BOARD OF MAYOR AND ALDERMEN

April 2, 2002 **7:30 PM**

Mayor Baines called the meeting to order.

The Clerk called the roll.

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

Mayor Baines stated I would like to call Richard and Audrey Zannini to come up here for a special presentation. I would like the Chairman of the Human Resources Committee to join with me in this special presentation. One of the privileges that you have as Mayor, and I think the Aldermen would agree from their perspective, is that you have the opportunity to work with so many wonderful and dedicated people who work in City government and we have two people here, this evening, who epitomize what it means to be a good, decent and loyal public servant and on the occasion of their retirement…a combination by the way of 30 years of service to the City of Manchester, Alderman Lopez and I on behalf of the entire Board of Mayor and Aldermen and the citizens of the City would like to congratulate them, thank them for their years of service and wish them many years of health and happiness in the years ahead.

Discussion with Water Works regarding water rates.

Mayor Baines stated I would like to call the Commissioner of the Water Works forward, C. Arthur Soucy, who will make a brief statement and introduce the people who are with him this evening.

C. Arthur Soucy stated the Manchester Water Works appreciates the opportunity to meet with you this evening to discuss water treatment plant improvement projects and water rates. The project is probably the most important project to be contemplated by the department since the original plant was completed in 1974. Manchester has always had excellent drinking water and our rates have always been very affordable with our last rate increase occurring in 1990. A family of four pays $160 annually. I trust that when our discussion is complete that you will have a better appreciation for the effort that is currently underway to insure both high quality and affordability are maintained. At this time, I will turn it over to Tom Bowen, our Director, and he will introduce the other members of the staff.

Mr. Tom Bowen stated what we would like to do…I know that the main focus of the agenda was to discuss the rates but I think it would inappropriate to discuss water rates without discussing the project that is kind of driving the potential rate increase in the future. What we would like to do would be to make a couple of short presentations, kind of explain to you what the needs are that are driving the project, kind of give you a time table for the project and then we can get back in and talk about the financial impact. With us tonight we kind of split up the responsibility of this. Bob Beaurivage who is the Assistant Director for the department will give a brief presentation on the project needs followed by David Paras who is the chemist and plant manager who will talk about the project schedule.

Mr. Bob Beaurivage stated to start off as Mr. Soucy has indicated, this is the most important project that the department has ever done. We are looking at an estimated cost of the project of about $35 million. Again, that is the estimated cost of the project. Manchester is the largest municipal water supplier in the state. We service Auburn, Bedford, Derry, Londonderry, Hooksett and Goffstown, portions of those six communities. Currently the average daily demand of the facility is 17 million gallons. During our periods of hot, dry weather in the summer the maximum capacities go up to about 30 million gallons a day. Every gallon of water that the City consumes is treated through that facility. As Mr. Soucy also indicated, the plant was built and put on line in 1974. It is currently 28 years old and because of its age most of the equipment in the facility has reached its useful life. A key process in the plant is the filter. There are eight filters in the facility. Four eon and four carbon filters and all of these filters are in what could be described as a serious state of deterioration and in order for us to continue to meet the requirements of the Safe Drinking Water Act it is necessary to replace this equipment before we do start having problems where we violate State and Federal standards. In addition to those key process filters we also have other important equipment such as the stand by generators. Those pieces of equipment are no longer manufactured and we have a very difficult time obtaining spare parts for that equipment. It is important to operate that equipment whenever we have outages from Public Service Company or when we are doing routine maintenance work on our transformers or substations we have to continue supply and demand and those are critical pieces of equipment likewise that are no longer useful to us because of their age. There are other pieces of equipment in the plant such as chemical piping, sludge collection equipment, the major root systems on the plant that have likewise all reached their life expectancy and likewise they have to be replaced. The upgrade and the replacement of the treatment process equipment is critical so that we don't get into issues of violating any of the drinking water standards and we have to issue boil water orders or EPA issues to us an edit to go out and make these repairs. In addition to increasing or improving the treatment facility and all of the equipment in it, we are also going to increase the reliable capacity of the treatment plant from its current maximum hydraulic capacity of 40 million gallons a day to 50 million gallons a day so that when we do have outages and we have to make repairs to this equipment we will have additional capacity in the plant and continue to satisfy the demands of all of our customers. Another major improvement that we are going to be doing to the

process is that we are going to be switching from our primary disinfecting currently of chlorine and going to ozone. EPA feels that the chlorine is a carcinogen and in terms of improving the health of the community, the ozone is a preferable treatment so when we remodel this plant or upgrade it, we will switch to ozone. Ozone will cause the water to have a better taste. It will look better aesthetically and it is just going to be better for our customers and will provide that additional health benefit also. Dave Paras is, as Tom said, our plant manager. He is the guy who is on top of all of the issues out there. He is a chemist by education and he would like to explain to you some of the schedule for the project.

Mr. David Paras stated a project this size is a significant undertaking, there is no question. To get it done appropriately takes a fair amount of planning. The work that has gone on so far, Tom Bowen has asked me to relate to you in so far as the way that we have gone about this planning. There was no question, I think, in 1974 that at some point in time the water treatment plant was going to need to be renovated and repaired. It wasn't a question of whether, it was a question of when and water plants like ours have essentially three characteristics that they must meet. One is they must be of adequate size. They must meet the drinking water rules as Bob was saying. Third, they must be reliable. They must be able to deliver water on the days that the City requires it. In order to get this work done, the first thing that was accomplished back in 1999 was that the Board of Water Commissioners approved funding for a plant audit. That plant audit was performed and as Robert has related to you, it exposed some significant deficiencies in the reliable capacity of the water treatment plant. One of those significant deficiencies certainly was the filters and still to this day is the filters. In order to go about the replacement of filters for a plant as large as Manchester's, that decision needs to be made based on some study so a second project was funded by the Board of Water Commissioners to evaluate filters and filter replacement and what type of filters would work the best in Manchester's application. That work was completed last year, in 2001 and it pointed to a couple of things that are significantly different than what we do know. As Robert said, one of the things it pointed to was that ozone was an appropriate treatment process. Ozone not only helps the water because it makes it cleaner and it purifies it better but it also makes the filters run in a superior fashion, must more effectively and efficiently. Those conclusions were all reached as a conclusion of that treatment study and some of that was put into our consumer confidence reports. On an annual basis, Manchester puts into its water bills a water quality report that we get out to all our customers. Last year we had a fairly extensive explanation of the process to study and investigate changes in the treatment process, as well as last year, in September, we were invited to participate in the Manchester Chamber of Commerce Infrastructure Summit that was held in Bedford. That promoted some *Union Leader* coverage as well and with those things behind us we are now into really the third part. The first part was doing an audit. The second part was testing the filters. The third part is the nuts and bolts of designing the water treatment plant and that work is just beginning at this point. I did bring along my pictures and my graphs but that is really probably not appropriate because I know we are on a time schedule here. The water treatment plant, at this point, is under design by Campdresser & McKee to include new

filters, to include ozone and as Robert mentioned a number of the other deficiencies. That design will be finished by the end of this year. We anticipate completion of that design in November and then that project would go out for competitive bidding with hopefully an award in March of 2003 by the Board of Water Commissioners. That would then set us into the process of construction that will probably last two years, through the Year 2004 with completion in 2005. If everything goes well according to our schedule, our anticipated date for start-up on this project is July of 2005. With that, I probably skipped a couple of significant points but I know that you have in front of you a schedule with a number of specific dates and goals that we have in front of us and I would pass it off now to Tom.

Mr. Bowen stated I think one of the items that Dave failed to mention is that our design is going to take a rather unique approach and to my knowledge this is the first time that it has been undertaken with a municipal job in the City of Manchester. We are going to hire a second engineer that is going to do an audit of the first engineer's design process at two key points during the design. The engineering terminology for this is a value engineering and basically at the conceptual stage, which typically is 10-15% and at the preliminary stage, which is anywhere from 30-40%, the second engineer is going to come in. The first is that Campdresser is going to have to make a presentation, sit down and defend their design to that point and then the value engineer is going to take a week to kind of pick it apart and come up with potential cost savings. What we are looking for is the most economical design and the design that is most beneficial to our customers. We have been polled in discussions with other municipalities around New England that the typical savings for value engineering as a result of doing a value engineering on a project of this size is anywhere from 5% to 15% so we are really hopeful that the additional monies that we are spending are really going to pay off and reduce cost to our customers. While we are talking about money I guess that is the next piece of this. As Bob indicated, the total cost of the project at this point, based upon the preliminary estimates that were put together during the initial study is $35 million. With the value engineering we hope to be able to drop that cost down significantly below that number. The Board has also been looking at other means of trying to save money on the project and with the assistance of the Mayor we have submitted requests to the Congressional Delegation for some earmark funding on the project. We have had a couple of meetings with the Congressional Delegation and we are very hopeful that in both the next fiscal year and the one following that we will be able to receive some earmark funds. There also is a Senate Bill 437 that with the Manchester Senate delegation we have been successful in lobbying for and that has the possibility of assisting us with some State money potentially next year. It also gives us a little bit of flexibility in the raising of the rates with our out of town customers. Finally, we have made application through the NH DES for some State revolving loan fund money, which is slightly lower than the City is able to borrow at, unfortunately there is a lot of need in the State of New Hampshire and we are on a priority list. It looks like we are starting to creep up that list right now but at this point we are not guaranteed any funding. Where are we going from here with this project? At this point, we are not able to give you a firm number and we haven't been able to give the Water Board a

firm number as to what kind of a water rate increase we are looking at. We know a range and I think the numbers and the chart that I gave you on the third page of the handout…I mean when you do these Excel spreadsheets you can either put the numbers on or not put the numbers on and I purposely didn't put the numbers on because we really don't know what that number is going to be at this point. By the middle of July, we should have the second value engineering review completed. We will have locked in what we believe to be our design concept and we will be able to the consultant the go ahead to begin the final design on the project. We will have a good estimate at that time. At that point, we will be making a presentation to our Board giving them some alternatives and some options to move forward with rate increases. We have had discussion already and as you can see in the information that Mr. Paras discussed with you, kind of our time schedule, we have had numerous meetings both with the City Finance Department, with their Bond Council, with our Rate Attorneys, with the NH Public Utilities Commission, and with NH DES to make sure that all of the groundwork is done for this project so that when we are ready to go it is going to go smoothly and go right ahead. One of the things that we have proposed to the Board and the Board has looked at very favorably is phasing in any rate increase that we would have. While we can't, again, tell you what that number is, we can tell you a range but I think phasing it in over a couple of years certainly would be beneficial to the customers and lessen any risk. With that, I would indicate to you that if you take a look at the chart that I presented to you that you will notice this is based on some information by the NH Department of Environmental Services. It shows the annual water rate for a single family home throughout the State of New Hampshire. It is all of the major cities and as you can see the Manchester in that is shown there reflects…that is the Manchester Intown rates. They are, by far, the lowest of any rates in the State of New Hampshire. Our average household bill is $168. I think the next closest is the city of Laconia and I think they are $20 higher than we are right now. As you can see, it runs the gamut from the city of Concord, which is in the mid-$200's to the city of Keene, which is in the mid-$300's, to Pennachuck and the city of Nashua, which is in the mid-$300's to Berlin, which unfortunately is up over $700. I have indicated in there, in the chart, if you look at the fourth column over it indicates that that is approximately where we are looking at the eventual in town rate increase. In the low $200's. I think we have talked about a rate increase that would be comparable to about $50 over the two-year period. That is about $1 a week. With that, I would be glad to answer any questions.

