

A special meeting of the Board of Aldermen was held Monday, August 1, 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 Lori Cardin leading in the Pledge to the Flag.

President McCarthy

I would like to 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 MacLaughlin, Plamondon, and Shaw were not in attendance.

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

COMMUNICATIONS

**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**

REPORTS OF COMMITTEE

Budget Review Committee **Action Report**..... 07/25/05

There being no objection, President McCarthy declared the **action** report of the July 25, 2005 Budget Review Committee accepted and placed on file.

**MOTION BY ALDERMAN TOLLNER TO GO OUT OF THE REGULAR ORDER OF BUSINESS
TO TAKE UP UNFINISHED BUSINESS – ORDINANCES
MOTION CARRIED**

UNFINISHED BUSINESS – ORDINANCES

O-05-105

Endorsers: Alderman-at-Large David W. Deane

INCREASING FIRE ADMINISTRATION SALARIES ABOVE THE MERIT PLAN

Given its second reading;

MOTION BY ALDERMAN DEANE TO AMEND O-05-105 IN ITS ENTIRETY BY REPLACING IT WITH THE GOLDEN ROD COPY PROVIDED WITH THE AGENDA

MOTION CARRIED

MOTION BY ALDERMAN DEANE FOR FINAL PASSAGE OF O-05-105 AS AMENDED

ON THE QUESTION

Alderman Lozeau

I am wondering if there is any information that actually gives a finished salary after the compensations are readjusted. Is there any such document of what the salaries are going to be?

Alderman Deane

I don't have those. I have the other numbers because of the budget that was submitted and the merit bottom line 59s that were taken out. I guess we could take some time doing it if you would like to. Can Mrs. Anderson join us please Mr. President?

President McCarthy

Certainly.

Carol Anderson

Actually I think Assistant Chief Mansfield – he prepared this, and I would feel more comfortable if he would share it with the Board.

Michael Mansfield

We developed this little graph to try to explain or show exactly what the stipends that are in question would do to the overall salary rates of the different positions that are in question; C1 being the Chief of the department, C2 and C3 being the two Assistant Chiefs myself included, and then 1, 2, 3, and 4 being the four Deputy Chiefs for a total of 7 merit employees. You can see by taking the stipend monies out of that stipend line item and adding them to the base pay what the difference is on the right hand column.

Alderman Lozeau

Policy #40 doesn't go any further than Deputy Chief?

Michael Mansfield

That is correct.

Alderman Lozeau

Thank you.

Alderman Rootovich

The only thing it does not include I assume is Emergency Management stipend.

Michael Mansfield

It includes the stipends that are there right now Alderman Rootovich.

Alderman Rootovich

What is the Emergency Management stipend again?

Carol Anderson

I believe the EMS stipend will not be paid out this year if I am correct.

Alderman Deane

It won't be.

Alderman Rootovich

Thank you very much.

President McCarthy

The motion is for final passage of O-05-105 as amended. Is there any further discussion?

MOTION CARRIED

Ordinance O-05-105 declared duly adopted as amended.

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 tenth reading;

MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE R-05-184

MOTION CARRIED

Alderman Deane

I have a series of motions associated with R-05-184. Again I would ask Mr. President if Mrs. Lemieux and Mrs. Anderson would come up and join us.

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-19230 BY \$15,002

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-19231 BY \$8,265

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-19232 BY \$4,812

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 532-11111 BY \$6,543.16

ON THE QUESTION

President McCarthy

Mrs. Anderson do we have a problem?

Carol Anderson

We don't do cents. It would be rounded.

AMENDED MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 532-11111 BY \$6,543

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 532-11036 BY \$6,221

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 532-11040 BY \$6,127

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 532-11207 BY \$17,090

MOTION CARRIED

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-19233 BY \$6,770
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-19234 BY \$6,700
MOTION CARRIED**

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-99999 BY \$1,134

ON THE QUESTION

Alderman Bolton

Is this part of the series of motions that have a net affect of no change or is this in addition or separate from that?

Alderman Deane

This is in addition.

Alderman Bolton

Is there a rationale behind that? Do we have any idea what will be cut as a result of this?

Alderman Deane

It is part of the bottom line reductions that have been done this budget season.

Alderman Bolton

So it is in addition to those bottom line?

Alderman Deane

It brings it down to level funding.

President McCarthy

Is that just we haven't gotten it to level funding before?

Alderman Deane

We hadn't quite got there.

Maureen Lemieux

If I can just ask Alderman Deane a question. I know when we talked about moving the stipends into the different salaries I don't believe in the calculations that we were talking about that we had included the \$6,700 motion that just passed for EMS.

Alderman Deane

Right.

Maureen Lemieux

So this \$1,134 perhaps ought to be something more in the range of adding back about \$5,600. If the goal is to keep everybody level funded I think what we would probably be looking for, and this is a guess without looking at all of the numbers, but my guess would be that you would be looking for the net between the \$6,700 that was just reduced and this \$1,134 that you were going to have to take out to make it net back to zero.

Alderman Deane

Net back to zero would be adding \$5,566?

Maureen Lemieux

That would be my guess at the moment.

MOTION WITHDRAWN

**MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 532-99999 BY \$5,566
MOTION CARRIED**

President McCarthy

Are there any other motions?

President McCarthy stepped down and Vice-President Tollner presided.

**MOTION BY ALDERMAN MCCARTHY TO REDUCE LINE ITEM 541-11240 BY \$45,000 AND
INCREASE LINE ITEM 597-86999 BY \$45,000**

ON THE QUESTION

Vice-President Tollner

According to my notes I thought there was \$54,000 left in the Director of Community Services.

Carol Anderson

A \$30,000 reduction and then a \$10,000 reduction so it is \$40,000 overall so it should be about \$54,000.

Vice-President Tollner

I just want to make sure that you are aware that there is \$54,000 because I remember the night that we did that.

Alderman McCarthy

Let me explain my rationale for doing that. I think with the departure of the Division Director we have an opportunity to take a look at this division in particular. I have been looking at this and thinking about some of our overall issues with this budget and upcoming budgets. One of the things I would like to do is to put, and I will be submitting legislation to ask for us to solicit requests for proposal from some of the non-profit agencies such as the hospitals in the city, to look at managing the services for us. When I look at our budget, we have in the Community Health Department about \$350,000 worth of actual service providing. The administration of that department costs us almost an identical amount. Granted there are some other parts to that division. When I look at for example the hospitals each year supply us with a report to verify their tax exempt status, which tells us how much they provide in free care to the community, and that number simply for Southern New Hampshire Medical Center and St. Joe's Hospital totals \$7 million, which is approximately 20 times what we are prepared to spend.

