

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
RE: FY27 BUDGET
June 9, 2026 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 Fajardo.

A moment of silence was observed.

The Clerk called the roll.

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

1. Budget Resolutions:

"Resolution 'Approving the Community Improvement Program for Fiscal Year 2027, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program."

"Appropriating to the Parking Fund the sum of \$5,142,275 from parking revenues for the Fiscal Year 2027."

"Appropriating the sum of \$33,804,234 from Sewer User Rental Charges to the Environmental Protection Division for the Fiscal Year 2027."

"Appropriating to the Manchester Airport Authority the sum of \$49,366,765 from Special Airport Revenue Funds for the Fiscal Year 2027."

"Appropriating to the Manchester Transit Authority the sum of \$1,999,838 for the Fiscal Year 2027."

"Appropriating to the Manchester School District the sum of \$234,981,749 for the Fiscal Year 2027."

"Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in the Fiscal Year 2027 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 \$6,300,000 from School Food and Nutrition Services Revenues for the Fiscal Year 2027."

“Raising Monies and Making Appropriations of \$195,337,885 for the Fiscal Year 2027.”

“Appropriating to the Central Business Service District the sum of \$700,000 from Central Business Service District Funds for the Fiscal Year 2027.”

“Continuation of the Central Business Service District.”

“Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2026.”

Mayor Ruais: So, this is, as we all know, a special meeting of the Board of Mayor and Aldermen on the budget. I understand that there are several that will be brought up for discussion this evening. Alderman Sapienza, do you want to go first?

Alderman Sapienza: I'll kick it off. The Sapienza-Kantor budget is very similar to the mayor's original tax cap compliant budget that he put out, I think it was in April. A couple of differences we'll go over. It adds \$2,552,245 more revenue. That money goes right into contingency. The reason it goes into contingency is for flexibility. Now, you might be saying to yourself, well, great, it adds \$2.5 million. That's terrific. How are we doing that? Well, we're doing that by adding the \$1.4 million in new construction, which the mayor did not include in his budget. Also \$1,152,000 in updated surplus. That information was not available to the mayor at that time. So, we have that now. So, it amounts to basically a 3% increase just barely coming in under the tax cap. Other than that, it pretty much mirrors the mayor's proposal. It utilizes two thirds of the updated projected fund balance to reduce the tax rate, one third to severance reserve account. That's pretty much it. That's really the only differences between the Sapienza-Kantor budget and the mayor's tax cap compliant budget that he submitted.

Alderman Thomas: Does your budget include health insurance, overlays, and the police contract?

Alderman Sapienza: No, it's putting more money into contingency. So no, other than that, it mirrors the mayor's budget.

Alderman Thomas: So, we wouldn't have any money for the health insurance, police contracts, or overlays?

Alderman Sapienza: No. As the mayor said himself, he put money in his budget for the police contracts, and we added more to that.

Alderman Kaw-uh: I had a question related to the road repair aspect of this budget. Looking at this budget here, it looks like about the same amount has been allocated as the mayor's budget for road repairs. If we spent that amount per year, how long would it take us to reach an average state of good condition for our roads?

Owen Friend-Gray, Deputy Public Works Director: We wouldn't. That number puts us in a steady decline that we won't recover from.

Alderman Terrio: So, we have about 400 miles of roads in Manchester?

O. Friend-Gray: 415 miles.

Alderman Terrio: To pave a single lane road both ways, about a mile of paving, how much does that cost?

O. Friend-Gray: Depends on the treatment type. But for a standard, say, two-inch mill and overlay, which is sort of a middling level road repair, it's about \$500,000 a mile. A more extensive repair somewhere on the order of a four-inch mill and overlay is about \$750,000 per mile.

Alderman Terrio: Let's say a half a million a mile, times 415 miles, is \$207,500,000. If we wanted to pave every road with the cheaper version, if we divide that by 7 million, which is approximately what we're putting into roads, that would take us about 30 years to pave every road in Manchester.

O. Friend-Gray: The average lifespan of a road is 15 to 20 years.

Alderman Terrio: We would be behind actually with what we're funding right now.

O. Friend-Gray: Correct.

Alderman Terrio: I am going to vote for this budget. I don't think it's realistic, the Kantor-Sapienza-Girard budget.

Alderman Sapienza: No question, I did seek Rich Girard's guidance, with his experience, I'll take his guidance and input any day of the week.

Alderman Terrio: I don't think this is a realistic budget, but overwhelmingly, my constituents are mad at me. I am going to vote for the other budget too, but I'm going to vote for this budget just because I had so many people reach out and ask me to vote for this budget. I don't think this is a good budget. I don't agree with it, but I am going to vote for this budget before I vote for the other budget because my constituents asked me to.

