

SPECIAL BOARD OF MAYOR AND ALDERMEN (MAYOR'S FY26 BUDGET PRESENTATION)

March 27, 2025 at 6:00 PM

Mayor Ruais called the meeting to order.

Mayor Ruais called for the Pledge of Allegiance, this function being led by Alderman Kantor.

A moment of silence was observed.

The Clerk called the roll.

Present: Aldermen Morgan, Long, Fajardo, T. Sapienza, Kantor, Levasseur,
E. Sapienza, Burkush, Barry, Vincent

Absent: Aldermen Goonan, O'Neil, Terrio, Thomas

1. Mayor's FY26 Budget Presentation.

Mayor Ruais stated my thanks to everyone in attendance and those watching along at home. Tonight I have the privilege of presenting my proposed budget for FY26. I would like to start with a word of thanks to our city department heads who work tirelessly to provide us with the information we need to produce this document that delivers for our city. A very special thank you to Finance Director Sharon Wickens, Deputy Director Michele Bogardus and Todd Fleming of the Planning Department who go above and beyond the call of duty to make this effort possible; thank you. Last year I came before you with a Coach Belichick metaphor about the importance of doing our jobs. This year I have a similar but different message regarding balance. As we all remember, the Boston Celtics won the NBA Championship in 2024. A writer digging into the data found the following – they were one of the most balanced teams, offensively and defensively, that the league had ever seen. They ranked first in offensive efficiency and second in defensive efficiency. They won their games and ultimately the championship because of this balanced approach. Governing and budgeting more specifically require that same approach. We ought to be careful not to swing the pendulum too far in either

direction. Rather, we should strive to move items thoughtfully, methodically and with reason. We must meet the needs of our city while also meeting our primary responsibility which is protecting the taxpayer. Our singular focus must be the deliverance of services in the most cost-effective manner. With that in mind, I am proud to report that the FY26 budget marks the second budget in a row where we have come further under the tax cap than any other tax cap budget previously has. Last year, we were 2.2% under and this year we will be 2.33% under. For FY26, the tax cap is 4.27% and the budget that I bring before you this evening is 1.94%. The conversation in City Hall is squarely focused on how few dollars we can spend without crossing that red line into cutting essential services. When I get my budget book and look at the 18 departments, three of those departments – Police, Fire and DPW make up roughly 80% of our city spending. When putting the city budget together, I have a few foundational components that I think we can all agree on. If someone calls the police, they should have the resources to answer that call. If there is a fire emergency, the Fire Department should be able to respond swiftly. Manchester residents want their trash picked up, potholes filled and roads paved. This budget adheres to those principles. There are several theories when it comes to budgeting and I believe that what we have put forward here is a reality based budget. My fiscal plan for 2026 is reality based. That means I concentrated on that which we could manage and control and in the end budgets are about making choices, reaching compromise and finding balance. This budget protects and provides for our taxpayers in the following way. We do not spend a single city dollar on hiring any new employees. Outside of statutory requirements and contract increases, every department is level funded. We identified nearly \$1.5 million in savings and rejected over \$1 million in requests that would have negatively impacted the tax rate. This budget also accounts for the generational opportunity we have to bring our city employees to market competitive pay. This will go a long way toward filling our current vacancies across the city as well as retaining our workforce in today's competitive world. What does this mean for you? It means among other things that our city will be run more efficiently, it will be safer and our potholes will be filled more quickly. We will also ultimately realize savings as our spending on overtime will decrease as we attract and retain employees. I want to thank Director Lisa Drabik and her incredible staff for leading this massive effort on behalf of our city these past two

years. We deeply appreciate your work. Lastly, we are reducing the Manchester School District's budget request by \$9.5 million while still providing a record level of funding for the coming fiscal year. I will have more on that later. The vast majority of new spending in this budget is from areas we have either reached a consensus on on the Board of Mayor and Aldermen or are required to by contract or law. The new spending is as follows. As I mentioned, there was a consensus on the Board of Mayor and Aldermen that we needed to bring our city employees to market rate, which when adding in all total costs beyond salaries amounted to about \$7 million. We are faced with increased health care payments for our city employees, which is estimated to cost \$400,000. Let me quickly put this into perspective though. Last year I came to you with an amount that was literally three and a half times this number and ultimately reached \$2 million, five times this number, when we approved the budget in June. The fact that this increase is so small when compared with last year is a massive win for the city in which we should take great pride. Additionally, we are required by state law to cover the increased cost for the Welfare Department which totals \$300,000. Contracts held by our various departments increased by \$79,000 and \$1.75 million in additional dollars is going to the Police Department which I will also reference in a moment. That is it. That is the new spending on the city side. By any objective measure, Manchester is on the right path. Now that sounds like something that I should say so don't take my word for it but last year Zillow named us the hottest housing market in the United States and we ranked one of the best cities in which to live. How does that equate to our budget process? Well, you can't have a thriving city if you don't have a safe city. You can't have a city on the go without good roads or schools or parks and housing. Let me quickly paint a picture of our departments' successes and tell you how this budget will build on those wins in the coming fiscal year. The Manchester Police Department is made up of heroes. Every day, the men and women of the MPD work to keep our city safe and it is our duty to provide them with the resources they need to conduct their jobs. In 2024, we hired 29 police officers and protected 10 officers in the budget who were previously funded through a COPS grant. Additionally, we made \$100,000 available through ARPA to provide bonuses for the hiring of certified police officers to address our vacancies. We also eliminated an underperforming program in another department and transferred that \$500,000 to MPD in order to patrol hotspots in and