It seems to me that there is an economy of scale there in management. I would not propose that we remove the services we are providing or remove the funding we put into individuals or get rid of the individuals I am simply saying we ought to go out and look at what it would cost us to administer and house those same employees in a situation where they are with other employees providing similar services, which may also get us more service for the amount of money. We have a lot of grant money that we can put towards those things. We have a fair number of employees we are now funding. It just seems like there is a real opportunity for synergy there, which we can explore without doing any damage.

We currently have the department temporarily managed originally by Dr. Etkind who is funded by a grant, and I believe that is adequate. I actually think that we ought to bring Mrs. Nelson's services back into the Mayor's office so that job isn't wanting for someone to fill it.

That allows us to not fund that position for a year. Contrary to the way previous motions on this position may have been interpreted I am not at all saying we should change the salary of this individual if indeed at the end of the process we still wind up with a Director of Community Services. I am saying that we don't need to fill that position for the duration of this fiscal year while we examine whether we want to have that division in its current structure or move to a different structure and move to a different place for some of those employees. We might potentially wind up with better services provided somewhere else, which might in fact free up the facility that they are

currently in, which is we all know on this Board has been a maintenance nightmare for the city for a number of years. We may or may not want to do something differently with that facility. We may want to use it for a different purpose for the city.

The reason I am moving it into contingency negotiations is we have also proposed that we not pay merit employees an increase this year, and I know that a number of members of this Board myself included have not been happy with that. That is in fact related to a much larger policy issue of our negotiations of attempting to negotiate the next round of contracts to have zero percent increases. I think it would be patently unfair of us to take that action with the merit employees and then not succeed in taking the same action with our union employees. I would contend that what funds we can find we should put in a place where if we wind up not being able to hold the line on salaries for anyone but the merit employees we ought to revisit that issue and perhaps make adjustments so that we don't single out the small set of employees and treat them differently from the rest of our workforce.

Alderman Cardin

I think it is a great idea for us to look at other ways to provide services, and if it can save us money and provide us better services I am fully supportive of that. I am just not sure how we would do that without a Director in that division. To me it would make more sense to have someone in that position who is familiar with what that department does to go out to these non-profits, hospitals, what have you, and make the services more efficient.

Alderman Lozeau

Same response.

Alderman Bolton

In Alderman McCarthy's remarks, he made mention of the interpretation put on previous motions to reduce this salary line. Since I was the one that made the motion to reduce this by \$30,000 that passed a few weeks ago, I want to make it clear that at the time that motion was made and at the time it was under discussion, the point was that we know that position is going to be vacant for some months and a person currently employed and paid out of the Mayor's Office will be doing those duties. The Mayor represented that evening that person would continue to receive the salary provided for her position in the Mayor's Office and no additional money out of this account. Therefore, we would save money during the time this position remained vacant. Since that time I understand that intention has been misstated many times by a person who is known to tell untruths about me. Less there me any mistake I did not move to permanently reduce the salary of this position. I did not move to reduce the salary of the person who will be doing this work in the interim. I merely meant to capture the savings that will inevitably occur.

Alderman McCarthy

Thank you for clarifying that again Alderman Bolton. I just want to go back to Alderman Cardin's

comment. I believe we actually have someone who is currently very familiar with the operation of the department in Dr. Etkind who can preside over that, and not for a minute supposing that in the end we don't wind up leaving it the way it is. I would just like to leave us the option of doing that. I don't see that there is tremendous harm in taking our time and making sure that we like the way that department is managed or that we find another way to manage it. I think the discussions we have had for the last 5 months have shown us that over the coming years we are going to have to as the private sector would say reinvent the way some of city government works if we are to not face this same crisis year after year after year. As a result I think this is one of the simple ways that we can start looking at some of those changes and be able to determine whether we can make reductions in our budget over time by restructuring the way we deliver some of our services.

Alderman Cardin

I didn't in any way mean to suggest that there wasn't anyone that knew the department. I certainly have the utmost respect for Dr. Etkind and his ability to do that. However, my concern is more about the duties that he is presently undertaking and what will happen to that job function if he is out reorganizing or restructuring this whole department. He is definitely a qualified individual. I didn't mean to slight him by any means.

Vice-President Tollner

Before I hand the Chair back to Alderman McCarthy just so everybody knows what is on the table it is to decrease line item 541-11240 by \$45,000 and to increase ..

Alderman McCarthy

If I might the intent was to leave some amount of money in there because we have presumably Mrs. Nelson currently being paid a stipend out of that account on top of her salary from the Mayor's Office. I would like to make sure that there is enough to cover the month that has already transpired in the fiscal year.

Vice-President Tollner

And adding to line item 597-86999 \$45,000.

Alderman Bolton

If it is true that a stipend is being paid that is in direct contradiction to what was represented by the Mayor to us.

Alderman McCarthy

My recollection of the Mayor's remarks and after a couple of clarifying questions was that what Mrs. Nelson would be receiving for that position was her current salary from the Mayor's Office plus

some uplift but not as much as the salary of the position that she was temporarily filling.

Carol Anderson

If I could make one comment – that is correct Alderman McCarthy. There is one other thing that I am concerned with – if we have Dr. Etkind fill in that capacity as an interim director we have to be very cautious because he is being paid on a grant. If you start supplanting some of that his functions fall under that bio-terrorism grant. You need to be very cautious about the work that you have him do that is outside of that grant because we could be found to be supplanting it and lose a portion or all of that grant money.

Vice-President Tollner stepped down and President McCarthy presided.

Alderman Tollner

I will support this motion. Alderman McCarthy and I spoke about this the other night. I would agree with the comments that Alderman Bolton said – when the original motion was made there was no intent to eliminate the position it was that we did know at that time that there was a vacancy and it was just to take advantage of the vacancy.

