and embrace the centralized purchasing and thought the City would make out.

Ald. Elise stated in terms of the time line asked if within the next budget Mr. Houle would be able to accomplish what he needed to accomplish so that the decrease in the line items from the other departments in terms of their supplies or their MER account would be realized.

Mr. Houle replied he certainly hoped so; that it would be their first approach at it and was quite pleased with the help of someone like the MTA and if they could do things cheaper than the MTA they were in agreement (i.e., Meineke Muffler or Midas Muffler) if they are cheaper they'd go for it.

Ald. Elise asked if the CIP Committee had approved the MER.

Mr. Houle replied it was going to their Committee tomorrow evening.

Ald. Elise in reference to the $25,000 for the centralized purchasing asked if that was for setup purposes.

Mr. Houle replied, no; that it was a consultant coming in and looking at what was happening and telling them how to best meet the needs of centralized purchasing.

Ald. Elise asked where those monies were in the line item budget.

Mr. Houle replied it was under line item 390.

Ald. Shea stated as the Principal of Hallsville School for a period of approximately 18 months under the new arrangement, he had gone through 19 custodians; that as the Principal he had always been complaining to Mr. Houle about the condition of Hallsville School noting Mr. Houle never went to him and said, Bill, what can I do as the person in charge of buildings to sort of help and work together and to him there was no planning; that it was like Dick reacting to a situation as he had stated noting it was all reactive and was unsure if they took him off the hook and was not being uncharitable or whether that really was the only way he had conditioned himself to be.

Chairman Wihby stated he was not sure if Dick conditioned him or if the Board had conditioned him to make those as he wasn't given enough money to do the preventive maintenance.

Ald. Shea stated it could be noting it was a difficult situation that people were placed in though and in being very candid stated that schools like Hallsville never got their just due and if there was an addition to the building and possibly a little bit left over for additional help it may have been shifted to other situations which wasn't fair to the constituents he represented noting it would never happen again as long as he was on the Board and asked Mr. Houle if he could give a breakdown now of the number of custodians employed by the departments, the number of supervisors and the costs being incurred as he felt the Board should get a printout of such.

Mr. Houle replied he could include it in his report which he had promised Ald. Cashin, but certainly a printout; that the staffing level was about the same level that PBS had.

Ald. Shea stated any benefits they may be receiving or projected benefits they may be receiving.

Mr. Houle replied it was all in the contract.

Ald. Shea stated another concern of his was if Mr. Houle could breakdown how much money of the contract left the City and went to St. Louis or other places where the City could be losing some amount of tax money which maybe would have stayed here had the custodians would still be employed by the City.

Chairman Wihby was unsure if Mr. Houle could get those numbers.

Ald. Shea stated Mr. Houle knew how much they were paying and wanted to know how much was leaving the City as he felt the Board was entitled to know that also.

Ald. Cashin stated he wished to go on record noting that the last time he was at the Voc Tech school he had nothing but complaints about the condition of that building, so if Dick said he didn't have problems, he had problems.

Ald. Pariseau asked Mr. Houle whatever happened to the equipment which was purchased prior to the janitors being displaced.

Mr. Houle replied it was in storage; that there had been a report made to the Board over a year ago about some that was missing.

Ald. Pariseau asked if they could get rid of it.

Mr. Houle replied, no, not yet.

Ald. Pariseau asked why.

Mr. Houle replied he had been waiting for the end of the contract period and anticipated recommending to the Board that whatever P & R wanted they would allow them to use noting they had requested grounds equipment or sell at auction.

Ald. Reiniger stated he wished to go on record as congratulating Dick for his great job in managing the privatization effort and thought it was a great idea and thought what was most important to the Board was to look at saving money for the taxpayers, not so much where money was going, where people lived noting that the City of Boston was going through its problems with their custodians, even **The Boston Globe** had written editorials suggesting that it was about time they stopped fooling around with custodians and let the tail wag the dog - privatize them - and thought the City of Manchester was ahead of Boston and was a very progressive move.

