

A regular meeting of the Board of Aldermen was held Tuesday, February 15, 2005 at 7:00 p.m. in the Aldermanic Chamber.

Vice President James R. Tollner presided; City Clerk Paul R. Bergeron recorded.

Prayer was offered by City Clerk Paul R. Bergeron; Alderman Cardin leading in the Pledge to the Flag.

The roll call was taken with 14 members of the Board of Aldermen present; Alderman McCarthy was not in attendance.

His Honor Mayor Bernard A. Streeter and Corporation Counsel David R. Connell were also in attendance.

MAYOR'S ANNUAL STATE-OF-THE-CITY ADDRESS

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Good evening members of the Board of Aldermen, distinguished city employees, and guests. Thank you for being here this evening at my 6th State-of-the-City Address.

Mr. Vice-President, members of the Board and my fellow citizens, the state of our city, or better yet the health of our city is strong. 2004 was a great year for Nashua, and I predict 2005 will be even better.

Coming off the very successful celebration of our sesquicentennial year in 2003, we as a city achieved new heights in 2004. For example, we cleaned up 22 of our city parks that once were dumping grounds for toxic waste sites and transformed them into recreational jewels. We continue to receive national and international awards for our efforts in improving the environment. Our Solid Waste Department received 3 national awards for excellence. Our Waste Water Treatment Facility received 2 Project of the Year awards from national organizations, and our Parks & Recreation Department received a coveted national award for their SummerFun program. You couple these honors with Director of Public Works Rick Seymour receiving a national award for outstanding professionalism in operating a wastewater treatment facility, and you can understand how proud I am of our Public Works Division.

We also faced the challenge of Railroad Square and are now well on our way to revitalize this long-neglected part of our downtown. We realized the full potential of bringing passenger rail back to our city. We developed a financial and development plan that will be the answer to not only where the new station site should be located but puts our city in the forefront of transient oriented development that will be the envy of our state.

Three years ago I had the opportunity to attend a week-long seminar at Princeton University with some of the most renowned planners and land-use experts in the world. The subject was: "Focus On Your Riverfront." We are now doing just that with the establishment of a downtown

Riverwalk.

In years past I have given you a synopsis of each city division, what they have accomplished, and where they and our city are headed in the New Year. This evening I will concentrate on 3 areas: economic development, the health of our city's finances and education.

Nashua has faced significant economic challenges in recent years. But, as has been true in the past, when we re-invent, re-develop and re-invigorate our city we can meet the demands of an ever-changing national and global economy.

On a low note, during 2004, we lost some long established businesses including Brookstone and Pennichuck Water Works, both moving to new facilities in Merrimack, and Hampshire Chemical, a long-time south Nashua industry, closed altogether and is in the process of marketing its 43-acre site for redevelopment. We also continued to lose manufacturing jobs at established industries such as Teradyne and Batesville Casket, as well as losing a number of high-tech, non-manufacturing jobs at businesses such as Hewlett Packard (HP). Consistent with national trends, many of these jobs moved to lower cost labor markets in Mexico and Asia. Overall, unemployment in Nashua has continued to drop for the second consecutive year bringing our rate slightly below the national average and closer to overall state unemployment levels.

Though the loss of any job is painful, many new jobs were created at major employers such as BAE and at numerous smaller businesses and industries throughout the city. Our ability to foster new businesses is rooted in our ability to find new opportunities to replace older businesses. The former Brookstone Building at Exit 5 will soon re-open as a new Orthopedic Center, evidence of continued growth in our City's health care industry. Our rise as a regional center for healthcare and allied health services is further evidenced by significant expansions currently underway at both Southern N. H. Medical Center and at St. Joseph Hospital.

As I mentioned, the former Hampshire Chemical now the Dow Chemical site is another example of new economic opportunities. As you might expect, this property is among the most sought-after development sites in the Northeast. The redevelopment of this site into a major Transit Oriented project, in conjunction with the proposed rail station, promises to stimulate unprecedented possibilities that will give rise to new business opportunities and lifestyle choices.

The fact that Fidelity Investments is adding more than 500 jobs this year in nearby Merrimack bodes well for our city since 14% of their employees are Nashua residents.