Alderman Barry: While we're on the topic of roads, when you guys go out and you redo or reconstruct and pave the roads, they don't reconstruct and pave and then go underneath the roads to check piping and all that. To do that work, is that free?

O. Friend-Gray: No. It's a significant investment for us in advance to not only double check the existing utilities beneath the road, but then also to improve them if we need to. If Water Works needs to, if gas needs to, or any of the other utilities, any of the telecom companies. There are significant investments that are made in advance of our road program.

Alderman Barry: The pipes underneath our roads today that have been there for quite some time, they need to be replaced.

O. Friend-Gray: Many of them, yes.

Alderman Barry: Sometimes just repair, but most of the time if you're going to go underneath there you've got to replace them.

O. Friend-Gray: Yes.

Alderman Kantor: How much paving did we do last year?

O. Friend-Gray: We spent about \$6.5 million worth of paving. And depending on which treatment type you're talking, it can vary pretty greatly. Crack sealing, we did about 25 to 30 miles. But that's the cheapest, easiest methodology. In terms of larger scale reclaims, I believe we did something on the order of 4 to 5 miles.

Alderman Kantor: And how much did we spend the year before?

O. Friend-Gray: I believe on average, we've spent something on the order of \$5 to \$6 million a year, since I've been in this position, on roads.

Alderman Kantor: Staying in line of what we've been doing, especially when everyone is on a strict budget, we have to stay within our means. When we had an issue out on Bodwell Road where they had to come back in and fix the road or fix the drainage, who is the one that's responsible to pay for the new road and the fixing of the drainage?

O. Friend-Gray: I believe Bodwell Road was done as part of the enterprise fund work that EPD was doing out there to connect the sewer within that area, which was a private collection system, into the city system. So that would have all been paid for by EPD, which is a division within Public Works, but it's an enterprise fund. So, it's a separate funding mechanism from the general fund.

Alderman Kantor: Did the actual contractors have to come back and fix it for free, or did that come out of the fund again?

O. Friend-Gray: The drainage improvements that were done adjacent to the cleared lot, I believe, which is the one you're referencing, I believe EPD paid for that because the contractor built it correctly according to plan. But the EPD approved plans ended up seeing a greater flow than they initially estimated based on changed conditions from before the project was signed and bid to after.

Alderman Kantor: I guess I'm a little confused on how it could be done correctly if it had an actual water problem severely, and my constituents had to eat the cost of all the water going into their home. And so, what you're saying is it was done correctly, but it really wasn't done correctly because of the water issue that continued. And then when I was pushing forward to actually have it fixed again, you're saying EPD paid for that?

O. Friend-Gray: The ratepayers, the sewer ratepayers, paid for it, correct.

Alderman Kantor: It is important to notice that it's really irresponsible; when someone does something wrong, those people have to come back and fix it again for free. If I do a bad haircut, I'm going to fix it for free. Period. So, whether it's at the state level or the city level or the federal level, whoever takes a contract from this city should have to come back and fix it for free. So, we are actually spending \$7 million. And how much can you actually get done when it comes to paving every single year? And then on top of that, do you contract that out or do your great people of DPW, which I am grateful for, I'm frustrated with the system that we have, which is disgusting. How much can you do for paving in one year? And then on top of that who does the paving?

O. Friend-Gray: Paving is a combination. We put out the larger projects to public bid. GMI held our bid through this fiscal year starting going forward. Continental won the bid for this upcoming year. They'll be doing the larger projects. DPW does smaller projects, shims, repairs. So, it's a bit of a combination. In terms of how much paving we can do in a year, we have yet to be given a budget amount that we can't readily spend. We've never had a problem spending the money that's been given to us, extra ARPA funds that were given to us we've never had a problem spending. I would like to go back to my earlier point when you asked about the conditions and who paid for them, there was a change

in conditions from start to finish of the project. The contractor built it according to the plans, the existing conditions changed during construction. That was the reason for the change.

Alderman Sapienza moved to approve the Sapienza-Kantor budget for Fiscal Year 2027. Alderman Kantor duly seconded the motion. Alderman Sapienza requested a roll call vote. Aldermen Sapienza, Kantor, and Terrio voted yea. Aldermen Burkush, Barry, Vincent, Thomas, Kaw-uh, Goonan, Dexter, Fajardo, Bonilla, Trisciani, and O'Neil voted nay. The motion failed.

Alderman Terrio: This is the budget that's previously been sent out with the summary. You've received it. It speaks for itself.

