BOARD OF MAYOR AND ALDERMEN
April 16, 2024 at 7:00 PM

Mayor Ruais called the meeting to order.

The Clerk called the roll.

Present: Aldermen Morgan, Goonan, Long, Fajardo, T. Sapienza, Kantor, O'Neil, Levasseur, Terrio, E. Sapienza, Burkush, Barry, Vincent, Thomas

PUBLIC COMMENT

Mayor Ruais advised that the purpose of the public comment session is to give residents of Manchester the opportunity to address the Board. All people wishing to speak must sign up with their name, address and topic prior to 7 PM. Once called, they will have up to three minutes to speak and any comments must be directed to the chair and concluded when their time is up. If the Clerk calls their name and they are not present to speak, they will not be given a second opportunity. Any resident wishing to speak will come forward to the nearest microphone, clearly state their name and address when recognized and give their comments.

Tom Bozoian, 336 Vinton Street, stated:
I am here to talk about the increase for health insurance of 16%. Before I retired, I served a term on the Retirement Board and I was the Chair of the Benefits Committee so if I didn't come up and say something I would feel like I didn't do my job. Right now, retirees under 65 and for the record that includes myself, pay $1,920 for the HMO. We get a $405 stipend. So, it is $1,500 a month coming out of a retiree's pocket. Guys like me that just retired can probably handle it but the older guys maybe not so much. This does not include people on Medicare. The stipend takes care of that. The stipend can only go up 4% a year by state statute so even after it goes up, it will still be $1,800 a month. It is kind of tough for guys to handle. I know it is a tough situation. I am glad that people have the opportunity to get the care they need. I had a lot of friends over the years, 36 years working for the city, that got cancer and other diseases that passed away that I worked with for over 25 years and they used the healthcare. Now healthcare was a big draw to get employees to come and work for Manchester back in

the day. When I started in the late 80's and the HMO became a thing, everybody was pushing back but that was free. The employees didn't have to pay anything. I am not just talking about retirees. I am also talking about the current employees. As a superintendent, my job was to hire and it was tough to get people these days. A lot of you know that it is hard. The draw was the benefits. If you go and put a hiring freeze on and you know that is your job and your decision to make…I have seen hiring freezes and no hiring freezes over the years but if you are going to have that common sense says you want to retain your employees, right? So, if you want to retain your employees, you have to keep those benefits the best you can. I would just ask that you maybe look in the reserves or look somewhere. Obviously, it has to go up. I saw the numbers so it has to go up but you can't put the whole thing on the employees and the retirees. You have to at least try to split the middle. That is my opinion. Have a good night.

Madeline Jones stated:
I have come here before you once again to beg you to reconsider your pledge to "never pass a ceasefire resolution" regarding the war in Israel Palestine. While you are entitled to your beliefs that it is not "germane" to city business, I have to disagree on a few points. Firstly, as I have pointed out before, your constituents with both Palestinian and Israeli or Jewish heritage, have family members impacted by the ongoing war. Every day we carry heavy hearts around with us worried about relatives as old as 100 and as young as a few days or weeks. How can we go on as normal not knowing whether the ones we love will see another day? Secondly, as many of our coalition members have pointed out, a gross amount of our federal tax dollars is being siphoned off to support military aid directly to Israel. I paid my taxes this year and in addition to my standard federal withholding, I owed our government $330. Approximately 25% of that amount is going directly to buying bombs, rifles and ammunition that will be used against my family members and my homeland. How am I supposed to stand for this? Next, I have noted from several of your campaigns and personal Facebook pages that many of the aldermen identify as Christians. Many more of your constituents do as well and additionally Manchester is blessed with members of both Muslim and Jewish faith groups. You might know personally that Palestine is the origin site of all of these groups. The man you believe is your Lord and Savior, Jesus of Nazareth, gets his

name from a city in occupied Palestine. Today, it is called “the Arab capital of Israel” because the population is, to this day, overwhelming Palestinian. Because of the fear of occupation, the streets of the city are frequently deserted because of retaliation by the occupying military. How can you claim to love this figure, known as Jesus, but have no love at all for his countrymen? Of course, there is also the issue of defense production that sits so close to us in Manchester. More than 650 people statewide work at Elbit Systems in Merrimack alone manufacturing weapons. I personally know a number of people who went to school for many years to get their engineering degrees in hopes that they would help make the world a better place. Instead, most of them are making bombs, missiles and airplanes for war. I can only imagine that the employees at Elbit would rather be designing prosthetics, medical equipment, computers, rockets to explore our galaxy or robots to map the ocean floor. Wouldn’t you? Finally, it is germane because the blood of Palestinians is on our hands if we do nothing. If you claim you would have stood against the genocide in the 1940s in Germany and remain silent now, you are nothing more than a hypocrite. If you stood against apartheid in South Africa in the 90s and remain silent now, you are also a hypocrite. We all, each and every one of us, have a responsibility to use our power as individuals to fight oppression and justice and murder. Where is your humanity? Where is your sense of justice? Thank you.

Sebastian Rowan, Ward 2, stated:
First as a taxpayer in the city I would like to say that I am happy for my tax dollars to fund the city employees’ healthcare. I am here tonight to again urge this Board to pass a resolution calling for an immediate and permanent ceasefire in Gaza, the provision of humanitarian aid to Palestinians in Gaza, an end to all U.S. aid to Israel and demanding that the U.S. not be dragged into war with Iran. Funded by American tax dollars to the tune of $3.8 billion per year, Israel is waging a genocide on the Palestinian people. Now emboldened by our refusal to ever hold Israel accountable for its actions, they seek to draw us into a larger war with Iran that would put so many lives at risk, including members of the armed forces from Manchester. This is not a matter we should silently leave up to our federal delegation who refuses to meet with us, return our calls or even respond to our emails. As our local elected officials, part of your job is to use your platform to advocate for policies that matter to your constituents. It is also your job to

develop the city budget so you will no doubt be aware that the Community Development Block Grant program is a federal program that provides incredibly valuable support for programs that directly benefit the residents of this city. This includes programs like one-on-one mentoring for at-risk youth which is set to benefit 50 families in FY25, operating support to abused and neglected children which will benefit an estimated 236 individuals, forensic support services for abused and neglected children which will benefit about 40 children, child development center improvements at Easter Seals which will benefit 40 families, program funding for Girls, Inc. to teach 75 young girls about financial independence, peer pressure and health habits, classroom space for educational programs for immigrants and refugees that will benefit 80 people, the evening and weekend night programming for over 300 Manchester teens, Fun in the Sun summer programming which will benefit over 300 Manchester youth, and street and sidewalk improvements to increase walkability and accessibility which will benefit over 5,000 residents. The federal government allocates about $3.2 billion to the Community Development Block Program each year. With the money we spend to fund Israel's military, we could double the budget for this incredibly valuable program, thereby making meaningful change in cities across the country including Manchester. As the body responsible for crafting the city budget, you should demand that Manchester's federal tax dollars be put towards programs that actually benefit Manchester. For this reason and many others, you should pass the ceasefire resolution. Thank you.

Amanda DiBella stated:
It is my belief that if you break down the basis of the American Dream to its bones, it is built on the hope that we can pave the way to a better future for generations to come; for our children. I guess that only applies to American children in your minds. I ask you today to take a moment to reflect on what example current events set for your own children now. I ask you how that dream can ever possibly be accomplished when it is our tax dollars being used to aid in the slaughter of babies across the water. Your complacency, inaction and at times support in this genocide can only proclaim to future generations that doing the right thing when in a position of power is simply not our problem. Your children should be ashamed of the future you label for them. Once again, we are standing on the wrong side of history. There is no world in which genocide is justifiable. I would like to use the remainder of my time to demand a

moment of silence for those countless lives lost. I ask you to show more decorum and respect than I have seen displayed in the past in this room. I ask you to think of the lives lost with each passing moment as we sit here in this moment of silence. Thank you.

Jessica Spillers, 73 Jobin Drive, stated:
I am the Ward 8 representative on the Board of School Committee. I am here tonight because it is budget season at City Hall and I would be remiss if I didn't come to speak about the urgency in passing a tax cap budget. NH as a state has long underfunded its public education system as evidenced by the multiple lawsuits the state is facing. It is imperative that we do the most we can as a city to provide the best we can for our students. That is why I am asking this Board to consider the tax cap budget and pass something that, while it doesn't mean all of the needs of the school district, shows our city that education is a priority and that it will be funded to the fullest extent possible under the rules and regulations that govern Manchester. Education is not cheap. It is a long-term investment that touches multiple aspects of a family's day-to-day life. Transportation, mental and physical health, meals and after school activities are all various ways that education affects families far beyond teaching students to read or write. I urge this Board to pass the tax cap budget so the school district does not have to make difficult cuts to critical components of our local schools. Thank you.

Brittany Ping, 199 Putnam Street, stated:
I am sorry I wasn't able to come for the 6 PM public comment session. There was no parking because of free cone day so Elm Street looks great. I want to say thank you, Mayor Ruais, for giving us a proposed tax cap compliant budget. That is your job. I really do appreciate that you didn't say hey we have a ceiling let's hit it. You said what are the goals of my department heads. You have only been in this office for a few months. You saw those priorities and you executed a plan of action. Not surprising as someone who worked with you on the campaign trail but I am really happy to see it. I can't wait to hear more about what this Board thinks and how the department heads feel. Obviously, we have the school board here but we have not heard...I did miss a little bit so I don't know if you heard from DPW or Fire or other departments. I know there is a lot more that goes into it. I do really appreciate the care, attention and skill

that was put into that budget. I work with hundreds of families that live in the City of Manchester and an 8% increase in the tax cap means that they might not be able to afford their house. I do appreciate a compliant 3.8% budget. That means a lot for the taxpayers when we are looking at everything else and the cost of inflation and what it is doing to the cost of what we need to do. For example, I love the COC process and PCD doesn’t get enough shout outs up here but I have a home where the owner needs to put new siding up. It is $65,000 and will affect five families. When we are talking about greedy landlords and things that this tax cap isn’t going to have a big impact on, there are big improvements that need to be done on our 100+ year housing stock. PCD is doing that job for you. They are out there advocating for the tenants in that balance with the homeowners. Again, thank you. The city can’t afford a tax cap ceiling budget. The constituents just can’t. I do appreciate you coming in and getting the mission done just like I knew that you would and I can’t wait to hear what this Board has to say. Thank you so much.

Paul Galasso stated:
I am here again to talk a little bit about the homeless. What I would like to discuss tonight is not so much the specifics about what our homeless population is experiencing but more about the city’s approach. Based on my own business experience, large organizations, mergers and major changes and what it means to have good leaders and what it means to have capable people and what it means to have resourcing and in particular money to get things done are things that I am very familiar with. With the loss of Adrienne Beloin, it caused me to reflect a little bit. I thought about another gal who used to have a similar position here, Schonna Green. I worked more with Schonna than I did with Adrienne but I am not going to put forward praises necessarily or criticisms of them or anybody here. This is a perspective. You have the controls. You can make the decisions to reshape what we are going to do organizationally to try to get back to the task of solving this chronic problem. In the case of Schonna, I remember the first time I spoke with her I called her office. I was doing some homeless volunteer work at the time. I left a message in the early afternoon and about 9:30 PM she called me back. I said she is a good one. I have seen these types before. We talked for a couple of hours and I could tell she was really bright. Then I started going to her meetings and asking how did she get all of these people here. She recruited them all. They were all

volunteers. She didn't have a staff. They were people who were well-suited to help address this problem. Then I got a friend of mine to stay on that committee and then boom it went away. I scratched my head and say well you know things like that aren't easy to explain. You see a certain level of capability and passion and then they are gone. I would have to believe that her sponsors and clients within government may have thought the same way that I did about her. I am not even sure what happened. It is just an observation. On Adrienne, I had a few phone calls with her. Again, I didn't work too much with her but we talked about Beech Street and how well that was going and we talked about the Beacon on Brook. She was a very enthusiastic person. I got her presentation and I know she likes data. I do too because I am an engineer. I said ok she is going to do ok. Schonna was strategic but Adrienne was more tactical. The reason I am saying all of this is please on behalf of the homeless as you are looking to recruit another person in this position, let's rethink what really happened with these two and see if we can try to avoid that happening again because I think we lost two real all stars in the homeless business. Thank you very much.

Rich Girard, 283 Orange Street, stated:
I had no plan on staying and speaking at this hearing but I heard some stuff spoken by school board members about the budget that really just needed to be corrected for the record. The $7 million decrease you heard about in state aid happened because there was a reduction in student enrollment. State adequacy aid is granted to the city based on per pupil enrollment. It went down $7 million because you have a substantial decrease in enrollment. Second, the reserves that were claimed to have been built by the school board by great fiscal management didn't happen. Perhaps Aldermen Thomas and Terrio will remember as I do that money fell from the sky during I believe Dr. Vargas' tenure and with the permission of this Board the school board put it in its reserves because it had tapped out its reserves for its overspending over many years, something that has continued to this day. If you take a look at the mayor's budget packet, you will see that he included the original school board appropriation from last year of $191 million. That is what this Board gave the schools. Then the state passed its budget and another $35 million fell from the sky in adequacy aid. In October this Board allowed the school board to put that $35 million into its budget. They allocated $13 million toward pay raises, $20 million towards the building project that is now under

way and the rest of it went to DEI initiatives. So, when you take a look at the numbers, the $226 million that they now have and the $227 million that the mayor proposed, it is $35-$36 million more than they were given by this Board last year and that does not count the $25 million in federal aid title funds that they get on top of that. At what point is enough enough? If people want to accuse those of us who speak about entering a fact free zone, I will put what I know about the school district's budget up against what anybody says and I will verify it. I, again, will offer my services to this Board because what you are hearing about the school board and its needs and its desperate lack of funding is simply not borne out by the facts and you should know that before you appropriate money again and you should know that as you consider the spending that is included in this budget. By the way, with that $35 million they are looking at over $8 million in surplus that they want to carry over to fund the loss of state funding plus more money out of the reserves. How much more before we get to enough?

Maddy August, 55 River Road, stated:
I am here to talk about the property at 959 Elm Street and the proposed tax relief that they are asking for from the 79-E provision. I am glad this property is being developed for rental units. With the citywide vacancy rate of less than 1%, I think we can all agree that this area desperately needs more rental housing. However, if Manchester residents provide this relief from the 79-E tax program to benefit the developer, then it is only fair that the developer provides a benefit in return for the city's residents in the form of a set aside for affordable housing or a commitment to accept Section 8 vouchers. I suggest that 10% of the units be affordable for people who earn 60% or below the AMI (area median income), i.e., about $44,000 for an individual or 10% of the units conversely could be rented out to people on Section 8 vouchers. I don't see why the city's taxpayers should provide this financial benefit to a for profit developer without receiving a benefit in return. I would like to also note that I work with Granite State Organizing Project. It is an organization that is working hard on affordable housing and other social justice issues at a grassroots level in the city and in the state.

Kevin Corson stated:
Nazi concentration camps. United States Federal Indian reservation. Palestinian territories today. The world's largest open-air prison has become a death chamber.