During 2004, we welcomed a number of new businesses to our city including software firms such as Transparent Language, Fer-rite and Packetfront, major retailers and franchises such as Modell's, Babies R Us, and Office Depot; 4 new downtown restaurants including Manhattan on Pearl, Jasmine Palace, Fody's and Beria Rio (our city's second Brazilian restaurant). Also we saw a new Applebee's on D.W. Highway

and Brightside, a combination recreational facility and business retreat is now located on Amherst Street.

In addition to new businesses, existing businesses expanded adding hundreds of new employees to their payrolls. They included cutting-edge firms such as Scientific Solutions, ICAD, Mass Design, eCopy and Skill Soft. We also welcomed a new & expanded Bellavance Beverage complex off N.W. Boulevard and PM McKay's new design center, a showpiece for redevelopment in the Millyard Technology Park.

Higher education facilities have also been growing. Franklin Pierce College moved into a new facility on Amherst Street. Daniel Webster College, a leader in aviation education, announced they would be offering a 4-year degree in engineering, while Rivier College and the N. H. Community Technical College continue to expand their programs.

We will be welcoming new firms to Nashua this year including Viega, a German-based firm at the forefront of the plumbing and heating industry. Viega is currently developing a major new training facility and their North American Headquarters on Southwood Drive. Curative Health Services is establishing its corporate headquarters in our city, and Harvey Industries, a leader in the replacement window industry, purchased the former IPBM Building on Northeastern Boulevard.

And more good news, Venture Capital firms in the 4th quarter invested \$45 million in eight companies in NH including Prag-ma-tech Software Inc. another new Nashua firm, confirming a continued upswing in entrepreneurial and creative activity and the continuing need for risk capital.

One other thought on new businesses being attracted to our city, as Mayor, I have participated in hundreds of ribbon cuttings and ground breakings signifying economic progress. Yet, would you believe that this significant economic development activity has led to criticism? When a Mayor cuts a ribbon it means new jobs, it means additional tax revenue, it means that more and more customers will be visiting our downtown, our malls and other retail establishments. It means that the economic climate is such that private investment, whether it be a major department store chain such as Modell's or a small franchise embroidery store such as Embroider Me are willing to bet their financial futures on our success as a retail drawing card. Criticism aside, I'll cut ribbons every day of the year because it means we are doing something right from an economic development point of view. Think back a few years and ask yourself where would we be economically if we were not a retail meca?

Needless to say economic development or re-development doesn't just happen. With the leadership of our new Economic Development Director, Jay Minkarah, in concert with my office and Community Development our city is on the economic rebound.

Another example of our economic development success is our Revolving Loan Fund that provides small businesses and industries with gap financing in partnership with the community's private sector financial

institutions. Six new loans were made last year for a total of \$450,000. Recipient businesses included two manufacturing firms, two software development firms, a start-up communication device business and an art studio. Last year alone, Nashua's Revolving Loan Fund directly contributed to the creation and saving of 116 jobs and since the fund began in 2001, more than 352 jobs were either created or saved. By increasing business investment both directly and in partnership with private lending institutions, the fund has also benefited commercial property owners and contributed to the growth of our tax base.

Our Industrial Development Authority was formally renamed the Business and Industrial Development Authority in 2004 to better reflect their expanded scope under state and local law. The BIDA has the ability to acquire and develop properties for economic development. It also has the ability to issue tax-exempt Industrial Revenue Bonds and obtain other forms of financing. We expect great things from the BIDA under the leadership of its Chair, Harold Acres.

Economic development and environmental protection work hand in hand in our city. For example, we are working with EPA, property owners, and developers to plan for the clean up and re-development of the Mohawk Tannery and other Brownfield sites. We also participated in the site assessments for the new Senior Activity Center site and the adjacent parking lot. This assessment was necessary for Southern NH Services to complete their application for HUD funding allowing them to build affordable senior housing in conjunction with the brand new Senior Center.

Several years ago we began the arduous process of updating our land use ordinances including subdivision, site plans, and all zoning ordinances as well as other pertinent regulations. Existing ordinances have not been comprehensively updated in 30 years. With the assistance of a national consulting firm as well as a steering committee with broad city representation, a completed draft was introduced as proposed legislation to the Board of Aldermen. The Aldermanic Planning and Economic Development Committee is working diligently on its review.

