

A special meeting of the Board of Aldermen was held Thursday, June 30, 2005 at 7:35 p.m. in the Aldermanic Chamber.

President Brian S. McCarthy presided; City Clerk Paul R. Bergeron recorded.

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

President McCarthy

I would remind the members of the Board and of the audience to please turn off cell phones and pagers.

The roll call was taken with 11 members of the Board of Aldermen present; Alderman Gage, Alderman Cardin, Alderman Plamondon and Alderman Shaw were not in attendance.

President McCarthy

Alderman Shaw, Alderman Plamondon, and Alderman Cardin are on business travel. Alderman Gage is on vacation.

Corporation Counsel David R. Connell was also in attendance.

COMMUNICATIONS

MOTION BY ALDERMAN MACLAUGHLIN THAT ALL COMMUNICATIONS BE READ BY TITLE ONLY
MOTION CARRIED

From: Brian S. McCarthy, President, Board of Aldermen
Re: Special Board of Aldermen Meeting

MOTION BY ALDERMAN LAROSE TO ACCEPT AND PLACE ON FILE
MOTION CARRIED

President McCarthy

I would ask for a motion that the rules be so far suspended as to allow for a 15-minute public comment period on items that are on the agenda.

MOTION BY ALDERMAN TOLLNER THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR A FIFTEEN (15) MINUTE PUBLIC COMMENT PERIOD
MOTION CARRIED

PUBLIC COMMENT

Richard Flynn, 12 Charlton Circle

Mr. Flynn stated that he has been following the Budget Review Committee meetings, and that he believes that the budget has received much hard work from the Budget Review Committee. He further stated that he hopes that the idea of level funding is not something that is settled for after the amount of information that the committee has dug out. He is concerned about the impact on services that a level funded budget may have. He is very concerned about the eminent increase in his tax rate. He is hopeful that the Board will continue to seek additional cuts in the budget.

He addressed the committee on the issue of the Superintendent's salary. He stated that he was initially in support of the increase. He was of the belief that the issue was resolved at a previous meeting with an amendment to change the top figure of the proposed \$175,000 to \$125,000. He wished to understand why the Resolution was in front of the Board again.

He quoted from the minutes of the Special Board of Education meeting of 5-19-05 wherein Mr. Cote stated "This evening the budget committee approved to reduce teacher dental insurance and spending for substitute teachers and to increase the salary by \$35,000." He further stated that on 5-26-05 listed clearly under further reductions to meet the 1% proposed by the Mayor – Item 3 says increase Superintendent's salary by \$35,000 to \$150,000 – final salary to be determined. He stated that the message he received is almost inflammatory – just not willing to go along with what the Board agreed to do.

He stated that in the meeting minutes of a school meeting on 5-31-05 it was stated that Mr. Clemons said "Where do we stand on the Superintendent's Salary?" and received a response from Mrs. Shaw that stated "I believe we have been given a directive from the Board of Aldermen and I also believe we have set aside enough money to pay the Superintendent \$150,000. I believe as we unseal the minutes today the public will be aware of us pursuing our legal options." Mr. Clemons responded, "So we have told the search committee to advertise for \$150,000?" Mrs. Shaw responded, "I think if we are going to get that specific we are going to have to have a non-meeting for dealing with compensation." Mr. Clemons responded, "I only bring this up because I am receiving calls from people because they are confused about what the salary will be."

Mr. Flynn stated that he does not believe that this Resolution deserves any further consideration.

Tom Dube, 14 Cambridge Road

He stated that he attended the School Board meeting the previous night and was dismayed with how the vote turned out. He stated that there has to be a way to put money back into the School Department budget. He stated his belief that the youth of Nashua are our greatest resources. He mentioned his concern about the potential cutting of some athletic programs and/or the pay

to play proposal. It is his belief that there is a lot to be gained by participation in sports programs. He mentioned the fees already associated with the school such as parking fees, etc. He does not believe that all that wish to participate would be able to if fees were instituted.

Robert Hallowell, 6 Chaucer Road

Stated that he believes this Board often revisits issues. He voiced his opinion that the salary for the School Superintendent needs to be set at a range necessary to entice the most qualified individual to the position. It is his belief that the leeway ought to be given to the Board of Education to set the salary rate as they are the individuals who have studied and determined what is required to attract the appropriate individual to the position. He is in favor of increasing the upper level of the salary.

Richard Dichard, 31 Vespa Lane

Voiced his opinion that the salary range for the Superintendent should be increased. He stated his pride in the new high schools that have been built and voiced his concern over the deterioration of the quality of education that will result if the schools are not properly funded. He mentioned the pay to play policy that the Board of Education has voted to adopt. He stated that his sport of golf is an expensive sport to play and that he fears that the children involved in this sport will be burdened with the added expense of the pay to play decision.

He stated that next year we have two schools that will be maxed out at capacity with a Board of Education that is being told to cut things. He asked that the Board consider one thing when approving the budget – our great educational system will be placed in dire straights and in jeopardy of failing. He asked that the Board not look to education to make cuts in the budget.

**MOTION BY ALDERMAN LOZEAU TO EXTEND THE PUBLIC COMMENT PERIOD
MOTION CARRIED**

After calling for any additional public comment, President McCarthy called the Public Comment period closed.

**MOTION BY ALDERMAN BOLTON THAT THE RULES BE SO FAR SUSPENDED AS TO GO
OUT OF THE REGULAR ORDER OF BUSINESS TO CONSIDER RESOLUTION R-05-245
MOTION CARRIED**

R-05-245

Endorser: Alderman-at-Large Brian S. McCarthy

**APPROVING AN ADJUSTMENT TO THE UPPER END OF THE SALARY RANGE FOR
THE SUPERINTENDENT OF THE NASHUA SCHOOL DISTRICT**

Given its first reading;

MOTION BY ALDERMAN BOLTON THAT THE RULES BE FURTHER SUSPENDED AS TO

**ALLOW FOR THE SECOND READING OF R-05-245
MOTION CARRIED**

Resolution R-05-245 given its second reading

MOTION BY ALDERMAN BOLTON FOR FINAL PASSAGE OF R-05-245

ON THE QUESTION

President McCarthy

I am going to ask that the members of the Board of Education that are here come forward, and tell us where we are with the Superintendent search.