Ald. Clancy stated there were a couple of schools in his district mainly Beech Street School and Wilson School noting they were in bad need of paint and it seemed like there was not a good PTA system like the rest of the schools, like he saw where Smyth Road School PTA painted the whole school and wondered how he would go about getting them painted or one or two painters go into Beech Street School which had not been painted in 23 years to paint the school and asked if it had to go out to bid.

Mr. Houle replied if funding was provided in the PBS budget for painting he would be happy to do the painting; that the contractor last year and they hoped to expand a little on it this year depending upon the amount of contract work that they did in the schools really messed up their cleaning schedule noted that a fair amount of painting was done last summer by WFF the contract cleaner noting some was questionable but it was a start and when the cleaning was done they were trying to put those folks to work painting.

Ald. Clancy hoped that Mr. Houle would consider Wilson and Beech Street Schools.

Mr. Houle stated on average a man-week per school.

Ald. Pariseau asked Mr. Houle what he thought the value of the equipment was.

Mr. Houle replied he did not know, but he could forward a copy of the inventory.

Ald. Domaingue asked if the City hired in the past year a supervisor of the custodians.

Mr. Houle replied it was part of the FY96 budget and a person had been hired, yes.

Ald. Domaingue stated that was to supervise the custodians and monitor the contracts and asked what it meant.

Mr. Houle replied there were three people monitoring the contracts with one being a custodial supervisor; that the other two positions were known as building contract inspectors with one working the second shift to determine what was going on and how many people were there because if they did not have the people required, on site, they paid; that there were another position who quit for a better job and they were currently in the process of bringing on board his replacement who during the school year will work the third shift to make sure the buildings are in the condition they should be.

Ald. Domaingue asked where they were paid through.

Mr. Houle replied they were paid through PBS' budget.

Ald. Domaingue stated through the City's budget process but not part of the actual contract as agreed with the companies.

Mr. Houle replied that was correct; that they had their own supervising staff and felt the City had been relatively successful with it; that the success of the program was due to the monitoring the City was doing; that if they were left on their own it would be a very difficult situation, it would be an impossible situation.

Ald. Domaingue stated she was not questioning that or challenging it and did not doubt it for a minute but the craziness of the whole picture to her was that the City of Manchester still had to go out and hire people to watch over people who the City has contracted with noting that they did not have the management technique to be able to oversee their own people and asked what she was missing in the picture.

Mr. Houle stated it was done in construction contracts for buildings and roads noting there were clerks of the works, architects, and people such as him who spent time watching the contract; that they were entry level people and pointed out that in addition they would use those people to assist them in their preventive maintenance efforts and as they were in those buildings they would be doing life saving inspections and they would get as much out of those folks noting they would not focus mainly on custodial maintenance and they could deal with the other building problems while they were in there which was the direction he was taking with the program as it did not make sense to have two people in there doing in and firmly believed that was the cost of privatizing contracts, custodial contracts in particular; that the savings were still there and when he started talking about the $700,000 to $1 million savings it included that; that those costs were there and if he were to step outside as a consultant he would suggest that they start with those contract supervisors immediately.

Ald. Domaingue stated she would assume that they would have the same supervisory oversight if they had janitors back in the system.

Mr. Houle replied there was more supervisory oversight.

Ald. Pariseau in reference to the asbestos program asked if they had gotten rid of all of the asbestos.

Mr. Houle replied, unfortunately, they did not; that it continued to plague them.

Ald. Pariseau asked what the program supervisor did.

Mr. Houle replied he took care of all of the environmental concerns which included asbestos, underground storage tanks, air quality, nitrous oxide issues in terms of large boilers and he was also used as a plumber/electrician; that during the winter months he would also chip in and help the mechanical people in troubleshooting; that they were doing things today that 10 years ago they didn't even worry about, didn't even think about and today it was a full-time activity for two people and there was just no stopping it; that they had to do two inspections each year for all of the asbestos in the schools and whenever there was a problem with an asbestos pipe fitting they had the ability to take care of it themselves.

Ald. Cashin stated Dick was probably the most creative department head come before the Board with a budget.

Ald. Shea stated the person Dick was referring to was excellent, he was a good worker and a good man and complimented Dick for having someone like that.

