

A special meeting of the Board of Aldermen was held Monday, July 11, 2005 at 7:02 p.m. in the Aldermanic Chamber.

President Brian S. McCarthy presided; Deputy City Clerk, Patricia E. Lucier recorded.

Prayer was offered by Deputy City Clerk Patricia E. Lucier; Alderman Deane leading in the Pledge to the Flag.

President McCarthy

I will remind the members of the Board and of the public to please turn off cell phones and pagers.

The roll call was taken with 12 members of the Board of Aldermen present; Aldermen Vitale, Plamondon, and Rootovich were not in attendance.

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

**MOTION BY ALDERMAN DEANE TO ADD PUBLIC COMMENT PERIODS TO THE AGENDA
MOTION CARRIED**

COMMUNICATIONS

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**MOTION BY ALDERMAN TOLLNER 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 TOLLNER TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

From: Bernard A. Streeter, Mayor
Re: Veto of R-05-245

**MOTION BY ALDERMAN BOLTON TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

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

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MOTION BY ALDERMAN JOHNSON TO ACCEPT AND PLACE ON FILE

MOTION CARRIED

PERIOD FOR PUBLIC COMMENT RELATIVE TO ITEMS ON THE AGENDA

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Fred Teeboom, 24 Cheyenne Drive

First of all on the rule of the legislation before you. I don't understand how legislation can be reintroduced that was previously defeated. You have a rule and you go by those rules, and they are Mason's Rules – and I found this out a few weeks ago that you had legislation on this very point that was defeated. If you look at the rules dealing with legislation; you can do a reconsideration vote by anyone that voted on the prevailing vote the following meeting and failing so the legislation is dead. The rule is that legislation be vastly different. I suggest you take a look at your Mason's rule book. Vastly different is required to be re-introduced. This legislation is certainly not vastly different. If I remember right there was \$175,000 peak in the range for the Superintendent's salary and now you are talking about \$150,000. That is certainly not vastly different. I don't understand why we are here. I don't understand why you are taking up this legislation. I don't understand why this Board is acting in a lawless fashion and an illegal fashion.

President McCarthy

Excuse me – please do not unless you intend to substantiate it, accuse this Board of breaking the law. If you believe that we have broken the law your remedy is either by filing a civil suit with the court on Spring Street or by asking the Police Department to investigate. I am not going to sit here and let you make innuendo at that microphone and impugn the integrity of the members of this Board.

Fred Teeboom

Well I am sorry Mr. President, but I suggest you take a look at the section in Mason's Rules that deal specifically with this question about reintroducing legislation that has previously been defeated. The legislation must be vastly different. If I plan to take this up as a civil action that is my prerogative because I don't even need to have the police investigate this question I can take this to the court on Spring Street. I may very well do so on the very point. I think somebody on this Board ought to finally come to this point and say this motion is out of order; this legislation is out of order. Not to me I am not an Alderman, but anyone who is an Alderman can say this motion/ this legislation is out of order quoting Mason's Rules that is part of your rules of procedure.

Let me go on about the merit of this question or the non-merit of this question. I understand that the Assistant Superintendent of South quit and became I think the Assistant Superintendent someplace else. I just found out today coming back from a three-week vacation that the other Superintendent, Mr. Nelson, has quit and taken up a Principal position. How can you blame these individuals? If they are Assistant Superintendents and don't have a chance of getting promoted –

this very question came up ten years ago with Mr. Giuliano when the School voted on this mission of gods to find a Superintendent out in the State. At least they looked for a Superintendent in the State. As some of the Aldermen said enough is enough why can't you promote from within – is there any reason that any of the Assistant Superintendent's not qualified and the answer was no and they promoted Superintendent Giuliano. Furthermore if you get a Superintendent out of state now you have to pay for moving. That is a substantial cost. Is there no one in New Hampshire qualified given the fact that at this point we have lost both of our Assistant Superintendents? If I were an Assistant Superintendent I would quit if you are never going to have a chance of being promoted – why stick around? What message are we giving?

On the merit, just exactly what is it about the Superintendent that is so special, so absolutely special that you have to reach out of state to find someone in Texas I understand. What is so absolutely special about the qualifications of a Superintendent that you can't promote from within? Exactly what does the Superintendent do? Think about it the activity in the school is within the classrooms. If the Superintendent was really acting as a Superintendent they would have placed the assessment steps as a grade. Half the schools in this city are failing. Is it because Giuliano is an incompetent Superintendent – no the reason half the schools are failing is because none of the students taking this test are held accountable for this test, no grade is administered for this test so why do the test. Half the schools are failing. Ask the question when did that happen. How is a new Superintendent you are going to hire for this amount of money assess that question? Why can that not be assessed by a Superintendent you hire from within?

What message are you giving to other employees in the city? Is the Chief of Police so less an important an individual than the Superintendent that he should make nearly \$70,000 less a year? Is the Chief of Police so less of an important position that he should be making about \$75,000 less a year? Excuse me \$50,000 less a year. Obviously these chiefs will be asking for the same amount of money shortly or they will leave. What message are you giving to anyone in the city by giving a \$45,000 raise and what are you getting for that money? I hope one of you, two of you, five of you, ten of you – six of you see it the other way so you don't override Mayor Streeter's veto and Mayor I congratulate you on your veto. Thank you.

Bob Burgess, 32 Bates Drive

Resolution 05-245 this is the Mayor's veto. I have to strongly go along with him. We look at these figures here and I think it would have been good if this went out to the taxpayers to show how we are going to vote on this issue tonight. Said this \$150,000 is proposed, this figure would be approximately 34% higher than the incumbent Superintendent's salary. It is 36% higher than the average salary paid to New Hampshire public school Superintendents this year - \$110,300, it is also 35% higher than the national average - \$111,189, and 27% higher - \$118,444 for the New England average salary paid to public school Superintendents. I think by trying to override the Mayor's veto I think it is like he said a slap in the face for these hard working people that work here in City Hall – a good many of them are working for minimum fees there. We continue to chop away and cut at this budget – I have to give some of these Aldermen credit and in time we have to take steps for this. It kind of disturbed me last week when I heard that two of the Board of Aldermen were meeting behind closed doors with this candidate. We all know the Aldermen have

no jurisdiction on hiring anybody in the School Department. It kind of disturbed me. I think if you look around the room we know who will and will not vote for this tonight.

Furthermore we look in the paper today where we have to give the Superintendent \$117,000 back – I think you have to really look into how much vacation and sick time pay back we have. You break this figure down somebody working down here at the Pheasant Lane Mall working for \$10 an hour – he would have to work 45 hours to pay for one hour of this. Somebody down there in the fast food making \$8 an hour – he would have to work 56 hours to make what the Superintendent did for one day of this. I strongly urge that we vote against it. I would like to actually see this cut back to \$125,000. I hope the taxpayers didn't pay this \$2,000 for this junket down to Texas. I think if we want to look at the credentials or something the computer we have access to and go down and shoot the bull – I call it nothing but a junket – sending them down and wasting taxpayers' money. I can't go along saying well this candidate is the best while we have the best and a good many – what can we afford the taxpayer in the city – we cannot afford \$150,000. This is a slap in the face for the workers in City Hall and some of these other employees in the city that we froze their wages and everything. I would like to see this dropped back to \$125,000. I will make one prediction here tonight it will be a 9-5 vote.

Dot Nice, 8 Maywood Drive

I want to thank the Mayor too. I also want to say this to all of you here. I have been sitting here for 8.5 years and I hope you will vote the right way, and please think of the people here in Nashua. I might sit here at the City Hall, but I have gotten as many calls as some of you Aldermen – some say you don't get them, well some say you don't get them because you are too sneaky about some of this stuff. Anyway I just want to let you know you ought to vote and vote with the Mayor for once. That is what I am thinking about. Thank you.

