BOARD OF MAYOR AND ALDERMEN

October 2, 2001 **7:30 PM**

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Levasseur, Sysyn, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Cashin, Thibault and Hirschmann

Absent: Aldermen Clancy

Mayor Baines stated I have a couple of announcements before we begin the meeting tonight. On Thursday at 1:30 PM in this Chamber singing sensation Patti Page will be on hand to receive a key to the City right here in the Aldermanic Chamber. Again, that is this Thursday at 1:30 PM and the public is invited to attend to meet the singer of such songs as "The Tennessee Waltz" "How Much is that Doggie in the Window" "Come Over the Bridge" and "Old Cape Cod". She is performing at the Palace Theatre on Thursday evening at 8 PM. It sold out in two weeks. It is to benefit HIV prevention activities in the State and we are very pleased to be a part of that effort. Also, if you see Mrs. Blushiy she is very excited about Patti Page coming. She has pulled out all of her sheet music and we listen to Patti Page music every day now in the Mayor's Office. Also, on October 7 at 7:00 PM here in the Chamber Voices & Choices will present its final report to elected officials and the citizens of Manchester and the public will be invited to attend that as well. At this time, I would like to introduce Roy Needer and Jane Beaulieu to make a presentation.

Presentation to Harold "Pip" Adams for achieving Level III Training in Emergency Management.

Mr. Needer stated thank you very much for the opportunity to come here. My name is Roy Needer and I am a training officer with the NH Office of Emergency Management. For the past two years we have had a program in place to recognize achievement of dedicated individuals in the field of emergency management and obviously recent events have really brought home to us the importance of this career choice for people. I would like to point out to you that I have passed out a sheet of paper that describes the requirements for getting this recognition award. Harold "Pip" Adams, who is an investigator with the Manchester Fire Department has spent at least 220 hours educating himself in the field of emergency management and it is with a great deal of pleasure that I present this award to him. It says,

"NH Office of Emergency Management recognizes the achievement of Harold "Pip" Adams for completing Level III Training in Emergency Management." Congratulations.

Presentation of "Spirit of Manchester Award"

Ms. Jane Beaulieu stated I am the Chairperson for the For Manchester Beautification Committee and I am here with the Mayor to award volunteers that helped maintain the flower planters around town this year. There were 80 of them again this year and I also wanted to mention before we give out awards the sponsors. We need to raise roughly $4,000 to plant and not necessarily to maintain because the maintaining is volunteer hours, but to buy the flowers and the planting materials. This year, we had a few contributors and let me just list them off or read them off. George's Apparel, Great Impressions Printing, Not So Plain Jane's, Fratellos, Richard's Bistro, Lemay's Jewelers, Manchester Garden Club, Pearsons, Taylor Optical, the City of Manchester and I would like to thank the sponsors. This is the fourth year that many of the sponsors have helped out with the purchase of flowers. Demers Garden Center helps us with a discount for the plants and planting material. Also, this year the Highway Department helped place them and pick them up. There are roughly 500 volunteer hours that are needed to maintain these planters. Again, it was a very hot summer so we needed to go out every three or four days and there are only six or seven of us who maintain the planters and it is very nice to hear horns honking and seeing thumbs up. I guess a lot of people enjoy the flowers every year so I want to thank you for being patient with us when we put our flashers on, jump out of the car, open up the trunk and get our jugs out of the trunk of the car. Thanks for all of the good words. Right now I would like to award the "Spirit of Manchester" certificates and I guess this evening these volunteers are very busy because I think they are all volunteering this evening except one.

Mayor Baines stated Linda Annette Bruning, Jessica Richards, Amber Beaulieu, Brenda Belisle and family, and here to receive his award in person is Gregory Salt.

Mr. Salt stated I just want to say thank you to Steel's Equipment on Mammoth Road in Candia. For two years they allowed me to use their spigot when I watered the plants on Candia Road. This year Gramma Tekus down in the hollows next to the Four Seasons allowed me to use her spigot so it is more than just the people who are actually doing the watering. There are other behind-the-scenes volunteers helping out and I just wanted to acknowledge them.

Mayor Baines stated I want to publicly commend Jane for her efforts. This has been a labor of love for Jane on behalf of our community and I have a volunteer for you next year. You may not be aware that Alderman Cashin will have a lot of free time next year.

Ms. Beaulieu stated great you can take care of the ones on Willow Street and Cilley Road. Those are my favorites.

> Report of Committee on Community Improvement recommending the Board of Mayor and Aldermen conceptually approve a proposal for the development of city property in the Merrimack/Central/Pine and Chestnut Street block. Because it will be a lengthy project, the Committee recommends that a staff committee of the Economic Development Director, Destination Manchester Coordinator, Finance Officer, Planning Director, and City Solicitor be assigned to coordinate with the developer as may be required and provide monthly reporting to the Committee on Community Improvement on progress or issues with the project. The Committee recommends that a presentation be made to the full Board of Mayor and Aldermen on October 2, 2001. The Committee advises that conceptual approval is deemed to provide authorization to proceed with further details of the project and that until such time as the Developer has demonstrated tenant and financial commitments satisfactory to the City to carry out its portion of the project, the City will have no obligation to construct the parking garage.

Alderman O'Neil thanked the team for the presentation they made before the CIP Committee. We may want to add three other staff people to the Committee – Frank Thomas who if it proceeds will direct the construction of the garage, Tom Lolicata the Traffic Director who has some say in the operation of the garage and probably Dick Dunfey, the Executive Director of the Housing & Redevelopment Authority. I think we talked about it at the meeting but they weren't included so I would just suggest they be added.

Mr. Karl Norwood stated we welcome the opportunity to discuss what we feel is a very exciting project for the City. To begin with I would like to name the participants working on this project with me. It is Barry Brensinger and Fred Urtz, John Hoben and Justin Bielagus. As we mentioned at the Committee meeting, it is hard to believe that 17 years ago we had approval from the City to put the property under an option and at that time we spent a lot of time, effort and money and designed a plan for two office buildings at the time – 60,000 square feet a piece. At that time, we were courting a major tenant and as things would happen, that tenant did not materialize so the project was put on hold. About eight months ago we were dusting off the plans and as timing would have it, we thought gee the timing could be correct with the civic center under way and the need for parking. So we had preliminary discussions with the Mayor and the staff and they were very positive so we are very pleased to be here tonight to explain in fuller detail what is behind the project. I would like to break it down into four areas. We will talk about the plan, we will talk about financing and we will talk about our plans for marketing. Then I am sure there will be many questions and we will be glad to field those. With the plan, if I may, I would like to ask Barry Brensinger if he would discuss what the building program is going to entail.

Mr. Barry Brensinger stated it is a pleasure to be here again. I know that each of you has received a booklet that we distributed for your information prior to the meeting so I will briefly describe what we refer to as the plan beginning with the site. The site as you know is currently anchored by the Norris Cotton Federal building. It is bounded by Chestnut and Pine, Merrimack and Central Street and it consists, in addition to the Federal building lot, of three smaller parcels currently owned by the City of Manchester. To the north and south of the Federal building, flanking that building are two lots each approximately 1/3 of an acre in

size and then a larger component to the east, which is currently developed as surface parking for the City. That is generally the piece of property we are referring to. It is the same piece of property that was redeveloped by the City in the late 1960's and early 1970's through the Housing Authority and interestingly enough at the time the redevelopment project was referred to as the Civic Center Urban Renewal Project so things come around as they say. Along with other City departments, we will, if the Board chooses to approve this project, certainly be working with the Housing Authority as well. We believe that the site is well suited to the proposed development. It does have adequate land area to accomplish our intent. It enjoys proximity to the Federal building, the courthouse and as Karl pointed out a moment ago to the civic center. As far as buildings to be constructed on the property as part of the proposal are concerned, there are three components. The first two on the lot, the smaller parcels as I said to the north and south, include an office building on the northern corner along Merrimack Street. That would be six stories in height and approximately 60,000 to 65,000 square feet and then the sister building to the south, again six stories in height, would be a 100 room hotel and as it is conceived it would be a specialty hotel if you will, an all suites hotel in that kind of niche market. We believe that the current construction costs of those two buildings would be in the range of $13 to $16 million. The third component of the project is a parking garage. Based on a report recently completed for the City, as recently as July of this year, by Hoyle Tanner & Associates, we anticipate that the garage will be four stories in height and contain approximately 615 parking spaces. Of those parking spaces, based on our proposal we suggest that about 160 of them would replace the municipal places that are currently on-site as surface parking, 350 of them would be leased to the developer of the project on a long term lease basis and that would leave more than 100 additional spaces, which would not be committed for development purposes and would, therefore, be available to the public on a day time use basis. Another certainly important peripheral benefit of the garage would be that as we all know the City's garages tend not to be used very heavily at night and the site as I said enjoys close proximity to the civic center so there would be a significant number of spaces available for that purpose. As Karl said, as we complete the presentation I would be happy to answer any questions.

Mr. Norwood asked John Hoben to touch on the finances.

Mr. John Hoben stated in order for us to be able to develop a viable financial package and to successfully tenant and commit to the office building and hotel, it is necessary for parking to be available and in place at reasonable rates. The City's study, which was independently commissioned before we had any discussions with the Mayor and the City, as Barry mentioned estimated a 615-car garage with an estimated cost of $7.2 million. When we began to explore whether it was prudent for us even to have further discussions with the City, the last thing that we wanted to approach was presenting or supporting a project that was going to strain the resources of the City or otherwise compete with your many other competing needs or requirements. We did analyze or try to analyze as best we could using some reasonable and prudent approaches, the sources of revenue that the City might expect

from this project once it was completed to determine whether or not it would be adequate or likely to be adequate to cover the cost of the building, financing and operating a garage. The City's revenue is really going to come from this project as it is built and developed from three sources. The first and largest is parking revenue and I think there is a chart here that begins to lay out the general range of dollars. The parking revenue generates the majority of the dollars that come from the project. Public parking representing 24%. We would be prepared to make a commitment for up to 350 parking spaces in that garage at prevailing municipal rates, which represents another 24%. The ability to use this garage evenings and weekends for civic center parking, we believe, would provide another 24% of the total revenue. Property tax estimates that would be generated from the private taxable development on this project is another 21% and land lease revenues as we have set forth are another 5%. The total projected potential City income based on our calculations is anywhere between $875,000 and $1,075,000. Now these are our estimates and we recognize that you will need to and should consult your own financial people. We did have conversations with City finance people and other City staff and came up with our estimate. I think that they are in the range but clearly more work is necessary and you need to rely on your own financial experts as well. In a nutshell, we believe that the revenues that could be generated for the City should be sufficient over the term of the bond to pay for the cost to operate, maintain and construct the garage.

Mr. Norwood stated obviously to get the project underway and to be successful we need that first tenancy. I would like to ask Justin Bielagus to come forward and explain our strategy on marketing the property.

Mr. Justin Bielagus stated I am with Coldstream Real Estate Advisors and we have done quite a bit of work in the Greater Manchester area over the last several years representing tenants looking at Manchester. A couple of those tenants that came in to the City were Granite Systems and Auto Desk that occupied significant space on Elm Street and in the Millyard and there are others that we have put in Hampshire Plaza or in the former NH Insurance Building. What we are seeing is a significant increase in the marketability of Manchester. I would call it a new vibrancy if you will. It is evidenced by some of the things that are already happening downtown with the new restaurants that are opening up and with the high level of occupancy in the Millyard and the office buildings and with the significant investment that is going to take place at Hampshire Plaza by the new purchasers of the building who closed on it today. What we have seen is the interest in the City is, I would say, based on several things – 1) lifestyle; 2) taxes; and 3) the Manchester Airport, which offers all of the benefits of being close to a major transportation hub with very few of the drawbacks. As we have sort of monitored the office environment in Manchester, we have found a decreasing supply in what I would call a long-term increase in the potential demand. A significant portion of that demand is coming from outside of the area. Auto Desk and Granite Systems were not Manchester companies. One came from Henniker and I am not quite sure where the other one came from because I didn't handle that transaction myself.

We have significant interest from people looking at Manchester. They are looking for a broad market if you will. They don't want a choice between something and nothing but between viable alternatives. As part of this ongoing marketing effort for Manchester, we perceive the need for additional new first class office space strategically located in the City and we feel there is a market for this project between the years late 2002 and early 2003 for financial type firms, brokerage firms, law firms and other service related industries. In regards to the hotel, we are aware of recent market studies that have been done in Manchester and around the airport and the occupancy levels that have been maintained for a significant period of time in the 90% range. Even as new hotels come on line in the area, that occupancy level does not seem to be impacted significantly. We know the events of September 11 have impacted the market, but we don't think it is going to be an impact that will deter people from coming to Manchester. We think that firms may be rethinking the size of some of their facilities and where they are located to be maybe a little more diverse and spread out their ability to do business if one of their facilities were impacted.

Mayor Baines stated before I open it up to questions, I have a few comments. I was first approached about this project about five months ago. Obviously we were very excited about it but we did have the City Hall staff – Finance Officer and Economic Development Director to get involved and look at the project and the numbers, especially with the parking garage to see if it made sense for us financially. We have come to the conclusion that this needs to go forward and we need to work with the developers on this project. It is a very exciting project for the City and it is the right time. As you know, we have been working for over a year with the owners of Hampshire Plaza, Jack Recevo and company. We first started meeting with them a year ago. That is now coming to light so I think that everything seems to be clicking in the right direction for this project so we commend you for coming forward with this project to the City that we feel is very important to the future of the economic base of the downtown area in particular.