I think this is a good idea for a number of reasons that have been mentioned here tonight. It allows us some flexibility if we want to make a move in the direction of providing something down the road possibly for the merit employees, and at the same time I am in the business and I know that the two fine hospitals that we have here in Nashua provide some of the services, a good chunk of the services that are offered by this division, and I think that it would behoove us to sit down with the hospitals to see if we can work together with them and take advantage of what they presently do and hopefully capitalize on that and release that situation that the city handles right now.

I think it is somewhat of a duplication of services maybe not to the actual individuals, but the services that are offered by the hospitals and the services that are offered by the city. As I told him the other night I would support the motion or make the motion, but the motion has been made, and I support it.

Alderman Lozeau

Would the intention of this legislation and this move of the money be to vacate the Director from office now, the interim director that is in there now?

President McCarthy

If I can answer from here – yes. My intention would be that we should – if we want to continue having that position at that salary I believe that would be the Mayor's decision. My intention is that Mrs. Nelson should resume her duties in the Mayor's Office, which I believe are probably currently wanting, and that we continue to manage the division on an interim basis.

Alderman Lozeau

My only concern with that would be what Mrs. Anderson said about Mr. Etkind's job responsibilities conflicting with his grant.

President McCarthy

I guess I had assumed from the fact that he was in fact the interim director prior to Mrs. Nelson taking over that was not an issue.

Alderman Cardin

Can I inquire about that? Do we know how long he assumed that interim position and how much of his time was spent doing that job and how much grant money are we apt to lose if that becomes the case?

Mayor Streeter

I might respond that Paul Etkind was never interim director of that department.

President McCarthy

My recollection is that he was introduced as such when the division came before the Budget Committee.

Mayor Streeter

He may have introduced himself as such, but he was never appointed the interim director of that division.

Alderman Cardin

I guess that my concern still stands if he takes over as interim director what are the duties of the current position that is being funded through that grant – what will happen to those duties, what will happen to that grant, and are we in line to lose money because of this out of that grant?

President McCarthy

Does somebody have an answer to that?

Carol Anderson

I do believe that we have the potential to lose some of the funding on that grant. I know that they are – it is not just on that particular grant on any of the grants – when they come in and audit those,

the State agencies will come in, and if you have used those or if the person has performed functions – in the past they have even reviewed time sheets to see that the allocation is done correctly to the grant and the work has been done. I can't say we would lose the whole thing, but I am saying that I believe that you may put that grant in jeopardy. That is just my professional opinion.

Alderman Bolton

I had understood you to say that the purpose of leaving approximately \$10,000 in this account was to supplement the existing salary of the person who is taking on these functions so it seems to me that solves that problem.

Alderman Deane

The current balance in this account right now Mrs. Anderson is \$55,000?

Carol Anderson

It is \$54,000. There has been some monies that have been expended from that item. I guess it was my understanding that it was through the month of August – it would have been like July and August would be what this would have covered.

Alderman Deane

August just started today though.

Carol Anderson

Right but you basically have between 8 and 9 pay periods from July 1st forward, and I am not sure what date it was for Mrs. Nelson, but I know that it is at least several weeks that have already lapsed, and it was my understanding that you said through the end of the month. I assumed through August. I am not sure when it would start and stop at this point.

Alderman Bolton

This is nearly \$10,000 and it is going to be eaten up in 9 pay periods? Is this another one of these over \$1,000 per week stipends like we had before?

Carol Anderson

No I am not saying that, but I thought I understood Alderman McCarthy to say for a month, and maybe I misunderstood that.

Alderman Bolton

Does anyone know exactly how much in addition to the salary provided in the 501 department this stipend is?

Maureen Lemieux

I think it is about \$395 a week.

Alderman Bolton

It adds up to about \$20,000 a year. We don't anticipate – in fact we only anticipate that this can last three months at the most.

Maureen Lemieux

Four months – I think it is 120 days is the legislation.

Alderman Bolton

There will be sufficient funds there for that amount of time and then if we have someone else we have to look at the money in contingency and transfer it back in, but that is the point of having it in contingency.

Alderman Johnson

If I may ask Mrs. Lemieux or Mrs. Anderson through the Chair – exactly how many hours does she allot a day/week over there to that building?

Mayor Streeter

I would like to respond to that. Mrs. Nelson works full time as the interim director of that division.

Alderman Johnson

So she is working full time as interim director over there then how much time is she allotting to her duties in your office Mayor? There are only 8 hours in a day, 40 hours in a week so I am kind of confused now. If she is spending full time over there how much time is she spending in your office now?

Mayor Streeter

I think it is quite obvious Alderman Johnson – she is not spending any time in my office she is the acting director of that division.

Alderman Johnson

Then I guess maybe we have taken the money out of the wrong account. If she is spending all of her time over there then maybe we should reduce the Mayor's line item account and remove the money there and then this way she is spending all the time over at that building. I am kind of confused where this woman is now. First we were told she is interim director, but she is not spending a lot of time over there and now we are being told she is spending 40 hours over there. Maybe we need to make the adjustment in the Mayor's account on that line item of her salary.

Mayor Streeter

If I may respond...

Alderman Johnson

You can't have it both ways.

Mayor Streeter

If I may respond Mr. President. I think that enough money has been reduced from the Office of the Mayor's budget. It is common practice that an interim director is named, that interim director assumes part of the salary that has been allocated to that position. Mrs. Nelson has done this in the past. In fact she has served as interim director of the Community Development Division. She is very capable of performing those duties. The legislation requires that after 120 days she is replaced. At this point I don't know how I can replace Mrs. Nelson or anyone else if there isn't going to be any salary for that position. Clearly it is an interim basis and the person who serves in that position is entitled as I said initially is entitled to a small stipend because of the duties that person is performing.

Alderman Tollner

I think the way it is laid out right here in front of us right now is if this particular motion passes roughly \$10,000 is still left in the account, which is enough money for us to work this thing through. I think the proposal on the floor is a good one. The city should take advantage of it and work with the local hospitals and I think we should vote on it.

Alderman Cardin

I still don't know who will work with the local hospitals if you have the director back over here and Dr. Etkind working on his grant positions – who are you going to find in that division to work with the local hospitals if you have no one over there that can do that?

President McCarthy

I guess my understanding at the moment is that we have adequate money to leave Mrs. Nelson over there for the entirety of her anticipated tenure.