John Dunn, 20 Indiana Drive

I would like to agree with the Mayor and the veto. I called every one of you Aldermen. Some of you didn't return the call. Some of you were very pleasant to talk to and explained what was going on. I think as a concerned citizen here we can't afford these taxes. We can't afford this \$175,000 nor \$150,000. We are damn lucky to be able to afford \$125,000. I think it should be lower. If that woman wants to jerk us around before she even has the job what is she going to do when she gets here? Please consider the people of Nashua. I am sorry some of you are sleeping, but we have to do something about these taxes. We can't have this. Please go along with the Mayor's veto. Thank you.

Chuck Hafemann, 3 Depot Road

A few of you know me. None of you have seen me in a long time, but you got my attention on this one. I would like to put this in context. We are facing a budget crisis here and we are talking about an incredible wage. There is a practice that you see in business both in public sector and private sector – the practice is to go hire a high priced consultant and then open the checkbook as wide as you possibly can. That is easy. It doesn't take any thought. In my opinion it doesn't say

that the Board of Education is doing the job. We have somebody in there right now with ten years of experience on the job for like \$112,000. I can't believe that we can't find somebody in the Nashua area or New Hampshire that isn't ready to move up, can't take that job for less than \$112,000. I applaud the Mayor for his veto, and hope that you will come back with some fiscal responsibility here. Thank you.

Robert Hallowell, 6 Chaucer Road

I spoke at the meeting two weeks ago when the Board of Aldermen voted to pass the increased salary range of the School Superintendent. I also urged the Mayor not to veto the legislation apparently to no avail. The Mayor's veto message seems contradictory to me. We have the perfect candidate so let me veto the only real chance we have of hiring this individual. I also understand that some on this Board perhaps all of you are annoyed that the School Board continued to pursue candidates that were likely going to require a salary in excess of the \$125,000 set in the original legislation. If we look back at the Budget Review Committee meeting held on April 28th where the Board of Education and their consultant originally presented their case for an increased salary range we might begin to understand the confusion and consternation of the Board of Education. To be clear this meeting took place more than a month after the Board knew that a large extent of the fiscal crisis that was before them. At that meeting the Budget Review Committee voted to accept the then range of \$150,000 to \$175,000 in part at the urging of two Aldermen that were present but not members of this – I am sorry one of them was – of the Budget Review Committee.

Alderman Deane stated, and I quote from the meeting minutes "I for one am not into spending a lot of money, but when I look at this position and I look at the millions of dollars we have just invested in our school system it just seems to make sense to me to get somebody at the helm of the School Department as a Superintendent and pay them appropriately to make sure the investment that the citizens have just made into the school system work for the children that are attending the schools." Alderman Rootovich followed with "I was one that was skeptical looking at the salary range when this was given to the Board of Aldermen, but based on Mr. Connelly's presentation, I wholeheartedly support the increase in salary to get the quality person." How did we get to this point? Well partly it is that the financial crisis deepened as a result of the latest school-funding bill, but I think it is also due to poor communication and the lack of trust between the Mayor, the Aldermen, and the Board of Education – a common theme in this budget cycle.

I have commented at Aldermen meetings and at the Board of Education meetings that a compromise was needed. Couldn't we just all agree that \$140,000 was a more justifiable number from both perspectives, but apparently the art of compromise is not one practiced here in Nashua. The Board of Aldermen passed an increase in the salary range to \$125,000 but it was a reactionary vote trying to trim the sales of the School Board. No analysis was done by the Aldermen to determine that the \$125,000 was the correct figure. Since then the Aldermen have limited the overall increase in the school budget to 2.5%. It would seem to me that the overall cap is more effective at capping expenses than telling the school managers how to spend each dollar. Conversely the Board of Education's consultant salary analysis did not take into consideration the limited nature of the tax base in New Hampshire as compared to Massachusetts or Texas that

were used in the consultant's analysis. One hundred and seventy five thousand dollars was never a realistic range that really could be supported. The Board of Education did not help the matter by often getting quoted in the paper with unflattering and derogatory comments about the Board of Aldermen. I have also been critical of the Board of Education's budgeting process and wholeheartedly agree that their budget and infrastructure could use a critical and thorough review.

Whom should we have perform this review? Our new Superintendent who has just moved up from a small school system totally unlike the Nashua school system or perhaps an internal candidate that is so invested in the current system that they can't or won't innovate – no I think it is clear that we need an experienced Superintendent from a large school that comes from outside the Nashua school system – someone to examine the whole system and find innovative ways to streamline the system from top to bottom. Like it or not quality candidates outside New Hampshire require an increase above the \$125,000 the Aldermen originally passed. The data I have found on my own certainly supports this argument. Comparisons to averages within the State of New Hampshire as absurd given that 99% of all the school districts are well less than half the population of the Nashua school district leaving only Manchester as a data. If we compare this search to the one performed by Manchester two years ago we would see that Manchester had to increase its salary by 20% from \$95,000 to \$115,000 and one assumes increased the acceptable salary range even further.

A 20% increase in the current Nashua Superintendent range would put the salary at \$140,000 conveniently enough the same number I have been telling anyone who would listen should have been the range in the first place. My recommendation would be to override the Mayor's veto and instead of that the legislation be amended by somebody who voted for it to \$140,000 when you vote on it again. That way the Aldermen and Mayor can be more confident of a true salary that will be offered by the Board of Education, and the Board of Education can move forward and get someone in place that can affectively manage the entire school system and help control its budget. Thank you.

Pat Francis, 1 Redwood Circle

As a taxpayer I have to say I support the Mayor's veto. I think the budget has been a real problem for all of you. I had not planned necessarily to be here, but when I did hear about this particular instance I just feel it my duty to say as a taxpayer I find that this is an unreasonable amount of money – outrageous to be spending especially for someone coming into the area not knowing the circumstances. I think there should be some one certainly within the New England area that would be just as qualified to take this job. I would also like to say that having been a long-term employee here in Nashua, not for the city, but there were 4 of us working over at the Senior Center and total salaries do not reach this particular one, and we have long-term service. I use that as a comparison. Whether that means anything to anyone or not I feel as though I wanted to make the comparison for you to use as a means or a benchmark in making your decision. I do hope that you allow a new vote to come forward that is going to be more reasonable for all of us. Thank you.

Mike Lowe, 6 Sheffield Road

I do support the Mayor's veto. Some of the things we don't seem to be taking into consideration is like Texas has an 8-12% sales tax and we don't have any. In Texas the houses are less expensive than they are here except in some of the big cities like Dallas and Houston. We have to have a little bit more information on what we are doing. I don't think the Mayor was even asked to talk to the new Superintendent. I think those are the things that happen – he says he has talked to her now, but has he met her face to face? I assume five people have met her face to face. I would like to hear something from someone who has met her face to face to talk about these things. Please and thank you.

UNFINISHED BUSINESS – RESOLUTIONS

MOTION BY ALDERMAN BOLTON THAT THE ORDER OF THE AGENDA BE CHANGED TO ALLOW TO TAKE UP R-05-245
MOTION CARRIED

MOTION BY ALDERMAN TOLLNER TO RECONSIDER R-05-245
Division Taken
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 third reading;

President McCarthy stepped down and Vice-President Tollner presided.

Alderman McCarthy

Question to the Mayor through the Chair if I might. On Thursday last the Mayor when I was discussing this piece of legislation said that he was prone to sign it were the amount reduce to \$140,000, which I think is hinted at in his veto message to the Board. I would like to ask whether that is the amount that he would in fact support.

Mayor Streeter

Mr. President I have not been party to and in fact never asked to be part of any salary or search negotiation whatsoever. My last conversation with you and with the President of the Board of Education following my veto last Thursday evening occurred when she posed the same question. My response was let me know what figure you recommend. It is neither my prerogative nor my inclination to set the salary of the School Superintendent, and I won't engage in that debate. I felt that \$150,000 sent the wrong message to both the merit and union employees and the taxpayers of our city and it was this wrong message that led to my veto.