Alderman Thibault stated in your scenario here where you have public parking for civic center if it was going to be used for that, I would just like to find out exactly where the City would end up with the sharing of parking that we have to do with the civic center. How does that impact those figures. We do have a deal with the civic center as far as parking.

Mr. Clougherty stated if you were to go ahead with this project and the new spaces were brought on line, the City would still have the obligation to meet the parking requirements of the civic center agreement.

Alderman Thibault asked how much would that cut into this 24% that we are talking about here.

Mr. Clougherty answered in our opinion initially it wouldn't.

Alderman Vaillancourt stated just to follow up on Alderman Thibault's point, if somebody is parking in another garage and they park in this garage, that is going to be money that we lose from the other garage. So, conceivably we are not going to recognize that full 24% either for public parking or the 24% for civic center parking. Is that not true.

Mr. Clougherty replied that is conceivable.

Alderman Vaillancourt stated if I may on another subject ask Airport Director Kevin Dillon a question. I think he is here somewhere. I noted last week that this was not the ideal time to bring this forward but I am willing to look at it in terms of how the economy snaps back. I would just ask Kevin what his prognosis is. You did tell me that after the terrorist attack the capacity was I think from about 80% down to 20%. How have we snapped back from this and I ask this because I think it is going to be vital to the need for more hotel space. How have we come back and how long do you think it will take if we do ever get back to the normal rate of growth.

Mr. Dillon replied immediately after the incident, load factors at the Airport dropped to about 20%. As you said, that represents about half of our passenger traffic. However, we seem to be rebounding quite nicely at this point. Right now I would say the load factors for most carriers are in excess of 70% where typically we would be at about 85%. What appears to be happening is Manchester Airport seems to be recovering much faster than most airports across the country. I think that is due to a couple of factors. I think it is the reputation that the Airport has for good security but I think it also is a reflection of a change in demographics that we seem to be picking up a lot of traffic from Boston at this point for a variety of reasons. I think there is a perception that Manchester may be a little bit safer and there has been a big restriction as far as parking and access down to Logan as a result of some of their security initiatives that have been put on line. I do feel that we are doing very well at this point. I think that the Thanksgiving and Christmas holiday period is going to be a critical period for us to view regarding how people are behaving in terms of air traffic at that point. I have every confidence at this point that we will be back to where we were.

Alderman Vaillancourt stated so there is a reason to be bullish rather than bearish.

Mayor Baines stated while you are here, Kevin, I want to take advantage of an opportunity. We have been through some extraordinary times in this community and across the nation and I have to tell you obviously being in daily contact with Kevin and other leaders in this community I want to publicly commend Kevin and all of the people at the airport for an absolutely extraordinary job during this period of transition that has occurred. We had our department head meeting at the Airport today and to see the wonderful work that has been done down there under your leadership, I want to publicly commend you on behalf of the City of Manchester and ask the Board and the public to join with me in thanking Kevin.

Mr. Jay Taylor stated I can't resist talking about my favorite subject, which is parking. I wanted to respond briefly to Alderman Vaillancourt's question about taking spaces away from other facilities. While your point is well taken, what hasn't come out is the fact that, for example, let's suppose that 100 cars park at the Pine Street garage as opposed to the Victory garage. At the Victory garage, we are charging $5 a car. At Pine Street we are charging $10. So to the extent that cars leave Victory and park at Pine Street for twice as much I don't see how we are really going to lose any money on that deal.

Mayor Baines stated also the other part that we feel is very attractive on this project are the neighborhood concerns regarding parking. We feel that this is going to help alleviate a lot of the concerns of the impact of the civic center on the neighborhood and also the issues we are dealing with downtown. There is a financial issue here, but also a capacity issue as we look at substantial growth in the downtown business sector, especially with the sale of the Hampshire Plaza if some of the work is successful that is going on behind the scenes to attract some major tenants to that area bringing more and more people to the downtown area.

Alderman Vaillancourt stated in your example you said we gained $10 by losing $5, which is fine with me as long as that is built into the projections and we are not going to, therefore, realize 12% rather than 24%. I think that is very vital to look at.

Mayor Baines replied the other thing is that we are not going to solve all of the financial aspects here tonight. This is going to be an ongoing project with regular reports to the Board as well.

Alderman Levasseur stated gentlemen thank you for coming in front of the Board with some good news when all the world is in tragedy right now. We are looking forward to building something in the City of Manchester instead of sitting on our heels and waiting for the rest of the world. As a person who has been in Ward 3 for 21 years and a business owner for over 15 years any time I see something coming downtown that is being built that is giving it a new vibrant look, I think, is positive for Manchester. As many people probably know, interest rates today are at a low of 1962. If there is ever a time to build, this would be the time when people are going to be looking for work since some people will be out because of the airlines and such. Also, tragically as it is, a lot of businesses may want to move to smaller cities like ours. They may be looking at our City because we have a great civic center and a great airport like you already pointed out and improving schools and a much better and healthier downtown. I am looking forward to having you people come down here and put this whole thing together and I hope that the Board will unanimously point you in the right direction and give you approval on this. The only question I have is how does it affect the fact that that is the Federal building over there. How does that come into play in all of this.

Mr. Hoben stated they obviously have, as do we, concerns about security. We have pledged to them and we will be required to do that in any event, work with the General Services Administration to make sure that all of their concerns and our concerns are addressed fully. This is part of an urban renewal project area that still has covenance and limitations on it so we will need to go to them and to the Housing Authority in order to build this project. They will need to be satisfied and we have every intention of doing everything we can to do that.

Mayor Baines asked that covenant goes to 2004.

Mr. Hoben answered it was before my time so I am not sure.

Alderman Shea asked when do you propose to do the actual building.

Mr. Norwood answered the most important thing is to secure tenancy and we will be starting that immediately. If we are successful with the marketing, we would be prepared to build in 2003.

Alderman Shea asked, Kevin, how about our ability to borrow for this particular project. Would this bonding be a revenue or general obligation bonding kind of issue.

Mr. Clougherty answered what we will do is wait until these gentlemen come back with their proposal and it could go in either direction. We have a lot of flexibility. We could be working with the Housing Authority on this and we will take a look at what is the most efficient way to do this project at the time and we will come back with a recommendation to the Board at that point as to what we think would be the right path. I wouldn't preclude any path. We will take a look at the most efficient, least expensive to the City.

Alderman Shea stated I realize that we have obligations towards the schools so it is conceivable that this could be a revenue bonding rather than a general obligation.

Mr. Clougherty replied I think the question you are asking is does this compete with the schools for the funding. The answer is it really doesn't. Right now that property over there is not producing anything for the City. What they are proposing is putting on two buildings. As those buildings come on with the fees and the rates that they are going to be paying, that will cover the cost of the garage. To start it should be what we refer to as a tax neutral situation. None of the existing tax base as we know it today should be earmarked or dedicated for this project. It should stand on its own merits within the boundaries of that block. If the revenues that we get from the fees and the taxes and the parking pay for the garage, then over time as that mortgage if you will on the parking garage goes down, the taxes will be going up and there will be a cross over point, maybe 10 or 15 years out. At that point, that revenue that you get from increased taxes can go to schools and other things. Our recommendation is that it starts out tax neutral and then turns positive.

Alderman Shea asked what about the ownership of this particular project. Will it be locally owned.

Mr. Norwood answered at this point we anticipate that it will be locally owned.

Alderman Shea stated there is a consideration of the impact of this particular project on other projects that are in existence like the Center of New Hampshire unless there are more people coming into the City. That is something that is a concern as well, I am assuming, in your mind – the impact that your hotel may have on the Center of New Hampshire's ability to have people stay there. You are reasoning for all practical purposes that there will be enough people for them not to be impacted negatively or aren't you concerned about them.

Mr. Hoben replied I can't answer that question. I do know that on a number of events the Center of New Hampshire doesn't have space or rooms available. With their meeting facilities and convention facilities, this could be seen as a real opportunity. Furthermore, we are exploring a different type of hotel. It is smaller in terms of the number of rooms. We envision it more as a suite hotel for families or business travelers who might stay for longer periods perhaps. We see it as a complement to the Center of New Hampshire. Now whether or not someone might chose one versus the other and someone is going to lose a room…I am sure that is going to happen but I don't think that is our objective. We are certainly not trying to take anything away. We are trying to go with the market and build on the momentum that has been established.

Alderman Shea stated that would be a concern that I would have. Hopefully, it would be a positive.

Alderman Gatsas stated Kevin let me understand what you just said. That this is not going to have an impact on our bonding capacity.

Mr. Clougherty replied that is right.

Alderman Gatsas stated I think when we had this discussion maybe 12-15 months ago about a garage in the Millyard and again is it because the Manchester Housing Authority is going to be participating in the ownership of the garage.

Mr. Clougherty replied no, Alderman, it is because the discussions we had regarding the garages in the Millyard did not have the other real estate associated with it.

Alderman Gatsas responded that is not the question I asked you. The question I asked you was is the Manchester Housing Authority going to own this garage.

Mr. Clougherty replied not to my understanding of this project. It would be the City.

Alderman Gatsas stated then it has to affect the bonding capacity just as it would have affected the bonding capacity in the Millyard.

Mr. Clougherty replied no. You may recall that at the time we talked about doing a standing garage in the Millyard, all you were talking about was building a garage. You weren't talking about bringing on any other tax generating capacity such as this project. This project is not only bringing on a garage, it is bringing on two rather sizable buildings that will contribute additional taxes to help offset the cost of that building. You may recall at the time that we looked at the Millyard, one of the things that people talked about was a TIF, tax increment financing district. You might think of this in a way as a very small TIF on that area where all of that new revenue is going to be…the tax capacity is going to be dedicated to that parking garage until it is paid for. Then it can be used for other services for the City. The difference between the two projects is the real estate that is associated with this project that was not discussed in the Millyard.

Alderman Gatsas stated I believe your Bond Council was sitting with you during some of those discussions that we had and I believe the conversation that I had and I believe that Alderman O'Neil is the one who brought it up, was about a revenue bond. They said that a revenue bond would still be an implication on our bonding capacity. Now I don't have a problem…this has nothing to do with the project. I think the project is a good project. I have a problem with 12 months ago when we asked this about a garage in the Millyard that there was a problem with the bonding capacity.

Mayor Baines replied I would suggest that we solve your concerns about that another time and have Kevin respond and then we can continue that discussion at another time.

Mr. Clougherty stated again the concern with the capacity was that the only way that garage was going to be paid back was by…first of all using the fees that you get from the parking in the garages is never enough to pay for a parking garage. There always has to be something else. In this case, they are bringing on another means of paying for the balance of the garage and that is through these additional buildings. That was not the case when we had the discussion down in the Millyard because we were just talking about a free standing parking facility. If you had a free standing parking facility, the difference between what the cost of the garage would be and the fees that you would get would have to be made up by the existing tax base or increments in that tax base and that is not what we are talking about here.

Alderman Lopez stated I sit on the CIP Committee and I sanctioned sending this forward also to support the concept. I don't want to belabor the discussion here, but Kevin your answers on the garages and also Alderman Gatsas' are what I am concerned with and I think as we go through the process maybe we should resurface all of those numbers on garages because surely we don't make money on them as you indicated. It is like the Wall Street

Tower where we went into a bargain there for 400 spaces for $75 and we rent them for $56. The only thing I ask the people who are on this Committee is to sharpen your minds and your pencils as much as possible so that we are not stuck with a $7 million garage that we have to continue to put money into. I know, Mr. Hoben, you mentioned that the actual cost is $130/space. Is that correct.

Mr. Hoben replied actually we would estimate that it would be at least $130 or $140 a month minimum that would be required to make a parking garage viable. It could be as high as $200/month.

Alderman Lopez responded whatever you do and I think you have a lot of work to do…it is not going to happen overnight but there might be other investors out there who will build the garage for you.

Alderman Wihby stated I just want to get back to what Kevin and Alderman Gatsas were talking about. My understanding was that we looked at putting in a garage down in the Millyard and we had talked to the tenants and they were going to be signing leases and if the leases were all signed and we were able to issue a revenue bond, that was fine and we were going to do that. What we needed at the time and I think they actually went back to work on that to get a proposal from the tenants that was going to finance the construction of it and the revenue bond would have been done the next day. They never came back to us. I think the revenue bond in that case was all set because everything would have been tied up in a contract and leases and everything ahead of time. What you are saying is that if we don't have that and we leave it open to the general public or whatever, we couldn't do a revenue bond.

Mr. Clougherty answered right and again it is not so much a question of the revenue bond as it is how this is going to be paid off. In the case that you were talking about, when you go back to the building owners of the surrounding buildings, the rate that they are going to have to pay in order to retire that may be cost prohibitive unless there is some type of subsidy and that subsidy in this case is being filled by the two additional buildings that are going up.

Alderman Cashin stated I would just like to refer to the Committee report and read a few sentences from it, "until such time as the developer has demonstrated tenant and financial commitments satisfactory to the City to carry out the portion of the project, the City has no obligation to construct a parking garage." Ladies and gentlemen, we are on their dime. If they can't prove that it is financially feasible, then we are not committed. Why don't we just go along with it until they come in with their proposal.

Mayor Baines stated there is an addition that Kevin mentioned to the motion.

Mr. Clougherty replied right. There is a need, in talking with the Solicitor, to put in some language about options.

