SPECIAL BOARD OF MAYOR AND ALDERMEN
(MAYOR'S FY25 BUDGET PRESENTATION)
March 28, 2024 at 6:00 PM

Mayor Ruais called the meeting to order.

Mayor Ruais called on Alderman E. Sapienza to lead the Pledge of Allegiance.

A moment of silence was observed.

The Clerk called the roll.

Present: Aldermen Morgan, Goonan, Fajardo, Kantor, O'Neil, Levasseur, E. Sapienza, Burkush, Barry, and Vincent

Absent: Aldermen Long, T. Sapienza, Terrio and Thomas

1. Mayor's FY25 Budget Presentation.

Mayor Ruais stated ladies and gentlemen, esteemed colleagues and citizens of Manchester, I stand before you this evening to present the FY25 City of Manchester budget address. A special thanks goes to Sharon Wickens, our Finance Director, Michele Bogardus, our Deputy Finance Director, Jeff Belanger, Director of Planning and Todd Fleming, our Grants Administrative Manager. Your dedication and hard work have been instrumental in shaping the financial future of our city. I would also like to take a second to thank my staff, Nick and Angela. Having been a staffer before, I know how difficult your roles are and I deeply appreciate all of your help. Thank you. I recently used all of the spare time I have to watch "The Dynasty", the documentary about the New England Patriots' success during the Brady-Belichick era. While it brings me to tears to think about our recent troubles, there was one theme that we should all take to heart. Their success was directly attributable to their instilling of a value that no one person was more important than the team. They all subordinated their desire to achieve individually to that of the team's success. This is a lesson that we should all internalize. No one person is more important than our city. We do not need to engage in constant conflict. We are not here for that. We were not elected for that. In these four walls, we work. We don't always have to agree but we are going to arrive at solutions that move our city forward. With that as a backdrop, I am thrilled with the progress we have made on this budget. As I was putting this together, I consulted with Chairman Levasseur and Alderman Long who I know wears many hats and is in Concord right now doing his work as a state representative but in working with them and in consultation with them we have agreed that this is a strong, bi-partisan framework that sets the stage for smooth enactment as it goes to the BMA from here. I appreciate their efforts and leadership in our city and thank them for their collaboration. This is a realistic, comprehensive budget that addresses our challenges while planning for future growth and financial health. I am not interested in the politics or the posturing of the budget cycle. My interest lies solely in getting things done. We have too much to accomplish and too little time to get it done. When I was sworn in, I started a conversation with the city about the difficult nature of this budget cycle. When I started reviewing the initial draft budget proposal, the city side alone represented a 4.57% increase in spending. When combined with the school district's request, that total spending increased would have reached 7.23%. When adding in the city departmental additional needs requests, we were staring down the barrel of an 8.25% increase in spending, far surpassing the 5.63% allowed by the tax cap. With a lot of hard work and tough decisions, we were able to cut that number down to 3.86%. This represents total municipal spending of $189,153,835. Recognizing these realities, we must acknowledge the fiscal constraints that we face. Looking back, the previous year brought with it a noteworthy boost to our city's coffers amounting to $4.5 million in new revenue. The current fiscal year has unfolded quite differently, presenting us with a significantly smaller amount of $166,373 in new revenue. This stark contrast sets the stage for a difficult shift in our financial landscape. Last year, the decision was made to use $1.7 million in one-time surplus funds from our departments to keep our tax rate low. This decision requires this year's budget to account for this one-time revenue and places a burden on our financial standing. We are also facing a historically high 4% cost-of-living adjustment for our city workers. Over the last 25 years, these COLA's have routinely been 1-2% so this greatly increases our required expenditures. In addition to this hole, is the exploding cost of health care. In this, we are not alone. As the *Union Leader* recently reported, many of our surrounding towns and cities are facing significant increases. In Bedford, they are facing an 18% increase in costs. In

