

A special meeting of the Board of Aldermen was held Tuesday, August 16, 2005 at 7:30 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 Kathryn D. Vitale leading in the Pledge to the Flag.

President McCarthy

I would remind the members of the Board and of the public to please turn off cell phones and pagers, and if you must use them to leave quietly before first.

The roll call was taken with 14 members of the Board of Aldermen present; Alderman Tollner was recorded absent.

President McCarthy

I would like to mention that Alderman Tollner is out of town on business travel for the day. Before we begin I would like to ...

**MOTION BY ALDERMAN DEANE THAT THE RULES BE SO FAR SUSPENDED TO ADD A PERIOD FOR PUBLIC COMMENT AT THE END OF COMMUNICATIONS
MOTION CARRIED**

President McCarthy

I would like to ask our audience to please not distract the Board with signs or applause. As tempted as you may be to do so it is disruptive to the process of holding the meeting. The period for public comment at the end of communications for those who are watching in the auditorium, we do not have a sign up sheet because it was added to the agenda. We will allow people to line up at the microphone when that time comes so if anyone upstairs wishes to comment they should come down at that point and make their comments.

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

**MOTION BY ALDERMAN DION THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR COMMENTS BY THE MEMBERS OF THE BOARD AT THE END OF THE AGENDA
MOTION CARRIED**

COMMUNICATIONS

MOTION BY ALDERMAN ROOTOVICH THAT ALL COMMUNICATIONS BE READ BY TITLE ONLY

MOTION CARRIED

COMMUNICATIONS

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

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

PERIOD FOR PUBLIC COMMENT

Edwina Kwan, 48 Cathedral Circle

I am speaking as a Board of Education member, and asking that you pass the budget tonight. All departments are level funded except for the Board of Education, which is at 2.5%. Many of you sitting around this table have had a budget in your hands since January, and here we are in August with a Continuing Resolution. I don't think that anybody is going to be making motions that area going to get passed at this time. You have tried hacking away at it. We are losing people. I am sure other departments are feeling the strain of loosing good people because why stay in a city that is not stable – where you have a family to feed and you don't know if you are going to have a paycheck. I urge you to pass the budget and let every department move on for the rest of the year. Thank you.

Tim Soucy, 32 Gillis Street

I represent the second larges local in the city, Nashua Fire Firefighters. I am here tonight to speak as a taxpayer in the city. I got to meet with the Mayor yesterday and a couple of other people and discussed the impact of not having the budget passed come September 1st. Realistically I don't think that the citizens of Nashua understand the impact of not having a budget or not having a resolution to continue. I don't think that has been thrown out there. I think it is something that needs serious thought because after September 1st —we asked for a definition of what essential services are. We couldn't get a definition. We are unclear about it, you are unclear about it – going to September 1st is a pretty scary process not only for city employees, but for the rest of the citizens in Nashua. I think that is something you really need to think about when you vote on the budget tonight. Thank you.

Steve Lyons, Union Representative, AFSCME Council 93

I represent the School Custodians, the Department of Public Works employees as well as Nashua Transit. We urge passage of this budget. You have something tough in front of you to

do and we understand. However, this has significant impact on people that pay the taxes. Any type of proposed pink slipping – we have heard that – people are generally concerned – how do they take care of their families; we have to look elsewhere for employment. This is a significant impact. You need to resolve this and now. Thank you.

Fred Teeboom, 24 Cheyenne Drive

I don't represent any union. I simply represent taxpayers. I am a taxpayer. I have prepared some comments. I will just make a few comments on the roll again, but I would like to have these read into the record if you don't mind and hand them in. I have identified which parts I will comment on. We have a budget problem because of excessive spending by the city, compounded by serious mismanagement. The signals have been building for years, but warnings have been consistently ignored. Total spending in the combined budget, amended as of 20 July, the budget that you have now before you, the latest version, is now \$228.8 million. Even with school and other reductions this is \$27.1 million or 13.5% higher than last year. This represents a tax load of more than \$2,600 for every individual who lives in Nashua: man, woman, or child who lives in Nashua. Do the math.

Nashua taxpayers now face a tax increase of 6%. Couple to another expected hit with assessment changes the tax bill on a single residential taxpayer is expected to rise about 11%. That is totally unacceptable.

On a personal note, I have an advanced degree and I have held 15 different positions in a 43-year engineering career. Of the 15 positions I was laid off or terminated 7 times, nearly 50% of the jobs I have held – not unusual. No one, no one except Judges appointed for life has the right to a permanent job for life and no one should assume that right. What needs to happen now is to shed load and layoff unessential employees. Not every employee is essential for providing services. Many services in this city are overstaffed. Many services can be curtailed. Not every service has to be provided. Accounting tricks and manipulations that I have seen happen in this budget hide reality that solve nothing, absolutely nothing.

To cut the tax increase from 6% to a more reasonable 3% will require a further budget reduction of \$4 million. Considering \$27.1 million increase, this is certainly achievable. Do the right thing. Begin to manage, begin to lead, make the needed cuts by reducing unnecessary staff.

I would like to add one other thing. Take a look at your sister city, Manchester, Manchester's spending is much better managed than Nashua. Their budget went up 3.2% this year. Their projected tax increase is 3.45%. They approved the budget in record time. I think record time in the 20 years people have been keeping track. Even so in Manchester a group of citizens has gathered over 5,000 signatures, 50% more than needed, to have a qualified petition placed on the ballot similar to our Spending Cap; tied to the rate of inflation and with an override vote of $\frac{3}{4}$ or 11 out of 15 instead of the $\frac{2}{3}$ we have here today – much tighter than Nashua. Even in Manchester that is much better managed. Taxpayers everywhere, everywhere are sick and tired of excessive taxation – paying for salaries and benefits and costs in government that far

outstretch the private sector. Thank you.