Alderman Sapienza: What is the percentage increase?

Alderman Terrio: I want to say it's in the vicinity of 7.5%, is that right Sharon?

Alderman Sapienza: But wait, is this the Wickens budget?

Mayor Ruais: No, he's asking a question on the financing mechanism aspect of it.

Alderman Terrio: I can give you the numbers. It's \$10.5 million above the tax cap.

Alderman Bonilla: Alderman Sapienza, I'd refrain from coming at our department heads, when you said it's the Wickens budget. Just try to refrain from doing that.

Mayor Ruais: Alderman, did you want to go through your narrative?

Alderman Terrio: No, I've sent it out. We've seen it. It speaks for itself.

Alderman Terrio moved to approve the Terrio budget for Fiscal Year 2027. Alderman Vincent duly seconded the motion.

Alderman O'Neil: What's the percentage increase?

Alderman Terrio: I want to say it's 7.5%, but that's a rough guess.

Alderman Sapienza: Well, you just said ten.

Alderman Terrio: No, \$10.5 million above the tax cap.

Alderman Sapienza: Can we take our time, here? There's no rush. What is the percentage increase?

Sharon Wickens, Finance Officer: In Alderman Terrio's budget, he's using a valuation of an additional \$5.6 billion. So, the percentage would actually go down 22.79% because that much valuation is going to drop the rate, presumably. Nobody knows what the valuation is going to be. It's not done.

Alderman Sapienza: Are you talking about the reval? Are you factoring in the reval? Is that what you mean when you say nobody knows? Let's forget all about the reval, okay? For a second, there is no reval. The reval does not exist.

S. Wickens: If we are going to talk about the non-reval, if we use the mayor's budget, the reval that the mayor used that we know, then Alderman Terrio's budget would go up 6.46%. However, if he uses the surplus in the new construction that was used in the Sapienza-Kantor budget, his budget would be going up 6.07%.

Alderman Sapienza: Let's call it 6%. From last year's budget, or 6% from the mayor's proposed budget?

S. Wickens: From last year's budget.

Alderman Sapienza: Our best estimate is the 6% increase. Fair enough.

Alderman Kaw-uh: I wanted to respectfully acknowledge that it looks like there is \$500,000 included in cash CIP funding for roads. I definitely appreciate that, although I would note for the record that it still would not lead us to a path where we're improving the road quality year after year, and we would continue to decline at this rate.

Mayor Ruais called for a vote. Alderman Terrio called for a roll call. Aldermen Terrio, Vincent, and Thomas voted yea. Aldermen Sapienza, Burkush, Barry, Kaw-uh, Goonan, Dexter, Fajardo, Bonilla, Kantor, Trisciani, and O'Neil voted nay. The motion failed.

Alderman Sapienza: Before we hear more going forward tonight, can we just please not factor in the reval at all? I think it confuses things. It's not even done yet.

Mayor Ruais: It's the discretion of those that are introducing a budget.

Alderman Vincent: The latest report from the finance director projects a total FY26 fund balance of \$1,969,000, as reported by department heads. By ordinance, this fund balance would be allocated one third each to the rainy-day fund, to the severance reserve account, and to the FY26 rate.

Alderman Vincent moved to allocate \$656,333 (1/3) for the Severance Reserve Account, and utilize the remaining \$1,312,667 (2/3) fund balance to reduce the FY27 tax rate, with any excess FY26 fund balance by year's end to follow the ordinance as intended. Alderman Trisciani duly seconded the motion and requested a roll call vote.

Mayor Ruais: This is to utilize the surplus to lower the tax rate.

Alderman Sapienza: And what surplus exactly are we talking about? Can you say it again? What surplus?

Mayor Ruais: The same surplus that you used in your budget.

Matthew Normand, City Clerk: It's the \$1,969,000 surplus that was reported by the finance director. That's been allocated a third, \$656,333 into the severance reserve, and \$1,312,667, two thirds, to reduce the FY27 tax rate.

Alderman Sapienza: I'm just wondering why we're doing it piecemeal, as opposed to just factoring that into the budget and going for it.

Mayor Ruais: Because we have to take a vote to utilize the surplus in that manner.

Mayor Ruais called for a vote. Aldermen Trisciani, O'Neil, Terrio, Sapienza, Burkush, Barry, Vincent, Thomas, Kaw-uh, Goonan, Dexter, Fajardo, and Bonilla voted yea. Alderman Kantor voted nay. The motion passed.

Alderman Burkush: Before we go into our budget, could you comment, please, on your budget that you presented March 26th, whether it would be a budget that we could operate the city under, in your opinion?