The fact is Mr. President there are not enough votes to override my veto. It is the duty of the Board of Education to set the salary figure, and it is your obligation to act on it. It should be obvious to everyone sitting around this table and at home that this figure should be lower than \$150,000. Right now the maximum cap is set at \$125,000 and it is my strong opinion that the Board of Education not the Board of Aldermen and certainly not the Mayor to negotiate the salary. It is the Board of Education's responsibility to submit a figure to this Board and ultimately you to me. If that figure is substantially lower than \$150,000 in all likelihood I would support it.

Alderman McCarthy

I guess that is not to be a terribly useful number. The Board of Education did – let's be clear we are talking here about the range not the salary. The Board of Education has to negotiate a salary that is within the approved range, and I believe they are attempting to do that even as we speak. The number they recommended was to set the range at \$150,000. The number the Board of Aldermen passed was that recommended by the School Board of \$150,000. The number that the Mayor vetoed is that recommended by the School Board of \$150,000. What I am asking is what is a number bearing in mind that we are trying within the next day to reach an agreement with this candidate, what is a number for the upper range, which the Board of Education can negotiate that we can put in this Resolution this evening to reach conclusion on? I will pose that question again – I would like a number from the Mayor where he is comfortable with setting the salary range for the Superintendent of Schools. Clearly \$150,000 was viewed as too much. You signed the \$125,000 legislation so we understand that somewhere in there is a number, and I would like to know what that number is.

Mayor Streeter

Mr. President I made it perfectly clear I am not going to negotiate the setting of the salary of the School Superintendent nor am I going to engage in any debate whatsoever along those lines. It is up to this body to accept or reject the recommendation of the Board of Education and act accordingly. Once you have reached a conclusion as you did two weeks ago, take a vote, and I will consider it.

MOTION BY ALDERMAN MCCARTHY TO AMEND R-05-245 IN THE BODY BY CHANGING THE AMOUNT TO ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000)

ON THE QUESTION

Alderman McCarthy

I first have to say that I have to agree wholeheartedly with comments from one of the speakers during public comment period. I sat here through all of the deliberations the Board had. I have listened to the members of our Board who have met this candidate – I have not. I listened carefully to what Alderman Lozeau had not say. I have listened to what other people who have met the candidate have said, and frankly we stand to put aside a whole lot of money that we have

already spent and are arguing over a fairly small amount to get back a return from someone who can come in here with fresh ideas on how to manage that department. We have been concerned for a long time with things like the way the department is organized and the heaviness of the middle management of the department. This person came in from the outside and has said that is a problem I saw before you even interviewed me, and it is something I would fix when I got here.

From what I have heard virtually every concern I have even raised to the School Board about the way that department has been approached from the lack of accountability on whether the curriculum changes are doing us any good to the way the office was organized – all of these have been noted and recognized by this candidate. I wholeheartedly concur that it was time to bring in somebody from the outside with some fresh ideas to look at that department, and we are very close to doing that. I am disheartened that we are going through this tonight and that we didn't get there. Ultimately the difference between whether that Resolution says \$150,000 or \$140,000 I am convinced will not make one bit of difference in what we pay that person. The Board of Education is negotiating a salary that is within that range. I think we are here just arguing about very small things in the scope of things that will not affect the budget. If we don't do this, if we are forced to retreat and leave the status quo, which is what this Board complains about continuously – the fact that there is no meaningful change in that department, this is the enabler to get that change, and I certainly hope that the Board will support going forward with a salary of \$140,000 so that we can conclude negotiations and get on with the business of running the largest department in the city.

Alderman Johnson

I am not going to support \$140,000. I made it very clear \$125,000. I am taking a look at what is going on in the city and the phone calls I am getting over this nightmare of the city and the spending that is out of control. When the Board of Education sat here I remember them talking about a performance based contract. I remember talking to the consultant about a performance-based contract. Mr. President since you had the chance to drill the Mayor I am going to drill you now about our conversation Saturday night. You tell me it is no longer a performance based contract it is going to be a salary based contract with maybe a performance based contract in the next year or two so when we start talking about the salary I am sure there is going to be a relocation of probably \$20,000 to move a person from Texas to here, we are going to talk about benefits – Mrs. Lemieux told us at a meeting last Friday with the investigative committee, that the average cost of health insurance is about \$8,800 give or take – on the single a little bit more on the families – I am going to round that off to about \$10,000 so we are at \$30,000 now on top of a base salary. Then let's talk about a car for a perk. These perks all have price tags to them. They are not a freebie. We just saw the Superintendent retired with a nice bankroll from banking his sick time and vacation time. Is that going to be in the contract? We sit around as a Board and we are privy to every contract that comes to us – we can vote them up or down, but we are not even seeing this contract that they are going to offer a Superintendent, and you are asking me to vote \$140,000 when I don't even have a contract in front of me to see if I like the terms and agreements. I wouldn't even sign a contract for myself without seeing the terms and agreements, and yet when every contract comes – any bargaining contract comes before us to vote on whether or not we should spend the money on behalf of the taxpayers of this city. It would be irresponsible of me not to see that contract to see what is being offered. What happens if I don't like what is

being offered? What happens if we are letting this Superintendent bank her sick time, bank her vacation, and at the end when she retired and walks away with not \$117,000 because in ten years that money is worth more, but more.

This is not right. We have the right to see these contracts and to vote up or down on the contract and see what kind of benefits are being given out to people. It is wrong. They are in Texas negotiating. We are here, and yet none of us have even had a chance to meet this candidate to say whether or not we feel she is qualified or he is qualified. We don't have a contract in front of us. Thank you.

Vice-President Tollner

Please regardless of what side of the fence you are on there is no applauding in this Chamber.

Alderman Dion

Fred Teeboom made some comments under public remarks. I don't agree too often with Fred Teeboom, but I have to agree with him in this respect here. What are we doing here tonight? Why are we discussing this issue again when we settled it giving that position pretty near a \$13,000 raise by bringing it up to \$125,000? Why are we going on the outside to promote? Do we go on the outside to get a Fire Chief – haven't since I can remember. The Fire Chiefs are promoted from within. Most of my life I have seen Police Chiefs promoted from within. It is only a couple of times that I saw a person from out of the City of Nashua get promoted. You mean to tell me that there is no school principal in the City of Nashua that wouldn't jump at the chance to get a salary of \$125,000? Nobody is going to convince me of that.

Secondly Mr. Teeboom brought up a point about the legality. Through you Mr. Chairman I would like to ask City Counsel as to whether this is legal or whatever term you want to use to bring this resolution in again after we settled it once and for all at \$125,000.

David Connell

I guess you are referring to Mason's Rule and again it is only a rule not a law – most rules can be waived by motion, but any case the rule is that when a measure is either accepted or rejected it cannot be -- substantially the same measure cannot be brought back in that term. Now the question is whether any given measure is substantially the same as another. Here you had a measure that was going to originally as proposed raise the upper end of the range from \$115,000 to \$175,000, which would be a \$60,000 spread. The first measure as it passed raised it \$10,000 to \$125,000. The second effort was the \$150,000 so that raised the upper range to \$135,000 so you are comparing \$35,000 to \$10,000 in absolute terms that is substantially different. As a percentage of the increase it is very very different – it is multiples of the first increase. The Resolution came in and was not objected to and was voted through so that was an indication on the part of the Board that there was no objection at the time. Now we are here on a veto of that vote – it is late in the game to be arguing about whether it should have been considered in the first

place.

Alderman Dion

When this amendment was made – when this Resolution was brought in to bring it up after we settled it at \$125,000 to bring it up to \$150,000 if we had made some kind of an issue then are you saying that you would have ruled – which way would you have ruled then?

David Connell

I would have said it was well within your discretion to decide that was not substantially the same – that it was different enough. The majority of course can always overrule the ruling of the Chair in these matters. You have to remember that when there is a rule question – you disagree with the ruling of the President you can make a motion to overrule it.

Alderman Dion

Thank you Mr. Chairman.