WELFARE

Commissioner Lafond stated her budget was very different from many of the other department's budget, it was a guess based on what was currently happening or their most recent experiences and what they knew would happen in the future; that over the past few years it had been very difficult budgeting; that they had been lucky when looking at the past history they had been able to turn back substantial amounts to the City and guessed that was the major point in her budget in that if they didn't need it, they didn't spend it and it went back to the General Fund; that her main concern was staff; that their whole department was casework and if they had staff insufficient to the task the opportunities would be lost for doing an excellent job and unfortunately because casework was so stressful they often were short staffed due to time out, sickness, and vacation and could not afford to lose a caseworker at this point; that the 19 line items which were cut totalling $226,000 out of her budget included approximately $35,000 for personnel and without that it would make their jobs very, very difficult.

Mr. Girard stated for the Board's information on Susan's department and every department the numbers in the black book that they had received from Personnel were the base line numbers they used for all personnel dollar inputs; that the only money which was removed from Commissioner Lafond's salary budget was the money for a temporary position at $26,915 and the money for a reclassification that she asked for at $3,931 which came over to just over $30,000 in reductions, so they had used for a base the $329,134 that Mr. Moran gave them and made adjustments from there.

Commissioner Lafond stated her requests was $361,000 noting the Mayor had recommended $327,000 so for her that was $34,600.

Mr. Girard stated to clarify every department's request so the Board knew the process they went through to get the Personnel number; that every department had initially made a request in their salary line items and part of the Mayor's budget process was to have the Personnel Officer reconcile the complements of each department and to bring the numbers, the salary numbers in line and because they were dealing with so many people there were, in every department, variances between what the department's said they had and what the department said what they had and what it cost; that the numbers in the black book were the numbers that every department had signed off on for Personnel complement numbers and the salary line items needed for that number, so those were the reconciled and approved numbers by both Personnel and the departments.

Commissioner Lafond stated she did not want to argue with Rich, but would; that she understood what he was saying but it was not a new position, but rather a position they had had all along, it was an on-going battle which she had had with Personnel, with the Mayor's Office on how do they report temporary positions noting she went through that every year; that it was a necessary position and had had it for approximately four years, there were no benefits and there was no place on the Personnel reporting form to report a temporary position.

Mr. Girard stated this year as part of the Personnel process because it had been handled individually and differently by every department the Mayor directed that all temporary positions throughout the City departments be requested as new positions; that another note on Commissioner Lafond's temporary was when they checked the numbers they had found that the temporary position which had been there since 1992 was given the 2.5 percent non-affiliated pay increase and a step increase because she had been there for that long.

Commissioner Lafond replied that was not the reason; that she was doing the work that every other caseworker was doing and doing an exceptional job and it was a question of parody, an excellent worker should not be penalized for doing a good job; that she had run it by Personnel.

Chairman Wihby noted there were 11 positions now which would equal the $359,979 she would need to fund all of those positions.

Commissioner Lafond replied, yes.

Chairman Wihby noted with the Mayor's budget one temporary position was cut.

Commissioner Lafond replied, yes.

Ald. Domaingue stated for purposes of clarification as Chairman Wihby if he could ascertain if the Board was told in the Mayor's statement that temporary positions would be reflected as new positions.

Chairman Wihby replied the Board had never been told that, but in his budget process it seemed like he did that.

Commissioner Lafond stated it did not say it there either but rather stated new position with benefits which she had a zero next to which was from Hugh Moran; that temporary positions were minus classified because she again had requested that there be some formal way so that the Board could see where there were temporary positions or part-time positions or seasonal positions because she went through this every year where she's had a temporary caseworker; that it was cut out of the budget because there was no place to replace it.

Chairman Wihby stated in the budget process she had 11 positions she asked for and the Mayor knew he was cutting one out or he didn't know he was cutting one out.

Commissioner Lafond replied she had called and asked Rich, Rich did it, and he said that it was based on their recent experience indicating she had not talked with the Mayor.

Chairman Wihby stated so the Mayor knew he was cutting a position; that it was the Mayor's prerogative when he did his budget, if he wanted to cut a position he could do so and Commissioner Lafond was here telling the Board that she needed it and why she needed it.