Alderman Cardin

The entire 120 days?

President McCarthy

Right. Is there any further discussion?

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

Yea: Alderman Tollner, Alderman Vitale, Alderman LaRose, Alderman Gage, Alderman Deane, Alderman Johnson, Alderman Bolton, Alderman McCarthy

8

Nay: Alderman Cardin, Alderman Lozeau, Alderman Dion, Alderman Rootovich,

4

MOTION CARRIED

President McCarthy

Are there any further motions with regard to R-05-184?

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

ON THE QUESTION

President McCarthy

I would point out that we have made no changes, which would invalidate the current amended copy of the Resolution that you have in front of you.

Carol Anderson

We reduced \$2 for the appropriations.

President McCarthy

The motions added up to the same when I did it.

Carol Anderson

I did it twice and I came up with a \$2 reduction.

Maureen Lemieux

When I added it up I also came up with a \$2 problem. I would assume that we would want to add that \$2 to the Fire Department, which is where all of the motions were made. That has to be where the \$2 issue is.

Alderman Tollner

Or the last motion.

Alderman Rootovich

It seems to me a special committee should be set up.

Alderman Tollner

So we want to add \$2?

**MOTION BY ALDERMAN TOLLNER TO INCREASE LINE ITEM 597-86999 BY \$2
MOTION CARRIED**

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

ON THE QUESTION

Alderman Dion

This motion to pass this budget I just want to make a few comments – the rents have gone up, electricity has gone up, cable has gone up, telephone bills have gone up, water rates have gone up, gas is \$2.35 a gallon for regular, fuel oil is over \$2.15 a gallon, milk has gone sky high, beef has gone sky high, and here we are trying to increase property taxes one more time to the tune of 11% and probably even 13% for multi-families. When are we going to wake up and learn how to say no? I would like to know the answer to that question. Also the tax bills chances are the tax bills won't be delivered until after the election. I ask the people watching and the taxpayers in the City of Nashua to take their paper and pencils out and watch who votes to increase their taxes one more time. I will certainly not support this motion. Thank you Mr. Chairman.

Alderman Johnson

I concur with my colleague, Alderman Dion. This weekend I was at a barbecue and the subject around the barbecue was I can't afford my taxes anymore. To hear a constituent say my parents are probably going to have one more year left in their home because after this it will put them over the top. What will they do – they might have to take an equity loan out just to be able to afford their

home, but is that really the smart way to go to keep them in their house? I think it is sad. I think it is very sad what is going on in the city. Take a ride down West Hollis Street, Kinsley Street, and a ride down a lot of other main thoroughfares in this city – look at the for rent signs that are now popping up. Look at the for sale signs on the multi-family homes that are going up because they know what is going to happen. I feel bad for people who are buying homes in this community that they don't know what will happen – the bang is going to come. I just want to let the viewing audience know that tomorrow night will be my last night here because I am leaving on Wednesday night and will be gone Wednesday, Thursday, and Friday on business in North Carolina. If this budget is over 2.5% to 3% I would not support this budget. I am just laying it on the table right now. I can't see a high percentage, where we are right now, plus the increases in the assessed value. I spoke to Mr. Marino and I asked him and he told me the property values are starting to level off. I asked him then why are we doing another assessment; why not wait until next year after they level off because the reason is we need the money to pay the bills. That is what it is. We need more money in the city with the assessment because when you raise your assessed values you raise your taxes – the city will get more money in. That is really sad. Thank you.

Alderman Tollner

I am scratching my head on the last one that the reason why we are doing the reassessment is because we need money and we want to raise taxes. That may be a result of the reassessment, but I have a question maybe to Mrs. Lemieux – I have been told because I asked that question two months ago – I was told that the city has no choice – this year is the year that we are going to be more or less audited and we have no choice we have to do the second phase of the reassessment. Maybe through the Chair if I could ask Mrs. Lemieux to explain that hopefully one more time.

President McCarthy

I am going to pose another question to her first, which is exactly how many additional dollars we would generate in tax revenue by the reassessments.

Maureen Lemieux

Not a single penny.

President McCarthy

Thank you. Could you explain to us what our obligation is to do the assessments?

Maureen Lemieux

Yes. The State – 2005 is the city's review under the Department of Revenue Administration. As Alderman Tollner said we have to do this update. We have absolutely no choice. We have to have all of our properties within 90% of market value when the State is evaluating us. We have talked about this many times with, and I know most of the members of the Board have attended the

different meetings when we have talked about this update – we have no choice we have to go forward with this. We cannot have our properties at anything less than 90%. The goal is to have all of our properties at virtually the same ratio and as close to 100% as is humanly possible. We will and I want to say this again categorically we will not raise a single extra cent by doing this update. It is strictly a mathematical formula. We determine how much money we need to raise as a city, we then divide it by whatever the total assessed valuation is for the city, and we come up with our tax rate. If that total assessed valuation goes up by a billion dollars our tax rate goes down. If the total assessed valuation goes down our tax rate goes up. It is strictly a mathematical formula. We will raise exactly the same amount of money regardless of whether we do this.

Alderman Johnson

But still Mrs. Lemieux the bottom line someone is paying more money when they pay their tax bill at the end of the year. Thank you.

Maureen Lemieux

Someone is only paying more money if they were paying less money than they should have a year ago in relationship to everyone else. As a total we will raise the same amount of money. Clearly many people will be paying more money this year. We will have another shift as we have been talking about to the residential segment of the market. That is absolutely true, but in total the city will not be taking in any extra money.

President McCarthy

The motion is for final passage of R-05-184 as amended. Is there any further discussion?

Alderman LaRose

I wasn't going to say anything, but I guess I must. We all have different ideas of what the budget should be, and there are some of us who want to see this – well I have to say all of us would certainly like to see this budget a lot less than it is, but that may not be practical. Some of the people who want to see this budget at no higher than 2-3% yet they are not coming forward with any solutions or reductions in the budget they are just saying we want to see it at 2 or 3%. The other thing is if we were to cut it that drastically what does that really do to the services and what does that do to the City of Nashua for the future because if you cut that budget so deep that you take away a lot of services it will take us a long time to get back where we need to be and it will be more costly than an increase in taxes this year over the long run.