After six months of relentless bombing, the random targeted attacks on foreign aid workers have effectively become a blockade insuring the famine in Gaza. This after the world community has finally stepped up and tried to hold Israel to some accountability. Since famine has been declared, Israel on more than one occasion targeted aid workers murdering the brave humanitarians trying to bring food to the people dying of starvation. Israel must be held to account. While our government has been shielding them from consequence and bolstering them with weapons and a license to kill, Israel will repeatedly provoke Iran until they felt compelled to respond and by doing so played right into Israel's hands. Who now is going to deny Israel more weapons while facing their most existential threat even though Iranian bombs, the dozen or so that made it pass the defensive bull works, struck their targets inside Israel with precision from great distance proving that mass destruction and civilian casualties is the Israeli objective in Gaza, not merely collateral damage? No cities were targeted by Iranian weapons and no deaths ensued. Meanwhile, the famine will finish off the wretched innocent lives still surviving in Gaza without another shot being fired. Between the threat of outside attack and the fear of being gun downed by the Israeli defense forces, no aid is going to the millions starving in Gaza. If you don't think the war in Israel is the same as any other fight for freedom against racial oppression and superiority in any other time and place, you are gravely mistaken and you should be ashamed. You may regret that you could not save the indigenous people of America or do more to ease the plight of the former slaves who were stolen and brought here and minimalized and debased. You may wish that your forefathers did more to prevent the Holocaust in Nazi Germany. You may not be able to change the past but you can act now to stop the most atrocious humanitarian catastrophe in our lifetime. Don't be an apologist, be an activist. I am begging you. I am praying for this war to stop on a daily and nightly basis. I am praying for Israel to be reined in and prevented from ever being able to do this again. I am praying for the protection of the vulnerable the world over, especially those in the concentration camps called Gaza and the West Bank. I pray diligently for an end to the slaughter and famine. I pray that Allah reward the Palestinians for their suffering. I pray that there will be no repeat of instigation of such brutality by any group who is fed up, at their wit's end and willing to poke the so called bear because they will be separated and one will no longer have power or influence of any form over the other. This means that in the end there must be a separate autonomous Palestinian nation with no ties whatsoever to Israel.

Today I heard about an incident in Ramallah, which if you don't know is in the West Bank, the other Palestinian territory. A teenage Israeli shepherd went missing and since October 7 the settlers have been effectually armed and deputized as the law. Settlers have ransacked and pillaged Palestinian villages and burned homes killing at least three in the largest incident of settler violence since October 7. This is not what we pay taxes for. We need our tax dollars to be spent here. We don't want blood-stained receipts for those dollars. Thank you.

Mickayla Aboujaoude, 608 Hevey Street, stated:
I have two issues to talk about. I came here with my friends from the Manchester Housing Alliance and I, as a child of a Lebanese immigrant, feel like I should say something about Palestine. I want to start with asking who are we to decide that we know why someone is in the state they are in or someone deserves to suffer? Why is it that I, making about $85,000 a year, paying $1,500 rents for a one-bedroom apartment deserve to have a roof over my head when it is super cold outside and like other people have to sleep outside? What gives us the right to say that all the people outside don't deserve to live inside because they are on drugs or are like bad people? Like they can't all be awful right. Moreover, I know a lot of great people that have been unhoused. At this point, if you don't know that substance use is a disease, go ask any mental health counselor and they will tell you. I am not saying that like your crazy cousin isn't nuts because we all have crazy cousins that do weird things but they still deserve a house and they still deserve a chance to have a better life. We shouldn't presume to know better than the people we see outside on Elm Street all the time. That said, we really do need affordable housing. I support building houses. I know that we have a rich economy in Manchester and we want to bring tech jobs in. Sure, but we also need affordable housing. The $1,500 rent that I pay is a deal. I am grateful because I have a really good landlord who is honest, owned the building for a long time and always answers when I call. A lot of times, people are paying way more than that for crap services. I think that we owe it to the city and to ourselves to have affordable housing. My mom is in her early 60's. She did an incredible job raising me. She makes just above the amount that would qualify her for some income assistance for housing. She needs to move out because her roommate is moving to Florida. She needs to find a new place to live and there are very few options for her. Also, it is pronounced Iran and

Iraq. Nobody ran anywhere. That is what my dad used to tell me. Also, who are we to decide that the children in Palestine deserve to die when our children don't? Thank you.

Holly Testerman, 665 Lake Avenue, stated:
I am here to talk about the ceasefire resolution. I am a mental health therapist in West High School. Just thinking about the fact that the number of tax dollars that go…that went from the residents of Manchester to effectively funding a genocide and just like the deep, deep needs that we have here in the city and the ways that those directly affect my students, I would say that like 50% of my students are housing insecure. Several are homeless. I would say 75% are food insecure. These are the things that I face as a mental health professional every day and I often question how am I supposed to treat depression, anxiety, ADHD, and trauma? How am I supposed to treat those things when these kids' basic needs aren't met? Then I go and look at the news and I just see all of this footage of the children of Palestine who are also homeless and who are also going hungry and who are also being parentified to take care of younger siblings or other children because their parents are dead. On one level like so many of the same issues that the children of Manchester face but on just a massive deep scale. I think about the mental health impact of an entire nation experiencing this trauma and this torture that is not just since October 7 but for decades. I can't even fathom the effect that that is going to have and it pains me that my tax dollars are going there instead of to just like feeding the kids in Manchester for starters. It just pains me. I really hope that you will consider signing that resolution. I just can't fathom the level of cognitive dissidence that has to happen to ignore this. Thanks.

Bradley Conway, 236 Boutwell Street, stated:
I saw some totally normal headlines in Gaza today and I thought I would share them with you for no particular reason. A missile fired from a drone killed 11 children in a playground at Almagazi refugee camp. A five-year-old girl was shot in the head as she was held in her mother's arms. A mass grave was uncovered at Al Shefah hospital and some bodies still had catheters attached. A human rights spokesperson reported that last week during the three-day Muslim celebration of Eid-Al Fitr Israel bombed eight more of Gaza's mosques. In other news, most people in Gaza have been living on 250

calories a day for the past several months with no clear water or medical supplies available. Come on. I am sure everyone will be fine, especially the acutely malnourished children who we are only promising an abbreviated life full of intense chronic health problems and stunted growth. Don’t worry about it. Don’t worry about the children. Don’t worry about the trauma we are inflicting on them. Definitely don’t worry about the hundreds of pregnant women giving birth in Gaza every day or the elderly or disabled or the thousands of cancer patients or the spread of disease or the threat of World War III. It is totally fine. I am sure our federal leaders have thought this one through completely and done what is right for their wallets…I mean their constituents. I guess it is just another normal day here in Manchester. The sun was shining bright outside and I just want to make sure that no one here on the Board gets any ideas about officially condemning the six-month barrage of American cruelty. This is normal now. You should all be sleeping easy at night knowing that you were right. There is nothing you can do to stop this. Well, technically you could have made a great impact by passing a resolution to pressure our federal delegation for a ceasefire and an end to US military aid to Israel but that is neither here nor there. If you want to get nitpicky, you could say that the Board has a moral responsibility to pass a resolution to establish a divestment committee to pressure Israel financially but listen, we totally understand that your hands are bound by the heavy, heavy burden of at least a couple of decades of Manchester’s informal aldermanic traditions and isn’t that what is important here. Sarcasm aside, I do want to take a minute to thank the aldermen who have taken this seriously and who might be able to help us move forward with our ceasefire campaign. It means the world to us and to so many people around the city who want to take pride in where they live. Let’s please move forward with this so we can finally put it behind us. I would also like to show my support for the affordable housing speakers who spoke before me.

Richard Simard, 99 Blevens Street, stated:
I am here to show support for the homelessness issue as well as the education funding. Obviously, those are very important issues and maybe they could be solved if we could figure out how to stop sending money to other places and I am sure you know where I am going with this. The reality is that many people in this room are not affected by the conflict that is happening in the Middle East and maybe they won’t be or feel like they

won't be. I am confident that World War III has already started and when the history books are written and they look at the starting events that triggered it, we are living through those moments right now and this scares the shit out of me because I don't feel like I can do very much except talk to a panel of people that are supposed to be my closest representatives. My senator doesn't live next to me but my ward alderman does. Ideally, I should be able to express how I feel about this to a group of people who care about their constituents to a point of deescalating what is going on right now so that we can all survive for the next few years. While this hasn't come home yet, it will and what is happening right now in the Middle East and what is unfolding through escalatory language and constant arms provisions that are enabled by the U.S., this will come back to everyone in this room and it will be very questionable the actions that we have taken and how seriously we considered the options that were in front of us. I would like everyone here to seriously consider what options they have for pushing de-escalation up the ladder through our government chain because to me it is incredibly important. My mother just retired and I don't want her to suffer through World War III on a retirement fund. That sounds terrible. There is very little I can do about it except come here and talk to you. I know this is a problem that will impact every one of you directly whether you see it now or not. I promise for every other World War, the initial events that happened seemed like skirmishes and they turned into something must bigger. That is actually what we are looking at here. I would really encourage everyone here aggressively to consider what your options are and how we can deescalate this conflict. It doesn't matter what your religious or ethnic beliefs are. This is about protecting people that you care about at home and preventing fiscal disaster because I don't think the way this country is spread right now and all of the infrastructure plans it has, that it is going to be able to afford this and certainly we can't afford any kind of domestic attacks here. The more that we push for conflict abroad, the more we aggravate and agitate any kind of option for that. Thank you for your time. I appreciate your consideration.

Dam Wright stated:
What a difference two weeks can make. Two weeks ago, we had a very qualified Director of Housing Stability that we no longer have. We also had $57,000 of taxpayer money that we no longer have and for anybody who doesn't know and I am sure you all

do but for anybody listening less than half of that was paid out in wages. $25,000 was for alleged compensatory damages, $5,000 was paid directly to her attorney…I know that the person who spoke with the *Union Leader* and didn't give their name which sounds like someone who knows a lot and may even be a member of this Board and perhaps have a background in law, said that that was only done to avoid legal costs but of course if you didn't do anything wrong and you won you could have gotten her to pay your legal fees. When you have to pay somebody's legal fees, you screwed up. I do believe that there is a problem above Jake King with the management and oversight structure at 39 Beech Street but I don't think that problem was Adrienne. I think it was you. I think that what we saw two weeks ago is that you don't understand how data works. You don't understand how a management structure works. You can't understand why somebody running a place like that might have 20 hours of work that they don't have to do on-site. That is baffling to you? That is deplorable to you? You don't understand how that works. One of you made it very clear that you don't understand the job description or the scope of the job description of your own employee. You don't know the difference between a Director of Housing Stability and a Manager of a Shelter and Engagement Center. Another one of you made a point of how you go by there every day and you still see homeless people in the area doing homeless stuff and it has been six whole months and how come this isn't all fixed. The same person has to tell us that you have never been there and you don't even know the hours of the facility. Meanwhile, we have comparisons like it is the same thing running a shelter and engagement center as it is owning a restaurant or coaching a baseball team? Come on. I have to say and I see that Alderman O'Neil has stepped out but nobody was talking down to you guys at that point. Nobody was treating you like dummies. You may have felt dumb and you certainly looked dumb but here's the thing. You screwed up. We lost $57,000 of taxpayer money and we lost the best hope we had in seeing some long-term solutions to the problems of homelessness that are impacting everybody in this city. Here is my question. You were so sure two weeks ago that there was a problem at Beech Street and that the solution was to have the person who manages that facility oversight on-site. Now that Adrienne is gone, you are the oversight. He reported to her and she reported to you. So, which one of you is moving your office over to Beech Street? That was the solution. You said it yourselves. Let me know. I will get my boys down here to help you pack.

Glenn Ouellette, 112 Auburn Street, stated:
I have something I would like the Clerk to hand out. I thought it was secure that we were going to keep the wells at Veterans Park. They have been destroyed. I understand the trees had to go because they were rotten but the wells could have been saved. I am hoping that I hear from the Mayor's Office tomorrow saying that there is a plan to rebuild them but we have already destroyed them. Again, it proves my point from two weeks ago. We are tearing down part of our downtown because we can't solve the problem of homelessness. It is not right. How about the taxpayers who paid for that stuff? Beech Street School. I am not against paying for the education. If anything, I am in favor of it but when they spent $6.5 million four or five years ago to redo that school which is now the best coded school in our system and are now going to tear it down to build it across the street, that is $6.5 million that we are still paying for and it is wasted tax dollars. Where did it go? That is not a plan for the city; not a good plan. Again, I am surprised that we are still going forward and there are not enough people in the background to look over people's shoulders and say wait a minute here there is a problem. The last thing I want to say is that today I had to give up some of my rights so that I don't lose my Section 8 and that is not right either. The property owner continues to break U.S. federal and state housing. They dropped the demand on rent because my rent has been paid all the last six months that they claimed it was not and I had my receipts. They dropped it because they knew they were going to lose it and now I have to say it is okay and they want me to give them an exact amount that I am going to make next year when I am a part-time employee, a season employee where the hours change from week to week. When I am sick, I can't work. Something has to happen here in America and in this state and city so we can make sure that everybody has to abide by the rules. Thank you.

*On motion of **Alderman E. Sapienza**, duly seconded by **Alderman Terrio**, it was voted to take all comments under advisement and further to receive and file any written documentation presented.*

PRESENTATIONS

2. Presentation by Phil Croasdale, Water Works Director, regarding the proposed relocation of the Administration Division and Distribution Garage.