Commissioner Lafond stated the Welfare Department was labor intensive as that was what they did, it was very difficult to manage a department that depended solely on people's ability to counsel without the staff sufficient to do so; that they found, over time, that costs increased when the people were not there to make a difference; that it was human nature to cut corners when you're stressed and don't have enough time which costs money and thought they had been fairly successful in demonstrating that because they had continued to reduce the budget noting they could not take all of the credit for it because there had been outside factors which they knew would change with one of the major factors being the housing market; that they were able to purchase housing for people at vastly reduced amounts knowing full well that it would turn around at some time in the future and they were now seeing the beginnings of that; that their family shelter had been full for months and she had been purchasing motel rooms on a regular basis for families; that the other sort of ominous factors on the horizon were both the Welfare reform at the State and Federal levels and the Block Grants which would cause some consternation at the State and community levels; that she had no idea how they would be impacted by any of those things; that she did know that they were at the bottom, they were essentially catching all those people not caught anyplace else; that they were always affected in some way negatively noting it would not perhaps happen immediately and in fact it usually didn't happen immediately but rather eventually; that people did not go to them the day the lose their jobs, they exhaust unemployment, they exhaust Family and Friends, they sell furniture, they do a variety of things and with the State cutting $32 million it would have a substantial impact, she believed, on them but did not know how at this point; that the reason she was pinpointing the salary issue in light of all of the other cuts was because she could not tell that yes, they would need definitely another $100,000 in rent although she felt very strongly that there would be some money needed in that line item but she would come back as has happened once before since she had been doing the job noting she had a $300,000 addition to the budget because of unforeseen circumstances; that since that time they had turned money back each and every year and was very proud of the record of the department noting there have been some excellent workers who have done some yeoman's work in the face of very difficult odds; that casework was second only to child abuse workers; that Welfare Department at the bottom where they were, local, general assistance, casework where people had to be ready to see whatever situation went through the door over and over on a daily basis and be ready to give your absolute best to each and every client who may be unemployed, who may be a victim of abuse, who may be physically/mentally ill, who may be a variety of different situations at any rate, it was a very difficult position and knew she had done it for many years and did not want to do it anymore; that it was absolutely necessary that they have a correct complement and believed the correct complement included the temporary caseworker.

Chairman Wihby asked if she was looking for an additional $30,846 with no benefits.

Commissioner Lafond replied the $26,915 was the temporary caseworker; that the $3,931 was the fourth year that she had asked for reclassification for a woman in her department who was doing casework and was not classified at that level.

Chairman Wihby asked if Personnel had gone through it and looked at it asking had Hugh Moran looked at it and agreed.

Commissioner Lafond replied, no; that Mr. Moran had not reviewed it as he had not had time and had indicated that there was a freeze on reclassifications.

Chairman Wihby stated that was not true; that if he went and reviewed it.

Ald. Robert interjected that person had been in line with everybody else.

Chairman Wihby in reference to the $26,915 asked if it was with or without benefits.

Commissioner Lafond replied that was with no benefits.

Chairman Wihby stated every year Sue came before the Board and every year he commended her on her work with the department noting that this year was no different and she had always done a good job with the numbers she had given being close and when she hadn't had the money she would tell the board and most of the time she'd been even lucky enough to turn money back in; that with the Worker's Comp there was a new law which had just been passed where Welfare recipients did not have to be considered employees which was something she might want to look at because that might not have to be paid; that the Board would have to vote that they were not employees and then she would not have to cover them but he did not agree with it but suggested she look into it.

Commissioner Lafond stated they had always had them as not employees, but provided the Worker's Comp policies separately.

Chairman Wihby stated she would then perhaps be able to save the $6,000; that the Board would have to vote it in.

Ald. Cashin asked what were they to do; that the Feds were cutting back, the State was cutting back $20 million or whatever noting the buck stopped here and asked where did they go from here, were they getting a large influx of people coming into the City who were on Welfare.