Yes I would love to be able to say to the citizens of Nashua we were able to keep this budget at no extra cost to the taxpayers, but that is not going to happen. All you have to do is look around – look at other cities and towns – their budgets are going up. Their increases are going up just like ours. We provide services, but we are not a service industry, we are not a restaurant or a hotel. We are not here to make a profit. If we were here to make a profit we certainly could operate in that fashion, but government doesn't work in that fashion. Government provides services that

aren't geared for a profit, they are geared to provide the services that the citizens need and at the cost that is close as we can get it for them to afford the services.

Yes there are some people that it is difficult for them. There is no doubt about it, but I think that is always going to be that way. Thank you.

Alderman Dion

The latest comment about no one making any cuts in the budget, I want to remind the previous speaker that he was away on vacation and that there were several motions made I included to cut the budget and those motions were defeated. If you would have looked at the minutes Alderman LaRose you would have seen those motions instead of making an arbitrarily statement that nothing was done as far as cutting the budget.

President McCarthy

Is there any further discussion?

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

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

6

Nay: Alderman Gage, Alderman Lozeau, Alderman Dion, Alderman Rootovich, Alderman Johnson, Alderman Bolton

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MOTION FAILED

President McCarthy

Are there any further motions?

Alderman LaRose

I would like to say it seems to me that we are exactly where we were last year. What I would like to see happen – it is a suggestion – I would like to see us whoever wants to make motions on either reductions or additions that we have a board and that we put them down, make a whole list of everything that we would like to do, and after everything is said and done we go through that list and justify why we should either decrease or increase the budget. It seems to me that we make a single motion and we vote on it right away and we are not always sure that a motion 5 or 6 motions down the road would be preferable to the one we just voted on. That is just my gut feeling Mr. Chairman. Thank you.

Alderman Tollner

I think we have been in this position where we are right now probably for the last month. What I would like to throw on the floor is I would like every Alderman to take a day and on one piece of paper submit to the President of the Board ... **tape flipped** ... with the budget at this particular point in time and what changes they would like to make. Those changes if we were to make those changes would they commit to vote for the budget. I think we had a conversation about two months ago asking people to try and get an idea of where they were comfortable with the level of the budget increase, and I think probably half the Board did come forward and communicate what they were comfortable with as far as the budget increase. I voted for this budget tonight. Am I comfortable with the budget increase of roughly 5.9% and on top of that add the reassessment – no. I personally don't know where else we can make some significant cuts that wouldn't adversely affect the services in this city.

It is very easy to say right now especially where we are right now let's cut 2% more and I will vote for the budget without any feedback as far as how that would affect the city services, but what I would like to see from each Alderman is what percentage – forget about the reassessment right now because we have been given a range of figures of what the affect of the reassessment is. If I am not mistaken we don't have an actual percentage increase of what the actual affect would be on a single family home or a two family home – we have a range. Is that correct Mrs. Lemieux? Basically what we have is the guide is roughly the 5.9% of where we are at right now as far as the budget is concerned. I would like to find out from each one of you are you comfortable with 5.9% absolutely not well I am comfortable with 4.9% or I am comfortable with 4.5% or I think we should add money. I haven't heard anybody willing to add money, but I would like to find out where everybody is, and I would also like to find out what people are uncomfortable with the budget so we can move forward. There are a number of people here that have voted no and have made no motions, none. Throw everything on the table and let's see where the vote goes.

We are no further down the road other than tinkering moving stipends over to salaries and tweaking the budget here or there. I think we owe it to everybody around this horseshoe to throw our opinions out on the table good or bad and lay it on the table so we can get the 2 or 3 votes that we need to pass the budget. I am flexible either way. If we can come to an agreement where we have to move the budget back a point or ahead a point let's start talking about it. We have to do something. Here it is August and we are no further along now than we were two months ago.

Alderman Bolton

Thank you Mr. President. I agree with many of the specific points made by the previous speaker. I have come to a very different conclusion. Yes it is near impossible at this point in time to know what affect it will have on services to make further arbitrary cuts of 1% or 2% or whatever number is pulled out of the air. I submit that it is not only impossible to know the extent of loss of services for additional cuts, it is impossible to know what the budget in its current form will do to services in this City. This policy that has apparently been adopted by sufficient numbers to amend the budget in what I think is an incomprehensible form to just arbitrarily say that in spite of salary increases to all union employees each department is going to have its bottom line remain the same as last year and schools will be allowed after a number of adjustments to increase by 2.5%, formulas like that

like anything else do not tell you what impact it has on services.

The library comes in and says they will have to cut Sunday hours – those are those four hours a week that are the busiest time that the library gets the most use, but that is what they will have to cut. That is one I know. Many of the others I don't know what impact it will have. We did not delve into it dollar for dollar, line-by-line, program-by-program with the department heads when they were before the Budget Committee in specific to what was being proposed. It makes it near impossible at this point in time to accurately judge whether even if someone were to say I know that there is an inefficiency here and I know we can save \$10,000 in line such and such – you look at the bottom line and there is already an arbitrary cut of several hundred thousand dollars so the fact that you found a \$10,000 inefficiency has already been subsumed in that so called bottom line adjustment.

We are in a different position I submit than we have been in in past years. The number of these adjustments, the formula that has been used, which has not taken into account the affect on services makes this year's budget impossible to fairly evaluate. It also creates this deadlock. Once you have implemented that formula throughout the budget, which we have, further tinkering gets you well beyond the point where you can decide whether a little more here or a little less there is a good idea, a bad idea or makes any sense at all. That course of action I submit was the wrong road to take when it was taken and it has got us precisely in this deadlock situation where no one can say with any degree of certainty exactly what services we propose to provide to our citizens next year. The question of what are you willing to pay is always dependent on what do you get for it. Right now people can pull numbers out of the air as far as what they are willing to pay, but no one can say what we will get for that price.

Alderman Deane

Other than School Department officials, I have spoken with a number of Department Heads and Division Directors, and most of their concern came in when they were asked for items below level funding. I have spoken with the Fire Chief, with the Police Chief, Mrs. Anderson, Mrs. Lemieux, Director Seymour – one of the main concerns now that a lot of the department heads and divisions directors have is the – they feel that there are morale issues that we are currently dealing with because there is so much uncertainty. I have yet to hear one of them come back on the level funding – they have said they can live with it, they can work with it, they can get by with it, and there is no drastic issues with it.