Mayor Ruais: As we've talked about in previous meetings, just by way of virtue of how the system is set up here in Manchester, as we know that there's surplus that comes in after the mayor's budget, we learn more about revenues after the mayor's budget. This year we learned after my budget that health care costs were increasing by \$1.5 million. We were still in the middle of ongoing negotiations at the time with the police department. So, there are costs that are incurred after my budget that are not covered in my budget. There are not enough dollars in there to account for the police contracts and health care. And as we've talked about, we have 30 vacancies in the police department today. There are 18 police officers that could retire today as well. The default budget does not cover those. We met this morning with bond counsel, the finance director, and the financial advisors. If it were to default and my budget were to go into place, we would have to pull the 40% out of the health care reserve. That threatens a credit downgrade for the city. So those are concerns that I would have and that I think the board would appreciate, if the default budget were to go into place.

Alderman Sapienza: That's all well and good. But to me, when the mayor, any mayor, including this one, past mayors, future mayors, when they make their tax cap compliant budget, it is serious business. It's not a joke. It's serious business. To say, we didn't know about this, that, or the other thing, that's kind of what it's all about, using a little foresight. I don't want to go on for a long story here, but I do want to say, when the mayor puts their tax cap budget together, this mayor, any mayor, it's not to be taken lightly. It's serious business.

Alderman Burkush: Your Honor, would you agree there would be layoffs and a reduction in city services with your budget?

Mayor Ruais: I think if you look at the 2% across the board cut for the city right now, the fact that I didn't fund any vacancies right now, but we have individuals that have not been hired for positions. We have, with a 2% cut across the board with the \$800,000 cut to DPW, with \$700,000 cut to Fire, I would think that there would be layoffs if that were to occur.

Alderman Burkush: These are services. We had a serious fire on New Year's Eve, the fire department rescued 12 people. We'd have less firefighters. We all heard all winter long about getting our streets cleaned, sidewalks plowed, and all those issues that we needed DPW for. And we need the police department. We need our essential city functions.

Alderman Fajardo: As I'm hearing you speak to the fact that this year's budget that you put forward on the 26th, if we were to default, that puts the city in a pretty tough spot. I'm just wondering, if you had respected the tax cap in year one and year two, if you think it would be this bad this year.

Mayor Ruais: I did respect the tax cap.

Alderman Fajardo: Let me rephrase. I'll rephrase because I see we're interpreting that differently. Do you think the fact that you were so far below the tax cap in year one and year two of your term, did that impact where we are today?

Mayor Ruais: No, I don't believe that it does. It depends on what you're looking at. Could we have done more for roads in those two years? Yes. So, if the concern is that dollars are being spent tonight that we didn't spend in the first two years, that would be accurate. If the concern were on the school district, I've talked about the balance that I think we have to maintain when we're putting budgets together between the school district and the city side.

Alderman Fajardo: How about layoffs?

Mayor Ruais: Can I please? You asked me a question; I'm happy to finish. The balance that I've always talked about is between the school district, the city side, and importantly, the taxpayer. We've heard in the public comment sessions previously when individuals come forward, some think we spent far too much, some think we spent far too little. I tried to strike that balance in between, to make sure that we were meeting the needs of all three of those parties. So yes, I think those first two years, the budgets that we did, I think it was important that with those really high tax cap numbers, that we were also respecting the taxpayer through that process. That's why we came \$10.2 million under, because I didn't think it was appropriate to go all the way up to the cap. The tax cap doesn't require us to go all the way up.

Alderman Fajardo: I am aware of that. I guess maybe the concern that I would be asking you to speak specifically to would be those layoffs that you just referred to across the city departments. The unfunded vacancies.

Mayor Ruais: The nearly \$10 million that we've lost in revenue, the \$5 million that I had to cut to come under the cap, those were due to revenue losses. That was as a result of increase in health care costs. The \$1.5 million we have to do in health care. The \$425,000 for CGL. The \$400,000 for overlays. That's \$3.9 million right there. With the police

contracts, we can't talk about negotiations obviously, in an open forum, but that's several million dollars in increases right there. So, no, I don't think that the layoffs are a result of me coming under the tax cap in the previous two years.

Alderman Fajardo: I would just say, as my understanding is that if every time we start our new year, our new budget, we're working off of last year's budget. We agree on that?

Mayor Ruais: Yes.

