COMMITTEE ON FINANCE

May 19, 2003 **7:00 PM**

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman O'Neil.

A moment of silent prayer is observed.

The Clerk called the roll.

Present: Aldermen Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest

Absent: Alderman Wihby

Messrs: Fred Rusczek, Kevin Clougherty, Frank Thomas, Leon LaFreniere, Robert MacKenzie, Chief Joseph Kane, Steve Tellier, Virginia Lamberton

Mayor Baines addressed Item 4 on the agenda:

> Continuing discussion relative to the FY2004 Municipal Operating Budget with departments as follows:
> a) Health Department
> b) Building Department
> and discussion of all operating budget items for final review and framework for adoption.

Fred Rusczek stated thank you Mayor and Aldermen for giving me the opportunity to address the current proposed budget. There is a handout I believe at your seat and I am going to go through it quickly because I understand that time is of the essence. On the top part of the first slide what I'm going to address the Net City Cost for Health Department operations because that's what really impacts the City budget. As you know, and is shown on the next few slides, the Health Department budget is about 25 percent City, about 25 percent School, and the rest is a conglomeration that makes up about 50 percent of a number of outside funding sources. The Health Department brings in funds for many things, from bio terrorism to TB control and sexually transmitted disease control, immunizations and what have you. When there are programs such as our adolescent substance abuse treatment, we farm that work out completely and a grant passes through and we meet the obligations for the financial monitoring and stuff. So the first slide shows really what the cost of the Health Department has been to the City side of the budget and as you can see last year our final budget was 7.5 percent less than the year previous. That caused us to lay off two school nurses who worked in the parochial schools and a half-time secretary. Currently the projected budget for next year is another 6.3 percent reduction and that is going to cause us to suffer additional lay offs. We aggressively go for all outside fundings that we can. I am very proud of the fact that the Health Department is able to get in as much money from the outside as it does. This is not usual and again I think that we've done a great job. We don't have the capacity to absorb any additional cuts. The money that we get is categorical money. I can't charge off a dental hygienist to funds that come to the City for tuberculosis control. So in this budget we again will have to lay off. The second slide on the bottom of the first page is we need $65,000 just to maintain status quo. That $65,000 will still fund us for fiscal year 2004 at about 2 percent below what we got for fiscal year 2003. We believe that we're doing everything that we possibly can to control the budget, and the reason why it's below, but yet we can still continue, is that being in the Rines Center affords us the opportunity to gather in some additional revenue. We're going to be able to establish an institute of local public health practice and from thee we project an additional $30,000 in our budget. It's going to require additional work on our part but while we're training our staff in public health, we're going to offer training opportunities to others. We worked on that for the last six months, brought that plan back through the State and to the Federal Government and feel comfortable that we'll be able to bring in $30,000. But the $65,000 in looking at the proposed budget, we're trying to figure out what went wrong and I think there may have been an error in calculating the health insurance for the Health Department. The health insurance is funded 10 percent below this fiscal year. It's about level with fiscal year 2002 and that was before we had the significant increase. And I think the reason that probably happened, is that when one looks at the Health Department budget, including school health, and if you look at the year to date for the end of March, which is used for calculations, in the school program year to date through March only represents six months. April, May, and June it costs double for health insurance because of the way it's funded. Level funding would restore $35,000 and still keep things quite challenging for us. The ten- percent increase, which we heard was the norm, would restore $70,000 to our budget. The other is that we don't believe that the budget addition request for a Rines Center custodian was funded in our budget. When the Health Department put together its budget, being the largest tenant in the Rines Center, we took in the cost for the building and one of them was we put in for a full-time custodian, and the reason we put in for a custodian was because it was cheaper than a Service Master proposal. We have no objection if all of the cost related to the Rines Center are pulled out and put elsewhere. The slides on the second page again just show what we have done through the years to increase outside funding. As little as five years ago we had about a one-third, one-third, one-third split between school funding, City funding, and outside funding. As you can see because we've been very aggressive in grant writing we've able to increase the funding. This slides on the third page, the top slide portrays the cost in the Rines Center by department and as you can see of the $95,000 cost for the Rines Center, only about $52,000 belongs to the Health Department. The last slide just provides some alternatives to the Health Department having to reduce staff and the three alternatives are, one of them is to increase our budget by $65,000 that will keep us on a very, very tight budget but will enable us to hire the custodian for the Rines Center and pick up the cost associated with the building and restore health insurance costs. A second alternative is to shift the building related costs to another department and have all the people in the Rines Center paying their fair share. For example, if all of that was taken out and put under Building Maintenance or City Clerk's office or someplace else, that would work. And the third is to charge off a fair share of the building related costs to the departments who are receiving the benefit of heat, electricity, and air conditioning, and the custodial services. The last two options will still leave us short by $23,000 and we don't know where that would come from, but we would try to make it up through staff vacancies. So that's it in a nutshell. I've been asked to keep my presentation brief and to the point and I believe I've done my best in doing so.

Alderman Shea asked if you were to shift responsibility for maintenance of the Rines Center to your department, would that mean that that would entail next year and the year after? In other words, once the ball starts rolling the assumption would be that it would be your particular expenditure next year? Is that correct?

Mr. Rusczek replied yes. I should clarify that it doesn't include repairs to the building, the preventative maintenance still lies within Building Maintenance. This is the day to day maintenance, heat, electricity, and conditioning.

Alderman Shea stated no, but that would be your department's responsibility from now on? Right? If we assumed the assumption that you're going on here, it would be an indication that you would want us to pay for this in your budget year after year.

Mr. Rusczek replied it has to be paid for some place. We were the first one at the Rines Center so we incorporated it into ours and we tried pick up costs with out leftover lease money this year, so it just naturally rolled into ours but if it's the board's desire to put it someplace else, that's perfectly fine with us.

Alderman Shea asked do you think this is the best place to put it? From a fiscal point of view. From an economic standpoint, do you think it's the best place to put it?

Mr. Rusczek replied I think for this year through the construction phase it probably makes the most sense. We're gong to be the tenant that's going to be there. We can try to control everything, but it may make sense down the road to try to consolidate all of the costs.

Alderman Shea asked so you would assume, or someone in your department would assume responsibility for that particular role that's played by the custodial. Is that correct?

Mr. Rusczek replied that is correct.

Alderman Gatsas asked Mr. Rusczek asked what was your request amount?

Mr. Rusczek replied our requested amount did not include budget additions. The department request was for $3,037,220. That didn't include funding to restore school nurses that would have been cut at that level. That's the 2.5 percent level of approximately $56,000, didn't include a budget addition request for custodian at a total cost of $36,000.

Alderman Gatsas asked the amount of $3,037,220 is what you requested of the Mayor?

Mr. Rusczek replied correct. That's the 2.5 percent increase.

Alderman Gatsas asked when were you aware of the contributory retirement plan increase?

Mr. Rusczek replied that came in I believe right before the budgets were presented, but after I presented our school budget.

Alderman Gatsas asked which was when?

Mr. Rusczek replied somewhere between mid January and the end of January I believe.

Alderman Gatsas asked so you had that in your initial request.

Mr. Rusczek replied I think that was added into the request. We didn't come up with that figure. That figure was derived elsewhere and we put that in. If my recollection is correct. We didn't initially have it when we made our school budget request, which I think was on January 13th. Alderman I don't' remember the exact date or how it came to be added in.

Alderman Gatsas asked Mr. Clougherty when were the departments notified of their increase retirement contribution?

Mr. Clougherty answered the City received the actuarial evaluation from the retirement system, the final one last week. So we have been under the understanding that there would be increases. We did not get the final numbers until last week.

Alderman Gatsas asked when was the first notification?

Mr. Clougherty replied the first indication I think was after the Mayor's budget was submitted. Because they did not have the actuarial evaluation done for the March 1st day.

Alderman Gatsas asked so you're telling me you didn't receive anything in October?

Mr. Clougherty replied no. They're on a calendar year, so they did not have that evaluation done. They usually have it done in March, April, May time period. That's my recollection Alderman. And that's why in the Mayor's budget what was carried forward was the amount from the previous year. If you take a look at that, it's virtually identical. That's why it was carried forward because he did not have the evaluation back from pension system. When it came in after his budget, there was some original indications, which I think he shared with board, that there was some concern to how much is in at the State, and then it was verified in the last week.

Alderman Smith stated Fred, in the building maintenance division they requested $31,835 for the maintenance of the Rines Center. If you have a custodian plus somebody doing the maintenance, I don't know who it is, is you're up to $70,000.

Mr. Rusczek replied the money they requested is for like repairs of the mechanicals or if there's something major. The preventive maintenance. Repairs on the HV system, the heating system, and that, so I think that's the $31,000 that they're requesting. Ours is all the daily maintenance and heat and utilities.

Alderman Smith stated I understand that, but you were just indicating to Alderman Shea that you'd be willing to absorb everything. If it was in your budget, the maintenance department would be paid by the Health Department?

Mr. Rusczek replied I'm sorry, I didn't mean their preventative maintenance, just the stuff related to the Rines Center's day to day operations.

Alderman DeVries asked maybe somebody can tell me at City Hall where we have several departments located, how are we divvying up the janitorial services and such?

Deputy City Clerk Johnson answered Public Building Services actually does most of the janitorial contracts. We do have a custodian that is under ours and some of the items that happen within the building we work situations out. Some of it may come out of our budget. The majority of it comes out of Public Building Services.

Alderman DeVries asked so you're saying part of the janitorial contract comes from the City Clerk's budget as well as PBS, for building maintenance such as…

Deputy City Clerk Johnson replied only the day custodian comes out of our budget. The balance of the janitorial service comes directly out of building maintenance. They have a contract for cleaning of the building, I'm sure Frank could address it. He is here.

Alderman DeVries stated if you wouldn't mind. I'm still confused.

Mr. Clougherty stated Alderman what we have is a contract as we have for all of the public buildings in the City, and they come in at night and they empty the trash and they do all of the vacuuming at night. That's the same as the other buildings. But with this building during the day when it first opened, my recollection was that there were issues where things would happen, still had to be taken care, and wasn't being handled by that basic contract. At that time the City Clerk's office asked to have somebody in the division to deal with that and they provide a day services in addition to that standard level of contract. And he's available all day long, not to do the vacuuming and cleaning, but to do some of the maintenance, to make sure on a daily basis as emergencies occur they're taken care of right then and there.

Alderman DeVries stated if I heard Mr. Rusczek appropriately, you're indicating that you did check on putting this out to the contract and you found that to do it in the same manner as the rest of the City buildings through, I believe Public Building Services for janitorial, it's more expensive?

Mr. Rusczek replied to go through Service Master, Service Master estimated it would take two additional people to handle the building. We figured it would be best, at least for the first year to give it a try with one. We're going to have a lot of construction going on there and then we'll have some continuity.

Alderman DeVries stated then to add to that…

Frank Thomas stated that is correct. Service Master combines certain cleaning jobs and pares it down to detailed specifications. As Fred mentioned, he felt that that level didn't need to be accomplished. In addition, where this is a health facility, that having his own custodian trained to meet his particular needs. Another way of approaching it, at City Hall here, Leo Bernier is basically in charge of the facility on a day to day basis. He felt that he could control the maintenance of the facility on a day to day basis, other than that, ………..

Alderman DeVries stated if I'm hearing this correctly, it's possible that after this first year, or whenever we finish construction at the Rines Center, you might elect to go back to a Service Master type contract?

Mr. Rusczek replied that's a possibility. We have the experience of having been at the Rines Center for a while we believe that with one person, and Health Department has a half-time person that works within our clinics, that we could maintain that building and the grounds around, and Frank's crew can handle all of the preventive maintenance stuff.

Mr. Thomas stated the problem we're facing ….

Alderman DeVries asked that's a shortfall on the Public Building Services budget?

Mr. Thomas replied that is correct.

Alderman DeVries asked if I could take Fred Rusczek on a different track. If the additional amount of money is not made available to you this year, have you designated how you might accommodate that within your budget?

Mr. Rusczek replied there will have to be a lay off. $1.1 million for all of the public health stuff that we do, is a pretty good price for the City. We have been going seven days a week for a long time. We have folks out this three-day weekend doing home visits for tuberculosis control. We make about 2,000 home visits for tuberculosis control. All of the SARS stuff we're reading about in the paper, well that does impact us. When you hear about what's happened at the Manchester Airport it's because the Manchester Health Department was there and working in cooperation with the State and the Federal Government working through some policies and procedures for them. We got extra money to pick up gaps to enhance what we do, but not to supplant what we do. We can't. So when you look at what we have left, for some reason this year we typically have about 100 communicable disease investigations, already this year we have 189 in this fiscal year. We're a changing community and a change world and we have a lot more work going on all the time. I can't cut into disease control programs, I can't cut into the core functions of what we do in health assessments and inspections and what have you, the only program that I have left that isn't something that is related to public health protection, is the dental program. I hate to even say that but I don't know else where we would cut. We have been looking on a daily basis to try to figure out how we can find someplace else to find money, and we just don't have it.