Alderman McCarthy

If I might the section of Masons that deals with this deals with disposition of legislation that is indefinitely postponed. This matter has never been indefinitely postponed. A piece of legislation was entered, it was amended to another number, and it was passed and signed into law by the Mayor. A second piece of legislation on the same topic was entered and was passed, and it was then vetoed. This Board has never taken a negative vote on the final disposition of a bill to adjust the salary. I have as Mr. Teeboom suggested I should, read very carefully those sections of Mason's rules and of our Ordinances and of the Charter and my belief when this was introduced for the \$150,000 number was it was it was absolutely appropriate under our rules.

I also just want to clarify the conversation that I had with Alderman Johnson. What I relayed to her was exactly what was said in this Chamber by the members of the Board of Education that what they had discussed with this candidate was a performance based contract starting in the second year of the contract, but that the number that would be used for the first year was simply a base salary. That was my understanding from the comments that were made. Mr. Cote is here if we wish to ask for a clarification of that. I believe that is what I heard. I believe that going back to our minutes will reveal that is precisely what was said.

Alderman Dion

Getting back to the \$125,000 motion that I made to bring that Resolution down from a \$175,000 figure to \$125,000 figure – I really thought that was the end of it that night, but apparently people just won't let it go, they just won't let it go. I will not vote one dime over \$125,000. To me a \$12,000 increase in that job classification is more - \$125,000 is more than the City of Manchester

is paying their Superintendent. Their Superintendent I believe is getting about \$112,000 to \$115,000. We're paying \$10,000 over what Manchester is paying. I am not going to compare Nashua to a small town district because it wouldn't be a fair comparison. I am comparing it to Manchester. I really believe and I know that probably 8 or 9 people aren't going to agree because they love to spend money. Say that as it may that is the way I am going to leave it Mr. Chairman. I will not support \$140,000 no way.

Alderman Lozeau

I would like to start by saying I don't like to spend money, and I think my voting record shows that I don't like to spend money. I was one of four Aldermen that was invited to sit down through the interview process. Some people said that process was wrong by allowing or inviting four Aldermen and then going into non-public. As it turned out only two Aldermen were privy to sit down. After the time I spent with the two candidates it was very clear to me and I have said this before that neither candidate and I was a little unclear, I felt a little bit deceived and I said that – I was a little unclear as to why we were interviewing candidates that I felt were not going to come to Nashua for \$125,000. I was told that is because we want the best candidate. Was that right or wrong? What I am faced with today – what we are all faced with today is the fact that we may not have a Superintendent at the start of the school year. That is what I am voting on today. I want a Superintendent, I want a strong Superintendent – I want to change the way the School Department is run. We have to go in the right direction. We have to look at combining our maintenance. We have to look at things that we can do to save money for the entire city. My vote today in support of this amendment will be so we can hire a Superintendent and get moving. Thank you.

Alderman MacLaughlin

Just a quick point about the applause factor a moment ago. We do allow applause in this Chamber – usually it is during recognition. I think that some of the taxpayers in the audience tonight recognized something back there a moment ago.

As we talked about the comparison between Nashua and Manchester we can do that on many, many levels – we tend to do it on several levels – we talk sports, entertainment, taxes, education aide – now when it comes to talking about Superintendent's salary suddenly it doesn't seem to mean as much. To me it boils down to not what can Manchester afford or even what does this ideal candidate so called believe is the right number for her to make the decision to come, it is what can we in Nashua afford, and specifically what can the taxpayers at this time who are struggling afford. I don't think that they would like us to go after a Cadillac now that all we can afford is a Pinto. Thank you.

Alderman Gage

We sat here a while back and passed \$125,000 as the upper end to the salary, and we asked the Board of Education to use that guideline to go find somebody – to tell their search company this is

the guideline that we have, and this is what you should be looking for. My understanding from reading the paper this particular candidate from Texas currently makes somewhere in the range of \$127,500. Right away she is out of the range that is currently approved. As Alderman Lozeau said why are we interviewing somebody from outside that range – I wondered that too. We have companies still in this city that – one company I know laid off almost 100 people about a month ago and plans on doing that again in September and closing another building – of the three buildings they had they will be down to one. All of these people are going out of work and I have run into several of them, and they have all said to me (I have only been back from vacation four days and I ran into about 4-5 people over the weekend) what the hell is going on down there – we're either barely skating by, we are losing our jobs, we are being told you are done in September and you are done in January, and the city just is spending like there is no problem at all.

One of the guys said to me the city is surviving on my back as all governments do. He said what they are doing and this money that is being spent, the first money that was asked for by the Board of Education is wrong. Those were his words. I think we have to live thinking of these people that are barely skating by or they are now on unemployment or layoff packages trying to get school, work, trying to do something – I think we all have to think of those people, and there are a lot of them in this city. Look at the casket maker closing up shop – those people don't make a ton of money. Those people are making an okay wage surviving, and now they are not going to be.

If the individual that I read about – I am assuming has a number of years in a school system and probably will get a decent retirement package when they leave to come here. If the salary range is what was stated in the paper, somewhere around \$127,000, you have to figure if she has been doing this for a long time, which I am assuming she is because we want to try to find somebody that has been doing it and knows what they are doing, she is going to get a really good package a year for the rest of her life. She can get in here and she gets \$124,000 she is probably going to be from just thinking what the New Hampshire retirement system would pay for 30 years in a system at her salary range she will probably be taking in \$200,000. That is not bad at all to survive in this city, in this area. I think we could all survive on that. I know I sure as hell don't make \$200,000, and I have one full time job and a part time job and my wife works full time. We're doing this so that we are able to put a roof over our heads with two little kids. It just seems that if you get into that range you are doing all right.

As somebody who has been asked to leave a Board of Fire Commissioners meeting – I was the liaison to the Board of Fire Commissioners, and was asked to leave their closed meeting when they went into executive session – I was also at a Board of Education meeting with several other Aldermen and was asked to leave that meeting, had the minutes sealed and then opened – it disturbed me that members were asked, individual members were asked – it wasn't an open invitation to the Board. I think if you have one outside the general public – we are as far as I know the general public when it goes into any of these meetings going into executive session. That bothers me. There was a concerted decision to not give us an open invitation, but to several individuals and not everybody and anybody on the Board.

There is a member of the Board of Education, Mr. Clemons, who is an administrator in the

Manchester School System, and one of the things he mentioned at that particular meeting when it came back into session and we were allowed to go back in – two things were mentioned. Number one was this search company works for us – we should give them the job and they should go out and do what we ask them to do not go out and look for something outside of what we are asking them to do. If we tell them the rules changed and this is the way it has to be then they should go out and look for this particular thing. It doesn't sound like they have done that. It doesn't sound like the Board of Education has asked them to do that. The other thing he had mentioned was that any search company worth its salt should be able to also think of the people that are in that top of their years in a system where they could actually say they are young enough to come out and take a job for 10 years or so and at the same time retire from their current position with a decent salary and look at that \$125,000 and say that is pretty good. I think that should have been done, and it wasn't. I hope that the members of the Board – I want to applaud Mrs. Shaw and Mr. Kelley for rethinking the idea of putting in for a trip to Texas. Thank you.

Alderman Cardin

The struggle I have with this is the 127 I believe merit employees we have here in this city and the message this send to them – we want you to forego your increase this year, but we are going to give a Superintendent coming in from another state \$25,000 more than we originally had voted on. Really that is the only reason I am not going to support this.

Alderman LaRose

We have a difficult decision to make. It is true that there are times when we promote from within and there are times when we don't promote from within we go outside of the jurisdiction so that we can find some new ideas. I think we are at the point where we need new ideas in our school system. I believe that the salary that we are asking for is a fair and reasonable salary. I understand that it is percentage wise a high percentage increase. If you want good personnel you are going to have to pay for them. You can't do it on the cheek. We were fortunate when Mr. Giuliano decided to as an interim Superintendent he decided to continue on as the Superintendent. We actually got a bargain because he was already a city employee and his increases were probably a fairly substantial increase from what he was making. We should not sell out education system short. We need a Superintendent that can take hold of that department and take a look good at it, streamline it if it needs to be streamlined, and help us to increase the educational opportunities of our students. This is what it is really about. It is the educational opportunities of the students. It is our job to provide the financial wherewithal to the school department to operate their facilities and the education system. It is the job of the parents and the students to take that opportunity to get themselves educated. No matter what we do as far as spending money if they don't take that opportunity it is not because they were not given the opportunity to grasp that opportunity and to get educated.