Alderman Kantor: I appreciate you staying in the tax cap. We should be really thinking about the homes and the unsettling that's going on in the homes and the higher rents. We talk about affordability. Affordability has been our goal for the past three years that I've been on this board. And now we're ready to blow the socks off of our tax cap. Our tax cap is there for checks and balances. You know, companies have to make cuts and be run more efficiently. Government needs to be run more efficiently, and then we wouldn't have these excessive budgets. I think it's really disappointing when we make a promise and we're not going to hold ourselves to that, and we're not going to dig deep to find out how we can actually save money and be more efficient and people can keep their jobs. And there's plenty of jobs and vacancies. We know that. But we should be thinking about the people in their homes and the people that their rents are going to go up higher and higher. And some people might have big pensions and some people might have big jobs and they're like, oh, well, we'll think about all the people that don't have much. And everyone else has had to cut back. Everyone has had to cut back. We all know it. Maybe a little differently, but it's very important that we should be thinking about those people because we're going to have a homeless crisis. And what I do know is when they do call welfare, pretty much you can't have anything in your bank account to get any help. So, what are we going to wait for, a crisis? So, we're creating more of a crisis for the homeowners and the taxpayers and the renters? And then what? Government is going to come and save us again? I don't think so. I'm really disappointed with anything above the tax cap. Period. It's really irresponsible and we should be rolling up our sleeves.

Alderman Terrio: I'm looking at the spreadsheet. Does this raise \$11,980,772 above the tax cap?

Alderman Barry: We haven't even gotten there.

Alderman Terrio: I'm just asking a question.

Alderman Burkush: First of all, this board has committed to working to improve the elderly property tax exemption. We did increase the veterans exemption this year. I know a lot of aldermen on this board have helped residents personally get through the process of applying for property tax exemptions. So, we do care about our elderly people. So, if I may begin the budget, Your Honor. Tonight, I'm presenting the aldermen's proposed fiscal year 2027 budget. Throughout this process, we've worked with the mayor, engaged in extensive discussions with our department heads, and carefully evaluated the needs of our city, our schools, and our residents. The modifications made to the mayor's tax cap compliant budget, as presented on March 26th, represent a balanced approach to addressing Manchester's most pressing needs while recognizing the fiscal realities facing taxpayers. This proposal focuses on maintaining essential city services, supporting our first responders, investing in critical infrastructure, while preserving educational opportunities for our students. While it does not fund every priority at the level we would prefer, it reflects a commitment to responsible stewardship and fiscal accountability. At its core, this budget is about ensuring our city continues to function effectively, to meet the needs of our residents, and to remain positioned for future success. This budget restores a 2% reduction, returning the departments to fiscal year 2026 funding levels, providing the resources to maintain current services. It reflects significant financial fiscal restraint as department priorities could not be accommodated with a level funded budget. We've also ensured funding is available to keep the West Side Library open. We're including funding to support a fair and equitable police contract. This investment will help the city recruit and retain qualified officers, improve staffing levels, and continue providing public safety services residents rely upon every day. The police department is currently operating with approximately 30 vacant positions. While funding alone won't eliminate these vacancies, it represents an important step towards improving recruitment, retention,

and strengthening the department's workforce in maintaining public safety services. Road conditions remain one of the most consistent concerns raised by our residents across Manchester. While the city's infrastructure needs continue to exceed available resources, this proposal includes an additional \$863,000 for roadway improvements. This brings us to a total of \$7,863,923. Although this investment does not address the scope of the need, it will allow the city to continue to make progress while additional funding sources are explored. We appreciate the ongoing support and hard work from the Health Department as they commit to using up to \$300,000 from their health reserve fund to offset the budget shortfalls. Again, this is not a place we would like to be, but it's where we are. As noted in our last meeting, we're committed to working with the Assessor's Office to review our elderly, veterans, and disabled tax exemption limits and explore ways to better support aging in place for Manchester senior residents. Finally, we have increased funding for the Manchester School District by \$3,511,000. After reviewing the options presented by the Board of School Committee, we encourage consideration of directing these funds towards classroom supplies, athletics at all levels, and maintaining current transportation walk out distances - investments that would directly benefit students and families across our community. That said, we do recognize the Board of School Committee has sole authority for these decisions. Thank you for your time and consideration of this budget.

Alderman Sapienza: Alderman, do you have a percentage increase number to give?

Alderman Burkush: No. We built our budget, we're following the mayor's budget. We built our budget on the anticipated revenue, the revaluation.

S. Wickens: If we were to follow the mayor's budget, without the change in any value, the increase would be 6.96%. If we use the \$58 million that was used in the Sapienza-Kantor budget, it would be 6.51%.

Alderman Sapienza: Okay, 6.5%. And that's an increase from 2026?