Phil Croasdale, Water Works Director, stated for a little background, I am a lifelong resident of Manchester and I have worked for Manchester Water Works for 30 years with the last 8, going on 9 on June 1, as the director. I appreciate the opportunity to give you this presentation tonight in consideration of moving our administration building, service garage and storage building from its present location at 281 Lincoln Street adjacent to our water treatment plant at 1581 Lake Shore Road. I know there have been a lot of questions and comments bantered about in the last few weeks since this project became public. Hopefully during this presentation, I will answer some of those questions. I just want to start off by saying I am not here to ask the Board to approve bonding for any amount for this project. I am simply here asking for authorization to move forward with the project to its next phase. It really starts with a story. I won't read this whole thing but in the third paragraph it says "at our new location everything will be together, management, storage and equipment. We expect considerable increase in efficiency." That was written by Superintendent Percy Shaw in his report in 1950. I think that is important to read because it was pertinent then and it is pertinent today. The following year when they actually moved into their new building at Lincoln Street, I thought it was interesting that the total cost of the building and new equipment amounted to $241,000. You can see that up there in red. What you will see here is the original location of the Manchester Water Works offices. In 1872, they were given office space in the bottom of the old court house down on Franklin and Merrimack Street which is now the Carpenter Hotel. They were there for 79 years. For the past 73 years, we have been at the current location at 281 Lincoln Street. Prior to the building of the municipal complex in 2010, we had approximately 6.9 acres at our Lincoln Street location. Currently, we have approximately 1.5 acres which consists of strictly the building and our parking lot. Uses of this area that are no longer available to Water Works as you can see is the pipe yard, storage shed, gravel storage, staging area, and parking for company vehicles and heavy equipment. Basically, we lost all of our facilities for our distribution operation. Here you can see a few aerial shots of the city. You can see our original 5.5 acres which was acquired in 1940. You will notice that straight line along the triangle. That is an old railroad bed and the reason Water Works came out here in 1940 and bought the land was because the Concord & Portsmouth Railroad ran through it. They build a landing dock and a depot and used this area as a distribution pipe yard with storage of material. The railroad would deliver it and they would use this location even though for the next 10 years they were still down on Franklin Street. The yellow highlights the area that we did have, the 6.9 acres and the 1.5 acres we have been reduced to with the municipal complex being built. You can see the area with just our parking lot and building. There is also another little gold area to the left which is an area given to us…we still have a storage building there. It was given to us as additional space for us to use for some equipment and you will see that in a minute. So, the total cost of the building was $241,000 in June of 1951. You can see basically the building looks the same. The only difference between the top and bottom is the addition that was put on in the back of the building. The garage is about 11,800 square feet and is a service repair shop. It was designed for 18 trucks and 18 trucks in 1951 were a lot smaller than trucks are today. There is also an employee locker room and lunch room. Here you can see that the garage is the same today. When I mentioned that we had that area out back, you can see the storage shed. This picture is taken from the area where DPW parks their refuse trucks behind the vehicle storage building behind our parking lot. You can see right now we are just given enough area back there for a gravel bin, a rock bin, park a few vehicles and that gray storage shed which we had previously. We use that for small distribution materials. We still store them in there like stuff we use on a regular day-to-day basis. This picture shows you our pipe truck that we bought a couple of years ago. I am showing you this to demonstrate the size of the vehicles today. Now it wouldn't fit in our garage if we wanted to park it in there. Here is a picture of our garage and you can see it is chock full. We don't have all of our vehicles here but it is very tight inside. We go back-to-back with service trucks that can barely fit from garage door to garage door. It is very tight quarters but we make due. Now 281 Lincoln Street was constructed in 1951 and the addition was put on in 1990. I have all of those smiley faces there because those are the good things about the building. I have been maintaining the building for the last eight years and putting some improvements in it to keep it up to par and make it very viable office space. We have security from Pelmac through the city's security manager. It is 12,000 square feet of office space. It is ADA compliant. The first floor and assembly room were remodeled. We are on the city network and have a phone system and Comcast. Aramark is who we use for cleaning and preventive maintenance. The DPW Facilities Department is very familiar. They are right next door and do a lot of our maintenance for us. We have updated to LED lighting. The restrooms are ADA compliant. The boiler had recent upgrades. We have 11,500 square feet in the service/vehicle garage and about 67 parking spaces. Here you can see a layout of the building that shows we have approximately 11,000 square feet for the first and second floor of the office building. The reason I am showing you this is because if we move out to the lake this building is ready to be moved into right away and used for office space for other city department should they need it. You can see a picture of the foyer. There is security there. We had that wall put in and from the reception desk you can see out. We have three cameras that monitor the front door, the door to our service garage and the back door. We are very secure. You can see the first floor that we remodeled about five years ago. There are cubicles and it is very modern. The second floor was not remodeled so much. We did paint the walls and put in new carpet but a lot of the old furniture still exists. There is a lot of office space up there and we remodeled our board room. Downstairs we have ample space for storage of materials. We are not yet into the electronic age. We are not paperless but there is plenty of storage in the building. Finally, we remodeled our assembly room. It is used quite often by a lot of other departments like Health. They come over and do health screenings and things like that. Future uses of this building for easily be for the IT Department who has shown a keen interest in coming over here and using the space. Also, DPW, Parks & Recreation or Facilities and there is additional parking. It could be used for a city payment center for water, tax and auto. We have that front desk for walk-in customers. It could also be used for other city departments. It basically comes down to whatever uses you think the building could be used for. So here we are. It is déjà vu all over again. I guess Jim O'Connell stole my thunder when he mentioned it earlier. That was coined by Yogi Berra and on another note if I can divert for a minute, "It Ain't Over" which is a documentary that I highly recommend for you sports enthusiasts. Again, I wrote this myself and basically, I just rewrote the exact same thing written in 1950. Years ago, when our present garage was built, we had planned options to expand around it but as the garage is no longer large enough, it would be unwise to try to maintain our present location. At our new location, everything will be together – management, storage and equipment. We expect a considerable increase in efficiencies. The relocation to 1581 Lake Shore Road. We own basically all of the land on Lake Shore Road from the water treatment plant to Candia Road. This 4.5 acres is that triangle you use. It is an old telephone line that we converted into a road; that line that goes to the left. That 4.5-acre site would be ample space and we would want to build a new facility. Back in 2021, whether we were going to move out there or not we had to do something about our distribution pipe yard and materials. Everything was basically laying on the ground and kept in a few garage spaces or in other locations on the ground throughout the water treatment plan area. That is no way to run a business. You see all of this distribution equipment and fittings. Most of this stuff that you are looking at inside was all just laying around outside or inside the garage. It is very difficult to maintain an adequate inventory and know what we had. Guys would go out there in the middle of the night looking for a part and have to dust off the snow or in the summer they would have to pick through the weeds. I basically said enough is enough, we are Manchester Water

Works and we are going to run a class operation and we built this storage facility for distribution. The workers definitely like this facility. It is a drive-thru and it suits our needs. Here is another picture of the pipe yard we have out there. The building behind it is the Hale Building and houses our watershed department. It has other storage areas inside. If you see the fence on the left, you can't really see it but there is a transformer there and it will come into play in the next slide. That is where we plan on building the facility – right on the other side of that fence. It would be adjacent to distribution, the pipe yard and the water treatment plant. Back in 2017, I asked a consultant to do a conceptual design of what something would look like out there and he came up with this site plan. This isn't the final drawing of what we would have but it gives you a pretty good idea. We mirrored it after our location at Lincoln Street. What we would like to do is go from the office building through the garage and into the vehicle storage building. Basically, that is how it is laid out. This is just a rendition of what something might look like. We think it will be something like this but this is not exact. It all would have to go through the design phase and we are still not sure if it will be a one-floor or two-floor building. As you can see, there is the vehicle storage building and I don't think that is big enough. It would be 19,000 square feet. The vehicle storage building we have at Lincoln Street is 11,000 but the actual vehicle storage end is only about 7,000 so this one would be almost three times as large and we want to make it big enough to basically keep all of our vehicles under a roof. Just a little picture for people who like pictures. This is just something that was put together by the same consultant. Probable cost of construction. There has been a lot said about this and I had Matt handout another schedule. Just to give you a little history about this, I went to a consultant in 2017, a local consultant who is very reputable and does a lot of work for the city. I asked him to give me a conceptual design and an opinion of probable cost. He came back in 2017 with a number of $12 million. We looked at it and hemmed and hawed and said okay we can take this off and that off and we don't need this. We tried to pare it down to a lower number and he came back with a new number of

$9,716,000. You don't see it up there but it is on the handout that was given to you. We then decided to shelve it. As you know, we were building the water treatment plant and had a lot going on. Then Covid hit and basically, we put it on hold and said when the new treatment plant is built and things settle down, we will take another look at it and try to move this project forward. In 2023 I went back to the consultant and said okay I know costs have gone through the roof and we all understand that things have gone up so can you update your opinion of probable cost and they said sure. He came back and said everything has pretty much doubled since 2019 and as you can see, he came back with the $17,837,000. I said thank you. At the time, we had just got done finishing the plant and I talked to the consultant that did the design and general construction of the plant and asked them. I told them I would feel more comfortable if I had a comparable cost and they said sure we will do that for you. They worked it up and they came up with the $35 million number. We all think the same. It is an $18 million difference. We fully understand that. I dug deeper into the numbers and you realize there is a lot of contingency here and escalation of about $14 million so that $35 million is not so much…there is some escalation and contingencies in the $17 million but not so much. It really brings the two numbers in line a lot closer. As far as my projection goes and what you are going to see tonight, I had to make a decision. My decision was would I like this project to come in at like $26 million? Absolutely but I am not going to come in here and tell you that this project is going to be done for $26 million and have it come in significantly higher so I just said I will use the higher number. If we can do this project for $35 million financially, then whatever is under $35 million is a bonus. When I took a look at financing this project cost at $35 million, we have about $5 million cash on hand and that includes what just went through Lands & Buildings yesterday with the sale of property and we also have some reserve. When we sell that property and get the proceeds, I think we will have about $5 million in cash to offset the total project cost. So, you bond $30 million and the interest rate that I got from the NH Municipal Bond Bank was 4.09% last July.

This January, they didn't go out for a 30-year bond but every other bond term they went out for was lower than the July term. I called the director and spoke with her and she said it will be somewhere around 4% or 3.9% if you went out for a 30-year bond. I said okay I will just use the 4.09% to be on the conservative side. I also want to mention that we have additional water revenue expected of between $500,000 and $3.6 million annually. I will talk a little bit more about that in a minute. This is what our debt service would look like. I know there are a lot of numbers up here but I just want you to focus on FY2035 to make it simple. Our ozone and filter building bond ends in 2034. That bond is almost half of our debt services of $5,164,000 million. So, this ozone building is almost half of that. You can see what our existing debt service would be if I bond another $10 million and I already plan on bonding $3.5 million this year so if I bond another $10 million between now and 2035, that would be the debt on that at about 4%. Our administration and garage, the new debt, that would be the debt service on that with principal and interest at 2035 with the terms that I just mentioned earlier. The projected debt service would be in the next column and increase column is to FY2034. You can see it escalates. The debt service would be significantly more in 2029 than it is today, about $2.5 million and would go up to $7.7 million. If you look at 2035, it drops off a cliff and that is because we drop the ozone and filter building bond. It will actually be $750,000 less in 2035 and that is including the new debt on the admin and garage and included the additional $10 million of debt. We would have lower debt in 2035 than we do today. The problem I have is how to do I get to 2035 because then I am in the clear? I have projected additional annual billed water usage. As you know, we have the Southern NH Water Project where we are contracted to sell through Salem about 3.1 million gallons of water a day. You can equate one gallon of water to $1. So if you sell 3 million gallons per day, that is $3 million of revenue per year. Right now, we are selling them about 500,000 gallons of water a day. They want the water but there are some issues involved. We have to go through Derry and Derry needs some improvements. Within the next few years, they are going to increase that by 2.5 million gallons a day and probably take all the water. With Pennichuck, we are still contracted to sell them an additional 500,000 gallons per day and they are going to take that because of Woodlawn Commons in Londonderry and the PFOA problems in Londonderry and they have several water systems there that will need the water to get off of wells. Now Manchester, Auburn, Londonderry and Hooksett and I think the Board knows better than I and Jeff Belanger that Manchester has about 1,500 housing units going up over the next several years and if you look at all of the development, I think that is an accurate or low number. Auburn is looking to put in a lot of units and Londonderry and Hooksett are also. Each unit equates to about $200 in water revenue so 1,500 would be $300,000 and so on. The total of all of this projected to come in down the road would be about $3.6 million. I did a cash flow projection with all of this information and when you do a cash flow basically you have to make assumptions. I think we all understand that. My assumptions were 2-3% annual rate increases, water usage service and fire protection charges. My other revenue is going to probably go up 1% a year. It typically does that. Those are fees and things like that. It just naturally goes up with more people using the services. The 3% annual cost escalation for our O&M expenditures. Annual CIP work that I mentioned. Well annual CIP work from operating revenue of $1.2 to $2.2 million, that is capital maintenance that we do. We spend that every year through our operating revenue to do cleaning and lining, relay work, other distribution work and work out at the treatment plant replacing pumps and things that or buying vehicles. I showed you $3.6 million in potential revenue. With my projection, I am just putting in an additional $1 million in water usage from our wholesale and new development. We have $2 million from capital reserve and about $7.3 million we will take in over the next 10 years for MSTC, the source development charge that we charge new customers that tie into our distribution system; new customers. They still pay that fee and we can use that fee to pay the debt service for the water treatment plant. I think in your handout it shows all 10 years at once so it will probably be easier to read. I really just want to highlight a few lines. You can see the total debt service in the middle of the page and how it goes up. All of that information is put in and to make a long story short, if you look at the bottom, the cash operating at the end of the year, you can see we still end the year with healthy cash operating balances. Just using those rate increases that I mentioned and all of these other assumptions I have given you, very conservative, financially I think it is a very doable project. For the project itself, this is a timeline that we got from one of the consultants on how long it would take. What it amounts to basically is about two and a half years from beginning to end. What are the next steps? The next steps are from 2024-2025 continue with site conception, geotech, do an RFQ and RFP and the design and permitting. Regarding the bonding, I have updated this a little bit. We were going with a timeline starting last November but this would move up and we would probably go out to bond in late 2025. We are probably looking at July for a 60% design so we can get a really good number on what this would cost and then go out to bond late in 2025 or early 2026. Construction would probably take two years so you are looking at 2026 through most of 2027. I also want to provide a little information because I think it is important for a lot of people to understand. When you mention rate increase, everybody just…I understand all of the arguments. Like I said, I am a lifelong resident of Manchester and I pay all the bills the same as everybody else and I hear everything going on about everything going up. I just want to let people know how we spend our money. From 2017 to present, we went out and borrowed $38.6 million at under 2% interest. For that, our ratepayers got a 7.2-million-gallon water treatment plant, two pump station upgrades, two large ones, the one on Cohas Avenue and the one on Oak Hill Avenue up by the Red Cross building. Those were complete overhauls with new pumps, electric and instrumentation. The only thing that remained were the buildings they were in. We also got three water storage tanks totaling 16 million gallons of water. There are two 6.5-million-gallon water storage tanks on Mammoth Road and a 3-million-gallon water storage tank in Londonderry on Josephine Drive off of Noyes Road off of Route 28. I completely overhauled our fleet. I borrowed for 17 vehicles and all of these were less an 1%, 10-year loans. We will have these vehicles long after the debt service is paid off – dump trucks, loaders, backhoes, the pipe truck that you saw, and service pick-up trucks. Our fleet is good probably for another 15 years. Once in a while you are going to have to go out and purchase some pick-up trucks but you are looking at a good 7-10 years before we are going to have to start looking at a lot of this equipment. Also, we installed 15,000 radio readers. Those are transmitters – the white boxes you see on your houses that enabled us to go from two readers that took a week to one read that takes three hours because now we just drive around the city and pick up the reads. There was great efficiency and savings in that and we are able to use that labor for much needed other purposes. Our 2024 debt service for everything I mentioned is about $2.2 million. Our ozone filter building I mentioned is $2.5 million. Our total debt service is $5 million. You can see that when we borrow money, we spend it on infrastructure and much needed equipment. People often talk about salaries, wages, and I am just using pension and benefits here. I wanted to throw out a little information for the Board and the public. I went on budgeted figures and I did that because when it comes to actual it is typically lower than what we budgeted because people leave and you hire someone at a lower rate or it might take you a couple of months to hire somebody and we base our budget on what the actual cost would be for the existing employees for a full year. What is built in are the scheduled COLA’s and rate increases. As you can see, the COLA’s we received from 2019 to 2024 amounted to 13% for non-affiliated and 15% for affiliated. If you look at our salaries and wages, it went from $4.7 million to $6.1 million or a 30% increase. You say well that doesn’t really line up with the COLA’s. If you look further down in the middle of the page, you will see that we went from 81 employees to 91 employees and these aren’t sit around employees. These aren’t top heavy employees. These are people that are out there doing the work for the ratepayer. We have 10 more employees. When you actually look at that, if you go to the next line down of salaries and wages per employee, we went from $58,000 and this is average salary in 2019, to $67,000 for a 16% increase and you say okay that makes more sense and pretty much lines up with the COLAs. That tells me that we are maintaining the line pretty much on our salary and wage line items. Yes, we did hire some more people but when you look at the wages that are there per employee, I think we are doing a very good job of holding the line. Now as for pension costs, we are very familiar as are the other departments with the increase in the pension costs. You can see they went from $1.3 million to $2.2 million for an increase of 72%. Down below you can see the pension cost per employee which went from 16% to 24% or basically 50% higher over a five-year period. That has always been concerning for me. I could always see that every year…I always cringe when waiting for that employer pension rate to come in and see what it is going to cost us. The good news is that this year it has actually dropped a few percentage points. That is just information and food for thought. The next slide is looking at our O&M expenses. As you can see in the first group, our administrative costs for FY23 and FY24, $10 million of the $18.5 million budget is for salaries, wages, pension, FICA and healthcare costs. You look at all of these other costs in the next two sections. These are just summaries of a lot of different accounts that make up a total of 99.7% of our O&M budget. I can sit down and challenge anyone to come down to Water Works and discuss it and tell me where we are going to cut other than the obvious which would be your salaries and wages and if you cut those you will save a lot of other costs in a lot of areas but if you cut salaries and wages that is the life blood of running our operation. I can tell you right now that our staff is at the point where we have enough to get by and we do. In the water treatment plant with operators and distribution, we have 20 construction workers that take care of a lot of infrastructure. We have five in the watershed to take care of 8,000 acres of land and oversee 45 square miles of watershed land. We have 11 in the business office. We are not overstaffed at the Water Department. Now where do we get our cash from? It is simple. Water usage and service charges. That includes hydrant charges four out-of-town and private fire services. Eight-nine or ninety percent of our revenue is derived from water uses and services charges so when we talk about rate increases, that is 90% of our revenue. That is where it comes from. I can tell you that service charges are fixed. If you have a meter and you are tied into the Manchester Water Works, you are going to pay fixed service charges for fire protection and hydrant charges for out of town. You are going to pay those. They only go up with rate increases. Water usage. The actual charge only goes up with rate increases. Our revenue goes up if we have nice dry hot summers. Unfortunately, the past couple of summers haven't been like that. I can tell you out of the $22 million, we get about $12 million a year from water usage. As you can see below, 30-35% of our water use and service charges come from customers outside the City of Manchester. Here is where the rubber meets the road – our rates. Everybody always wants to talk about our rates which I fully understand. In 1987 the rates were established at $.87 per ccf. There was no rate increase until 2003. Then we went through four rate increases up to 50% to pay for our ozone and filter building. That was a $40 million project at the time. Our rates were established as you can see at $1.30. We didn't have another rate increase until 2013. In 2013 we started seeing the wrong trajectory for expenses and revenue. When your trajectory is going up for expenses and revenue is flat-lined, that is not a good situation for running any business, let alone the Water Department. We looked at it and said we aren't going to go out and raise rates 6% or 7% a year but can we do this over a period of time? So what we have been doing from 2013 on is we look at it every single year. We update our cash flow and look out two or three years and then make a decision on whether or not we should be raising rates so we are not stuck with a large rate increase. You can see in 2023 and 2024 when we got slapped in the face with the rates for electricity tripling and our chemical rates, which are our two largest variable rates for our treatment which went up about 70%, we were stuck between a rock and a hard place. Fortunately, they have leveled off for this year and the economy and costs have settled down and I think we are clear of those types of increases at least for those particular commodities. As you can see, from 2006 to 2024 we raised the rates 69%. Through 2034, we are projecting to raise it about 2.4% a year. If you look at it, what does that translate to for the average customer? It is about $368 in 2024 or roughly $30/month. I want you to note the last column, the affordability index column. This is put out by the Department of Environmental Services for the state. What they have done is said basically…they are always looking for us to raise our rates. They say our rates are always way too low. They look at the affordability index when they are looking to give out grant money and low interest loans to communities for water projects. Their affordability index says that communities should be able to afford about 2% of their household median income on water. At the time I looked at it, it was $62,087 and I think it was three years so it can only be higher now. They are saying that if you are a typical resident of Manchester, you should be able to afford about $1,200 a year for water. Right now, we are at ¼ of that or half of 1% of the 2% affordability index. Not to compare to other towns, but I will compare to other towns because we always look at what are they doing and what is it like on the other side of the fence. Here you have a list of all the major water systems in the state of NH. Again, a monthly average of 10 ccf which is the unit of measure that we bill, is 100 cubic feet or 748 gallons. The average customer uses probably 10 of those or about 7,480 gallons a month. My family uses that in a week. For Manchester Water Works customers, it costs you $30.71. In Laconia, it is at $33.83. These are actual costs. I went to all the communities and looked at their rates. You can read it for yourselves. The 2028 represents if we raise the rates 3% a year, we would have to raise them until 2028 before we would charge the average customer more than Laconia. As you can see, for Pennichuck it would be 2040+. I put the plus there because it is probably 2050. It gets crazy. As you can see here, we would have to significantly raise the rates to fall out of being the lowest rate in the state. This is another indication that Manchester is in pretty good shape. I threw this map out there to show you this is who we are. All you see are a lot of black and red lines. If you can see it, a lot of red dots. That is