Jack Kelley, Board of Education

I am the Chairman of the Search Committee of the Board of Education. As many of you are aware we have gone through this search with the firm of Hazard, Young & Tier. Over the weekend of June 11th and 12th they forwarded 6 candidates for us to interview, which we spent the two days of the 11th and 12th interviewing at the North High School. At the end of that time, we brought a number of candidates down to two finals. We brought those individuals back here on the 21st and the 22nd. Mrs. Shaw and myself along with Mr. Dowd and Mr. Cote met the individual candidates. The first day it was Mr. Dowd with Mrs. Shaw and myself for lunch. We gave them a tour of the city including the schools, various living accommodations in the city, and we had a meeting at the administration building where two of your members attended to give them a chance to ask the candidates questions and get some idea of where the candidates stood on various issues. We then had an informal interview period at a dinner, came back and adjourned our meeting, and Mrs. Shaw and I met with the candidate the next morning at breakfast and determined whether they were still interested. The following day it was the same schedule only it was Mr. Cote that met with us at lunch and we went through the same procedure with the second candidate.

At the end of that period of time, we met the following day with Mr. Connolly from Hazard, Young & Tier whom I believe most of you met when he came before the Board the first time, went through the individual candidates that we had left and selected a candidate that we wish to have for our Superintendent of Schools. I called the candidate and offer the job to the candidate conditional that we could work out a contract and a period of time and we had three requirements; one that we continue to check their references, which we had done only on a limited basis because they asked to keep their animinity until they knew they were a finalist for this job, the second was that we would do a site visit to the site of the candidate, and the third was that we sit down and get a Memorandum of Agreement from them that they were going to accept the job when it was offered to them. That is where we stand at this time. I will say that the candidate that we selected did have one rather unique idea compared to the other

candidates that we spoke to, and that this candidate was willing to talk in terms of a contract that was performance based and felt confident enough in the ability to do the job to take the job with that kind of a contract in place. Again, \$125,000 was a bit of a stumbling block because the pay at that time was the equivalent or less than what was being offered. That pretty much is where we stand unless Mrs. Shaw has something to offer at this point.

Kim Shaw, President, Board of Education

A couple of other things that I thought were unique about this particular candidate is that this candidate has a great deal of knowledge managing budgets and had stated several things that this candidate would do when the candidate arrived if the candidate were successful would be to start a line item analysis of our budget and start with zero based budgeting for the coming years, and felt that there were probably some efficiencies despite our hard work that could be found. The candidate also felt that the arrangement at central office could be examined and probably efficiencies found in that level of management whether people would want to term it middle management or upper middle management – the candidate felt strongly that things could be streamlined at central office quite a bit. Another thing the candidate mentioned as we toured around the city was the need to get ahead of the curve as far as the influx of a very diverse population as we go forward in Nashua. The candidate noticed many things that even as I drive through the city everyday as Mr. Kelley drives around the city and surrounding areas in his job as a volunteer driver for the Cancer Society, that we had failed to notice. The candidate was very sharp as far as picking up on the diversity that is in the city right now and that is coming to the city, and seemed very anxious to come on board to try to show us how we can get ahead of that curve and prepare for the changes that are coming. The candidate has significant experience in doing all of those things.

Jack Kelley

To add one things – what Mrs. Shaw just said that we found the constant surprises that we would go by an individual school and the candidate would know not only the statistics about the school, the neighborhood, but after driving through the area would come up with other things that we hadn't even thought of like maybe a free and reduced lunch figures were off in this particular area, maybe we were not getting the funding that we should be getting from the Federal Government, and came up with ideas that very possibly by doing several types of audits that have been done in the school district the candidate was from we could improve some of the funding that we could get in from various title grants and so forth. It wasn't just a come in and let the people interview the candidate, the candidate was interviewing us, and was not afraid to ask us questions. I am sure there are no secrets in this city that from time to time we have been a rather diverse board and the candidate was well aware of that and was not afraid to ask us that point blank to all of us and listen to the answers and have a frank discussion. I think this is a person that can come in here and do an excellent job here in this city.

Alderman Lozeau

I had the pleasure of meeting both candidates for the Superintendent. I gave my opinion to the Board of Education, and I believe that is the candidate they chose although I haven't been told that yet.

Jack Kelley

It is.

Alderman Lozeau

I found this candidate quite unique in her ability to see flaws in the system as they existed. For example she was able to see some flaws in the curriculum development, which she commented on, and I quite agreed. During my time I spent with the candidate, about an hour or an hour and a half, I was quite impressed. From the middle of the interview it was very clear that \$125,000 wouldn't do it. I felt a little bit – I don't know if the word would be deceived or it was very clear that \$125,000 would not bring this candidate to Nashua. I just wanted to give that input to the Board.

Alderman Vitale

I also sat in on the interviews with the two candidates. While I found both of them very impressive I believe the candidate that has been offered the position gave very good suggestions, has an impressive background that our school district would be well served by, as has been stated by Mrs. Shaw and Mr. Kelley, she was not afraid to give her opinions, as questions. I was very impressed. I agree I don't think \$125,000 will bring the candidate to Nashua. I believe that we should definitely have a discussion here about considering this Resolution that is before us. Thank you.

Alderman Deane

Through you Mr. President to whomever from the Board of Education can answer this – Mr. Kelley you had mentioned a performance-based contract. It is probably not appropriate to sit here in public session and discuss it, but I would like to know more about that – where it starts and ends – how would we go about doing that Mr. President?

President McCarthy

Mr. Kelley is there anything you can offer us in public session?