Solicitor Clark stated I believe the developer was looking to have the City grant them an option to lease purchase this land for a year so that they could use that to secure tenants. Again, that goes with the same sentence that Alderman Cashin just read. If they can't come back and demonstrate the project, the option dies and the City has no obligation and it will be drafted that way.

Mayor Baines asked and that would be authorizing the Mayor to execute…

Solicitor Clark interjected authorizing the Mayor to execute an option.

Alderman Thibault moved to amend the report to reflect that the Mayor be authorized to execute an option to lease purchase the land for one year as noted by the City Solicitor. Alderman Lopez duly seconded the motion. Mayor Baines called for a vote. There being none opposed, the motion carried.

Deputy Clerk Johnson stated I just want to clarify that Frank Thomas, Tom Lolicata and the MHRA Director were also added to the staff committee.

On motion of Alderman O'Neil, duly seconded by Alderman Pariseau, it was voted to accept, receive and adopt the report as amended.

Mayor Baines stated I would like to move to Item 14.

> Notice of Reconsideration given by Alderman Gatsas on September 24, 2001 regarding a motion to enroll resolution:
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> > "A Resolution establishing exemptions from real estate taxes for the elderly and the blind." as amended.
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> Note: Mr. Tellier was requested by members of the Board to present figures relating to the estimated cost of the disabled exemption at the October 2 meeting.

Mr. Tellier stated I passed out this evening some short exemption facts. In the last couple of weeks, members of our Board have contacted the State Health & Human Services Department, State Social Security Office, the Boston Regional Social Security Office and even went so far as to speak with a systems analyst at the headquarters in Baltimore, MD. Regretfully, the only statistics they could give us were those totals in the Manchester area by zip code of those receiving Social Security benefits and they total 4,000 between SSDI and Social Security. There is no ability to analyze those that own homes. With respect to that, in this short fact sheet that we have handed out, using estimates as a worse case scenario, if this Board is to uphold the benefit that were assigned as $90,000 for the disability benefit, we will provide $400,000 in the overlay account. Those that qualify will guarantee them that benefit.

Alderman Gatsas asked how many blind exemptions do we have now.

Mr. Tellier answered 79.

Alderman Gatsas asked and those are without any limitations.

Mr. Tellier answered that is correct.

Alderman Gatsas asked your assumption is that it would be almost tripled for the disabled.

Mr. Tellier answered we are just using estimates and worse case scenario. We don't know. One piece of information that may be helpful to this Board is I called the Director for the Assessing Department in Nashua and they have 50 people registered on their handicapped exemption program.

Alderman Gatsas asked what is their exemption program now in Nashua.

Mr. Tellier answered I believe it is $90,000, but I don't remember. I know there are 50 people who qualified under the handicapped exemption as outlined by the State of New Hampshire.

Mayor Baines stated Nashua, as I understand it, the year before they implemented it they did a survey and had people pre-qualify.

Mr. Tellier replied they encountered the same dilemma as we did so what they did was offer the information to the public and asked the public to pre-qualify to get an idea of how many might apply.

Alderman Gatsas stated right now Nashua has approximately 800 senior exemptions and the City of Manchester has approximately 1,100.

Mr. Tellier replied that is correct.

Alderman Gatsas asked could you assume…you didn't ask how many blind exemptions they have did you.

Mr. Tellier answered no I didn't.

Alderman Gatsas asked could you assume that the percentages would be roughly the same so looking at 200 potential qualifiers is probably a very high extreme.

Mr. Tellier answered that could be.

Alderman Lopez asked under Title II and you are indicating that SSI is Title II I presume.

Mr. Tellier answered SSDI to my knowledge…I am gaining a lot more knowledge and information about these programs since we have been investigating.

Alderman Lopez asked so a person that is eligible can only be Title II. They don't have to be both.

Mr. Tellier answered either, that is correct. Title II or Title XVI as outlined by the Statute.

Alderman Lopez asked and the $400,000 is that additional money that we would have to put in the overlay account.

Mr. Tellier answered yes.

Alderman Levasseur asked as far as the disabled, what other towns allow that. Did you ask Nashua what the amount is.

Mr. Tellier answered in calling the Department of Revenue Administration, there are about 50 or 60 communities throughout the State that have adopted these exemptions. Nashua has 50. I called the town of Windham and they have 2.

Alderman Levasseur asked and what is the exemption amount they are allowed. Is it the same as the blind.

Mr. Tellier answered they are all different. It is adopted by local ordinance.

Alderman Levasseur asked what is the recommendation for the disabled.

Mayor Baines answered I think that Ray might be able to answer that. We did have a conversation about the number of people in the community and Ray thought that Manchester may have a higher percentage. I would just like you to explain, Ray, some of your rationale because I found it fascinating in terms of housing and other issues.

Mr. Ray Giroux stated I think that Manchester perhaps has a greater concentration of folks with disabilities because it is more of an urban population. We have more of the infrastructure than Nashua does. We have the transportation. We have the services here in Manchester. When you are talking about how many folks there are in Manchester with disabilities like myself who own homes, I have lived in Manchester for 30 years and I have been a member of various disability groups and peer support groups. I have organized them

and participated in them. I called up everybody I know in Manchester who has a disability like myself who owns a home and asked them to come to this. Well, the other two couldn't make it. I am here representing Ron Pappas and Dean Davis from the West Side. Those are the only two other people I know in Manchester with disabilities like myself who own homes. I don't think that the exposure is very large. I can only speak from my personal experience but it can be very difficult if you have a disability severe enough to qualify for Social Security to find any accessible housing that is not Section 8 housing. Right now, most of the folks with disabilities live in Section 8 housing because that is the housing that is accessible. You compound the problem because when you are earning enough money to pay your own way you can't find accessible housing. It is a real leap to go from being on a government subsidy and living in that public housing to owning your own home and still having enough money to adapt that home and have enough money to be able to compensate for the disability related expenses that you have. I think from my own personal experience, it is great that you are trying to address this and anything that you can do to encourage other folks with disabilities to do that, I think, is great.

Alderman Gatsas asked, Ray, what would you think would be an asset limit that we could use here at the Board level and an income level.

Mr. Giroux asked when you say assets do you mean everything.

Alderman Gatsas answered everything excluding your home.

Mr. Giroux stated I think that could be a fairly considerable number. I have been living in my house for 15 years and I have accumulated a lot of things between my van and my wheelchair, which believe it or not is worth $13,000…

Alderman Gatsas interjected how about your van.

Mr. Giroux stated the van was worth $20,000 when I bought it and then you have to include the adaptations that went into it, which doubles the cost of the van. It is hard for me to tell what a total asset limit would be. If you think about saving for your children going to college and you think about maybe even trying to save a little bit for retirement. I think that could be a fairly considerable number. The average house in Manchester is $120,000 or $140,000 so you think over the course of your life how much you are going to accumulate. I would say at least $140,000 or $200,000. Does that seem unreasonable for an asset limit between everything.

Alderman Gatsas stated so asset limit you would say $200,000 and how about an income limit.

Mr. Giroux replied I would say that the income limit, when you think about how much houses cost these days and as I said the additional expense you have between your ongoing…having to pay people to do things for you and having to adapt the house and having acceptable transportation, people with disabilities have a lot of expenses. I think that if you want to include people and you don't want to discourage them from participating in this program and working only part-time so that they qualify for this, I think you should set a fairly high number. I don't think I could say exactly what that number should be but I think it should be high enough so that people don't stop working like they do on other programs that are needs tested. They will work right up until the limit and then they stop. I would encourage you to try to make that as high as you think is reasonable.

Alderman Gatsas asked would $100,000 joint between…

Mr. Giroux answered I don't think that is unreasonable. I think for a family income to buy a house in Manchester you have to be making a substantial amount. Just to get started would be a considerable fraction of that. As I said, you can talk about savings for retirement or savings for your children's college and I think you want to add to that. I don't think that is unreasonable. I will state for the record that at some point if that is the decision of the Board, $100,000, I sincerely hope that at some time I am disqualified from taking the exemption.

Mayor Baines stated I would like to give Eric Sawyer a chance to speak. We first started this discussion about a year ago.

Mr. Eric Sawyer replied I think one of the first conversations I had with you was about treating the elderly and disabled as synonyms. In my case, I inherited my home. I happen to be very fortunate, I think, in a lot of regards that I have some family members who take good care of me. I also have a fairly good education and am able to do a lot of things. I think that what Ray has said and what you are moving towards are very reasonable numbers. Again, Ray approached it from moving up and I am approaching it from moving down so we have two different viewpoints here and I think you need to consider both of them. You don't want to force people who are trying to live independently and are currently living independently to all of the sudden have to give up their home and go to an institution. Likewise, the people who are on Social Security who try to avail themselves of the benefits and reach out and try to become productive you don't want to penalize them and inhibit them from doing that. You all know how I feel about this and I have written and spoken to all of you. There is something very important that Steve Tellier hasn't shared with you. I gave him and the Mayor a Social Security statistics book. If I can remember, from that book it showed that the typical disability benefit was less than $900 and that 90% of those receiving the benefit were between the ages of 30 and 55. More than 50% of those receiving the benefit were considered heads of households and more than 50% of those receiving the benefit had two dependents. Of those receiving Social Security disability benefits, the Social Security

disability benefit amounted to more than 50% of their household income. Steve can share those statistics with you if I am not on the mark. He has the actual book. I am quoting from memory.

Alderman Gatsas moved for reconsideration. Alderman Lopez duly seconded the motion. Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Alderman Pariseau moved to amend the amended Resolution with a disability asset limit of $200,000 and income limit of $100,000. Alderman Shea duly seconded the motion.

Alderman Vaillancourt stated I am not sure that is the right way to word that. Is that the acceptable way for it to be worded, Carol.

Deputy Clerk Johnson replied if I am understanding it, right now there was a motion on the floor to reconsider, which was accepted. That puts the original motion of enrolling the Resolution as amended back on the floor. If I understand what is happening, there is a desire to further amend that motion by changing those two amounts on the Resolution to $200,000 and $100,000.

Alderman Vaillancourt stated as I understand it, the elderly would stay the same and the blind would stay the same and we are only changing the disabled limits.

Mayor Baines replied that is correct.

Alderman Vaillancourt asked, Steve, based on the data that you have given us and based on the fact that you mentioned 50 in Nashua, I think it would only be logical to extrapolate that we would have no more than twice the number in Nashua, especially based on the evidence we heard tonight. So, you are not looking at 200 as you estimate, but maybe looking at 100. If you look at 100, am I correct in my multiplication that by extrapolating that out it would be $9 million or less than 5 cents on the tax rate.

Mr. Tellier answered that is correct.

Alderman Vaillancourt stated so your overlay would not have to be $400,000 but closer to $200,000.

Mr. Tellier replied that is quite accurate. If those numbers hold up, that is accurate.

Mayor Baines asked on the overlay. Are all of the Assessors in agreement on that.

Mr. Tellier answered I am saying with his numbers, however, that is going to have to be a decision that the Board will take at the setting of the rate.

Mayor Baines replied please understand as I think we all do that the decision on the overlay is the decision of the Assessors.

Alderman Vaillancourt stated my numbers were based on 100 times 90 getting up to $9 million and then taking a tax rate of $24, which would get to $216,000.

Mr. Tellier replied I am quite certain that we will hear from a great many of those, should this pass this evening, that we will hear very quickly from a good deal of those in that community.

Alderman Vaillancourt asked did you have the Nashua numbers on what their asset and income limits were.

Mr. Tellier answered I don't have that in front of me.

Alderman Shea stated I want to commend Alderman Gatsas. He brought this to our attention. I know that Mary Sysyn initiated it, but he worked on this and I think that it just shows you and I don't want to be emotional, but the love that he has for his mother is predicated upon the love that is extended to other people and I really mean that, Ted. You did a wonderful job and people who are disabled should be grateful to you because you are the one that pushed the Board in this direction and I really want to thank you for that.

Alderman Gatsas replied I want to thank you, but it was Alderman Pariseau who started the charge. He was the one who included the disabled on the front end. I was just a little bit more relentless with it.

Mayor Baines stated the way I look at issues like this is if we decide it and do it we should thank the taxpayers of the City for supporting efforts like this to reach out to those in the community. We are just conduits for the efforts, but we appreciate it.

Alderman Shea stated it shows that members of the Board do have a heart as well as a head.

Alderman Hirschmann stated I fully support the elderly, disabled and blind exemptions. I just have a question with the number. If there are two spouses on the deed and one makes $95,000 a year and the other one is disabled, do they still qualify for the exemption.

Mr. Tellier replied if they were spouses it would be the joint income. That is why there must be a provision for single and joint income.

Alderman Hirschmann asked so as long as it is under $100,000.

Mr. Tellier answered whatever this Board decides on, that is the criteria.

Alderman Levasseur stated at the last meeting we had on this issue, I thought we were also going to be talking about raising the asset limitations for the seniors and we never talked about that. I thought that is what was going to be brought up tonight. We can put the assets for the disabled at $100,000 or $200,000 and $100,000, but we can't change the asset limitations for the seniors. I don't understand why we wouldn't be working in that direction. The high valuation that we just went through like I told you affected over 1,000 seniors who own homes. They really didn't get any kind of deal on it. It went from $35,000 to $70,000 so most of them probably broke even if they owned a home.

Mayor Baines stated just for clarification isn't the increase in that area about $1.1 million.

Mr. Tellier replied for this amount, yes. The umbrella is going to accept additional people to qualify for this exemption. We are raising the asset limit from $35,000 to $75,000 and with the income increases that will open it up to…our estimate…

Mayor Baines interjected just on the elderly it is about $1.1 million.