S. Wickens: Yes. That's correct.

Alderman Trisciani: On the percentage, I think it's important to clarify, that today nobody knows what this percentage is. We're all making an estimated guess. As I said, we compare apples to apples with the mayor's budget. If we were to add the valuation, this is something that will happen over time, and the reality of budgeting and the process in the State of New Hampshire is we're not going to have a percentage until the county sets their budget and the DRA comes in and tells us what that percentage is, which won't be until the October or November time frame. With the revaluation, this percentage could go down. But again, nobody can be spouting percentages and know what the percentage is going to be until the DRA makes a final decision in the fall.

Alderman Barry: As Alderman Burkush noted in his opening comments and highlighted in the cover page to our budget, this budget proposal covers additional support for city government to continue vital community services. Additional support for first responders, additional support for infrastructure and quality of life, and additional support for the school district.

Alderman Barry moved to override Section 6.15(c) of the City Charter for the sole purpose of utilizing approximately \$11,980,772, 11% of the anticipated \$108.5 million in revenues available with the new increase in assessed values of \$5.6 billion.

Alderman Barry: This is only 3.96% above the Mayor's default budget, that we all in this room agree, will cripple City services.

Alderman Trisciani duly seconded the motion.

Alderman Trisciani: I will say that I think overall, it's fair to say that there is not one person that is satisfied with this budget for many reasons. However, the proposal that's put in front of you was a lot of hours, a lot of time, and a lot of discussions with our department heads to get where we are today. At this point, that is the duty of an alderman. That's our job. That's why you put us here. So, with that being said, I will absolutely second this motion for the reasons stated by Alderman Burkush and Alderman Barry in his motion. I ask for a roll call.

Alderman Terrio: My question I'd asked earlier, Chairman Barry had just answered. So, it's \$11,980,772 above the tax cap. So Sharon, it's going to be approximately \$20 million. So, the mayor's the tax cap rate is about \$8 million. And then this is another \$11,980,000. So that number, disregard the revaluation, what is the average assessed house going to pay an increase over their taxes?

S. Wickens: And we're talking about the alderman's budget that we're talking about right this minute?

Alderman Terrio: Correct.

S. Wickens: Using the extra \$20 million?

Alderman Terrio: So, this is \$20 million raising above the last budget.

S. Wickens: If we were to use the metrics that we know today, discarding the revaluation, and using the \$58 million in new construction that we know was used in the Sapienza-Kantor budget, I calculate that it would be an increase over fiscal year 2026 of \$399 annually for the average home. Some would be less; some would be more.

Alderman Terrio: So, about \$400 per year for the average home increase. Correct?

S. Wickens: Correct.

Alderman Terrio: So that is \$33.33 above what they're paying now. It's very important to point out that's the average assessed home. So, if you have a nice house that's worth more, the average assessed home right now is \$300,000. If you have a nice house, it could be 1.5 or double that.

S. Wickens: Whatever the assessed value is, you would take that times the tax rate. I mean this is all going to change once the valuation goes up. But if we just totally throw that out and only know use what we know today, what you just said is correct.

Alderman Terrio: Right. So, the average house is going up \$400 a year. And then if you have a nicer house that's better than the average house, it'll be more than \$400 per year.

S. Wickens: Yes.

Alderman Barry: Sharon, it's my understanding that our budget compared to Alderman Terrio's budget that he proposed tonight, we're talking about less than \$30 per year. Is that accurate?

S. Wickens: That is correct.

Alderman Terrio: Clarify that. It's \$400 per year. You're talking about a \$30 difference.

S. Wickens: Your budget would be a \$30 difference a year.

Alderman Sapienza: Representation is not about saying we don't have all the info, let's just leave it to the Department of Revenue Administration in Concord. That's not representation. We're representing the city. We need to make some decisions now, given the data that we have. Along with that, I find it odd that the revaluation keeps cropping up. The revaluation should have nothing to do with this discussion, but apparently, I'm going to lose out on that one. I don't understand it. It's not even done. Then you have the abatement process. So, I think we ought to leave that out of discussion.

Alderman Kantor: I thank you, Alderman Sapienza, for bringing that up because we were just talking about, Alderman Trisciani mentioned, we're comparing apples to apples, and I see the assessed valuation for the mayor's budget is \$13.3 billion, but their budget is \$18.9 billion. So, I think those are apples to bananas. Or are you talking about something else?

Alderman Trisciani: I think it's apples to bananas in your mind. What I was talking about is if you take the \$5.6 billion revaluation money out of it, that puts us on par with the same budget that the mayor presented and gives the percentage more accurately.