Jack Kelley

At the present time we have an attorney who is going to be negotiating the contract for us. We presented that idea to the attorney. The attorney has made contact or is in the process of making contact with Dr. Connolly from Hazard, Young and Tier, and Mrs. Shaw and I are going to speak to the attorney tomorrow. We are talking to an attorney who is well versed in labor and

school contracts. That is what we want to flush out at this point. This is not a typical Superintendent type of contract. To answer your question specifically Alderman Deane I am not sure where the language and where we go with this type of a contract. One of the things that was mentioned by the candidate is one of the performance objectives that could possibly be used would be whether our schools came back and made annual progress of which we have several that are failing and the district as a whole failing. Now the numbers and the period of time and those types of things are the things that would be part of a discussion in the negotiation. That is just one area that was brought up. I am sure there are many others. I hope that answers your question as much as I can without getting to the point where we get into negotiations.

Alderman Deane

I am a little concerned by the increase. Now you speak of a performance-based contract where it is being looked at, an attorney is drafting it up. We approved the overall number for the salary but we have no idea what the proposed performance based contract may include or what sort of savings or items would be in that contract. It is being provided to us this evening that \$150,000 would do it. That is where I have some concern. We approved the salary range of \$125,000 and now it is up to \$150,000. I really have some interest in seeing this contract and what we are looking for efficiencies out of it and what the costs are. I don't have a problem with a performance-based contract. I think in this case it might work, but I would really like to see when it is done what it consists of.

Kim Shaw

I think Alderman Deane is a little ahead of where we are in the process. Right now we are working on a Memorandum of Understanding with the candidate. As far as what would go into a performance based contract that would be negotiated as we proceed. Right now we are at the point where we want to make a commitment to the candidate and the candidate would like to make a commitment to us if we can meet the initial salary requirements of the candidate. I would just like to say we would certainly welcome input as to what kinds of things ought to be put into that contract.

Alderman Deane

I have a question, but I don't know whether it is appropriate to ask it in public session because although Mrs. Shaw brought up the salary requirement, and they have to make an offer – my question deals with that.

President McCarthy

You can go ahead and ask it and if they feel it is inappropriate for public session they can respond.

Alderman Deane

I know it will, but if you are going to make an offer to somebody obviously is the \$125,000 not enough?

Kim Shaw

Right.

Alderman Deane

So where does the performance based contract come in if you have to offer more? What is left for performance based dollars to pay out in a contract if you are proposing \$150,000 salary? That leaves you \$25,000 to deal with a performance based contract – it doesn't even leave you that because the \$125,000 isn't enough to begin with.

Kim Shaw

What I would like to say to that and I will try to choose my words carefully – we would like to be able to negotiate from a position of strength. We understand that in all probability the first year would not be the year for performance incentive, it would be written in for subsequent years.

Alderman Deane

So the performance based contract will not be implemented or will be drawn up and dealt with in the MOU, but it won't be part of bringing that person here this year?

Kim Shaw

Am I understanding that correctly Mr. Kelley?

Jack Kelley

That is kind of hard to answer without getting into the actual negotiation. All I can tell you pretty much what Mrs. Shaw said - \$125,000 is not going to bring the candidate here.

Alderman Deane

Thank you.

Alderman Johnson

I understand the performance-based contract. I remember when the consultant was here and mentioning something to that affect – can we have something on that affect judge them salary wise. Alderman Deane brought up a lot of good points. I need to get a little bit more idea on the

performance based contract and other issues because, and I don't know if this is going to be able to be answered or you are negotiating – relocation costs, the insurance package – because that is all added on top of the salary so if you are offering \$125,000 let's say for example and you have \$10,000 - \$15,000 of healthcare coverage that is another amount that is added on to the salary. If you are paying for relocation that is another added expense, and if they are getting a car that is another perk. That all has to be added on top of the \$125,000. Actually when you are finished with the \$125,000 and you add this on it is higher than that – coming up closer to the \$150,000 and then you want another \$25,000 on top of it so that could bring it actually up to about \$175,000. I have received phone calls on this. I have received e-mails today on the concerns that it is not just the \$125,000 you are adding \$25,000 and then all of the added benefits and perks on top of it. That is where I think we really need to be clear on what is the true costs of the Superintendent. Thank you.

Kim Shaw

I would just like to state that if this candidate is able to come to Nashua and looks at our administrative structure and finds efficiencies that we can streamline things at central office or in other places – if one position is eliminated or downsized or rightsized whatever you want to call it, that will have more than paid for any increase that might be approved this evening. That is one of the things the candidate very much wants to do is to look for efficiencies both on personnel side of things and also curriculum as Alderman Vitale had listed.

Alderman Dion

We are talking about performance-based contracts and there is a lot of language that could go into that that we really don't know about. I remember some years ago Lee I coca took over Chrysler when Chrysler was almost bankrupt. He took a no salary, but with the performance contract that he had that any increase or profits that the company saw he would get a certain percentage of it and by God he did very well. He retired a multi-millionaire. You see the language in the contract let's assume that there is language in there that says if I save the city \$100,000 next year I get a 10% increase off the \$100,000 which means another \$10,000. Who knows if that is going to be in the contract? I don't know do you know Mr. Chairman?

President McCarthy

I don't but we can certainly ask the board whether they would put language like that in the contract.

Alderman Dion

The thing is that like the gentleman that spoke under public comment said that he thought back in May when this was debated and the issue was resolved finally at \$125,000 that was the end of it. Apparently it has risen again, which I am surprised it did – well it doesn't surprise me really I have been hearing rumors for a month and a half now that they wanted an increase and

weren't satisfied with the \$125,000. Here it is tonight. You have heard the Assessor how much more money it is going to cost for your taxes. You know that it is about 7% with the budget itself, which comes to about 12%. We are taking \$2.5 million out of surplus, which is another 2% added on to that, which in actuality the budget is 14% - the tax rate is actually 14% because you are using 2.5% in the savings money. I cannot for the life of me vote for this because of the dire financial condition that the city is in.