around our city parks, the downtown and other areas of the city. From July 12 until December 31 of last year, that endeavor led to 130 arrests and 489 city ordinance violations being issued which has gone a long way toward cleaning up our city. The Police Department recently released their annual report which showed a 15% reduction in crime. They reported 4,753 arrests, 854 city ordinance violations, and 2,086 traffic summonses all while maintaining a citizen positive satisfaction score of 85% from those they had directly come in contact with. That is a tremendous testament to the leadership of Chief Marr, Assistant Chief Loui and all of the men and women of this extraordinary department. We are a safe city and with the signing into law of bail reform this past Tuesday, we are poised to experience an even better environment than we already have. The safety of our city is paramount and now is not the time to let up. We can always do more. On top of the current 3% cost of living adjustment they will be receiving, this budget allocates an additional \$1.175 million to the department to assist in their efforts to further reduce crime and take care of our officers. After the Battle of the Badges game a couple of weeks ago, I probably shouldn't put police and fire next to each other in this speech but here goes nothing. In 2024, the Fire Department responded to 28,794 calls for service and 55,712 units were deployed. This equates to receiving a call every 18 minutes of every day for 365 days a year; a truly remarkable statistic speaking to their own heroism on our behalf. In an effort to meet the needs of our growing city, the department applied for a Staffing for Adequate Fire and Emergency Response or SAFER grant, in order to offset the cost of hiring additional firemen to protect our growing city. For the first time in our city's history, we were awarded this grant totaling \$3.7 million to fund the hiring of 12 firefighters which will dramatically increase our ability to respond to calls. As our city continues to grow, we are committed to protecting our residents, our visitors and businesses from any and all threats. This grant will only last for three years and we as a city will have to pay for these new firefighters. To address that and set Manchester up for fiscal success, our budget begins building in the dollars we will need in year four by allocating \$200,000 this year to responsibly plan for when these federal dollars go away. Safeguarding those who defend us is a priority and for that reason we are also including \$100,000 for life-saving protection equipment for the department. Thank you to Chief Cashin and all of the men and women of the Fire Department for your daily life-saving efforts on our

behalf. So how do our police cars and firetrucks get to where they are going? For that matter, how do we get around our city? It is not a trick question. It is our roads. Over the course of the last year, I have held 16 town halls and gone to well over 100 events in the city and I have heard you all loud and clear. You want us to fill our potholes and pave our streets. You want clean parks with updated equipment for our children and families to play. Last year the Department of Public Works completed 1,798 requests to fill potholes. That is almost five per day. That does not include the ones they fill on their own without a request. Long story short, they have been a little busy. DPW also completed over 43 miles of roadway improvement including preservation, maintenance and rehabbing. That was with \$5.3 million worth of funding. This year, pulling from four different areas in the budget, we will allocate over \$7 million to our roads throughout the city. Additionally, through our bonding budget, we are allocating \$300,000 to retrofit our playgrounds, \$300,000 towards paving our parks, \$250,000 in deferred maintenance for our parks, and \$150,000 in lighting. I also want to highlight Alderman Barry's leadership on behalf of the Wolfe Park Recreation Complex and thank Alderman Vincent and Alderman Thomas as well for their efforts. In this budget between bonding and CDBG, we have included \$500,000 to begin the work of making this dream a reality for the west side. Thank you to Director Clougherty, Deputy Director Owen Friend-Gray and the entire team at DPW for all of your work to keep our city moving. One area that has kept our first responders busy over the last decade is the scourge of addiction and overdoses. We are blessed to have Director Thomas, the ROAR team and our entire Health Department who have been doing God's work to tackle this challenging issue. I recently celebrated 15 years of sobriety and I am so proud of our city, our community partners and our partnership with the State of NH because we can report that overdoses in 2024 fell by 21% and overdose fatalities by 24%. I want to thank Alderman Thomas in absentia and Alderman Barry as well for their incredible work on this issue and for making the positive and passionate difference they have in Manchester. While this is cause for celebration, one life lost is too many and we must double down on our effort to further address and reduce overdoses. It also means we have to keep our staff in place to continue the advances we are making across the city in public health. In our budget, we are transferring two community health nurses and a public health specialist off of ARPA funding and onto our health services reserve

