

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
RE: MAYOR'S FY27 BUDGET PRESENTATION
March 26, 2026 at 6:00 PM**

The Mayor called the meeting to order.

The Mayor called for the Pledge of Allegiance, this function being led by Alderman Barry.

A moment of silence was observed.

The Clerk called the roll.

Present: Aldermen Kaw-uh, Goonan, Dexter, Fajardo, Bonilla, Kantor, Trisciani, O'Neil, Burkush, Barry, Vincent, Thomas

Absent: Aldermen Terrio, Sapienza

1. Mayor's FY27 Budget Presentation.

Mayor Ruais: Good evening, everybody. Thank you to those who are in attendance, and for those who are watching on TV. Tonight, I have the privilege of presenting my proposed budget for fiscal year 2027. I want to start by once again thanking all of our department heads who work tirelessly to provide us with the information that we need to produce this annual budget. A very special thanks is in order to our Finance Director, Sharon Wickens, and Deputy Finance Director Michelle Bogardus, Todd Fleming in the Planning Department, and City Clerk Matt Normand, for the yeoman's work they put into this budget process every single year. And this is a process. The mayor's budget, following the passage of the Board of School Committee's, is a step in this effort. As tonight concludes, I look forward to working with my colleagues in the aldermanic board and the school board to deliver a budget that balances the needs of the city, the Manchester School District, and, importantly, the taxpayers who sent us here. Pick any area of the city tonight and there will likely be a family sitting down at the kitchen table discussing what they can and can't afford. They're not asking for anything extraordinary. They're asking for stability, fairness, and confidence that we are making the same careful decisions that they are.

That's what this budget is about. The primary themes that we will address tonight are affordability, protecting core city services, while making structural reforms to city government. I believe in our tax cap because it is a promise of discipline, particularly as we are seeing the significant proposed and realized tax increases across our state. It is a recognition that our families are already managing tight budgets of their own. That belief isn't just words. The last two budgets passed by the Board of Mayor and Aldermen came in historically under the cap, saving Manchester residents millions of dollars in property tax increases in a time of continued economic pressure locally and nationally. Our folks deserve a city government that lives within its means. They also deserve a city that delivers for them. Approximately 70% of our city revenue is derived from property taxes, 80% of our municipal budget funds police, fire and public works. Our departmental budgets are made up of 92% personnel costs, salary, and benefits. These are real people doing essential work in our city. That is the balance that we must strike. Fiscal responsibility with a commitment to service a city that lives within its means while living up to its responsibilities. This year's tax cap number is 3%, which allows the city to raise \$8,094,468 for both the city and the school district. This budget meets that number. Like every budget, this year presents its own challenges. Let me be direct with you in laying these out. The following is a list of the main contributors to our mandatory increases in expenditures: \$2,288,371 in step increases for city employees; \$1,378,638 increase in city retirement; \$1,016,048 increase for a 2% COLA for city employees; \$540,000 in contractual increases for city departments; \$386,000 increase in the Aramark contract; \$266,500 increase in utilities; \$215,000 increase in debt service. This is about \$6 million in increased costs that we are required to cover. We also have to account for a loss in revenue of approximately \$1.5 million, which is covered in the budget book before you this evening. And we must cover a million and a half dollars in surplus that was used last year. As we continue negotiations with our two police unions, I'm also setting aside an amount of money for this effort, consistent with the cost of implementing the compensation study. As you'll recall last year, we entered into agreements with our 11 city unions to bring our city employees to market rate compensation. Lastly, tonight I will discuss the Manchester School District budget. What do all of these increased required costs mean? It means we need to cut over \$5 million to protect the tax cap and that family at the kitchen table. What follows is a list of cuts that I'm proposing: terminating our