Mr. Tellier stated we have estimated probably a 20% increase in those that would qualify.

Alderman Levasseur asked when you say $1.1 million do you mean $1.1 million in tax revenues or valuation.

Mr. Tellier answered in dollars.

Alderman Levasseur stated I keep getting different messages. I keep hearing we can't raise the asset limitations but we did.

Mayor Baines replied it is just a matter of what the Board is willing to absorb in terms of taxes that are being passed on. We all would like to do as much as we can. We look at the figures; we are going from $65 million to $130 million correct.

Mr. Tellier answered that is correct.

Mayor Baines stated and that translates into dollars. We are going from $2 million this year to $3.1 million next year. We do have an amendment on the floor. This one is just dealing with the disabled and I want to focus on that and get a vote on that and then we will come back to the main motion.

Mayor Baines called for a vote on the amendment to the motion as explained by the Clerk.

Deputy Clerk Johnson stated I just want to clarify that the change on the asset limitation is $200,000 and the change on the income limitation would be $100,000 for single income and $100,000 for combined because there was no other amount set forward.

Mayor Baines called for a vote on the amendment. The motion carried with Alderman Hirschmann abstaining.

Alderman Vaillancourt stated I suppose it is subject to further amendment and I am tempted to go along with Alderman Levasseur's wishes but I guess we should probably try to stay at this level for a year and see where we are going to stand. It seems like this is going to be about 20 cents more on the tax rate, right. The extra $1.1 million. I do think that people should be aware of the fact that we had attempted and Alderman Gatsas convinced me that people over 80 years old ought to be entitled to a little bit more whereas we ought to be able to change and say even if they have assets of X amount they should still be eligible or if they have income beyond that. However, we are prevented from doing that by State law according to the City Solicitor and I believe Alderman Gatsas if you will correct me you have accepted his ruling and you are going to change that State law.

Alderman Levasseur stated I have read the RSA's and I don't agree with the City Solicitor.

Mayor Baines replied that is the beauty of legal opinions. People can agree and disagree.

Alderman Vaillancourt asked can I address a question to Alderman Gatsas. Have you agreed with the City Solicitor's ruling and will you be trying to change the State law so that we can do something to this extent next year.

Alderman Gatsas answered if we cannot do it because of the ruling, certainly the attempt will be done at the State level. However, the reason why I don't agree with the City Solicitor's ruling is that Section 72:39(B), which talks about the modification of elderly exemptions, states that wording of the question if it were to go on a ballot. I think that the protection that the State looked at was to make sure that a town didn't go below limits and not if you were looking at enabling them to a higher limit. I look at this and there are some numbers in here…there is nothing that says that for each category the numbers must be equal. It says insert a dollar amount, after each one of these questions on the RSA, it says insert a dollar amount not less than $13,400 for the exemption of income. In each spot when they ask for the exemption amount after 65 to 75 it says here insert a dollar amount. For persons 75 to age 80, insert a dollar amount. For a person 80 years old or older, insert a dollar amount. I don't think the RSA would ask you to insert three different amounts if they were looking for the same amount on all three levels.

Mayor Baines stated I don't know if we need to get into a long debate about that tonight.

Solicitor Clark stated we have analyzed the statute. We have read it. We have gone back and looked at statutory construction and the way the courts have interpreted the statutes as written by the Legislature. It is clear when they use certain language in a statute and use different language in that same statute that it means something different. They have clearly set out the ability to set-up age categories on assessed value and they did not set-up that same ability to do it for net asset or net income limits and it is my opinion that you cannot do it that way. You need some Legislative changes.

Alderman Gatsas asked, Tom, do you have a copy of the statute.

Solicitor Clark answered not with me, no.

Alderman Gatsas asked can I give you this one just so you can look at it. I agree with the limitations for income level but I disagree with limitations on asset level because each one of those lines asks for a limit on asset level. I think individually we can change asset levels and I think by statute, Alderman Vaillancourt, we must change the income levels at the State level. I think you can change the limitations of asset.

Alderman Levasseur stated I would like to make a clarification for Alderman Gatsas. If you read 72:3:39(A) in conjunction with (B), it says, "conditions for elderly exemption" and it says, "had in the calendar year preceding said April 1 a net income from all sources or with married a combined net income from all sources…". Now what we are talking about right here, Alderman Vaillancourt, is changing the amount of money that you are allowed to have in your net income and that is what the statute directly states. "A combined net income from all sources of not more than the respective amount determined by the City or Town for purpose of 72:39(B)…" that Alderman Gatsas keeps talking about but "under no circumstances shall the amount determined by the City or Town be less than $13,400 for a single person or $20,400 for married persons. In other words, it gives us the authority to increase but never to go below these two numbers. That is how I read these two statutes in conjunction. I agree with Alderman Gatsas. It may have to go to a vote of the people, not the Board, but we don't have to go to the Legislature for it.

Mayor Baines stated I don't want to speak as a lawyer here but there have been court decisions and other evidence that clarifies points of law.

Solicitor Clark stated I disagree with the Alderman from Ward 3 completely. The statute clearly sets up the ability to set age categories and for each different age category there is set an assessed value limit. It then talks about the taxpayer shall have an asset value and net income limit. It does not say that you can do that by age category. It says the taxpayer and it is clear that the Legislature knew how to say it in the first sentence and did not say it in the second sentence and it is clear that we do not have that authority.

Alderman Levasseur stated I agree with the City Solicitor but we are not talking about setting asset limitations on a certain age, but across the Board like they are now. We are talking about assets of $75,000 for all of the age categories. We are only talking about the exemption being higher on your property valuation. Those are two different things.

Solicitor Clark replied Alderman Gatsas was trying to set-up separate net asset and net income limits per age categories and that is what we told him he could not do.

Alderman Levasseur responded why can't we do it as a straight forward all age categories.

Mayor Baines stated we need to move this forward.

Alderman Gatsas asked, Tom, can you just clarify…what you are saying to me is that the asset limitations can be different in each category, however…

Solicitor Clark interjected the value of limitations can be different in each category.

Alderman Gatsas responded it says their asset limit, doesn't it.

Solicitor Clark stated it says you can set-up different assessed value limits per age category. It does not say you can set-up different…

Alderman Gatsas interjected the deduction amount, okay.

Alderman Pariseau moved that the amended Resolution be enrolled. Alderman Gatsas duly seconded the motion. Mayor Baines called for a vote.

Alderman Levasseur stated I am in a quandary here. I need to vote on the amendment, which was for the disabled but I need to vote against what we are doing to the seniors. I think we should increase those.

The motion carried with Alderman Levasseur being duly recorded in opposition and Alderman Hirschmann abstaining.

Mayor Baines stated before we end this subject, Eric Sawyer…a lot of politicians and it is wonderful that politicians take credit for a lot of great things because you need politicians to advance issues but Eric was in on this issue well over a year ago when we had the initial conversations about it. I encouraged him to go forward and get information out to the Aldermen. He was tenacious about it. He was committed to it. As you know, he is suffering from a very serious illness but that has not in any way deterred his determination and commitment to this issue on behalf of the disabled in the community. Eric, you need to

know that many people are going to benefit because of your tenacity and determination and I want to publicly commend you as a citizen of this community who came forward and provided a catalyst for this issue. Congratulations!

Mayor Baines stated I would like to call up School Committee Member D'Allesandro.

Alderman Wihby asked what number is that.

Mayor Baines answered he is just going to address an issue. He asked for a privilege and I am going to afford it to him. Actually, he is addressing Item 12 of the agenda.

Communication from Alderman Vaillancourt reference: Aldermanic vote on fourth high school.

School Committee Member D'Allesandro stated I believe you all have received a communication from the Coordination Committee of the School Board dated September 27, 2001. In this communication, we say that it has come to our attention that there will be another attempt to have you Board vote on the question of a fourth high school for Manchester at this meeting. We urge that you not take any action on this question until there is a definite proposal on this subject that comes before you. Right now there is not a proposal. The Board is listening to a number of options. The Building & Sites Committee and the Curriculum & Instruction Committee are in dialogue with the sending districts trying to come up with reasonable solutions. There are a number of items stated in the communication that indicate why action should not be taken until a definitive proposal is brought forward. No decisions have been made. No proposals have been developed. Our committees are working diligently with representatives of the sending districts to see what makes sense and anything we propose would be subject to the vote of the various school boards and governing bodies where the school district meeting and the sending towns popular vote on our proposal or a vote of the Board of Mayor and Aldermen. We ask that you reserve judgement until there is a proposal so that you can review actual facts instead of supposition in reaching a conclusion on what is best for Manchester and its students and so we are not deprived of all options in conducting these sensitive negotiations. We have had a very good situation for a number of years. We are trying to make that situation whole for the City of Manchester but until definite proposals are brought forward, we ask you not to preclude anything. I think that makes good sense. Obviously we have witnessed a vote just previously that made good sense based on a number of facts and that is why we ask you to hold on any decisions until a definitive proposal is brought forth and then you either vote for the proposal or against the proposal.

Alderman Wihby stated at this point I don't know what another vote would do. We already are on record as to how we feel. I don't think another vote is necessary anyway.

Mayor Baines replied that would be my ruling too. There has already been a vote. There is nothing new that has come forward, therefore, I don't see any need for a vote.

Alderman Vaillancourt stated I believe this is in reference to my item and as a result of my letter to the Board dated September 7, 2001 which was a result of my watching the School Board meeting that previous week on MCTV Channel 22 when I heard a discussion regarding a fourth high school and references that your Honor made regarding a vote taken by the Board of Mayor and Aldermen. I was so confused that I decided we needed to have some clarification because you stated and I quote, "they" meaning Aldermen "did not vote on a proposal" as if to imply that the Aldermen were not clearly on record against a fourth high school. I was trying to search my mind and maybe the records keeper of the Board has searched the data also. I thought this Board made it quite clear that we, by a margin of I believe 12-1, were not in favor of a fourth high school and I just wanted it to be made perfectly clear so that we wouldn't be in one of these murky areas where one board thinks one thing and another board thinks another. That is why I sent this proposal forward and that is why I think we have to spell things out in greater specificity in the future.

Mayor Baines stated I think government spends a lot of time in murky areas but maybe you should have watched the meeting one more time because that is basically…I just reiterated some things that School Committee Member D'Allesandro said this evening. There was actually no proposal and he is saying just wait. I don't believe there is any further action. I am going to allow Alderman Levasseur to make a comment but I think we should just receive and file.

Alderman Levasseur stated I brought that motion forward to get a feeling of the Board. We can make all sorts of recommendations to the School Board as they can make to us. That doesn't mean they have to listen to us. We asked you not to go forward with the building of a fourth high school. You can go forward and do all of the studies you want. Like the Mayor said, there will be a new Board coming in January and they could take a totally different vote. Our recommendation and I will say the same thing, I don't want you to build a fourth high school. You guys are on the School Board and you have made it abundantly clear that you are separate from us so coming here and asking us not to do this seems like redundancy. Just do what you guys do.

Alderman Pariseau moved to receive and file. Alderman Cashin duly seconded the motion.

Alderman Hirschmann stated regarding your point of elected bodies, well this body is still here and I think that our wishes should be respected in a veto proof vote that was given…the Chief Executive, I hope you are out there telling them as Chairman of the School Board that we do not want a fourth high school because that is clear from this Board. I read the Water Works minutes and I was appalled to find that they are looking for large acreage for a fourth high school. Now who put that on the Water Works minutes. I couldn't believe that. This

Board was clear that we do not want to build a fourth high school. There are other initiatives to build additions to high schools or to change an alternative high school but not build a fourth high school.

Mayor Baines replied that may be what is forthcoming. I think School Committee Member D'Allesandro has made it clear that a lot of things are on the table for discussion.

Alderman Hirschmann responded but a fourth high school shouldn't be on the table at all. That is the point.

Mayor Baines stated well the School Board has a right to make proposals and it will be voted up or down.

Alderman Hirschmann replied but you as the Chief Executive should be listening to this Board.

Mayor Baines responded well I listened and I conveyed.

Alderman O'Neil stated I wasn't going to debate this tonight but that vote was taken under new business, it was late at night and if we want to take another vote tonight, I will take another vote. We have no jurisdiction to tell the School Board whether or not there is a fourth high school. If they make that decision they will come back and ask the City to consider bonding to build a fourth high school. We have no jurisdiction over this.

A roll call vote was taken on the motion to receive and file. Aldermen Wihby, Gatsas, Sysyn, Pinard, O'Neil, Lopez, Pariseau, Cashin, and Thibault voted yea. Aldermen Levasseur, Shea and Vaillancourt voted nay. Alderman Hirschmann abstained. The motion carried.

Alderman Levasseur stated, Mr. D'Allesandro, it is nice that you want to build a fourth high school but at the same time…

School Committee Member D'Allesandro interjected wait a minute Mr. Levasseur, Alderman Levasseur. You are saying to me that I am coming here with a fourth high school. That is not correct, Mr. Levasseur. I wish you would pay attention to what I say. What I said was that no option should be precluded. We have not brought any option before this Board. What we are looking at is a number of options in light of the fact that for a number of years, probably 50 years, we have supported our fellow community members in trying to educate their children. At the present time there is a problem. That problem is being discussed and we are looking for a solution. I don't know what that solution is. I am not saying to you that we should build a fourth high school. What I am saying to you, Mr. Levasseur, is that you keep an open mind. That means a mind that isn't closed. Do you understand that. Is that perfectly clear because I want to make that perfectly clear.