Londonderry, costs have spiked 19.3% in one year. Here in Manchester, we are currently projecting a $1.4 million overrun in our health care costs, amplifying our financial predicament. When combined with the $1.7 million hole I mentioned previously, we have a daunting $3.1 million shortfall. In early April, our health care partners will appear before the Board in part to discuss both the challenges and successes we have had in containing health care costs, as well as some ideas for future cost control measures. To unpack this $1.4 million number, it is important to give you some perspective. To date, in FY24, the city's health care plans cover approximately 2,817 lives per month. Through December 2023, the city has spent a total of $12.7 million on health care and of that, 20% or $2.6 million has been spent on less than 1% of our covered population. A lesson my wife has taught me is never complain without a plan so I would like to offer a proposal tonight. I first want to thank our incredible HR Director, Lisa Drabik, who in consultation with our health care advisor has suggested an ordinance change to incentivize city workers to attend preventative health care appointments. This will allow an employee to identify a health issue earlier, potentially saving their life, while also reducing the financial burden that health conditions inevitably cost when they are caught at later stages. We will realize a healthier workforce and reduce spending on health care, as well as replacement costs for sick employees who are absent. This suggested ordinance change is in the budget materials and I will fully support it when it comes up for discussion. As we delve into the finer details of this year's budget, we had to make some difficult decisions to reduce that bottom line. In previous years, the city funded vacant positions year after year. In these tough fiscal times we cannot continue this practice. We have reduced these vacancies by $600,000. Let me be clear. If there is an emergency position that needs to be funded, the department can come to the BMA and make a request. Additionally, this budget eliminates $792,957 from the cash CIP project line and we did not fund $1,839,748 in department requests. Also, this budget funds no new city positions and our hiring freeze will continue until our fiscal condition dictates otherwise. These measures will get us through our annual budget but we must also set our city up for long-term fiscal health. In this budget, I am proposing we cut bonding by 10% in order to keep our debt service low and not burden Manchester's future generations with excessive borrowing. Even in these difficult times, we maintained level funding for every department insuring that essential services are met, including expense obligations. This includes providing for cost-of-living adjustments, merits, longevities and retirement benefits for our city workers. This is reflective of our commitment to the dedicated individuals contributing to the success of our city. Our budget is prioritizing that which is essential to our city and with that in mind, I am pleased to say that even with these fiscal realities of this budget, we are able to invest an additional $1 million into our school district. The $227 million we are proposing to allocate this evening represents the highest amount ever funded by the City of Manchester. While this does not fully fund the Board of School Committee's request, I am confident that this compromise will meet the needs of the school district. The safety of our city is non-negotiable and I will never jeopardize the security of our citizens. First, I would like to thank the leadership of Chief Allen Aldenberg, Assistant Chief Peter Marr and all of the men and women of the Manchester Police Department. It is not stretch to say that we put our lives in your hands every day and we are extremely grateful for your service. You have our backs and this budget has yours. In 2020, the City of Manchester was granted funding through the COPS hiring grant, allowing us to employ an additional 10 police officers. These men and women are invaluable upholding the safety and security of our community, patrolling our neighborhoods and responding swiftly. Unfortunately, the grant funding these 10 officers is expiring but I am pleased to announced that this budget keeps these heroes in our city. On this point, since the beginning of this year we have hired an additional six police officers, bolstering our law enforcement presence and fortifying our commitment to creating a safer environment for all our residents. The Manchester Police Department continues to be a leader in leveraging technology to make our community safer. Over the past three years, MPD has implemented Fuses, a public/private video integration technology, and ShotSpotter to better enable response, investigations and resolution of crime incidents in the city. These two programs have been successful and contribute to the overall safety of Manchester and I am proud to report that we are funding them in this budget. Mental health also continues to be a top priority for Manchester police, both in insuring wellness for our employees and assisting those in the community with mental illness. Internally, MPD is leading the way in creating a culture that prioritizes mental health and wellness for our officers. In 2023, Manchester police contracted with a full-time mental health clinician to provide the highest level of support. These efforts have resulted in unprecedented engagement by our officers and staff. MPD is taking care of our officers and working to insure long and successful careers. Our budget protects this critical resource of our police officers. I would also like to thank Chief Ryan Cashin and the entire team at the Manchester Fire Department. Your unwavering commitment to serving our community from fighting fires to responding to overdoses and medical emergencies, is deeply appreciated as is your continued service to our city. In 2023, the department received 28,806 calls for service and 55,364 units were deployed. This equates to receiving a call every 20 minutes of every day for 365 days a year without complaint and without regard for their safety. Insuring that those who protect us have the proper protective gear that provides for their safety and ours is of the utmost importance and our budget accordingly covers their $100,000 request to do so. As we discuss the intricacies of this year's budget, I find it imperative to address a critical issue that has been of significant concern within our community; homelessness. I would like to start by thanking Adrienne Beloin, Director of Housing Stability, for her efforts to combat this crisis and I would also like to thank the entire Board of Mayor and