membership in the New Hampshire Municipal Association and the Southern New Hampshire Planning Commission, which is a savings of approximately \$111,000; reducing the salary line at the Office of Youth Services by \$176,335, returning to FY 25 staffing levels; reducing the salt line in the Department of Public Works budget by \$300,000, any shortfall next year would have to be managed by the reserve fund; we've identified \$455,408 in cost savings within the Police Department; identified \$461,000 in cost savings within the Fire Department; identified \$502,705 in cost savings within the Department of Public Works; reduced the request of the Manchester School District by \$525,951; removed funded vacancies in the city to the tune of \$990,677; and I'm proposing an across the board 2% reduction for city departments from the FY 26 level, less the contractually mandated increases we have. The exceptions to this are the Department of Public Works, which will see a 1% reduction, and the Fire Department, which will see a 1.5% reduction. There will be no reduction to the Police Department. This will result in a savings of \$1,255,150. Due to the incredible efforts of the men and women in our Police and Fire departments, we have made great progress in continuing to improve public safety and as a city, we have supported these efforts. This includes securing the SAFER grant to support the Fire Department's increased staffing structure. I am planning ahead for that commitment by allocating \$160,000 in the cash CIP line this year, which will be transferred next year to help cover that first impact. Additionally, we have allocated more than \$240,000 for Squad 1 in opioid abatement dollars, and I'm also budgeting \$200,000 to purchase gear and equipment in our bonding budget. We successfully advocated for a fix to the group two pension reform that benefited both Police and Fire, and this budget includes \$1.4 million in bonding to upgrade critically important communication systems in our emergency response vehicles. Our motor equipment replacement program also appropriates \$1.7 million to the Fire Department and \$360,000 to the Police Department for trucks and for vehicles. As I previously mentioned, we also brought our firefighters to market competitive salaries through the compensation study. Despite the great efforts of the Manchester Police Department and the city, we are still facing significant staffing vacancies, 22 as of this morning. I am not including them in the across-the-board reduction. As I mentioned earlier, this budget makes an allocation consistent with the compensation study to help address this challenge. Additionally, I will not be filling the Communications Director position in my office and will instead cover the

six months of the Homeless Director's position. At this time, I'm unable to cover the Health Department's PHAST team or the city's grant coordinator. Over the last three fiscal years, approved surplus has been approximately \$1.7, \$1.5, and \$1.6 million, respectively. As you know, when the mayor's budget is introduced, we have little insight into what the surplus will be, and it can be fairly early for good, solid revenue projections. This proposal tonight only uses \$160,667 in surplus. As this process moves forward, and new surpluses realized, we will be able to address some, but not all of these shortfalls. Fortunately, we are able to continue several priorities and important initiatives. Consistent with our commitment to responsible government for the first time since 2018, we have filled and budgeted for the charter mandated independent city operator. This is a cornerstone of the Streamlining Taxpayer Accountability and Reform System, or STARS initiative, that we launched in January. With the support of the Board of Aldermen and the School Committee, we are moving forward with a comprehensive audit of the Manchester School District, and in-depth operational audits of key departments, including Public Works, Fire, Central Fleet, and Human Resources. These audits aren't just routine financial checkups. They take a closer look at how efficiently we are operating, how well our programs are performing, and how taxpayer dollars are actually being spent. The goal is to catch problems early, make our operations stronger, and build transparency, accountability, and trust with the public. Building off these audits, in conversations with the Police and Finance Department, and the work being done by Alderman Vincent, we have identified \$150,000 in efficiencies with our consolidation of the Parking Division under the Police Department. Additionally, as I described in my inaugural address, when our auditor began her work last July, I asked her to examine our procurement processes and identify potential savings. She found a system in desperate need of reform. Right now, twenty-four different departments are buying goods and services on their own, each using a different service process. For a city our size, that means we are not taking full advantage of our purchasing power. And as the auditor explains in tonight's book, that inefficiency is conservatively costing us more than \$1 million. So, in partnership with the auditor, we put together a 12-month roadmap to create a centralized purchasing division, similar to the model that is already in place in Nashua. This will help us streamline how we purchase goods, reduce costs, and make better use of taxpayer dollars. While I cannot fully fund the division this year, and we will not begin to realize all of these savings immediately, it