Alderman Lopez asked could you clear up something on the rate increase. Is it going to be across the board or is the City of Manchester separate and out of town will there be different rates?

Mr. Bowen answered right now we have separate rates. The rates in Manchester are $.83 per 100 cubic feet. The rates outside of Manchester are $.93 per 100 cubic feet so there is a 12% more or less differential in the rates and it is our proposal that we maintain that differential so that the out-of-town rates…whatever the Manchester rates go up to, the out-of-town rates

would be within approximately that 12%. Now that is part of what we have talked to our State Senators about with Senate Bill 437. In order for us to continue to maintain that, we needed their help on some legislation that is currently pending and they were very helpful in that regard.

Alderman Shea asked when you say the water rates will go up. Also, the sewer rates will go up simultaneously won't they?

Mr. Bowen answered no. One has nothing to do with the other. The only thing the Sewer Department uses from us is they use the consumption number, the number of cubic feet or the number of gallons and they apply their own rate to that. Raising water rates does not necessarily mean that sewer rates will go up and the last two times the sewer rates have gone up, the water rates have stayed the same.

Alderman Shea stated and we do have the Combined Sewer Overflow and we will have that but that is handled separately from your department to the Highway Department so we still have that obligation as well so that is not to be…

Mr. Bowen interjected that has nothing to do with our water rates.

Alderman Shea stated the last question I have is you indicated the Congressional Delegation. Is their precedence in terms of other communities or other states receiving funding from the Federal government in terms of this project?

Mr. Bowen answered yes there is. The cities of Concord and Nashua and even Manchester have been successful in obtaining it for various projects.

Mayor Baines stated just for your information I did have a meeting in my office yesterday morning with Senator Gregg at which we discussed this issue along with the Granite Street widening project. He indicated that he was going to be looking at ways to try to help us with those as well. As you know, there isn't any guarantee because of the whole Congressional process.

Alderman DeVries stated I have a question for you on the value engineering. You had said that it possibly could bring between a 5% and 15% savings, which if my math is anywhere near close on a $35 million project you are talking between $1.5 to $5.25 million. What is it costing to go out to the second engineering firm?

Mr. Bowen replied the initial design fee for the primary consultant was $2.5 million. The value engineering design fee was roughly $100,000.

Alderman DeVries responded that is very significant. I congratulate you on that.

Alderman Gatsas stated you said you talked about a range but you didn't give specific numbers. What is that range?

Mr. Bowen replied the range is in the $50 per year…

Alderman Gatsas interjected is that a 30% increase, a 77% increase, is it a range between 30% and 70%.

Mr. Bowen replied the range is between 30% and 35% total.

Mayor Baines stated and it would be over a two-year period correct.

Mr. Bowen replied that is correct.

Alderman Gatsas asked what was the rate increase in 1990.

Mr. Beaurivage answered I think it was on the order of 7%. I know that the rate chase at the time cost us probably more than what we got out of it.

Mr. Bowen replied I don't know the answer to that. I can certainly get you the information.

Alderman Gatsas asked so the water rates to the out-of-town customers would go up in a range of 33% to 38% because we have now at the State level given you that 3% buffer over the 12% to 15%.

Mr. Bowen stated what we are talking about is maintaining…the new State Legislation would allow us to maintain up to a 15% differential between the in town rates and out-of-town rates. Now if the in town rates go up 30% and we are maintaining that margin between 12% and 15% of a differential, then basically the out-of-town rates are going to go up by the same 30% within pennies.

Alderman Gatsas asked so you are not saying to me that you are going to use the additional 3% that we gave you at the Senate level as an increase from 12% to 15%.

Mr. Bowen answered we haven't gotten to that level of detail to be honest with you. What we are looking at is…we are looking at maintaining the differential, which is the important part at this point. I would say we could maintain anything up to that 15% by this legislation, yes.

Alderman Gatsas stated, your Honor, I think we need, at least I need, some sort of a comfort level that that rate is going to be 30% to 35% and not 30% to 70% when the project comes in because I think the legislation that we passed two weeks ago, at that time it was unbeknownst to be that we were talking about a 30% increase in town. I think when we talk about that we should have some sort of guarantee and I guess maybe the first question we should talk about is back to where Alderman O'Neil goes and that is the design and build. I would think that this project would have been a perfect fit for a design build. I don't know why that wasn't explored…

Mr. Bowen interjected we did. We did have several discussions with the original design consultant, the one that did the study talking about the benefits of various options and because this is…it is a process design as opposed to a facility design, there is a lot more inherent risk in a design build. From our perspective, looking at a design build the benefits would have been to be able to fast track this. Well because it is the process and because…our primary concern as water providers is to be able to maintain our water quality while we are in construction and we felt that there was a lot more risk in the design build not having the ability to be as specific as we needed to be with the components of the design during that engineering process. We would be butting heads with the contractor and slowing him down every time we had any kind of water quality concerns or problems at all within our distribution system we felt was going to be a problem. The other side of it is that based on some discussions we have had with some other municipalities that have done both design build and the conventional bidding process, they all agreed that treatment plant kind of work when you are building new lends itself well to design build. When you are remodeling and rehabbing, that is really not the case.

Alderman Guinta stated I have a question for the Board or specifically the State Senators. Senate Bill 437 passed the Senate two weeks ago is that correct?

Mr. Bowen replied that is correct. So it had a hearing in the House or it is going to the House?

Mr. Beaurivage stated there was a public hearing in the House today. Then it is going to sub-Committee. It will be in sub-Committee next Tuesday in the House.

Alderman Guinta asked what happens if in that sub-Committee or on the House floor the bill is amended to change the percentage, that 15% percentage. How would that affect the water rate increase in Manchester?

Mr. Bowen answered not at all. Keep in mind that the margin we have out-of-town helps to defray costs in town. If the margin were brought down to 3% or 4% or 5%, that means that the balance of that…you would still have to make the bond payments.

Alderman Gatsas stated the in town rates do not have to go…any increase in in town rates does not have to go before the PUC. Any rate increase out-of-town must go to PUC for approval.

Alderman Guinta asked so any rate increase out-of-town that is less than that 15% that you are talking about would theoretically boost the rates in Manchester.

Mr. Bowen answered that is correct.

Alderman Gatsas stated I would like some sort of comfort level because that bill will be coming back, I assume, and I want to make sure that the customers not only in Manchester are protected but the surrounding communities. We need to at least identify what that rate increase is going to be because from the numbers…what is the total volume right now, residential volume that you do at Water Works in dollars?

Mr. Bowen asked total sales.

Alderman Gatsas answered on the residential side.

Mr. Bowen replied if you are asking strictly residential I can't answer that. I could tell you what the total sales is.

Alderman Gatsas asked what is the total sales.

Mr. Bowen answered $9 million.

Alderman Gatsas asked so if we are talking about a 30% increase, we are talking about a $2.7 million increase.

Mr. Bowen answered roughly.

Alderman Gatsas stated which looks like…I would assume your bonding is going to be a lot less than 10%. That seems like an awful high number and you do it quickly.

Mr. Bowen replied we haven't done it quickly. We met with Bond Council and with the Finance Department and their rate attorneys and our rate attorneys. Those are still approximations but they are good numbers.

Alderman Gatsas asked when can we expect some sort of rate so that we can protect the citizens of Manchester and the out-of-town communities with maybe some sort of fixed rate in that 437 bill if we need to.

Mr. Bowen answered the fixed rate in that bill is 15%.

Alderman Gatsas replied I am talking about in town also. We can amend it, I think.

Mr. Bowen responded the in town rate, we will not have a final number until probably the middle of July. The other nice thing about phasing the rate increase in over two years is in the event that the bids were to come in very favorable to us, when we do open bids after the first of the year, then we would be able to roll back the percent increase in the second year. Having a two step increase has definitely some advantages.

Alderman DeVries asked in reference to the new inlet that will be coming from the Merrimack, if I follow the Commission minutes you recently entertained changing the location of that and I wanted to know if that has been finalized or if you anticipate any cost savings by utilizing that property.

Mr. Bowen stated the concept has been changed. The concept has been, for the last 10 years, that we would build a pumping station on the river up in Hooksett on some land that we own and pump the water from there up into the upper reaches of the watershed.

Alderman DeVries asked by way of new piping. You would have had to lay down new pipes for that.

Mr. Bowen answered yes. The new concept that we have come up with recently as a result of the study that was done a year and a half ago when we actually started looking at the impact of treating that Merrimack River water at the Lake Massabesic facility was that we were going to have to be treating all of the lake water at a much higher level. The Merrimack River is a Class B and Lake Massabesic is a Class A water so if we mixed the two and we got authority to mix the two and that was questionable, then we were going to have to treat all of the Lake Massabesic water supply as if it was a Class B, much higher probably with membranes and a very high technology treatment process. We came up with a concept and the consultant came up with a concept of building a second smaller modular treatment plant on the river at a location that would be conveniently connected into our distribution system. What that would do is allow us to treat much smaller volumes of water at a much higher level and also build it as we needed the additional capacity. That is kind of the concept that we are looking at now.

Alderman DeVries asked so the additional 5 million daily output is because you are doing it incrementally with the capacity but potentially you could increase at some point with limited costs.

Mr. Bowen answered yes we could.

Alderman Shea stated we do have a problem with the amount of water, sort of like a drought, and in time I believe the general public should be informed as to how to proceed and what to do and I think that is essential because some people obviously are concerned about…

Mayor Baines interjected that is a good idea. I appreciate you bringing that up because we had talked about at least hitting on that tonight a little bit. Do you want to talk about that now?

Mr. Soucy stated as you know we contemplated this coming up so at our April meeting we are going to have a hearing. We are going to listen to all the pros and cons and then we will make up our mind from there. They will be heard first. Anybody can come to the hearing.

Mayor Baines asked why don't you give the time and location of that hearing.

Mr. Soucy answered it will be April 24 at 4 PM at the Water Treatment Plant, 281 Lincoln Street.

Alderman O'Neil stated I don't claim to be an expert on water treatment but from what I have read we have gotten our money's worth out of this plant. It is 30 years old and we are heading in the direction, if this work does not happen, of jeopardizing the quality of our water. The filtration system is ready to fail so we have to move forward on it.

Mayor Baines stated I also want to make a comment and I have heard it echoed in previous administrations that we have a very well run water system in the City and I think the chart shows that. They have always worked very hard to keep the rate payer in mind here and I know we need to do some upgrading to insure that water quality is at the level we expect it to be in the City and also to meet the increasing demands, as well, which are substantial. We appreciate your presentation and we know you will keep us informed.

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.

Minutes Accepted

A. Copies of minutes of meetings held on February 6, 2002 (two meetings) and February 12 & 19, 2002.

Approve Under Supervision of the Department of Highways

B. PSNH Petition #11883 located on Perimeter Road; and
Verizon Petition #607489 located on Waverly Street.

Informational – to be Received and Filed

C. Copies of minutes of an MTA meeting held on March 5, 2002 and copies of the Financial and Ridership Reports for the month of February 2002.