Aldermen for your work on this challenging issue. Your commitment to end this crisis and work together sets a great example for our community. We are not where we want to be but we will make progress on this issue. I would also like to specifically thank Alderwoman Thomas who I know is at a basketball game this evening and Alderman Barry who have taken the lead as Chair and Vice-Chair respectively of the Special Committee on Alcohol, Other Drugs and Youth Services. I would also like to thank Aldermen Goonan and Kantor for their service in the Continuum of Care as our representatives from the BMA. We are fortunate to have a number of community partners assisting in the effort to fix this crisis and we will continue our city's support for them. From prevention to case management to sheltering to transitional living, job placement, mental health and substance use disorder treatment, our support runs the continuum. This budget allocates money from the FY25 Community Development Block Grant Program and ESG Grant to support those working to end homelessness. Families in Transition will receive money for family emergency housing, Waypoint will receive $89,000 for their homeless youth shelter and YWCA will receive $70,000 for Emily's Place. We need to break the reliance on emergency shelter beds and get people out of homelessness and help them build a sustainable life. That is why we are allocating $50,000 to 1269 Café to finish their project efforts doubling their residential rooms from 12 to 24. Additional CBDG funding will support a variety of programs - $110,000 to the Manchester Community Resource Center to provide employment training to 325 adults and 17 youth, $42,000 to Meals on Wheels to provide meals and support to 225 homebound elderly individuals, $150,000 provided to six agencies to offer youth services and counseling to 1,040 individuals, and $100,000 for Fun in the Sun which is a summer camp servicing Manchester kids in grades 1-7. After visiting the Cashin Senior Center and speaking to those in attendance, we are restarting the Mayor's Senior's Luncheon and have planned $15,000 for this out of my budget. We can't wait to be with them next spring. Of course, I have to tell you that this is going to be contingent upon them inviting me back to attend their WEI bowling hour, which I barely missed the last time I was there. Since the pandemic, local government has been flooded with the American Rescue Plan or ARPA dollars and we have a responsibility to wean ourselves off of these dollars and not burden tax dollars. ARPA has fully funded the Engagement Center since its inception and those funds run out on June 30. I don't believe that the city should be in the shelter business. We don't have the resources as a city to fund this in the long-term. We should take this opportunity to transition from a city run shelter to that of a non-profit. I have already been in touch with members of the non-profit community about this and I look forward to working with our community to make this a successful effort in the future. What I am proposing today is that we take a portion of the remaining ARPA money to build a transitional bridge to the non-profit that will take over. This budget allocates resources that will take us through the end of November when a transition will take place. This is an important strategy, allowing us to address these real challenges without having the taxpayer bear the full burden. Lastly, I heard the concerns of the Board of Aldermen and Chief Aldenberg about the need to upgrade security measures at the Engagement Center. I have long advocated for increasing the security there and I agree with the consensus on this Board. After consultation with the Manchester Police Department, I am proposing tonight to allocate $22,000 towards security upgrades at this facility to include, but not limited to, handheld metal detectors, security lockers for proper storage of belongings, as well as additional external and internal security measures. In this budget, we are allocating $1.65 million of federal funds to help construct 45 units of affordable housing on the Pearl Street lot. This money would go to NeighborWorks, a well-established developer of affordable housing with a history of success in Manchester. This money will allow them to leverage more than $10 million in additional funds to complete the project. To truly attack our quality of life issues like homelessness, crime, substance use disorder and other behavioral issues, we can't just apply Band-Aids. We must go upstream and implement prevention programs. For that reason, we are allocating $50,000 to the Welfare Department to help prevent individuals from falling into homelessness. An ounce of prevention is worth a pound of cure. I would like to reference two additional prevention programs that go hand-in-hand with this strategic approach. The Manchester Police Athletic League recently started a program called Choices to reduce criminal behavior among at-risk youth while showing them pathways to success through mentorship and exposure to available options. These youths are engaged in career exploration and introduced to educational possibilities, fostering a sense of possibility and getting support for self-improvement. This budget will be the first time this program is funded by the city and we are allocating $50,000 in CIP funding to this incredible cause. This budget also fully funds the request of $25,000 in CIP monies for the Hillsborough County Child Advocacy Center. Their work reduces trauma suffered by child victims of abuse by creating a child-friendly, victim-centered safe place where children can talk to a trained professional forensic interviewer about their abuse and streamline the investigation process through the coordination of the multi-disciplinary team of professionals. This is an increase in funding over last year's budget. I have visited with both of these programs and know that what they are doing is nothing short of life-changing. Everything we do as elected officials should be with an eye towards the future; planting the seeds for future success. This budget is a governing document and throughout its construction I constantly asked where do we want to see Manchester in 5, 10 or 15 years and where can we make the investment today to realize that in the future? How do we attract residents, businesses and visitors to the Queen City? How do we prepare our city to address the needs of a growing community? One way is to insure our city's buildings and fleet of cars are in tip top shape. We have invested $3 million for motorized equipment replacement funding for the Manchester Transit Authority, Police, Fire and Highway vehicles insuring that our city's fleet is up and running efficiently.