Alderman Kantor: Well, what's right here is what we see in the actual budget, is that valuation.

Alderman Trisciani: I'll show you the number. You get a 3.96% increase.

Alderman Kantor: I know; I actually went to the Manchester School District, but it has changed.

Alderman Kaw-uh: I want to note that this budget that's in front of us right now, it does allocate more to road repairs than any other budget that we've considered tonight. That said, I do want to note for the record for the public that if this budget were to pass, we would still need to work together to find ways to do better when it comes to our roads, because we are still below the replacement rate when it comes to funding that aspect of DPW. I also wanted to note that I've spent a lot of time talking to the residents of ward one. I have heard from people who would support this budget. I've heard from people who do not support this budget. I've listened to them. I've spoken with them, but I haven't spoken yet with you, mayor. As the executive for the City of Manchester, you would be charged with implementing this budget if it were to come into effect. I just want to make sure, out of respect for your role, do you support this budget?

Mayor Ruais: What I talked about earlier, there have been five budgets that have been considered and that have failed. If we walk out of here tonight with a default budget, I think that puts us in a problem for the reasons that I discussed, that we don't get the police contracts and then we have to take 40% out of our health care reserve, which threatens a downgrade. There's a binary choice before the board. But of course, as mayor, I would be charged with implementing whatever budget came into play.

Alderman Kaw-uh: I ask because two years ago there was a veto of a budget that gave us to the end of the month. And if you really didn't like this budget, we possibly could do that.

Mayor Ruais: The conversations that we've had with the members of the board, unless anybody thinks that another two weeks is going to buy time to make any kind of considerable changes to this.

Alderman Kaw-uh: I just regret that we can't get you on the record, yes or no.

Alderman O'Neil: Just regarding vetoing and extending it, my understanding, and I think you talked about it at the last meeting, for the MUNIS system we would cause great problems in the city. Maybe the finance director can talk about it. But if we don't, whether it's the default budget or we approve the proposed budget tonight, if we go any further, we're putting the system in jeopardy, correct?

S. Wickens: That is correct. We are going live on a brand-new financial system on July 1. If the budget isn't put into the system, tested, and reconciled, you can't cut a check. You can't pay anybody. You can't issue an invoice. You can't do anything unless a budget is in there. And we need that time to make sure that every number is right. I really had hoped we'd have it before now. I understand that sometimes things go on, but I'm appreciative if this budget can be put to bed sooner rather than later.

Alderman Thomas: All these budgets, all three of the budgets, are not great. I don't like any of them. I know a lot of people are upset about the school budget. The only thing that I do want to ask the school board is when your superintendent brings forth some policies that could save some money, please approve them. One example is the meal debt that wasn't approved. It was shot down, brought forth from the superintendent. It could have saved us \$500,000. Next year it's going to be even more, and the year after that, even more. I really do hope that the school board, we're not allowed to say where your money goes, what you do with it, but I really hope the school board decides to be more responsible because these are really hard votes for us.

Alderman Sapienza: I think it's a bit disingenuous or wrong to say that if the default budget becomes the budget therefore, there's no police contract. That's not necessarily true. It is not. You yourself said that you put money in your budget for the police raises. Allocations can be made once a budget is passed. Even though you've passed the budget, you can still move money around. You can still make allocations. The city has got to decide do you want to continue to fund empty buses or do you want to pay the police? Do you want to continue to fund ARPA positions or do you want to pay the police? We are currently in negotiations with both the police and the police supervisor's union. So, we shouldn't be saying if this default budget becomes a budget, there goes the police contract. We shouldn't even be saying that. I just want to point out that the \$3.5 million increase to the school side is in addition to the \$8 million that they came right out and said publicly they're taking from the phase one building project and putting it into their budget. They're making no bones about it. I'll give them credit for it, they're honest about it. They're honest about the shell game. Do they really need another \$3.5 million on top of the \$8 million that they're taking from the building project? I don't think so.

Mayor Ruais called for a vote. Aldermen Trisciani, O'Neil, Burkush, Barry, Vincent, Thomas, Kaw-uh, Goonan, Dexter, Fajardo, and Bonilla voted yea. Aldermen Terrio, Sapienza, and Kantor voted nay. The motion carried.

Alderman Trisciani moved to transfer up to \$300,000 from the Health Services Reserve Account and \$70,000 from the Opioid Abatement Account to offset proposed budget reductions to the Health Department per Section 35.0352 of City Ordinances.

Alderman Trisciani: Thank you to the Health Department once again for making this move to help us get this budget to work.