is essential that we begin this work now. We will start by establishing the division and hiring a central purchasing manager to work in our Finance Department. This will help correct these inefficiencies and begin saving the city and our taxpayers real dollars. To offset the cost of this hire, a transfer of \$50,000 will be made from the Substance Abuse Testing Balance Sheet account. The clerk's office has confirmed that this amount exceeds the balance required for current needs. We're also taking the necessary steps to centralize our payroll functioning citywide. The intent behind this is to ensure accuracy, consistency, and efficiency across all city departments. With payroll being the largest city expense, it is imperative to have constant oversight not only of paid wages, but also taxes, IRS compliance, and conformity with federal regulations. This initiative strengthens the city's internal controls and certifies that we are striving to eliminate any risk exposures and ensure continued compliance with all local, state and federal laws. Taken together, these actions mark a significant shift: the solidification of the independent city auditor position; consolidation of the payroll function; creation of a central purchasing division; updates to the travel, purchasing and gift card policies, the elimination of one department last term, and the consolidation and merger of another one this term. We are ushering in a new era of accountability, efficiency, effectiveness, and transparency for the City of Manchester. These are fundamental and foundational reforms to city governance that will save taxpayers money and give us all security in how our dollars are being spent. Tonight, I am also proposing that we finalize the assessment for the downtown cleaning program, our Street Ambassador Team, a permanent no cost to residents investment in a cleaner, safer and more vibrant city. Funded by a targeted special assessment on commercial properties in the Central Business Service District, the program has transformed our downtown and historic millyard. Sidewalks are free of litter. Graffiti is removed quickly. Tree wells are maintained, and friendly ambassadors assist visitors, support businesses, and serve as extra eyes and ears for public safety. In just 20 months, they have already picked up over 125,000 pounds of trash and removed thousands of pieces of graffiti and litter. By locking in this service now, we protect and strengthen the heart of our city so Manchester remains a place where families, tourists and entrepreneurs feel welcome and proud. As we beautify our streets, we take a glance upward and are committing funds to enhance lighting throughout the downtown and across the city. As I previously stated, in order to responsibly budget for a critical future need, the cash CIP line in this budget will

be preserved this year, then transferred next year to cover the SAFER grant. That allows us to spend those dollars this year on one time projects. \$60,000 will go towards lighting up nine archways across the downtown, the Gaslight District, and on the west side. These archways are neighborhood gateways, and this lighting will make them more welcoming while adding down lighting at crosswalks to improve safety. Together, these investments, permanent cleaning services and targeted lighting, reinforce a single goal: to reinvigorate our city by creating cleaner, safer and more inviting public spaces. As we're keeping our downtown roads and sidewalks clean and well lit, we need to focus on the other essentials that keep our city strong: our roads, our parks, and our public spaces that bring our community together. Tonight, I'm pulling from three buckets of dollars and allocating nearly \$7 million to improving and maintaining our road network. \$5 million is realized from bonding, \$975,000 from degradation fees, and \$725,000 from the municipal tax fund. I recognize that this is lower than we all want and what the city needs, but we cannot exceed our bonding capacity, and increasing this level would require deeper cuts to either our city departments or our school district. Our parks are core to our identity as a welcoming, family focused city. They are where our children play, where neighbors gather, and where our community comes alive. But to keep them safe, clean, and enjoyable, we must continually care for them. To ensure we are maintaining these important neighborhood spots, I'm allocating \$600,000 in bonding toward retrofitting, maintaining, and paving our city parks. As our city grows, our parks must evolve with it. To do this work, DPW must have the necessary equipment, and this budget includes over \$1.4 million in MER bonding for critical vehicle equipment upgrades for the Department of Public Works. Lastly, on this front, in 2021, after 50 plus years of operation, Hunt Memorial Pool and Sheehan-Basquil Park was closed due to failing mechanical systems and safety concerns. The following year, conceptual plans for a full park renovation were drawn up with input from the local community. These plans include a replacement for the former swimming pool and bathhouse, both of which have been demolished. The next step toward constructing the new pool and bathhouse is the development of the full bid package. In this budget, we have allocated \$300,000 from a mix of our CDBG federal dollars and bonding dollars to cover engineering design, construction specifications and permitting work required to put this project out to bid. Homelessness is one of the most difficult challenges our community has faced, and I believe we should approach it with an

emphasis on the rule of law, compassion, and clarity. Put simply, if you want help and need help, we will be there for you. But if you're here to ignore our laws or ordinances, we will have no tolerance. The system begins with emergency sheltering, getting people off our streets during the day and into a safe place at night. This makes our streets, our parks, and our neighborhoods welcoming without encampments, which have been significantly reduced. It also provides greater stability to those who are in need. But shelter alone is not the solution. Inside those doors must also be the resources and services to help people reconnect with stability. Things like case management, health care, and support that helps them break the cycle that they are in and build a sustainable life for the future. To be clear, we are not creating new services. We are supporting those who are doing this life saving work. Places like Hope for New Hampshire Recovery, which is receiving \$25,000 in federal CDBG funding to support their wellness clinic expansion. As previously approved by this board, I am allocating \$75,000 in those same federal funds toward the Aged and Infirm Shelter, and have set aside \$50,000 in a cash CIP project to begin the longer-term work of funding that winter warming in Manchester. From there, the next step is just as critical, transitional supportive housing. This is where people have the time, the stability, and the guidance to address the underlying challenges that brought them into homelessness in the first place. And ultimately, the goal is what every person and what every family wants: a safe, stable and affordable place to call home. This budget continues that work by investing in transitional and supporting housing that helps people rebuild their lives, because when we create that pathway from the street to the shelter to stability and ultimately to permanent housing, we are not simply managing homelessness, we are changing lives. And the programs I am about to outline are designed to do exactly that. I'm proposing the following programs to receive a portion of our federal CDBG funding to provide transitional supportive housing to those in need: Liberty House for Homeless Veterans; Revive, which provides structured, supportive housing for women who are in recovery; Light of Life Ministries, residential care; Emily's Place; 1269 Café; and the Families in Transition family shelter. And lastly, a project we should all be deeply proud of, when I delivered my inaugural address, I spoke about the painful reality that every single day, roughly 20 families are turned away from our family shelter because there simply isn't enough space. I also spoke about an extraordinary alignment of people willing to do something about it. A philanthropist, Bob Singer, determined to make a real