Alderman DeVries asked and that's a program that's not duplicated anywhere by non-profits or other private sectors.

Mr. Rusczek replied no it's not. Actually because we have the dental hygienist we've been able to attract more than dozen dentists who are willing to work with us and provide free care to Manchester's kids. A large number of our families receive Medicaid. It's very difficult for dentists to accept a Medicaid fee and reimbursement and some of the challenges that are inherent in that. Working on the dental van donated by the Kiwannis Club, they're willing to work with us. This is the only source of access to dental care. The only reason public health is providing one on one dental care is because such a gap in this community and that gap goes back to when that program was formed in the 60s.

Alderman Shea stated the bottom line is that you want $3,071,406, is that correct? With the $65,000 added to it?

Mr. Rusczek replied if that $65,000 is added, that's correct.

Alderman Thibault asked Fred I'm just looking into the Homeland Security, is there any monies come from there Fred that will help you in what you're trying to do, and I agree that the Health Department certainly has a major role to play in the last few years with what we're being faced with. But is Homeland Security going to be helping you in any way there? Is that something we can depend on?

Mr. Rusczek replied our pot of funds is a little different than Homeland Security. It's the bio terrorism and public health preparedness money that comes through CDC. That's the public health version of Homeland Security and Manchester received about $1 million and frankly that was a very generous award for a community our size, but it's because we had gaps. Next year we're going to be receiving a significant amount of money as well but not a million.

Alderman Thibault asked Fred is that included in your budget this year?

Mr. Rusczek replied that's handled as an outside funded project. So the City doesn't take on the liability of that money. That's part of the 50 percent that's federally funded, that's run as a CIP project.

Alderman Thibault stated maybe I'm confused here. I'd like you to explain that one more time. Where does that money go? If it comes to you directly, where does it go? That's what I'd like to know.

Mr. Rusczek replied first it's important to point out that money that comes to us from the Federal Government or the State is categorical money. In other words, the public health preparedness money is supporting some of our staff who are working on the project to some extent, it's going to allow us to hire a medical director, it allowed us to upgrade an accountant to a business service officer position, it allowed us an administrative assistant, and that helped to make up for the half of the one I lost last year, our community health nurse, an environmental health specialist, and a public health specialists. They were all targeted at identifying weaknesses within our services that needed to be enhanced. So that's what that monies coming from. I can't use that money to pay for an existing staff any more than I did…in other words you can't take outside money that categorical and supplant funding, nor can I tap into the money that's for public health preparedness and use it for a dental hygienist. So that's why our budget's as good as it is.

Alderman Thibault stated Fred the increase that you are asking us for here, what is that for?

Mr. Rusczek replied actually Alderman we're not asking for an increase over fiscal year 2003, if you see we're actually funded less than fiscal year 2003. The $65,000 will bring us to a level that is still two percent below this current year and that is because of the…

Alderman Thibault asked what is it for? I'd like to know.

Mr. Rusczek replied it's just to maintain what we have.

Alderman Thibault asked so there's no specific area where it's going, such as a dental hygienist or…?

Mr. Rusczek replied no, if we don't get the funds, we're going to have to cut, and it could very well be in the dental program.

Alderman O'Neil stated Your Honor this question is for you. When you and Alderman Gatsas were talking about pension, were we talking State or City pension during that conversation?

Mayor Baines replied I think he was talking City pension, but I don't want to speak for Alderman Gatsas.

Alderman Gatsas stated my question Alderman O'Neil was is when were we notified by the State what the increases were for the pension.

Alderman O'Neil asked for the State retirement?

Alderman Gatsas replied correct.

Alderman O'Neil asked Your Honor you were talking about the City retirement.

Mayor Baines answered correct.

Alderman O'Neil stated okay, I was just looking for clarification.

Alderman Gatsas asked what was Mr. Clougherty giving me an answer to?

Mayor Baines replied the City.

Alderman Gatsas asked when were we notified the increases that I'm seeing here, is the State portion?

Mayor Baines asked in the Health Department budget?

Alderman Gatsas replied no. If you look there's $102,000 increase City Retirement Contributory System.

Mr. Clougherty interjected the State retirement number I think the Mayor had back in his budget, we've had for some time.

Alderman Gatsas asked can you tell me where that is?

Mayor Baines asked Health Department budget or Citywide?

Alderman Gatsas replied in the Health Department.

Mr. Clougherty stated it's only Police, Fire, Teachers.

Alderman Gatsas stated okay, if you go to the Police Department can you tell me where it is there and what number the tab is?

Mr. Clougherty replied if you look in the left-hand column on the first page of the Police budget, it has Police State Retirement 0225 and underneath it has City contributory retirement. I thought your question was about the City Contributory system. I'm sorry about that Alderman.

Alderman O'Neil asked Fred with the $65,000, that will cover all health insurance increases, and will cover the custodian at the Rines Center.

Mr. Rusczek replied yes.

Alderman O'Neil asked and with that $65,000 you'll be able to meet all salary and benefit requirements including the pension?

Mr. Rusczek replied yes.

Alderman Lopez stated in reference to the pension fund. We're told there's $879,000 and according to what I've gotten for this year by the Finance Department, the $95,881 in the Health Department pension fund. Do you have that money you say?

Mr. Rusczek replied the only figure I have is $102,000 that was built into the Health Department budget for the first time this year. I don't know of any increases since then.

Alderman Lopez asked Kevin could you help us out here. Seth gave me this. I would presume he gave it to everybody and if not we could maybe get copies of this? Carol could we get copies of this so that all the other Aldermen have the same document that Finance produced to me? Since we're talking about the pension plan…

Mr. Clougherty stated as I explained earlier Alderman, what the Mayor did was take the previous year's City contributory retirement number and included that in all the City departments at the level that it had been and that's what the number is in Fred's budget and that's what he's referring to. Since the time that the Mayor's budget was released, we have gotten an evaluation from the system, and we are…last year's appropriation I think was $1,034,479. So there's $1,034,479, the Mayor's budget spread through the different departments. The valuation came in at $1.8 million. So you've got $879,000 which is that sheet that you have in front of you, in addition to what's already in the department's that has to be allocated, and that's what I understand your request was of the department was, show us how that $879,000 has to be broken out. That's a piece of the contributory retirement system. There's already a piece in Fred's budget and every other City department budget, and that's what he's referring to.

Alderman Lopez asked but this is in addition to it, is that correct?

Mr. Clougherty replied it is an addition to it, it's already been programmed in.

Alderman Lopez asked so he does not know that this is an addition at this time?

Mr. Clougherty answered no, because the board has not taken any action with respect to any of the departmental budgets in this regard because as Alderman Gatsas had asked earlier, we just got that information earlier this week.

Alderman Lopez stated okay that clarifies it.

Leon LaFreniere stated good evening. I would also like to thank you for the opportunity to appear before you. I will try to make my comments very brief. You've obviously all had a copy of our budget as contained in the Mayor's overall budget. I have forwarded to you a communication that developed last week. Essentially the situation with the Building Department is that we are currently running short staffed. Both because of an illness that has kept an individual out of our department as well as a vacant position that we've had vacant for the entirety of the FY 2003 budget. This position is one of the construction division inspectors. We did have permission from the Human Resources Committee as well as the Mayor at one point to fill this position because of the critical nature to our operation. However, financial limitations have kept us from filling that. With the current budget as proposed by the Mayor, we are $52,659 short of the full staff compliment. We have, in order to avoid a lay off, minimum request for consideration would be $14,356. Without a full staff compliment it compromises our ability to really provide adequate coverage for the inspection services that we provide, which translates directly into the level of safety that the community is able to enjoy as a result of our activities, as well as has an impact on our revenue generating capacity. I would like to point out that if we are funded at a full staff complimented level, this would be at $1,260,690, we'll still significantly have a positive impact on the tax rate due to the fact that we generate building permit revenues for an excess of that number. The construction inspector position that is vacant is the only position of discipline in the department. It's the duties of that inspector currently being addressed at a reduced rate by shifting inspections from other disciplines to cover that area and taking resources away from those other assigned duties. As I noted, the 2004 Mayor's budget would necessitate the lay off of an additional staff member from our compliment, which we feel would have a significant impact on the quality and level of services provided by the department. With the current reductions as we are experiencing now, plan reviews and permit approvals are taking longer and inspections have been delayed as a result. The Certificate of Compliance program currently is running approximately six months behind, and frank the integrity of that program would be jeopardized if we have to cut back on additional resources available to perform those inspections. We have, I think, some brighter news with regard to the revenue side of the picture. We feel that while we were somewhat apprehensive about the Mayor's number, to be quite honest with you, initially in the process we had come in with a number somewhat lower than that for our original projection, but keep in mind that was done some four months ago. So we didn't have the benefit of these last few months to give us some indicators as to how the constructions activity has continued through this economy. But we feel that we have some substantial opportunities to raise revenues to meet this number if we have the resources available to administer that function as well as provide those services. I guess I'd like to just open up for any questions that you may have.

Alderman O'Neil asked Leon what would be that new revenue number then?

Mr. LaFreniere replied the Mayor's number is $2,020,000. We had actually come in with a figure of $1,750,000. We have obviously had some opportunity to sharpen our pencils since that time, and given some of the large projects that we see on the horizon, while not all of those projects are available to us as commitments at this time, we're hopeful that the bulk of them will come in and allow us to achieve that number.

Alderman O'Neil asked what is the number though?

Mr. LaFreniere replied the $2,020,000.

Alderman O'Neil asked so it's no different than what the Mayor has?

Mayor Baines interjected the one we projected. He feels he can meet that now.

Mr. LaFreniere stated I feel much more comfortable reaching that number than I did when the budget was…

Alderman O'Neil replied all right. I thought you were going to throw us a nice little present tonight. What is the number you were off? You're saying you have a vacant position, that position would have to remain vacant. What's the number, did I hear $14,000 or $16,000?

Mr. LaFreniere replied to just retain the existing staff compliment would be $14,356.

Alderman O'Neil asked and have you seen this new number regarding the pensions?

Mr. LaFreniere replied I have not.

Alderman O'Neil stated it says yours is almost $40,000.

Mr. LaFreniere stated the number we've been carrying has varied slightly with various scenarios, but since January I believe it's been around $42,300. A little under or a little over depending on the run with these…

Alderman O'Neil asked the key is how does that relate to the Mayor's number?

Mr. LaFreniere replied I'm in much the same position as Mr. Rusczek…

Alderman O'Neil asked so you were short $40,000 then, in your pension number? Correct?

Mr. Clougherty replied that's right Alderman, because none of those add ons on that list have been considered by any of the departments.

Alderman Thibault stated Your Honor, maybe I'm a little confused, knowing all of the new construction that's happening in this City and knowing how the Building Department tries to address these problems, and I have to say that I probably spend as much time with Leon as his wife, lately that's all I do. People have problems constantly about buildings and about variances and about all kinds of things, and I can not understand why we would sit here and try to question what he's trying to accomplish. You know I often wonder why we sit here and question the people that we put in these department heads. They're out there daily looking at this and seeing what goes on, and we bring them here and chastise them for the sake of $20,000 or $30,000. My God. If I look at the amount of work that this department does just strictly for Ward 11, I'd have to say give them the $20,000 raise period. Thank you.

Alderman DeVries asked Leon I just want to clarify the information you gave to Alderman O'Neil. You said that you currently are $14,400 short funding fiscal 2003, but that is shy a position that you never filled. To truly fund to your full level of employees at your department you need $52,000.

Mr. LaFreniere interjected $52,659.

Alderman DeVries stated so it's not $14,400, it's $52,659 as a working number, and we are anticipating getting an additional $280,000 in revenue over this current year, and of course that's not going to happen without the inspectors in the field because those are the ones that create the revenue for your department. So they go hand in hand. Without the full compliment you're not going to meet that revenue projection. That's a given. I just want to take you, and I know we've spoken individually, through the position change that is going to take place between Planning and your department. The ZBA position. You expect that when that position transfers from the Planning Department that there will be an equal amount of funding coming with the position? Or how's that going to transpire again?

Mr. LaFreniere replied yes. In fact the numbers that were carried do not include any of the transfer of that position from one department to another. We actually don't…I haven't had those numbers to work with yet. In going through the budget process, meeting with the Mayor's budget team, it's been acknowledged as going through the budget process that those monies would be transferred at the time this change takes place.

Alderman DeVries stated maybe Mr. MacKenzie could clarify for me, because I have not had the conversation with him, so I'm a little curious what…you don't need to leave Leon, isn't there a portable up there? Is that your understanding too…I know that we have authorized the individual to come under Building from ZBA

Robert MacKenzie replied yes, at this point we would envision that perhaps we would do what we did last year with the Welfare crisis. That is to identify…Leon and I will have to come to an agreement upon a number to fund that position, and then that would be transferred probably into a contingency balance that Leon would tap to pay for the position. But again we haven't come to a conclusion on that total number because our department is getting cut so if we fully fund that position to give it to Building, our decline becomes even steeper. So we have to negotiate a number that's going to work for both of us.