Let's talk a little bit on the Financial Health of our city. Last year, we sold the last bond associated with our High School project, a \$46 Million dollar bond at 3.65%, a rate better than we originally had forecasted. We continue to receive excellent Double A 2 and Double A Plus ratings from Moody's & Standard and Poor's respectively. The rating agencies evaluated 4 areas where our city's financial health scores very well. These are: A growing tax base, above-average wealth and income levels, a healthy financial position and manageable debt. And we also continue to take advantage of favorable market conditions for our existing debt. In 2004, we refinanced more than \$7 million dollars that saved the city more than \$300,000.

Our cash reserves are also healthy. Over the past 5 years, we have remained committed to maintaining adequate reserves. They are \$20 million in the School Capital Reserve Fund, \$1.2 million in the Self Insurance Fund, \$1.75 million in Reserve for Prior Year Abatements, and \$400,000 dollars in misc.

Expendable Trust Funds.

In addition to being a financially sound city, we are also a city of State Champions including: The NH Pop Warner State Champion Nashua Elks Crusaders' and Junior Pee Wee Midget Football Teams, Nashua High School's Class L Girls Basketball and "We The People" State Champions, Bishop Guertin High School's State Champion Robotics and Football Teams, also, Nashua North Baseball and the PAL Jr. Pee Wee Spirit Squad as well as The Nashua Pride, the Atlantic League's Second Half Division winners last year. The true value of academic and athletic competition is more than the skills our young people are learning. It is the pride they gain as they contribute to their overall well-being.

We have other champions in our city as well. This year marks the 50-year anniversaries of our national award-winning Spartans Drum & Bugle Corps and the Granite Statesmen, as well as the award-winning Peacock Players.

The true privilege of being Mayor is that I have the opportunity to be everyone's neighbor. While many of you know your neighborhood and perhaps other parts of our city, I have the special privilege of seeing the city as a whole. Not only do I do groundbreaking for senior and work-force housing, participate in grand openings for new businesses and hold regular roundtables with business, legislative and multi-cultural groups, I visit our elementary school classrooms and invite youth groups to my office on a regular basis. This allows me to visit and communicate with our city's young people and frankly this is the best part of my job as Mayor.

Let's talk about education for a bit. When I first became Mayor, I saw a school system that had an excessive high school drop out rate. So we got to work with not only Nashua Stays in School, but also a continued commitment to the largest and most expensive school construction project in the history of our state and we accomplished these by working together. Today our students are achieving more and more.

The SchoolMatch Audit reported the District's Advanced Placement program was one of the finest in the nation and our outstanding volunteer program has been cited as being one of the best in the nation for schools our size.

Today our students are reaching new heights. They have improved their test scores and our High School graduates go on to college at a higher rate than most any other city our size in New England. You, and your neighbors, along with parents, teachers, the Board of Education and administrators and city government should be very proud with our community's commitment to education.

I invite you to take a closer look at our Public Schools. Find a school that interests you, and call the principal. Schedule a visit - I guarantee you'll be impressed!

With the announced retirement of School Superintendent Joe Giuliano, we are losing a top-notch school administrator. One of Joe's key strategies was to restructure traditional high schools into small learning communities with personalized attention and a range of options. Under Joe's guidance, excellence was established as the bottom line for our public schools. We will miss Superintendent Giuliano, but I have confidence the Bd. of Education will select an outstanding replacement.

There's something else our young people receive in the Nashua public schools - a first-hand learning experience side by side with kids from other countries and backgrounds. Diversity gives our city a competitive edge. That's key to understanding the strength of our city as we go forward.

Today Nashua is one of the safest cities in America. That's because the Nashua Police Department takes crime very seriously from its very beginning. They are vigilant in their actions towards criminals and innovative in their approach towards solving crime. In the 1990s, Nashua's community policing strategy was introduced. Community policing has worked because neighbors take responsibility and work with law enforcement to build solutions.