That is why we need someone who comes from a similar district, preferably larger, that has the knowledge of what needs to be done in a district that is growing. That is what is happening in Nashua. Nashua is not the school district that it was when I went to high school and when my fellow Alderman Dion was in the school system. We had a small school system. We have a large

school system. The education opportunities today are totally different from what we had when we went to school. When we went to school in the '40s and the '50s we had manufacturing in the City of Nashua and not only Nashua most large cities in the country – Pittsburgh – you can name them that had the steel industry, the automobile industry, and you could look forward – if you had a high school education you could look forward to going and working in these facilities and getting a decent wage. Today if you don't get educated you are in trouble. Today everything is computers, everything is knowledge. It is not the same as it was. It is not a manufacturing economy anymore. It is computers, it is research and development – it takes education.

I know that it is difficult for some of the taxpayers to grasp that we need to do this – that we need to spend the money, that we need to do it because it is the right thing to do – it is what will help the city to grow, it is what will keep our city the number one city in the country. Thank you.

Alderman Johnson

I need to dispute that a little bit. ...**Tape flipped** ... listened to Alderman Gage, I listened to Alderman Cardin talking about that for city employees it isn't fair that we are asking them to forgive their merit pay – we are bringing somebody in off the street and I don't even know who it is again. We are asking the taxpayers – the higher the taxes go the more the people are going to flee. Nobody wants to understand that. Because you have great schools you have higher taxes. We don't have industry anymore – what business is going to want to come to Nashua when we have such high taxes? We will give them the tax break, but we won't give the homeowners who have to pay for this a tax break. We have to pay for this and we are going to be able to sell our homes and it will be a thing of the past like the early '90s – we will be walking away from our homes because they are choking us – the average person, the middle class person – great education that is great – we are outsourcing all of our jobs to India and Mexico and everywhere because of lower wages. What is new coming into America? It is all going out of America. It is a shame here. We're asking for the best, but I don't know what the best is.

Again I don't have a contract in front of me, I don't know what is being offered, and to me \$140,000 in the unknown is a little too steep for me. If you want to spend \$140,000 why don't you cut \$2-3 million out of the budget then it is a drop in the budget to spend, but right now I am listening to the people who came in here tonight. I listened to the people who applauded tonight after I spoke the first time. They are the people that we need to look at that can't afford their homes any more, and shame on us for keep spending in this city. It is a shame.

Alderman Deane

I couldn't agree more with Alderman McCarthy that I think change over at the school district is long overdue. As for the hiring from within in that situation it really doesn't exist with the current people that were there because they are all gone now. Mr. LaSalle is gone and I believe Mr. Nelson is leaving also or maybe has left. I don't think he had an interest in being the Superintendent anyway. I just wanted to go back to some of the comments that Alderman Lozeau had made and address some of what Mr. Hallowell said. I absolutely agree that we need somebody with strong leadership skills running that school department. It does come with a cost. If you look at the \$80

million plus they are asking for this year I really feel, and I spoke with Alderman McCarthy about it, I asked for the last ten days of the encumbrance reports for the school district. They spent almost a million dollars. School is out. Close to a million dollars was spent. Some of the items I couldn't understand what they were, but a majority of them were non-essential purchase – it was just burning through the cash. I said to Alderman McCarthy it is unfortunate that goes on because that money could have been redirected for other purposes. Some of it might have had to have been done, but when I looked at some of the companies the purchase orders are cut against and the items in there absolutely some of them were non-essential spending that was going on yet we have programs and things of that nature that are proposed to be cut, but we have money to spend from '05.

The contract on the other hand that Alderman Johnson keeps bringing up, I know it is not our authority to approve that, but I will tell you I would really like to know what is in it. Last week I spent a few days asking Corporation Counsel – I called the school district to try to get a copy of the contract and Mr. Conrad was away on a much deserved vacation, and I couldn't be helped so I sent an e-mail to Corporation Counsel to see if they could gather up some of that just so I could look at it and understand it because I hadn't seen it before. Then I started going through the Warrant to try to identify some of these items because when you get into payroll you can't really find it, and it was difficult to look to the numbers. When I ever saw what was approved – when I realized that there was approximately 207 days of sick time, I guess that is part of the contract, and 13.2 weeks of vacation time for a total of \$117,611.23 I was absolutely amazed. I understand that there is an accruing process with earned time for city employees and some of the unions – the collective bargaining agreements may differ in areas, but they are nowhere near that. It is also my understanding that something was added to these figures as a bargaining chip to get Mr. Giuliano to stay on a little longer until a suitable replacement was found. That was done as well. That was a decision made by the Board of Education. They need somebody to run the school district. They set the policy and approve the expenditures and whatnot, but I don't think anyone on the Board of Education was ready to step forward and take over that massive undertaking.

I would have hoped that we could have come in and found someone in the vicinity of \$125,000. When you add on these extra benefits that go – the insurances and the car and the gas and the credit card, and moving expenses we are paying to get them here – that is not really a benefit for them that is a benefit we feel for us because we are willing to pay that amount. I just think any more than \$125,000 I just feel is too much. I thought we had gone out and set a range and we had brought the range to \$125,000 and sat at that. Hopefully we could have found somebody for that amount of money. I was invited to attend these meetings. I declined to do so due to a number of reasons. I certainly agree that we need somebody from the outside. This networking of what has gone on in the past with people that have retired and then got jobs as consultants and things of that nature throughout the school district I just think are absolutely wrong and continues to go on. I think bringing a candidate in to do some cleansing of sorts over there I think is a good thing. I believe what I have been told that there are cost savings to be had. I just think the salary of up to \$140,000 I just can't support that. At the \$125,000 I thought we could have got somebody. It is just a lot of money. I think for \$125,000 we should be able to find somebody. Thank you.

Alderman McCarthy

I just wanted to comment that I had in fact passed your concerns regarding the contract on to Mr. Cote who has assured me that reducing the amount of accrued sick and vacation time that we would be responsible for buying out at the termination of the contract is in fact a priority for the contract being negotiated for the new Superintendent.

Alderman Deane

I don't know how that has worked in the past. That just seems like an astronomical amount of money to give somebody. I understand that the benefit package includes their sick time and the accrual part of up to a certain number of hours – I think Public Works is like 965 hours or something like that and then if they don't use it they lose it. This is over a year's salary that we are paying out. I don't know how many other scenarios. I have talked to the Fire Chief and he tells me that he doesn't have a package like this lined up. I don't know what the Police Chief's situation is either. I think we should be kept up to date on how that works and what is being offered because now we have I believe it is R-05-241 transferring \$600,000 into severance and retirement to the school district, and out of that \$600,000 \$89,099.23 is for the 207 sick days for one person. I just think that was allowed to spiral out of control, and we should really not allow that to happen again.

Alderman Vitale

As I vote for this legislation or the proposed amendment, I am voting in favor because I do believe it is the right thing to do for the citizens I represent. I have many people that I know that have been out of work. I have friends that have had long-term sicknesses they feel financial constraints. When I talk to them and they question the amount of money and I explain to them why I feel it is important that we get a good candidate that will improve our school district, improve the budgeting of the schools – the way that things are currently working I believe there will be a savings for us. I do believe it is the right thing to do. Voting yes is a hard vote to make, but in this case I do believe it is the correct vote to make. I believe that when I do vote for the Superintendent's salary I am doing it because I am voting to do the best thing for the citizens of this city.

I met with the candidate. I have heard the qualifications. I am excited that we could bring such a candidate to this city and that the children, my children, the children of people I know will be able to see the benefit of what she brings to the city. Thank you.