account. These individuals play a vital role within our community and are essential components to our health care continuum. When I talk to say Southern NH University or Elliot Hospital or businesses within our city, I often don't talk about education, health care or business. We talk about housing. We cannot be pro-business and not be pro-housing. We cannot set our city up for success for the next generation if people can't live here. Again, we are the hottest housing market in the United States which is clearly a sign that people want to live here and we are making positive improvements. It also puts upward pressure on housing prices. Focusing on bringing in more housing and more specifically affordable housing is incredibly important which is why we are allocating \$1.16 million in federal HOME funds to NeighborWorks Southern NH in order to finish the Pearl Street Lot project. This will allow us to increase our supply of decent, safe and affordable housing units in the city and this is slated to bring 125 affordable units into the city in the near future. This is on top of all the other housing related wins we have had in the City of Manchester over the last 15 months. Over 300 affordable units are coming online. The city issued 579 certificates of occupancy for new dwelling units. That is 579 new homes, townhomes and apartments that are helping to solve the housing crunch for Manchester families. Over 700 units are now in active construction and another 700 units have been approved by the Planning Board. Through the use of 79-E, we approved 14 affordable housing units at the Lamont Hanley building on Elm Street. We made \$450,000 worth of expenditures from the affordable housing trust fund to create 40 new units to primarily address those who were or are at risk for falling into homelessness. I want to specifically thank Director Belanger, who forgets more about municipal planning before breakfast than I will ever know, for his tremendous leadership and that of his staff and his department. Homelessness as we know has been a chronic challenge in Manchester which is why, since being sworn in, we have undertaken 18 different initiatives to address it in a comprehensive way. I would like to take a moment to share my perspective on the recent action taken by the Executive Council. Yesterday, the Council unanimously approved \$500,000 in funding for the Beech Street Engagement Center and Shelter. As I previously discussed with this Board, these dollars will sustain operations at the shelter through the end of the summer. In an earlier communication to the Board, I outlined the demographics of those that are served by the shelter. We know that there are those in our shelters who have mental

health disorders, physical disabilities, and chronic health conditions. They are utilizing wheelchairs. There are seniors and some require 24/7 oxygen support. Yes, there are those who are homeless in our city who do not respect our laws and our ordinances and that is why we, as a Board, made Manchester the first city in the United States to enact a camping ban following the Supreme Court's decision. That is why we, as a Board, approved the \$500,000 for MPD to increase those hotspot patrols across the city. That is why we, as a Board, so forcefully advocated for a change in our bail law that was thankfully signed into law by Governor Ayotte on Tuesday. At the same time, we must recognize that there are those that need help and I am proud of the Board's actions in that regard allocating \$201,000 to expand the mobile crisis unit at Hope for NH Recovery including the funding of a dedicated case manager to help connect individuals to services and move them out of the shelter permanently. That is why we allocated that \$450,000 to create nearly 40 units of transitional housing. This is critical for supporting the employed working poor currently stuck in the shelter without a clear path to stable housing. All of this brings me to today's message on this point. The state funding we have received is a vital bridge because the need remains urgent. I will be asking the Board on Tuesday to approve the contracts that will allow us to allocate these dollars swiftly and responsibly. We can see an end to this emergency need but we are not there yet. A thank you to Irina and Owen who work tirelessly every day to help those in need find a path forward toward a sustainable life. Shifting gears a bit, as I stated before more housing is a foundational principle of our economy and our city's economy is thriving. Our economy is diverse with high tech, higher education, manufacturing, finance, tourism, arts and entertainment and most of all our small businesses. Many are family-owned and operated. Each one represents a dream; the American dream. With each ribbon cutting, I see firsthand the entrepreneurial spirit that is alive and well here in Manchester whether it is a restaurant, a salon or a law firm, people are bullish on our hometown. What better demonstration could we see of that than with JetBlue? We tried for 20 years to get those planes to land here and then in January we finally caught our white whale. The airline's \$48 million investment in MHT speaks volumes about where a major US company chooses to spend its money. This is a healthy and exciting trend. With the Board's approval of the CBSD rate change last week, we can also expect our downtown to continue the incredible progress we have