If you can't get someone for \$125,000 to manage the schools – I am sure you can. As it stands \$125,000 is the highest in the State of New Hampshire – higher than the largest city, Manchester, which is \$115,000 I believe. We are \$10,000 over Manchester as it is. Where are we going? To me I think it is ridiculous to go to this figure. Thank you Mr. Chairman.

Alderman Rootovich

May I ask a question to Corporation Counsel? Attorney Connell Section 56G of the Charter says the Mayor and Board of Aldermen shall approve the costs of all salaries and collective bargaining agreements. If we approve this tonight for \$150,000 and the contract comes back with an incentive based pay for an additional \$25,000 based on performance, we're approving something that is not really a total salary because we don't have that information. I am asking is it appropriate for us to vote on that without knowing what the final contract will state since the dollar amount could be significantly different.

David Connell

Your function is to approve the salary range, and it is their job to work within the approved salary range as far as salary goes.

Alderman Rootovich

If we approved \$150,000 and they bring the Superintendent in at \$150,000 then the incentive based salary would not be appropriate?

David Connell

Not if it exceeded the permissible bounds of the salary.

Kim Shaw

I would just like to make a couple of points of clarification if I could. First of all the whatever incentives would be written into any incentive part of the contract. We, as a Board, I believe are committed as is the candidate to hearing from this Board what those types of things might and ought to be. I am not saying that everybody will get everything they want written into this contract if we do go with something incentive based. What I am saying is we would like to hear and get your input as to what you think would be good ideas to put in there. The other thing that

I am trying to explain and Mr. President if you think that you can do it in a more articulate way please help me – is that we would like to have a salary range from which we can negotiate and have room if it is agreed upon to structure the incentive within that range.

Alderman Rootovich

I guess based on what Attorney Connell said that if we approved it tonight at \$150,000 that would be the max that the Board of Education would have to work with the incentive based program could not take place. If that is a concern for the members of the Board of Education then they should address that at this time.

Alderman Tollner

I have no idea what their discussions were. Is it safe for one to assume that you are looking for some additional flexibility in the salary that would provide you a range to negotiate from as you stated and as you progress through the contract also provide you with a little leeway to include those incentives, but not to exceed the \$150,000?

Kim Shaw

Yes at this point in time – absolutely.

President McCarthy

Are there any further comments? The motion was for final passage of R-05-245.

A Viva Voce Roll Call was requested, which resulted as follows:

Yea: Alderman Tollner, Alderman Vitale, Alderman LaRose, Alderman Lozeau,
Alderman Bolton, Alderman McCarthy

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Nay: Alderman MacLaughlin, Alderman Deane, Alderman Dion, Alderman Rootovich,
Alderman Johnson

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MOTION CARRIED

President McCarthy declared R-05-245 duly adopted

**MOTION BY ALDERMAN BOLTON TO RETURN TO THE REGULAR ORDER OF BUSINESS
MOTION CARRIED**

UNFINISHED BUSINESS – RESOLUTIONS

R-05-184

Endorser: Mayor Bernard A. Streeter

**RELATIVE TO THE ADOPTION OF FISCAL YEAR 2006 PROPOSED BUDGET FOR
THE CITY OF NASHUA GENERAL AND ENTERPRISE FUNDS**

Given its third reading;

MOTION BY ALDERMAN TOLLNER TO INCREASE LINE ITEM 581-63085 BY \$53,000

ON THE QUESTION

Alderman Tollner

That is on page 233 – School Department budget – it is transition costs furniture – during the Budget Committee’s deliberations if I am not mistaken we had projected an amount in last year’s budget of approximately \$90,000. I had a conversation today with Mr. Conrad and Mrs. Lemieux, and I think Alderman Deane has done a good job throughout this process to make sure that everything has been on a level playing field and do our best to make sure that when we stay level or whatever number we are trying to work with right now we honor our commitment. We had removed \$90,000 and what we probably should have removed was \$37,000. I re-checked that today.

We wanted to start from a point of a level budget before making possible adjustments leaving them with a 2.5% increase. Speaking with both Maureen and Mark today this change would put it back there.

Alderman Deane

Would it be possible for Mrs. Lemieux to come up? Could you read the line item again?

Alderman Tollner

I think the correct one is 581-63085.

Alderman Deane

The monies that were in the '05 budget for that what was the total - \$90,000?

Maureen Lemieux

I actually received a phone call from Mark Conrad yesterday or the day before and I know I spoke with him about forwarding an e-mail to all of you. I don’t know whether or not you people

have seen anything yet. Apparently when we identified the \$90,000 it was from the presentation that the Board of Education had done, and it was from their initial budget submission and along the way that \$90,000 had been reduced to \$37,000. That is what the difference is. When we identified the \$90,000 it was from prior to them actually cutting that number along the way.

President McCarthy

So as we stand right now prior to this motion that appropriation is negative in the budget correct?

Maureen Lemieux

Well the \$90,000 was utilized to adjust the '05 base for the School Department. What we did was identify the transition costs for opening the second high school so we subtracted that from the '05 number and came up with an adjusted base and then added 2.5% to that. What it did was in effect make that adjusted base probably lower than it should have been.

President McCarthy

Is what we are dealing with that account or with the 2.5% adjustment to the bottom line?

Maureen Lemieux

I think you probably want to be dealing with the adjustment to the bottom line.

President McCarthy

So the motion should not be the 581-63085 it should be 581-99999 right?

Maureen Lemieux

Yes I believe so.