Moving on with the budget although the proposed increase is high we have brought it down to a level funded area and most of the folks that I have talked to have said they can live within those limits of the dollars that will be provided through the level funding. Will there be some small cuts in services perhaps. Will there be other efficiencies gained by them looking at the money they have and make them think twice before they go out and use it for something perhaps that will happen and they will be able to deal with some of the issues that they are bringing up now. Quite a period of time we talked about level funding – it was brought up on numerous occasions the last couple of years – unfortunately we had some problems this year and we had to deal with them. This is where we currently stand at the 5.8%. I don't think there is going to be a massive reduction in

services not from the comments that I have received from division directors and department heads that I have talked to.

I know one thing – the employees of this city are concerned about this budget and their job status and it is affecting morale and the jobs that they do and the services that they provide because of all of the uncertainty. I have heard that from a number of people. Thank you.

Alderman Tollner

Two or three months ago when we first started thinking about at least starting the conversations of a level budget I sat down with the Police Chief, the Fire Chief, some divisional directors and I had said to them I have no idea when this is going to be communicated, but I said this is an idea a few of us have and can you go and take a look at it and see if you can live with the scenario of level budget. The Police Chief and the Fire Chief came back and said very quickly yes I can and my concern like anybody's concern was could they truly live with it we didn't want this going back and forth and they said that they could live with it. I also spoke with Divisional Directors. I guess the one thing that I will echo again that Alderman Deane said our city employees want us to move past this budget. There is a concern out there about their positions and this ongoing dialogue back and forth, this cloud that is following – it doesn't make any difference what department that you work in – they would like a budget passed, they would like to move on. It is a level budget by division.

I think we are at a point right now where the affect on city services will be and are going to be minimal. I don't think there is anybody around this horseshoe quite frankly that like this budget. They are not comfortable with it. I think we would all like to provide a lower budget impact or tax increase to the citizens. I think the previous speaker a little while ago – we probably could have gone about this a whole different way. We asked for the budget a month early and here we are in the same position we were in last year. I just wish that if people had suggestions or ideas whether they voted in favor of this budget or not in favor of it, if they have any motions or suggestions to bring this group together so we – all we need is one night where everything is lined up where we can pass the budget and move on and maybe step back and if there are 2 or 3 of us on this Board that seriously have a problem with the way we handled this budget or have some concrete recommendations to totally change this process so we are not in this position next year let's start working on those procedures or recommendations even prior to getting next year's budget. We really seriously need to move forward.

Alderman Bolton

I would be totally shocked if any department head had come back and said I am going to commit suicide; I can't live with a level funded budget. They all can live with it. It is not a question of whether the department head can live with it it is a question of whether the priorities established by this Board will be funded by that amount. The fact is right now we don't know. I defy anyone to tell me based upon the information we have received if there is going to be a Senior Citizens outing this year. I defy anyone to tell me based upon the information we have received if the Outreach program that delivers books to shut-ins from the library, a program that replaced the book mobile, whether that will be continued, discontinued, or services reduced. We don't know. I defy anyone

to tell me whether the program that the Police Department has of dedicating certain officers to the problems of senior citizens, whether that will continue or not. We don't know. The Police Chief will live either way, but if we want that program we ought to be stepping up and saying we do not delegating it to others to decide whether that is important enough to continue or not important enough. That is the problem. This formula has advocated the responsibility of this Board to decide what is important enough to purchase and we told department heads as long as you can live with it buy whatever you want. It is wrong. We should not proceed in that direction.

Alderman Vitale

What I am hearing Alderman Bolton saying is that even though we got the list from each Department Head as to where they would make those cuts if they were level funded and then they went on to give us where they would propose those cuts if they were to take the budget down 5%, when we made a bottom line cut that is what was given to us, but that is not what we are actually knowing will happen in the end. That is probably the one area that I am concerned about. We do assume that is where the cuts are going to be made, but we ourselves did not vote on those actual line items to agree to where they would make those cuts. I would like Alderman Bolton to say if that is what he means because that is how I am explaining it to people when they are asking me questions.

Alderman Bolton

That is close, but we never actually – the information we requested of them was a 1%, a 3% and a 5% reduction from the Mayor's original recommendation to us. That was not the same – some people interpreted the 3% as being approximately level funded. In some departments it varied substantially from level funding one way or the other. We did not ask the question what would you do if your department was level funded from the previous year. To some extent the question was never asked, and certainly the Board of Aldermen never made decisions as to which programs we supported or which programs we wanted eliminated.

Alderman Johnson

I remember I wrote legislation to get this budget in early so we could try to avoid this this year. Unfortunately we had some monkey wrenches thrown at us this year that we didn't anticipate like a \$3.5 million shortfall that all of a sudden we had to scramble to figure out how we are going to address that. That was one of the biggest issues that we had to face on the Budget Committee. The budget probably would be a lot less if we didn't have to figure out how we are going to have to make up for that amount of money. We sit around here and we talk about what is and is not going to be eliminated. I can't give my constituents, the seniors of this city a 5.8% increase. It is just unconscionable for me. I am looking at where can we make the reductions. I have made some reductions. I guess the biggest area is probably the School Department, and nobody wants to take a look and see if there is any fluff over there.

We have 4 police officers over there. We probably could move them out of there and move them to the seniors. We say we can't do that because of what goes on at the high schools. We have a

Principal, two Assistant Principals if I remember correctly at the High School and 2 or 3 Headmasters left. If they can't handle the kids in that high school then maybe we have a problem here with behavior.

We can look and see what needs to be moved around. Nobody wants to do it. Every time I make a motion I get shot down. The Outreach Program at the Library – several people called me and I told them to call the Library Director. He is the one that has to make the final decision on what services will be eliminated. I think it is wrong to do it. I think it is wrong to do. I am sure there are other areas in his budget that he can find a reduction. I am not doing his budget. If someone would like to pay me to do budgets I would love to do a budget, but I am here taking a look at the budget that I have to submit to the citizens of this city. The calls that I am getting – they cannot afford it anymore. Do we want people to move here and have businesses and industry come here? Are we pushing them out? People aren't going to want to come here eventually because our taxes are too high. What incentive do we have for businesses to come to this city anymore with high taxes? You ask them to move in and then their employees can't afford to live here because the taxes are so high.