Alderman DeVries asked are you going to be negotiating a number on this so we know the impact on Building? Is that going to happen before we finalize the budget?

Mr. MacKenzie replied this would come later in the budget process when we've had the time really to sit down and identify all the costs, and then we'll come back to the board at that point.

Alderman Shea asked Leon you mentioned you sharpened your pencil and as a result of that you came pretty close to what the Mayor had suggested for revenues, Mr. McLaughlin used to tell us use both sides of the pencil. So could you come up, sharpen it, and then use the other side of the pencil to come up with $2,034,356. That would fund totally your particular need there for $14,356. In other words, if your revenues came in at $2,034,356, that would mean that that $14,356 would be offset. Do you think you could sharpen the pencil that tightly, or that astutely?

Mr. LaFreniere replied it's entirely possible that we could achieve that number but…

Alderman Shea interjected that's fine. Thank you.

Alderman Lopez asked Mr. MacKenzie you were up here…your revenue. I know we're on the Building Department but since you're up here talking about him, your revenue went down $60,000 in comparison to last year, and I was wondering if you could take a look at that. I don't think that we're getting the buck from the Planning Department as far as charging the necessary funds. If we can raise more revenue on it. Just a comment okay.

Alderman Garrity asked Leon, when we get to permit fees, when's the last time those fees were raised? Electrical, plumbing…

Mr. LaFreniere replied they were adjusted at the item that we adopted in the 2000 code, which was in 2001.

Alderman Garrity asked fiscal year 2001 budget…that's start of the fiscal year 2001 budget?

Mr. LaFreniere replied actually it was later in the year. I think it was during fiscal 2001.

Alderman Garrity asked and what was the increase back then?

Mr. LaFreniere replied it varied across the…

Mayor Baines added we lessened some too didn't we Leon?

Mr. LaFreniere answered yes. We revamped the entire structure because there were some inequities built into the structure and we actually reduced the cost associated with rehabilitating buildings and increased the costs associated with new construction. To try to create some parity. It's difficult to say individually how that…but what did to come up with the numbers that we finally submitted to the board was, we did an analysis of comparable communities both in the State as well as in the northern part of Massachusetts, to try to figure out where we were landing with our fees. And I've maintained for some time that the permit fees themselves don't in most cases represent such a significant portion of a total project cost, that they are the make or break number whether someone decides whether they're going to build in Manchester or not, however, that said I think that it is very important that there isn't a perception out there that Manchester charges the highest fees around by a large measure. Our fees currently are in the upper tier of the sampled communities. Probably in the upper third. They're not the highest, but they're very close. We do have some opportunities to look at some of those fees. We haven't built them into this fee structure. We have talked to the Budget committee about that at some level. Frankly I was a little bit concerned going into the budget process, not knowing what kind of resources we would have to provide the services, to commit to bringing some numbers forward with regard to increase in fees. I think that there is some opportunity there, but a large amount unless the board feels that it is appropriate as the largest city in the state that we charge the highest fees for the services that we provide.

Alderman Garrity asked could I get a copy of your permit fee schedule?

Mr. LaFreniere replied yes.

Alderman Gatsas asked I have questions of Finance. We have a much bigger issue here than… The $220,000 issues. I mean we're looking at a shortfall of $879,000 on retirement. Kevin when were you first notified by the State? Or when was the City first notified by the State of the increase to the retirement fund at the State level? With Fire, Police, and Schools or teachers?

Mr. Clougherty replied I think we first became aware of it, the increase for the State pensions in the fall. When we were just starting to do the budget with the Mayor, which would have been in the December time frame.

Alderman Gatsas asked maybe October?

Mr. Clougherty replied yes. I think they notified everybody at that point.

Alderman Gatsas asked if we received that in October, and we took a look and saw that the Police and Fire portion of the State level…that the current level is $1.2 million and the increases were $1.2 million, which was a double of that portion, we no where during the budget process would have had a light go off and said, I think the City's portion because the actuary with the State level looking at the numbers is going to increase? We never looked at that or thought about it for a four-month period?

Mr. Clougherty replied no, that's not true Alderman. If you're saying at the City level were we concerned that there may be some type of an impact similar to what was going on in the State? That's true. Did we know what the magnitude was and were we going be able to get that from the pension system. We weren't. We were notified of what that was roughly I think about a month ago we let people know that it was going to go up. It's been talked about in meetings and we got the final number last week.

Alderman Gatsas asked so what you're telling me is that at the State level we saw 100 percent in October, from what our current base was, but nowhere during the City process of the budget did we allocate one extra nickel towards that amount?

Mr. Clougherty replied I'll remind you of what the process is Alderman. The opportunities for dealing with that would have been in the Mayor's original budget. He put in what had been appropriated to prior year. It did not increase because when he asked for a valuation they did not give him what an assumption would be or give him an idea of what that might be. So he was not comfortable putting that in his budget. That took you through the end of February the beginning of March. At that point in time, we got a preliminary number after his budget had been out and I think as soon as the Mayor knew that was there, he let the board know. And it's really not going to be adjusted. There's been no adjustments to the budget since his initial proposal was advanced.

Alderman Gatsas asked so what you're telling me Kevin is that you being the Finance Office of this City you never once, ever indicated to the Mayor that the amount of retirement funds that the City may need, may need to readjusted based on the numbers we've received from the State?

Mr. Clougherty replied no we have. I have done that. Could I tell them exactly what that was? No.

Alderman Gatsas asked did you make any recommendation when he was coming forth with his budget, that he should notify departments that their retirement number could increase?

Mr. Clougherty replied I believe we did Alderman. I believe the Mayor shared that with the board in his presentation that there were other issues that needed to be taken care of and had offered some alternatives in ways of that might be handled. And that was part of his budget message, I believe. I'd have to go back and check.

Alderman Gatsas asked but are you telling me that at no point was there any allocation of these funds even in footnote in the budget? Saying the State has gone up 100 percent, we should be looking at an increase on our side. I've never heard that until we saw this sheet today.

Mayor Baines stated Alderman, as soon as we knew the number, I think it was right after I presented my budget, we brought that number to the board and said that that number was going to have to be dealt with in this phase of the budget process. Just like at the State there are two phases of the process. The Governor presented his budget, then the Legislature deals with it. It's the same thing at the City level. That is a figure that we did not have, the Finance Officer was not comfortable advising us to put a number in there, we alerted the board that was an area that we needed to look at as soon as we got the number, we brought the number to the board. That's why we're at this phase of the budget process, otherwise why do we even have this phase of the budget process.

Alderman Gatsas stated I guess Your Honor my questions have to start coming to you. Did anybody that you look to for advice, tell you that…well you must have gotten the letter from the State that said the portion to the retirement system at the State level has increased by $1.2 million, that's just on the City side, you then have the teachers on the other side. That didn't send a light off to anybody that said my God that's a 100 percent increase in the cost of retirement? And nobody in October, November, December, January, February ever thought for one second to make any kind of an adjustment to the budget that you presented to us?

Mayor Baines replied well I think we've answered you question several times.

Alderman Gatsas stated I'm just asking the question. There's nothing in here that shows any sort of increase.

Mayor Baines stated as soon as we had this number we brought it to the board.

Alderman Gatsas stated well you had this number from the State in October.

Mayor Baines replied as soon as we had the City number we brought it to the board immediately. Not any sooner, but immediately. That was our responsibility to do. The Finance Officer has that responsibility and he fulfilled it.

Alderman Gatsas asked but isn't his budget process Your Honor all sort of presumptions of the future?

Mayor Baines replied there's a lot of presumptions in there. But that was one item that we did not know what was going to happen at the City level. We made it clear that that was an unanswered question; we brought the number when we had the number. Now we have to deal with it. That's the reality of it.

Alderman Lopez stated I agree we got to deal with it as the Aldermen, $879,362. Very good questions Alderman Gatsas, it's a problem that we've got to face as the Aldermen and look at that number and we'll just have to address it somewhere along the line here.

Alderman Shea asked when you gave your discussion up at PSNH, did you indicate at that time that there would be a problem with the retirement, whatever this is called…

Mayor Baines replied we talked about some potential. This is the same issue, but again we did not use the number because we did not have the number.

Alderman Shea stated I thought there was some number like a $1.2 million or something.

Mayor Baines replied a combination between the two systems. Right.

Alderman Shea asked is this in addition to that? Or is this…

Mayor Baines replied no, this is the actual number now.

Alderman Shea stated okay the actual number. So at that time when you gave your discussion, you indicated there would be…see I'm a little bit confused because at one time it was over $1 million, now…

Mayor Baines interjected that was the City and the State.

Alderman Shea stated and the reason for that is the State is…I'm not saying they're pushing the burden onto the cities, the point is that the retirement amount of money through investment is not living up to what they had indicated.

Mayor Baines answered that's correct. It's not performing and we have an obligation to make up the difference.

Alderman Shea asked and that's just for the City? That's not for the School Department is it?

Mayor Baines replied City and State retirement system.

Alderman Smith asked I think people are getting confused between the State system and the City system. They're two entirely different systems and I became aware of the situation. I passed a letter to my colleague, Dan O'Neil, on April 4th and I didn't exactly know what type of money was involved, but I did know around April 4th from Mr. Dan O'Neil that there was a problem with the finances in regards to the retirement and it was, from what I understand and Kevin you can quote me. I think that we did not receive what we thought we were going to get on our investments, so that was low and I think we missed the boat by 12 or 14 percent Kevin?

Mr. Clougherty replied yes there were considerable losses.

Alderman O'Neil stated Alderman Smith sent this over and it might be helpful. The increase in contribution is primarily due to asset loss of 10.7 percent versus expected earnings of 7.5 percent, so that's a swing of almost 18 percent, combined with a liability increase of 3.7 percent for the benefits improvements adopted in 2002. So we saw about an 18 percent swing. That letter is dated April 4th to the retirement board, so it is fairly new.

Mayor Baines stated again, as soon as we had that we brought it to the board. Now we can have general discussion about the budget itself before we move to the resolutions.

Alderman Gatsas stated Your Honor I have a problem. I'm looking at something here that… When did you present your budget to us?

Mayor Baines replied March 30th.

Alderman Gatsas stated this is from Human Resource Consulting. I assume the City of Manchester employees contributory retirement system, estimated 2003 customary contribution. And this is a letter date on the 4th to an individual and the Mayor of this City didn't know anything about it before then?

Mr. Clougherty replied the Mayor had requested Mr. Danault to contact the actuarial firm to get an estimate of what he felt would be happening for purposes of the budget. He got this letter back after his budget was submitted and completed. He had given it out about a week before. When this number came in, I think as the Mayor has said, there was some indication that the number may be high, and he had indicated in his remarks this was a potential issue that would have to be resolved as we went forward in the budget and that's the point I think that Alderman Shea was making.

Mayor Baines stated we have to deal with it now. That's the whole process that we're dealing with.

Alderman Lopez stated we have as you indicated in your message for us to take a look at how we're going to do the budget. I'd ask the City Clerk if he would pass this out and I'll be explaining it. The easiest thing for us to do tonight would probably be to pass the Mayor's budget. However, I don't think that's the responsible thing to do as an Alderman. The Aldermen do have a responsibility and that is to fund all critical services for the City. Your budget did not accomplish that. For example, the Fire Department is under funded, the Highway which could result in not picking up garbage and the essential services that we need. The Building Department as you've just heard from Leon, they have to lay off and delay and many projects for the citizens of Manchester will go undone. That is to fund all critical services. Your budget for example, as we as Aldermen can make some tough decisions, we can shuffle some funds to critical departments and tighten our belts, to lower the tax rate from the Mayor's proposed budget. Therefore, I would like to recommend some changes, understanding the need to verify all the numbers with the Finance Officer. After that I would like to table it until such time I can meet with them and go over the different numbers. And other Aldermen have some other ways to lower the budget, please do so and throw them in.

Mayor Baines asked can we just move to refer this to the Finance Office for review and report back at the next meeting.