**AMENDED MOTION BY ALDERMAN TOLLNER TO INCREASE LINE ITEM 581-99999 BY \$53,000
MOTION FAILED**

Alderman Tollner

I wanted to take a second and make some comments on last night's Board of Education meeting. As you probably heard already it was a meeting – there were a number of reasons for the meeting, but the first part of the meeting was a public forum on Pay to Play. I would say that the meeting was a very well attended meeting; there were a number of very good speakers. I support the final decision made by the Board of Education. You could see if you were there that it was a very difficult decision for them to do – it affects a number of kids and programs. I

understand the position that all of the departments in the city are faced with. I think everybody who has watched some of these Budget Committee meetings are aware of that. When the vote came I think everybody in the room understood why the vote was done and pretty much even when they went in the room understood the outcome of that meeting what it was going to be even before they entered that room.

What came out in the meeting, and I have to say a good chunk of that meeting people were talking about how great Nashua was and I think last night there were especially a number of speakers that probably in their presentation lent themselves to how solid a city this is. I would have to say there were probably a dozen people some of them coaches and some of them parents of kids that participate on teams, some of them parents whose kids no longer go to school there but participated on the team. The athletic community was asking for an opportunity to raise the funds to fill the void of that decision that was made. Again I will reiterate throughout my comments that I totally support the Board of Education's decision and this recommendation or proposal I have in no way circumvents or runs around the decision that the Board of Education made last night.

... **tape flipped** ... there was also a statement from some coaches that there are a fair number of kids now that actually stay in school because it allows them to play sports. Nashua has probably one of the most restrictive programs as far as certain grades you need to participate on those teams. There were a number of comments of families that had multiple kids playing multiple sports, and I think the Board of Education did something to address that in their plan. I was struck by the numerous comments and please from the parents of the communities to give them a year to raise these funds. I would have to say that they were extremely confident that they can raise this approximate \$200,000. I would like to offer the following proposal, and I would like the Board to consider it. At a future date I will write up a proposal and we can look at it and give it its just due.

I would like to propose that we place \$200,000 in a special revenue fund entitled School Sports Activity Account, 591-86073, and basically this account will be used as a loan. I want to underscore that I am very confident they will be able to raise the funds, and in the end the athletic community will step up and raise the funds if given the opportunity and the money that we have allocated to this contingency account will not to be used. In the end it will either be returned to the general fund or applied to the tax rate at the end of next year. This proposal should cost the taxpayer nothing. What it will do is it will teach the student a very good lesson – that when faced with a difficult decision, pay to play, as one parent said last night – did a very good job – I think he is a coach down in Massachusetts – that the kids are also responsible to cover the costs and be part of that decision as far as giving them the ability to participate on these teams.

I do think that this still supports the decision made by the Board of Aldermen and the bottom line is the people that are going to be playing on these teams will be the people that will raise the money to pay for these programs. Some people may say well you are doing this for the athletics or the sports programs maybe you should do it for everybody. My response to that would be I

think the athletic community last night stood up and said that they are willing to make the commitment to fund these programs they only want an opportunity to raise the funds. They do not want to see pay to play arrangement.

Collins Gaugins sent me a very good article, and I will make copies of it and give it to the Board of Aldermen. If these athletes have an opportunity to play on these teams versus non-athletes there was a study done where the grade point average for athletes is at 2.86% and for non-athletes overall it was 1.96%. The number of absences in a 180-day school year – for an athlete it is 6.5. For a non-athlete it is 12.5. Discipline referrals – 30% for an athlete and 40% for a non-athlete. Drop out rate - .7 for an athlete and 8% for a non-athlete. Graduation rate – 99% for an athlete and 94-95% for a non-athlete. Someone mentioned outside the meeting last night that \$200,000 is a lot of money, but I think we all know some kids that go through the system, and if they don't have an opportunity to play on teams their opportunity will be hanging out in the street. If we can prevent 2 or 3 kids from getting into trouble, and we discussed this in years past, 2 or 3 kids from going to jail I think we have made up that approximate \$200,000. What I will do some time in the next few days is send a memo to this Board, and I would ask you for your consideration of this proposal. I know it is asking a lot to put money in contingency, but in the end I am very confident that money will stay in contingency, that it will not cost the taxpayers any money – those people that want to play in these programs are willing to raise the money and I think we have a solution that very well may work for everyone. Thank you.

Alderman Bolton

I am very interested in the previous speaker's proposal. I am adamantly opposed to any pay to play program. No community in which it has been instituted likes it. These programs are pernicious; they destroy quality programs that are offered to students in public schools. I have already requested the Legal Department to draft legislation that would allow for – my conception is to increase in purpose and scope the existing fund where gate receipts are deposited and then expended for athletic programs to include all sorts of revenue associated with school sports programs, but most particularly charitable donations. I think that goes hand in hand with what the previous speaker is contemplating.

That said, and as much as I believe that sports are important they are not the most important thing in a school system. What we are doing with the budget as currently proposed tiers out some of the very programs that have made great strides in increasing the quality of our school system over the past few years. A few years ago discipline, violence, fear were all issues – all facets of the same issue if you will in our school system. Great strides have been made to make students accountable for their actions, to create a community or communities within the larger community in order to make the students feel that people care about them, that make students understand that if they do not adhere to the rules they will be treated accordingly and according to a discipline policy that is clearly understood and enforced. Doing things that reduce the number of headmasters, the student-teacher ratio, that overcrowd classrooms strike at the very heart of the progress made in that area. Reducing the amount that we can spend on maintenance of these buildings – two high school buildings virtually brand new, some of our

other buildings not quite so new, but we have made strives in recent years to have them be better maintained, much like former Mayor Giuliano proposed in New York City, if you keep things clean, if you fix what breaks as soon as you discover it you stay ahead of the problem – that is so true in our school system. When we allow the maintenance, the cleanliness, the upkeep of our facilities to slide it will be worse and worse and more and more expensive, it will send a message louder and stronger than any words we might say to the contrary that we do not place high value on our school children.