Manchester Water Works. You can see we extend out to Londonderry. Our franchise extends into Londonderry and all the surrounding communities like Litchfield, Bedford, Goffstown, Hooksett and Auburn. We have about 24,000 customers in Manchester and another 5,000 or 6,000 customers in the surrounding communities. Here is the Manchester Water Works and what you get for your money. You get two water treatment plants that pump 57 million gallons of water a day or can pump 57 million gallons of water a day. We have eight pressure systems in that spider web of our distribution system, along with seven storage tanks that store 30 million gallons of water. We have another reservoir built in 1894 that stores 4 million gallons. We have 11 pump stations that can pump 107 million gallons a day. We have 3,500 hydrants, 12,000 valves, and 11 large pressure regulating valves that allow us to go from pressure system to pressure system in case of emergencies. We have over 500 miles of 2” to 60” diameter main, 32,000 domestic water services, 1,800 fire services, 7,000 backflow devices that we test annually and we respond to 40-50 disruptions or leaks per year. For the aldermen, this is just another schematic of what our water system looks like for information. I can’t exclude our watershed group. The red line on the picture on the left is our watershed. That is 45 square miles. To give you an idea, Manchester is 33 square miles. We own 8,000 acres of land in that watershed area that we maintain but we oversee all 45 square miles. We are very much involved in what goes on within that red line. We deal with Candia Police & Fire, Auburn Police & Fire, Hooksett Police & Fire, and Manchester Police & Fire. We are involved with everything to make sure that nothing goes on in that area that is going to impact of quality of the water that goes eventually into Lake Massabesic. On the right you can see a lot of points around the lake. We have 75 miles of fire road that we maintain and it is all open for public enjoyment. Now we do that with three full-time patrol officers and two more in the summer. We estimate that we have well over 100,000 visitors a year. Right now we have a crew of five watershed crewmen. They go out on all of the fire roads. We take care of the rail trail that the state owns. We maintain it and remove all of the debris. We do a lot with a little. Other considerations. When I talk about this project, we are going to be looking at net zero energy because if you go net zero energy there are potentially a lot of federal grants available. That is either geothermal or solar energy. I can perceive with this project since we have a lot of land and the roofs on all of the buildings that they would be covered with solar panels. We would try to as much as we could go green. Geothermal is a very interesting concept that I have discussed with one of our consultants. It is very much in play with this project. That basically concludes my presentation. I just want to make a general comment. I didn't take this lightly. I have been thinking about this since 2016 or shortly after I became the director. I worked at the Lincoln Street property and saw the transition from 1993 until present. We really thought this through. There is a lot of work to do. I think this would be a great project for Water Works and for the City of Manchester and a financially viable project for our ratepayers. I thank you for your time and would be more than happy to answer any questions.

Alderman Terrio stated you and I had a conversation and I want to make sure I have this right. You want to go ahead with the planning and are not so much concerned about going ahead with the bond at this time, correct?

Mr. Croasdale answered really you can't get a solid number until you…when we did our treatment plant for example, we had to get to 60% design and then we said we have gone through all the initial planning and we know exactly what we want. When you have a 60% design, they can give you a pretty solid…okay now they are saying there is a 90-95% probability that this is what this project is going to cost.

Alderman Terrio asked so you are looking for us to give you the approval to go ahead with the design phase tonight and not so much the bonding.

Mr. Croasdale responded yes because I can't tell you what this is going to cost. Nobody wants the cost to be $35 million. I used $35 million for my projection. I want this project to move forward so we can get into the design phase and get us to that point next year and then I will come back to the Board and say this is what it is going to cost. I will go through my numbers again and tell you if we can or can't afford it.

Alderman Terrio stated in one of your slides you had a $6 million estimated for architecture and engineering fees and that concerned me and here is why. Although it is apples and oranges, I was talking to a business owner who owns a warehouse on Pine Street. It is a 42,700 square foot nice metal warehouse and he is considering selling it for about $6.5 million which is actually bigger than what you are going to build. Again, I know this is an architecture and engineering fee but that $6 million just for that seems excessive.

Mr. Croasdale replied I agree with you. The number jumps out but that is why you do the RFQ and you get qualifications and then you go out for an RFP and you will get your cost there. That cost is not only to design it but through the construction phase too. You will have onsite engineers…

Alderman Terrio interjected you had a separate fee for construction. If that was in there, I would be fine but the problem is that in your slide there is a separate fee for construction and then one for architecture and engineering.

Mr. Croasdale stated general contractor O&H, overhead, profit, taxes, insurance and permits for $3.1 million and you have escalation to May 2026 for $3.1 million. Engineering and implementation allowance they use 20% for the opinion of probable cost for construction and that is the $6 million.

Alderman Terrio responded those are two different fees.

Mr. Croasdale stated I totally understand alderman that these numbers seem a little out of whack. Again, a very reputable engineering firm gave me the probable cost. All they had to look at was that conceptual design. They didn't come in and ask a lot of questions like what are you putting in here, etc. They took that conceptual design and they even told me that they put in a lot of contingencies because they are going to cover their butts on this one. They aren't going to go out and say we can do this for $22 or $23 million. They put in contingencies and say this is what it is going to be and when you get to that 60% design all of these numbers are going to change. I got that probable cost from a very reputable consultant from an engineering firm that is very well known and respected throughout the country and internationally. They do a lot of work.

Alderman Long stated thank you for the presentation. Again, you are looking to just move forward on this and I get that the numbers were estimates from qualified people and you will be here with more detailed numbers at some point. My concern is no more that the city would have to pick up whatever shortfalls you would see. I don't see that. I see your board as very in-depth and they do their homework. I am fully in support of this.

***Alderman Long** moved to allow Water Works to move forward with the project design using their on-hand cash.*

Alderman O'Neil stated I have nine questions for nine innings because Director Croasdale is a legendary baseball umpire in the city. Do you want the softballs first?

Mr. Croasdale answered no I want your toughest question first. Throw them at me.

Alderman O'Neil stated I know you have tried to keep up with the aging pipe system in our city and have done a great job. We seem to have more and more problems. Maybe the data doesn't show that. Will the money committed to this project affect that at all?

Mr. Croasdale responded no it wouldn't affect that because as I put in my assumptions, we are going to continue to do our cleaning and lining and we are going to continue to do our main relay work and we are going to continue to swap out aged valves that need attention. We will continue to do the operation. Two issues. I would love to hire another crew and do more work. We have plenty of work to do. One of the issues is we don't have space for them. Well one issue is it will cost me $1 million. It would cost me $500,000 a year for a crew of four people and $500,000 to start because I would have to buy them a service truck, loader, dump truck, etc. This sets us up for that down the road.

Alderman O'Neil stated you rolled into vehicle maintenance and mechanics. Are you moving the mechanics?

Mr. Croasdale replied no. The work that the Central Garage does for us they will continue to do for us – the major work. We do have two mechanics on-site to take care of the little stuff so we can get our vehicles in and out the same day and back on the road. The major work that they have been doing, they will continue doing.

Alderman O'Neil stated you mentioned fueling stations. Are you talking about moving the fueling stations or are you putting fueling stations out there?

Mr. Croasdale answered no.

Alderman O'Neil asked regarding other uses for the building, was that just you taking a stab at it or did you have conversations with fellow department heads or the Mayor about other uses for the building.

Mr. Croasdale stated basically I would say to the city here are the keys. I think I am giving you a pretty good building where basically you can go in, take out our computers, plug in yours and you are good to go.

Alderman O'Neil asked have there been formal discussions that included the Mayor.

Mayor Ruais replied yes. Director Croasdale has been terrific in outlining some of the opportunities we would have over there for the departments that are currently feeling the crunch here at City Hall.

Alderman O'Neil stated just to make sure I am on the same page with you Phil, when you said the ozone filter building, is that the new treatment plant in Hooksett.

Mr. Croasdale responded no. If you go out to our water treatment plant, the original one was built in 1973. It is right next to it. It looks like the same building but they are connected by an enclosed walkway. It is a separate building for our ozone disinfectant and it also has our granulated activated carbon filter beds in it.

Alderman O'Neil asked this is not going to throw the new services connections to commercial for fire protection number out of whack is it. Some think it is high now.

Mr. Croasdale answered no.

Alderman O'Neil asked has Sharon reviewed any of this.

Mr. Croasdale responded Sharon and I have had discussions and subject to this vote tonight, we will or will not have a meeting tomorrow with Bond Council. If you vote for the project, then obviously we will have a meeting tomorrow.

Alderman O'Neil stated because you know that nothing moves unless Sharon says it moves.

Mr. Croasdale replied Sharon has been very helpful.

Sharon Wickens, Finance Officer, stated Phil and I have had some preliminary discussions and we are circling in on Bond Council and our financial advisor just for their two cents as we go forward.

Alderman O'Neil stated Phil you mentioned those additional revenues that totaled $3.6 million. I agree with you and I know there has been a lot of work done on it. Is that guaranteed revenue? I think you said you still need to get some agreements.

Mr. Croasdale responded right now there are two phases to the Southern NH project. Phase I is basically complete. With Phase I we can deliver up to one million gallons of water a day and we are going to start doing that. Phase II will take us to the 3.1 million gallons; the rest of it. Manchester is ready to do that. We have a few small things we have to take care of but we are ready to go to Phase II. It is Derry that is holding it up. They need to do some infrastructure improvements to their system so they can deliver that quantity of water through Derry into Windham and across Windham into Salem.