Commissioner Lafond replied, no; that what they were seeing was that some of the people that left during the depression were coming back which was historical for this City, they had always had a workforce which left in '79 and '81 when they had recessions people left and then came back when the jobs got better noting they had lost 20,000 jobs through the depression and had gotten a lot of them back but they were very different jobs; that they were services jobs (WalMart, Home Depot) a variety of places; that they were not the same level; that as far as changes, changes were good and thought they all knew that Welfare at the State and Federal levels was not working, it was not doing what they all wanted it to do including the recipients but they had a very difficult time as a society making an investment, along-term investment; that their long-term was the term of political terms and they needed to invest in people and it did not necessarily mean that they would spend more money, but they might not get the outcomes they would want in two years noting they might have to wait 20 which would take a very different mindset, something they had been unwilling to do.

Ald. Cashin stated that he liked to think that the people of the City of Manchester had been very cognizant of the human frailties to compensate for that much more so than at the State or Federal levels, but they were at a point now where they just couldn't do it any longer but they had to be creative and find something and thought they almost had to say but if you don't belong here, we're sorry, we're compassionate, we're sympathetic but we just can't help you.

Commissioner Lafond stated she thought she said that story every time she came before the Board; that back when she was in Hillsborough County running the Welfare Department they were extremely frustrated one year because they had numbers of people going to them from Connecticut and she was furious because she thought they were sending all their people to her and she picked up the phone and called a border town in Connecticut only to find out that they were just as angry at us noting they only saw the people coming here, they didn't see those going elsewhere and the whole "us versus them" mentality got them in a great deal of difficulty; that the people she had seen in the 20 years that she had been doing the job were no different from any of them; that they did not want a handout but would much rather work.

Ald. Cashin stated that was not what he was saying; that if they are residents of Manchester, then they as Aldermen and if people are having a hard time, they owe them the obligation to do what they could, but if they were not residents of Manchester he did not honestly believe that he had an obligation to those people and that was the way in which he felt.

Commissioner Lafond stated that in 1969 the United States Supreme Court said that residency meant you could not deny benefits based on a lack of residency and that residence means "intent to reside".

Ald. Cashin stated as long as the Federal government was picking up their fair share and the State picking up their fair share, he'd buy it, but they were not so he couldn't afford to buy it anymore.

Commissioner Lafond stated they had not seen that they were not, yet and did not mean they were just opening their arms and would take everyone who was knocked off every program from the Federal government to the State; that they did a much better job at the local level and didn't want to name names but there were Federal programs which had been sent back and that they had been able to handle at a substantially less cost.

Ald. Cashin stated he was aware of that but the taxpayers of the City were at a point where it could not afford it any longer noting "our own" we'd take care of as long as we could, but they had to somehow be more creative and was not being critical noting they were in it together and had to do it together, but a lot of it...they had to find new ways of doing things.

Ald. Pariseau stated in that same vein, Sue, asked did she think the City ought to pick up the slack that the Feds and the State did away with.

Commissioner Lafond replied, no, of course not.

Ald. Cashin stated they had to be doing it to some extent.

Commissioner Lafond stated if they looked at the dollars and the figures they were seeing, the budget was going down and they would continue to do try to do that; that the single biggest factor which would affect them this year was their housing market here in the City of Manchester; that they paid $95 a week for single rooms in 1989, in 1991 the only thing that got them through the depression was that those same $95 a week rooms all of a sudden became $35 and $45 and the one bedrooms and two bedrooms followed suit; that they were now seeing those costs to begin creeping up again; that they knew it was going to happen as she had said it all along and they never knew it could have happened two years ago, it could have happened last yet, it hadn't; that she would be looking at additional apartments in the

City to try to possibly hold for emergency housing if they had to; that they would not pick up everything, but she felt responsible to do and did not think that they could refuse people who needed food or shelter, but at the same time they would not pick up everybody else's.

Ald. Cashin stated he agreed; that it was very difficult to refuse people who needed food or shelter and if they belonged here he would be the first guy and go to the wall for them, but if they were coming from someplace else thought they had to take a different look at it.

Commissioner Lafond stated they could not build a fence around the City; that people who were poor moved to New Hampshire for the same quality of life issues that people who are not poor.

Ald. Cashin interjected it's always brought down to people who were poor, people who were not poor; that if the clients were here and had been residents of the City of Manchester say five years and had a hard time.

Commissioner Lafond stated in the 60's it used to be a five-year requirement to get assistance.