seen with graffiti being removed, trash being picked up, and sidewalks being pressure-washed creating an overall better experience within our city. The future of our downtown is bright. Speaking of bright, one of my priorities is lighting up the downtown. When you look at others, many of them are lit up like the 4th of July. They are warm and inviting. A well-lit downtown says come enjoy a show, have dinner, take in a concert or a baseball game. In the process, you create incredible memories. In Manchester, that means the Palace Theatre, the Rex, SNHU arena and Delta Dental Stadium along with a dozen great restaurants. To that end, we will invest \$100,000 in lighting up our downtown from the Cash CIP line. This budget also makes available the \$50,000 in revenue from the Manchester Development Corporation to the Economic Development Office to give them some administrative support at no expense or cost to the taxpayer. Thank you to Director Jodie Nazaka and Erik Lesniak for your continued leadership and efforts to take Manchester to the next level. As a city, we must live within our means. We must also continue to supply critical services. We can accomplish both of these directives because they are not mutually exclusive. Expectations are high here and so they should be. We must continue to deliver these services with consistency, pride and professionalism. Another important piece to responsible budgeting is about getting creative and finding ways to provide services without balancing those on the backs of our taxpayers which is why we are using the opioid abatement fund to fund Hope for NH Recover services and utilizing this same fund to offset costs for Squad 1, an essential life-saving unit within the Fire Department. We are tapping the affordable housing trust fund to expand traditional housing in the City of Manchester. We auctioned off 15 vacant city lots raising \$1.13 million for the city's affordable housing trust fund. The second auction will be coming this spring. We are using a new grant coordinator to find state and federal dollars that the city may be missing out on. I want to thank Alderman Vincent for his efforts and leadership and being the driving force behind getting this position. We also recognized savings in our utilities and salt and eliminated funding vacancies and gave DPW the ability to haul containers in-house instead of paying for an outside vendor. Returning to the school district for a moment, funding for public schools has been an important topic of conversation both here in the city and across the state. When I was sworn in, the Manchester School District's baseline number was approximately \$227 million. The previous fiscal year, FY24, it was \$191.7 million. Over

the last two fiscal years, the school district has requested roughly \$16.7 million more. Last year, through the budget process, we appropriated \$1 million. This year I am proposing we allocate an additional \$2 million. That represents a reduction in their request of city dollars of \$13.7 million. Last fall, the school district received \$6.5 million in state adequacy aid. These additional dollars did not increase the tax rate. In summary, if these numbers tonight are the final allocation from the BMA, the school district will have received \$9.5 million than they had prior to this Board being seated but will have seen their requested amount reduced by \$13.7 million. This, to me, is a balanced approach. \$9.5 million more received and \$13.7 million less than requested. Our education system is inherently important to the long-term health of our city and we have exciting things going on in our schools. We have kids winning awards and accolades in sports, music and the arts. After years of decline, our district saw stabilization in enrollment with graduation and attendance rates also increasing. Last year, the district graduated nearly 800 students who garnered almost \$500,000 in scholarships. While more work remains, I am confident that we will continue to see progress. The budget I am presenting tonight is also dedicated to helping our seniors, children and the most vulnerable among us. Money from the FY26 community development block grant program has been allocated to support a variety of critical programs. \$42,600 for Meals on Wheels in Hillsborough County to provide meals and support to 200 homebound elderly individuals. \$63,000 to Amoskeag Health and Helping Hands Outreach to provide healthcare to 300 uninsured individuals and licensed drug and alcohol counseling to 55 individuals. \$15,000 to CASA and \$9,000 to the Child Advocacy Center of Hillsborough County for support services to 276 children who have suffered the effects of abuse and neglect. \$9,000 to Big Brothers and Big Sisters of NH. These funds will go a long way in giving a hand up to the most vulnerable in our community while also lifting up our community partners. I will be the first one to say that we have more work to do but we should be deeply proud of the progress that we continue to make in the City of Manchester. I am even more convinced now than when I was sworn in that there is zero reason why Manchester cannot and should not be the best mid-sized city in the United States of America. We have all of the ingredients to get there. I believe the choices made in this budget are thoughtful, responsible and like our Boston Celtics, well-balanced. Thank you again for

joining us this evening and I look forward to working with everyone here on the Board of Aldermen to complete this budget this spring. Thank you very much.

*On motion of **Alderman E. Sapienza**, duly seconded by **Alderman Vincent**, it was voted to move the presented budget to the next regular Board meeting following a public hearing to be scheduled by the City Clerk.*

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

A True Record. Attest.

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

City Clerk