Another way to attract folks is to give our city a facelift. Our budget includes CDBG funding for the reintroduction of the façade improvement program, a successful initiative from the late 2000's and early 2010's. This program will incentive property owners and commercial tenants to invest in exterior enhancements, thereby enriching the aesthetic appeal and marketability in Manchester's downtown and neighborhood commercial districts. The primary objective is to encourage upgrades to business storefronts and signage, boosting property value and facilitating the rental of commercial spaces. This program will be administered by the Manchester Economic Development Office run by Director Jodie Nazaka and Eric Lesniak. Not a week goes by when I don't hear about the outstanding work being done by this office and I can't thank them enough for their incredible dedication to our city and businesses. Over the last year, I heard a lot about the need to continue to improve our roads, sidewalks and parks. These critical investments in infrastructure are crucial for the long-term growth and sustainability of our city. They demonstrate a commitment to enhancing the quality of life for residents and attracting new families to the area. We have heard these concerns and tonight we are acting accordingly. I would like to thank DPW Director Tim Clougherty, Deputy Director Owen Friend-Gray and all of the men and women at DPW for their efforts in the city. I have gone with them to clean-up graffiti, plow our streets and hung on for dear life on the back of a dump truck picking up trash around the city. Don't tell anyone but they also let me drive it too. While I only spent a few hours doing this difficult work, it was long enough to build a deep and abiding respect for everything they do to keep our city clean. I am proud to announce the following capital improvements. We are investing $5.3 million in road infrastructure and improvements around the city. No one likes having to drive around potholes or worse, hitting a pothole and hurting your car, and this also contributes to our economic development. We are allocating $1 million towards sidewalk maintenance and upgrades promoting pedestrian safety and accessibility. Sidewalks are vital for creating a more pedestrian-friendly environment. We are investing $1 million in park renovations, upgrades and maintenance that benefits the community by providing recreational spaces for residents of all ages to enjoy. This includes significant playground renovations at Livingston, Wolfe and Howe Parks. Parks contribute to public health, social cohesion, and environmental sustainability making them a central asset for any city. Mindful of Manchester's next generation and our parks as a catalyst for growing civic pride, we identified youth sports as an important function. Thank you to Aldermen Morgan and O'Neil for your leadership on this effort. I would also like to thank Alderman Burkush for your efforts with our office to highlight the collaboration between youth sports and our parks. Because of that, we are allocating $200,000 for a league partnership program to further upgrade specific parks in which our youth sports are active. These investments quite literally lay the foundation for a vibrant and sustainable community for years to come. If I said it once, I have said it a thousand times, ours is a city filled with undeniable and unquantifiable promise and this budget responsibly funds our potential. Let us remember the core values that unite us as citizens of Manchester. Let us not falter in our commitment to investing in our community while insuring every resident has the opportunity to thrive. Let us seize the opportunities that lie ahead harnessing the collective strength of our diverse and vibrant city and as Bill Belichick would require of us, let us continue to do our jobs in service to the people of Manchester. I am confident that with prudent management and the dedication of our citizens, Manchester will continue to prosper and flourish. Thank you and have a great evening.

*On motion of **Alderman Levasseur**, duly seconded by **Alderman E. Sapienza**, it was voted to move the budget to the next regular Board meeting following the public hearing to be scheduled for Tuesday, April 16 at 6 p.m.*

*This being a special meeting of the Board, no further business can be presented and on motion of **Alderman Levasseur**, duly seconded by **Alderman Barry**, it was voted to adjourn.*

A True Record. Attest.

Matthew Normand

City Clerk