What are we facing down the road? This is just the beginning. Next year is going to be worse. If we give them a 5.8% increase this year what is next year going to be 7 or 8%? It is really sad. It is all about spending. That is what it is about. Thank you.

Alderman Dion

Everybody in the City, departments, are level funded I understand except one. That is the School Department. The School Department is at 70% of the city budget. In order to level fund --- if we were going to level fund the School Department like every other department has done and accepted, we would have to cut \$2 million. I made that motion and it got defeated. I was going to make 3 or 4 other motions afterwards that would have reduced – this cut here of \$2 million would have brought the tax rate down by 1.4%. It is up to about 5.9% and it would be at 4.5%. I was going to make three other motions to cut another million dollars (\$350,000 from each department) in order to bring it down another 1%, which would have been 2.4% less from the 5.9% and we would have been at 3.4% or 3.5% increase.

If you are not willing to cut the department that is 70% of the budget, level fund that department you are just talking for nothing. Unless you want to dig so deep in the other departments to compensate for the School Department then you are really going to be hurting certain departments and services. I can't see any accord here that without cutting the School Department to bring that tax rate down. I will not vote an almost 6% increase on top of the reassessment on my constituents or the rest of the city. There is no way I am going to vote for that. If someone can tell me how they can cut that budget without touching the School Department – level funding it, then please be my guest and make the cuts.

President McCarthy stepped down and Vice-President Tollner presided.

Alderman McCarthy

My remarks will be very similar to those made by three of the previous speakers. This is the 12th time I have sat through one of these budgets along with Aldermen Tollner and Rootovich. This is the toughest one we have had, but the process should stay the same. In fact, we have gotten away with not doing this right I think for a long long time. I suspect this is the last one that we get away with. I didn't even think we would get away with this one. Yeah I agree the price of bread and the price of milk and the price of everything is going up for us and for the 2,500 people who work for the city and most of whom live in it, and I would love to see our tax rate be much lower than it is. What I don't want to see is us to destroy the prosperity of the community itself in order to get that. That is taking a piece of the problem and substituting for it something much worse. We are looking at increases in the 5-10% range and that will hurt when the tax bills come out of everybody's pocket for a year.

I just want to point out that in the 12 years that I have served on this Board, the value of this community has increased by approximately \$4 billion and a lot of that has to do with things like the value of our services. When I first moved here and when I listen to people talk and when I listen to employees where I work and I listen to employers I work for decide where to locate facilities and where to get employees the first question they ask is not what is the tax rate, the first question asked is what is the school system and the education like because that is what will determine where employees will be willing to live and be willing to work for the company. There is no point in the company coming here if their employees insist on locating 30 miles away because our school system is insufficient. When I moved here I think our school system suffered from some of those problems. It was not anywhere near the quality that it is today.

At our budget hearing this year for the first time I actually heard somebody stand up and say I moved to Nashua for the school system. That increases the value of the properties in the city. It increases the value of what for most people is our single largest asset they have. It appreciates the value of that by more than they can possibly get elsewhere. That to me is important. I just look at the value of my own property in the 25 years I have owned it – this community has done very well by me. If I were to sell it now I would recognize profits that were well beyond what I would have expected possible when I bought it.

If we go down that spiral of decreasing the services to the point where people don't want to live here you won't have that. A decrease in an average home price of \$30,000 or \$40,000 takes a billion dollars out of the pockets of the people who own property here. That is real absolute value that this community owns. I would hate to see us lose that.

My concerns with the budget as we go through it – I advocated from the beginning this year that we start looking at programs and what we believe the proper programs are to be providing and what they cost. That is up to this Board. I can tell you the Division Directors are just like managers everywhere else and if left to their own devices they will follow their own vision and not that of the Board of Aldermen. Many times when the groups I have worked for in private industry have been asked to cut budgets and we have cut some projects – upon review by the upper management they come back and say those are not the ones we wanted you to cut, those are not consistent with the goals of the corporation. You may like those better, but those are not the ones that are

going to be the most profitable for what the Board of Directors want to do for the organization. I think you will see changes like that.

We also asked the question can you live with a level budget this year. In many cases the answers we got back were yes I can cut X and Y, we can delay the purchase of a fire truck – we didn't go back and say actually if you don't buy it this year you ain't ever getting it because next year will be just as bad and we will be asking for the same kind of concessions. Many of the answers we got were deferred costs not avoided costs. I think we may have done more damage than we thought. I was pleasantly surprised that the level funded numbers that came back from the Division Directors did not seem to be terrible, which is the only reason that I have agreed with that and voted yes on the budget since those motions were made. I would much prefer that we did program level cuts and cut individual line items from the budget that we don't believe are important to the programs that we want to see put in place. I really want to make sure that this Board is the one making those decisions.

There are things we need to look at. I proposed one of them this evening. I will also propose others. Alderman Deane pointed out to me earlier today that the Fire Department just bought a new lawn mower for \$7,200 was it? We ought to centralize all of that stuff. We have people buying property maintenance equipment all over the place. We have all kinds of different levels of things. Those are the issues we need to be looking at. Those are the things we need to be reducing costs on where we get real changes in the bottom line costs and not just patching over until next year. I think are going to be looking at healthcare costs that will continue to rise. We need to do the same kind of investigation around the way this city is managed that virtually all of private industry has had to do in the last number of years to deal with those same cost issues that are out of their control.

In order to do that we need to move on and get there. I am not going to vote for a budget that cuts arbitrarily services beyond the level that I have already compromised to thinking this will work and we will get past this year. I absolutely agree with Alderman Deane's point about morale of the employees. That I think should be paramount in the minds of this Board at this point in time. Our ability to actually get work out of our employees is suffering from the fact that we have not put forth a budget after five months of deliberation. I am not convinced that extended time has helped us. We need to have a different approach. We need to have an approach that is more proactive and leads to a budget that we can approve not one where we are reacting to a budget we see and don't like because there are surprises in it.