Alderman Burkush duly seconded the motion. Alderman Trisciani requested a roll call vote. Aldermen Trisciani, O'Neil, Burkush, Barry, Vincent, Kaw-uh, Goonan, Dexter, Fajardo, and Bonilla voted yea. Aldermen Terrio, Sapienza, Thomas, and Kantor voted nay. The motion carried.

Alderman Goonan moved to amend the Resolution “Raising Monies and Making Appropriations of \$195,337,885 for Fiscal Year 2027” with a new total of \$203,407,657, and Enroll. ***Alderman Barry*** duly seconded the motion.

M. Normand: This is the general fund resolution. It's a motion to amend the Resolution “Raising Monies and Making Appropriations of \$195,337,885 for Fiscal Year 2027”, with a new total of \$203,407,657, and be Enrolled.

Mayor Ruais called for a vote. Alderman Trisciani requested a roll call vote. Aldermen Trisciani, O’Neil, Burkush, Barry, Vincent, Thomas, Kaw-uh, Goonan, Dexter, Fajardo, and Bonilla voted yea. Aldermen Terrio, Sapienza, and Kantor voted nay. The motion carried.

Alderman Burkush moved to amend and approve the Fiscal Year 2027 CIP table of projects to include two new projects: additional funding to Cash CIP for additional paving in both the FY27 Roadway Program and FY27 Parks Paving, and a reallocation of unused ARPA funding. ***Alderman Goonan*** duly seconded the motion.

Alderman Burkush: The CIP project, we have identified ARPA money that we could reallocate to roads and parks paving, and some money that was unused ARPA funding.

Alderman Kantor: A while back when I was asking about using ARPA funding to be able to take care of the streets, I was told you couldn't. And I'm all for doing that. But why couldn't we do it before?

Mayor Ruais: I'm not sure who told you that.

Alderman Kantor: Chris Morgan, in charge of CIP.

Alderman Burkush: Well, as chairman of CIP, I met with CIP staff.

Alderman Kantor: No, I'm sorry Alderman Burkush, I'm talking about before. Wow. I'm just surprised. I'm for paving the roads, but my gosh, we couldn't have done it before with the ARPA funds, which there was a lot. We could have really done that. I'm floored.

Alderman Terrio: What's the cost of this amendment?

Alderman Burkush: \$263,000 was identified as available ARPA money to put back into roads. It had to be an existing program, so that's where it is.

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

Alderman O'Neil moved to amend the Resolution "Appropriating to the Manchester School District the sum of \$234,981,749 for the Fiscal Year 2027" with a new total of \$238,492,749 and Enroll. **Alderman Trisciani** duly seconded the motion and requested a roll call vote.

Alderman Terrio: Is this the \$3.5 million above?

Alderman O'Neil: Yes.

Mayor Ruais called for a vote. Aldermen Trisciani, O'Neil, Burkush, Barry, Vincent, Kawuh, Goonan, Dexter, Fajardo, and Bonilla voted yea. Aldermen Terrio, Sapienza, Thomas, and Kantor voted nay. The motion carried.

Mayor Ruais: There are other budget resolutions. Is there a motion to move on the balance?

Alderman Terrio: Could the clerk read them out?

The City Clerk read the remaining Budget Resolutions into the record:

“Appropriating to the Parking Fund the sum of \$5,142,275 from parking revenues for the Fiscal Year 2027.”

"Appropriating the sum of \$33,804,234 from Sewer User Rental Charges to the Environmental Protection Division for the Fiscal Year 2027.”

“Appropriating to the Manchester Airport Authority the sum of \$49,366,765 from Special Airport Revenue Funds for the Fiscal Year 2027.”

“Appropriating to the Manchester Transit Authority the sum of \$1,999,838 for the Fiscal Year 2027.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in the Fiscal Year 2027 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 \$6,300,000 from School Food and Nutrition Services Revenues for the Fiscal Year 2027.”

“Appropriating to the Central Business Service District the sum of \$700,000 from Central Business Service District Funds for the Fiscal Year 2027.”

“Continuation of the Central Business Service District.”

“Authorizing the Finance Officer to Make Certain Budgetary Closings for the Fiscal Year 2026.”

*On motion of **Alderman O’Neil**, duly seconded by **Alderman Burkush**, it was voted that the Budget Resolutions ought to pass and be Enrolled, with Aldermen Kantor and Sapienza duly recorded in opposition.*

*There being no further business, on motion of **Alderman O'Neil**, duly seconded by **Alderman Terrio**, 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

*Meeting Start Time: 6:00PM
Meeting End Time: 6:57PM
Minutes Prepared By: Michael Intranuovo*