Our Fire Rescue Service continues to be among the nations best. They had over 7,000 incidents in 2004 including fires, explosions, rescue calls, service and hazardous condition calls. They have protected our city by taking a pro-active role in reducing emergencies by providing public education, risk reduction and fire and injury prevention. That's why Nashua is safe and we're going to keep it safe.

We're also bringing new energy to our approach to the affordable and work force housing shortage. The Mayor's Task Force on Affordable Housing, headed by Donnalee Lozeau, is working hard to ensure that working families can continue to afford to live in our city. Private and non-profit sectors with city support are aggressively creating new housing units to increase supply and stabilize costs.

Last year the city approved 157 single-family homes, a number of townhouses and duplex units as well as over 225 multi-family units including housing for seniors that included The Huntington on Spit Brook Rd., Webster Lawn and Colliston Yard on the D.W. Highway, and Salmon Brook Flats on Chestnut St.

I'm also committed to providing city employees with work force housing. Over half of our employees do not live in our city frankly because they cannot afford to. The new Meridian Place development on Harbor Ave., the first bricks and mortar response to the Task Force's recommendations on Workforce Housing might be the answer for some.

In conclusion, it's the people who make this city work. Here's what I see all across our great city - people working together to make Nashua a better place to live and to raise children, to grow and pursue their dreams.

For example, Richard L. Lavoie, an 18-year member of the management team at Triangle Credit Union where he serves as Vice President of Marketing, is one of these special people. Dick would you please stand. In his spare time Dick Lavoie serves as Vice-Chairman of Nashua's SummerFun Committee and is active in Nashua's School-to-Work Program. He has actively participated in many intern programs and career fairs in the Nashua School system. Currently, Dick Lavoie serves as Chairman of the Advisory Board for the NH Pathway, the Academy of Finance and is President of the Southern NH School-to Careers Partnership Board. Dick continues to be a key player in our SummerFun Program and was instrumental in our city receiving the prestigious national Dorothy Mullins' Arts & Humanities Award. Dick Lavoie, you are one of our city's outstanding volunteers and we thank you.

Then there is Hayley Smith-Rose, a 13-year-old student at Elm St. Middle School and certainly not your ordinary young teenager. Hayley, please stand. One of her favorite things to do is volunteering. These are her own words: "The reason I volunteer is just to see people's happy faces. It's fun to me; It's cool and I really enjoy doing it. I believe in world peace and happiness and that's why I volunteer." Last November, Hayley and her dad, Jeff, walked our city collecting pennies to benefit the Nashua Care Center. Another time she raised money for an educational fund to help people in Africa with aids. She is a member of the Humane Society's Walk-A-Thon Committee and she often volunteers at the Nashua Soup Kitchen & Shelter. At Greenbrier Nursing Home, where her Grandmother lives, she sponsors fun parties; incidentally I attended one and had a lot of fun that keep the residents happy and excited. Hayley, you are an inspiration to everyone you come in contact with and an outstanding example of our city's youth.

And while we thank Dick and Hayley, let's also remember in our prayers and thank the fine young men and women of our city who are serving in the Armed Services including our own Public Works employee Francis Hyland, just back from a tour of duty in Iraq, and Nashua Policeman John Yur-sak Jr., who just left for a tour.

As we go forward preparing our city to achieve its destiny, it will require strong leadership from both the public and private sectors, from both elected and non-elected citizens, from our youth and our seniors and from those who may never have thought they could become involved.

For the TV 16 audience, if you are committed to making our city work for all Nashuans consider running for public office, consider volunteering to serve on city boards and commissions or the multitude of non-profits who mean so much to our society and last but not certainly not least, support those who do.

As Mayor, I am blessed with an outstanding senior management team. They work very hard to move our city forward and they deserve lots of credit.

Is the energy of the past 5 years enough to propel us toward our shared vision of a greater Nashua in the next 5 years? I believe it is. I thank you for your continued partnership.

RESPONSES TO REMARKS OF THE MAYOR

Vice-President Tollner

Before I go to comments from the Board I would like to make two announcements. Governor Lynch's office called, and there will be an education funding press conference tomorrow, February 16th, at 10:30 a.m. here at City Hall. The public is welcome.