Ald. Cashin stated beyond that he thought it was a different ballgame.

Commissioner Lafond stated he was talking about the Federal Constitution and she could not do anything about that and thought they could work within and needed to work within whatever happened noting they couldn't say they just could not help other people or those people.

Ald. Pariseau stated his concerns were those people who were subsidizing rent and were living in relative's apartments and asked why that was done.

Commissioner Lafond stated there was a State statute which was liability for support Chapter 165:19 which stated that any person in the line of the parent (moth, father, stepmother, stepfather, grandparent) was responsible for their children no matter what age and vice versa children were responsible for their parents, stepparents, grandparents no matter what age.

Ald. Pariseau stated there were those living in an in-law apartment with Welfare sending the check to the child.

Commissioner Lafond stated there was a form which they had devised called the family financial arrangement and they expected that people who were able would do what they could for their family along the lines of that statute; that if your child needed assistance from the Welfare Department they would expect you to do whatever you were able to do financially but did not mean that they expected them to pauperize themselves and must pay for food and shelter and everything for your child forever unless you can afford to do so; that they work cooperatively with families and expect them to do their share, it was only when they had people they knew full well were fully capable of doing their share or more and refuse to do so and say, let government provide that Welfare goes after, so if a family would go to them saying on our support affidavit they have provided X amount of dollars for food or whatever and that they really can't afford to do anymore and they can pretty much justify it, they expect that everybody does their share and once they do that...families can't pay forever in these days for the extended family, but everybody could do something and that was all they were asking; that in those circumstances you could see that they were paying families.

Ald. Hirschmann stated with a lot of the office was attributed to casework asked if there could be a fit for the Office of Youth Services to meld with the Welfare Department because in looking at the OYS statistics noted that a lot of their caseworkers dealt with runaways, homeless kids and asked if there could be a potential for Youth Services/Welfare because it really didn't meld with Elderly Services and asked Commissioner Lafond for her opinion.

Commissioner Lafond stated they occasionally referred people back and forth and they probably had some of their families and vice versa but it was not easily translatable.

Ald. Reiniger asked what the capacity was for the homeless shelter.

Commissioner Lafond replied they could go from 30 to 35 depending on the family configuration and if they had single women with one baby they could put two single women with a baby in one room; that the shelter was made up of individual bedrooms, shared kitchen facilities and shared baths, but if they had a family of nine which was what they had for several weeks a few months ago they could take two bedrooms which would reduce their capacity; that they could get 5 beds per bedroom noting the Fire Department didn't want them to do it, but they had done it on occasion, so they were talking about 20 to 35 noting the playroom on the first floor could be changed and one of the offices into bedrooms as well and the lounge also.

Ald. Reiniger asked if it would make sense to try and find a bigger building.

Commissioner Lafond stated she did not want to have a bigger shelter; that what they had tried to do was to keep it and use it only as a last resort for people thinking that the landlord connection, the data base in the City had made some difference and the housing market itself, the lack of available units readily available as they had been recently, so she would much rather look at some existing SRO's or something to place people noting she had a lead on one and the City had used it before but did not know what the condition was at this time; that the St. Vincent dePaul building when Emile was Welfare Commissioner there were 12 SRO's on Manchester Street that St. Vincent dePaul had and it was vacant and knew it needed work but if there was some way they could look at some of those temporarily rather than paying a motel.

Ald. Shea wondered about the rental of the building as he had noticed that in 1996 it was $29,250 asked if they actually turned back money and was it charged by square footage.

Commissioner Lafond replied the rental of the building was a contract in the Gerber Dental building and believed it was a five percent increase per year.

Ald. Shea asked how many rooms they had as he had never seen it.

Commissioner Lafond replied, please go to see them; that they had 2,300 square feet; that she had tried numerous times to get them moved into a City-owned building noting that 88 Lowell Street would have been wonderful for them and would have been able to rehab it for the same amount of money they would be paying in rent in five years, but it didn't work.

HEALTH DEPARTMENT

Mr. Rusczek stated the budget he should report on was the budget he had submitted to the Mayor's Office because if they were to take the Health, Elderly, and Youth Services budgets and separate them from what was allocated to the Health Department they came out to be roughly what the request was.