Alderman Lopez stated I know, but I want to mention some of the items Your Honor and then I'll do that. In looking at the budget I believe that we can find the necessary funds. The Assessors have $8,200 in excess money in the 2004 budget. The Building Department needs $52,659. The Economic Division, I know some would like to see that position be filled. I'm recommending that we take $142,044 from that division. We'll be able to survive one year with all the major projects that are going on with Bill Jabjiniak down there and Jane Hill. The City Solicitors' budget, I'm also recommending we remove $60,000. The Finance Department I'm recommending $47,656. Youth Services, as many of you Aldermen know, we are paying a higher salary for a grade 26. That doesn't seem like much money, but it's only a position of grade 23 and I'm recommending that we take $1,686 away from there. The Fire Department, adding $400,000. The Health Department, $65,000. The Highway, $266,000. Traffic Department, adding $35,400, this will take care of their 2 percent COLA and $25,000 he needs for snow removal which is not in his budget. Parks Department, minus $60,000 and Library minus $48,309. The added amount for the departments comes to a total $819,059. We just got done talking about the $879,362 for the pension fund. We add it and we need to come up with $1,698,438. I also am recommending that we take $20,000 from the contingency fund, leaving $180,000. Workers Comp. take away $35,570. I want to sell all excess land. We've been talking about this for six months. I believe that we can earn more than $650,000, which I'm allocating we get $650,000 but I think that we can get more. The tax reserves, we have $581,000 in there. We can remove that $581,000, which was recommended by the Mayor in his presentation. I think we need to utilize that money. The one-time reserve account. I think we made a drastic mistake. I think that we need to take that million dollars and utilize it this year and utilize it for the budget for the essential services and the critical services that we need for this City. I believe that we can come up with a total of $2,654,000 if we do all of these items and then we subtract that, and we'll have a balance of $956,000 if all my numbers bear out, and that would lower the tax rate to $27.03, which would be $1.35 or 5.25 percent. And the other two items we haven't addressed is whether we want to do a $1.00 auto fee and I don't see too much for that and if the Youth Department went to the Health Department I understand there's a savings of about $30,000 there. I believe there is some other savings, and I believe there is some other revenue. I believe that we have got to roll up our sleeves and really find it. I believe that we can keep the services and move on with this. I therefore would like to table this until such a time I can meet with the Finance Officer for verification on numbers.

Mayor Baines stated the only thing is I think we could just move this and refer it to the Finance Department for review and report back at the next meeting of the Finance Committee.

Alderman Lopez replied that's fine.

Mayor Baines stated there's no motion. To table something you have to have a motion. It would just be to refer this to the Finance office for review.

Alderman Thibault asked Finance will let us know exactly what this is.

Mayor Baines replied yes. There were some things in here; for example, we don't have $1 million in the one-time reserve fund.

Mr. Clougherty stated there's maybe $800,000, not $1 million and most of that is proceeds from Singer Park, which as you know were bond related and have to be used for capital purposes and could not be used for operations.

Alderman Lopez replied I understand that, but there's a way to do that too.

Mayor Baines stated okay let's move this to Finance just for review.

Alderman Gatsas asked how do you plan on doing that.

Alderman Lopez replied well first of all, the million dollars that I came up with was given to me by Randy Sherman and I don't know what the number is. He says $800,000. I believe that this fund when it was developed…we didn't take a lot of these things into consideration, such as being thrown $879,000 at the last minute. We do have a responsibility. I believe that we can repeal that ordinance, number one. And we can use that million dollars or $800,000, whatever the final number is, and I checked with the City Solicitor's office and he said we could do that.

Mayor Baines stated let's just move to refer it to the Finance office.

Mr. Clougherty stated with all due respect Alderman, there's about $850,000 in that fund and most of that is the proceeds from the Singer Park area, and under Federal tax law we've go that money because you originally bonded to do the project down there and you are not going to be able to turn around and use that for operating expenses. It has got to be used for capital. That is not to be available for your operating budget. So the number is not $1 million, it's less than that, and there are some restrictions and I'll be happy to go back and look at that. And maybe there's some way that you can reallocate it, but the general rule is you will not be able to use that for as you've got it outlined here.

Alderman Lopez stated also we have received $400,000 from the Verizon. I'm getting this from your Deputy. From now on we've got to get some straight answers around here if we're going to work on this budget.

Mayor Baines stated okay let's just refer this to the Finance office for review to report back to the board.

On a motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to refer this to the Finance office for review, to report back to the board.

Alderman Thibault stated every Alderman should get a copy of everything that's going on.

Mayor Baines replied everybody will get it.

Alderman O'Neil stated Your Honor could I just ask my colleague Alderman Lopez just to not tonight, but at some point, maybe just in a quick memo explain the additions or subtractions from the individual budgets. And again it doesn't need to be tonight, but in the next day or two would be helpful.

Alderman Lopez replied yes I will.

Alderman Shea stated I know a year ago or so there was a discussion about the rainy day fund. How much are we up to Kevin right now?

Mr. Clougherty replied about $9.5 million Alderman.

Alderman Shea asked and how much was it last year at this time?

Mr. Clougherty replied I want to say it was about $9 million but I'd have to go back and check Alderman.

Alderman Shea asked so it went up about a half million dollars?

Mr. Clougherty replied yes I believe so.

Alderman Shea asked in essence is $9.5 million, I realize that's better than $9 million, but if $9 million was sufficient last year, would it be a consideration to look into the possibility of using a little bit of that towards reducing the tax rate, or is that something obviously you wouldn't recommend?

Mr. Clougherty replied, as you know last year's budget was smaller than this year's budget. It's based on a percentage. What you're trying to do is set aside an amount equal that's why it grows and it still hasn't hit the statutory cap that we set that was based on recommendations from the credit rating institute. So my recommendation is that you, you're close but you're not at where you should be, and at this point would not recommend tapping into it.

Alderman Shea stated just a follow up. We have a rainy day fund in order to ensure that our borrowing is at a high rate. Is that correct?

Mr. Clougherty replied in part.

Alderman Shea state in part, but if in fact we were to have a $9 million rainy day fund, would that impact our capacity to borrow at a higher or a lower interest rate?

Mr. Clougherty answered because basically Alderman what the rating agencies, you're going to see that you're at about a 98 percent collection rate on your taxes, for your property taxes. We collect about 98 percent of the taxes, or 98.5 percent, which is a great rate. If that rate next year, because the economy softens or because of drops in real estate, if that percentage just dropped from 98 to 92, you have zero left in your rainy day fund and that's what the rating agencies are looking at. Not your small non-property tax revenues, they're looking at how is the economy going to change. And we've seen that drop in other cities and once it's gone, you don't have it following year and it's problematic. I will certainly take a look at it and if you'd like me to come back and show you what we had last year, what the increase was, what the budget and the ratios were, I'll be happy to put that on a sheet for you. Would you like that?

Alderman Shea stated excuse me Your Honor one other point that's not…if the joint committees meet later on this week and decide that we were to sell the garages or the garage, would that impact this particular budget for this year?

Mayor Baines replied a one-time sale; we set up a fund for those.

Mr. Clougherty stated again, depending on what the sale price is you have to take a look at what your outstanding debt is against that, so you may not net all that money because you've got some outstanding debt on it. So the balance or the difference between the sale price and the outstanding debt is what you might have available in that one time revenue.

Alderman Shea asked but that would be available if it were sold before the end of our budgetary…no it would not? I don't know. The Mayor's shaking his head and I'm not quite sure.

Mayor Baines asked when would that money be available in excess of the debt and how could it be used?

Mr. Clougherty replied my recollection is that in this current year you $750,000 that you thought you were going to sell the garages for. That hasn't materialized.

Alderman Shea asked so that has to be made up as well if it doesn't materialize?

Alderman Smith stated I was wondering if I could prolong this and ask individual department heads to come up later? Or can I do it right now?

Mayor Baines stated do it right now.

Alderman Smith stated I'd like to ask Frank Thomas to come up from the Highway Department. Thank you very much Frank. In your presentation April the 10th to us, your staff reductions, even with $266,000 in your budget it was added on, you still lose seven positions? You still maintain that?

Mr. Thomas replied if I receive an additional $266,000 I will not have to lay anybody off. If I don't get that, that's equivalent to 7.8 employees, about eight employees.

Alderman Smith asked so in other words it would be a domino affect and involve your snow operations, snow removal, and so forth, because some of the individuals will be doing dual purposes, like driving a scavenger truck and also plowing? Is that correct?

Mr. Thomas replied well a loss of employees will have an impact on the level of services. That is correct. We are a very labor dependent department and of course when we lose bodies that have to affect services.

Alderman Smith stated I heard through the grapevine is it true that there's been a so-called tentative agreement between the union and the City?

Mr. Thomas replied that's correct. AFSCME has reached a tentative agreement on settling their contract this year.

Alderman Smith asked and is that percentage in your budget?

Mr. Thomas replied that $266,000 includes a 3 percent COLA for next year, which is a one and a two added up to a three.

Alderman O'Neil asked Frank that still leaves a shortfall in the building maintenance division?

Mr. Thomas replied that is correct.

Alderman O'Neil asked and that was, just off the top of my head, $170,000 some odd?

Mr. Thomas replied $123,000. That was noted in a letter to the Board of Mayor and Aldermen dated April 18th that summarizes both shortfalls.

Mayor Baines asked any other general discussion before we move on to the resolutions?

Alderman Guinta stated there's a sheet handed out that identifies five years of unspent expenditures.

Mayor Baines replied yes.

Alderman Guinta asked do these numbers match up with what's identified in the budget summary page? Let's just take 2002 for example. 2002 in the sheet that was handed out. I think I'm reading it correctly, it's total expenditures and other financing uses, $3.3 million that's unspent. Is that accurate?

Mr. Clougherty asked where are you looking Alderman?

Alderman Guinta asked could you tell me what number that correlates with on the budget summary page, in our budget book? On page one.

Mr. Clougherty stated it doesn’t really correspond. What that sheet you’re looking at Alderman, is you got through a budget process and you make an appropriation at the beginning of the year to all of the departments, and you if you take a look at for example the Mayor’s recommended budget, you have that in front of you. We go through the end of the year, and at the end of the year, after the fiscal year is complete, the numbers that you have in that first column for unspent expenditures, is what is remaining in each department’s total budget, it’s not broken out by line item, it’s a total number, what wasn’t spent for that year. So for example in 2002, there were $152,000 expenditures for Aldermen and there was $23,000 turned back.

Alderman Guinta I understand.

Mr. Clougherty continued and part of those numbers you have to understand during the course of the year, there will be monies moved from contingencies and other items into departments, and to some extent that might distort the number a little bit. But basically that’s what’s left in each department at the year-end, and that’s an audited number this table is.

Alderman Guinta asked but when you add up all those figures from the separate departments for 2002, it comes to $3.3 million? Correct?

Mr. Clougherty replied correct.

Alderman Guinta asked and you’re telling me that there’s no corresponding number on the budget summary page?

Mr. Clougherty replied there’s no corresponding…what that is, is we have…if you look across the bottom there, they have $3 million in 2002, you have $1.7 in 2001, your have $2.6 in 2002. If you take a look at those, that’s what was left at the end of the year after the department had performed all year. So you’re running about somewhere between $2 and $3 million a year, turned back by departments at the end of the fiscal period.

Alderman Guinta asked so what do we do with that money?

Mr. Clougherty replied that goes to your fund balance. That’s part of your fund balance calculation.

Alderman Guinta asked on the fund balance line in the budget summary, shouldn’t that number correspond with a number on the sheet provided here?

Mr. Clougherty replied no, because that's balances on the expenditure side, you also have to see where your revenues came in. Remember that we also have, for example, in this fiscal year, we're off setting the deficit at the School District, that has to be taken into consideration. The fund balance calculation, you put some of those dollars into your rainy day fund, you do a revenue stabilization number, and that's how you come down to the $646,000 that is available for undesignated purposes in the Mayor's budget this year.

Alderman Guinta stated that doesn't make sense to me. For 2002, let's just deal with the $3.3 million in 2002. How much of that money…you say $3.3 million is turned back to the City. Correct?

Mr. Clougherty replied yes.

Alderman Guinta continued so but we don't have $3.3 million to use for the following…?

Mr. Clougherty replied no. Because let me explain Alderman. You had $3.3 million worth of expenditure balances at the end of the year. You also had some revenues. So your total fund balance undesignated for the year was about $4.6 million. Now understand, against that $4.6 million you've got the school deficit of about $2 million, you've got the requirement for…

Alderman Guinta asked who paid for that? I thought that came out of the school side of the budget.

Mr. Clougherty replied there is a plan to deal with that on the school side, but understand from a total financial reporting perspective we have to make sure that we're offsetting that and that that's presented.

Mayor Baines stated could I just interject something. Even though you had a spending surplus you had a revenue deficit. Which also…

Alderman Guinta asked so the $3.3 million on the 2002, on the unspent expenditure, would the corresponding number be the $1.5 million minus…?

Mr. Clougherty replied there isn't a corresponding number Alderman is what I'm saying to you. It's how tight you budget. It's how tight you budget. If departments are giving back on the order of $2 to $3 million in the last two fiscal years, at then end of the year, they do not spend out of all of the money that you give them, they do not spend, you have a balance of $2 million.

Alderman Guinta stated okay let's take this from another angle. In 2002, $3.3 million came back. So it stands to reason that…was there a revenue shortfall for 2002?

Mr. Clougherty answered no. There was a little bit of a fund balance so your total fund balance as a result of excess revenues and excess spending, was $4.6 million. Against that $4.6 million, is we understand, the $2 million that is the deficit on the school side, and you have to make sure you're reserving enough totally citywide to not end up with a total deficit for the year. You also have the requirement for the rainy day fund, so half of that $3 million that's left after you take the $2 million off, goes in the rainy day fund.

Alderman Guinta asked why does it go to the rainy day fund?