Alderman O'Neil stated moving to east Manchester is going to become an operational challenge. Right now, you are pretty centrally located and your crews can go north, south, east or west. If you move the crews out to about as far east in the city as you can go, and if the late great George Smith had something at his house and you had to go out to Boynton Street…

Mr. Croasdale interjected you would take the highway.

Alderman O'Neil replied you are not putting a loader/backhoe or an excavator on the highway.

Mr. Croasdale stated no.

Alderman O'Neil stated I don't disagree with you. Nashua has proven it with fire and police protection because they use the highway a lot. That is the one thing that concerns me; the responses to emergencies. It is very good now.

Mr. Croasdale replied right now we have 86 employees. Thirty of them are already out there. About another 35 of them are office workers and people who work inside. They have to drive somewhere. I drive to Lincoln Street. Right now, if we move out there, I will drive there and be there for the day pretty much unless I have to come into Manchester. Right now I take two or three trips a day out there because I run the water treatment plan as much as I do Lincoln Street so I am back and forth. A lot of our employees now are back and forth. That is where a lot of our inefficiencies are. People are going to drive out there and it will be one stop and then they go from there. Our meter techs for instance. I was talking to one today and asked him how the move out there would affect him. He said well we are centrally located here and if I have to go over to the west side you know. I said well okay if you drive over to the west side for your first stop then it is the same right? You make 10 stops as a meter tech for the day. You don't come back to Lincoln Street.

Alderman O'Neil stated I think the planned work is not an issue. If I recall, you did quite a bit of work on Calef Road last year and left the heavy equipment there overnight. It is the emergency stuff that worries me where you have to organize a crew and they have to drive a loader/backhoe…

Mr. Croasdale interjected a lot of these discussions are going to be with Tim Clougherty. He doesn't know that yet. We would like to still have an area available there. We are not going to be completely just up and gone.

Alderman O'Neil stated it is the emergency response that you are pretty good at now that worries me.

Mr. Croasdale replied we are going to coordinate a lot of different things and make it a very efficient operation.

Alderman Levasseur stated the issue on this agenda is Item 14 on the consent agenda. It came through CIP recommending that the resolution and budget authorization providing for the acceptance and expenditure of funds in the amount of $35 million be approved. When Alderman Long made the motion, I was going to pull the item off the consent agenda and change it to a motion to allow them to go forward with the design phase and take out the bonding language completely. I can do it right now or you can make the motion but it is on the consent agenda so we have to take it off anyway. It is also under regular business. It is on the agenda twice tonight. He said he is not asking for the bonding but the report from CIP says we are approving that. I would just like to amend that.

Alderman Long stated my motion is to approve the project going forward which would wipe out those two items.

Alderman Levasseur replied right going forward with the design portion with his own funds because he has cash for that.

Mr. Croasdale stated I know we are tied up with the $35 million but I don't think the authorization is to bond. That is just a…I am not going to go out and spend $35 million without bonding.

Alderman Levasseur responded well that is what that says and I would like to be precise.

Matthew Normand, City Clerk, stated it is a CIP project placeholder for them to put the money in. I understand the Board has some anxiety about the $35 million so they certainly could amend that if they wanted to but it is not bonding. It is a CIP project should funding become available.

Alderman Levasseur stated it doesn't say that.

City Clerk Normand stated it is the mechanism to park the money.

Alderman Long stated whatever Mr. Croasdale wants to do is fine with me.

Mayor Ruais asked do you want to amend your motion Alderman Long.

Alderman Levasseur stated we need to take it off the consent agenda.

Mayor Ruais asked are you okay with that Alderman Long.

Alderman Long responded that is fine.

CONSENT AGENDA

Information to be Received and Filed

3. Communication from the Central Business Service District (CBSD) Advisory Board informing the Board that they are recommending no changes to the boundaries of the CBSD for the upcoming fiscal year.

4. Spring 2024 Pond & Park Clean-up Event Schedule.

5. Communication from Xfinity regarding channel line-up changes.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

6. Resolutions:

"Amending the FY2012 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Thousand Dollars ($20,000) for the FY2012 CIP 510812 Adopt-A-Site."

"Amending the FY2024 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Dollars ($300) for the FY2024 CIP 610024 Winter Emergency Shelter."

"Amending the FY2024 Community Improvement Program, authorizing and appropriating funds in the amount of Two Million Twenty-Nine Thousand and Five Hundred Dollars ($2,029,500) for the FY2024 CIP 713524 North River Road/Bicentennial Drive Roundabout (CMAQ)."

"Amending the FY2022 Community Improvement Program, decreasing funds in the amount of Five Hundred Fifty Thousand Dollars ($550,000) for reallocation in the FY 2025 Budget."

"Continuation of the Central Business Service District."

"Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2024."

Budget Resolutions:

“Appropriating to the Parking Fund the sum of $5,068,749 from parking revenues for the Fiscal Year 2025.”

"Appropriating the sum of $25,255,603 from Sewer User Rental Charges to the Environmental Protection Division for the Fiscal Year 2025.”

“Appropriating to the Manchester Airport Authority the sum of $40,558,119 from Special Airport Revenue Funds for the Fiscal Year 2025.”

“Appropriating to the Manchester Transit Authority the sum of $1,657,544 for the Fiscal Year 2025.”

“Appropriating to the Manchester School District the sum of $227,982,610 for the Fiscal Year 2025.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in the Fiscal Year 2025 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year under the Financing Agreement.”

“Appropriating to the Manchester School Food and Nutrition Services Program the sum of $5,819,971 from School Food and Nutrition Services Revenues for the Fiscal Year 2025.”

“Raising Monies and Making Appropriations of $185,401,207 for the Fiscal Year 2025.”

“Appropriating to the Central Business Service District the sum of $258,000 from Central Business Service District Funds for the Fiscal Year 2025.”

“Resolution ‘Approving the Community Improvement Program for Fiscal Year 2025, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program'.”

REPORTS OF COMMITTEES

COMMITTEE ON BILLS ON SECOND READING

7. Recommending that the following Ordinance Amendment:
“Amending Sections 70.57 Parking Rates and 70.78 Basic Penalty of the Code of Ordinances of the City of Manchester to include updated parking rates and citations.”
ought to pass and be referred to the Committee on Accounts, Enrollment & Revenue Administration.
(Unanimous vote)

COMMITTEE ON COMMUNITY IMPROVEMENT

8. Recommending that the Amending Resolution and Budget Authorization providing for the decrease in funds in the amount of $550,000 from CIP 212322 ARPA – Community Health Worker Program for reallocation in the FY 2025 Budget be approved.
(Unanimous vote)

9. Recommending that the Amending Resolution and Budget Authorization providing for the acceptance and expenditure of funds in the amount of $20,000 for CIP 510812 Adopt-A-Site be approved.
(Unanimous vote)

10. Recommending that the request from the Parks Project Manager for a revision to the project description of CIP 510923 – Precourt Park – South Soccer League be approved.
(Unanimous vote)

11. Recommending that the Amending Resolution and Budget Authorization providing for the acceptance and expenditure of funds in the amount of $300 for CIP 610024 Winter Emergency Shelter be approved.
(Unanimous vote)

12. Recommending that the request from the Highway Chief Engineer to adjust funding in various line items of CIP 712222 ARPA – Neighborhood Environmental Improvement be approved.
(Unanimous vote)

13. Recommending that the Amending Resolution and Budget Authorization providing for the acceptance and expenditure of funds in the amount of $2,029,500 for CIP 713524 North River Road/Bicentennial Drive Roundabout (CMAQ) be approved.
(Unanimous vote)

15. Recommending that the request from the Fire Chief for authorization to seek reimbursement from the NH Department of Safety for Fire Department members that attended the Haz Mat IQ Air Monitoring class be approved.
(Unanimous vote)

16. Recommending that the summary of abatement requests submitted by the Chief Engineer be approved.
(Unanimous vote)

COMMITTEE ON HUMAN RESOURCES/INSURANCE

17. Recommending that the request from the Police Chief for the following changes to the department's complement:
• Eliminate one (1) vacant Administrative Assistant II position, grade 13
• Add one (1) Police Records Specialist I position, grade 12
be approved.
(Unanimous vote)

18. Recommending that Ordinance Amendment:
"Amending Section 33.081 by adding paragraph (I) Preventative Healthcare Hours."
be approved and that the Ordinance Amendment be referred to the Committee on Bills on Second Reading for technical review.
(Unanimous vote)

19. Recommending that the request from the Water Works Director for the following changes to the department's complement:
• Eliminate one (1) vacant Information Support Specialist position, grade 19
• Add one (1) Electrician I position, grade 18
be approved.
(Unanimous vote)

COMMITTEE ON PUBLIC SAFETY, HEALTH AND TRAFFIC

20. Recommending that the request from Stark Brewing Company to use Arms Lot for the Manchester Brewfest Event from 5:00 PM on Friday, September 20 through Saturday, September 21, 2024, be approved.
(Unanimous vote)

21. Recommending that the request from the Parks, Recreation & Cemeteries Division to use Arms Lot fir the City of Manchester's Independence Day Celebration scheduled for Wednesday, July 3, 2024, with a rain date of Friday, July 5, 2024, be approved.
(Unanimous vote)

22. Recommending that the following traffic regulation be approved:
RESCIND NO PARKING BUS STOP
On South Jewett Street, east side, from a point 25 feet north of Jewett Street School Driveway to a point 180 feet north (ORD 6123)
Alderman Sapienza
RESCIND NO PARKING; LOADING/UNLOADING LIVE PARKING, TOW ZONE 7AM-9AM and 2PM-4PM SCHOOL DAYS
On South Jewett Street, east side, from Brunelle Avenue to Seames Drive (ORD 1053)
Alderman Sapienza

NO PARKING BUS STOP
On South Jewett Street, east side, from a point 250 feet south of Brunelle Avenue to a point 50 feet further south
Alderman Sapienza
NO PARKING; LOADING/UNLOADING LIVE PARKING, TOW ZONE 7AM-9AM and 2PM-4PM SCHOOL DAYS
On South Jewett Street, east side, from Brunelle Avenue to a point 180 feet south
Alderman Sapienza
NO PARKING; LOADING/UNLOADING LIVE PARKING, TOW ZONE 7AM-9AM and 2PM-4PM SCHOOL DAYS
On South Jewett Street, east side, from a point 300 feet south of Brunelle Avenue to Seames Drive
Alderman Sapienza
(Unanimous vote)

*HAVING READ THE CONSENT AGENDA, ON MOTION OF **ALDERMAN O'NEIL**, DULY SECONDED BY **ALDERMAN BARRY**, THE CONSENT AGENDA WAS APPROVED.*

REPORTS OF COMMITTEES

COMMITTEE ON COMMUNITY IMPROVEMENT

14. Recommending that the Amending Resolution and Budget Authorization providing for the acceptance and expenditure of funds in the amount of $35,000,000 for CIP 713624 Administration Building and Distribution Garage be approved.
(Unanimous vote)

***Alderman Levasseur** moved to amend the committee report by removing the budget authorization and resolution and allowing Water Works to move forward with the design phase using their on-hand cash. **Alderman Terrio** duly seconded the motion.*

Alderman Long asked the appropriation for this CIP is that coming from the Enterprise fund or is it federal funds or other funds.

Mayor Ruais stated my understanding from the Clerk is this would be creating a place for the bonding, if approved, to go into. There are no appropriations being made this evening. It just creates a place for the money to go.

Alderman Long asked and the payments will be through the Enterprise.

Mayor Ruais answered correct Enterprise funds, not city dollars.

Mayor Ruais *called for a vote. There being none opposed, the motion carried.*

Alderman Levasseur stated I would like to point out one more thing on this particular issue. It is under resolutions so when they are read tonight, that should be removed.

23. Communication from Lee Drysdale advising the Board of his resignation as a member of the Senior Services Commission.

On motion of ***Alderman O'Neil****, duly seconded by* ***Alderman Long****, it was voted to accept with regret.*

24. Nominations:

Zoning Board of Adjustment
William Bevelaqua to fill a vacancy as a regular member, term to expire March 1, 2027
Airport Authority
Jeffrey McGraw to fill a vacancy as a regular member, term to expire March 1, 2027
Board of Registrars
Marc Gagnon to succeed himself as a regular member, term to expire May 1, 2027
(Note: Pursuant to Rule 23 of the Board of Mayor and Aldermen, these nominations will layover to the next meeting of the Board.)

25. Confirmations:
Zoning Board
Kathryn Beleski as a regular member, term to expire March 1, 2027
Craig St. Pierre as an alternate member, term to expire March 1, 2027
Fire Commission
Michael Doyle as a regular member, term to expire May 1, 2027
Bill Mortimer as a regular member, term to expire May 1, 2027
Central Business Service District Board
Travis York as a regular member, term to expire May 1, 2027
Donald Stokes as an at-large member, term to expire May 1, 2027
Peter Richard as a regular member, term to expire May 1, 2027
Arts Commission
Lauren Boisvert as a regular member, term to expire December 1, 2024

Planning Board
John Goeman as a regular member, term to expire May 1, 2027
Brian Beaupre as an alternate member, term to expire May 1, 2027
Kevin McCue as a regular member, term to expire May 1, 2027
Lead Exposure Prevention Commission
Arnold Mikolo as a representative of a community advisory group, term to expire March 19, 2025
Glory Mukendi as a resident whose family has experienced lead exposure, term to expire March 19, 2025
Board of Registrars
Bill Houghton as a regular member, term to expire May 1, 2026

Alderman Levasseur *moved to confirm the nominations as presented.* ***Alderman Terrio*** *duly seconded the motion.*

Alderman O'Neil stated you have some very good people here like Kevin McCue on the Planning Board. My neighbor has been on the Planning Board before. I hope you take the comments that were made by some of the aldermen about some current members…let's find some place for them if they have some time left. I know a couple of the aldermen reached out regarding that.

Mayor Ruais replied I will consider anybody for future positions.

Mayor Ruais called for a vote.

Alderman T. Sapienza stated I am abstaining from the Planning Board confirmations.

Alderman Long asked can we hear the conflict for him abstaining. The rules say we have to explain our abstention. I don't know if he has an explanation.

Alderman T. Sapienza stated as Alderman O'Neil just explained, there are people who were on the Planning Board who are not being allowed to continue. They are being removed without cause and that just looks like political patronage to me and I don't want to be a part of it. I don't want to vote no because I don't want to insult the people who are being appointed.

Mayor Ruais stated the terms have expired for the people who are being replaced. Nobody has been removed.

Alderman T. Sapienza responded I understand but traditionally people have been allowed to remain until they max out. This is the first time I have seen this on my nine years on the Board.

***Mayor Ruais** called for a vote again. The motion carried with Alderman T. Sapienza abstaining from the Planning Board confirmations.*

26. Application for a Community Revitalization Tax Relief Incentive, RSA 79-E, for 959 Elm Street (Dunlap Building aka Benefit Strategies).