Chairman Wihby stated the Committee had voted down the consolidation, so there would be three numbers for Elderly, Health, and Youth Services instead of the one number which had been put into the Health Department budget and in adding up the three compared to what the requests were for the three was $2,000 off for all departments so they weren't that far off and understood the Mayor would come back with new numbers for the three and separate them out.

Mr. Rusczek stated the Health Department budget submission after adjusting the figures for new revenue which they received for HIV Prevention activities reflected an increase of about 2.5 percent over their FY96 budget; that if the proposed food establishment license fees as requested by the Mayor's Office were implemented then the Health Department 1997 budget as requested would represent an increase of less than one percent which would include both the '96 and '97 cost-of-living increases for non-affiliated staff but there was no money in that figure for the affiliated members of the Health Department; that the largest increase was for an additional School Nurse to cover Bakersville and Hallsville Schools where they currently only provided nursing coverage two and a half days per week; that through the past decade they had found that the individual needs of the school students and the collective needs of a growing body of students necessitated the additional staff as there were many students in the schools who needed access to a school nurse on a daily basis noting it was important that they get the new position and it had been included as one of the Mayor's recommendations; that two other significant increases in the Health Department budget was a $1,000 in the Travel and Conference line item which was money they believed was necessary to send a staff member down to the Center for Disease Control for public health updates on emerging infectious diseases or items such as new control methods for say tuberculosis which would not be an administrative-level person which would be a staff person as they tried to develop expertise within the Health Department; that the only other significant increase was that they put $1,000 additional in their duplicating services line item as they had had a service contract on the duplicator they received used from the City Clerk's Office a few years ago and had been advised by the company which maintained it that due to its age they were no longer willing to repair it under contract, so they were anticipating that they would have significant increase in costs for repairs; that they contemplated putting in a budget request for a new photocopier but they were very happy with the arrangement that they had from the City Clerk's Office to receive a used one and realizing that the City Clerk's Office need was more immediate and for a greater number of copies than the Health Department used it might work out well that when the City Clerk's Office replaces their photocopier a similar arrangement be worked out; that as one last comment in the last seven or eight years the Health Department had taken in a significant increase in outside funds for their programs; that unlike many of the Federal and State funded programs he looked to many of the health programs as continuing such as the money they got in for tuberculosis control was a national concern and saw that continuing and the same with HIV prevention issues; that some of the money such as their homeless health care money they farm out to Optima and other direct services to the public; that the growth of the public health needs of the community were perhaps best seen in the community health reform included in the budget package; that the item showed as number 20 and 21 both relating to tuberculosis and between FY94 and FY95 they had had almost a three-fold increase in the number of home visits they had had to make for tuberculosis control it showed that they were looking at issues today which they hadn't looked at a decade ago.

Chairman Wihby in reference to additional revenue from HIV asked where it was.

Mr. Rusczek replied the additional revenue showed under 0474 HTLV Education Reimbursement which was HIV prevention and did not know how it had been coded in that way noting it was $30,000.

Ald. Shea stated he wished to appeal to the Board for the necessity for an additional school nurse at both the Hallsville and the Bakersville School as it was an absolute necessity in today's day and age when there were so many people who had ADD or ADHD or other concerns which needed to be medicated as well as other types noting it was a really important concern.

Mr. Rusczek stated cuts of one, two, or three percent would impact the school nurse position and could impact other school nurse positions but when looking at the growth in positions through the years the only City funded positions which had increased were school nurse positions.

NEW BUSINESS

Communication from the NH Philharmonic Orchestra relative to an alternate location for the East Side Senior Center.

Ald. Reiniger stated discussions had been held with the NH Philharmonic which had a large space on Hanover Street noting they had read about the concerns of the City for the Elderly Center to save money and had come forward with a proposal which would save the City about $50,000 in terms of rent and recommended that the communication be referred to the Committee on Community Improvement Program for further review.

On motion of Ald. Reiniger, duly seconded by Ald. Soucy, it was voted to refer the communication from the NH Philharmonic Orchestra to the Committee on Community Improvement Program.

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

A True Record. Attest.

Leo R. Bernier

Clerk of Committee