Mr. Clougherty replied because the requirement for the rainy day fund is after that you've calculated your revenue and expense results, if there a positive result, that until we reach a point where we have I think it's 7.5 percent of, or 8.5 percent of, the budget, that money goes in to the rainy day fund. And again every year your budgets are growing and you want to make sure that you're…

Alderman Guinta asked so what happens in the scenario if the total expenditures number, that $3.3 million, what happens in the scenario where that's zero?

Mr. Clougherty replied if that were to happen this year, and you were not to add anything, you…

Alderman Guinta interjected you wouldn't have to put anything into the rainy day fund first of all, and the tax rate would actually be reduced? If we could see 12 months into the future, we would not be…how is that? I guess what I don't understand is, if we have $3.3 million on the expenditure side, with an additional $1.2 or $1.3 million on the revenue side, you've got $4.6 million, we're setting a tax rate and that includes that number. If that number comes back doesn't that mean that the tax rate was set too high?

Mr. Clougherty replied in a sense what that means Alderman is that you appropriated too high.

Alderman Guinta stated and we use the tax rate to appropriate, which means the tax rate is set too high. Right?

Mr. Clougherty answered it may not be the tax rate, it may be some combination of revenues and other things, it's not always…

Alderman Guinta stated but on this unspent expenditures, which is not revenue, that's $3.3 million, to me that means we set a tax rate $3.3 million worth of rate too high.

Mayor Baines stated I believe if my recollection is correct we ran a revenue deficit last year. I don't know what the exact number is; I just talked to Joanne a little bit about it but that figures into it. I don't think that's accurate. I'll go back and check them but I'm pretty sure we did. The other point I wanted to make Alderman, for example there are winters not like this past winter, in the previous year, I think Frank was able to turn back was about $300,000 or $400,000? The year before Frank? Okay $700,000. $700,000 that he did not use because the winter did not reach its level that he had prepared for. You have the same types of things that could happen in Police and Fire and they didn't have to utilize their overtime. I think Fire turned back, and again this is off the top of my head don't hold me to it, it was around $300,000 or something like that. So you have to take the revenue deficit, which I believe was substantial, and then you had an operating surplus, which was managed by various departments. Sometimes it happens because they've got a vacancy. Fred might have a vacancy, that if you had a vacancy of a very high level position, that he attempted to fill and offered and didn't get filled, and therefore he ends up turning it back because they can not spend that revenue because its in salaries. So there are lots of different things that are factored in there. It's just not that there's been too much appropriated, it is sometimes circumstances that do not end up with the departments spending their full appropriations.

Alderman Guinta stated well that's fine, however, if we have a $3.3 million, and now I'm not sure which number to go by because Kevin said including revenue it's $4.6, but Your Honor you're saying that the $4.6 is inaccurate?

Mayor Baines replied I don't think revenues met expectations last year, that's what I'm saying.

Alderman Guinta asked so what would it be for 2002 Kevin? Tell me what that $3.3 minus the revenue deficit is?

Mr. Clougherty replied Alderman I'll have to go back and look at that and I'll do an analysis.

Alderman Guinta asked that's still a positive number?

Mr. Clougherty replied yes.

Mayor Baines stated yes, it was positive.

Alderman Guinta asked so shouldn't…

Mayor Baines interjected half of it goes to rainy day and half goes to fund balance.

Alderman Guinta stated and here's my point. If the number becomes zero, if this unspent expenditure, when you take in account revenues, whether they're plus or minus, and we forecast accurately to hit zero, we're not in a situation where we've got to fund rainy day, we can then reduce the tax rate.

Mayor Baines stated I'm not sure I follow you.

Mr. Clougherty replied theoretically you're right Alderman.

Alderman Guinta state okay now we've got that clear.

Mayor Baines stated I'm not sure it is clear, but that's okay. At least some people think it is.

Alderman Guinta stated well the Finance Director thinks it's clear and he's the Finance Director, so my point is in going forward in this budget, maybe we should take a closer look at some of these projections. For example, the last quarter of the fiscal year, I think what I'd like to request, is an analysis, and I don't know if it's from the department heads or from the Finance Director or from the Mayor's office, the amount of overtime budget that's used in the last quarter.

Mayor Baines stated to just answer your question. We can do an analysis; in fact they started to do it where they can analyze the budget where they should be at the last quarter or where they're projected to be and where they actually are. For example, I think the Highway Department was at 16 and 20 percent?

Mr. Clougherty stated if you look at the monthly financials that we provide you, it will tell you what percentage of uncommitted balances there are currently Alderman. You know when we go through Committee on Accounts those reports, you'll see that at this point in time with a couple of months left departments should have about 16 percent of their budgets left.

Alderman Guinta asked and that's including the overtime that's being paid in the final quarter of the fiscal year?

Mr. Clougherty replied right, and some have considerably more than that. So if you look at that sheet, we can go over it tomorrow night with the Committee on Accounts.

Alderman Guinta replied that's fine. There's a couple of things that I want to do. The concern I have is if we set the tax rate, let's just take a number of, let's make it an even 6 percent, and we end up getting back at the end of the year $1 million. In my opinion, in my view, we've set the tax rate $1 million too high. And then that money doesn't go back to the taxpayer, the money goes in to two places you said. It goes to the rainy day fund, because it exists. If it didn't exist, we wouldn't have to have the tax hike as high as it is, theoretically it would stay in the pocket of the taxpayer. I think that's the kind of fiscal responsibility that we should try to get to.

Mayor Baines stated we agree with you on that except that the Board of Mayor and Aldermen does not set the tax rate. So that you understand that.

Alderman Guinta stated but we do go over these budgets and we…

Mayor Baines replied well it's only a projection, that's what we keep telling you.

Alderman Guinta stated but each year we seem to be over projecting, and this is five year's worth of projections and each year we're over projecting. So I think we need to do a better job of the projection.

Mayor Baines stated that's what we try to do. That's why we kept the budgets…in fact that's why we went in and did the exercise we did this year Alderman with the 2.5 percent. That was one of the reasons we did it.

Alderman Guinta stated I understand that. But if we're asking the department heads to cut 2.5 percent and however way they find, they find the way to cut it. They're still giving us money back. So are we getting a true need from each department head? I suspect it's to the best of their ability, in terms of what they're projecting, but we're still over projecting and if you look at that number and you look in the last quarter how overtime is spent in the last quarter, we could put those two numbers together and probably shave down the budget a little bit; the tax increase.

Mayor Baines stated that's what we've been trying to do and through this process this year we did with the help of the Finance office go through all the different line items. That's why we came in with the number that we did. We did that exercise through all of the departments. They weren't happy with these numbers as you're hearing. Again there are circumstances that result in that fund balance that you're never going to totally eliminate. Frank could go in this winter; we could have no snow. We've had winters, as you know…then he's not going to spend that money. He's going to turn it back. But if it snows, as he had to do this year, he had to come back and get some money I believe out of contingency. No, we didn't do a contingency this year. But he would have to come back and look at contingency. One further thing. If you also remember in this same year that we're looking at, we had a $1 million unexpected Welfare deficit that we looked at and we came back and we turned back all the departments. That's why…

Alderman Guinta asked that was in 2002? That's actually another million that you just identified.

Mayor Baines replied yes. That's right. We've had these conversations, needless to say. But the other thing that you heard tonight somewhat, my budget is less than last year. It's really not less than last year because we adjusted the budget. We made some cuts and we adjusted the budget, so therefore the original appropriation, if you recall because of the situation we have with the Assessors, we went back and readjusted all the budgets. Now some department heads are saying you're giving us less than you got last year, you're really talking about the appropriation, which is the original appropriation's as I understand it. Am I correct on that Kevin?

Mr. Clougherty replied that's right. And they're still living within their budgets and still have in many cases…

Alderman O'Neil stated I appreciate Alderman Guinta's comments. The three largest municipal departments, the biggest factor regarding their budget are unknowns. In the case of highway, it's snow. We have no idea how much snow we're going to get in a year. In the case of Police and Fire, it's injuries, and I just read in the paper a Police officer just broke his hand. He's going to be out for months, they're going to have to pay overtime to cover that Police officer in his regular cruiser route. I know we've had a number of fire fighters, Chief Kane, broken legs I think this year? Those fire fighters all have to get coverage, so even though he might have had a good year, whatever year it was he returned a significant amount of money, he's probably not going to have a very good year this year overtime wise and I think to date he's actually spent well over $800,000 in overtime, mainly to cover injuries. I mean there are unknown factors. If we could set up a system to control that, that would be great. But I don't know that we can. I'd like to just bring Chief Kane up if we're going just talk briefly about Alderman Lopez's handout.

Alderman Gatsas stated going along with where Alderman O'Neil is going, Alderman if we got a ten year history that showed us the same average of $2 million, would you feel comfortable that those same broken legs and Police officer's getting hurt had to have happened in that ten year average somewhere?

Alderman O'Neil stated I know it's a roller coaster. It's all over the place. There are some years that the Fire…even if we get away from injuries, just talk retirements at Police and Fire, some years Chief you may have two or three retirements and other years you might have 15 or 20 retirements. Am I correct?

Chief Kane replied that's correct.

Alderman O'Neil stated if there was a way to predict it, it would fabulous, but there isn't a way to do it. If I may…Chief with what Alderman Lopez handed out, he indicated a willingness to attempt to get $400,000 more into your operating budget. My understanding in the discussion you and I had and Alderman DeVries met with us at that same time. That would solve one of your problems of meeting all of your salary and benefit obligations for the year. Am I correct?

Chief Kane replied that's correct.

Alderman O'Neil asked but that would still leave you a shortfall of approximately $300,000 in overtime money? Is that correct.

Chief Kane replied that's correct.

Alderman O'Neil stated and you had indicated to Alderman DeVries and to me that failure to get either of those amounts totaling approximately $675,000, approximately each of the $300,000 would be equivalent to one ladder truck out of service for the year?

Chief Kane replied that's correct.

Alderman O'Neil asked so if we fail to take any action currently, we still open the new station or hire personnel for the new station January 1st, they don't necessarily open up January 1st, and we will see two ladder trucks out of service for the year? Am I correct?

Chief Kane replied if we stay exactly where we are.

Alderman O'Neil asked where you are today, you do not get the additional $375,000 to cover all your salary and benefit requirements and you don't get the additional $300,000 to cover overtime.

Chief Kane replied that's correct.

Alderman O'Neil stated we will put two ladder trucks in this City out of service for the year.

Chief Kane replied that's correct.

Alderman Gatsas asked how many ladder trucks do we have now?

Chief Kane replied we have six.

Alderman Gatsas asked what is the normal and customary compliment that we should have? By professional standards?

Chief Kane replied six. The question that you asked what would the standard from the insurance service office require us to have for distribution around the city. There's a formula that they would have that would basically a ladder truck would over about a run frequency of 2.5 miles. So if you take a station and put a circle around the station, it's 2.5 miles and if we do that, which we do that and have done that, our requirements would be six and they come in and look at those numbers and generate a report.

Alderman Gatsas asked if your reallocated where those ladder trucks are situated, my understanding is that you may be able to do that with less ladder trucks?

Chief Kane replied I'm not sure where you get that understanding from.

Alderman Gatsas asked is there a way that you can give us the documentation from what you're telling us you need six?

Chief Kane replied sure. It's a public document that's generated by the insurance service office and I'll be happy to get that to you.

Alderman Gatsas asked do they do an audit on these particular things?

Chief Kane replied they come in and usually spend anywhere from two to four weeks in the City reviewing our operations and reviewing the locations of the stations, as well as the Building Department and Water Works and generate a report.

Alderman Gatsas asked when you're talking a ladder truck; a ladder truck is capable of what heights?

Chief Kane replied 100 feet.

Alderman Gatsas asked can you tell me where the ladder trucks are located now?

Chief Kane replied sure. There are two ladder trucks on the west side, Ladder 2 and Ladder 6, South Main and Amory Street. There's one on Webster Street, that's Ladder 5. Truck 3 is on Mammoth Road, Truck 1 is at Central Fire Station, and then we have Truck 7 at Somerville Street. We also have a Quint, which has a ladder on it at Hackett Hill.

Alderman Gatsas asked so that would be the seventh one?

Chief Kane replied that's the seventh one, yes.

Alderman Garrity asked did you earlier state that the Mayor's budget takes two ladder trucks out of service? Is that right?

Chief Kane replied that's correct.

Alderman Garrity asked and it doesn't open up the fire station until…what's the earliest opening date you can have for the new fire station?

Chief Kane replied we're going to be hiring the fire fighters in January and our plan is to have them operating out of there while we are training them and once they have completed their training to have the trucks running out of there, probably near the end of February into March.

Alderman Garrity asked so with the Mayor's budget we have two trucks out of service and March service up at Cohas Brook? Is that right?

Chief Kane replied that's correct.