The second thing and this is something that we are going to try and do before most of our if not all of our Aldermanic meetings – this is for the seniors regarding the elderly tax exemption – due to the change in state law the filing date for exemptions and credits has changed this year. Prior to 2005 the law allowed the taxpayers to file for elderly tax exemptions until August 1st and for Veterans tax credits until March 1st following their final tax bill. The new date may come as a surprise to many out there in the public who think they can file after they receive their tax bill. To avoid any confusion and to prevent any denials due to improper filing we will provide comments prior to Aldermanic meetings between now and April 15th, which is the new deadline. I am sure that will be in the newspaper, but that is something that we as a Board are going to try and do going forward prior to our committee meetings so we can appropriately inform the public.

Alderman Deane

I would request that a phone number be attached to that so that if people have questions they can call.

Vice-President Tollner

That is a good idea.

Alderman Deane

I took it upon myself to forward that over to Andrew Nelson who said he was going to do a story on that probably this Sunday.

Vice-President Tollner

Maybe we can ask the Mayor – maybe they can put a little bit of information on the tickler on the city station.

Alderman Vitale

I thank the Mayor for his State-of-the-City Address. I have a chance to think it over and I will come to you with any questions that I may have. Thank you.

Alderman MacLaughlin

I too thank the Mayor for offering his insights as to the state of the city. There were some good themes presented tonight, and there were a few that were noticeable by their absence. That is current status of the budgetary affairs of our city – what type of budget situation that we are in for FY '06 and the affect of taxes on the citizens who are bearing the burden at this time. Also some curiosity to me as we haven't heard this evening really anything about re-assessment or what is coming in terms of quality of life because the reason that some of the municipal workers can't afford to live here is also the reason several people who currently are here are thinking that they can no longer afford to live here. That is a concern. We need to address that. We need to be informative, we need to be forthcoming, and we need to move forward together to try to address these concerns. Thank you.

Alderman Plamondon

It was a good presentation. Looking back in the last 25-30 years you can really see the large gains that we have made in this city. Comparing Nashua to cities of its size not just in New Hampshire or New England, but nationally it really shows that we have come a long way, and we have a lot to be proud of. However, there is a lot of work still to be done. No ones knows more than the 15 that sit around this horseshoe and the corner office – I just want to extend my compliments to my colleagues, the Mayor, and all the city employees. We have come a long way, but we still have a long road as well.

Alderman Shaw

I would also like to thank the Mayor for his presentation tonight. It was actually very nice I think to see a lot of the many positive things highlighted that we have going on and looking ahead. We certainly have opportunity to get caught up in many of the challenges and the difficulties that we do face especially in much of our day-to-day proceedings here in this Chamber. I think it is also important that we do continue to look out for some of that longer-term vision. I would also like us to think about the fact that if we go back to a couple of time periods of 1987 and 1997 this city was recognized as the best place to live in the U.S., and while that specific award might no longer be given out I still would like to challenge us and everyone in this city to think about that we should be perhaps thinking about for 2007 that we would want Nashua to again win that award if it were available, but to at least be striving to make Nashua a city that we would believe could essentially claim that spot again if the opportunity were there.

I think it is important while we have many challenges – a couple already mentioned about things that we will definitely be working very hard on with budget and assessment and other things going forward, we do have many excellent things going on in this city and it was nice to hear some of that highlighted. Thank you.

Alderman Johnson

I would like to thank the Mayor for giving us the State-of-the-City Address tonight. It was Alderman Nickerson and myself that brought that legislation to the Board, and I am very thankful for the past Board to have voted on it. There are a couple of concerns that I hear. Being that this week when I was down in Florida I notice that Nashua and Bocha Rotan and Derry Beach have something in common – retail. If you go down there you will see a lot of retail down there also. What concerns me is when the Mayor says employees that work in the city can't afford to live here. We're growing, we have a growing tax base, and we have above average wealth and income levels. I know that I am not in that above level income base and I know that city employees that work and live here aren't either. I talked to many city employees who don't live in Nashua. They will live in Bedford and Manchester, and will tell you straight out I cannot afford to live in Nashua. I think we need to take a good look on where our taxes are going to go this year – how high we are going to raise the taxes and what will happen with our assessed value.

