

COMMITTEE ON FINANCE

April 15, 2008

Upon Recess of BMA

Mayor Guinta called the meeting to order.

The Clerk called the roll.

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

Messrs: B. Sanders, T. Clark

3. Resolution: "Amending the FY2005, 2007, 2008 Community Improvement Programs, transferring, authorizing and appropriating funds in the amount of Forty Two Thousand Dollars (\$42,000) for the 2008 CIP 411808 Fire Ladder Truck Repair Project."

"Amending resolution providing for acceptance of FEMA funds in the amount of \$316,877 for drainage work on North Union Street; and committing the sum of at least \$105,627 in FY2009 cash appropriations or other funds as determined by the Board of Mayor and Aldermen; and further to authorize the Public Works Director to execute any necessary documents."

(Note: Communication from Bruce Thomas, Highway Engineering Manager, requesting authorization to execute necessary documents.)

On motion of Alderman M. Roy, duly seconded by Alderman Osborne, it was voted to waive the reading of the Resolutions.

On motion of Alderman J. Roy, duly seconded Alderman Pinard, it was voted that the Resolutions ought to pass and be Enrolled.

4. CIP Budget Authorizations:

411808 Fire Ladder Truck Repair
210908 TB Prevention & Control
210408 Lead Poisoning Program
710907 Annual Bridge Maintenance
711007 Annual ROW Maintenance

711307 Municipal Deferred Maintenance
711407 Sign Inspection & Maintenance
811105 Municipal Deferred Maintenance Cash Program

On motion of Alderman Garrity, duly seconded by Alderman O'Neil, it was voted that these budget authorizations be approved.

On motion of Alderman Garrity, duly seconded by Alderman Shea, it was voted to approve the resolution of the continuation and expansion of the Central Business Service District.

Alderman Gatsas stated we were passed out this document from Mr. Sanders, the projections, the 2008. As I look through them, I guess my question is, when I refer to the City Charter, that overspending of appropriations is prohibited, I look at these departments and some of these...is this telling me that some of these departments have overspent their budget?

Mr. Bill Sanders, Chief Finance Officer, responded no departments have overspent their budget at this point in time. There will be a requirement to transfer to departments the Salary Adjustment account, which is creating a substantial portion of the projected overspending. Once again, this is for the full fiscal year, so this is projecting spending out till June, so we will need to transfer Salary Adjustment money to departments along with some of the Contingency money. Some of that Pension Adjustment money is department-related as well.

Alderman Gatsas asked if the Salary Adjustment amount and the Contingency and the Pension Adjustment and Medical Services were all zeroes, what would that create for overspending in those line items?

Mr. Sanders responded then we would be projecting that departments would be projecting to overspend their budget, if we did not have these Contingency and Salary Adjustment accounts available.

Alderman Gatsas stated well my question is, what happens at that point? Give me a clearer explanation because looking at this...I assume that projected deficit spending would appear, by date? you're projecting this out to June 30th. So can we get an answer of when those pro

Mr. Sanders responded yes, I can go to the departments for that.

Alderman Gatsas stated with that assumption being in place, let's assume for a second, and can you give me a direct answer. If we don't authorize the departments to deficit spend, how do we make up that expenditure line item?

What can we do? What are the alternatives? If we didn't have the bottom four numbers that you had given us...

Mr. Sanders stated I'm deferring to the Solicitor here if I misspeak. There could be an additional appropriation, provided that the Finance Officer could certify that there were additional revenues available to make an additional appropriation to the departments. That would be an option.

Alderman Gatsas asked what if there were no additional revenues?

Mr. Sanders responded then an additional appropriation would not be an option. And I don't know right at the moment what another option would be, other than to cease spending.

Alderman Gatsas stated I understand, but obviously you can't cease spending or you're going to shut down City government. There must be another situation, that if we didn't have these line items, how do we continue City government? There must be a reason for me asking these questions, I would assume.

Mr. Sanders stated I would have to get back to you, Alderman. It's not obvious to me what another option would be.

Alderman Gatsas asked can the City Solicitor give us an idea with his experience that he's been through some of these tough times if that's ever occurred before?

Mr. Tom Clark, City Solicitor, responded I don't believe it ever has, that I recall. But departments, by City Charter, are prohibited from overspending the budget. If they run out of cash, they have to shut down.

Alderman Gatsas stated so the alternative is, if those four line items disappear, then City government stops.