Alderman Lopez stated Chief you indicate that…you run your department any way you want. As you indicate $400,000 is going to open up that new fire station. How do you do it with what you have and the equipment that you have is entirely up to you. Because that's the only number that was ever indicated coming out of the fire station was the $400,000. So I don't know where you get these numbers of $375,000 or $300,000 for overtime or anything. But I believe that you can run the City of Manchester's Fire Department with an additional $400,000 and the safety of the people in the City of Manchester would not be compromised. Would you agree with me?

Chief Kane replied I think the services would have to be adjusted obviously if we…

Alderman Lopez interjected I didn't ask you if the service would have to be adjusted, I asked you with the $400,000 if you received it, by you managing your department the safety of the citizens of Manchester would not be compromised.

Chief Kane replied there would have to be reductions in services by ladder trucks. Now you could say that that would affect the safety of the citizens, yes.

Mayor Baines asked do you adjust the ladder trucks as part of routine anyway?

Chief Kane replied yes we do.

Mayor Baines stated many times during the budget discussions… How do you do that on a regular basis? Why do you do it?

Chief Kane answered we adjust all of our trucks on a day to day basis just to enhance what we do as far as training and so on and so forth. But the biggest impact is if we have a ladder truck that's out of service for repairs or that has been maybe damaged or gotten in an accident or something like that. We have ladder truck out of service right now at Engine 7. That truck had some minor damage to it and has been repaired and needs to be tested and will be tested this week. Once it's tested it will go back into service.

Alderman Lopez stated I have a follow up Your Honor. Thank you, not so much for the Chief but I want to address Alderman Guinta. I understand where you're going when you say the $3 million expenditures if we could do that. If we could cut the budget by $3 million, let's say on your train of thought. If we could cut budget by $3 million, that means the operating budget each department would have to cut and they would not be able to project to come with your zero in at the end of the year, so that you wouldn't have to put money into the rainy day fund and all of that. I don't believe there's any way to project it. I don't believe there's any way to manage it. It's great that they come in at the end of the year because they manage their budget and whether somebody retires or somebody leaves the City or whatever the case may be. At the end of the year we have X number of dollars that really helps the City in the long run on the fund balance and on the rainy day fund and the other accounts that we've established. So I know where you're going but I just don't think mathematically there's any way that we can project that. Thank you.

Alderman Forest stated yes Chief, with due respect, let's say you got your total wish list, everything you wanted in your budget. Would you still have to take pumps and ladders out of service on a regular basis? For training and otherwise?

Chief Kane replied that's our normal operation.

Alderman Forest asked so you do take them out of service when you have training or breakdowns and whatever.

Chief Kane replied when we have breakdowns and those types of things. We have a spare pump that we utilize but ladder trucks; we don't have a spare ladder.

Alderman Thibault asked Joe if in fact you take your ladder truck out of an area, such as the west side or the east side or whatever, or a pump, and there's a major catastrophe. Is there any liability to the City? At that point if they know in fact that you are playing short.

Chief Kane replied I think there's a moral liability that the City needs to supply fire service to the citizens of the City. In regards to a legal liability I think that the board gives the Fire Department X amount of dollars and the board makes that decision. I think that the citizens of the City have experienced a high fire service over the past years and continue to want to enjoy that fire response. But legal liability I'm not sure.

Mayor Baines asked are we laying off any people under this budget?

Chief Kane replied no.

Mayor Baines stated communities all across New England are laying off fire fighters and police officers and teachers. Even my proposed budget for the most part does not require significant lay offs in public safety officials. I want that to…we're also calculating percentage increases as we speak here. And I understand there are some concerns that we have to address here. But also remember the Aldermen. They gave a whole series of other things to look at that we could take care of some of these issues. And I'm going to say it one more time, one was recycling. $2.3 million we projected at the time of course as long as we implement that. This would take care and take us out of this discussion we've been having today. But we're talking about with the Fire Department budget increase under my proposed budget. Just so the people at home know even though we have serious issues because of increases in retirement, etc., etc., we calculate correctly 8.51 percent increase from last year to this.

Alderman Gatsas interjected Your Honor that's not really a fair number.

Mayor Baines no but I said…

Alderman Gatsas interjected but that's not a fair number because $900,000 of that increase is retirement.

Mayor Baines stated that's what I just said.

Alderman Gatsas continued so you didn't increase their budget.

Mayor Baines replied no. When you spend more from one year to the other it's an increase in the budget. They're doing the same calculations at the State level.

Alderman DeVries stated thank you Your Honor. When I had discussions with you Chief, and I'm not sure if you were involved first hand on this, so I might be confusing it a little bit, but there were some concerns about the insurance line item for your budget and that being short funded in the budget. And I know we shared that and I think Finance is sidetracked here and I'm going to draw him right into this conversation if I can get his attention. When I had discussions with the Fire

Department in reference to their budget and there had been some concerns for the insurance line item that they were given and I know the Highway Department had the same concerns. I think there's been representations that in a very difficult year we do have that insurance rainy day fund to put it simply that they could fall back on. And I just wanted to make sure that they were hearing that from you because I think Highway's had pretty clear conversations with you but I'm not sure Fire had the same clear conversations. So within your salaried line item, there's potential for some help for you from the insurance rainy day fund and should either Chief or Chief Monnelly or business services officer maybe have further conversations with you Kevin to clarify how that might help them in their budget should they…

Mr. Clougherty replied certainly we will be happy to talk to the Chief any time. He knows that. The approach that's been handled in the budget to look at actual claims as opposed to projections of premiums. If you take a look at the actual claims in our performance, we've done a good job this year. I think that's in part attributable to some of the stuff that we've done with the Safety Review Board. I think that's a part of some of the things that we've done with the Workers Comp program and that's had an impact on the reduction of actual claims paid. And that served as the platform for the calculation of benefits, not the previous budget or premiums. But claims paid. We feel that that number this year it is tighter than some of the projects, but we also feel comfortable for the very reason you state that we do have I think it's $1.4 million or somewhere there about in our health insurance reserve which is different from the rainy day fund to take care of that should we have to go over in claims.

Alderman DeVries stated but I just wanted the Fire Department to hear that and we'll continue that discussion one on one. I also would like to clarify…you stated that the budget as presented from the Mayor would not cause you to send home any fire fighters. So that means if you don't get the additional $400,000…if you don't get the $700,000 that's two additional trucks that are going out of service, without the $400,000 wasn't that an additional pump that would have to go out of service to make up the $700,000 shortfall? And wouldn't that in fact cause fire fighters to lose positions?

Chief Kane replied it probably would.

Alderman DeVries asked or do you handle it through attrition if that's…?

Chief Kane answered I probably wouldn't be laying anyone off or sending them home, I would probably try to handle it through some other fashion.

Alderman DeVries asked so it's important for everybody here to hear that $400,000 equates to another pump out of services so that would be equivalent to an entire station shutting down. The other way to look at that dollar amount though to open up that new station has a $95,000 a month price tag attached to it. So theoretically if things were able to worked out within your budget and you were able to somehow look at ways of sliding apparatus other otherwise meeting manpower needs, we are funding potentially that station opening earlier, if you look at just the dollars. The $400,000 being equivalent to four months at $95,000 with a little extra.

Alderman Shea stated just a quick question Joe. How many unfulfilled positions do you now have at the Fire Department? Unfulfilled positions instead of unfilled?

Chief Kane replied seven.

Alderman Shea asked and how long have they been unfilled?

Chief Kane replied several months. Well one of them at the beginning of this month and probably at the beginning of every single month, but probably for several months now.

Alderman Shea asked the end of the fiscal year is coming up. Do you anticipate that you will be turning anything back to the City?

Chief Kane replied I think this year is going to be a little bit tighter than what we've seen in the past. We hoped to see something turned back to the City. Yes.

Alderman Shea asked how much is that? Do you have any idea?

Chief Kane replied I wouldn't…

Alderman Shea asked a couple of a hundred thousand?

Chief Kane replied I don't think it's going to be that high.

Alderman Shea asked $100,000?

Chief Kane replied it may be nearer that, but probably less.
Alderman Gatsas asked Chief how long was Engine 7 out of service?

Chief Kane asked trucks that went out of service?

Alderman Gatsas replied the ladder truck.

Chief Kane replied it's been out of service for a couple weeks now. About two and one half weeks.

Alderman Gatsas asked how did you survive with that ladder being out for two weeks?

Chief Kane replied we survive the way that ladder trucks go out all the time. What we do is when an alarm comes in we send a ladder truck from a different part of the City to that area. It's something that we do on a day to day basis. So is it survival…I call it managing our resources.

Alderman Gatsas asked when was the first time that you were aware that the State retirement increase cost of $903,000 being 123 percent increase? When were you first aware of that number?

Chief Kane replied I was first aware of that from the Mayor's budget. I had to understand from the Mayor's presentation last fall that the number was going to be significant but I was not aware of exactly what the number was until the budget presentation got further into swing this year.

Alderman Gatsas asked so you're saying that you were made aware of it sometime last fall.

Chief Kane replied right. Actually the first time I was made aware…officially made aware of the problem that we were going to have, is when we were down to Public Service when the Mayor had made that presentation that said that there is a significant problem in the retirement system.

Alderman Gatsas asked so when you're told that your budget has increased in excess of 8 percent…

Chief Kane replied that's the retirement.

Alderman Gatsas stated and the total increase is $1.5 million, and the budget increase is $1.5 million and the retirement portion of it is $900,000…

Chief Kane replied it's the retirement. There's no question about what's affected…

Alderman Gatsas asked so the increase is maybe three percent or four percent?

Mayor Baines interjected four percent.

Chief Kane replied right. There's no question about what's affecting the Fire Department budget and other budgets. It's the retirement system.

Alderman Gatsas asked but when you made your request and knew this number was happening in October, or in the fall, when you made your initial request to the Mayor on your total budget, were you aware of that number?

Mayor Baines stated they came in January. Their budgets.

Chief Kane replied that number is given to us by the Finance. So when we put together our budget, we put together our budget with the Mayor's office and Finance, and so yes we were aware of that number.

Alderman Gatsas asked so when you put your request in Chief, that I'm looking for in 2004, you request as I'm looking at it, it shows the increase, as a matter of fact it doesn't show the…it's about $200,000 less on the retirement side than what the Mayor has in.

Chief Kane replied that's correct.

Alderman Gatsas asked is there a reason why you had it $200,000 less than the Mayor's?

Chief Kane replied the initial line, the 2004 initial line budget request, that didn't reflect the personnel for Station 8 and when the Mayor did his budget that reflected the additional personnel for Station 8. That's why that number went up $200,000.

Alderman Gatsas stated I'm talking the $1.4 portion. The State retirement portion.

Chief Kane replied $1.4 million okay, that was the budget that was put together in January. That did not reflect any personnel for Station 8.

Alderman Gatsas stated Chief this is only retirement, not wages.

Chief Kane replied I understand.

Alderman Gatsas asked so your retirement on that side couldn't have increased by $200,000 for an additional station?

Chief Kane replied that's the number that Finance puts in there. I don't have any control over that number.

Alderman Gatsas asked so preparing this budget when a line item is almost equivalent to 10 percent of your budget?

Chief Kane replied that, as I understand it, that number…

Alderman Gatsas stated Chief I'm just trying to find out how a line item that's 10 percent of your budget is provided to you by somebody else. That affects your total budget and when people are saying that we've effectively done this, then you're just thrown a number and that's part of your budget and you have no control over it.

Chief Kane replied that's absolutely correct.

Alderman Gatsas asked would you alter the way you produce your budget if you knew that that line item grew by 123 percent?

Chief Kane replied I was shocked when…as was everyone and the State was shocked in regards to the number and I think that I would have to talk to talk to the people at the State Retirement System to find out why that…

Alderman Gatsas asked this is the State side and it's only you and police that are affected by it?

Chief Kane replied and teachers. It's all fire fighters in the State of New Hampshire, so…

Alderman Gatsas replied right, but it's still the same effect as what we're looking at here for the retirement system on this side, when the anticipation was $1 million and it went to $1.8 million.

Chief Kane replied right.

Alderman Gatsas stated what was really being produced in those funds wasn't there.

Chief Kane replied right. I guess I have some serious questions for the people at the retirement board, but as I understand, it's just not the City of Manchester, it's just not the State of New Hampshire, it's a retirement issue nationwide.

Alderman Gatsas replied I agree.

Mayor Baines stated that's right. And that's why we have this financial crunch on us is because these…in large part because of the retirement system. They're out of our control.

Alderman Smith asked Chief the Cohas Station will probably be available by January of next year? Is that correct?

Chief Kane replied we're going to be working out of there in January of next year.

Alderman Smith asked and it takes about, your training period, about five weeks? Is that correct?

Chief Kane replied it’s going to probably take about ten weeks.

Alderman Smith asked so you wouldn’t be going on line until March, the end of March probably?

Chief Kane replied hopefully the beginning part of March.

Alderman Smith asked am I correct? This was your presentation that particular night a couple of weeks ago, is $605,155 for six months staffing? Is that correct?

Chief Kane replied that’s correct.