Alderman Shaw

I am in support of this, but I think that this is one of those actually few opportunities by our action we have a chance to truly leverage some truly long term benefits that often times we are sitting here dealing with stuff that is very much real time and very much short time. This is something where an opportunity to pretty much shake up the school district to shake up the way things are

being done – to address issues and the Mayor mentioned it in his veto message or at least it was quoted in the paper reducing micro-management by the Board of Education. I think the Board of Education has wanted to move away from that. A new Superintendent that is not beholden to long term relationships and situations and is really an insider will provide the opportunity to truly make change and really make a difference, and look at the way things are being done and not be set in the fact that this is the way things have always been done.

I was very encouraged to hear about the concerns about addressing things like the excess if you will middle management or upper management within the school department – things that were perhaps much more difficult for Mr. Giuliano and the rest of the existing staff to look at and address in a way that would be easily done. This is an opportunity for somebody to come in that is highly credentialed, has a lot of energy, and is going to really not just let things be the way they are. It is the right thing to do.

Alderman Gage

I have heard a couple of times around the Board that bringing somebody in from the outside that is not connected is the best thing to do, and I agree with that. The only part I disagree with is that I think we can have somebody do that from outside somewhere in the 50 United States of America to do that who is a good and qualified candidate for \$125,000. Thank you.

Vice-President Tollner stepped down and President McCarthy presided.

Alderman Tollner

I can't remember a topic that has been batted around as much as this particular one has over the last few months. I think the speaker who spoke during the public comment period for the most part covered every basis. I think there were different times when the Board of Education came in and was looking for some direction from the Board of Aldermen. I also think there were times when the communication from the Board of Education could have been better. I look at this particular piece of legislation – I think the \$140,000 figure is better than the \$150,000 figure. We have spent all of this time talking about \$15,000, which I have to say is not a small amount of money, but when I compare that to the budget that we are faced with, and this has pretty much – I just don't understand it has taken the budget for the most part and put it on the back burner for a couple of weeks so to speak while we deliberate whether \$125,000 or \$150,000 or \$140,000 is a more appropriate number.

We keep talking about the taxpayer and whether the taxpayer can afford to take this salary from \$125,000 to \$140,000 - \$125,000 is an excellent salary as is \$140,000. However, in thinking about the overall taxpayer in the city if this is as good a candidate as we have been told and I gather this candidate is close to the second coming, they don't owe anybody anything when they come in here – they don't have any previously established relationships. I think they would be more apt to make the tough decisions that they need to make in order to really turn this school district around. If anybody has been involved in this city for a number of years I think this is what

we have been looking for over the last 5-10 years is to grab a hold of the school district and hopefully shake it up for the good. When I look at this individual coming in the difference of \$125,000 or \$140,000 her very first day she can make one decision and we could reap ten times the \$15,000 that we are discussing.

I also think that it is absolutely – it was time to move on a few weeks ago in this process. We can look back and make suggestions of what should have been done or what we could have done. I think the Mayor's comments in the paper after he had an opportunity to speak to this candidate, and I have never spoken to or met the candidate, but I think he is pretty confident that she would be a good person to lead the school district. I would have hoped that he would have had that opportunity whether he asked for that himself or the school board presented it to him in a few months earlier. I think why some of the members of this Board of Aldermen were asked to participate or meet the candidate – I personally don't have a problem with that. I think that was a way for the Board of Education to try and have some participation from this Board in the process.

I understand the public's concern about the \$125,00 versus \$150,000. I think the motion is a good one. I will support it. I think it is extremely important that we have a leader that is going to lead this school district especially in the beginning of the school year, and \$15,000 is an investment in a leader that will hopefully direct and lead the school system for many years to come, and we will get that return. Thank you.

President McCarthy stepped down and Vice-President Tollner presided.

Alderman McCarthy

As you pointed out, \$15,000 actually is a substantial amount of money. If you believe there is one excess position in the school department in the way it is currently structured it is about what we are paying for that person's health care this year.

Alderman Lozeau

I don't remember ever in the one and a half years that I have sat here whether the Mayor has ever vetoed a piece of legislation before. I know the veto is not in front of us at this time, however, I would hate to go through this motion and this process tonight and then have it vetoed again by the Mayor. I take the Mayor's veto very seriously, I don't believe I would have voted to override his veto, but I don't want to delay this process by another 2-3 weeks. If I could ask through the Chair – I hate to ask you Mr. Mayor, but are you going to veto this legislation at \$140,000?

Mayor Streeter

As I indicated at the beginning of the meeting, I am not going to negotiate the salary. I will consider whatever action this Board takes and act accordingly.

Alderman Lozeau

Thank you sir.

Alderman Dion

I was thinking about holding this legislation for the simple reason that Alderman Plamondon who works night and who has Tuesday night, the night of the Aldermanic meetings available where he can attend, and I think people know this – I was just wondering why this meeting was called tonight. Also Alderman Rootovich is not here. It is such an important issue as it is and I think it should be held.

MOTION BY ALDERMAN DION TO HOLD R-04-245 AT THE FULL BOARD

ON THE QUESTION

Vice-President Tollner

Alderman Dion I can respond to your question. I did speak with Alderman McCarthy last night. Certain member of the Board of Education are down in Texas right now negotiating and want some response back as far as a vote up or down in order to have the candidate sign the contract while they are ... *Vice-President Tollner speaking to the audience..* excuse me – we have to have some decorum in here during the meeting. I would ask you to please refrain from making any comments. That is why we have a public comment period.

I did check and Alderman Rootovich is on vacation this week I was told.

Alderman McCarthy

I had previously scheduled the special meeting of the Board of Aldermen for this evening at Alderman Deane's request to take up the budget. When this issue came up last week I had our Legislative Assistant add it to the agenda because there is some time sensitivity. I think if I look at attendance the most important thing before us right now is the budget. That is the other item that is on our agenda tonight so I would have hoped that people would have made an effort to be here when the budget is discussed for the next fiscal year.

Alderman Dion

In answer to your comments – nobody brought this up yet, but what are the negotiators for the school department doing in Texas trying to negotiate a contract when the Mayor's veto was in effect on Thursday? What are they negotiating without knowing what the outcome of the veto was or whether or not there was going to be another resolution or amendment? What are they doing down there?

Vice-President Tollner

I don't know the answer to that question Alderman Dion.

Alderman Deane

I had the same question Alderman Tollner. You brought that up. The Mayor has stated that he will take our vote into consideration on whether he will veto this if the amendment passes at \$140,000, and I am not the Mayor and I don't know when he plans on making that decision after this vote is made, but if there are people in other places waiting for us to make a decision – the final decision really is up to the Mayor on whether he is going to veto it, sign it into law, or let it go into law unsigned. I am just wondering how unless the Mayor signs it immediately after the meeting or vetoes it immediately after the meeting or just lets it sit there and go into law after 7 days – are the funds available for them to continue to negotiate with this person if one of those three actions hasn't been taken by the Mayor? Could you answer that Corporation Counsel?

David Connell

I didn't understand the question.

Alderman Deane

If we amend this piece of legislation and it passes the Mayor has to take action on it correct?

David Connell

Correct.

Alderman Deane

He either has to sign it, veto it or after 7 days it goes into law unsigned.

David Connell

Correct.

Alderman Deane

My question is if there are members of the Board of Education down negotiating with this candidate right now how can they negotiate with money they don't have that hasn't been approved or ...

David Connell

Everything would have to be conditional on the money they have available.

Alderman Deane

So I guess their concern about approving this tonight really doesn't matter.

Vice-President Tollner

It doesn't. I was responding to Alderman Dion's question because in my conversations yesterday I had the same concerns. That is what I was told.

Alderman Johnson

I wonder if the members of the public know that two members of the H.R. Committee are down in Texas. That constitutes a quorum. Plus they have an alternate from that committee – that constitutes a quorum. I discussed it when the 5 members wanted to go down there and Attorney Bennett said to me what are you worried about. I said well I am sure at dinner time in my opinion they are not going to talk about the flowers I am sure there might be a conversation about the candidate. There is not a body of the public down there to hear anything. I look to see who is on the committee and who is down there and two members of the H.R. Committee are down in Texas negotiating. A third member who is an alternate is down there. That constitutes a quorum. Isn't that illegal?