***Alderman Long** moved to approve for five years. **Alderman Kantor** duly seconded the motion.*

Alderman Fajardo stated I don’t intend to support this due to the lack of affordable housing commitment. I think given the scenario that the city is in at this point, I agree with a lot of the comments that we heard and just my own feeling that giving city taxpayer money away without those types of commitments just doesn’t sit right with me.

Alderman Terrio stated I think I have this right but we are not actually giving them a tax break but what we are doing is we are keeping the taxes level where they are and not increasing them on the improvements. So, we are not actually cutting their taxes. We just aren’t raising them for a certain number of years. Is that correct?

Mayor Ruais answered that is my understanding.

Alderman Terrio stated some people were talking about us giving them money but we are not giving them anything. They are actually still paying taxes but we just aren’t going to increase their taxes.

Alderman Levasseur stated on the issue of affordable housing, I do agree that we have been generous with a lot of the property owners who have come here and asked for a

79-E. Unfortunately, the cost of building materials and labor have at least tripled, which I think was proven by Water Works presentation. He said in the last two years he has been massive increases, 70%, in chemicals, etc. One way I look at this is if we keep allowing more and more of these apartments to be built, a lot of people may not be aware but the Zoning Board approved 300 apartments on Thursday in three different locations; two of them downtown and one up on Grove Street. There are more planned and more coming and this is another opportunity to provide more units. I do believe, unfortunately not quickly enough, but at some point we are going to have a lot of apartments in the city and that will drive prices down and may help with the cost of rents. I have been around a long time and have done a lot of buying and selling of real estate since 2008 when the market was really low. I have seen three cycles come through the city where prices were high and then the prices came way down and leveled off. I am hoping that the fact that we continue to approve more and more housing in this city and there are more and more opportunities for these commercial buildings that are not at full capacity any longer and being turned into apartments will work its way through. I know not quick enough but I want the Board to be aware that we have approved something tonight that is different than we usually do. We love the idea of buildings being rehabbed that are dilapidated and an eyesore. The Meineke building and where Michaels School of Hair Design, which has been empty for almost 20 years now, is going to be rehabbed. That is the kind of 79-E I look for. We set a precedent tonight for any future builders that are thinking about coming into Manchester. When they are looking at a building now, it does not have to be a dilapidated building. It now needs to only meet the requirement of underutilized. I believe now that will provide some more opportunities for more of these buildings that are not dilapidated but underutilized. Remember that we voted on this tonight if somebody comes in here with an underutilized piece of property. We have set a precedent tonight.

Alderman Fajardo stated I did also just want to circle back to the topic of the Heritage Commission being looped in by the developer to review plans and make sure, to Alderman Levasseur’s point, that what history we do have as we are going through the process of repurposing buildings, which I agree is essential, that the Heritage Commission plays a role in ensuring that history is preserved.

Alderman Long stated to Alderman Fajardo's point, I don't know if when Jodie gets an application, she could send it to the Heritage Commission because I would like to have them weigh in. My concern is that clock that is up there that has a ton of history. What is going to happen to that? Is it going to be repaired? Is it going to be fixed up? If the Heritage Commission can get a copy of the application as soon as you get it so they can give us input and advice but we still set the policy.

Jodie Nazaka, Economic Development Director, replied we certainly don't have a mechanism right now that would require the applications to go to the Heritage Commission. I did reach out to the applicant and advised them that the Heritage Commission would look very favorably on a courtesy presentation. I don't know where that stands with the applicant. They are not required to but I did suggest that it would be very helpful if they did. The Heritage Commission does not have oversight over this area of the downtown. It is really just the Amoskeag District. However, they can provide some great feedback and I know they would be very appreciative since it is on the National Registry of Historic Places.

Alderman Long responded right the fact that it is on the registry kind of flags me. Let's get their advice. We set the policy and we don't have to take their advice but I would like to know what their advice is.

Ms. Nazaka stated the state RSA requires that if a building is being demolished then it must go to the local historic alliance. Since this building isn't being demoed, they didn't meet that threshold but the city does have, through state statute, the ability to go above and beyond what the state requires. The city can establish their own requirements to make that a standard practice.

Alderman Long asked would that be an ordinance change. I know that with 79-E we just do up to five years and are allowed to go to nine for certain reasons. Mr. Normand would that be an ordinance change?

City Clerk Normand answered I am not sure how Jodie handles these but I believe her policy could just be amended.

Alderman Long stated I also wanted to say that I get the affordable housing, absolutely, but what you would be asking…this developer is putting in 34 units. You are not going to charge him for the added value of $48,000 which is about ¼ of the public subsidy he would need to make an affordable housing unit. Chances are a developer would say I can't afford to bring this to fruition because I have to pay 75% to make it affordable and the numbers just won't work. So, we have to consider that. I believe that it is a public benefit. It is a greater sense of community and you will get more people living downtown. It is a viability for downtown, which makes it better. So, there are two of the criteria and residential units was one so there are three public benefit criteria that it meets. Would I like to have them all affordable housing? Yes, however, the developer is not going to bring that to fruition if he has to pay the difference. It just won't work financially.

Alderman Fajardo stated we are holding here in front of us a request to deem a series of properties surplus and I noted that you are stating that half of the proceeds will be directed into the Affordable Housing fund. I wonder in scenarios like this an in general future scenarios, where can the city come in to try to meet a developer halfway? I agree with you, Alderman Long, and I understand what you described. Math is extra important when it involves dollars. Certainly, that is a hypothetical question and nothing I expect you to answer.

Alderman Long stated I don't know if 79-E allows…he is not going to pay the $48,000 a year but could we have him put $10,000 a year into an affordable trust. I don't know if 79-E allows that. That is kind of quid pro quo so maybe not. I don't know.

Ms. Nazaka responded currently that is not something that has been worked out with the structure so under this current application there is nothing we can do.

Alderman Long replied I know that but going forward.

Ms. Nazaka stated the benefit of the state's RSA 79-E program is that it gives a lot of flexibility and power to municipalities. They set the baseline and then they are very clear in the language in the RSA that the municipalities can go above and beyond to allow the cities to have more flexibility in what they want to see in their communities. Through the RSA, the Board does have the power to do something like that.

Mayor Ruais stated I would love to continue this conversation with you because the reason I wanted to make that allocation into the Affordable Housing Trust Fund is because, to Alderman Long's point, any time you talk to somebody about doing affordable housing or workforce development housing, the biggest hang-up is where does that financing come from right. I thought that the sale of public land should be used to bolster that fund. I have been really fortunate with Jeff and Brenda and Bob and the Solicitor's Office. I think there are ways we can get creative with this.

Ms. Nazaka stated just to add, the Economic Development Office is working very closely with the NH Housing Finance Authority and other municipalities to help redo some of the language that the RSA has for affordable incentives. Right now, the incentives that are in the state RSA don't really lend themselves very well. There are a lot of restrictions so no one is actually utility it. We are continuing to work with them to see if there is a way to fix that.

***Mayor Ruais** called for a vote. The motion carried with Alderman Fajardo being duly recorded in opposition.*

Alderman Long stated I just want to make sure the motion was for five years.

City Clerk Normand replied yes.

27. Discussion regarding health insurance recommendations.

***Alderman T. Sapienza** moved to increase the working rates for health insurance by 7%.* I came up with that 7% because what the Mayor budgeted represents 80% so if we increase the working rates by 7%, that will be the 20% from the employees and the traditional 80/20 split. The 7% increase and we went over that math last meeting, will be the 20% of the employee portion because we are talking about the employee portion right now. You budgeted an amount in your budget which represents the 80% that the city pays so the 7% increase would be the employees' 20% portion. That is where I came up with 7% and we went over those numbers at the last meeting.

Mayor Ruais stated Sharon if I remember correctly, that $1.4 million that I have in the budget was 7%.

Sharon Wickens, Finance Officer, answered that is correct.

Mayor Ruais stated the number I have in my budget right now, that $1.4 million for the healthcare line is 7% but that is…

Alderman T. Sapienza interjected and your $1.4 million, if that represents 80% of the total, the 7% will be $350,000 which would be the employees' 20%. That is exactly where I got those numbers.

Mayor Ruais asked they move concurrently right so the 7% I have in my budget would increase the cost by 7% on the employees.

Ms. Wickens answered you are funding in your budget $1.4 million. That would be a 7% increase and the employees would pay $350,000 for a total of $1.750 million, which is well below the recommendation from USI. Regardless of whether you fund the 20% in the budget or not, we still have to pay the costs and it would be an overrun.

Mayor Ruais stated I think a good place to begin would be to have Director Drabik go over her recommendations and then we can make a decision as a Board on how we want to proceed. She sent out an email today I believe.

Alderman O'Neil *duly seconded the motion of a 7% increase for employees.*

Alderman E. Sapienza asked how does that affect the 80/20 split.

Alderman T. Sapienza responded I will explain that and where my motion is coming from. He put in $1.4 million. If that represents 80%, then the employees need to put $350,000 in to represent the 20%. If we increase the working rate by 7%, that will be $350,000 coming from the employees. Is that correct?

Ms. Wickens answered that is correct.

Alderman E. Sapienza asked so if this were to go through the split would be what, 80/20.

Alderman T. Sapienza replied yes based on the Mayor's budget.

Alderman Terrio stated when we had the presentation, they said they wanted to increase rates by 16%. It is my understanding that you negotiated that down to what?

Mayor Ruais answered it was not really a negotiation. When I talked to Sharon and Lisa, the number that we looked at that we felt would suffice and not create a hole in the end based on projections is 12%. That was a comfortable number that we had come up with.

Alderman Terrio asked and you funded it at 7% because you didn't at the time.

Mayor Ruais replied correct.

Alderman Terrio stated so the 5% that we are looking at, how much in millions is that.

Mayor Ruais responded $1 million. In the email that came out today from Director Drabik, it took my $1.4 million and said if we are going to do 12% we would need an additional $1 million in the healthcare line to bring it up to $2.4 million which can be paid for in a couple of different ways. It could be through contingency or just paid for through the budget.

Alderman Terrio asked but you haven't budgeted for that…

Mayor Ruais interjected I have not but the budget is now with the aldermen.

Alderman Terrio stated I guess the discussion now is do we want to take it out of contingency.

Mayor Ruais stated that discussion is for the budget. Tonight is just a conversation about the rates. We can figure out how to pay for it during the budget process.

Alderman Levasseur stated I don't know if Lisa wants to answer this or Sharon but you recommended 12% so what is the difference between the 7% and the 12% as far as how it will affect the budget going forward.

Lisa Drabik, HR Director, replied if the aldermen were to put an additional $1 million in the healthcare line, that would represent the 5%. Is that correct Sharon? The employees would still pay 12% as well. The City funding would go up to 12% or from $1.4 million which the Mayor originally included before we had these projections, to $2.4 million. The employees would still pay their 20% at a 12% increase in the working rates.

Alderman Levasseur stated but the motion on the floor is 7%. Is that different than the 12% recommendation?

Ms. Drabik responded that is correct.

Alderman Levasseur stated I am wondering what the difference in that amount of money would be. If we went with 7%, it wouldn't be $1 million anymore right? We would have to come up with another what $1.3 or $1.4 million?

Ms. Wickens answered no it would be another $1 million to the Mayor's budget and the employees would be kicking in another $250,000. It is a total of $3 million. $2.4 million would be the city and as you pointed out at the last meeting, if we don't budget for it…we are still paying that 20% if we set the rates at a 12% increase and if we don't make it it would have to come out of the healthcare reserve if there is a reserve.

Alderman Levasseur stated I am sorry if I am not asking the question correctly and maybe I am not getting it right but I want to make sure I am. The way I look at it right now, under the recommendation that was sent to us by email today, we aldermen have to come up with $1 million. Forgetting about where we get it from, we have to come up with $1 million if we go to 12%?

Ms. Wickens replied yes that is a 12% increase.

Alderman Levasseur stated if Alderman T. Sapienza wants us to go to 7%, do we have to come up with $1 million or is it less.

Mayor Ruais stated nothing would change. 7% is what is in my budget.

Alderman Levasseur stated well it has to be made up somewhere if there is a 12% recommendation and a 7% recommendation. It has to be made up somewhere and I just want to know who is making it up and what that number is and does it affect the budget that we are working on now?

Ms. Wickens responded it would affect the budget. If we set the rates at 7%, we are pretty sure we are going to be in a shortfall next year and we are either going to have to make that up with surplus and if there is no surplus it will have to be the reserve.

Alderman Levasseur asked do we have a number.

Ms. Wickens answered we don’t know what the claims are so we don’t know how that is going to perform. It is all in how it performs.

Mayor Ruais stated the projection is that we are going to need an additional $3.2 million and I put $1.4 million in my budget. So that leaves $1.8 million. That would have to be covered by the reserve or contingency or we would have to find that money. If we don’t raise the rates, you have to fund $1.8 million.

Ms. Wickens stated if claims come in and they don't rise to the amount that USI is projecting…all of their data is pointing to the fact that this is going to rise by 16%.

Alderman Terrio asked when do the rates increase.

Ms. Wickens answered it would be effective July 1.

Alderman Terrio stated so we have until July 1 to make a decision.

Ms. Drabik answered no.

Alderman T. Sapienza stated first of all, this is a projection right. We don't know what it is going to be.

Ms. Wickens replied that is correct.

Alderman T. Sapienza stated so the only number I really know is the number the Mayor put in his budget which represents 80% that the city is putting up. In 2023, they recommended 13.8% and it came in at 3%. So it was 10.8% over.

Ms. Wickens responded and we were $3 million short at the end of the fiscal year.

Alderman T. Sapienza stated last year they projected 10% and it came in at 7%. I am reading that right off the packet.

Mayor Ruais stated what was recommended was an increase of 10% but what was done by the Board was 7% and before that what was recommended by 13% and what was done was 3%.

Ms. Wickens stated we ended the last fiscal year $3 million over plan because we did not raise the rates accordingly.

Ms. Drabik stated if I could try to clarify a little.

Alderman T. Sapienza stated well this is the historical look at the city increases to health insurance rates. What was recommended and what it went up.

Mayor Ruais responded no that is what was recommended and how much the working rate increase was. That is not how much the health insurance went up. What was recommended was a 13% increase and the Board recommended 3%. That is not the actual claims total increase.

Alderman T. Sapienza stated the point is, it is not fair to the employees to charge them…if they are paying 20%, that is ¼ of what the city should be paying. It is unfair to charge them more than the Mayor put in his budget because these are all projections.

Ms. Wickens replied that is true but if we were to raise rates 12%, the city is still paying that share whether it is in the budget or not. We have to pay that.

Alderman T. Sapienza stated no because we discussed if they come in low, we don't give the employees a rebate.

Ms. Wickens stated no the employees don't get a rebate. If anything comes in lower…we are still paying the cost of the premium but if claims come in higher, that can push us even further over. If we end with a little bit of money, it goes into the reserve. We have not ended the year with money in a number of years. We have been tapping the reserve or hitting the surplus.