Alderman Levasseur responded Mr. D'Allesandro it would be nice before you go out and decide to build new schools that you go to Central High School and look at the shape it is in now. Before you go building new high schools, fix the ones that you have. I don't think it is appropriate that he would come in here and talk to an elected official that way. I have never showed you disrespect in my life, Mr. D'Allesandro. As a matter of fact, I worked on your campaign when I was 18 years old so I don't think we need that kind of crap in here.

Mayor Baines stated that is the end of that discussion. We will move on to the rest of the agenda after Alderman Shea speaks.

Alderman Shea stated my concern as a former educator is that we focus on the children in Manchester. We have neglected them to the detriment of others. Other communities have resources at the elementary level and the middle school level that are far superior to ours and we have to begin working with the younger children. I have asked the Board repeatedly…children enter West High School from Bedford, most of them according to School Committee Member D'Allesandro are in the advanced placement. They are in the advanced placement because they begin at the elementary level…they offer a foreign language at the fourth grade level, another at the fifth grade level and they have a choice at the sixth grade level. That is how you develop. If any child wants to be a baseball player, they begin working at a young age. They develop their skills and have fun. By the time they reach a certain age, they become proficient. We are not focusing on Manchester. We are

focusing more on the needs of the communities surrounding us. I am not adverse to all of this but we should give a clear message to the Bedford community, which is growing, that if we tell them at this stage that they have to make a decision, what we are doing is just posturing. We are letting it go on and on. We are not giving a direction. We won't know for a few months where you people stand and they have to take a vote. I am trying to be as tactful as I can but I am just saying that the more we focus on the needs of other communities, we are not focusing on our own needs and we have to do that. It is a necessity. We need to. That is what I am asking.

Alderman Gatsas stated this really has nothing to do with Senator D'Allesandro's comments. It really ahs to do with what Alderman Hirschmann said and peaking my interest about Water Works land. Are we talking about possibly liquidating Water Works so that we have enough assets to consider doing something about the school situation. Is that what I am hearing.

Alderman Hirschmann replied Water Works land was being looked at.

Alderman Gatsas stated well maybe that is something we should consider because if that is an asset, if you are a company sitting here and you start looking at where assets are and what assets you have of value that you need to change different places because I believe I got something today that says we have the lowest water rate in the State. Well if we have an $80 million asset and we have such disparity in the school buildings in the City, maybe it is time that we looked at removing an asset to fix the schools. I thought maybe that is where everybody was going but I guess we can address that at another time.

Mayor Baines replied it is amazing how one letter got us to the closing of an asset.

Alderman Gatsas stated if we sat here and we were a company and you had the situation that you have at the School District and a company that was ready to go bankrupt and you had an asset that was a stagnant asset, you probably would consider it. Maybe that is another debate for another time.

Mayor Baines stated the only thing I would say to you is we do have the financial ability to fix our schools and we are going to proceed to do that.

School Committee Member D'Allesandro stated to address Alderman Shea, learning really is imperative in our system. In K-3 if you are not reading at grave level by the third grade you are in trouble. Most educators will say that. What we have done in the school system is tried to reduce class sizes in the elementary level so we do get better instructions by the student-teacher ratio and we have done that. We have accomplished that. That was our first move in trying to do a better job in terms of education. I don't think we are foregoing Manchester students in light of the fact that we are taking in tuition students. All of my

children went through the Manchester system on the West Side. They started at Parker-Varney and then Parkside and then West. They were in an environment with the Bedford students. What we are looking to do is create a situation…what I am looking to do, where a positive educational environment can be constructed that satisfies demonstrated need. If indeed that means elimination of one situation, I think the Board has to make that decision but we want to keep the best interest of all of the students paramount in our discussions and we want to have languages at the middle school level. The School Board has tried to do that. Presently we just haven't been able to find teachers. There is a scarcity of teachers and we haven't been able to find them. The Board has talked about putting in another foreign language at that middle school level so that we could be competitive. We have done some things that I think will have a very positive effect on education as we move forward. We are dealing with a very unique situation in Manchester. We have become very much an urban center. We have a very diverse situation and we are addressing that diverse population. Most other school districts in the State don't have this situation. On the one hand it is a blessing because we are giving people an opportunity to learn and to progress in a positive environment. On the other hand, it is a challenge and we are trying to respond to that challenge. I think we try to respond in a cooperative manner. Alderman Levasseur, if I have shown you any disrespect I certainly apologize for that. I didn't mean any disrespect. I just thought you didn't understand the item as I was presenting it and the item was don't preclude any decision. We haven't made any decisions so don't cut off any decision at this point in time. In order to maintain a good relationship with the Board of Aldermen, that is why I came to support this letter that was signed by all of the members of our Committee on Coordination.

Alderman Vaillancourt asked are we going to allow a filibuster without a response.

Mayor Baines answered we are going to move on to the rest of the agenda. There will be plenty of other opportunities to discuss this issue moving forward.

CONSENT AGENDA

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Accept Minutes

A. Accept minutes of meetings held July 17, 2001 (two meetings), August 6, 2001, and August 7, 2001.

Approve under the supervision of the Department of Highways

B. Pole petition #08CVC submitted by Teleport Communications Group – NH for conduit and cable extending from a point on the southerly side of Verizon Manhole 14B, running 111 feet to Public Service pole #141 located within the sidewalk on Elm Street.

Informational – to be Received and Filed

C. Copy of communication from Alderman Vaillancourt to the Manchester Transit Authority regarding a request for information as to services provided for the Riverfest Committee.

E. Copy of communication from Raymond Boone to Frank Thomas regarding the need to enclose Cemetery Brook which flows through his front lawn.
Note: Response from Mr. Thomas to Mr. Boone enclosed.

F. Communication from Susan Doukas advising of her positive experience with the customer service representatives and Mr. Nichols of the Assessors Department.

G. Copy of communication from Fred Harris advising of his resignation as President of the Riverfest Board of Directors.

H. Report from Mayor Baines on the City's response to the events of September 11, 2001, commending City employees for contributions to the "NH Cares" initiative to benefit the Red Cross, and Chief Kane as director of emergency operations. Additionally the report recognizes Leo Bernier for preparations relating to the ceremony at City Hall, Ron Ludwig and the Parks workers for placing flags along Elm Street and Grace Sullivan for opening MCTV studio to assist in assuaging the fears of residents.

I. Minutes of Mayor's Utility Coordinating Committee meeting held August 15, 2001.

J. Minutes of the Manchester Police Commission meeting held September 5, 2001.

L. Poem submitted by Angela L. Winslow.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

M. Resolutions:

"Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Thousand Dollars ($20,000) for certain Health Projects."

"Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Thousand Dollars ($30,000) for certain 2002 CIP Projects."

REPORTS OF COMMITTEES

COMMITTEE ON COMMUNITY IMPROVEMENT

N. Advising that it is has approved a request of the Airport Director to increase the Airport fleet by one vehicle to meet security needs. The Airport Director has been authorized to keep a vehicle previously scheduled to be disposed of upon replacement.

O. Recommending that the Board authorize acceptance and expenditure of federal funds and cash for the 2002 CIP Projects – Liberty House Sprinkler Alarm System and YMCA Youth Opportunities Unlimited; and for such purpose an amending resolution and budget authorizations have been submitted.

P. Recommending that the Board authorize acceptance and expenditure of State funds for the Health Department Tobacco Prevention Project and the Health Disparities Program; and for such purpose an amending resolution and budget authorizations have been submitted.

Q. Recommending that the Board of Mayor and Aldermen find that a portion of Bush Street (listed as Butt Street in city records) has been released and discharged pursuant to RSA 231:51.

COMMITTEE ON TRAFFIC

S. Recommending that the results of the study conducted by Southern New Hampshire Planning Commission for the coordination of traffic signals at the Granite and Canal Street arterials as enclosed be approved and adopted.

T. Adopt regulations regarding stopping, standing, parking and driving when duly posted and advertised.

Accept Funds and Remand for Purpose Intended

U. Communication from Finance advising of the receipt of $100.00 from Devine, Milllimet & Branch for the City employees' Ice Cream Social held on August 13th.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN WIHBY, DULY SECONDED BY ALDERMAN O'NEIL, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

D. Copy of communication from former Alderman Pepino to the Secretary of State regarding concerns with the Ward 6 State Election held on September 18, suggesting the matter go to the Ballot Law Commission and a new State election be held on November 6th for that ward.

Alderman Vaillancourt stated you did allow me to address this in the public session after comments were made about the special election that went awry a little bit in Ward 6 during the primary day. I did mention that a week from Friday the Ballot Law Commission will be considering this and I did want to refer you to the letter from Chairman Pepino of the Manchester Legislative Delegation. I guess I speak now as Clerk of the Manchester

Legislative Delegation wanting to assure everyone that the Ballot Law Commission ahs the authority to properly determine whether a new election is required or not but there were, in fact, some moments during the early hour that the ballot was not available for that special election and there may or may not be a new election ordered by the Ballot Law Commission. I would want to point out and maybe the City Clerk can verify this with me, that the intention of the Board all along was to have the special election for the State Representative races as the same time as the primary or the general election. It now appears that if the Ballot Law Commission were to order a new election in that ward for State Representative, it wouldn't happen before next Friday and I don't believe we would be able to schedule it in time for the November 6 election.

Clerk Bernier replied that is correct. The Ballot Law Commission will make their decision on or about October 12 and order a new election if that is their choice and it will probably be held sometime in December or January.

Alderman Vaillancourt stated I consider that unfortunate, your Honor, and of course we are getting a little ahead of ourselves but that would mean an extraordinarily low turn out as opposed to the rather robust turnout we would get on election day. Perhaps it would be in order to send a letter to the Ballot Law Commission and the Secretary of State asking if it is at all possible if they chose to go that route to try to arrange so that it could be facilitated on November 6. Would that be at all advantageous.

Clerk Bernier replied again there are election laws that we must follow. I passed out a memo yesterday in regards to RSA 165 I think and it indicated that there is a form that they must follow. If it is the Board's wishes to send a letter to the Ballot Law Commission to share that we think November 6 would be the best time because there would be a larger turnout we definitely would do that. Again, the Ballot Law Commission will set the time and date.

Alderman Vaillancourt asked do we need a motion for that.

Mayor Baines answered no we will just ask the Clerk to communicate that.

Alderman Wihby stated I thought they were printing the ballots on Friday.

Clerk Bernier replied, as you know we had two separate elections going on in the primary. We had three State elections and a municipal election. I think what Alderman Wihby is talking about is absentee ballots and that is for the municipal election.

Alderman Wihby stated I thought we were going to have a new election in January any way for Executive Council.

Mayor Baines replied well we don't know that for sure.

K. Manchester Transit Authority Minutes, Financial and Ridership Reports for the months of June and July 2001.

Alderman Gatsas stated the minutes of the MTA meeting, Page 8, it is talking about the City of Manchester subsidy and the quote is, "Trisciani asked why the City is holding $50,000 of our subsidy. Clay said we have asked for the minutes of the Board meeting when we saw the article in the newspaper and we were informed that it would take three to four weeks before we could receive a copy." He went on to say, "according to the newspaper it appears that all 12 managers don't pay 10% for their health insurance. Boisvert said we don't have 12 managers. Clay said that is what the newspaper reported. Clay stated all non-affiliated employees are under the same package. There is no difference between the dispatcher, secretaries, department heads or general managers as far as the benefit package. Trisciani asked how many employees are under this package. Clay reported 12 employees but not all are managers. Clay said it appears that Alderman Gatsas thinks it is all the managers and that is wrong and that is why Clay would like to look at the minutes and not just what the newspaper published." Well your Honor I would like to set the record straight. I have a chronological line of events here. I guess the first would start on May 8 when the MTA came for their financing package from the City. It was the discretion of the Finance Committee that they come back and actually show us line items of their budget. That was asked on a unanimous vote so that we wouldn't just pay the resolution that they were looking for of $771,000 without any line item questions. On the meeting of May 22 when they came back, the MTA was present and I will quote for you and Mr. Clay was here and it wasn't Alderman Gatsas that began the questioning it was Alderman Clancy. Let me start with Alderman Clancy's questions. Alderman Clancy asked, "Don how much of an increase is the insurance." Mr. Clay answered, "$66,000 or 15.5%." Alderman Clancy asked, "What percent does the MTA employee pay." Mr. Clay answered, "10%." Alderman Clancy asked, "Everybody pays 10%, the management pays 10%." Mr. Clay answered, "No, the management does not pay 10%. We don't pay anything." Alderman Clancy asked, "How many people is that." Mr. Clay answered, "12." Alderman Clancy asked, "Don't you think it would be prudent that you pay something." Mr. Clay answered, "That is something we have to bring to our Commissioners." I would assume and I am not done but Mr. Clay is understanding that Mr. Gatsas said it and the only thing that Mr. Gatsas understood is what Mr. Clay said, that there were 12 people. He never differentiated Alderman Clancy's statement that they weren't all managers. With the assumption, we will go on to the September 11 meeting of the Board where we were doing the appropriation for the City and I asked the question about taking out the $50,000 because there was nothing done at the Board level or the Commissioner's level for looking at the statement of where they were for the City and whether those deductions were the same. I received the letter that we all received dated 9/28 because as of 9/27 I saw no communication back from the MTA. That statement is pretty clear that I made the motion that we should hold the $50,000 until the Commissioners at the MTA made a clear motion of whether they thought that management

should participate as all other employees in the City. Your Honor, I think it is clear that Mr. Clay maybe didn't have his facts straight and I certainly would love to have him address it.