Vice-President Tollner

I want to bring everybody back to the motion...

Alderman Johnson

That is part of it. That is part of the issue.

Vice-President Tollner

The motion on the floor I think was to hold correct Alderman Dion?

Alderman Dion

Correct to a regular Board meeting.

Vice-President Tollner

Is there any discussion on that motion?

Division Taken
MOTION FAILED

Vice-President Tollner

The motion on the floor right now is to amend the legislation and reduce the salary from \$150,000 to \$140,000. Is there any further discussion on this motion?

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

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

7

Nay: Alderman Gage, Alderman Cardin, Alderman MacLaughlin, Alderman Deane, Alderman Dion,
Alderman Johnson

6

MOTION CARRIED

MOTION BY ALDERMAN MCCARTHY FOR FINAL PASSAGE OF R-05-245 AS AMENDED

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

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

7

Nay: Alderman Gage, Alderman Cardin, Alderman MacLaughlin, Alderman Deane, Alderman Dion,
Alderman Johnson

6

MOTION CARRIED

Resolution R-05-245 duly adopted as amended

Vice-President Tollner stepped down and President McCarthy presided.

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 fourth reading;

MOTION BY ALDERMAN LOZEAU TO HOLD R-05-184

ON THE QUESTION

Alderman Tollner

I am not sure the Board of Aldermen is prepared to make a number of motions this evening. What I was hoping to get from Mrs. Anderson or Mrs. Lemieux is just an update – they are here –

update..

President McCarthy

They do have an update on where we are with the actions to date. Mrs. Anderson would you ...

Alderman Tollner

I would ask Alderman Lozeau if he might table his motion until after we receive the update.

MOTION WITHDRAWN

Alderman Tollner

If Carol and Maureen are going to come up I have a couple of questions myself. We have been discussing a formula where there was a level budget...

Alderman Bolton

Excuse me things are being passed out, but apparently not to this side of the room.

Alderman Tollner

The questions I would like to have answered are we have discussed for some time now a level budget scenario for all departments with the exception of the school department with an increase of roughly 2.5% and there were 6 or 8 other mechanisms that we also needed to take care of in order to come up with the budget scenario that some of us have been discussing. Either Mrs. Lemieux or Mrs. Anderson if they could update the Board on are we at a level budget scenario for all city departments with the exception of the school at roughly 2.5% and there were issues with landfill and some other mechanisms that we needed to put in place in order to get us to at least be consistent with the formula that we have been discussing? I know other things have changed like the state aid and things like that.

President McCarthy

Is this the last amendments we made to the resolution or is this what we ought to make to make them match the budget?

Maureen Lemieux

That amendment has not been made yet. Those are the most up to date numbers from all of the motions that have been made through June 30th I believe is the last night that you made motions. That would need to be amended to go along with that copy.

Alderman Tollner

This is what we have done to date correct?

Maureen Lemieux

That is what you have done to date; however, the Resolution itself has not been amended to reflect those numbers.

MOTION BY ALDERMAN TOLLNER TO AMEND R-05-184 IN ITS ENTIRELY BY REPLACING IT WITH THE COPY THAT WAS HANDED OUT THIS EVENING

Show of Hands

MOTION CARRIED

Alderman Deane

How I am looking at the vote that I just took was nothing more than updating the work that we have done to date so the numbers are correct.

Maureen Lemieux

Right.

Alderman Bolton

May I ask where we are? I was waiting for an answer to Alderman Tollner's question.

Maureen Lemieux

In response to the question by Alderman Tollner, all of these divisions are at level funding not necessarily departments within the divisions. The two exceptions are the Mayor's office is less than level funded and the school department is at 2.5% as you stated, but with some adjustments prior to determining what that 2.5% would be. The one-time expenditures, the transition costs that were listed in the initial budget presentation by the School Department had been reduced from the '05 budget for the School Department. There were a few other adjustments made. I believe the \$47,000 for biddy basketball had been subtracted from the school department. The 2.5% was then calculated on that new base. That is where the school department is with the 2.5% increase.

The other divisions that do not appear to be level funded, but really are at least in our consideration of them is the Department of Public Works had \$47,000 added to it so their total as a division is \$47,000 above level and that was for the biddy basketball movement. The library is I want to say – I haven't looked at these numbers in a week or so, but \$36,800 \pm above level funding and that is because the '05 budget did not include the settlement of the contract for the library employees. When we added the '05 number in we raised the '05 base by that \$36,800 and that needs to be reflected in '06. Their number does not include – we did not add an additional \$36,000 to the '06 portion of the library contract so they are again level as anyone was say the Fire Department who had a contract that goes into '06. They are at a completely level funded.

Most of the other motions that were on our lists of different capital items or other stand-alone items have all been either made or considered by the Budget Committee. I don't know that every one of them actually passed, but the Budget Committee discussed virtually everything that was on the list. The few things that we had been carrying when we were calculating tax rate increases a few of them we have now dropped from our calculation based again on what the Budget Committee was doing along the way so the \$450,000 for the \$5 road improvement fund we have taken that \$450,000 out of any calculations that we were making along the way. We took the \$350,000 for the residential credit out of any calculations that we were or by the full Board once the budget arrived here we would be projecting just about a 6.9% tax rate increase with everything that has been done. We have taken out all of the other things that were possible revenue adjustments that we have not seen any movement on.

Alderman Lozeau

Maybe I am wrong, but I am not seeing any reaction to the mandated no merit increases in the Solid Waste Department. I am not seeing any line item cuts out of 801 – I am not seeing them.

Maureen Lemieux

They should be on there. I know that we had ...

Alderman Lozeau

It is apparent that Solid Waste is not level funded – for the record that should be noted. You specified that all departments were level funded and solid waste does not appear to be level funded.

Carol Anderson

The reason why that is not level funded is because of the debt. It has the revolving loan fund. That debt is due on the opening and that is what is causing it – it will not be level funded. Actually one of the items that you bring up about the merit increase – there was one item that Mrs. Lemieux and myself had a question about and I think that is what it is is under revenue it appears as if there is an Aldermanic adjustment and I believe that Aldermanic adjustment is actually a reduction of the appropriations. We need to make a change on that. That belongs down in the appropriation and not on the revenue side. We will make that correction.

Alderman Lozeau

With that said Solid Waste is still not level funded for the record.

Carol Anderson

Right.

Maureen Lemieux

I am not quite sure that Wastewater is either. The operating budget for all of the divisions are level funded.

Alderman Johnson

I would like to ask – I have been talking to Mrs. Anderson about this – the \$2 million revenue stream that is left over from the high school bond – I would like to get some clarification so our constituents who watch this and who are in the audience will understand what will happen with the \$2 million that is left over from the bonding of the high school that we are going to be using to pay the bond payments this year – maybe she can explain this so everybody can – I want everybody to understand what is going to be happening with this.

Carol Anderson

When the Mayor proposed his budget in February it was disclosing there were \$2 million that would be used and is allowed to be used for the debt service payment this year, a portion of the debt service payment on that bond. If you were to look at your budget book there is \$2 million in the 492 department and it is money that we have already bonded and the project has come in under budget and the \$2 million was discussed at that time to apply it towards the debt service payment.

Alderman Johnson

I need to also ask you Alderman McCarthy do you know if there are any other monies left over from that project. This sounds all well and good in reality because it is going to make the payment on the bond that we need to do so we don't need to come up with \$2 million more, but when you make the payment on this, this is money that you are going to be paying interest and principal on for the next 20 years. It is like transferring your money from credit card to credit card, but you still have the same debt and are finding a lower interest rate to keep moving the money. I am concerned with this. Take bonded money and pay the debt, but it is money you are still going to have to pay for 20 years that you are not using on anything except to pay the debt.

It is really a shame that we are at this point in our life in this city that this is the way we have to go to keep moving money around. This is the classic case of robbing Peter to pay Paul. Thank you.