Alderman Smith asked the only reason why I’m bringing this out is if we have a new fire station I’ll tell you I’d be embarrassed if we didn’t fund the money to have the staff to get it open in January or February at the earliest.

Mayor Baines stated I want to remind the board that we phased in I believe the Hackett Hill Fire Station prior to a lot of us being here. And we phased in the McLaughlin School over a three-year period. We had a brand new school, all of the classrooms built, all of the furniture in it, but we phased it in over a three-year period for the same type of reasons we’re facing now.

Alderman Lopez stated Chief I just want to make a couple of comments and you can respond if you want to. Looking over…and you triggered something in my mind when you said you had seven vacancies. You have seven vacancies today?

Chief Kane replied that’s correct.

Alderman Lopez stated and you’re utilizing that money to manage your department very good and with the overtime and that. And if you continue doing that, last year you turned in $338,948 and you managed your department very good. So I wish you’d take a very, very good look at the $400,000 that I recommend we put into your budget and calculate those particular numbers so that the other $375,000 that you need… I would say that you will find it and manage your department very good.

Alderman O'Neil stated one comment, what Alderman Smith said kind of triggered. What would be very embarrassing is we open up a new fire station and end up closing parts of other fire stations around the City. That makes absolutely no sense to me at all. Thank you Your Honor.

Mayor Baines stated and at the end of the day it's going to come to what you feel is a reasonable projected tax increase to go to the public with if you're not going to look at any other revenue sources. So that's why we're having these discussions. Any more discussions on the budget before we move to the resolutions?

Alderman Guinta asked can we get a report from, and I don't know if it comes from Finance or the department heads, on a quarterly breakout of overtime and what purpose the overtime was used?

Mayor Baines replied we'll work on that tomorrow morning.

Alderman Guinta stated for the full board.

Mayor Baines addressed Item 5 of the agenda:

Appropriating Resolution:

> "A Resolution appropriating to the Manchester Aggregation Program the sum of $820,634 from Aggregation Fees for the Fiscal Year 2004."

On a motion of Alderman O'Neil, duly seconded by Alderman Forest, it was voted to read the appropriating resolution by title only, and it was so done.

On a motion of Alderman Lopez, duly seconded by Alderman DeVries, it was voted to table the appropriating resolution.

Mayor Baines addressed Item 6 of the agenda:

Appropriating Resolution:

> "A Resolution appropriating to the Manchester Airport Authority the sum of $42,676,942 from Special Airport Revenue Funds for Fiscal Year 2004."

On a motion of Alderman O'Neil, duly seconded by Alderman Thibault, it was voted to read the appropriating resolution by title only, and it was so done.

On a motion of Alderman Pinard, duly seconded by Alderman Sysyn, it was voted that the appropriating resolution ought to pass and lay over.

Mayor Baines addressed Item 7 of the agenda:

Resolution:

"Continuation of the Central Business Service District."

On a motion by Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to read the resolution by title only, and it was so done.

Alderman Gatsas asked the Central Business Service District rate is .64 cents? Is that correct?

Deputy City Clerk Johnson replied the .64 cents is based on the resolution that follows that is the sum of $225,000 as the district now lays out. That was the assessment based on the last year.

Alderman Gatsas stated I guess my question Your Honor is that the assessment value has gone up, are we talking about .64 cents or $225,000?

Deputy City Clerk Johnson replied I guess I would defer to the Board of Assessors who can tell us whether or not the assessments…the .64 cents is the same as last year basically. It's the same as I understand it, based on the $225,000 and the amount of assessments in the district, but I would defer to Mr. Tellier.

Steve Tellier asked could you restate the question please?

Alderman Gatsas stated my question is that the amount of money, $225,000, is relevant to a rate of .64 cents based on evaluation dollars at the Central Business District. If the evaluation dollars have gone up, and we remain constant with the rate, it's going to generate more than $225,000.

Mr. Tellier replied the assessments have been static since 2001 as a result of the revaluation. There was a change in the district and there was also a change to exclude I believe it was four families. There were three families down below and then we altered that to be the four families down below as well to be considered residential in nature. But that assessment value to the district has been static since 2001 for the most part.

Alderman Gatsas stated just two weeks ago we increased the size of that district.

Deputy City Clerk Johnson interjected no we did not.

Alderman Gatsas asked we didn't?
Mayor Baines stated the clerk will advise the board.

Deputy City Clerk Johnson stated the Central Business Service District has not been expanded at this point in time. It is laid out in the resolution in the same format as it was last year. In order to expand the district, this is where you would amend the district, this resolution here. What you did a couple of weeks ago was change some zoning which did not affect the basis of where the district boundaries lie. If you want to change the boundaries of the district, this is where you do that.

Alderman Gatsas asked but didn't we change the boundaries based on the baseball re…

Deputy City Clerk Johnson replied no. You changed the zoning. You did not change the boundaries of your Central Business District. It was a zoning change only.

Alderman Lopez stated just a clarification primarily because I asked that particular question during the zoning and it was determined at that time that it was an appropriate time to do it. At some point we should address where the baseball stadium end is and add that into the district. And then the question came up as to whether they could handle that whole…Intown could handle that whole district. But I think we need to extend the district. How we do that at this stage of the game I'm not too sure if we have to include Intown and the…

Mayor Baines stated there should be some discussions before we that.

Alderman Lopez stated yes. We need to get some discussion with them and I agree with… I'm not too sure, maybe you can explain this again. The .64 cents is derived from the budget that they predicted in order to get the .64 cents. You're saying…

Alderman Gatsas stated the $225,000 budget is derived by using a rate of .64 cents per thousand on evaluation in that district. I have to believe that I would hope that since 2001 that the evaluation just because of renovations or new buildings that might have been renovated in that area, have increased.

Mr. Tellier stated as to what that percentage change is, I really don't have that right in front of me Alderman. I'd be happy to get that whole list and the particulars. I can get back to you in the matter of just a couple of days.

Alderman Lopez stated why don't we move to table Your Honor?

Mayor Baines stated just a clarification from the Finance Officer then Alderman Guinta.

Mr. Clougherty stated I agree with Alderman Gatsas. I think that…what you're doing is again you're not setting the rate, you're setting the appropriation. If the appropriation remains constant at $225,000 and for some reason the assessed value of the district goes up or goes down, then the rate is going to go up or go down accordingly. If before you give the appropriation, you want to have a better idea of what that rate is going to be then I think as the Assessor has said, he's going to need some time to go back and give you a better figure on what that value is. Today you're really setting the appropriation and the size of the district.

Mayor Baines asked why would you want to table this?

Alderman Lopez replied to get the correct number.

Mayor Baines asked do we need more information to act on this?

Alderman Gatsas stated I think that the amount of evaluation, if it was $3 million and we received $225,000, if it's now $4 million, we could receive $385,000. We're only appropriating $255,000 then I don't have a problem because then we would change the rate.

Mayor Baines asked would you prefer to get more information before we act on this? Is that the preference?

Alderman Gatsas replied what ever Finance is telling us that we have to do, I don't have a problem.

Alderman Guinta asked can we set the appropriation figure, dollar figure today at $225,000, which is the request, which is the same budget as last year, and that's the request this year. Correct?

Mayor Baines asked and that's what this does? Correct?

Deputy City Clerk Johnson replied no.

Alderman Guinta stated we went through this last year.

Deputy City Clerk Johnson stated he can do what he wants. That's in the next resolution. There's two resolutions for the Central Business District. The first that's listed on the agenda deals with what the district is and it also does in fact list that .64 cents in it which Kevin was unaware of at the time. But at this point if you want to work on that district, you could table this resolution and still continue with the appropriating resolution now.

Alderman Guinta stated the idea also was to expand the Central Business Service District to match what the Central Business District is. And we had talked about that during the discussions regarding the $100,000 project down on the river.

Alderman Gatsas stated table 7 and pass 8.

On a motion of Alderman Forest, duly seconded by Alderman Thibault, it was voted to table the resolution setting forth continuation of the district.

Alderman Guinta continued and that will affect the amount…

Mayor Baines addressed Item 8 of the agenda:

> Appropriating Resolution:
>
> "A Resolution appropriating to the Central Business Service District the sum of $225,000 from Central Business Service District Funds for Fiscal Year 2004."

On a motion of Alderman O'Neil, duly seconded by Alderman DeVries, it was voted to read the appropriating resolution by title only, and it was so done.

On a motion of Alderman O'Neil, duly seconded by Alderman Sysyn, it was voted that the appropriating resolution ought to pass and lay over.

Mayor Baines addressed Item 9 of the agenda:

> Appropriating Resolution:
>
> "Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2004 and held in the Civic Center Fund, for the payment of the City's Obligations in Said Fiscal Year Under the Financing Agreement."

On a motion of Alderman Thibault, duly seconded by Alderman DeVries, it was voted to read the appropriating resolution by title only, and it was so done.

Alderman Sysyn moved that the appropriating resolution ought to pass and lay over. The motion was duly seconded by Alderman Osborne.

Alderman Shea asked Kevin are we increasing the amount of meals and rooms money each year? Is that coming through because of the poor economy and so forth? But are we still increasing that amount?

Mr. Clougherty replied yes.

Alderman Shea asked do you know how much we do have for capital improvements to the civic center? Do you have any kind of ballpark figure?

Mr. Clougherty replied what we're talking about here, the increment is about $3.5 million.

Alderman Shea asked and we keep increasing that every year?

Mr. Clougherty replied until you get to the maximum debt service in about four years, I want to say, and then it will level off and then you could use the balance.

Alderman Shea asked do we have any…there is no amount that we're setting aside as far as capital improvements? That's going to go on as long as we owe on the…?

Mr. Clougherty replied there's not a piece of this money that's being set aside for capital improvements to the arena, but as you know the arena is making money in terms of the ticket sales and all the revenue that flows through there, the naming rights, and there is a requirement in the management agreement that money be set aside in a capital fund so that we can keep the building in a state of good repair.

Mayor Baines called for a vote on the motion that the resolution ought to pass and lay over. There being none opposed, the motion carried.

Mayor Baines addressed Item 10 of the agenda:

> Appropriating Resolution:
>
> "A Resolution appropriating the sum of $2,952,578 from Recreation User Charges to the Recreation Division for Fiscal Year 2004."

On a motion of Alderman DeVries, duly seconded by Alderman O'Neil, it was voted to read the appropriating resolution by title only, and it was so done.

On a motion of Alderman Pinard, duly seconded by Alderman Sysyn, it was voted that the appropriating resolution ought to pass and lay over.

Mayor Baines address Item 11 of the agenda:

> Appropriating Resolution:
>
> "A Resolution appropriating to the Manchester School Food and Nutrition Services program the sum of $4,850,750 from School Food and Nutrition Services Revenues for Fiscal Year 2004."

On a motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to read the appropriating resolution by title only, and it was so done.

On a motion of Alderman Osborne, duly seconded by Alderman Thibault, it was voted that the appropriating resolution ought topass and lay over.

Mayor Baines addressed Item 12 of the agenda:

> Appropriating Resolution:
>
> "A Resolution appropriating the sum of $15,040,695 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2004."

On a motion of Alderman O'Neil, duly seconded by Alderman Forest, it was voted to read the appropriating resolution by title only, and it was so done.

On a motion of Alderman Sysyn, duly seconded by Alderman Thibault, it was voted that the appropriating resolution ought to pass and lay over.

Mayor Baines address Item 13 of the agenda:

> Appropriating Resolution:
>
>> "A Resolution appropriating to the Manchester Transit Authority the sum of $850,000 for the Fiscal Year 2004."

On a motion of Alderman Pinard, duly seconded by Alderman Osborne, it was voted to read the appropriating resolution by title only, and it was so done.

Alderman O'Neil moved that the appropriating resolution ought to pass and lay over. The motion was duly seconded by Alderman DeVries.

Alderman Garrity asked Kevin are these general fund dollars? Because it’s a $125,000 increase from last year.

Mr. Clougherty replied the Transit Authority allocation is general fund.

Alderman Garrity stated I think it’s important that this…

On a motion of Alderman Gatsas, duly seconded by Alderman Garrity, it was moved to table the appropriating resolution. The motion carried on a roll call vote with Aldermen Gatsas, Guinta, Sysyn, Osborne, Pinard, Lopez, Garrity, and Smith voting in favor. Aldermen O’Neil, Shea, DeVries, Thibault, and Forest voted in opposition.

Mayor Baines stated okay the motion is tabled. Now I assume the request is we’re going to ask the Transit Authority people to come in to the next meeting with the Finance Committee. The Clerk will notify the…

Alderman Gatsas stated Your Honor I don’t think we need them to come in and explain anything, I just don’t think that we should be appropriating general fund money until we get a complete idea of where we are with the budget.

Mayor Baines replied that’s fine. It won’t be tomorrow night, it will be just the Finance Committee.

Alderman Shea stated may I ask Alderman Gatsas what’s going on up at the State House and what impact that might have on the school budget here in terms additional monies that might be forthcoming or not forthcoming? With your pleasure Your Honor may I ask that?