Mr. Clay asked what is it that you want me to talk to.

Mayor Baines answered obviously there has been a disparity between what was alleged, not what was alleged but the minutes of your meeting saying that Alderman Gatsas made some comments about the 12 and that came from you and now that you are here the record needs to be clarified. Do you have any comments about that.

Mr. Clay replied yes. In the meeting where Alderman Clancy asked what we paid, I do not remember whether I said we were all managers or not.

Mayor Baines responded that is in the minutes. We do them verbatim.

Mr. Clay replied but I don't remember saying that. We are not all managers.

Mayor Baines stated well you have heard the minutes and I think Alderman Gatsas is asking for a response now that you have heard them.

Alderman Levasseur asked how many managers are there.

Mr. Clay answered there are five managers, four secretaries and three dispatchers who are part of the non-affiliate group.

Mayor Baines asked Mr. Clay do you want to say anything in regard to what you just heard to clear it up.

Mr. Clay answered I am not sure what he is looking for for a response.

Alderman Gatsas replied the response I am looking for, Mr. Clay, is the honesty that you gave your Commission when I am reading the minutes of your Commission meeting. Now it looks as though the statements you made to them were that you were totally unclear of where we were coming from on the deduction of management allocation to health insurance. Now I think we sent a very clear message that evening. I read you the minutes. I can continue reading the minutes. I think it was very clear so for you to state to your Commission that you weren't sure what the Board was looking for and you had no idea of why the allocation of the $50,000 was being withheld I think is not really a true fact.

Mr. Clay stated well I don't remember saying that I thought we didn't know why. You made that clear and I have the minutes to the meeting where you held that money back and you are the one in those minutes who said we had 12 managers.

Alderman Gatsas replied again and I don't question whether I said 12 managers but it comes back to the quote above that which is my recollection is that it is 12 managers based on the question that Alderman Clancy asked you. I was looking for those minutes and I thought I had asked you the question, but it was Alderman Clancy that went down that road.

Mr. Clay stated I remember Alderman Clancy asking that.

Alderman Gatsas stated and you never once corrected him when he asked you the question how many is that. You said 12. He said managers. You never corrected that. Is it my assumption to believe that you had 12 managers then because you never corrected him.

Mr. Clay replied I suppose so but I don't have 12 managers.

Alderman Wihby stated I guess I am kind of lost. There are five managers, four supervisors and three dispatchers.

Mr. Clay replied and four clerical employees.

Mayor Baines asked those people are all non-affiliated employees.

Mr. Clay answered correct. There are 12 non-affiliated employees.

Alderman Wihby asked and they don't pay anything.

Mr. Clay answered that is correct.

Alderman Wihby asked and all of the other employees who are part of the union pay.

Mr. Clay answered they pay their 10% unless they are not taking insurance at all and then we give them $1,800.

Alderman Lopez asked have the Commissioners approved all of these contracts with the managers that they pay nothing.

Mr. Clay answered we don't negotiate that. That comes directly from the Commissioners themselves and that has been from a lot longer than I have been there.

Alderman Lopez asked and they sanctioned it at the last Commission meeting. I didn't read the minutes but did they sanction your philosophy on the managers not paying anything.

Mr. Clay answered yes they did in April.

Alderman Lopez asked is that the minutes that Alderman Gatsas read.

Mr. Clay answered I am not sure which ones he was referring to.

Alderman Gatsas stated June 26. Why I read it, I don't know.

Alderman Lopez asked so the Commissioners agreed in that period. You brought that subject up and they agreed that you don't have to pay anything.

Mr. Clay answered this was back in April so it was before anything came up here at this Board and they continued with our package with some slight modifications back in April. Now this was something that they hadn't visited since 1989. They revisited it again this last April, made a few adjustments and approved those changes for us and to keep the package as it is.

Alderman Lopez asked in your statement you said that the benefit equals less than $3,000.

Mr. Clay answered that is part of…the money that we are going to get from the City, the $705,000 or $725,000, less than $3,000 of that money would go towards that 10% that we don't pay.

Alderman Lopez stated I just don't understand why it took so long to get answers when this Board was holding back $50,000. Is that you don't need the $50,000.

Mr. Clay replied no. We do need the money.

Alderman Lopez asked what are you going to do if you don't get it.

Mr. Clay answered well we will have to cut service. It is $100,000. $60,000 of that would be on our regular transit system that is for the City right now and $40,000 would be for the civic center shuttle service.

Alderman Lopez stated the civic center shuttle service I don't think was included in that $50,000.

Mr. Clay replied well I believe it was. If I read the minutes I would take it like that but if we had to remove $100,000 I can't see where we are going to take $100,000 away from the citizens of this City who depend on the bus every day going to and from and keep $40,000 for the civic center, which is mostly hauling people around who don't live in this City. I think the people in this City deserve…

Alderman Lopez interjected have you laid out a plan if you don't get the money. Can you tell us tonight what you are going to cut.

Mr. Clay replied first we are going to cut the civic center shuttle. We would do that. To what degree we would have to cut service I am not sure. I am not sure exactly how much disruption we would need for $60,000.

Alderman Hirschmann stated I have a question for the Chairman of the Board of the MTA Commission, which is Eugene Boisvert.

Mayor Baines called Mr. Boisvert forward.

Alderman Hirschmann stated I have a question. Did the general manager of the MTA come to the Commission and say the Aldermen want us to change our benefit package and then they will release these funds.

Mr. Boisvert replied yes he did. He came and told us at the last meeting that there was a motion made by the Board of Mayor and Aldermen that our non-affiliated employees should pay the same as the other employees for health insurance.

Alderman Hirschmann stated the Board of Mayor and Aldermen saw it as an equity issue that all City employees should consider something and we brought that to your Board. Did your Board vote on that.

Mr. Boisvert replied yes we did. The reason we voted on it was because the equity between the management team and the non-affiliated team is different. The parity has been different for a long time. We only have one manager who makes over $40,000 compared to the Yarger Decker study, which we never got but we looked into. Our managers are paid at a much lower rate than any of the other department heads so we figured we would cover that 10%, which was instituted 20 years ago. It has always been fair in the past and I think it is fair now.

Alderman Hirschmann asked does your Commission understand that by not having those employees participate you are depriving the MTA itself of $100,000.

Mr. Boisvert answered yes and that is why we are here tonight. We are asking you to release that money.

Alderman Levasseur stated if we go back to that day when this Board voted to take back that $50,000 I was the only one who voted against it. I voted against it because I didn't like the spirit in which the vote was made. To find out that it only affects five managers and the other seven people are clerical or non-management staff, I move to release those funds back

to the MTA. It is amazing that the full-time managers make as little as you say. I am embarrassed that this Board did this. I think we should give back the money and if you decide in the next budget that they want to pay their 10%, I think that would be more equitable and fair. In the meantime, I make the motion that we return their money today.

Mayor Baines stated we are on letter K, which is to accept the minutes. If we can deal with that first and then we will take your motion.

Alderman Gatsas stated I have some questions left about the minutes.

Alderman Shea asked do the regular full-time bus drivers who pay for medical benefits, do they make less money than management.

Mr. Clay answered absolutely.

Alderman Shea asked a little bit less or a lot less.

Mr. Clay answered well we have some who make more than some of our managers but as a rule they make less.

Alderman Shea asked but they do pay their medical benefits, is that correct.

Mr. Clay answered yes but we also have some disparity there, too. If you don't need the insurance, we will pay you $1,800 not to take the insurance.

Alderman Shea asked does that apply to management as well.

Mr. Clay answered no it does not. That was negotiated into the collective bargaining agreement.

Alderman Shea stated what I think the morale factor is and I have noticed that there are several people who drive the buses here, they are looking at a special privilege that they are not entitled to receive but certain individuals are able to receive it. I think that is a morale factor. I know that if I were driving a bus and I worked there for 20 years and I have to pay my medical benefits and you as my boss didn't have to, I think it would be a little bit disconcerting to me because I would say for whatever reason I am not given the same privilege as you. All of the department heads in Manchester pay their medical benefits and those of us here pay our medical benefits. That is how we came to this concept. I am not sure we can do anything at this stage but basically that is where my reasoning is coming from. What is good for the goose is good for the gander.

Alderman Gatsas stated I certainly hopefully believe that the Commission understands where I was coming from and not the rest of the Board but I will explain it. There was certainly

some communication factors that led up to this. this didn't just happen. It started with whether management was attending the classes they were supposed to attend. That is the way the discussion first started and whether the equity when management is sitting there and there was a morale problem and I say there was a morale problem because these chambers were filled at two different occasions with the rank and file in here. Now I don't think if there was any other department head in the City that was getting 100% of their medical paid that Alderman Clancy or this Board was looking for anything different. He sent a message. He sent the messenger to the Commission. He did that on May 22. Obviously the Commission never heard about it. Did you hear about it on May 22. According to the minutes of your meeting that were from June 26, Mr. Trisciani was asking for the $50,000 because he had never heard about it.

Mr. Boisvert replied the reason there was a lapse of time between when you made the motion and when we are responding is because it happened in June and we don't have a meeting in July and the next meeting was at the end of August. This is the first chance we have had to get things together to respond to your inquiries.

Alderman Gatsas stated that is not an answer to my question. My question was Mr. Clay on May 22 knew that this Board had a problem with the medical contribution by 12 employees. I quote, "Alderman Clancy asked the question…the statement that he concluded with an I will read it again, "Alderman Clancy asked don't you think it would be prudent if you paid something. Mr. Clay answered that is something that we would have to bring to our Commissioners." That was on May 22. The minutes of your meeting and I don't know why I picked them up and read them because it was the first I have read them in two years but I read the question that Commissioner Trisciani asked which was why is the City holding $50,000. That was some 30 days after we sent you to go to your Commission and talk to them. You still hadn't told them.

Mr. Clay replied you didn't send me to go and see my Commissioners and talk about it. He asked a question and I answered the question. There was no request from this Board to take it to the Commission. The request you are talking about was in June when you withheld the money.

Mayor Baines stated the actual vote was in June when we were doing the Resolution.

Alderman Gatsas stated that is because you never came back with an answer from your Commission.

Mr. Clay replied I wasn't asked to come back with an answer to this Board.

Alderman Gatsas stated obviously these are the same things that are happening at this level that we continually see from management of the MTA. Now I really have some serious

problems that they continually coming in here and never are willing to accept blame for anything. It is always somebody else's fault.

Mr. Clay responded there is nothing to blame anybody for.

Alderman Gatsas stated I am annoyed by it. It bothers me and obviously when somebody says that for $3,000 for implementing medical deductions for 12 people that he is going to cut services to this City if he was an employee of mine, your Honor, I would ask for his resignation.

On motion of Alderman Pariseau, duly seconded by Alderman Levasseur, it was voted to receive and file the minutes and the financial and ridership reports of the MTA.

Alderman Levasseur stated if things are really that bad and the managers stink then the Commissioners can get together and fire them. It is not our job as Aldermen to go out there and fire these people and holding back the money is not in the right spirit.

Alderman Levasseur moved to release the $50,000 that is being withheld from the MTA. Alderman Pariseau duly seconded the motion.

Alderman Vaillancourt stated speaking of firing, if any firings were to be done by the Commission, we still have a Commissioner whose term expired about six months ago and we haven't replaced him yet. I am wondering when we are going to do that.

Mayor Baines replied it is an Aldermanic appointment, not a Mayor's appointment.

Alderman Vaillancourt responded I understand that and I think it is time for this Board to take some action on that Aldermanic appointment. At the last meeting Alderman Shea brought it up and we were told that the person whose term has expired still does in fact live there but that doesn't negate the fact that his term has expired.

Mayor Baines replied there are certain things that are the Mayor's responsibility and others that are the Aldermen's responsibility.

Alderman Vaillancourt stated let's act responsibly then and I just want to say while we are on this subject that if I didn't have more important things to do I would like to spend some time talking about the lack of response by Mr. Clay and by Mr. Webster to Item C that I filed because every other department head – the City Solicitor, the Highway Department, the Fire Department, the Police Department, and Mr. MacKenzie answers every question. They flatly refused to answer a question when I asked about transportation provided at the Riverfest so they are unresponsive and there is a problem there.

Mayor Baines stated we have a motion on the floor and we are going to talk about the motion that is on the floor.

Alderman Wihby stated my concern is that we are…I agree that management should be treated the same as other management but we are hurting the other seven employees. We are trying to go after management and have them pay their fair share but at the same time we are hurting those employees that we are not intending to hurt. The right way of approaching this would be for the Commission to go back and do their job rather than hurt the other seven employees.

Mayor Baines called for a vote on the motion. Alderman Gatsas requested a roll call.

Alderman Gatsas asked can we table this.

Mayor Baines answered I am going to call for a vote. A roll call vote has been called for already.

Alderman Cashin stated a motion to table takes precedence.

Mayor Baines replied if there is a roll call that has been called, you have to proceed with the roll call.

Alderman Wihby responded tabling takes precedence and I second the motion.

Solicitor Clark stated it is up to the Chair to decide.

Mayor Baines stated let's move with the vote. Aldermen Levasseur, Sysyn, Pinard, O'Neil, Lopez, Pariseau, Cashin, Thibault and Wihby voted yea. Aldermen Gatsas, Shea, Vaillancourt and Hirschmann voted nay. The motion carried.