D. Copies of minutes of a meeting of the Mayor's Utility Coordinating Committee held on March 20, 2002.

E. Copy of a communication from the NHDES advising of the issuance of a state permit for two Cleaver Brooks Boilers to the Union Leader Corporation.

F. Copy of a communication from the NHDOT advising of contemplated awards.

G. Copy of a communication from Attorney Bradley Holt to the Airport Director asking for reconsideration of the B&M Right of Way Easement for Manchester Commons/Shaw's Development.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

J. Resolution:

"Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars ($10,000) for the 2002 CIP 810002 Valley Cemetery Master Plan Project."

K. Resolution:

"Authorizing the Finance Officer to effect a transfer of Two Hundred fifty Thousand Dollars ($250,000) from Contingency to the Rent – Welfare line of Welfare (0869)."

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

L. Advising that it has accepted the monthly financial statements for period ending February 28, 2002 and is forwarding same to the Board for informational purposes.

M. Advising that it has accepted the Welfare Department Audit, previously forwarded to members of the Board under separate cover.

N. Advising that it has approved the travel reimbursement request of an employee of Youth Services for travel costs associated with a two-day seminar held in Boston, MA.; and noting that grant funds will be utilized to cover such costs.

O. Advising that it has reviewing proposed ordinance:

> "Amending Chapter 92: Fire Prevention of the Code of Ordinances of the City of Manchester by increasing the charges in Section 92.22(C) and 92.22(D) for fire alarm system inspections performed by the Manchester Fire Department."

and finds that a public hearing is not warranted.

COMMITTEE ON BILLS ON SECOND READING

P. Recommending that Ordinance Amendments:

> "Amending Sections 33.024, 33.025 and 33.026 (Licensed Practical Nurse, Airport Security Specialist) of the Code of Ordinances of the City of Manchester";
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> "Amending Sections 33.024, 33.025 and 33.026 (Airport Shift Supervisor, Airport Communications/Operations Specialist) of the Code of Ordinances of the City of Manchester"; and
>
> "Amending Section 33.024 (Part-time Police Officers) of the Code of ordinances of the City of Manchester."

ought to pass.

Q. Recommending that Ordinance Amendment:

> "Amending Chapter 92: Fire Prevention of the Code of Ordinances of the City of Manchester by increasing the charges in Section 92.22 (C) and 92.22(D) for fire alarm system inspections performed by the Manchester Fire Department."

ought to pass.

R. Recommending that Ordinance Amendment:

> "Amending Section 33.027(D) and 33.027(F), Employee Recruitment and Selection of the Code of Ordinances of the City of Manchester."

ought to pass.

S. Recommending that Ordinance Amendment:

> "Amending the Code of Ordinances of the City of Manchester by inserting a new subsection to Section 97.34 Encumbrances Prohibited relating to newspaper distribution boxes."

ought to pass.

T. Recommending that Ordinance Amendments:

> "Amending Chapter 38: Code Enforcement of the Code of Ordinances of the City of Manchester by inserting new penalties in Section 38.06(A): Citation Penalties for various violations of Chapter 91: Health and Sanitation" and

"Amending the Code of Ordinances of the City of Manchester by removing Chapter 50: Solid Waste and removing portions of Chapter 130: General Offenses relating to littering and placing these sections within Chapter 91: Health and Sanitation."

ought to pass as amended.

U. Recommending that Ordinance Amendment:

"Amending Chapter 32, Art Commission, Section 32.026 Appointment of Members, of the Code of Ordinances of the City of Manchester.

ought to pass.

V. Recommending that a proposed question for amendments to the City Charter providing that the Board of Mayor and Aldermen be allowed to change municipal election days normally scheduled on a religious or secular holidays, as enclosed herein, be referred to a public hearing on August 27, 2002.

COMMITTEE ON COMMUNITY IMPROVEMENT

W. Recommending that the Board authorize acceptance and expenditure of funds from Daughters of the American Revolution in the amount of $10,000.00 for FY02 CIP 810002 – Valley Cemetery Master Plan; and for such purpose a resolution and budget authorization has been submitted.

X. Recommending that a request for a sewer extension on Brennan Street from Laydon Street to approximately 225 feet northerly at a cost of $20,000 be granted and approved. The Committee notes that Highway has advised that funds for this project are available in the annual infrastructure sewer program.

Y. Recommending that a request for a sewer abatement for property located at 41 Goodwin Street be granted and approved in the amount of $282.10. The Committee notes that such amount was recommended to be abated by the Environmental Protection Division of the Highway Department.

Z. Recommending that a request for a sewer abatement for property located at 304 Webster Street be granted and approved in the amount of $91.45. The Committee notes that such amount was recommended to be abated by the Environmental Protection Division of the Highway Department.

AA. Recommending that a petition to discontinue Pettingill Road and abandon an adjacent road widening easement be denied.

AB. Recommending that with regard to a petition to discontinue St. Clair Street, the Board find that St. Clair Street, having never been opened, built, nor used for public travel, has been released from public servitude pursuant to RSA 231:51.

AC. Recommending that a petition to discontinue a portion of Clough Avenue, as modified and enclosed, providing for discontinuance of 70' starting 380' south of Spruce Street, be referred to the next Road Hearing to be held by the Board of Mayor and Aldermen.

COMMITTEE ON HUMAN RESOURCES/INSURANCE

AD. Recommending that the Board authorize the Mayor to amend an agreement with the State of New Hampshire, Department of Human Services relative to Social Security wages. The Committee notes that such amendment will reduce the number of W2's generated each year and result in saving the City's matching contribution of social security approximately $3,200 each year and for such purpose a resolution has been submitted.

COMMITTEE ON JOINT SCHOOL BUILDINGS

AE. Advising that it has accepted the enclosed project summaries and architect's, engineer's and consultant's reports for the month of February relative to ADA Accessibility/School Elevators – Parker-Varney Elevator/ADA Improvements, NORESCO Performance Contract, Roofing Projects – Manchester Schools, McLaughlin Middle School Addition, and Central High H&V Phase 6 and Window Replacement and is submitting same to the Board for informational purposes.

COMMITTEE ON LANDS AND BUILDINGS

AF. Recommending that a request of Jeannine M. Piet Roy and Andre J. Roy for release of drainage easements at 64 Wells Street be approved as follows:

1) release northerly 10' wide easement shown on a subdivision plat titled Manchester Gardens, Section No. 1 dated November 12, 1912; and

2) release southerly 10' wide easement reserved in a deed on November 23, 1964.

the Committee notes that the Highway Department has no objection to said releases. The City shall retain a 20' wide easement conveyed to the City by deed which lays over the southerly easement referenced above. The Committee recommends that authorization to execute release of the easements be granted subject to the review and approval of the City Solicitor.

AG. Recommending that a request to waive a restriction on an easement granted to the City and recorded at Hillsborough County Registry of Deeds, Book 4454, pages 0212 through 0215, allowing a portion of the footing of a building to encroach into the existing sewer easement a distance of approximately six feet. Such request submitted by Edward Gordon, Trustee of East Side Realty Trust for the purpose of construction of a bank building on the site. The Committee further recommends that such waiver be granted subject to construction of the bank as proposed, supported on piles, and meeting any other conditions set forth by the Planning Board.

AH. Recommending that a request of Remigio Arce to purchase property referenced as tax Map 459 Lot #1A be denied. The Committee notes that such property contains a portion of a paved street designated as a turn around and therefore is not found to be surplus to City needs. The Committee further recommends that such property be designated as City owned property assigned to the Highway Department for active use as a portion of a paved street.

AI. Recommending that a request from CLD Consulting Engineers on behalf of Trinity High School for disposition of city owned property on Bridge Street be denied.

The Committee notes that such area serves as a green landscape buffer. Its location is contiguous to a major intersection and originally part of the abutting park property. During public hearings by the State of NH as part of the Bridge Street Relocation project –Federal Aid Urban Project (M-4285(004) it was represented that this parcel would remain a "minipark." Parks and Recreation as well as Planning staff have indicated an interest in allowing this portion of land to remain a buffer zone and to be held for inclusion in any long-range future changes that may be required at this intersection. The Committee further notes that such parcel was previously requested by the petitioner to be disposed of and the action of the previous Committee was to receive and file the communication.

The Committee recommends that the City designate such property to remain as part of Tax Map 906A, Lot 2 which has been designated as park land pursuant to all original intents when acquired as part of Derryfield Park and remains subject to federal requirements for conversion of property Section 6(f)(3) and Section 4(f) of the original project agreement.

AK. In accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at 202 Calef Road, known as Map 460, Lot 2-A, by executing deeds releasing all rights, title interest, or claims in said property. Said property formerly owned by Theodor Reinoehl was acquired by the City of Manchester by virtue of Tax collector's deed dated October 5, 2001 and recorded in the Hillsborough County Registry of Deeds on October 11, 2001, in Volume 6502, Page 2542.

The Committee recommends that said property be disposed of through public auction with a minimum bid to be set at $65,000; such disposition subject to satisfaction of the statutory 30 day notice for redemption by the prior owner.

The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of $70,000 to $75,000.

The Committee further recommends that the Tax Collector and City Solicitor be authorized to proceed with disposition and prepare such documents as may be required, and that the Finance Officer be authorized to credit tax deed accounts as deemed necessary.

AL. In accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at 450 Merrimack Street, known as Map 31, Lot 7, by executing deeds releasing all rights, title interest, or claims in said property. Said property formerly owned by Van F and Norma G. Champagne was acquired by the City of Manchester by virtue of Tax collector's deed dated October 5, 2001 and recorded in the Hillsborough County Registry of Deeds on October 11, 2001, in Volume 6502, Page 2535.

The Committee recommends that said property be disposed of through public auction with a minimum bid to be set at $25,000; such disposition subject to satisfaction of the statutory 30 day notice for redemption by the prior owner prior to auction.

The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of $30,000 to $35,000.

The Committee further recommends that the Tax Collector and City Solicitor be authorized to proceed with disposition and prepare such documents as may be required, and that the Finance Officer be authorized to credit tax deed accounts as deemed necessary.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

AN. Recommending that a request of St. George Greek Orthodox Cathedral to close Kenney Street at Hanover Street and to close Hilton Street at Amherst Street from 10 AM until 11 PM on September 13, 14 and 15, 2001 for the annual Glendi celebration be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk.

AO. Recommending that a request of CIGNA Healthcare of New Hampshire, to close Merrimack Street, from Elm to Chestnut, at 2 PM on Thursday, August 8, 2002 for the 10th Annual CIGNA HealthCare Corporate Road Race and asking permission to hang a 60 foot banner across Elm Street to mark the start of the race be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk.

AP. Recommending that a request of the Manchester Historic Association to install directional signage for the Millyard Museum at several locations throughout the City be granted and approved.

AQ. Advising that requests for stop signs on West Haven Road and to rescind stop signs on Applecrest Road and Robin Hill Road have been denied.

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

H. Appropriating Resolutions:

"A Resolution appropriating to the Manchester Aggregation Program the sum of $764,816 from Aggregation Fees for the Fiscal Year 2003."

"A Resolution appropriating to the Manchester Airport authority the sum of $41,938,254 from Special Airport Revenue Funds for Fiscal Year 2003."