I don't think it is very funny that we have people in this city that cannot afford to live here anymore or our elderly population. We also have \$20 million in our School Capital Reserve Fund, and I am going to hopefully try to put more legislation through this year to clean up the schools a little more, and I think my colleagues are voting on the carpet repair at Elm Street and some other schools that have mold, mildew, and asbestos in them. I think there is a lot more behind this that we really need to take a look at with how the city will grow and how we will have the citizens in the city being able to afford to live in the city. Thank you.

Alderman Bolton

I was very pleased to hear the Mayor speak favorably upon the improvements to our public schools in Nashua. The programs offered, the improvement in statistical measures such as the drop-out rate as well as the new facilities – the crown jewels of which would be the two new high schools. I think that we are remiss however if we don't recognize the contributions of the fine men and women who have served on the Board of Education over this period, and their involvement in instituting new programs to foster those improvements as well as those and also the members of the Board of Aldermen who served on the Joint Special School Building Committee with members of the Board of Education as well as the sub-committee for the high school construction. It was through their efforts that we have now built the two best public high school facilities in the state if not over a broader area. We did so on time and millions of dollars under budget. That was work done by those individuals who ought to receive the credit for it. Thank you.

Alderman Dion

I was looking at my notes when you were looking across here. It looked like I didn't want to say anything, but I did. Thank you for giving me the floor. I want to thank the Mayor for his State-of-the-City Address. I think he did a good job. One thing we didn't hear is what the Step 2 of our assessment is going to be, what the city budget looks like, what the increase is going to be, what the affect is that it will have on the property taxes, our solid waste deficit that is approaching \$3 million and will climb as the years go by if we don't do something here, and the School Capital Reserve Fund. We have over \$20 million in that fund. I think it is about time we start thinking about taking some of that money – half of it or maybe even all of it – to pay some of that school bond off to reduce our bonded debt and reduce the interest paid on these bonds. I think it is fiscally responsible for us to do something along those lines. I just thought I would bring that up. Thank you.

Alderman LaRose

Alderman Bolton brought up a subject about education. He talked about the cooperation that we have had with the Board of Aldermen and the Board of Education on building a couple of new high schools. One of the things that we seem to always forget is the people that work inside. The teachers are the ones that are really making education in Nashua what it is. Our job is to make sure that the teachers and the students have the equipment and the buildings that they need to get a decent education. We should be proud of doing that, but we should also be proud of the personnel, the teachers, that we have in our school system. I think that we have some real dedicated schoolteachers in this city. They go beyond the call of duty as far as I am concerned. I do have a little experience because I have to admit that my wife is a schoolteacher and I know how much work they are doing.

Some people blame all of the problems with education on the teachers – they are no teaching the kids anything – if you went into a classroom and saw what some of these teachers have to put up with – some of the students and the problems that they have you would understand what is going on in our schools. We are very, very lucky in this city that we have some dedicated teachers who give their best to educate the students of the City of Nashua. I think that is one of the reasons that we have many students that go on to further education is because of what happens in the classroom not so much what happens in here. Thank you.

Vice-President Tollner

I would like to recognize the two individuals that were mentioned by the Mayor in his presentation. I want to thank you for your volunteerism, service, and willingness to contribute to the community. A couple of you brought up some good points tonight. We are partners with the Board of Education. I think they have done a lot of great work. I think the two new schools are a good example of cooperation both from the citizens, the Board of Education, the Board of Aldermen, City Hall, the Zoning Board, and the Planning Board.

I would like to reflect for a second and thank the citizens as well for voting all of us in so we can serve the public. I think the Mayor had one good comment that the city is always looking for

more volunteers in the city whether it be to run for public office or to support the non-profit entities. If you are out there and have some time the city is willing and has open arms as far as embracing you to come in and support the programs both from a city perspective and for the volunteer programs.

Alderman Bolton

We can tell you are not up for re-election this year.

Vice-President Tollner

I am not up for re-election this year.

ADJOURNMENT

**MOTION BY ALDERMAN DEANE THAT THE FEBRUARY 15, 2005 MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED
MOTION CARRIED**

The meeting was declared adjourned at 7:42 p.m.

Attest:

Paul R. Bergeron, City Clerk