Alderman Gatsas gave notice for reconsideration.

Alderman Cashin stated I think a bigger question has come up here this evening that we are going to have to address and I would like to refer it to the Personnel Director. Mr. Clay, what is your total budget.

Mr. Clay asked for everything. It is $4 million for schools and everything.

Alderman Cashin asked how many employees do you have.

Mr. Clay answered about 115 or 120.

Alderman Cashin stated so you have a $4 million budget and 115 employees and you are making less than $50,000 a year.

Mr. Clay replied I am not but everybody else is.

Alderman Cashin stated I can look it up, but what is your salary.

Mr. Clay replied this year I will probably make about $60,000 or $61,000.

Alderman Cashin stated I would like to ask the Personnel Director to look into these positions and to come up with some evaluation. There is something wrong here. Forget the person involved, I am looking at the position. I think the position should be evaluated. It seems to me that they might be underpaid. I am not taking sides one way or the other on the 10% for medical insurance but let's look at the positions.

Alderman Levasseur asked do you need a motion for that.

Mayor Baines answered no. I will work with the Personnel Director on that.

Mayor Baines stated Alderman Vaillancourt is reminding me that we have some people waiting and I would like to move to Item 11 on the agenda.

11. Communication from Alderman Vaillancourt regarding the parcel of property at the corner of Corning Road and South Mammoth Road and requesting the passage of a motion as follows:

> "That the Board of Mayor and Aldermen send a letter to the Department of Transportation Commissioner, Carol Murray; Chief Project Engineer, David Brillhart; and US Senator Bob Smith; joining the Manchester Conservation Commission, Planning Board and Crystal Lake Association in strongly supporting a request that the Department consider acquiring the 37 acre parcel of land at the junction of South Mammoth and Corning roads as wetland mitigation for the widening of the interstate by Bodwell Road."

Alderman Vaillancourt stated my colleague to my right reminded me of the hour and I did invite Andy Manning, President of the Crystal Lake Association to be here. He has worked very hard on this effort to preserve these 37 acres in some pristine condition and he has brought it to my attention that it is a possibility that as remediation for the widening of I-93 by Bodwell Road, the State might be interested in this. We also have the attorney for the LaMontagne Developer, Arepee Saunders. Along with my motion I would like to point out that they are willing to work together to try to bring some resolution to this item. I have also been in touch with your aide, David Scannell, and if nobody has any questions I would just like to move this tonight. I think it is very imperative that the Board of Mayor and Aldermen as the governing body of the City get behind the Conservation Commission and the Planning Board and get Senator Bob Smith involved in this.

Mayor Baines stated we have on caveat from the Planning Director.

Mr. MacKenzie stated this particular site has also been identified as potentially one of the best sites for a park in South Manchester. If I could just add that when you use the phrase 37 acres for mitigation, there may be possibilities to have a portion of the site for mitigation but also a portion of the site that the City could use for park land. I just hope that could be clarified so that we don't preclude that opportunity.

Alderman Vaillancourt stated we could amend it to say "considering a portion of the 37 acre parcel of land."

On motion of Alderman Vaillancourt, duly seconded by Alderman Shea, it was voted to send a letter as outlined above.

Alderman Vaillancourt stated I would like to thank them for sitting here and I think it is important to develop a good rapport perhaps as they negotiate some kind of…the Planning Board is supposed to be considering this Thursday night but they are going to resubmit it a month later so we do have some time but it is very important and maybe Solicitor Clark could make his services available as well to them.

Report of Committee on Traffic

R. Recommending that a request to close portions of Elm Street for the 48th Annual Fire Prevention Parade and Muster be granted and approved under the supervision of City Clerk Fire, Highway, Police, Traffic and Risk.

Alderman Hirschmann stated this Sunday, October 7 there will be the Annual Fire Prevention Parade and Muster that the Fire Department holds every year. This Sunday at the same time there will be a memorial held in Washington by President Bush for fallen firefighters and it is going to memorialize David Anderson, a fallen firefighter from Manchester, so I am asking your office to prepare a Proclamation that October 7 be David Anderson day while they are having their Muster and Fire Parade this year. Alderman O'Neil duly seconded the motion.

Mayor Baines stated I have already talked to Alderman Hirschmann and am in the process of doing that. I think it is a great remembrance of David and a tribute to his sacrifice here in our community and also coordination with the national commemoration.

Alderman Pinard asked can I add on, being Chairman of the Fire Prevention Committee for many years and this year we are going to have the parade…we usually have a parade marshall but with the circumstances around the country and the fallen firefighters and police officers we are going to have the parade be a tribute to fallen heroes. We are inviting everybody, especially the Board of Mayor and Aldermen, to march hand in hand with the

firefighters and the police. Anybody interested can contact me and I can give you some more information.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

On motion of Alderman Hirschmann, duly seconded by Alderman Lopez, it was voted to accept, receive and adopt the report.

Nominations were presented by Mayor Baines as follows.

Water Commission
Attorney James Craig to fill the unexpired term of Robert Cruess, term expiring January 2004.

Zoning Board of Adjustment – Alternate
George "Skip" McNamara to fill unexpired term of Bill Larking, term expiring March 1, 2004.

Mayor Baines advised under the rules these nominations would lay over to the next meeting.

Alderman Pariseau moved to suspend the rules and confirm Mr. McNamara to the Zoning Board of Adjustment this evening. Alderman Shea duly seconded the motion. Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Alderman Wihby stated if we are going to do that and that is the first time we have ever done that, then we ought to do it for both of them.

Alderman Pariseau replied we have done it in the past.

Alderman Wihby responded other than people who are just refilling their spot we have never done that. I have no problem with this. I would just like to move on suspending the rules to confirm James Craig.

On motion of Alderman Shea, duly seconded by Alderman Pariseau, it was voted to confirm the nomination of George McNamara as an alternate to the Zoning Board of Adjustment, term expiring March 1, 2004.

Alderman Wihby moved to suspend the rules and confirm James Craig asto the Water Commission. Alderman O'Neil duly seconded the motion.

Alderman Vaillancourt stated I was thinking of other Boards that we have and a hearing that we had earlier this year at the Conduct Board. Isn't Mr. Craig on the Conduct Board at this time. Are we having trouble finding people to be involved in the process.

Mayor Baines replied this was a recommendation from Mr. Bowen. We asked for recommendations and applications from the community and he did apply for the position.

Alderman Vaillancourt asked will he be resigning from the Conduct Board so that we can get somebody new there. I just think we should have more people involved in government.

Mayor Baines stated I think we should just encourage more people to get involved and I think that the lawyer expertise on the Board is wanted. He is experienced in City government, which is another factor that makes him duly qualified for the position.

Alderman Levasseur stated he doesn't have a problem with his qualifications, he is questioning being on more than one Board.

Mayor Baines replied that is true too. I don't know what his feelings are about that.

Alderman Vaillancourt stated well the Conduct Board never does anything anyway apparently.

Mayor Baines called for a vote on the motion to suspend the rules and confirm Mr. Craig. There being none opposed, the motion carried.

On motion of Alderman O'Neil, duly seconded by Alderman Lopez it was voted to confirm the nomination of James Craig to the Water Commission, term expiring January 2004.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to recess the meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

A report of the Committee on Finance was presented recommending that Resolutions:

> "Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Thousand Dollars ($20,000) for certain Health Projects."
>
> "Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Thousand Dollars ($30,000) for certain 2002 CIP Projects."

ought to pass and be enrolled.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to accept, receive and adopt the report.

OTHER BUSINESS

> Communication from Alderman Levasseur requesting the Board consider the following policy:
> "Any elected official of the City of Manchester who abstains from any vote, whether it be at the full board or committee level, must state publicly his/her specific reason why that elected official is abstaining from voting on the particular item in question."

Alderman Pariseau moved to receive and file this item. Alderman Cashin duly seconded the motion.

Alderman Levasseur stated I can't imagine why anybody would have a problem with this, your Honor. There have been instances where Aldermen have abstained from a vote and I think there should be public reason as to why. The City Charter specifically states that the Board of Mayor and Aldermen may establish rules, procedures and standards hereinafter called policies relating to matters over which the Board has jurisdiction. We have no policies in place, unless there is a policy manual somewhere. Such policy shall be set forth in a manner, which shall be maintained by the City Clerk and made available to departments. We don't have any policies and I believe, your Honor, and I don't want to get into certain Alderman and certain situations because I just don't think we need to air that but I do think that we should have a policy that if somebody abstains from a vote they should be giving a specific reason for doing so and complete disclosure for what is going on and what their conflict is.

Alderman Shea stated I find that in human experiences not everyone is honest so somebody can say a certain reason why they are not voting for a particular issue but it might be an untruth. I am not saying that everyone would do that but how can you prove if somebody decides to make up some ficicious reason.

Alderman Levasseur stated if you have an abstention and you have somebody making a statement then you have that there.

Mayor Baines stated I don't know how you can force somebody to speak if they don't want to speak.

Alderman Cashin stated most Aldermen when they abstain do so because they have a conflict of interest and that should be sufficient. You don't have to go into any more detail than that and we shouldn't require them to.

Alderman Vaillancourt stated I believe in voting when called upon to do so here and don't believe in abstaining unless there is a legitimate reason and I believe if I have a legitimate reason I should say that. Earlier this year we had a problem with a State Senator or State Representative being fearful that if he voted on something here it would impugn what he could do at the State level. I think it is fair for the public to know that. I don't see anything

wrong with this motion. It is not meant to get anybody. It is innocuous. I can't imagine anyone here telling an untruth when it comes to that.

Alderman Shea stated if you recall I did bring forth a motion a while back on whether a Chairman of a Committee should vote or not and it was decided that they didn't really have to vote on a particular issue.

Mayor Baines called for a vote on the motion. The motion carried with Aldermen Vaillancourt and Levasseur being duly recorded in opposition.

> Communication from Daniel Healy, Board of School Committee submitting a partial settlement agreement for the Board of Mayor and Aldermen's review and requesting the Board consider encouraging attendance at additional negotiation meetings or the option of a meeting between the City Solicitor and school counsel to resolve the matter.

Alderman Pariseau moved to receive and file this communication. Alderman Cashin duly seconded the motion.

Alderman Levasseur asked why is this a mute point.

Mayor Baines answered because we are going to court tomorrow.

Alderman Levasseur stated the way I read this letter, it specifically stated that they wanted us to withdraw our Charter amendment.

Mayor Baines replied no. Two things have happened and I thought everybody knew. We did meet yesterday with both sides to try to resolve some issues and we made some progress. We weren't able to resolve all of the issues. We are going into a mandated alternative dispute resolution process tomorrow before Superior Court Judge Lynn so that hopefully will resolve the lingering issues.

Alderman Levasseur asked what are the issues that are lingering, your Honor.

Mayor Baines asked Solicitor Clark to summarize.

Solicitor Clark answered some of the remaining issues are the Charter amendment, the fixed assets, the date they would come back with a deficit reduction plan, how to write-off some of the old write-offs. There are a lot of financial issues that still need to be worked out and both sides are still discussing it.

Mayor Baines stated the Charter amendment is still one of the issues but that is going forward anyway.

Alderman Levasseur replied that is my point. That is going no matter what.

Solicitor Clark responded it is still going on the ballot.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

> Communication from Parks and Recreation requesting approval to dispose of a Snowmaking Air Compressor to the highest bidder for salvage.

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

> Communication from Thomas Seigle, Chief Sanitary Engineer, requesting that the Board find that there is a public need to acquire temporary easements and permanent easements from the owners of Lots 779/15 also known as 17 Pond Drive, 779/16 also known as 18 Pond Drive, 779/17 also known as 19 Pond Drive and 779/23 also known as 25 Pond Drive by eminent domain if necessary.

On motion of Alderman Vaillancourt, duly seconded by Alderman Pariseau, it was voted to find that there is a public need for the acquisition of said temporary easements and permanent easements for the Pond Drive Sewer and Pumping Station Project and that the City Solicitor is hereby authorized to acquire, by eminent domain if necessary, any such easements on the properties stated.

> Resolutions:
>
> > "Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Thousand Dollars ($20,000) for certain Health Projects."
> >
> > "Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Thousand Dollars ($30,000) for certain 2002 CIP Projects."

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted to read the Resolutions by title only, and it was so done.

On motion of Alderman Wihby, duly seconded by Alderman Sysyn, it was voted that the Resolutions pass and be Enrolled.

TABLED ITEMS

18. Report of Committee on Accounts, Enrollment and Revenue Administration advising that it has accepted a school audited financial statement report from the Finance Department.
(Tabled May 1, 2001)

This item remained on the table.

19. Communication from the Economic Development Director seeking approval to expend $75,000 of its funds to have the city Highway Department construct a temporary surface parking lot with 151 parking spaces on the vacant lot at the corner of Bridge and Elm Streets; and further requesting authorization to have the parking revenues from this lot, less funds for reasonable management of expenses of the Traffic Department, returned to MDC in repayment of its $75,000 investment. (Tabled July 17, 2001; and re-tabled August 7, 2001.)

This item remained on the table.

NEW BUSINESS

Alderman Pariseau moved to nominate Arthur Beaudry to fill the unexpired term of Brooks McQuade on the Retirement Board, term to expire January 2003. Alderman Thibault duly seconded the motion.

Mayor Baines asked what is the procedure.

Deputy Clerk Johnson answered it can either lay over to the next meeting or they can suspend the rules and confirm the nomination this evening. I believe they want to close nominations first.