"A Resolution appropriating to the Central Business Service District the sum of $205,833 from Central Business Service District Funds for Fiscal Year 2003."

"A Resolution appropriating the sum of $2,686,167 from Recreation User Charges to the Recreation Division for Fiscal Year 2003."

"A Resolution appropriating the sum of $13,941,680 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2003."

"Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in fiscal Year 2002 and held in the Civic Center Fund, for payment of the City's Obligations in Said Fiscal Year Under the Financing Agreement."

"A Resolution appropriating to the Manchester Transit Authority the sum of $725,000 for the Fiscal Year 2003."

"A Resolution appropriating to the Manchester School Food and Nutrition Services program the sum of $4,750,000 from School Food and Nutrition Services Revenues for Fiscal Year 2003."

> "A Resolution appropriating to the Manchester School District the sum of $121,148,267 for the Fiscal Year 2003."
>
> "Raising Monies and Making Appropriations for the Fiscal Year 2003"

Alderman Shea stated I have a comment about the Resolution worded "appropriating all incremental meals and rooms tax revenue received by the City in FY2002 and held in the Civic Center fund." I talked to Kevin and I explained to him that it would be informative for members of the Board and the general public to know how much money is received rather than the adverb all so that people are clear as far as how much we are receiving and how much is obviously going into the payment of the civic center and the incremental amount set aside.

Mr. Clougherty stated we will provide that.

On motion of Alderman Shea, duly seconded by Alderman Wihby, it was voted to refer the Resolutions to the Committee on Finance.

I. Appropriating Resolution:

> "A Resolution providing a supplemental appropriation to the Manchester School District in the sum of $480,000 for the Fiscal Year 2002."

Alderman Wihby stated first of all there was a new sheet passed out to replace the Resolution that is in our packet. Basically there was just a few word changes. I just want to note that. On this item, it is asking for an additional $480,000 because the School Board anticipates an increase in revenues and because of that they feel they should be able to spend the money again and ask for an additional supplemental appropriation. Your Honor, we already funded…I noticed yesterday they had a finance meeting and they talked about being in the plus $40,000 for the year and that includes not funding the SCIP money that we had put in that Alderman Garrity had spoken about a long time ago to do something with those projects. As you know, we put that money in in good faith that they weren't going to use if for the operations of the School Department but for doing additional projects in the schools. It looks like they have already anticipated that they are going to need that money, they overspent their budget again, and because of that money, if we hadn't put it in there and kept it in the City budget where it had always been, they would have had to finish those projects and not had that money to spend. Because of that money they decided not to do some projects and if we throw it all in together they are going to have a $40,000+. When we did the budget back in…I have some sheets for the Clerk to pass out and when we did your budget the School budget revenue between the time that we adopted the Board budget on 6/11 and the School's revised MS form on 11/9, in those five months the School Department decided that they weren't going to use the Alderman's number for revenue and they were going to decrease it by $1.073 million and that is what this chart shows. If you look at 6/11 that is what was

adopted by the Board. It was sent to the School Board. They should have known about it. We had this discussion back in November with Mr. Chapman about…he didn't know the number but he definitely knew the number in November because he was in front of the old Board and basically what they did was they underestimated the revenues when they went to do the MS form by $1.073 million. First of all, we had a plan that they were going to use any additional revenue, surplus, fund balance or whatever you want to call it, to fund the deficit from the previous year. Now they come to us and they say gee our revenues are high and we are doing a great job even though they are still lower from what we thought they were going to do and probably going to be higher than what they are saying they are now. Because of that, they are saying well let's give us an additional $480,000 and probably they are going to tell us maybe we will do your SCIP projects so we are going to pay for the projects twice. Your Honor, this also is a direct relationship to next year's budget. You presented a 12% increase or whatever you want to call it…a double digit increase and if we don't fund the $480,000 that means they are going to have a surplus because of the additional revenues that they won't be able to spend. That money will fall down to their fund balance, which comes over to the City and it is a direct relation…if they are saying they are going to have $600,000 in fund balance, that will come over to the City side and that will help fund some of the budget for next year. By letting them spend this $480,000, there is not going to be a lot left over for fund balance, which they had agreed and I thought the amount was $500,000 that they were going to try to pay down this year and Tom Clark and Kevin can answer what the number was but there was a number that was set that they were going to fund for the deficit from previous years. By letting them spend the $480,000 that deficit will no longer be taken care of. It hurts our budget for next year by whatever numbers in excess revenues they have, still lower than what this Board said they were going to have and I said back in November when we knew this was happening that it was a game. They charged the taxpayers more last year so they could come back this year and either use it for fund balance so they wouldn't have to take it out of their budget or use it to spend, like they are coming today asking for additional appropriation. I would ask this, Board, your Honor not to support this. I am making a motion to deny it. Tell them to live within their means and if it means not doing a SCIP project they can tell the citizens why they spend that money and why they didn't have it done and spent it in other areas.

Alderman Gatsas duly seconded the motion to deny referring the Resolution to the Finance Committee.

Alderman O'Neil stated I know I have spent at least the past four years, maybe longer, in what seems like wars with the School Board over not doing exactly what they are asking to do here this evening. If I recall some of the discussions, if they would have requested a supplemental appropriation we, and I include everyone, Board of Mayor and Aldermen, School Board, and citizens of this City, would not have been in the predicament we were in. So they come back and they do the right thing this year and ask for a supplemental appropriation and now we are going to tell them no we are not going to do that either. At

some point we have to start working together on this. I am sick of the battle because the losers in this whole thing are not the Board of Mayor and Aldermen, not the School Board but the kids who go to our schools. We have to start thinking about education and not money every time the issue of schools is brought up.

Mayor Baines stated I would like the Clerk to explain the motion because if this were to go through the process we would simply be going to a public hearing and there is a certification process, which we haven't even completed yet. The Finance Officer, in accordance with the Charter, has to…what is the wording, Kevin?

Mr. Clougherty replied verify.

Mayor Baines stated he verifies and I certify but I am not certifying without his verification. We have not gone through that process yet but if the Clerk could just explain the process a little bit.

Deputy Clerk Johnson stated the Resolution was submitted to the Board this evening with the intent for the referral to the Committee on Finance. At the Finance Committee level there is a request to refer it to public hearing because under the Charter it will require a public hearing process, the same as any other budgeted appropriation that is given by the Board. We had intended that to be scheduled for April 18, but there is an error in the Finance agenda that I was going to get to later. The School Board was ready to address this, or planning to address this with the Board on April 16 and at the same time address the tabled item that is at the Board level and of course the Board at that time could still decide that they are not going to hold a public hearing and cancel it or not go forward or it could allow it to go forward and amend this as it chose. The schedule had been set-up so that the discussion would occur on April 16 and then on April 18 a public hearing would be held. The certification by the Finance Officer and the Mayor are a condition of the Resolution and I would presume the Board would not adopt the Resolution until such time as that is settled. It provides time for the Finance Department and the School Department to work out the numbers.

Mayor Baines stated let me clarify a little bit. This motion was to refer this to the Finance Committee and in the Finance Committee it would have been referred to a public hearing. We were not going to actually act on this Resolution this evening.

Alderman Shea asked so if Alderman Wihby would remove his motion then I would make a motion to refer it to the Finance Committee.

Mayor Baines asked do you want to withdraw your motion.

Alderman Wihby answered I want some discussion on it.

Alderman Lopez stated I echo Alderman O'Neil's comments. The certification, from what I understand from the Charter, and Alderman Wihby I think we are going to have that opportunity on April 16 because the Board of Mayor and Aldermen are the ones who have to approve it. If we can get this thing to a public hearing on April 16 when they come back here this Board still has to approve providing that the Finance Officer has certified that the money is there. Am I correct?

Mr. Clougherty stated I have to verify the numbers and the Mayor certifies.

Alderman Lopez replied the Board of Mayor and Aldermen, according to the Charter, are the ones who approve it.

Mayor Baines responded that is correct.

Alderman Lopez stated so it is not just the Mayor. At that point on April 16…the Board of Mayor and Aldermen have to approve it.

Solicitor Clark stated you have most of it correct. It does have to come back to the Board but it wouldn't be on April 16 because your public hearing wouldn't be until April 18th. It would be at a subsequent meeting that it would come back to the full Board for approval.

Deputy Clerk Johnson stated for final approval.

Alderman Lopez stated the point I want to make is all they are doing tonight is a process here and I agree with Alderman Shea. Alderman Wihby I think at some point we will have an opportunity to have a discussion with the School Board but I think we need to move the process.

Alderman Wihby stated we have had this discussion a number of times, like Alderman O'Neil said and every time we give them and every time they spend more. You are delaying the problem and cutting them one more month if you don't do it today because by the time it comes back to this Board another month is going to go by and it is a bigger problem then telling them no right away. You are also looking at a double-digit increase next year and you could put $600,000 towards that to help the tax rate next year and tell them again to live within their budget. This is only a game. If you want to put it any further, if you are going to vote for it today then you ought to vote for it when it comes up in May because all you are doing is delaying the problem and you are not letting them really manage their money. At least if you tell them today that you are not going to let them have it you are giving them an extra month's notice and you are sending a message to them that they are not going to come back and ask us for money. What is the difference if they come back and ask us for money or they just overspend? It is doing the same thing. We haven't sent them a message yet.

Alderman Gatsas stated I guess I have a peculiar question and maybe you can help me because you sit on that Board. Where did this $480,000 additional revenue come from?

Mayor Baines asked Vice-Chairman Stewart to come forward. I think part of it is related to the tuition enrollments if I remember the discussion appropriately.

Vice-Chairman Stewart stated I first need to tell you that Mr. Donovan's letter to Mr. Clougherty of March 29 is actually…

Alderman Gatsas interjected we don't have the letter.

Mr. Clougherty stated we have copies to hand out to the Board.

Vice-Chairman Stewart stated Alderman Gatsas to answer your question the source of the revenue that we are referring to is from the revised MS form that was filed on 11/9/2001 and when we take that revision and then look at current revenues that have come in since then, the School Department is estimating that as of year end we will have projected revenues in excess of $600,000 over that tax rate revenue that was filed on 11/9.

Mayor Baines stated so tuitions as I said if I am reading this correctly, accounts for about $426,000 of that.

Vice-Chairman Stewart replied yes and $108,000 for catastrophic aid. If you look at the letter dated March 29…

Mayor Baines interjected just so every one knows that is the chart and on the right you see over/under and in the far right column you will see the sources of the unanticipated "revenue."

Alderman Gatsas stated I understand that we are all on a time schedule here but looking at an eight page document that was just dropped on us on a $480,000 item…

Mayor Baines interjected we are not deciding the item tonight.

Alderman Gatsas stated in essence we may be if we don't want to move it on to the next Committee.

Mayor Baines replied but the final decision on this would not be made until April…what was the date.

Deputy Clerk Johnson stated on April 16 you will be discussing it.

Mayor Baines stated all we are doing tonight by what is on the agenda is referring it to a public hearing, allowing us to go through the certification process.

Alderman O'Neil stated I am lost as to where we are at.

Mayor Baines stated it is the fifth page in and it says, "Manchester School District General Fund Revenue Analysis, March 28, 2002". It is a chart and if you look to the far right it says over/under and you will see the sources of the revenue adding up to $600,598.

Alderman Wihby asked what is the first column where it says "Original Budget May 16". Where does that date come from? Whose original budget? Yours was on May 31.

Mayor Baines stated it looks like it was Mr. Chapman who signed this. This is his form. As you know ours had the revenue that was agreed to by the District.

Vice-Chairman Stewart replied I can help you with that. The original budget was submitted to the Mayor on January 29, 2001. The Mayor presented his budget to you last year in March. At the end of May we realized that there would need to be some adjustments made specifically because of registrations that had occurred at the high schools at that time and also there was a change from the impact fees from $300,000 down to $160,000 at that point so that is the budget that at that time was our closest estimate of revenue based on new information that had come in over the spring of last year. However, the 11/9/02, which is our tax rate revenues based on our MS filings, is what we are basing these projected revenues on.

Alderman Gatsas stated for the quick amount of time that I have had an opportunity to look at this there are three different numbers, four different numbers in the tuition line. If we look at the original budget on the information that we were just given, that is $10,509,079. If we look at the next line, which was set on the MS form that we set the tax rate, that number is $10,235,079. If we look at the number that was adopted by the Board on the handout that Alderman Wihby gave us, it is $10,446,079 plus another $63,000 and the MS form that was reported by the School Department that was signed and revised and sent to DRA is $10,172,079. I am a little confused by where we start and where we end and how we get there.

Mr. Clougherty stated I had a conversation with Tom Donovan. He had contacted me regarding the item before you and I had sent him a letter. The front page of this handout is the letter that I sent to Ron Chapman laying out some of the information that I thought initially preliminarily I would need to be able to do the certification. I received the letter that you have, the package that you have in front of you from Mr. Chapman after that. I had pretty much taken all of the information from all of the sources, all of the official documents, and done this spreadsheet that is color-coded, the long one.

Vice-Chairman Stewart asked for a copy to look at.

Mr. Clougherty stated the first column is…if you look at the top you will see the dates. As Ms. Stewart was saying it says original budget and you can see that the bottom line there is $114,907,000. Then you have the Mayor's budget. Then you have the revised school budget and then in blue you have the adopted budget. This is what the Board of Aldermen adopted as revenue. If you look at the sheet right after that, that should be familiar to you. That is the sheet that we have that tells you what was adopted last year and if you look on that you will see that under the revenues column there was $19,097,000. You will see that number on the spreadsheet and then after that there was the $42 million, which is also highlighted so we have given you the documents that support this table so you can tie into it. At the time that the Aldermen adopted the budget, the total expenditure and, therefore, the total revenues was $115,808,857. You can see that just above that where it has "property tax revenues" it has a State tax of $28,447,000 and the estimate at that time was that the local tax for schools would raise $25,968,000. Does everybody see that? In the blue column if you take a look just above the grand total, the section called property taxes, and you can see that the Aldermen's estimate was $25 million. That was adopted in June. In the fall when the tax rate was being set, forms were submitted by the School Department to DRA to set the tax rate and you will recall that there was an initial form submitted and there were some questions raised about those items and then there was a final revised MS form submitted by the School District. That final MS form is what is dated 11/9/2001. That is what is used to set the tax rate. Now what is highlighted in yellow there is any time a number in that revised MS form is different than the number that is in the blue column, the adopted budget, we have highlighted it there. The revised…if you go down you will see for example that there were changes in Medicaid and there were changes in a lot of the other what you might call non-property tax revenues and at the bottom if you look at the local tax the difference was that because on the MS forms given to the State the numbers for non-property taxes were lower, the number that is raised in taxes is not the $25.9 million that was estimated in the blue column, it was $27,041,000. That is what was actually raised in taxes. The next column, the School Revised Budget, is basically the revised MS. So the reports that the School District gets on a monthly basis and that come to you don't reflect the adopted budget, they simply reflect the MS budget. Depending on which of those two columns you use, you are going to arrive at very different conclusions and as we move to the right here in these other columns you will see that. The revenues received are those numbers that are taken off of the most recent school finance report and you can see that to date of the $115 million that had to be raised, $80 million has been collected. The next column, which is dated 2/28/2002 and entitled total revenues anticipated is what the School District anticipates they are going to collect for their revenues for this year. Now if you look at the totals for both the adopted budget and the school revised budget, the bottom total is $115,808,857. The total anticipated revenues is $116 million. Now if you compare the adopted budget, the blue column, to the revised budget, which the School District is reporting, you can see that in the non-property

tax areas on the top of the schedule there are a lot of negatives because that is where those numbers were reduced for the report to DRA and then you can see there was an additional $1.078 million that was raised in taxes.

Mayor Baines asked so you are talking the third column from the right.

Mr. Clougherty answered that is right. Now for purposes of the Charter and for purposes of a supplemental budget, it doesn't talk about MS forms and it doesn't talk about DRA. What it talks about is the adopted budget so the blue column is the key column that we have to look at in order to consider the verification process that the Mayor and I are going to have to go through. We are going to have to go up against that blue column. So if you compare the adopted budget, the blue column, to the anticipated revenues you will see that there is a surplus projected, again, and it is based on the total revenues projected by the School District, there will be a surplus bottom line of about $700,000 or $699,012. Most of that surplus is a result of the increased taxes that were raised. If you were to follow what the School District is reporting and they are reporting on the tax base, you still have the same $700,000 number that you arrived at. In their case it is more in their non-property tax estimate. So you are at the same bottom line here. Was it caused by taxes? Was it caused by additional income? The question that the Mayor and I are wrestling with and are going to have to answer for the Board in order for this to move forward is regardless of that are the estimates achievable. If you take a look at the total revenues anticipated column you will see some of the numbers…we just highlighted a couple there in rows. For example, the Medicaid dollars, through February, of the $1.4 million that the school projected were only going to have realized to date $500,000. We need to see some more detail here. We only got this information in the last couple of days from the School District and we have to have some more discussions with them to get some details as to why we should take comfort in those estimates. The other one is with tuition. You can see that the tuition number is $10,661,000 and to date there has only been $4.9 million collected. We need to know are those bills out, what are the collections, are they going to be adjusted. So the process that the Mayor and I have to go through to verify what those numbers are and if we can come back to you and justify that the bottom line revenues are going to be higher than the blue column, then we will certify that for you.

Mayor Baines stated and we are not prepared to do that tonight, which is the reason why we wanted the extra time to allow the process to go forward and then we would come back to you and verify and certify.

Mr. Clougherty stated I think that explains the difference in the numbers.

Mayor Baines stated I do want to allow Vice-Chairman Stewart to speak.

Vice-Chairman Stewart stated we, too, have had the same kinds of discussions regarding the Charter and as you are all aware we have gone through a declaratory judgement process over the past couple of years and when the Charter was written it clearly didn't have a specific provision for treating schools as a separate district. When we worked on DJ II we didn't anticipate, no one did on either side, this type of thing. Clearly, however, RSA's are written such that the School District has the responsibility and the authority for setting the revenues. Many of you met Steve Plodzik over the past month. Unfortunately he is ill or I would have had him come with me tonight to speak to this issue a little more clearly to you. Clearly he will come back if you grant us the ability to come back on April 16 to talk about his feelings on the fact that the District really needed to set our revenues at a conservative level and go from there. I think Kevin has outlined quite well what needs to be done between now and April 16. I think everyone is aware of it. We started to take the first steps and would like the ability to come back on April 16 and talk to you further about this.

Alderman DeVries asked when you do come back on April 16 you will be bringing with you as well an itemization of the SCIP funds you have already allocated since we tabled…Alderman Garrity I believe tabled in the beginning of March the item on the $400,000 that had been an issue.

Vice-Chairman Stewart replied are you asking me if when we come back on April 16 we will be prepared to tell you how we want to deal with that item.

Alderman DeVries responded or how you may have already allocated or encumbered some of those amounts.

Vice-Chairman Stewart stated there have been some things done. I am not prepared to talk about those tonight, unfortunately.

Alderman DeVries replied right but I am asking when you come back on April 16 if you will address that.

Vice-Chairman Stewart responded absolutely.

Alderman DeVries asked when you come back on April 16 will you have the assistance of any of your finance officers.

Vice-Chairman Stewart answered yes. I already left a message for Mr. Plodzik today.

Alderman DeVries asked and Mr. Chapman as well.

Vice-Chairman answered yes Mr. Chapman will come also. I learned definitively, although we had a discussion this morning with Carol Johnson, at only 4:30 PM that one of us needed

to be here this evening. I didn't go to one of our own budget hearings so that I could be here to talk to you this evening. We really would like to do that.

Alderman Garrity asked, Kevin, estimated time when you are going to be able to verify that the revenues are from revenues and not from estimated property taxes.

Mr. Clougherty answered the property tax I am comfortable with because we know we have collected it. The real items that we are going to have questions on won't be so much the property taxes as it will be the other areas such as tuition and Medicaid. We have started a dialogue with the School District and we will be asking them for some more details and depending on what we get back that will determine how fast we can move forward. Certainly if these are the numbers and they are that low we won't be able to get there. I suspect they are going to have to give us some more information on…

Mayor Baines interjected he just asked for an estimated time.

Mr. Clougherty replied I don't know, Mayor.

Mayor Baines asked within a couple of weeks.

Mr. Clougherty answered if they get us the information.

Alderman Garrity asked bearing that in mind and the fact that there is probably not the proper staff here from the School District and this is the last time I am going to do this, I am going to move to table this item until April 16 so that we can take up both tabled items.

Mayor Baines stated it is supposed to go to the Finance Committee so that we can allow the process to go forward. There are some people who still want to discuss this. I am not going to accept the motion to table.

Alderman Thibault stated I wanted to table it.

Alderman Lopez stated I am almost in favor of tabling but I think the process is very important. If we table this, the question would be for the City Clerk if we table this and take it upon April 16, the timeframe for a public hearing, where do we stand on that then?

Deputy Clerk Johnson replied you would have to move your public hearing out until probably the first week in May. What happens is the process for budget resolutions is it has to be introduced at a regular meeting, which is why we brought it in this evening, not at a special meeting. It from there goes to the Finance Committee and they recommend a public hearing date. It goes to public hearing. In between time you have discussion and deliberation on your budget. After the public hearing at some point in time that resolution

would be acted on to lay over. It has to lay over for an additional five days beyond that, business days, so I guess in essence if you table it for two weeks…we were not anticipating that even if you went forward with the process it wouldn't be until the first week of May before this resolution would be adopted. If you put it off for another two weeks, you are pushing it out two weeks further. I don't know when these funds are needed by the School District, obviously, or whether or not the Board is going to want to go forward with this once they get all of their information. If you did, you would be hitting your timelines, I think, rather tightly.

Alderman Lopez stated so it doesn't make any difference if Kevin takes two weeks or three weeks or whatever he takes. At some point it is going to come back to this Board and he is going to have to tell us how much they have as a surplus. I agree with the City Clerk. We should turn around and go with the process here. The bottom line is going to be, after he certifies, whether the money is there or how it got there or where it came from it doesn't make any difference but that there is surplus there. I say let's just vote on Alderman Wihby's motion and get on with it and then we will go for the resolution.

Mayor Baines replied that is what I would like to recommend because people know how they are going to vote and then we can decide where to go.

Alderman Smith stated on Page 5, Kevin Clougherty mentioned about tuitions and Medicaid and I notice your footnote, #3, and it says down there that it is a conservative estimate at this time and you are probably anticipating more in your tuition billings is that correct.

Vice-Chairman Stewart replied that is what I understand from the footnote. Mr. Plodzik has looked at these numbers also and there is a letter from Mr. Plodzik in here suggesting that he thought we were being conservative also.

Alderman Wihby stated if you look at what the Board adopted for revenues other than property tax revenues, it is only a matter of almost $90 million in revenues. This Board was only $374,000 off. That is what we were using in our tax rate last year when we passed the budget. They went, they changed the MS form and reduced that number to make it instead of $374,000, $1 million. So they took that money last year…taxpayers paid for that and if they hadn't changed the number and used our numbers taxes would have been lower last year but because they took the number and changed it, taxes went up last year. It is only fair to citizens to make this cut this year. Don't let them spend it so that the fund balance will fall back and next year the taxpayer would see that money that they tossed last year. The second question, your Honor, is when we had the meeting and we stayed in the room for two days…

Mayor Baines interjected it was the courthouse.

Alderman Wihby asked wasn't there a number that they agreed they were going to use in this budget.

Vice-Chairman Stewart answered I can help you with that. The deficit reduction, "The parties disagree over the reasons for and the magnitude of the deficit of the School District for FY2000. However, the parties agree that the resolution of the deficit shall be as follows: A) the School District will use all general fund surpluses from FY2001 and FY2002 not already encumbered and any supplemental income over that budgeted to reduce the deficit; B) the District shall request and the City shall appropriate the sum of $500,000 for a deficit reduction line item in FY2003 district budget to be used for the sole purpose of reduction of the FY2000 deficit. The District commits that during FY2002 and FY2003 it shall generate a combined total of $500,000 over the course of the two fiscal years in the form of a general fund surplus to reduce the deficit further."

Alderman Wihby stated according to that all we are doing is delaying this problem. If they have $600,000 in extra revenue and we are going to give them $480,000 of it, we are only going to have $120,000 towards the deficit. They have to come up with $480,000 more the following year, according to our agreement because they are going to fund $500,000, coming out of the budget that they are already saying they are already $8 million too short or whatever. All you are doing is causing a bigger problem for them. We have to nip it in the bud this year. We have to tell them they can't spend it and use that money towards next year's budget otherwise we are putting them in a bigger problem next year because they are going to have to put $480,000 away.

Mayor Baines stated I would like to call for a vote on this now.

Alderman Gatsas stated I think I asked a question…

Mayor Baines interjected what was the question.

Alderman Gatsas replied I don't know. Kevin Clougherty answered it and I never got my opportunity to ask it. Is it just coincidental or does it just happen to fall that way that the original school budget that was dated 1/29/01 and the MS form that was sent to DRA has a difference of approximately $480,000? Is that just a coincidence?

Mayor Baines responded that is just a coincidence.

Alderman Gatsas stated but it is less. That number was changed by $474,000 on a lower number from, if you look at the carry forward, from January it was $10,446,000 in March on the Mayor's budget it was $10,446,000 on the revised school budget it was $10,446,000 on the adopted budget in June it was $10,446,000, in December all of the sudden that changed to $9,972,079, a lower rate that was sent in. Coincidentally, a month later it jumped to over

$10 million. I would look at that, your Honor, and say how does it change that drastically, 4%, in a matter of months and all of the sudden come back to surface two months later at a higher umber.

Mayor Baines stated Vice-Chairman Stewart is not prepared to answer all of those questions tonight.

Alderman O'Neil stated I am certainly not going to debate the numbers with my colleague from Ward 1 but can we at least admit that they did the right thing by coming back for a supplemental appropriation. They have been crucified over the years for not at least doing that. I am serious saying that. We can sit here and disagree about where the numbers are and where they should be going but at least they did the right thing and came back for a supplemental appropriation and I applaud the Vice-Chairman for that.

Mayor Baines asked what is the motion that is on the floor.

Deputy Clerk Johnson answered I have a motion, Alderman Wihby by Alderman Gatsas to deny referring the Resolution to the Committee on Finance.

A roll call vote was taken on the motion. Aldermen Wihby, Gatsas, and Guinta voted yea. Aldermen Sysyn, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest voted nay. The motion failed.

Alderman Thibault moved to refer the Resolution to the Committee on Finance. Alderman Shea duly seconded the motion. There being none opposed the motion carried.

Report of the Committee on Lands & Buildings:

AJ. Recommending that in accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at 258 Salmon Street, known as Map 903, Lot 32, by executing deeds releasing all rights, title interest, or claims in said property. Said property formerly owned by David L and Florence Haskell was acquired by the City of Manchester by virtue of Tax collector's deed dated October 5, 2001 and recorded in the Hillsborough County Registry of Deeds on October 11, 2001, in Volume 6502, Page 2538.

The Committee recommends that said property be disposed of through public auction with a minimum bid to be set at $100,000; such disposition subject to satisfaction of the statutory 30 day notice for redemption by the prior owner.

The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of $110,000 to $120,000.

The Committee further recommends that the Tax Collector and City Solicitor be authorized to proceed with disposition and prepare such documents as may be required, and that the Finance Officer be authorized to credit tax deed accounts as deemed necessary.

Deputy Clerk Johnson stated on this item there was a communication, which I distributed to the Board prior to the meeting. It is from the Clerk's Office. The communication references an enclosed communication from a John C. Emery and I guess I would just highlight that Mr. Emery is an attorney representing an estate who has submitted a request basically that they have until June 15 to obtain a license to sell, obtain, buy or clean out the property and pay the City tax lien. He is asking that the City allow that time. The City did take the property. The Clerk's Office has conferred with the Tax Office, the City Solicitor and the Chair of the Board of Assessors and their recommendation is that the Board support the report of the Committee as submitted and that the property go to auction subject to the statutory 30 day notice for redemption by the prior owner.

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

Report of the Committee on Lands & Buildings:

AM. In accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at 218 Pine Street, known as Map 68, Lot 32, by executing deeds releasing all rights, title interest, or claims in said property. Said property formerly owned by Guy Frank Forgione was acquired by the City of Manchester by virtue of Tax collector's deed dated October 5, 2001 and recorded in the Hillsborough County Registry of Deeds on October 11, 2001, in Volume 6502, Page 2537.

The Committee recommends that said property be disposed of through public auction with a minimum bid to be set at $2,000; such disposition subject to satisfaction of the statutory 30 day notice for redemption by the prior owner prior to auction.

The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of $2,500 to $3,000.

The Committee further recommends that the Tax Collector and City Solicitor be authorized to proceed with disposition and prepare such documents as may be required, and that the Finance Officer be authorized to credit tax deed accounts as deemed necessary.

Deputy Clerk Johnson this item was also pulled at the request of the Clerk and that was because there are typographical errors on the agenda itself, not on the committee report enclosed. That would be referencing the second paragraph, which refers to $5,000, should actually read $2,000 and the $7,500 to $10,000 indicated in the paragraph below should read $2,000 to $3,000. We just want to note those errors. The report can be accepted as it was properly submitted.

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

Report of Committee on Traffic/Public Safety

AR. Recommending that certain regulations governing standing, stopping and parking, be adopted and put into effect when duly advertised.

Deputy Clerk Johnson stated it is my understanding that Alderman Smith wishes to remove all of the references to Parker Avenue and a motion would be in order to so amend the report.

Alderman Smith moved to amend the report by deleting all references to Parker Avenue. Alderman Forest duly seconded the motion.

Alderman Wihby asked what are we doing.

Deputy Clerk Johnson answered there are references in there regarding parking on Parker Avenue. The Alderman of that ward has requested that they be withdrawn.

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

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

Nominations were then presented by Mayor Baines.

Mayor Baines stated we have two nominations before you this evening.

Zoning Board of Adjustment
Andre Verville to succeed himself, term to expire March 1, 2005.
Robert Bennett to succeed himself, term to expire March 1, 2005.

Alderman Thibault moved to suspend the rules and accept the nominations of Andre Verville and Robert Bennett to succeed themselves to the Zoning Board of Adjustment.. Alderman Shea duly seconded the motion. Mayor Baines called for a vote. There being none opposed, the motion carried.

Deputy Clerk Johnson stated the Clerk would ask to introduce a piece of new business prior to recessing for Finance.

Resolution:

"Revising the Central Business Service District Assessment from $.79 to $.59 per $1,000 of assessed value for each property within the District."

On motion of Alderman Guinta, duly seconded by Alderman Shea, it was voted to read the resolution by title only and it was so done.

On motion of Alderman Guinta, duly seconded by Alderman Shea, it was voted to refer the Resolution to the Committee on Finance.

On motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to recess the regular 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 Appropriating Resolution:

"A Resolution providing a supplemental appropriation to the Manchester School District in the sum of $480,000 for the Fiscal Year 2002."

be referred to a public hearing on April 18, 2002 at 6:00 PM in the Aldermanic Chambers of City Hall.

and further recommending that Resolutions:

"Revising the Central Business Service District Assessment from $.79 to $.59 per $1,000 of assessed value for each property within the District."

"Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars ($10,000) for the 2002 CIP 810002 Valley Cemetery Master Plan Project."

"Authorizing the Finance Officer to effect a transfer of Two Hundred fifty Thousand Dollars ($250,000) from Contingency to the Rent – Welfare line of Welfare (0869)."

ought to pass and be Enrolled.

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

Resolutions:

"Revising the Central Business Service District Assessment from $.79 to $.59 per $1,000 of assessed value for each property within the District."

"Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars ($10,000) for the 2002 CIP 810002 Valley Cemetery Master Plan Project."

"Authorizing the Finance Officer to effect a transfer of Two Hundred fifty Thousand Dollars ($250,000) from Contingency to the Rent – Welfare line of Welfare (0869)."

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

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

Resolution:

> "Authorizing the Mayor of the City of Manchester to amend an agreement with the State of New Hampshire, Department of Human Services relative to Social Security wages."

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

On motion of Alderman O'Neil, duly seconded by Alderman Wihby, it was unanimously voted that the Resolution be Adopted.

TABLED ITEM

11. Communication from Alderman Garrity requesting that the Board ask the Board of School Committee to either unfreeeze approximately $482,000.00 allowing that it be expended for SCOP projects chosen by the School Board, or be turned over to the City as unused funds for projects not completed.

This item remained on the table.

12. NEW BUSINESS

A report of the Committee on Community Improvement was presented advising that they have given the Fire Department authorization to go out to bid for the Cohas Brook Fire Station with the understanding that the awarding of a contract is subject to approval of the appropriation. The Committee notes that $700,000 is presenting contained in the Mayor's FY2003 CIP budget.

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

Deputy Clerk Johnson noted that a memo from the Clerk's Office was distributed regarding research on the naming rights agreement and that the item is presently before the Special Committee on the Civic Center.

Alderman Lopez stated I would like to bring up an item in reference to…and I wasn't going to do this but I have to because it all broke out in the newspaper and everything else. Back in January I submitted a letter to your Honor in reference to the senior center and all of the Aldermen received a copy of that and at that time we were looking at 1528 Elm Street, which I supported plus there was another project on the West Side that I also support for the senior center. I am looking at a letter that Alderman Gatsas has written to certain people and a response from Robert H. Rines in reference to the senior center being at the Rines building. I want to compliment him for stepping forward and using his influence, which I am sure he does have. I think we need to do something here this evening regarding whether this Board is supporting the senior center going there.

Mayor Baines replied let me interrupt and I will not accept a motion on that this evening for this reason. We have not entered into any agreement to purchase that property and neither has Notre Dame committed to selling us that property. I think we need to wait until we are prepared to come before the Board on that issue. We have not secured that property. We have no commitment from Notre Dame that they are going to sell us that property. It is all in negotiations. It would be premature and I don't think respectful of the negotiations for this Board to state anything in regards to that until we have, in fact, purchased the property if in fact we do.

Alderman Lopez stated I think it would be appropriate if this Board sanctioned that the senior center would go there once the negotiations are done. That would let the people who own the property realize that we, as a Board, want the senior center to go there.

Mayor Baines replied if you recall there was some discussion in non-public session about other property and we are in the process of dealing with that too and we haven't even been able to come to the Board with a report on that either.

Alderman Lopez responded if I may continue, I and others have been proponents of the senior center for the last two years and I believe it is time, before we get into the budget process, that we make some type of decision or support the efforts of Alderman Gatsas in getting the senior center there.

Mayor Baines replied again I will reiterate that there are some negotiations that are going on right now. There is no commitment from the college to sell us that property. There are negotiations that are ongoing. We are now dealing with a real estate agent on that property and we are dealing with appraisals and it would not be appropriate, in my view, to act on this matter tonight until all of the information has come forward. Let's say we were to enter into an agreement on the price. We may come to the Board and the Board may say we are not paying that. So it is totally premature at this time in my view.

Alderman Shea stated there is no one that has been more involved with the seniors than myself. I have been involved longer than Alderman Lopez has been on the Board. The point of the matter is that you appointed a Committee to study a certain type of scenario and, therefore, we must all remember that in order to go forth with any kind of project you need nine votes. That is what is needed for any kind of bonding. Basically, I think it is premature to even discuss this. We are just going to be kicking around like a tin can that we played in the back alley when we were kids and it is going to go on forever.

Mayor Baines replied we hope to be able to come to the Board within a couple of weeks with specific proposals. The other part of this is, and I would ask the Aldermen to respect this, is we are also dealing with a lot of rental property around the City in which we have to make decisions on whether we are going to continue the leasing agreements on these properties at

escalated prices. We haven't been able to present any of this information to the Board for a decision and I would hope that the Board would only make decisions after we have had the opportunity to lay out all of the financial information on both issues. We cannot do this this evening. The Board had authorized us to engage in a process and it is not appropriate for us to be making those kind of decisions without the factual financial information in front of this Board.

Alderman Smith stated I can remember as an Alderman Elect we had a meeting here in December and it was brought up at that time of the possibility of the senior center being located in various locations and we were asked to sort of keep quiet while the process was going on and I think that is what we should do at this time.

Mayor Baines replied I agree and we have not completed the process that was authorized by this Board.

Alderman Guinta stated I would like to add a couple of comments regarding the senior center. From the correspondence that I read that the full Board received yesterday regarding the letters from Alderman Gatsas and the Rines family, it appears from those letters that the Rines family would entertain and support the idea of a senior center at that location. That being said, would it then be appropriate for us as a Board to discuss the idea of having a senior center in that area given the fact that there are other ideas for that area?

Mayor Baines replied we haven't even purchased the property. Notre Dame College could call us tomorrow and say we are not selling it to you.

Alderman Guinta responded I have a sneaking suspicion that the College of Notre Dame wouldn't do that. I think they are willing to work with the City to try to find the best use for that property…

Mayor Baines interjected you know…

Alderman Guinta interjected may I finish. I think that the College of Notre Dame is looking during their process of discontinuing their school to a) make some money for their school, and b) try to help facilitate some of the issues and needs that the City has and I have always found the College of Notre Dame to want to work with the City and I think that given the fact that the Rines family is involved in this situation because of their gift to the college, I think it is something that at least we, as a Board, can discuss in terms of our feelings about whether that facility should be a senior center or something else. I think at least if we could get a consensus of the Board we can then continue to move forward with the process with the College of Notre Dame. Wouldn't that be accurate?

Mayor Baines replied I apologize for interrupting you. Two things have happened. First of all, I have had three or four conversations with Dr. Rines. If you read the letter he said he

was also very comfortable if the City decided to move Health, Welfare and Youth Services because that was also within the mission of the family so he has not said that under no circumstances should it be other…he said he would be very comfortable with that in fact and he reassured me of that as recently as a conversation that I had with him yesterday. It is not that he wants it as a senior center or nothing else. Secondly, the college, because I am in conversations with them and we are now dealing with a real estate agent, they had expected that our conversation be as Alderman Smith indicated in private and they would appreciate that still because we have not struck any deals yet. I am asking the Board to respect that and let us continue these private conversations. The ultimate decision will still be the Board's once we get all of the financial information laid out to you, including the West Side issue, which we haven't completed pulling all of the financial information together as you know, plus all of the financial information relative to the rental properties. Kevin Clougherty has done some initial estimates on that and then the Board would be presented, again, with those things once the information is before us. I think the public should expect that we make decisions after all of the financial information is before us. If the ultimate decision is that is where the senior center goes and that is the will of the Board, that is the will of the Board. I am asking you to respect the process. That is all.

Alderman Shea stated the people who actually own the building would be the nuns and they have devoted their lives to the community and they are in need of funds. They don't have any retirement or Social Security so basically they are not in a position as other people may be to donate millions of dollars. They need to support whatever the living existence is of those that are living now. Some of the nuns have really no money and obviously the college itself has had setbacks and they probably, without disclosing this publicly, have obligations to use money that they are in need of in order to fulfill any kind of obligations that they have within their particular financial situation. Actually, the nuns themselves are the owners of this property. It doesn't belong to the Diocese of Manchester and it doesn't belong to the Bishop or anyone else. It belongs to the nuns who are dependent upon this money to live on.

Mayor Baines stated they are the Holy Cross nuns. I would request the Board to allow the process to continue as we agreed.

Alderman Guinta replied thank you Alderman Shea. I don't dispute your comments. I think what I am simply suggesting is that given the fact that this is public knowledge, we as a Board should consider…certainly the Mayor's plan and position for that building and other plans and positions for that building and we should be aware of that as a Board because there are two competing issues with respect to either a senior center or City services. I think the Board should be fully aware of both ideas and both financial implications so we can go forward as a Board having the full knowledge of both proposals. That is all I am suggesting.

Alderman Wihby asked so you are going to come back to us with one proposal with the senior center being the way you want in your budget and the other proposal with it being

there and then…is there any chance of coming back with a proposal where City services also fit in that building along with the senior center.

Mayor Baines answered based upon the analysis that we have done without getting into the details and Bob MacKenzie is not here tonight…

Deputy Clerk Johnson interjected yes he is.

Mayor Baines asked Mr. MacKenzie to go through the analysis of the square footage.

Mr. MacKenzie stated we were requested as a staff and several staff groups have been looking at options to house a number of agencies. Preliminary review of the Rines Center indicated that at about 31,000 square feet they could house the Health Department, Office of Youth Services, Welfare Department, possibly MCTV, provide archives that are needed as a result of lack of storage here at City Hall and provide a training room that has been required. That could be accomplished and, therefore, all renting departments that are out there currently renting could be housed in a City facility. We were also requested to look at a West Side site for a senior center and that is underway now and we are trying to finalize the cost. The analysis did show that all of the current City space needs could be accomplished at the Rines Center other than the senior center and Elderly Services, which would go along with the senior center.

Mayor Baines stated if you took 10,000 to 15,000 square feet out of that for a senior center then you would have to keep some existing departments in their present locations or other locations.

Alderman Wihby asked what are we looking for on the West Side, 10,000 to 15,000.

Mr. MacKenzie answered roughly 13,000 to 15,000 square feet.

Alderman Wihby stated so that would still leave 16,000 that you could put a senior center along with a couple of departments. Is that a possibility?

Mayor Baines replied we could come in with some options like that and the Board could make a decision. Again, I am just asking to let it go forward.

Alderman Wihby asked so you are going to come back with three different ways.

Mayor Baines answered yes we could do that.

Alderman Gatsas stated I would assume that those three proposals will be here before we conclude the budget.

Mayor Baines replied yes absolutely.

Alderman Gatsas stated Alderman Shea with due respect to the sisters, I think if Dr. Rines had the opportunity three years ago when he made his dedication and if it was directly to the sisters that would have been a different situation. I don't think the doctor, when he made the dedication to Notre Dame College had any idea in his mind at all that the college was in a financial bind or was having a problem. To say that this money goes to the sisters, I understand that and they are certainly there but I think that the dedication that Dr. Rines made for his wife certainly wasn't with the intent that it was going to go away in three years. I understand what you are saying but I think that when somebody makes that kind of donation there has to be some understanding why he did it and for what reasons he did it and I think just to say that is the nun's money, I understand that and I can appreciate that and that they have to look at how they are going to live but I think that Dr. Rines's position would have been a little different had he known the situation of today.

Mayor Baines replied and also with due respect to the Sisters of Holy Cross they had no intention of their college three years ago going out of business either.

Alderman Gatsas responded I understand that.

Mayor Baines stated so we need to respect that and so you know the McInich family opened up a gallery there, I think, a day before the announcement was made and I have had conversations with the McInich family and my goal, no matter what we do with that building, would be to first of all keep the name on the building out of respect for that and Dr. Rines has been very grateful for us advocating for that and also to keep the art gallery because I think it would be a wonderful thing for the City to have an art gallery in a public building and the McInich has also been very generous across the City with these art galleries.

Alderman Shea stated necessity is the mother of invention meaning that unfortunately the nuns are in dire straits. I visit nuns in different situations and sometimes within our society some of them don't have two nickels to rub together so even though he probably didn't intend that, maybe the good Lord directed somehow that they would receive this. That is my response.

Alderman O'Neil stated on behalf of the St. Patrick's Parade Committee and our Grand Marshal, George Smith, I just want to thank the Board of Mayor and Aldermen and all of the City departments for their support in making a great parade. Secondly, as we proceed with the CIP and operating budgets, that departments be available and maybe we can send a memo out, at all meetings to assist the BMA with those deliberations. I don't know how many times in years past we sit here and departments aren't here or they are not prepared to answer questions. They really need to be here and have information with them to assist us in preparing both of those budgets.

Mayor Baines replied I will prepare a joint memo from the both of us to go out and remind the department heads about that. Also, just so you know I think a tentative revised schedule has been put out to the Board members. The only change in this is that we have tentatively scheduled a special meeting on Monday, April 15 for an update on baseball. Mr. Jabjiniak has been in contact with both organizations making proposals and asked them if they could be here on April 15. Unless that changes, that is what we are planning to do.

Alderman DeVries stated I sent out to the entire Board yesterday a memo in reference to the Crystal Lake Preservation Association. As many of the Board members may be familiar already they are in pursuit of some departmental transportation I-93 widening mitigation funds. They are the only project within the City limits for the City of Manchester attempting to receive those funds. At this point in time, there are three organizations that make the final decision of how those funds are awarded. It is between the Department of Transportation, the EPA and the Army Corps of Engineers. There is a difference of opinion as to how those funds should be allocated, whether they should go first hand to the immediate corridor for mitigation or if they should go second hand to more remote areas. At this point in time, it would be helpful in their pursuit of those funds to have an added commitment from this Board. We did endorse them last fall, but to have an additional endorsement and show that they are, in our opinion, the primary Manchester area that we wish to see in receipt of the funds. I would make that motion.

Alderman Shea duly seconded the motion.

Deputy Clerk Johnson asked for clarification of the motion.

Alderman DeVries answered that Crystal Lake should be the primary concern of the City of Manchester for the mitigation funds from the widening of I-93.

Mayor Baines stated I think we need to have financial and planning staff…that word primary is…

Alderman DeVries interjected it is the only. It is the only Manchester area as well.

Mayor Baines asked, Mr. MacKenzie do you have any reaction to that.

Mr. MacKenzie answered I did see a list that Jay Taylor showed me of possible sites. There were several other sites in the City that the State is looking at. I do know that there have been efforts to preserve a portion of the Crystal Lake area although development is underway on a large portion of that. I don't have any comments at this point. I know Hackett Hill is not the area that the City wishes to develop but other areas on Hackett Hill and perhaps Cohas swamp were also included on that State list. I guess I would prefer to look over that list and see if the Board wants to take a look at that list as well.

Alderman DeVries asked may I clarify. The Hackett Hill lands are actually located in Dunbarton, not in Manchester. The Cohas swamp, there were two corridors, which both include Crystal Lake. Both of them tying a wildlife corridor as well as the watershed for Crystal Lake into the Cohas swap, which is directly across from Crystal Lake. They are contiguous lands.

Mayor Baines stated it would seem to me that this might be important enough for us to get more information on. I think that is what you are advocating, Mr. MacKenzie.

Mr. MacKenzie replied again having spoken with two EPA officials, there are portions of land in Manchester around Hackett Hill that they are interested in and there were a couple of other sites on this fairly extensive list. I, myself, would just like to review it again if the Board is going to take a position. Before I make a recommendation I guess I would like to look at it and have the Board look at that list.

Mayor Baines asked can we ask you to withdraw the motion and let the Planning Department look at it and come back with some recommendations to the Board.

Alderman DeVries replied can we listen to Alderman O'Neil. I know he has been involved at the State level.

Alderman O'Neil stated, your Honor, I think it is important that we do take a position and that we go on record sooner rather than later on this. There have been a lot of different discussions at the State level with regards to this. In my opinion, and it is only my opinion, they should be addressing sections of the City that are in the corridor of the project, not sections of the City that have nothing to do with the corridor. That is my personal opinion. When I saw the letter from Alderman DeVries, I totally support it and I think we should go on record tonight and not wait because the various agencies have been all over the place with this thing and a decision could be made without our input.

Mayor Baines asked before the next Board meeting.

Alderman O'Neil answered that could happen, your Honor. They are having daily discussions about this.

Alderman Gatsas stated I don’t believe that they are going to make a decision without any consultation from three Senators. I would hope they wouldn’t. I think Alderman O'Neil is on that Committee on Transportation.

Alderman O'Neil replied the problem is that I don’t think the three Senators have a say in this thing. My understanding is that the State DOT doesn’t have a lot of say in it. It is the

two Federal agencies that are driving the truck on this one and we are not going to have a lot of say where this goes. The Feds are going to decide where this goes. I think it is important that we do go on record as soon as possible on this.

Mayor Baines stated when you have your Planning Director say that he would like to look this over and get back to the Board…

Alderman O'Neil interjected we could miss an opportunity, your Honor, and we are left with nothing here.

Mr. MacKenzie stated again I have worked very closely, myself, in trying to preserve some of the area around Crystal Lake so I certainly know the issues that Alderman DeVries is talking about. Again, my normal preference would be to lay these issues out before the Board so that you see the areas that are being looked at in the City to make sure that you are aware before making a decision. There are other sites within Manchester on this list. Normally I would prefer that the Board see this so you can make a fully informed decision.

Mayor Baines stated I would concur.

Alderman DeVries asked is there a way that the wording might be amended this evening so that the support behind Crystal Lake could still go out in a timely basis. I do believe that they are meeting again next Friday. They had a meeting last Friday.

Mayor Baines replied can we add pending review and final recommendation by the Planning Director.

Alderman DeVries asked can we come up with something a little bit…that Crystal Lake would be the preference.

Mr. MacKenzie stated I could provide a copy of the list to all of the Board members within the next couple of days with my own notes on it. Again, I am fully aware of the Crystal Lake area and do support that area, but I would like to see the Board see the other ones and I can provide in my own memo an opinion on the Crystal Lake area versus the others and if there is a time crunch the Board could take a phone poll on it.

Alderman DeVries replied in view of the timeline that we are up against and I do believe that within the next two weeks they are going to be making a decision on this, I would like to put this to a vote at this point. Once again, the motion is that Crystal Lake should be the primary concern of the City of Manchester for the mitigation funds from the widening of I-93.

Alderman Gatsas stated my colleague, Alderman O'Neil, stated that as three Senators we would have no input. If we would have no input as three Senators, what gives us any idea that 14 Aldermen have that much input?

Alderman O'Neil replied my comment wasn't that we wouldn't have input. I thought the question was would we have a vote. Maybe I misunderstood. Certainly we would have input but how far it would go, Alderman, I really don't know. At one point they were ready to commit Hackett Hill on this and there was some hustling done at the last minute by the State. That was two or three weeks ago. Hackett Hill was going to be the site.

Mayor Baines stated I was on phone with Commissioner Varney twice and he assured me that it wasn't under consideration at all.

Alderman Shea stated this particular issue has been before the Board as long as I have been on the Board and it is a very important area of the City. These people over at Crystal Lake have very little resources…that is the one remaining place in the City where people can go to swim. If we don't make a concerted effort here to protect and to help that area then the realtor would have housing over there that would have an impact on the watershed over there that obviously is very critical for that section. I think it is incumbent that we do something tonight and I support her 100%.

Alderman Gatsas asked, your Honor, is it fair that we as Aldermen would not make the decision based on something that is coming from the Planning Department so that we can see all of the other things that are on that list. Is that a fair position to put the rest of us Aldermen in?

Mayor Baines answered that is up to you to decide on how to vote. Mr. MacKenzie asked and that seemed reasonable but again I am not aware of the urgency and that is the other part of it.

Alderman O'Neil stated I have had ongoing discussions with Alderman DeVries since she took office. I don't think she has missed a meeting that they have had with DOT and the various Federal agencies. I certainly in this case…on the City side I am not sure there is anyone better versed than Alderman DeVries because she certainly has logged the hours in attending all of these meetings. With all due respect to our City staff, she might be the person best versed on this.

Alderman Wihby asked am I hearing from Bob that there are at least three sites and I am hearing from Alderman DeVries that there is…are there more than three sites.

Mr. MacKenzie answered there are a number of sites identified on that list. I did just run through it quickly a couple of days ago and noted at least three sites in Manchester. I was going to go back later just to verify what these sites were.

Alderman Wihby asked are there sites that you don't really know what they are now. Do you know them all now or don't you?

Mr. MacKenzie answered the only three on the list and again I don't have it before me because I didn't know it was coming up tonight and I didn't know the Board was going to take a position so I can't…there were only three that stuck in my head. There could have been more.

Alderman DeVries stated with the sub-Committee we were at when they were talking about the other lands up at Hackett Hill, they had a different source of funds, not the DOT funds for the Manchester lots that are you referring to. The DOT funds would go for lands in Dunbarton, which were to the Northwest of our Hackett Hill corporate park. It was a different line of consideration that they were looking for to protect those other lands.

Mayor Baines called for a roll call vote on the motion. Alderman DeVries, Garrity, Smith, Thibault, Forest, Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil, Lopez, and Shea voted yea. The motion carried.

Alderman Wihby stated in your budget message, your Honor, you had a sheet that said opportunities to reduce tax rate to 6% or lower. There were two items, centralized administrative functions and early retirement program. Do you know when you will be able to present that to the Aldermen so we can look at it?

Mayor Baines replied I believe Mr. Clougherty has put together…and I believe some of it was shared with the Joint Committee and we would be willing to put something else together and get that to the Board.

Alderman Wihby asked as soon as possible.

Mayor Baines answered yes.

Alderman Shea stated I spoke to the head of the Health Department who would be willing to appear before the Board at the next meeting in order to present ideas regarding the control of the West Nile Virus. I know that Concord has already made preparations and he said he would be willing to come to the next meeting.

Mayor Baines replied I think that is a good idea and also if we could have him prepared to present during the public session…sometimes they only go 10 or 15 minutes and that might save some time. That is a great suggestion and I appreciate it.

Alderman Guinta stated everyone is going to get an invitation in the mail but I wanted to make a quick announcement regarding the YWCA's annual celebration dinner. It is April 29 at CR Sparks. The evening begins at 5:30 PM followed by dinner and program at 6:30 PM. It is a $50 fundraiser and it is also for the award recipient and woman of the year. I have the phone number for the YWCA. It is 625-5785 if anybody has any questions.

Deputy Clerk Johnson stated the City Solicitor has asked that we bring something forward to the Board. AT&T Broadband has submitted a request to consent to transfer from AT&T Corporation to AT&T Comcast Corporation for the cable contract. It is recommended that the Board refer that to a public hearing. We were going to suggest April 29, but I guess we will move that to April 30. That would amend the schedule, also, that the Board was given this evening. We will be adding another meeting. The request would be to set a public hearing date of April 30 at 7 PM.

On motion of Alderman Osborne, duly seconded by Alderman Guinta, it was voted to refer the request from AT&T Broadband to transfer from AT& T Corporation to AT&T Comcast Corporation to a public hearing to be held on Tuesday, April 30 at 7 PM in the Aldermanic Chambers.

Mayor Baines stated I do want to comment…Alderman O'Neil mentioned the committee that works on that parade…the organization of that is absolutely extraordinary. If we could all duplicate the energy of former Chief King by the way that would be great too. By the way he is going to be celebrating his 80th birthday pretty soon and there will be a celebration perhaps over the entire region when that occurs I would think. Again, congratulations. I know I echo the sentiments of the Board that they could not have chosen a better person to honor with that parade.

Alderman Gatsas stated this evening we had AT&T come before us in regards to that .25% and the .42% increase on the franchise fee. They have given us the ability to extend that for another week but unbeknownst to us we weren't going to have another meeting so that could come forward to the full Board. The recommendation of the Committee was that we don't charge the customers of Manchester that additional .67% on their bill. That would be something that we would relinquish as a franchise fee to the City so that the franchise fee would stay the same.

On motion of Alderman Gatsas, duly seconded by Alderman Pinard, it was voted that the City not add an additional .67% to the franchise fee for AT&T cable customers.

Alderman Wihby stated we have the School Department coming before us on April 18 for their budget presentation. Could you make sure that we have their budget ahead of time? Do you know when yours is coming?

Mayor Baines replied we are working on it now. We are trying to get it out by the first of next week.

Alderman Wihby asked and you will send a letter to the School Department asking for theirs ahead of time.

Mayor Baines answered yes.

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

A True Record. Attest.

City Clerk