Alderman T. Sapienza stated I don't think it is fair to charge the employees more than what the Mayor put in his budget because that represents…it is an 80/20 split and I think it is important to stick with the 80/20 split. I don't think it is fair to say well I am going to project by 80% is $1 million and I am projecting your 20% is $1 million also.

Ms. Wickens stated so we have to pay a premium on every employee.

Mayor Ruais stated if we raise the rates by 12% for the employees, we will have to do 12% on the City side.

Ms. Wickens stated regardless of whether that money is in the budget or not, we have to pay it.

Alderman T. Sapienza stated then all you are saying is…you don't know what you have to pay. It is a projection?

Ms. Wickens answered no. Every employee has a certain premium that we have to pay – the 80/20 split. On top of that we have healthcare costs and sometimes somebody has cancer and it is a lot more money and brings the healthcare up further. We still have to pay that premium every month for every employee at the 80/20 split.

Alderman T. Sapienza stated right and if there is money left over you keep it in the reserve fund and you don't…

Ms. Wickens interjected if claims perform better we might be able to have some leftover money but we are still paying the premium.

Alderman T. Sapienza stated I still say you shouldn't charge the employee more than 20% of what you are putting in.

Alderman Fajardo stated I think another way to look at this is the city is on the hook regardless and the question is how much do we want to downshift to city employees. Do we want to downshift 12% or 16% or 7%? I think that is the decision that we are really making. We can say 80/20 and we can say projections or whatever but at the end of the day the question we have to answer is we know we are on the hook regardless. It is how much do we want the employees of the city who are on the plan to help close that gap? 16% or 12% or 7%.

Alderman Long stated the first recommendation was 16% and today's recommendation is 12%. Again, if it is at 7%, the city doesn't have to add to the budget because the $1.4

million covers it. However, the employee’s 20% will either be 7% or 12% or 16%. Just a note that we do have $3.3 million in the reserve account. I think we are pretty healthy there and I am going to support the 7%.

Alderman E. Sapienza stated briefly and for the sake of clarity, it is important to maintain the 80/20 split. I understand that but we also want to understand that the more money we put up in the budget, the smaller that figure gets and the more the city is paying. I don’t want to overly focus on maintaining the 80/20 split. We could put in 30% and then say well we are maintaining the 80/20 split but the city would be paying a lot more under that scenario because they would pay more upfront. It is 80/20 of what in other words? I just wanted to mention that. 80/20 sounds simple enough but there is a little more to it when you are talking about how much money you are putting up initially.

Alderman O'Neil stated the two greatest jobs in the world are actuaries for retirement systems and advisors, and this is not directed at Lisa or Sharon, in healthcare. They always come in high, always. I can’t remember any years when they haven’t. Those are the two greatest jobs in the world but they are not on the hook for anything. I think this is a reasonable compromise. I think Lisa and her staff and every city employee here has an obligation to save the city money whether it is through SmartShopper or whatever it may be. Again, actuaries come in with these great things like the retirement should be funded another 175% and they come out with these crazy numbers but they are not on the hook for anything. This is not putting down our advisor. Our previous advisor did the same thing. They come out with these big numbers and that is not how it plays out. I know we are having a rough year this year and hopefully we can get our workforce a little healthier. I think it is a reasonable motion by Alderman T. Sapienza.

Alderman Levasseur stated I am not happy that they are coming in here high. On the issue of this money that you are talking about, your tax rate I think was 3.86% and if it came in at 7% instead of 12% and assuming your budget was the default budget, does anyone know what that number would increase?

Mayor Ruais stated if it stays at 7%, my number doesn’t change.

Alderman Levasseur stated so it would change if we have to pay for it in the next fiscal year and raid the trust fund but we don't know what that number would be.

Mayor Ruais responded correct not yet.

Alderman Levasseur asked that number is not stagnant. If you use these numbers, do you have a number? I know you have $1 million at the 12% recommendation. At the 7% do you have a number that we would have to raid…if everything stayed exactly the same?

Ms. Wickens answered if everything stayed exactly the same, it would still be 3.86%. Is that what you are talking about?

Mayor Ruais stated I think he wants to know how much money we would have to raise to meet the shortage.

Alderman Levasseur stated right between the recommendation of 12% and Alderman T. Sapienza's number of 7%. That 5% bothers me because I don't know where that falls if we have to raid the trust.

Ms. Wickens replied in the last fiscal year, we were short $3 million. This fiscal year we are on pace to be short $1.4 million. That would get a little bit better if we stay the same as the last quarter. I am thinking 12% is where we fall. I did think the 16% was high and Alderman Vincent called me out on that immediately at the last meeting. When I listened to USI they were talking about the stop-loss premium and I was thinking that is a little high and the stop-loss premium came in and it is lower. We are getting closer to that 12% all the time so I am feeling really good about it. I am not feeling good about 7% and we are going to be back here with a problem next year. I believe that.

Alderman Terrio stated just to clarify Sharon, you are projecting a $1.4 million shortfall this year.

Ms. Wickens answered yes.

Alderman Terrio asked so the $1 million that we are being asked to come up with tonight is on top of the $1.4 million.

Ms. Wickens replied that is correct for next year.

Alderman Terrio stated I don't think we should vote on this tonight. Thank you for educating me but we have until June 7. I don't want to have to wait until June 7 but…

Mayor Ruais interjected we don't have until June 7 because Lisa has to set the rates.

Alderman Terrio asked so what is the deadline.

Ms. Drabik answered we start open enrollment on May 1. The rates actually go into effect June 1 because we pay our premiums one month in advance. So June 1 for July 1 and we have to build them into the module starting tomorrow…the rates so that people can complete their open enrollment online.

Alderman Terrio asked so Lisa when do you have to have a final answer.

Ms. Drabik replied tonight.

Alderman Burkush stated the way I read this, we need $1 million to keep the 3.8% tax increase.

Ms. Wickens responded no. The 3.86% currently shows an increase in the healthcare expenditure line in the Mayor's budget of $1.4 million. We need an additional $1 million on top of that so $2.4 million. If that were the case and everything stayed the same, it would be 4.26%. Every million is .40 on the tax rate.

Alderman Burkush replied so if the budget stays the same, we don't put any more money towards healthcare.

Ms. Wickens stated if that happens there is a better than decent chance we will be in the same spot next year. I believe that.

Ms. Drabik stated if I could just try to clarify and maybe make this make sense, the 12% recommendation is what we have put forth in order to fully fund the plan because we are running $1.4 million over this year and we can $3 million over last year. Based on the projections, and projections I understand are sometimes art and science together but to the extent that they are based on science, they are based on the claims that we currently have and projecting them out. What is the continued care that some of our high cost claimants are going to need? There is a lot of data behind it. When we came in two weeks ago and USI provided a 16% rate increase projection, again that is what they projected to fully fund the plan for the next fiscal year. In these two weeks, we have had additional conversations with USI and our stop-loss premium came in which was not available two weeks ago. We were able to push Anthem on that and they have been great about providing us with that so we feel…USI is now recommending 13%. Sharon feels comfortable with 12%. Again, keep in mind that these are just projections but the money has to come from somewhere. The idea is how do you raise those funds now? Do you do it through the budget process and taxation or do we, and I hate to say it, cross our fingers and hope the claims aren't as high? If they are as high, the money has to come from somewhere so it will have to come from the reserve or surplus or whatever the situation may be understanding that we pay our claims on a monthly basis. It is not that we settle up at the end of the year.

Alderman T. Sapienza stated you conveniently left out the employee from your explanation. We are talking about how much we are going to get from the employees. That is what this 7%; how much is going to come from the employees. That 7% that I am recommending matches the 20% in the Mayor's budget. Sharon, you just explained that we are $1.4 million short. The Mayor's budget has $1.4 million added into it so this $350,000 that we are going to get from the employees is on top of that $1.4 million that we are short.

Ms. Wickens replied it is but you need more than that.

Alderman T. Sapienza stated well no we are projecting or thinking we might need more than that but the shortfall is $1.4 million.

Ms. Wickens responded the data is showing that we will.

Alderman T. Sapienza stated but the shortfall this year is $1.4 million. That is a number that we know.

Ms. Wickens replied but the costs are going up and the data behind it is showing that it is going up. At the end of the day, I don't have a vote.

Alderman T. Sapienza stated it is a question of getting it from the employees or…I don't think we should ask the employees for more than we are putting in our budget. That is a key point. We shouldn't ask them for more than we are putting in the budget.

Mayor Ruais stated they would move together so if it goes up to 12%, that would impact the city budget and the employees. There is no downshifting or requiring that they pay more. They move together.

Alderman T. Sapienza responded there is no downshifting but if they pay more and we don't use it, you don't give the money back to them. If I was an employee, that is what I would perceive. If we overcharge the employee, we put it in the reserve account. That is what I understood.

Alderman Levasseur stated you keep talking about the Mayor's budget. The Mayor did not have the numbers that were presented to us by USI when he put the budget together. There is a major difference in the amount of money the Mayor put into his budget and what came to us two weeks ago with the much higher number. I just don't think it is fair to use what the Mayor put in his budget because that was basically just the information he had at the time. He did not have the information that we got two weeks ago.

Alderman T. Sapienza stated well the only added information we have is a projection; it is a projection.

Alderman E. Sapienza stated briefly USI came at us with 16%. That was their recommendation. We pay them to come up with that right? They are not doing it for free.

Ms. Drabik answered they are not paid directly by the city. They are paid through commissions from deals that they negotiate for us.

Alderman E. Sapienza asked but they are not doing it for free. They are the paid professionals and they came up with a figure of 16%.

Ms. Drabik replied correct.

Alderman E. Sapienza asked and since we kind of whittled that down to 12% correct.

Ms. Drabik responded correct.

Alderman E. Sapienza asked with that 12% figure, are we violating any collective bargaining agreements.

Ms. Drabik answered no.

Alderman Long asked did HR and Finance know about this two weeks ago or were they working with…I thought I heard that healthcare was going to go up substantially back in January. There had to be a number known.

Ms. Drabik replied well at the time based on claims…Sharon always does her healthcare projections and we had some really bad months there so she was projecting a number that I don't remember at the time but that healthcare costs were going to go up because again we were in the hole if you will. The only way to make that up if the projections keep coming in that we are running over would be some sort of increase.

Alderman Long asked so when the Mayor got the numbers for his budget, there was a percentage that you told him and that was the…

Ms. Wickens interjected it was the shortfall that I was projecting at that time.

Alderman Long asked and what was that percentage.

Ms. Wickens answered it is 7%. Then USI came in with their information.

Alderman Long stated again, we are looking to increase the tax rate by .40% if we approve 12%. Yes, or no?

Mayor Ruais answered the suggestion is 12%. That is the recommendation and that $1 million would have to be paid for either in the aldermen's budget so it would go from $1.4 million to $2.4 million or you could use the reserve account or something else. It doesn't have to have a direct impact on the tax rate.

Alderman Long asked but if we go with the other scenario and not the tax rate, we are going to be playing catch up every year.

Mayor Ruais stated yes that is the problem.

Alderman Long stated this is not a one-time fix so we have to increase the rate by .40. That is the issue I am getting. Again, with the surplus, that is very valid. If there was a surplus, we took too much money from the employees and that is unfair.

Ms. Wickens stated well we haven't had a surplus and it would probably go into the calculation for the following year. So say they were projecting 5% but they knew we had more money. They would probably bring that rate down and we would stop seeing these double-digit projections every year since FY22.

Alderman Long asked can you tell me that this will not go up next year.

Ms. Wickens answered I cannot.

Alderman Long asked so the 12% is another guess. It is better than the 7% but why not vote for the 7%?

Alderman E. Sapienza stated USI are the professionals. These are the people that do the deep dive on this and they study it up and down and left and right. If any of us are going to challenge what they do…did we spend 100 hours analyzing these figures? I keep hearing the word projection. Well of course it is a projection but it is an educated projection from USI. They came in at 16% and we whittled it down to 12%. People keep saying well it is only a projection. Granted it is a projection. That is 4% less than what USI, the true professionals came up with. If we are going to challenge USI, if anyone wants to challenge their 16% projection, then I invite you to do the hundreds of hours of analysis it would take to come up with that figure. I am kind of deferring to them. They said 16% and we whittled it down to 12%. Okay 12%. It doesn't violate the CBA and it maintains the 80/20 split.

Mayor Ruais *stated the motion before us is to raise the working rates for employees by 7%. Alderman Levasseur requested a roll call vote. Aldermen Levasseur, Terrio, E. Sapienza, Vincent, Thomas, Morgan, Goonan, and Kantor voted nay. Aldermen Burkush, Barry, Long, Fajardo, T. Sapienza, and O'Neil voted yea. The motion failed.*

Alderman Levasseur *moved to raise the working rate to 10%.* ***Alderman Terrio*** *duly seconded the motion.*

Alderman Fajardo stated I don't mean to keep beating a dead horse here but the point is, as Director Drabik outlined, we have two ways to do this. We can do it through the taxation and budget process so that the city in the budget is funding the shortfall at a greater rate than we are asking our employees too. That is the question. It is a question of downshifting to employees from 12% to 7% because we don't have to raise it 12% and 12%. At the end of the day, the city is on the hook no matter what. We can look to fund it now through a combination of taxation and budget process plus 7% or whatever percent we increase it but I have to point out that at the end of the day…

Mayor Ruais interjected if this were to pass and it goes up to 10%, that would be included in the aldermen's budget for 10% on the city side. The two would be together.

Alderman Fajardo stated I get that but what I am saying is that that seems arbitrary to me. Who is saying it has to be equal? I know we are using the 80/20 as a guideline but can the city put in 15% and the employees put in 7%?

Mayor Ruais replied no it is by contract.

Alderman E. Sapienza stated for the unions but not for the non-affiliated.

Ms. Wickens stated the comment I will make to Alderman Fajardo's point is last year when we were talking about this I want to say it was Alderman Long and he was really worried about the employees and raising the rates. His question was how much would we raise it so we could cover the employee's increase and still get to the number. It is $250,000 for every percent. So an 80/20 split is $250,000. If the city wants to do the whole $250,000, that is what we did last year. We did raise it a little bit. I think we did 7% but we were trying to put a little more money in the budget to buffer that. We can do that. It was 7% that was raised it but I want to say the city kicked in a little bit more money. To your point, it is not 80/20 now and we were kicking in the $50,000 for the employees which was a percent. Does that make sense?

Alderman Long asked so what is needed in the budget for 10% if it was $1 million for 12%.

Ms. Wickens answered if we were going to do 12% and the city was going to do…

Alderman Long interjected no. If we are going to do 10%.

Ms. Wickens responded it would be $600,000 on the city side and $500,000 for the employees. In the budget it would be $600,000 because he already has $1.4 million in it.

Alderman Long stated so it would go from $1.4 million to $2 million.

Mayor Ruais stated yes and that would be .15% so the tax rate would be 4.01%.