Alderman Cashin moved to nominate Michael Roche to fill the unexpired term of Brooks McQuade on the Retirement Board.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to close nominations.

Alderman Wihby moved to suspend the rules and confirm the nomination this evening. Alderman Lopez duly seconded the motion.

Alderman Vaillancourt stated this is moving very fast. This is coming in under new business and now we are moving to suspend the rules and we have two nominees, one of whom I understand is running for the School Board. If he were to win the nomination for the School Board…

Alderman Pariseau interjected the other nominee works for the City.

Alderman Vaillancourt asked is this something we need to do tonight.

Alderman Wihby requested a roll call vote.

Alderman O'Neil stated I am aware of at least one of the candidates, Mr. Beaudry. Do we know, traditionally you get a call or a letter or something.

Alderman Vaillancourt replied that is why we should go slowly on this.

Alderman Cashin stated I hadn't planned to bring anybody in tonight but when the name came in and you moved to close nominations…I have a commitment and I am going to fulfill that commitment.

Mayor Baines called for a vote on the motion to suspend the rules to confirm the nomination. A roll call vote was requested.

Alderman Vaillancourt asked does this require two thirds or unanimous.

Deputy Clerk Johnson answered two thirds.

Aldermen Wihby, Gatsas, Levasseur, Sysyn, Pinard, Lopez, Shea, Pariseau, Cashin, and Thibault voted yea. Aldermen O'Neil, Vaillancourt and Hirschmann voted nay. The motion carried.

Alderman Wihby requested a roll call vote for the nominees. Aldermen Wihby, Gatsas, Levasseur, Sysyn, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Thibault and Hirschmann voted for Arthur Beaudry. Alderman Cashin voted for Michael Roche.

Alderman Wihby stated point of order. That is why we haven't done this before when we rushed things through. We always made them wait unless it was a reappointment. I would hope that we could go back to that at the next meeting rather than bring people forward and suspend the rules to confirm them.

Alderman Cashin moved that one unanimous ballot be cast to confirm the nomination of Arthur Beaudry to the Retirement Board, term expiring January 2003. Alderman Sysyn duly seconded the motion. There being none opposed, the motion carried and a unanimous ballot was cast.

Deputy Clerk Johnson stated the Clerk has two items of new business. One is a Resolution, which was submitted pursuant to a poll that we were trying to take late last week. I would need a motion to read that Resolution by title only.

> Resolution:
>
> "Authorizing the Finance Officer to affect a transfer of $8,248 from Contingency to the School District as the net carry forward balance that both parties agree the District is entitled to."

On motion of Alderman Wihby, duly seconded by Alderman Lopez, it was voted to read the Resolution by title only, and it was do done.

Alderman Wihby moved that the Resolution pass and be Enrolled. Alderman Shea duly seconded the motion.

Alderman Gatsas asked have we been paid the $600,000.

Mr. Clougherty answered no.

Mayor Baines stated we are in alternative dispute resolution.

Alderman Gatsas stated I think we were promised that money some 60 or 90 days ago.

Mayor Baines replied we have a motion on the floor and it has been recommended by the City Solicitor that this motion go forward to help with the resolution.

Mayor Baines called for a vote on the motion to enroll the resolution. The motion carried with Alderman Gatsas being duly recorded in opposition.

A report of the Committee on Human Resources/Insurance was presented recommending that the Health Department be authorized to hire and additional full-time nurse to meet the needs of a special education student with the salary and benefits for this position being reimbursed by the Manchester School District.

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to accept, receive and adopt the report.

Mayor Baines stated before we go to Alderman Gatsas, I just want to call your attention to a memorandum that I sent to the Board this evening that is going to go to the Human Resources Committee and that is to address the issue of City employees who have been called to active duty. We presently have two from the Police Department and I think both have been ordered for one year. We actually surveyed the departments a couple of weeks ago and I want to commend the Chief for coming forward and meeting with me and the Personnel Director to discuss this issue. In 1991, the Board in reference to what must have been Desert Storm put forth an effort to extend health benefits. In this case we are recommending health and dental benefits so that their families can enjoy those benefits while they are away on active duty realizing that they will have the benefits while they serve in active duty but because of the various logistics of healthcare we feel that this is the right thing to do and we are referring it to Human Resources so they can fine tune the cost and come back to the Board with a full proposal. That is just automatically going to go to the Human Resources Committee but I wanted to inform the Board and let the public and employees know that we are doing our best to look after their interest because it is the right thing to do.

Alderman Gatsas asked, Kevin, can you tell me why we haven't been paid our $600,000 and how it has affected our audited statement. I think the last time we had a conversation about this you said that you had to have it paid by the end of September so it would not affect our statement.

Mr. Clougherty answered that is right. Under the Generally Accepted Accounting Principals you have a 60-day window to credit those dollars. We have not received those and we have posted that as a receivable to the School District. As part of the audit and hopefully if we can get this thing resolved shortly, there may be some willingness on the part of the auditors if there is a conclusion to look at that. As of tonight that is not the case.

Alderman Gatsas stated I believe that somebody sat in these Chambers and told us we were going to be paid or do I need to go searching through the meeting minutes.

Mayor Baines replied there was a letter that we wanted for the auditors and we believed that that would be acceptable so there isn't any jeopardy. Remember we are going to alternative dispute resolution tomorrow and we hope we will be able to resolve all of the lingering issues and we won't have to talk about this anymore.

Alderman Gatsas asked why would we as a City decide to pay $8,000 in this dispute when we are owed $600,000 and we are not being paid.

Mayor Baines answered I will let the City Solicitor answer that.

Solicitor Clark stated the reason is there are a number of different accounts involved in this dispute. In that particular case, we went through the analysis of what the fund balance was and where the numbers should be and it was determined that legally it should have been in the School District. In order to maintain our positioning with the court and to keep our hands clean it was our recommendation that we pay that off.

Mayor Baines stated all we are asking is to beg your indulgence for the next couple of days and we hope to come back to the Board at the next meeting with a plan on the table to accept your support of and get all of these issues behind us. We are just asking for your indulgence for another couple of days here.

Alderman Gatsas stated so what you are telling me is that the next couple days or…I assume we probably aren't going to get an answer in the next couple of days but let's assume it is 30 days and there is still no resolution to the $600,000. How long are we going to let it continue.

Solicitor Clark responded we are not going to let that continue. We are going to wait for the court to give us the resolution. The court is going to make the decision. The court is either going to make a recommendation back to both Boards or it is going to render a decision and that is going to take care of it.

Mayor Baines stated or we are going to be back in court with a trial. If a proposal comes back to both Boards and they approve it, then we are out of court.

Alderman Gatsas asked is the $600,000 in dispute with the School Board.

Mr. Clougherty answered it has been one of the items that they are disputing. As you know there are items on their side and items on the City side and I don't want to say that some are being held hostage for others but that is really the situation.

Alderman Gatsas asked is that one of the 16.

Mr. Clougherty answered yes.

Alderman Gatsas stated I would just like to see the number because I don't see in here. What number is it.

Alderman Lopez stated this is completely out of our hands right now anyway isn't it. We are going to court.

Alderman Gatsas replied if it is not one of these 16 items…

Mr. Clougherty interjected Item 3 as I understand it is the synopsis that they agree that the $6.8 million is an agreed upon number. Once all of these items are approved…no one of them is going to go forward until all of them go forward is my understanding.

Mayor Baines replied that is correct.

Mr. Clougherty stated once all of these are resolved, they will honor the $6.8 million and then we will get our money.

Mayor Baines responded that is not one of the items that we are going to the alternative dispute resolution on but once we get the final package to adopt this will all be resolved.

Alderman Levasseur stated I would like to say to anybody who is watching to send some nominations to the Board for the position that is open on the MTA because it is an Alderman selection. Also, I have something that may be disconcerting to you and to other people here in the City. A friend of mine got a letter anonymously two days before the election with just

a regular stamp and no return address. It was a letter that was in our confidential packet, your Honor from the Susan Lafond issue. That packet was specifically stated and we voted to have it held in confidentiality. We are not allowed to speak about this to the public or to go to the press with it. This letter that was sent out to people and I heard from more than one person that this letter, which was the letter from Ron Robidas and I don't want to go into the details and I obviously don't believe I can and I don't want to but I would say that the letter was very badly sided against Susan Lafond. It was only a letter showing what the employees were saying. No other letters were sent representing the whole issue. I am not sure where we should go with this but I am wondering if it is time that we lift the seal on that night and whether I could have a motion to lift the confidentiality so that the other side could come out on that.

Solicitor Clark replied that is typically not a seal that the Board placed on any of those documents. Some of those documents are just confidential. It is not something that you would want to lift the seal on.

Alderman Levasseur responded well the confidentiality has been breached. Who had this letter. It was either the Aldermen, Human Resources or the Mayor. The only people who were copied were Mark Hobson and Tom Clark. It wasn't even copied to the Aldermen. We only got it in our packet. It is a very unflattering letter. It is very unfair. I don't know how many of these letters were sent out a couple of days before the election but it is definitely dirty politics on somebody's part and I don't know what we can do about that except to say that I think we may need to lift the seal on the whole packet to make sure that the public understands what else happened that evening.

Mayor Baines stated we should give this to the City Solicitor and have him look into it.

Alderman Vaillancourt stated even if we were to lift the seal tonight, it would still not negate the fact that somebody committed an egregious error in leaking that so that it could be used in a campaign against an honorable individual. I suggest that somebody is guilty of at least a misdemeanor, perhaps a felony and that we ought to try to find out who is guilty.

Mayor Baines replied I think this should be referred to the City Solicitor. I think that is the appropriate response.

Alderman Vaillancourt stated I believe also, your Honor, that the Attorney General of the State of New Hampshire should be called in to investigate because this letter went out, according to what I saw, without any return address or any notice of where it came from, which if you will recall was the same problem that the Attorney General investigated in the Howard campaign and dirty tricks involving Gordon Humphrey. This is an even dirtier trick and I believe that the Attorney General ought to be called in to investigate this. This is no

something that comes up at 10:20 PM that is flippant or a minor thing. This is an extremely serious matter.

Mayor Baines replied I absolutely agree and I think it should be referred to the City Solicitor.

Alderman Lopez moved to refer this issue to the City Solicitor. Alderman Pariseau duly seconded the motion.

Alderman Levasseur replied it was actually even taped shut so the seal wasn't even licked. Whoever did this knew what they were doing when they did it.

Mayor Baines called for a vote on the motion. The motion carried with Alderman Gatsas abstaining.

Alderman Levasseur asked that the City Clerk send a letter to the Library Trustees. As many of you are aware, the building that we approved to be…well I didn't vote with that to be land banked behind the Library is completely empty. Garbage is strewn all over the place. There are three cars there with a battery on top and missing license plates. The place is in disrepair. There is no electricity. No even a house meter. We were promised and I have the minutes here from Mr. Devine that that building would be used for tenant occupation especially as you well know that there is no affordable housing in this City. The people in there were paying $850/month per floor and it is sitting there empty. I would like an explanation and at the next meeting I would move that we sell that back to somebody in the private sector so that somebody would pay taxes and provide housing for people.

Mayor Baines replied just so you know we are working on that issue. Tom Arnold has been working with the Commissioner on that issue since it became our property in March and we hope to have something before the Board to resolve some of your concerns and my concerns about that property.

Alderman O'Neil stated I agree with Alderman Levasseur. The intent was to have people living in that building and they were directed to contact the Housing & Redevelopment Authority to help them in that and I am disappointed to hear that this thing is vacant.

Mayor Baines replied we all are.

Alderman O'Neil stated I thought three or four weeks ago we directed the Building Department to address these 4' x 8' signs. I hear more talk about that than I do anything else. It is a disgrace in the neighborhoods of this City to have those
4' x 8' signs up. Can anybody tell me what is going on with them.

Mayor Baines responded there are two parts to this. If you talk to Leon I think he would tell you that he is receiving a number of complaints because they have never had this prominence in an election before and he is addressing it on a case by case basis. That is all I can tell you.

Alderman O'Neil replied they aren't being addressed on a case by case basis because we talked about specific addresses here a month ago and the signs are still up.

Mayor Baines stated there are some that are blocking stop signs. I know there was one on Clay Street.

Alderman Thibault asked couldn't we send a letter to Leon asking that he look into this.

Alderman Lopez answered it is not Leon. He testified here that the City Solicitor was looking into the regulation and that is where it was. It is not the Building Department's responsibility. He referred things to the City Solicitor's Office.

Solicitor Clark replied it was referred back to him and he has had it for a long time and he has been told what to do.

Alderman Lopez asked what was your ruling.

Solicitor Clark answered that he could remove those signs.

Mayor Baines stated well the ordinance is 20 square feet so some of them have been trimmed to comply. I don't know how the ordinance got changed but after this election we need to change it to get back to the more traditional signs to respect the integrity of the neighborhoods. That will be another issue for another time.

Alderman Gatsas stated in the spirit of cooperation, I have made a motion for reconsideration on the MTA situation and I would like to send a letter to the Commissioners asking that they take a look at their position on the management situation so there will be some harmony over there. I think that is why this was done and that is why Alderman Clancy brought it up and nothing has changed. I would like to move to send a letter to the MTA Commissioners asking that they review the health insurance benefit for the five managers.

Alderman Wihby duly seconded the motion.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

There being no further business, on motion of Alderman Pariseau, duly seconded by Alderman O'Neil, it was voted to adjourn.

A True Record. Attest.

City Clerk