Alderman Gatsas replied Alderman I would love to say to you that the State has come to a quicker conclusion than the City has, but we haven’t. There are two bills that will be voted on Thursday. One has come out of committee inexpedient to the legislation which is 717, which is the Coalition Communities bill which eliminates the statewide property tax. The other bill which has 14 senators on it as sponsors takes the 2004 budget, reduces the statewide property tax to $4.87, and keeps the grant equal to the 2003 grant that we received this year. In 2005 going forward it reduces the statewide property tax to $3.50 and does targeting aid, and includes ESL as part of the targeting aid.

Mayor Baines stated it includes ESL as part of the targeting aid. That hurts me. That would have an affect on…

Alderman Gatsas stated I would say it probably has a beneficial affect.

Alderman Shea stated a follow up Your Honor if I may. For those of us that are still… Now has the School Department predicated their expenditure for the forth-coming year on either one of these two proposals or is it just in a sense speculating on thin air? I don't know.

Mayor Baines replied I can answer that. We used the adequacy number that promised to the City. The School District in their revenue projections used a lesser number, and again that's one of those issues we didn't know about, and a lot of the formulas that we had seen originally, Manchester was looking like it was going to receive more than what we were looking for in terms of what the State had projected. So what Alderman Gatsas is saying is that's unknown at this point. We could end up getting less than what we projected. Either one of us. Which creates another issue for our budget.

Alderman Gatsas stated I would say Your Honor there are numerous possibilities, but I would say that the two largest possibilities that exist is the current amended form of 608, the bill that had 608 on it, and current law, current law looks like it's going to be repealed and one of those other formulas will be put in place. I would say by Thursday you're going to get a better idea Alderman on where we're going because of 717. I don't think the Senate is going to pass two education funding bills. So I would say that you will see one of those bills coming out of the senate on Thursday.

Alderman Shea asked one was 717 and the other is what?

Alderman Gatsas replied 608, and they're both house bills.

Mayor Baines stated and then they'll be a conference.

Alderman Gatsas replied correct.

Alderman DeVries asked I just wanted to clarify with you, your hiring freeze is still in force and in full effect?

Mayor Baines replied what we do, we have a process that we've been using. The department heads will come forward with a request, it's reviewed by the Human Resources Department, then a recommendation is made whether we fill or do not fill the position.

Alderman DeVries stated I guess my question would be are you as strict with that hiring freeze as you would have been a year ago, or do we need as a board to mandate something to restore…

Mayor Baines replied I think we've demonstrated we've been managing that quite well. I think that's…we try to do the best we can to make sure that especially services are maintain and we don't eliminate a position that's going to end up costing the City money or the case of fire fighters and police officers jeopardizing public safety, and I believe that's an appropriate decision that rests with the departments.

Alderman DeVries asked follow up if I may. And I certainly agree with you in departments where they have multitudes of positions, fire, police the same. I don't think that we need to scrutinize each and every time they come back for a hire, but I'm thinking an individual position such as Finance was just authorized the City Assessors position. They're one of a kind type of positions. I think we need to as a board be looking at them with a higher level of scrutiny, especially until we determine this budget. I would ask the rest of the board; I'll make a motion at this time that it go through…

Mayor Baines interjected this is the Finance Committee not a meeting of the board. We're in Finance Committee right now. Again, we went through this before. That's why you have a chief executive.

Alderman DeVries stated I realize we've been through it on Human Resources Committee.

Mayor Baines stated right. We've been through this before, you have a chief executive of the organization, you have a personnel director, we have department heads, I think we've exercised the responsibility quite prudently and that's appropriately where that decisions rests, is with the chief executive.

Alderman DeVries asked so even though the hiring freeze affects the finances of the City, we still can not bring it up?

Mayor Baines replied that's why you have a chief executive. That's why you have a chief executive of a business.

Alderman DeVries asked I'm talking as far as business tonight. Since…

Mayor Baines replied that's my argument about that. That's why you have a chief executive to make those decisions. It shouldn't be a decision for 15 individuals.

Alderman Shea asked Your Honor are you still in favor of the auto registration fee being adopted? I know Alderman Lopez in his discussion with his budget sort of went quickly through that, but would you be in favor of that to bring in…

Mayor Baines replied that was presented and Kevin can explain a little bit more, to take care some of the parking deficit issues. And I don't know if you want to address how that would help us through that.

Alderman Shea asked are we adding the dollar, would that…

Mayor Baines replied that's one of the proposals.

Alderman Shea asked that's adding one dollar to the…

Mayor Baines interjected but I want Kevin to explain why that's been advocated by Finance as well.

Mr. Clougherty stated if you were to reintroduce that as it had been once before, what that would do is raise some dollars under a State formula Alderman that can only be use for certain purposes. And because it can only be used for certain purposes that might help to offset some of the other costs in the operating budget and you have some discretion in terms of how high or high low you want to set that rate. It does not have to be a dollar and you can raise as much or as little as you feel comfortable with that proposal.

Alderman Shea asked in other words, if we were to raise it .50 cents, you would add one half, $114,000? Is that correct?

Mr. Clougherty replied right. We've given you some presentations on that in the past and I'll get a copy of that to you tomorrow night Alderman so you can take a look at it and refresh yourself on what that range is.

Alderman Shea stated I'm not sure if Alderman Lopez, and again I'm just using your list, combining the health and youth services along with the planning and building and so forth. Did you include that Alderman Lopez?

Alderman Lopez replied if I may Your Honor. I mentioned it during my presentation. I did not include any of those numbers into my numbers.

Alderman Guinta stated getting back to the overtime…I'm sorry not the overtime, the hiring freeze. I'm not going to speak for Alderman DeVries and I don't know if she was going down this direction, but is there a problem with providing information to the Aldermen when decisions are made regarding lifting hiring freezes?

Mayor Baines replied we could do that. When we authorize to fill a position, just so you know the process that it goes through. A request comes usually jointly to the Mayor's office and Human Resources Director. In her capacity she reviews the position, looks at how its impacting the management of the department, whether it can be left vacant for a period of time, long period of time, short period of time, sometimes we leave them vacant for a period of time, sometimes we haven't filled them. I think Finance was without how many positions for how long Kevin? Five positions for how long?

Mr. Clougherty replied the first half of the year.

Mayor Baines stated so we manage it that way. And again personnel that's generally the authority that's given to the department heads, to the chief executive of the City, and Ginny do you want to add any more to the process than that? What do you go through, the criteria that you use to…

Alderman Guinta stated I understand the criteria.

Mayor Baines replied okay.

Virginia Lamberton stated we look at the request and the level of responsibility in relationship to how it would impact on the public. And then we look at the cost, then we look at how long it's been vacant, or how many times it's been vacant in the last year or two years. There's a whole bunch of things that I'm looking for. So if a position has had a…say a turnover and it's been filled on an average of three months a year for the last couple of years, and the department's been functioning, they probably don't need it for a while because they've never really had a person in it. So there's a number of things that we're looking at all the time.

Mayor Baines stated but we can certainly if you want we're going to get into the process I suppose sending out something to the entire board but…

Alderman Guinta asked what's the problem? Why are you getting angry?

Mayor Baines replied there's not a problem with it. That's never been requested before.

Alderman Guinta stated I don't think we're out of our bounds here requesting it.

Mayor Baines stated no one said that.

Alderman Guinta stated well you said that there's only room for one mayor at a time and you're throwing around chief executive officer like you're angry.

Mayor Baines replied that's what the Charter says.

Alderman Guinta replied that's great. But earlier this evening you said to this committee that we need to, we meaning the committee, need to be comfortable, I think is the word you used, with the appropriate tax increase. Well, I'm not comfortable with any tax increase but I certainly want to have all of the information in front of me and I think an integral part of that is the hiring freeze issues and how they go forward. So providing the board with the information, I don't think is in any way getting involved in the responsibilities of the Mayor's office.

Mayor Baines stated and I agree with that. I have no problem with that. I have a problem, and we've discussed and debated this before where that belongs with the committee of the board and I think that's where some of that issue was going and I think I've address that fully. I believe in the Charter that the way government functions properly that's the job of the chief executive as well as the personnel department. But certainly we'll report it to the board.

Alderman DeVries stated I have one additional request of the department heads and this is probably pie in the sky. Last year with a difficult budget handed down to them the City Clerk's office was able to save some amount of money by a voluntary use of a 35 hour work week, versus a 40. I don't know that's it's over thrilling to the different departments, but I just thought if we could ask for the different departments to peruse their staff and see if there is an opportunity for small amounts to be saved by voluntary reduction of the work week to 35 hours. At this point if we even get $5,000 or $10,000 back from a department that they could shave off by somebody who would like to have a shorter work week during summer hours, it's money we could use somewhere else and save positions. If that's something that within a timely fashion we could receive back, it would be appreciated.

Mayor Baines asked again would you be requesting the department heads…so for example, even if a department head made that offer and they said that that was going to jeopardize the services of that department, then that person would be allowed to only work 35 hours?

Alderman DeVries replied I think the department head can cover it however they wish to. I'm seeing a flag behind me from Human Resources. Maybe we're not allowed to do this.

Ms. Lamberton stated first of all, you're departments that have contracts, collective bargaining agreements, then the non-affiliated employees in order to receive health insurance benefits, they have to work the 40 hours. And then it impacts on a whole bunch of other things. Then at some point in time you have two employees that, one you wish wouldn't work 40 hours at all, and the other…so who do you pick? And then you create new problems because I'm standing next to somebody who is getting all the same benefits and everything and time off accrued and health insurance and I have to work 40 hours a week and that person has to work 35. So you just keep running into situations that you're almost better off to say I'm going lay somebody off just to save the money rather than creating all of these new conflicts. And then you have people who are non-affiliated saying I have to work 35 only because I'm not unionized and then on and on and on and on. I would not advise anybody to do that unless the whole City negotiates and everybody moves to 35 or everybody is 40, but not randomly select people.

Alderman Lopez stated just to say about the 35 hours a week, I don't know how you do it, but it's been said many times by a few department heads that they have a lot of back log in their work. We went from 35 to 40 hours. I don't know who can prove how much time that is saved, or how much money that is saved, but surely we shouldn't be as back logged as we were when we were doing 35 hours a week. Secondly, the documents that you received from the Finance officer I appreciate it very much because there's been a lot conversations in aggregation program about the individual as Chairman of Human Resources, I'd like to have each Alderman really look it over because some people had the impression that this was in the general fund. It's in the enterprise fund, but I'm sure you'll have questions afterwards. That was the reason I asked it to be tabled tonight. Your Honor I just want to say one thing and I don't want to get into a debate about filling positions. I just want to make sure that we are really analyzing these positions. It goes back to that 35 to 40 hour week. Whether we need some of these positions where other people are not taking up the slack. I can give you one example. The Building Maintenance Department was consolidated with the Highway Department. They have finance people in the Building Maintenance Department, they have finance people in the Highway Department and they have finance people in EPD. I think it has to be looked at as to why we need ten finance people in that department. And that is not any derogatory towards the Superintendent of the Highway Department, because he does an excellent job. But those are the things, filling these positions. It's no more than the Finance office. We filled four positions in the Finance office. I want to make sure that we're trying to reevaluate the positions and see whether or not that that full spectrum that we've been told before, that a true evaluation is given to these positions to make sure that positions are not given as positions. That's all and I think that's what the questions were that came up here. It's not that you're…you are the chief executive, you make those decisions, but I think we have to because we all know what the problem is in the City, and it's salary. That's what's driving the budget sky high, for the compensation. That's all I think we're looking at.

Mayor Baines stated and I agree with you that those things need to be looked at but I also want to remind the board that every time we've brought those issues before the board, and looking at the operations of different departments and how we could look at reconfiguring departments, eliminating positions, you know what they've been met with. And because people equate…and I don't blame for doing it, but it creates an obstacle and that's why government is a lot different I think sometimes from the private sector. You look at all of these positions, everybody knows the person that's in the positions, they don't want to downgrade the salaries, they don't want to eliminating the positions, they don't want to deal with the lay off situation, they don't want to deal with any of these other issues. If you're not willing to do those things, then nothing changes. But again I'll remind the board that we put before you the different committees, different proposals, one is still lingering out there in never never land, Human Services consolidation. It's in there some place in the committee system. As you recall we brought forward a proposal that had been worked on by economic, building and planning that saved a sum of money we're talking that would have an impact here. Opposed by the department heads, it went no where. We also had another proposal that Frank did at my request that was resulting at least initially of $250,000 and I was told by the chairmen of both committees that based on the experience we've had with the other proposals, just to forget about it. And then we have Kevin Dillon is working with a committee as you know as a result of the committee that I put together was headed by Ray Pinard to look at the financial operations of City government, they'll be coming forward with some recommendations I'm anticipating within a short period of time. I don't know what they are, but we'll see if there's a political willingness to try to deal with those issues. I have not found a lot of political willingness to deal with those issues and you've been part of helping us to try to bring about those and you know what's happened with them.

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

A True Record. Attest.

Clerk of Committee