President McCarthy

If the Board doesn't mind me answering your questions from here – I don't think there is any money elsewhere. There may be small pieces in some of the budget line items that Mr. Conrad is in the process of consolidating. We have discussed having an audit of the project done, which might in fact free up some additional cash at some point. I had the same conversation you had

with Mrs. Anderson and had much the same concern. I am actually – I was unaware that we had let the bond for the total amount prior to the end of construction. We don't typically do that, and I agree with you that we will be paying interest on money that we borrowed to pay back interest for a long time.

Alderman Johnson

This money because we have before us to purchase Riverside Street – I believe it is \$2 million. This money could have been moved to use it for that rather than going out and floating another bond. Instead now we are paying debt with the money that we have the debt on – we are going to use this to make payments this year and pay interest on this money for 20 years. It is really a shame.

President McCarthy

I don't believe Alderman Johnson there is anything we have done that would preclude us from taking that course of action instead of letting a new bond for Riverside Drive if we wish to do so.

Alderman Johnson

Then I guess we have to find \$2 million elsewhere to pay this payment. It sounds so simple – we don't have to do it we could do it this way, but now we have to find \$2 million and maybe I can ask Mrs. Anderson a question – if in fact we do not use this money to put down on this payment and we use it for Riverside Street what would the tax rate be then?

Carol Anderson

It would be about another 1.5% approximately.

Alderman Johnson

We are starting to inch back up to double digits. Remember what Mr. Marino said to us about a week ago I believe; single families 5% new assessed value, 2-3 family homes 7-8% so if you say let's say 7.5% to 8% now you calculate that and you have your new assessed value although you don't add it together but when the real dollars come and you have to pay it 1+1=2 and the check has got to go out. If you take it from your right hand or you take it from your left hand it doesn't matter. We are in a situation where the only way to get out is really to start making drastic cuts at this point in time. Maybe the school district shouldn't get that 2.5% increase at this time. Maybe they need to give back more. If approval was just for a new Superintendent coming in the person should be able to work with less. Thank you.

President McCarthy

There is not currently a motion on the floor.

MOTION BY ALDERMAN TOLLNER FOR FINAL PASSAGE OF R-05-184 BY ROLL CALL

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

Yea: Alderman Tollner, Alderman Vitale, Alderman LaRose, Alderman Cardin, Alderman McCarthy

5

Nay: Alderman Gage, Alderman MacLaughlin, Alderman Deane, Alderman Shaw, Alderman Lozeau,
Alderman Dion, Alderman Johnson, Alderman Bolton

8

MOTION FAILED

Alderman Deane

Could the Deputy City Clerk read the final count on that?

Patricia Lucier

It was 8 to 5.

Alderman Deane

I wanted to ask Mrs. Anderson – we had heard some time back that the Solid Waste Department when everything started to come unglued perse and there was a major hauler that was pulling out – what are our current up to date revenues? Do you happen to know where we stand with that?

Carol Anderson

Right now they – I don't have those numbers in front of me, but I do know that their revenue did not decline as they had thought it would. I believe that they have approximately between the working capital offset that they didn't have they have money left over in that and I believe it is around \$400,000 they have received in additional revenue and they also have cut back on expenses. I want to say it is between \$400,000 and \$500,000 on the revenues. They have done better than expected with the use of working capital so they still have some of that left over from the previous year. Then they had some unexpended appropriations too. They have actually done well overall this year.

Alderman Deane

If we total that up what does that give us for a number?

Carol Anderson

A conservative number would be between \$1.1 to \$1.2 million.

Alderman Lozeau

Deficit?

Carol Anderson

No not deficit. They have actually done better this year. They still have their deficit, but as an operating they have done better than expected. They have increased – their revenues came in a little higher, their expenditures are down, and they didn't use all of their working capital offset last year, in '05.

Alderman Deane

What was your final number?

Carol Anderson

I wouldn't go above \$1.2 million for all three areas.

Alderman Deane

Do you feel comfortable with \$1.1 million or would you feel more comfortable finding out exactly what the number is? If we went into the revenue section of the Enterprise Fund, into 801, and currently there is a number in there that is \$4,744,719 – we could add a million or so to that line for revenue?

Carol Anderson

I believe it would still show the contractual trash in that line item. I don't have my book in front of me. We have made adjustments to their revenue.

Alderman Deane

I am on page 4 in the yellow pages.

Carol Anderson

It would be in the green pages, 262. That is the breakdown of the revenue. Throughout the motions that you have made, we have removed the contractual refuge for \$1.7 million and we have added the I believe it was \$1,075,000 for the Majestic Heights reimbursement, and then we would still have what I am saying is you would be able to add \$1.2 million. If you look down under

the column that says received as of and then you look at the very last one that says working capital and deficit offset...

Alderman Deane

So that 801979.

Carol Anderson

Right that would be the line item you could increase for '06.

Alderman Deane

Which number is more appropriate to use the \$1.1 million or the \$1.2 million?

Carol Anderson

I think we could do the \$1.2 million. They are saying that they have done quite well this year. I think it is important to note that these are revenues so that when we go to have the tax rate set if something were to occur along the way before that tax rate is set, and when you vote your budget resolution the revenues are estimated whereas your appropriations are exact. If we need to make some adjustment to revenues, you can adjust slightly and that is not a problem with that. If I would see that there was I would notify the Board and then we could make an adjustment to the revenues at the tax rate setting.

**MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 801-979 BY \$1.2 MILLION
MOTION CARRIED**

Alderman Deane

What does that do? That is \$1.2 million – what does that do to the bottom line increase now?

Maureen Lemieux

It brings us down by about 8/10 of a percent so it brings us down to about 6.1%.

Alderman Deane

Thank you.

President McCarthy

Are there any further motions?

MOTION BY ALDERMAN DEANE TO AMEND R-05-184 BY ADDING THE \$1.2 MILLION TO DEPARTMENT 801, LINE ITEM 979

ON THE QUESTION

Alderman Deane

If at all possible Mrs. Lemieux can you give us the adjusted figure?

President McCarthy

It would I believe be the third from the last line in paragraph 2 that would change to \$16,284,804. Is that correct?

Carol Anderson

Yes.

Maureen Lemieux

If you are looking to move to amend this Resolution again at this point – we just realized that the \$7,600 that should have been an appropriation reduction in Solid Waste landed in the wrong place on our spreadsheet so we would want to take that \$18,424,169 and reduce that by \$7,646 so you would want that number to now be \$18,416,523 and then if I may Mr. President if I could ask Mrs. Anderson so that we reflect this right, when you calculated the \$15,084 were you subtracting the \$7,600 in that?

Carol Anderson

Yes.

Maureen Lemieux

So we need to add the \$7,600 there so that new number should now be \$16,277,158.

President McCarthy

That doesn't sound right because it was \$16,284 before we added to it.

Maureen Lemieux

I am sorry we need to subtract it – oh no that had already been done – I am sorry I went the wrong way – we add it.

Alderman Deane

Can we have the correct figure please?

Carol Anderson

It is \$16,292,450.

Alderman Deane

Thank you.

**AMENDED MOTION BY ALDERMAN DEANE TO AMEND R-05-184 IN PARAGRAPH TWO TO CHANGE \$18,424,169 TO \$18,416,523 AND TO CHANGE \$15,084,804 TO \$16,292,450
MOTION CARRIED**

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

Alderman Deane

I just wanted to let the Board know that I have had a couple of meetings with the Fire Department personnel pertaining to Policy 40, and I met over there with Mrs. Joyce from the Human Resources Department. We have crafted up a Memorandum of Understanding that they are currently reviewing pertaining to Policy 40 and its future use that I will bring back for the Board's review so we can have some discussion on it. I have met with the Fire Commissioners. They have a meeting Wednesday night. Hopefully in the very near future we can look at that and act on that Memorandum... **tape ended ...**

PERIOD FOR PUBLIC COMMENT - None

ADJOURNMENT

**MOTION BY ALDERMAN DEANE THAT THE JULY 11, 2005 SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED
MOTION CARRIED**

The meeting was declared adjourned at 9:05 p.m.

Attest: Paul R. Bergeron, City Clerk