***Mayor Ruais** called for a vote. Aldermen O'Neil, Burkush, Barry, Long, Fajardo, and T. Sapienza voted nay. Aldermen Levasseur, Terrio, E. Sapienza, Vincent, Thomas, Morgan, Goonan, and Kantor voted nay. The motion carried.*

28. Budget projections to be submitted by Sharon Wickens, Finance Officer.

Ms. Wickens stated the FY24 general fund expenditure and revenue forecast as of April 16 based on department head estimates is as follows. The current projected general fund operating surplus is $277,000. The operating surplus is comprised of an expenditure surplus of $180,000 and a revenue surplus of $97,000. March health insurance claims came in slightly less than the monthly budget expectation, keeping the projected over plan estimate of $1.4 million. CGL insurance continues to run over budget with a current overage of approximately $570,000. The majority of the charges to CGL are from accidents which have damaged vehicles and city property. This overage is expected to increase between $200,000 and $300,000 by the end of the fiscal year. Departmental expenditure surplus continues to increase as vacancies remain open coupled with the city's hiring freeze. Health insurance that is not offset by surplus will be covered by the health insurance reserve which has a balance of approximately $3.3 million. CGL insurance costs not offset by surplus will be covered by the CGL reserve which has a balance of approximately $2 million. On the revenue side, there has been an increase in elderly deferred pay-offs, drop off revenue, golf and ice rentals and an increase in the payment from the second injury fund. Offsetting the revenue increases is a steep drop in Comcast franchise fee revenue and a lag in auto registrations. Auto registrations are currently projected to close the fiscal year approximately $600,000 down. This forecast also includes $275,000 from the contingency account. There were 31 retirements through April 12 compared with 14 retirements at this same time a year ago. Severance paid through April 12 amounts to $1,173,901 compared to $655,399 a year ago. The severance reserve account is anticipated to have a balance of $1,206,464 after all related entries have been posted. I have also attached the departmental overtime report as of April 5 and a summary of severance paid through April 12 by department. Health insurance had another decent month where it didn't run over budget. If we see this again next month, maybe the shortage will go down a little bit to $1.1 million or $1.2 million but that is only a guess. We still have the last quarter to go through. CGL is a concern and we need to watch that. It is $570,000 over budget. The expectation is $200,000 to $300,000 more. You can see from the second page of the budget projections that I am covering $1 million of the healthcare shortfall and $450,000 of the CGL shortfall but unless there is significantly more surplus that comes in, we may be tapping the reserve accounts at the end of the year. Does anyone have any questions?

Alderman T. Sapienza asked with the projected surplus of $277,000, does that include the $275,000 from contingency for a total of $552,000.

Ms. Wickens answered no. The total surplus is $277,000 and it includes the $275,000 from contingency. You can see that if you look at the second page.

*On motion of **Alderman O'Neil**, duly seconded by **Alderman Long**, it was voted to recess the meeting to allow the Committee on Finance to meet.*

Mayor Ruais called the meeting back to order.

31. Report(s) of the Committee on Finance, if available.

The Committee on Finance respectfully recommends, after due and careful consideration, that Resolutions:

"Amending the FY2012 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Thousand Dollars ($20,000) for the FY2012 CIP 510812 Adopt-A-Site."

“Amending the FY2024 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Dollars ($300) for the FY2024 CIP 610024 Winter Emergency Shelter.”

“Amending the FY2024 Community Improvement Program, authorizing and appropriating funds in the amount of Two Million Twenty-Nine Thousand and Five Hundred Dollars ($2,029,500) for the FY2024 CIP 713524 North River Road/Bicentennial Drive Roundabout (CMAQ).”

“Amending the FY2022 Community Improvement Program, decreasing funds in the amount of Five Hundred Fifty Thousand Dollars ($550,000) for reallocation in the FY 2025 Budget.”

"Continuation of the Central Business Service District."

"Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2024."

ought to pass and be Enrolled.

*On motion of **Alderman O'Neil**, duly seconded by **Alderman Long**, it was voted to accept the report and adopts its recommendation.*

The Committee on Finance respectfully recommends, after due and careful consideration, that Budget Resolutions:

“Appropriating to the Parking Fund the sum of $5,068,749 from parking revenues for the Fiscal Year 2025.”

"Appropriating the sum of $25,255,603 from Sewer User Rental Charges to the Environmental Protection Division for the Fiscal Year 2025.”

“Appropriating to the Manchester Airport Authority the sum of $40,558,119 from Special Airport Revenue Funds for the Fiscal Year 2025.”

“Appropriating to the Manchester Transit Authority the sum of $1,657,544 for the Fiscal Year 2025.”

“Appropriating to the Manchester School District the sum of $227,982,610 for the Fiscal Year 2025.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in the Fiscal Year 2025 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year under the Financing Agreement.”

“Appropriating to the Manchester School Food and Nutrition Services Program the sum of $5,819,971 from School Food and Nutrition Services Revenues for the Fiscal Year 2025.”

“Raising Monies and Making Appropriations of $185,401,207 for the Fiscal Year 2025.”

“Appropriating to the Central Business Service District the sum of $258,000 from Central Business Service District Funds for the Fiscal Year 2025.”

“Resolution ‘Approving the Community Improvement Program for Fiscal Year 2025, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program'.”

ought to pass and layover.

*On motion of **Alderman Long**, duly seconded by **Alderman Levasseur** it was voted to accept the report and adopt its recommendation.*

32. Resolutions:

“Amending the FY2012 Community Improvement Program, authorizing and appropriating funds in the amount of Twenty Thousand Dollars ($20,000) for the FY2012 CIP 510812 Adopt-A-Site.”

“Amending the FY2024 Community Improvement Program, authorizing and appropriating funds in the amount of Three Hundred Dollars ($300) for the FY2024 CIP 610024 Winter Emergency Shelter.”

“Amending the FY2024 Community Improvement Program, authorizing and appropriating funds in the amount of Two Million Twenty-Nine Thousand and Five Hundred Dollars ($2,029,500) for the FY2024 CIP 713524 North River Road/Bicentennial Drive Roundabout (CMAQ).”

“Amending the FY2022 Community Improvement Program, decreasing funds in the amount of Five Hundred Fifty Thousand Dollars ($550,000) for reallocation in the FY 2025 Budget.”

"Continuation of the Central Business Service District."

"Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2024."

*On motion of **Alderman O'Neil**, duly seconded by **Alderman Vincent**, it was voted that the Resolutions be Enrolled.*

NEW BUSINESS

Alderman Fajardo stated I just want to acknowledge all of the librarians in the world. Today is National Librarians' Day and I want to especially acknowledge our librarians right here in Manchester.

Alderman Long stated I noticed on the CBSD nominations that they are not replacing anybody. You had three new nominations. Usually, it says who they are replacing.

Mayor Ruais responded there are three confirmations and one nomination. The nomination is Peter Richard. The other three are holdovers from the current CBSD.

Alderman Long asked so there is one new person replacing somebody.

Mayor Ruais replied yes because the person on there now has a term that is expiring.

Alderman Long asked do we know who that is or it doesn't matter.

Mayor Ruais responded Michael Craig.

Alderman Levasseur stated this is going to be a little different than what we normally do but regarding the surplus lots that the Mayor is trying to get out on the market, if we go the long and slow way it won't happen until August so I am asking the Board to approve the report from committee tonight so we can get it on the May 7 Bills on Second Reading meeting and get these out more quickly. The report is as follows:

> The Committee on Lands & Buildings respectfully recommends, after due and careful consideration, that the attached list of parcels, with the exception of 187 Pine Street, Wheelock Street and Ferry Road be deemed surplus to city needs and disposed of through public sale.
>
> The Committee further recommends that the ordinance authorizing said disposal be approved and referred to the Committee on Bills on Second Reading for technical review.

Alderman Levasseur *moved to accept the report and adopt its recommendations.* ***Alderman Long*** *duly seconded the motion.*

Alderman Long asked is there a reason why these three properties are exempt.

Mayor Ruais answered they were pulled because DPW had some concerns. Maybe Brenda can come up and answer that.

Alderman Long stated that is good enough for me.

Mayor Ruais stated they had expressed some concerns prior to the meeting that these properties may need to be looked at further before we declare them surplus.

Alderman Long stated also we are voting to declare these surplus to city needs and dispose of them through public sale. Usually in Lands & Buildings we decide if we are going to auction them or send them to a realtor or do an RFP. We usually detail what the public sale is. Did you guys discuss how it is going to public sale?

Alderman Levasseur replied Brenda said it will be an auction.

Alderman Long asked so that is what we are approving.

Alderman Levasseur answered well we are approving that this go to Bills on Second Reading.

Alderman Long stated it has to go through what we are going to expect…

Alderman Levasseur interjected we are going to make a motion to suspend the rules and ordain.

Alderman Long asked so the manner of sale is auction.

Alderman Levasseur replied yes.

Alderman Long asked was there any discussion on minimum amounts for the properties. Are there going to be minimums set or if someone gives us an offer at $10,000, we are going to take that $10,000? Do you know? So, we don't know the minimum.

Robert Gagne, Assessor, stated on the question of values, I don't have enough information about the parcels to determine that at this time.

Alderman Long replied okay so we don't have a minimum.

Mr. Gagne responded I gave them some information on comps showing the range that they sold for. There might be some that are landlocked or have drainage issues and if I get more information, I can give you a better number.

Alderman Long stated I just wanted the Board to know that there won't be a minimum so if it goes to auction and we think it is worth $100,000 and somebody gives us $20,000 it is going to be $20,000 because we don't have a minimum. I would also recommend…we are doing 50/50 but I would recommend 100% be put in the Affordable Housing Trust.

Mayor Ruais stated I have no opposition on that.

Alderman Long stated it is open for discussion. If this is going to B2R, we should have the ordinance change to 100% in there.

Alderman Long amended the motion to change the ordinance so that 100% of all proceeds from the sale of the surplus properties go to the Affordable Housing Trust Fund. Alderman Levasseur duly seconded the amendment.

Alderman E. Sapienza asked Bob, regarding whether these lots are buildable or not, you said currently we don't know.

Mr. Gagne answered you could say that they meet the minimum requirements for frontage but if you visit them and there are topography issues and things like slopes or possible wet areas or drainage issues.

Alderman E. Sapienza asked are we going to know that prior to the auction. If I am not mistaken, when you sell a piece of land, you are selling a piece of buildable land. If it is not buildable, you state that it is not buildable land or are we just going to say well decide on your own. Obviously if it is buildable, it is worth a lot more.

Mr. Gagne replied you are correct. I would hope that somebody bidding on these, and by the way, even though we aren’t setting minimums I think any of these bids should be reviewed before you accept them. That should be part of the motion. If you get a bid of $2 you should be in a position to turn that down.

Alderman E. Sapienza asked so the answer to my question is we are not going to have a definitive answer on auction day. It is going to be up to the individual bidder to do their due diligence and make their best guess?

Mr. Gagne responded yes.

Mayor Ruais called for a vote on the motion to send this to the Committee on Bills on Second Reading with the amendment that 100% go to the Affordable Housing Trust Fund subject to final approval of the BMA on all sales.

Alderman Long stated there are 21 listed properties and I think I counted 16…

Mayor Ruais interjected it is 21 and 16.

Alderman Long asked so these are broken down by footprints. Like there may be three parcels on one footprint?

Mayor Ruais answered that is my understanding in the conversation I had with Brenda.

Alderman Long asked and we are going to go lot by lot, not by the whole footprint.

Brenda Masewic Adams, Tax Collector, stated we have 21 lots and 15 sites.

Alderman Long stated okay I just wanted to make sure we are on the same page.

Alderman Levasseur asked do we have more.

Ms. Adams answered yes.

Alderman Levasseur asked how many more.

Ms. Adams responded I can't say because I need to review all of the remaining lots that I have before I can bring anything forward.

Alderman Levasseur asked so we will have an opportunity to bring more of these to the public for sale.

Ms. Adams replied yes. When I review these, I look at topography and the square footage, whether or not we actually own it, book and page and compile all of that information. I then reach out to Bob and the Planning Department.

Alderman Levasseur asked how many years did it take you to do this 20.

Ms. Adams answered I started with about 300 and for these, it took about two years. I have done a lot of the base work and given the Mayor's mission, we have this current list.

Alderman Long stated I have a question on the auction. Do we have final say at the auction or is that the final?

Ms. Adams asked when you say final what do you mean.

Alderman Long stated well it is going to go to auction like say Map 753, Lot 0009E and the highest bidder is $20,000. Are we going to approve the highest bidder's offer of $20,000?

Ms. Adams responded the normal practice for auctions is once we get all of the bids, I compile all of the information and break it down and I bring it before Lands & Buildings and a decision is made as to what we accept. Usually, the highest bidder gets the property.

Alderman Long replied so that is how it happens with an auction.

Ms. Adams answered yes.

Alderman Long asked so if I am going to bid on a property, I am not sure I am going to get it. I may be the highest bidder, however, it still needs the approval of the BMA.

Ms. Adams responded at the auction, you stick up your hand and then at a point we stop and we have you sign the agreement and hold you to it. You have 45 days to close.

Alderman Long asked and they are aware of that.

Ms. Adams answered yes.

Alderman Long stated I am just thinking that some people may not go to the auction knowing that they may be the highest bidder however the Board may not want to approve it because they want more money.

Ms. Adams replied we go with the highest bidder.

Alderman T. Sapienza stated we always approve the highest bidder.

Alderman Long stated I didn't think we approved it with an auction. I thought at an auction the highest bidder gets the property but it comes back to the BMA. I just wanted to clarify that.

Mr. Gagne stated if it is tax deeded, I usually do give you a number because we know what we have. If we have a single-family home, I can do an appraisal on that and tell you what a minimum bid is. If it meets the minimum bid, it is sold. If it doesn't meet the minimum bid, it comes back to the committee and the Board to decide is this the best we are going to do and generally the Board will approve it if we suggest that it is the best we can do. There are some auctions where the auctioneer is going to say this is selling or this is sold meaning it meant the minimum otherwise, we are going to take the highest and second highest and come back and see what we get approval for. In this case, I think they are all going to need approvals because we don't have those minimum bids.

Alderman Long asked so we will get a minimum number on these.

Ms. Adams responded the market value that Bob prepares sets the pace for the auction. Usually if the property meets market value or exceeds market value, then we will move ahead with the sale but when it falls below, it comes before Lands & Buildings to make a decision. In this case, we don't have a minimum so they would all come back to the BMA for approval.

Mr. Gagne stated I can't tell if these lots are buildable or not. They would need to be surveyed and engineered to know for sure and I don't have that ability in my office.

Alderman Long asked do you need survey equipment.

Mr. Gagne answered I wouldn't know what to do with it so I need the guy that goes with it also.

***Mayor Ruais** called for a vote on the motion as amended. There being none opposed, the motion carried.*

Mayor Ruais stated I really want to thank Brenda, Bob, Jeff, the Planning & Community Development Department as well as the Solicitor's Office. They put months of effort into what we just voted on and I can't thank them enough for all they did to make that possible.

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

A True Record. Attest.

Matthew Normand

City Clerk