I think it is high time for this Board for this year to take the budget that we have, pass it, and move on and start looking at the things that will result in long-term changes to the costs. If we just cut this it is not going to help. We have made changes that I think actually have made things worse as Alderman Bolton pointed out. The Police Department came back and said yeah we can live without this, we can not fill some positions – I have sat here for 12 years and listened to we didn't fill that position so what we have to do is we have a uniformed officer taking calls or filing papers or whatever because that is how we fill it in. We have to keep the uniform count the same so we take officers who would be on the street or elsewhere and we put them behind a desk to do the work of people who we otherwise would have had fill the positions. That does not – it may keep the costs

down, but it doesn't keep the same number of officers on the street. It doesn't meet the goals of this Board in terms of the safety of the community. I think we will see or we won't see those decisions all over the place because we haven't asked what those impacts are. We only asked can you get your budget to this number.

I am at least satisfied that the damage is fairly light for this year. If we don't start planning for next year's budget the day after this one passes, we are going to be here until December of next year and we probably won't even reach an agreement then because we have a problem that is just getting worse year after year. We saw the spreadsheets this year that predict out the tax rate. This doesn't get any better. It stays at this level until we do something else about it. I think it is high time to take our lumps for this year, learn the lesson that we need to do better planning up front for next year's budget, and move on and get our employees back to work on what they are supposed to be doing rather than worrying about whether we are going to pass a budget or not.

Alderman Lozeau

I came into the room tonight prior to the Finance Committee meeting telling myself I was going to vote for the budget then a check was written by the School Department for the rent of the alternative school, and I had heard that the alternative school was going to be cut out of the school budget. I was a little surprised that they advance paid their rent. I wasn't pleased that they were going to cut the alternative school, but I don't think that the alternative school at the School Department is doing what its mission was – that is to complete a child's high school education in an environment that doesn't disrupt the rest of the school.

There was another Alderman sitting with me when an employee of that school told us some significant horror stories of what is going on in that school. With that said, I have a budget amendment if I may.

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 581-99999 BY \$859,000 TARGETED TO THE ELIMINATION OF THE ALTERNATIVE MIDDLE SCHOOL

Vice-President Tollner stepped down, and President McCarthy presided.

ON THE QUESTION

Alderman Johnson

If I may ask a question through the Chair to Attorney Clarke – if we eliminate the \$859,000 that we are asking from the alternative school, they can arbitrarily just move the money around and keep the money for that school and reduce something else in the school budget?

Dorothy Clarke

Yes that is correct.

Alderman Bolton

My recollection is that the Board of Education never proposed the elimination of the alternative school. In fact, they had many things on their list that they would cut prior to getting to that point, and we never cut to the point where that was even going to be among the things that were likely to go. It was Mayor Streeter who proposed the elimination of the alternative school. That is what engendered the discussion on it if at all.

I also suspect without knowing that the check was cut because the contract with the Boys & Girls Club calls for payment at this time. If you are going to have it and the Board of Education has determined it would have it, it had to rent the facility that it was going to continue to use. That effectively is business as usual. It was not pre-empting some decision that they were contemplating making. The other thing is it depends where you are when you ask what something costs. If something is running and you say how much does it cost to run you would say okay well let's add up all of the salaries of the Principal and the teachers and the nurse and the janitorial personnel and the papers and the books and instructional materials and so forth. When you eliminate the program you don't avoid all of those costs. You still have the students. Even if you were to move those students into our other facilities some, maybe not all, but at least some of those teachers would have to go along with them. The books or some books would be used by those students and paper and other educational materials and supplies would be used.

I think if it were the opinion of this Board that we should not fund an alternative middle school I think we need more information as to exactly what costs would be saved in eliminating the program. The other thing is we may not be in a position to eliminate the program at this point in time anyway with school starting up in 4 weeks. The enormity of the task of re-assigning those pupils at this point in time I think precludes that in fact happening. I would just have to say I think this program has been one of the success stories of our school system, and I think the Board of Education quite rightly has it low on the list of things that ought to be cut.

Alderman Cardin

I agree with everything the previous speaker said. I don't agree that the prior speaker can back up the statement that he made that kids are not getting an education or graduating. I work with these kids and I know these kids, and I know these kids are getting an education there where they may not be getting an education in the public school system because we don't have the resources there to deal with these kids that have behavior issues. What happens to these kids is if they are not at the alternative school they will end up costing us money somewhere else in this city whether they are incarcerated, whether they are out on the streets causing more trouble and tying up our police – this alternative school is one of the best things we have done in this city in a long time. To say that kids are not getting a good education there is not a true statement. I don't know what we would do if the 130 some odd kids putting them back into the public schools – no one will get a good education because these kids are there for a reason. They are there because they are disruptive and they need more one on one. If that is what it takes to get these kids educated then that is what we need to do.

Alderman Lozeau

This is an alternative middle school. Those kids are returning to the school system if they so desire to go on to high school education.

President McCarthy

Is there any further discussion?

Division Taken

MOTION FAILED

President McCarthy

Are there any further motions?

MOTION BY ALDERMAN DION TO ADJOURN

MOTION FAILED

President McCarthy

Are there any further motions?

MOTION BY ALDERMAN DEANE FOR A TEN-MINUTE RECESS

MOTION CARRIED

The Board recessed at 9:15 p.m.

The Board resumed its meeting at 9:25 p.m.

President McCarthy

The motion before us if anyone has forgotten is R-05-184. Are there any motions?

MOTION BY ALDERMAN TOLLNER FOR FINAL PASSAGE OF R-05-184 AS AMENDED BY

ROLL CALL

ON THE QUESTION

Alderman Dion

Mr. Chairman there have been some statements made about let's pass the budget this year and worry about it next year – do a different approach. This is my 8th budget as Ward 6 Alderman and I have seen an increase every year. There haven't been any changes whatsoever. If we pass this budget now it is no different than it has been for the last 7 years. You have been going up to the

tune of an average of \$10-12 million a year in the budget – completely unacceptable to the taxpayers of the City of Nashua – completely unacceptable. Like I said all eyes are upon us on who votes for this budget, and I hope they have their pens ready. Thank you.

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

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

6

Nay: Alderman Gage, Alderman Lozeau, Alderman Dion, Alderman Rootovich, Alderman Johnson, Alderman Bolton

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MOTION FAILED

ADJOURNMENT

MOTION BY ALDERMAN TOLLNER THAT THE AUGUST 1, 2005 SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED
MOTION CARRIED

The meeting was declared adjourned at 9:30 p.m.

Attest: Paul R. Bergeron, City Clerk