This budget in its current form cuts teachers, cuts administrators, cuts textbooks, cuts quality. It will cause the school system in this community to lose respect from those outside of it, from those who are contemplating moving to this city. Over time it will create a downward spiral. It will be harder and harder to recover from what we do this year. If unabated home values in this community will suffer. We will be on the road to a situation that is nearly impossible to recover from. The reasons why people chose to move to Nashua rather than Lawrence or Lowell or communities in fact to our South closer to where they work – those reasons will no longer exist and we will no longer get that kind of individual those kinds of families wanting to live in Nashua. We ought not to be planning for that kind of negative future. Thank you.

MOTION BY ALDERMAN LAROSE TO REDUCE LINE ITEM 503-18005 BY \$15,000

ON THE QUESTION

Alderman LaRose

We are asking the merit employees to sacrifice and to take some of the burden on our budget problems. I just think that it is fair for us as members of this Board to also share in that burden. That is why I made that motion.

MOTION FAILED

MOTION BY ALDERMAN LAROSE TO INCREASE LINE ITEM 501-98015 BY \$3,000

ON THE QUESTION

Alderman LaRose

I know that this is a touchy subject, but I believe that the Mayor should have some expendable funds for things like plaques and other things that are given to people who are being recognized by the city, citizens who are being recognized by the city. I think it is only fair. I also believe that when we have dignitaries coming to this city the Mayor should have some kind of money so that he can have some kind of a luncheon for these people. It only makes sense. When we have guests at our homes it seems to me that we usually provide some refreshments for them. I think that we should allow the Mayor to have that privilege. Thank you.

Alderman Bolton

In general I would not be opposed to anything that Alderman LaRose said, however, this Mayor has taken those funds and put it in his pocket every year since he has been in office, and has refused to provide any accounting for his expenditures, any receipts for his expenditures, and it has not gone unnoticed that the kinds of awards and ceremonial items that previous Mayors used to spend those funds on have not been provided during the Streeter administration. If the Mayor would alter his position and be willing to do what every other city employee is required to do and submit receipts and take the money only to reimburse him for his actual expenditures I would be in favor of it, but he takes a check, puts the money in his pocket, and has yet to account for one penny of such expenditures.

Alderman Rootovich

I want to point out that the two prior administrations and the administration of Mayor Don Davidson and Rob Wagner did the exact same thing – they took a check on January 1st and July 1st of every years – the \$1,500 check, and did the exact same thing. It is my understanding that went on prior to those two administrations as well.

With respect to the \$3,000 in the expense account, there is an unclassified line that has \$3,200 in it. I have to assume those funds are used for the concerns that Alderman LaRose has.

Alderman Tollner

I will support Alderman LaRose's motion. I also think that Alderman Bolton brought up some valid suggestions. I will support the motion and I do think that while it may have not been the past practice of other Mayors I think it was the requirement – I know it is a requirement that every city employee before he is reimbursed from that expense account that he provide a report and receipts so he can be reimbursed. I am looking at the institution of the office of the Mayor. Nashua is a big city, and I do think whoever is in that office should have an expense account. If I am not mistaken I think that \$3,000 has been \$3,000 since 1978 or somewhere around that time. It has not increased in more than 25 years or so. I support the motion, but I also support some of the comments that Alderman Bolton made that in order to be reimbursed out of that expense account that the Mayor should submit receipts. Thank you.

Alderman Johnson

We have asked for it in the past in the Budget Committee and we have never had any receipts given to us. It should have been during the course of the year. There hasn't been a Mayor in the past that has gone on what happened this year with the vehicle. As of July 1 supposedly he is not going to be using that vehicle anymore. I have a piece of legislation sitting in Personnel regarding the use of the Mayoral vehicle. I am not going to support this. If in the past the Mayor year after year being on Budget we have asked for him to show receipts and how the money has

been expended – it hasn't been done. Why do you think anything is going to change now? Sometimes people will be willing to do it and sometimes they won't. Obviously it hasn't been done. I am not going to support putting this back in. When we have looked through this budget to find areas to reduce because of the lack of funding of an account then the over projections of the education fund and probably even now the county where yesterday the vote was done on the State House – every time we turn around we have more and more hurdles to jump to try to get this budget down – 6.9% is not acceptable. I am not going to put back \$3,000 at this point in time or any other time during this budget process into this account.. Thank you.

Alderman Vitale

Do we have the ability to ask the Mayor to provide receipts before the expense is paid? Why hasn't that been done in the past?

President McCarthy

We have the ability to ask.

Alderman Vitale

Are we able to not pay if the receipts aren't provided?

President McCarthy

I would assume that we could in fact put that in place by Ordinance if we so desired.

Alderman Vitale

I would be willing to write up that Ordinance if we would pass the \$3,000 for the expense account.

Alderman MacLaughlin

The comments made by Alderman Bolton are very striking and I think well stated. The institution of Mayor under this current administration has been set back let's just say in terms of many levels. I am not the only one who has noticed it. The residents of Ward 8 noticed it and I am sure residents of other wards have noticed as well. I cannot support even though I understand Alderman LaRose saying the Mayor should be able to entertain guests and so forth and so on, but even that small act at this point is seen as a luxury. The institution of Mayor is perceived by outlying communities in our state is not favorable. I will not vote to restoring one cent to this particular fund. Thank you.

President McCarthy

The motion is to increase line item 501-98015 by \$3,000.

A Viva Voce Roll Call was requested, which resulted as follows:

Yea: Alderman Tollner, Alderman Vitale, Alderman LaRose
3

Nay: Alderman MacLaughlin, Alderman Deane, Alderman Lozeau, Alderman Dion,
Alderman Rootovich, Alderman Johnson, Alderman Bolton, Alderman McCarthy
8

MOTION FAILED

MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 501-11494 BY \$23,999.99

AMENDED MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 501-11494 BY \$23,999

ON THE QUESTION

Alderman Rootovich

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Normally I would have supported that other than an action that took place a few days ago, but since another individual in that office now has time to divide her time between two different divisions there apparently seems to be extra time in that particular office, and, therefore, I will not be supporting it.

Alderman LaRose

I guess I would like to know the reason why that motion was made. I don't know if he wants to expand on that.