Mr. Clark stated it very well could.

Alderman Gatsas asked and how do we possibly rejuvenate City government? I would assume that that's not an alternative.

Mr. Clark stated if you're asking me, I don't think it should be an alternative. When the budget process took place last year, departments were basically promised that they would run their departments and if they needed cash out of the Salary Adjustment account that it would come out of it and be transferred during the year.

Alderman Gatsas stated there's no possibility of...I know that obviously if we don't meet revenue expectations, that has the ability to come from the Rainy Day account. Is that correct?

Mr. Clark responded I believe so but I'd have to double-check for you I guess.

Alderman Gatsas asked could we appropriate one-time monies from this Board to supplement the expenditures as a supplemental appropriation?

Mr. Clark responded no, there is no authority for a supplemental appropriation per our Charter unless there are excess revenues that weren't anticipated during the year.

Alderman Gatsas asked there's nothing in here that allows for a supplemental appropriation?

Mr. Clark responded only when there are excess revenues that weren't anticipated in the original budget process.

Alderman Lopez stated you're not indicating departments are overspent their budget because as indicated during the budget process. I'm sure the Mayor and the people who have left severance pay, that's all part of the whole process. So I don't believe any department head is intentionally overspending their budget without consulting the Mayor or the Finance Officer. And the Salary Adjustment account was there. I'm trying to get your logic of what you're trying to do.

Alderman Gatsas stated Alderman Lopez, if you're trying to follow my logic, certainly I'm not going to give you that because we're in the budget process. So I'm asking questions that are very pertinent to this Board. And certainly if I think that they're pertinent to the budget, that's why I'm asking them.

Alderman Lopez stated okay, I just wanted to clarify for the departments.

Alderman Gatsas stated you'll have to wait.

Alderman Lopez stated I don't have to wait. You do your thing. I'll do mine.

Alderman M. Roy stated first, a quick recognition of the departments that are at zero, and I appreciate them managing their funds. The second request for the Finance Director: the Expenditure line item is broken down by department. Could we have that broken down by actual line item within their budgets, whether it comes from the department heads or from your office so we can look at things? I know Highway is a snow year. We've had a lot of snow. Can we look at, is that

\$950,000 one hundred percent within the snow line item, or how much is broken out into salt, how much is broken out into repairs, so that we can see for our future budgets where those line items need to be affected? So I would ask that not only by department, but if we could break it down by line item.

Mr. Sanders stated yes sir.

Alderman J. Roy stated I just wanted to reiterate one of my observations of earlier this year. If you look at the City Clerks and if you look at Human Resources, those numbers pretty much reflect what they paid in severance. It's what Alderman Lopez said. And the idea that we're not budgeting for severance is just beyond my comprehension. I think that's something that we have to address this budget cycle.

Alderman Ouellette stated at this time, after conferring with some of my colleagues, I'd like to move the budget, the Mayor's FY 2009, out of the Finance Committee and on to the full Board. The motion was duly seconded by Alderman O'Neil. There being none opposed, the motion carried.

City Clerk Carol Johnson asked could we just clarify that that motion was a not-to-pass and layover?

Mayor Guinta responded yes.

TABLED ITEM

5. Resolution:

“Authorizing the Finance Officer to effect a transfer of Forty Eight Thousand Dollars (\$48,000) from Contingency to the Manchester Police Department.”

This item remained on the table.

Alderman Gatsas stated the meetings that the Chairman of Finance or the assistant or Alderman Garrity has set up, I assume those are now all erased, and if it's at the full Board, who's going to call those meetings?

Mayor Guinta responded well I guess that would be my job.

Alderman Lopez stated I recommend that the meetings that have been scheduled with the individuals remain scheduled.

Mayor Guinta stated the budget was just moved out of the Finance Committee, so how do we in Finance...

Alderman Lopez interjected we do it as the Board of Mayor and Aldermen, Your Honor, and those meetings that are already in place can still take place as a Board.

Alderman Gatsas stated I have a parliamentary question, Your Honor. If it's a full Board meeting the public participation portion before that meeting, will that take place or not?

City Clerk Johnson stated my understanding of what is being suggested is that the Board would hold a special Board meeting on the nights that the Finance Committee was previously scheduled to meet with the departments and those do not require public participation prior to.

Alderman Lopez asked are you okay with that, Your Honor? Unless we want to make it a motion so that there's no question whatsoever.

There being no further business on motion of Alderman Shea, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee