

**SPECIAL MEETING OF THE BOARD OF MAYOR AND
ALDERMEN
(MAYOR'S FY24 BUDGET PRESENTATION)
March 7, 2023 at 6:30 PM**

Mayor Craig called the meeting to order.

Mayor Craig called for the Pledge of Allegiance, this function being led by Alderman E. Sapienza.

A moment of silence was observed with Mayor Craig asking everyone to keep the Parent family in their thoughts and prayers.

The Clerk called the roll.

Present: Aldermen Cavanaugh, Stewart, Long, Fajardo, T. Sapienza, Trisciani, Levasseur, Heath, E. Sapienza, Burkush, Barry, Gamache, George-Kelly

1. Mayor's FY2024 Budget Presentation.

Mayor Craig stated tonight I am presenting my fiscal year 2024 budget proposal. I want to start by thanking Sharon Wickens and Michele Bogardus from Finance, Jeff Belanger and Todd Fleming from Planning & Community Development, Matt Normand and Lisa McCarthy from the City Clerk's Office and Dr. Jennifer Gillis and Karen DeFrancis for their guidance and assistance. I also want to thank all of our hardworking department heads for their dedication and leadership in working through this budget process. This year, the tax cap is set at 4.96%. You will note that my budget is far less at 3.37%. This fiscally responsible budget enables the school district to further improve student achievement, builds upon quality city services our residents rely on, and continues the progress we have made in implementing Manchester's American Rescue Plan recommendations to ensure a safer, healthier and stronger community, all while being mindful of local taxpayers. Manchester is a city known for our grit and determination. Our successes are rooted in our values – improving our schools, supporting our businesses and lifting up our neighbors. I believe strong schools lead to a thriving community that offers better jobs, a strengthened tax base, safer neighborhoods and enhanced property values. That is why I am allocating the most that I can to the

Manchester School District. The charter compliant school district budget proposed by the district and approved by the Board of School Committee is \$192 million, all of which is appropriated in this budget. This includes a \$5.6 million increase in tax revenue, the maximum allowed under the tax cap. However, because of a \$4.2 million decrease in other revenues, primarily due to a significant decrease in State Adequate Education Aid, the school district budget is increasing by \$1.4 million. The school district budget covers current programming and staff, as well as costs associated with collective bargaining agreements, retirement, a 5% increase in health insurance, a 15% increase in electricity costs, a 26% increase in natural gas and a \$15 minimum wage for all district and Aramark employees. This budget supports the district's strategic plan to grow our learners, grow our educators and grow our systems. We are growing our learners by decreasing class sizes and expanding higher level learning opportunities to all students, including college credit and advanced placement. We are increasing access to after-school activities, expanding athletics and insuring a multi-tier system for support. We know that highly qualified teachers are necessary for improving student educational outcomes. This budget emphasizes grow our educators by covering the teachers' contract which means that starting teacher salaries are now competitive with surrounding districts. As a result, the number of open teaching positions is the lowest it has been in recent years. The \$15 minimum wage is helping to attract and retain our valued paraprofessionals and the district is also offering more professional development opportunities. Finally, we are growing our systems by investing in state-of-the-art school safety technology with the Manchester Police Department and we are moving forward with a long term facilities plan based on three high schools, four middle schools and 12 elementary schools. We are also insuring that equity is integrated in all that we do by increasing outreach to families with bilingual liaisons, improving the English language program with more EL teachers and updating district policies and practices with equity at the core. This budget also includes \$5.5 million in bonding for capital improvement projects. The proposed projects include buying school buses, addressing deferred maintenance, and updating playgrounds at Beech Street, McDonough, Bakersville, Green Acres, Highland Goffes-Falls and Gossler Park schools. Because of the significant decrease in state adequate educational aid, the district must use one-time ESSER funds to address critical needs in our schools. In FY24, the district

anticipates spending \$30 million in ESSER funds to cover transportation costs, salaries and benefits, ventilation upgrades and more. Communities like Manchester will continue to face significant education funding gaps as long as the state continues to underfund public education and down shift costs to local taxpayers. I encourage the Legislature to pass pending legislation that reinstates state contributions for teacher retirement and increases state adequate education aid. Over the last few years, the district has made historic investments in curriculum with Ready Math, amplified reading and English language, science and social studies, as well as the I-Ready assessment tool to track progress. Despite the challenges associated with Covid learning loss, we are seeing a positive impact on student achievement. As we head into FY24, the school district is focused on growth. The success of our city is based on the hard work of our city employees and I appreciate their collaborative efforts and attention to addressing the city's pressing needs. I have appropriated \$100 million to the city, which covers collective bargaining agreements, a 4% COLA for all employees, as well as costs associated with merits, longevities, severance and retirement. We are projecting a \$4.5 million increase in revenues on the city side due primarily to an increase in car registrations and building permits and for the first time in 24 years, the city's meals and rooms revenue. Since 2001, the city's meals and rooms revenue has been allocated to funding the debt service from the SNHU arena as well as the reserve accounts required to be filled by the terms of our bonding. Over the last two years, we have made significant contributions to these reserve accounts so in my budget I have allocated \$2 million of meals and rooms revenue to one-time projects and \$2 million to decrease the tax rate. This year, thanks to effective management of department heads and challenges associated with a tight labor market, we are projecting a \$2.8 million surplus which means I have allocated \$925,000 each to the severance reserve, the rainy day fund and to decrease local property taxes. In addition, my budget includes \$12.7 million of bonding, \$5 million of reallocated ARPA funds, as well as just over \$3 million in federal entitlement funds from Community Development Block Grants, HOME and Emergency Solutions grants. I have also made recommendations for the approximately \$3.1 million in meals and rooms that is available to the city as revenue and can be expended by a supplemental appropriation as follows - \$1.5 million to various reserve funds, \$1.5 million to roads, and \$100,000 to the art fund to promote public art

throughout the city. Throughout my time as mayor, my top priority has been insuring the health and safety of our residents and visitors. I want to thank the Manchester Police Department under Chief Allen Aldenberg, for their dedication to the residents of our city. Over the last few years, we have added 30 officers and I am continuing to invest in public safety by further increasing the police complement from 268 to 271 adding two additional police sergeants and one lieutenant to increase oversight and training, facilitate communication and insure safety. We are all determined to reduce violent crime. In addition to continuing all of the ARPA funded programs, including increasing foot patrols, overtime for violent crime investigations, implementing the Gun Violence Prevention Strategy and enacting environmental improvements to reduce crime, this budget allocates \$450,000 of ARPA funds to hire crime analysts. These crime analysts will staff a real-time crime center which will support patrol officers in emergency incidents. They will be experts in MPD technology such as FUSES, ShotSpotter, RMS and investigative databases to provide case support to detectives. During non-emergency times, they will monitor open source intelligence to insure that MPD responds to emerging threats. The crime analysts will also monitor individuals released on bail into the city who may pose a threat to our community. This will not solve all of the issues associated with bail reform, but it will help. We need the Legislature to act this session and Hillsborough County to fund pre-trial services and bail supervision like all other counties in the state. Our first responders encounter difficult situations on a daily basis, and I am grateful for the Manchester Health Department through their proactive efforts in obtaining grants and continuing to fund a full-time mental health clinician for Manchester Police employees and additional training for firefighters, as well as professional development for city employees. Since Director Anna Thomas took over in 2018, the Health Department has brought in and managed over \$35 million in grant funding. To put this in perspective, only 14% of their FY23 budget was supported by city dollars. This Health Department budget continues with the ARPA funded programs of our community health workers, healthy corner store initiatives and newborn baby home visits. It continues to utilize grant funding to provide essential health services to our community, including addressing substance use disorder with the Director of Overdose Prevention and mobilizing strike teams to target hot spot areas when spikes are identified, expanding healthcare for the homeless

through outreach and the Manchester Mobile Healthcare Van, and expanding services to our seniors. In 2020, 13% of all residents in Manchester or 15,380 individuals were over the age of 65. The Senior Services Department has had great success with programming at the William B. Cashin Senior Center but it is time we do more to insure healthy aging for all of our Manchester seniors. In this budget, I am proposing to bring the Senior Service Department into the Health Department. Under the new Healthy Aging Branch, the management staff and general programming at the Cashin Center will remain the same. However, using ARPA funding we will be adding a Healthy Aging Specialist who will focus on supporting residents aging at home by conducting healthy home visits. Over 4,500 Manchester seniors are currently living alone; some in isolation. Projections show that this population is growing. Seniors across the city will benefit from the Healthy Aging Branch and the Health Department's depth and technical expertise in developing and implementing community outreach programs and using evidence-based practices and results based accountability alongside the department's proven ability to access and manage grant funding to create additional programming to meet their needs. This budget also covers possible costs associated with expanding the elderly tax exemption, as well as the veterans' tax credits and I encourage the aldermen to approve these recommendations when they come before the Board. The men and women of the Manchester Fire Department, under the leadership of Chief Ryan Cashin, continue to go above and beyond in fighting fires and responding to emergencies responding to 6,345 calls for fire and rescue in the last year. After opening the Emergency Operations Center on January 6 with a focus on fatality prevention, they led efforts in opening and staffing three winter emergency shelters. My budget fully funds the Fire Department, which includes leading the Neighborhood Enhancement Team and allocates \$100,000 in one-time funds for emergency gear replacement. MFD will continue with Squad 1 homeless outreach efforts in collaboration with Greater Manchester Mental Health, Healthcare for the Homeless and various other city departments. This budget officially establishes a Department of Homeless Initiatives under Director Adrienne Beloin and allocates \$3.6 million to our Affordable Housing Trust. Together with Planning & Community Development, Director Beloin can issue an RFP to increase affordable supportive housing options in the city. Over the last two years, we funded the development of 209 new affordable and

supportive housing units, as well as the renovation of over 100 through our Affordable Housing Trust. This budget also allocates \$623,000 of CDBG and ESG funding to address homelessness through organizations like Families in Transition, YWCA, 1269 Café, Light of Life Ministries, Helping Hands, and Way Point. I have allocated \$1.15 million to address winter emergency shelter needs with \$50,000 going to the 1269 Café winter warming station. The balance is set aside to address unmet needs next winter. \$6 million or 75% of all of the federal funds allocated in this budget are addressing homelessness, housing insecurity and affordable supportive housing. I am grateful for the work of our Welfare Department under Director Charleen Michaud to keep people housed. As we enter FY24 with a less than 1% vacancy rate, virtually no emergency shelter beds, a decrease in SNAP benefits, and the pending end to the emergency rental assistance program, we are anticipating an increase in demand. After meeting with the Department of Health & Human Services, along with other municipalities, it is clear there are no contingency plans at the state level for the end of ERAP and that the burden is falling solely on local welfare offices. As a result, I have allocated \$481,000 in one-time funding for rental assistance, hotel costs, food needs and more. We know that increasing the housing stock in the city is critical. The Planning & Community Development Department, led by Director Jeff Belanger, is tracking over 2,000 units of housing in various stages of development. They are also going through a complete rewrite of the zoning ordinance to make it easier to develop housing and increase density, all while maintaining the character of our neighborhoods. I am recommending using ARPA funds to hire a part-time Planner to focus on completing the zoning ordinance work and other long-term planning studies, as well as an additional full-time Code Enforcement Inspector. As the number of dwelling units increases, this additional inspector will make sure that our housing stock is to code so residents are safe and secure in their homes. Additional CDBG funding will go to support a wide variety of programs focused on prevention and general public service including the Elderly Nutrition Program through Meals on Wheels, Refugee Employment Services through the Office of Immigrant & Refugee Success, and One-on-One Mentoring through the Big Brothers, Big Sisters organization. The City of Manchester is the economic engine for the state and in recent years we have experienced unprecedented growth with the recent completed BAE Systems facility bringing in 800 new jobs, the first new airline in

17 years, and a \$44 million grant through the Federal Economic Development Administration to build a growing Bio-fabrication industry right in our millyard. For years, the city's Economic Development Department went unfunded. We brought the department back last year using ARPA funds. This budget recognizes their work under the leadership of Director Jodie Nazaka and shifts funding to the general fund. In FY24, they will be launching a new branding, marketing and promotional campaign with ARPA funds emphasizing business retention and growth and coordinating economic development and revitalization incentives, including a proposal for the city's first tax incremental financing district. They will continue to work with the Manchester Development Corporation and manage the Central Business Service District's special assessment fund. Downtown is the economic cultural and historic center of the city. By working together, the Economic Development Department and the Parking Division will be adding three new full-time downtown maintenance workers bringing our total complement to give. These new workers are funded through the CBSD as well as our parking revenues. Our Department of Public Works, led by Director Tim Clougherty, continues to provide a high level of service to Manchester residents repairing over 215 miles of roads and sidewalks in the past five years, and improving parks, trails and green spaces. In addition to continuing the ARPA funded programs including Park Rangers, neighborhood beautification and building ventilation, this budget fully funds DPW's complement request and addresses significant increases in the cost of salt, utilities and fuel allocating an additional \$775,000 for electricity, fossil fuels and natural gas. I want to commend DPW. Because of the work that they did in negotiating purchasing agreements, the city's costs are far below market rate with electricity rates 37% less than those offered by utility companies. I have allocated \$4.4 million to address 23.4 miles of roads and \$1.2 million to improve city sidewalks. These continues investments in mobility improvements will help to create a more walkable city. In addition, this budget increases funding to Fun in the Sun and fully funds the department's seasonal employees to open the pools, maintain the Derryfield Golf Course, and continue to maintain our parks and cemeteries. The Parks & Recreation Division applied for a federal Outdoor Recreation Legacy Partnership Grant to renovate Sheehan-Basquil Park, including a new pool, renovating two ball fields and adding a new turf soccer field. We will hear back about this grant this summer and this budget

bonds \$750,000 of the requested local match. It also bonds infrastructure improvements at Sweeny Park, Oak Park and Bass Island Park and replaces the playgrounds at Livingston and Wolfe parks. We will also be making significant investments to the JFK Coliseum. The arena was built in 1963 and last underwent renovations 16 years ago. With the FY24 budget, I have allocated \$1.35 million to replace the roof and \$375,000 to address projects inside the arena. This budget continues to fund the expansion of the South Manchester Rail Trail. This year we will see the trail expand from Gold Street to Perimeter Road and by bonding \$150,000, we will utilize matching grant funds to expand it further from Perimeter Road to the Londonderry town line. Following this investment, the city will need to add just 1.5 miles of trail between Tarrytown Road and Queen City Avenue to completely connect the Rockingham Rail Trail to the Londonderry Rail Trail system. I have also bonded \$1.5 million to finalize our local match for the \$30 million RAISE grant. This massive infrastructure investment will make our community safer for pedestrians, bikers and vehicles and better connect our millyard and downtown with South Elm Street and South Willow. The project is currently in the design phase and construction will begin in 2024. I am investing in expanding the services of the Manchester Transit Authority under Director Mike Whitten so our public transportation better meets the needs of our community. In 2021, when we increased the frequency of the Route 8 bus, we saw a 21% increase in ridership. This budget doubles the frequency of the Route 6 bus, which means buses will go to the west side every 30 minutes versus every hour with stops at CMC, St. Anselm's College and Kelley Falls on Kimball Street. Since the state subsidized Boston Express only provides one bus from Manchester to Boston per day, I funded adding an inter-city bus that will run five times per day to take individuals from downtown to the Manchester-Boston Regional Airport, as well as to the park & rides located at Exit 5 in Londonderry and Exit 2 in Salem. This will help Manchester residents as well as people from outside of the city get to the Manchester airport and will make it easier for people to come to Manchester. I am also proposing bonding \$1 million toward a 20% local match to construct a multi-modal transit center. Two hundred thousand MTA passengers make transfers at Veteran's Park every year and they have to stand outside in all weather conditions. This new transit center will provide well-lit and secure protection from the elements, basic amenities like bathrooms and

seating, as well as a community meeting space. The proposed location at the current site of MTA will include infrastructure to facilitate the transition to an all-electric fleet, integrate well with the design of our RAISE grant, as well as the location of any future rail station. Lastly, this budget uses \$362,000 in one-time funds for the City Clerk to replace our 26-year-old tabulators and purchase electronic checklists to shorten the voter check-in process. The hope is that the state will provide reimbursement to municipalities with the \$12.8 million they have in unspent Help America Vote Funds. While my budget incorporates a great deal, I have also identified additional opportunities the aldermen should consider.

- 1) The new assessed value. Robert Gagne, Chairman of the Assessor's Office, is reporting \$30 million at present. While I am not able to capture this increase in revenues in my budget, the aldermen may allocate these funds if they see fit.
- 2) The analysis Chris Goodnow, Parking Manager, prepared regarding parking charges, fines, and times.
- 3) The analysis that Chaz Newton, Solid Waste and Environmental Programs Manager did regarding defining solid waste customers.
- 4) Pending legislation that would reinstate a portion of the state's share of pension costs. Last year we saw a one-time allocation of 7.5% of total costs for Police and Fire which resulted in a savings of \$1.1 million. If a similar bill passes this year, we would see a similar savings.

My budget can be found on the front page of the city website at manchesternh.gov. In addition, there will be a public hearing on the FY24 budget on Tuesday, March 21 at 6:30 PM in the Aldermanic Chambers. As always, this budget is the first step in the process. I look forward to hearing from our community and working with the aldermen to put forward a budget that best meets the needs of our community.

*On motion of **Alderman Long**, duly seconded by **Alderman Cavanaugh**, it was voted to move the presented budget to the next regular Board meeting following the public hearing to be scheduled for Tuesday, March 21 at 6:30 PM.*

*There being no further business, on motion of **Alderman Fajardo**, duly seconded by **Alderman Long**, it was voted to adjourn.*

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is fluid and cursive, with a long horizontal stroke at the end.

City Clerk