Alderman Deane

What it is doing is putting somebody at the front desk. Currently we have volunteers from outside the building working in the Mayor's office.

Alderman Johnson

When you see the Mayor's office sometimes when there is nobody in there they bring somebody up from H.R. to go in for the day to sit in the office. I mean they always find somebody that can move around City Hall. I am not going to support putting the money back in at this point in time or ever.

Alderman Deane

-

At least we know where you stand, but I look at that and when we are paying somebody to work in the H.R. Department I don't think we are getting good value for our dollar having them sit up there answering the phones. I would rather have them doing the work that they were hired to do instead of answering the phone and greeting people.

Alderman Lozeau

I would like to use this opportunity to thank the R.S.V.P. people from Southern New Hampshire services that have been volunteering their time in the Mayor's office. I know they dropped my call to the Mayor's office twice today, but I would like to use this as an opportunity to thank R.S.V. P. program for volunteering and answering the phones in that office.

Alderman MacLaughlin

I wonder if the Mayor or whoever helps propose his budget has ever thought of the concept of using an intern or two from some of the nearby campuses; Daniel Webster or Rivier to name a few. There are students of political science; students interested in public administration, students engaged in volunteerism in general who as part of their thesis or MBA programs or under graduate studies could be very interested and recruited for a position like this, and instead of receiving dollars might be able to receive credits. I just don't see the need at this point. Yes it is easy to say that this hurts the customer service piece of that particular branch of government, and you know what if you refuse to address a positive solution to this situation I guess it would, but there are always ways to work with some of the resources we have right here within our city that can address this particular issue. I am quite sure that the faculties of the local institutions would be able to provide some outstanding caliber people who would be very good at helping run those sort of duties out of the Executive Branch.

Alderman Johnson

Very well put Alderman MacLaughlin. Very good suggestions. I just want to elaborate a little more because the Office Manager had been out ill for quite a while – now she is on long-term disability. They were without somebody at the desk until they brought in that temporary person. They did bring people up from different areas of City Hall to cover that area. It didn't seem to be any major concern. I used to go up there many times and ask why is somebody from H.R. up here because that person was out sick and finally she went out on long-term disability. That has been going on for quite a while. Thank you.

Alderman Bolton

I have a question and maybe Mrs. Anderson or Mrs. Lemieux or Attorney Connell can answer it. If money is put in here that may or may not be needed would it be within the Mayor's authority to take \$3,000 and put it in that expense account line and then take the money?

Carol Anderson

If there is a two-digit line item and the Mayor's expense account I believe is 98015 and there is another 98 account – if there is another five digit 98 then he does have the authority to transfer from payroll into that line item. If there is nothing budgeted within the two digits, the 98, then no he would not have that authority.

Alderman Bolton

Well there is and he does.

Alderman Vitale

I agree we could have interns come in. I don't know – it seems like interns work during a school year and they are not there year round. For a city of our size that we can't staff the office of the Mayor to have – when people come in the office to ask questions to be directed to different areas that we can't staff that that is pretty sad. I think that there needs to be somebody at the desk that is an employee of this city that can send people and know where to send people within this building when they come to ask questions at the Mayor's office.

AMENDED MOTION BY ALDERMAN BOLTON TO INCREASE LINE ITEM 501-11494 BY \$23,999 AND REDUCE LINE ITEM 501-98060 BY \$200

ON THE QUESTION

Alderman Bolton

I agree that we ought to have a paid person to do this kind of clerical work and telephone answering and reception duties in the Mayor's office, however, we have heard that the Mayor has for some time been getting by with volunteers or borrowing workers from other departments within City Hall and therefore it is all too easy to see that \$3,000 there could be moved down into that 98 series and come July 1st or whenever we pass the budget a check gets written and the Mayor takes it without making any accounting for it. If we eliminate this other \$200 we take that issue away and then I would be willing to support the resulting combined motion.

Alderman MacLaughlin

I would point out I did only refer to two of the local campuses, but there are actually 5 in this city, and among the five if we were creative enough, not necessarily in this Chamber, but the executive branch, in reaching out to the assets that are right here I will bet you they could find interns of caliber and substance who are serious about investigating public service as a career, who are capable of offering some talent and some energy to the office in a way that some would consider being here throughout the year. The tradeoff from semester to semester I am sure that you could simply approach the different departments and coordinate an effort and save the taxpayers \$23,000. That was one of the ideas I had in mind when I voted to remove it in the first

place. Thank you.

Alderman Vitale

Since we are talking about interns – I know I have been in the Mayor’s office when there has been an intern working there. Can I ask where that intern was paid out of or if they were here as a volunteer?

Maureen Lemieux

I believe any time that there has been an intern there in the last couple of years they have been from the high school program, and they are not paid.

President McCarthy

The motion that is before us is that of amending the amendment to include reducing line item 502-98060 by \$200. Is there any further discussion?

MOTION CARRIED

President McCarthy

The motion then is to increase line item 501-11494 by \$23,999 and to decrease line item 501-98060 by \$200. Is there any further discussion of that motion?

A Viva Voce Roll Call was requested, which resulted as follows:

Yea: Alderman Vitale, Alderman LaRose, Alderman Deane, Alderman Lozeau, Alderman Bolton,
Alderman McCarthy

6

Nay: Alderman Tollner, Alderman MacLaughlin, Alderman Dion, Alderman Rootovich,
Alderman Johnson

5

MOTION CARRIED

Alderman Vitale

Mrs. Anderson is going to be bringing forward some numbers for the Community Development Division. The other night we heard the presentation, and as part of the presentation, the Transit Department had indicated that they would be able to absorb a cut of 5% and also as part of that presentation there were other departments that needed maybe more than the 3%. What Mrs. Anderson is going to come forward with is the exact number for that allocation. When she does I would like to recommend those adjustments.

Alderman Deane

Through you to Alderman Vitale – I am confused. What did you say? I heard the 505 with the transit for Community Development – what other adjustments in the Community Development Division need to be made?