dent in homelessness, a nonprofit and family promise that has dedicated itself to ending homelessness for families with children, and the Roman Catholic Diocese of Manchester, are offering a building in partnership with the city. And I made a promise that morning. I said that the city would put its full weight behind this effort. And tonight, through this budget, we are fulfilling that promise. I am proposing that the city allocate its \$500,000 in federal HUD entitlement funds to support the creation of this transitional housing program for families who are experiencing homelessness. On paper, this program will create housing for 18 families at a time. But the impact of this investment cannot be measured in units alone, because when a parent's life is stabilized, a child's life is changed. When a child grows up with stability instead of uncertainty, the trajectory of that entire family changes. And when families find their footing, the effects reverberate across generations. So, while the building may house 18 families at any given moment, the actions we take in this budget will touch far more lives. This will put us on a path toward ending the waitlist for unhoused families in our city. That is the power of partnership and that is the power of this moment. And that is what this budget begins to deliver. These actions fulfill what I have long talked about. We can break the larger problem of homelessness into smaller pieces: veterans, elderly and infirmed, and now children and families. In taking this approach, we can begin to make a real dent in the overall problem. Education represents one of our most critical responsibilities in building the long-term health and vitality of our city. And like every responsibility that we carry in government, it must also be approached with balance and with fiscal responsibility. In FY 24, the budget number for the Manchester School District was \$191,759,220. My budget for FY 27 allocates an increase of \$3 million, for a total allocation of \$234,981,749. That represents a roughly \$43 million increase in four fiscal years. As I mentioned earlier, this is a \$525,951 reduction from their request. Should this number become final, the Manchester School District will have been allocated \$14 million in combined city and state funding since I became mayor. During that same period, requested funding was reduced by \$12.7 million. These were not cuts; they were reductions in requests. At the same time, I cannot support the additional two budgets approved by the Board of School Committee that would increase taxes by nearly 9% and 14%, respectively. I have also been clear in my opposition to the potential \$10.5 million cut in state funding to our schools. As I stated earlier, with respect to paving our roads, every dollar has to come from somewhere. Every city department tonight is

realizing a reduction of some kind. To increase this dollar amount further would have necessitated even deeper cuts that could further impact service delivery. Governing requires balance. It requires us to invest in the things that matter, while also recognizing that the families who fund our city through their property taxes must live within their means. Our city must do the same. This budget reflects that balance. To deliver this proposal tonight, we made tough choices. We identified savings, consolidated city functions, and covered what we could. I recognize the challenges that this creates for the school district and our departments, and I commit to working collaboratively and respectfully with our aldermen and school board members to mitigate impacts and seek thoughtful solutions. At the outset of tonight's address, I talked about that family at the kitchen table. Our duty is to protect them by bringing balance to city spending, living within our means, and making sure the needs of the city, the school district, and every household are weighed fairly. If we remain disciplined, creative and united, we will emerge from this budget season stronger, more efficient, and better positioned to deliver the services that our residents deserve. Thank you all for coming this evening and for your continued commitment to our Queen City.

*On motion of **Alderman Vincent**, duly seconded by **Alderman Barry**, it was voted to move the presented budget to the next regular Board meeting following the public hearing to be held on Tuesday, April 14, 2026, at 6:00PM, in the Memorial High School Auditorium.*

*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

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BOARD OF MAYOR AND ALDERMEN
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Meeting Start Time: 6:00PM

Meeting End Time: 6:22PM

Minutes Prepared By: Michael Intranuovo