Alderman Vitale

I believe per that presentation there were other departments that indicated that the 3% that was being asked for was maybe going beyond what they would be able to absorb so we would look to – I would be looking to maybe increase their portion and then do the 5% in the transit that they indicated that they would be able to do.

Alderman Deane

I look forward to your motions.

Alderman Vitale

Thank you.

President McCarthy stepped down and Vice-President Tollner presided.

MOTION BY ALDERMAN MCCARTHY TO INCREASE LINE ITEM 481, SCHOOL DEPARTMENT REVENUES, BY \$239,000 AND TO INCREASE LINE ITEM 581-99999, APPROPRIATIONS, BY \$239,000

ON THE QUESTION

Alderman McCarthy

I first want to say that I applaud the effort to avoid a pay for play system in the School Department. I have to agree with your remarks about the affects of athletic programs. I have for a couple of years been attending the University of Hartford's Athletic Academic Banquet where student athletes with grade point averages above 3.0 are recognized, and was actually surprised to find out that out of 275 athletes at the school 255 of them have grade point averages above 3.0, which I think is safe to say is well above the school wide average for grade point. I think there we see clearly how advantageous participation in the sports programs is. In fact, in that school two of the women's teams have entire team averages that exceed 3.5. I think that shows clearly that the skills that the students learn in student athletics carry over to their success in the classroom.

That being said, the current proposal from the School Department is in fact to raise approximately \$200,000 in revenues to cover the offsetting of expenses in the athletics program and to raise some \$39,000 by changes to the parking fees. If we do not account for that in both the revenue and the expense side of the budget there is no way for the expenses that are associated with those revenues to be paid. The motion then is neutral to the bottom line to be raised by taxes, which is to increase both the revenue and the expenditure by \$239,000.

I would anticipate that if we do the other we may need to make some adjustments to those numbers. That will require separate legislation and this is the plan of record at the moment.

MOTION CARRIED

MOTION BY ALDERMAN MCCARTHY TO REDUCE LINE ITEM 522-11748 BY \$38,000 AND TO INCREASE LINE ITEM 522-99999 BY \$38,000

ON THE QUESTION

Alderman McCarthy

The I.T. Ad Hoc Committee has been looking at this department for some time, and the draft report from the committee will actually be circulated through the committee momentarily, and I hope the committee will report back to this Board within a week or so. In there and in our discussions with the Interim Manager of the IT Department, I think it has become clear that we do not need to increase our support staff. The places that we need to concentrate on from a personnel perspective are in the management of the department and in those people who actually deploy and develop application. We have made changes in the department that have allowed us to get the fallback logs to start coming down with the existing staff, and I would given the complications we have from adding staff due to benefits, I would prefer that we not leave that as a bottom line adjustment, but in fact remove that funding for that new position from the budget.

Alderman Deane

That was a recommendation from the Interim Manager of IT?

Alderman McCarthy

When I asked the Interim Manager of IT whether he were able to keep up with the call volumes my understanding was his answer was that yes they were.

Vice-President Tollner

Alderman Deane I think he is here tonight if you would like to ask him.

Angelo Marino

Alderman Deane yes in fact Alderman McCarthy does have a correct representation of our conversation. I do not think we need the technician. I think we need developers and we need a manager and that is the case so yes it is true.

Alderman Deane

Thank you.

MOTION CARRIED

Vice-President Tollner stepped down and President McCarthy presided.

Alderman Deane

I don't have a motion, but wanted to bring up a point. I met this afternoon with Nashua Fire Rescue myself and Alderman Tollner, and we are looking at the stipend situation that is going on over there. Hopefully the Commissioners and myself and Alderman Tollner had some discussion, and we are going to bring forth some documents for the Board of Aldermen to review and perhaps an Ordinance for them to also look at and hopefully approve to take care of some of the current issues with the stipends and Policy 40 over at the Fire Department. Thank you.

President McCarthy

I would ask for a motion to hold the budget at the full Board.

MOTION BY ALDERMAN DEANE TO HOLD R-05-184 AT THE FULL BOARD

MOTION CARRIED

Maureen Lemieux

Thank you Mr. President. As you all are aware in mid February Mr. Marino accepted a 4.5 month assignment to be the Interim IT Manager for the City. He is an extremely valuable employee and has really done a wonderful job really solving a lot of the issues that we were having in that department certainly that really were culminating in a number of issues by the time we put him in place in February. That arrangement was a 4.5 month arrangement, and today being June 30th that arrangement expires today. The reason that I am here before you – I am not asking for any formal action by you as a Board. I held off doing anything because I wanted to be sensitive to the recommendations of the IT Ad Hoc Committee, but because they have not issued their recommendations and their findings I find myself at the moment in somewhat of a quandary. My request is because we have had so much discussion about stipends and arrangements that we have had with other people, I would like to be able to keep Mr. Marino in place as the Interim Manager at least until some time as the IT Ad Hoc Committee issues their final report.

Again I don't need motions on money or anything, but if I am going to do this I want this to be under the full knowledge of all of you as a Board. I guess I am looking for direction or concurrence or whatever your comments may be.

Alderman Tollner

I had an opportunity to speak with Mrs. Lemieux today on this so I am comfortable moving forward with Mr. Marino continuing his service there along the guides of there will be a different compensation arrangement as we move forward – you are going to work on that and get back to the Board right?

Maureen Lemieux

Yes.

Alderman Tollner

Thank you very much.

President McCarthy

I think you hear an overwhelming lack of objection.

Maureen Lemieux

Terrific. Thank you.

President McCarthy

I would like to thank Mr. Marino for his service in that position.

ADJOURNMENT

**MOTION BY ALDERMAN DEANE THAT THE JUNE 30, 2005 SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED
MOTION CARRIED**

The meeting was declared adjourned at 9:25 p.m.

Attest:

Paul R. Bergeron, City Clerk