Edmund Lowe, 6 Sheffield Road

I am the President of the Nashua Public Library Employees Union. Five thousand signatures is an awful lot, but in the case of Nashua no matter how many signatures were on the petition the voters rejected the last attempt to tighten the language of the Cap. That signs to me like a vocal minority is trying to run the show. We have a great city, great services, and those services cost money. I filled my gas tank twice this week and it was \$32 each time. Let me tell you I was shocked. We're all paying that and you can't expect to have taxes go down if your costs are going up. Do you want the city to be the number one city in American to live in because it is not going to be if there is no library, the schools – the money that people will save on their taxes they will be spending carting their trash to the dump and home schooling their children, apprehending their own criminals, putting out their own fires – it is just ridiculous that you have taken this long to pass the budget. Being a legislation body involves compromise and you have done so – you have beat the heck out of this budget, and for some of you – you have to get on with it and work towards next year's budget.

You are holding a lot of people's lives up in the air. We know about the impact now. The citizens are going to find out about the impact on September 1st if you don't do something about this. I think you are going to have a very angry citizenry. As union President I have had to make compromise. I have had to swallow things I didn't like, and I think some of you should do the same. Let's get on with this and that is it – let's just get on with this please. Thank you.

Nancy Russo, 11 Nova Road

I am here as an individual. I am a secretary at the High School South. I am also a member of the Teacher's Union Secretarial Unit, and a member of the negotiation team for the secretarial contract. Our contract has expired as of the end of the last day of June. We went to negotiations with the other side of the table in central office and agreed since the budget was in a state of flux that we would postpone any further negotiations until the middle of September, which is in about three weeks. All of the secretaries, and there are almost 90 of us in this city at all of the different schools at all levels, we're all expected to come back full time a week from today on the 23rd. I would like to encourage you to please pass the budget so we can get our contract underway signed and sealed so we can get on with the business of helping to educate the children of Nashua. Thank you.

Bob Burgess 32 Bates Drive

Mayor I made you a suggestion back 3-4 months ago – I think we can settle this all tonight – get all of these unions together and freeze their wages for a year. I think out in the private sector a good many of us – I know like I said before I have faced the bullet – you either freeze your wages for the year or you haven't got a job. The city is in dire straights as we sit here today. We can eliminate jobs, which wouldn't be a popular thing. I think down in Tyngsboro recently

one of the officers – some of the officers agreed to freeze their wages to protect one of their union brothers. We look up in Manchester the unions up there I believe went 2%, 2% and 2% over a three-year period. We went down to Lowell and the same thing. We go up to Manchester and the employees are paying a bigger portion of their health insurance. The taxpayers in the city are presently spending about \$13,000 for each employee in the city for a family health program. We see the outrageous things we have given our new Superintendent. You hear the battle cry out there get rid of the whole School Board that gives away the moon that we gave this new Superintendent in the city. Like I say to put her up for 6 months like I said last week she isn't going to stay in the inner city.

We have deep problems here and the only solution here tonight to me is to try to get the unions to take a freeze for a year and protect their jobs. We say well a lot of the families are in dire straight if we don't buy a contract tonight, well what about that senior citizen out there that got a 2% raise last year with the prescriptions going out of sight – he has to put gas in his tank. Today the senior citizens can no longer retire. They are back in the workforce because of the outrageous taxes in the city here. Nobody wants to cut programs, but we have a serious problem here and we have to bite the bullet. I strongly urge – I think the unions really should reconsider and probably take a freeze for a year – this could protect their jobs. Well they say well we need the money to live – well what about the senior citizen – that little clerk down the mall that is making \$8 an hour when we are paying these outrageous wages and health insurance for our city employees – they are in deeper trouble today than we are if we pass this budget and get everything we want here. I urge you to hold off on this.

On August 1st we were supposed to have the new re-evaluation figures for the city. Well I think the Assessing Department for some reason is holding back on this because they want this budget passed. I think as a taxpayer we really want to know if the Aldermen are going to pass this what will be the full brunt to us – what is this new assessment going to mean to us? We sat in here and I believe one of the people at City Hall said well the single home is only at 80% now and we have to bring them up to 100%. The multi-families are only at 76% and we have to bring them up to 100%. There is a lot more here than this 5 point something percent and I urge we don't do nothing with this budget until we hear from the Assessing Department so we will know what the full brunt of this is. For some reason or another the figures they were going to give us on August 1st are still sitting somewhere. This is a smokescreen and the taxpayers deserve to know just what their taxes are going to go up and what their properties are going to be assessed at.

My heart goes out to the senior citizens. We sit here and say well the families can't survive. Well I have been through layoffs and time like I say I had to take cuts to protect my job and sure they won't feel it for a year and I think the unions it would be an honorable thing to realize the dire straights of the city to freeze their wages for a year. I am sure we wouldn't have no reason to not pass this budget. Thank you.

Robert Hallowell, 6 Chaucer Road

I am also just a citizen. I am also concerned about the tax rate. I am a little concerned about the way we are going about trying to reduce it. I spoke about a month ago to remind you all that this year's budget actually failed last year at about this time. Little was done after last year's budget impasse to address budget issues like healthcare, school funding, department consolidations, staffing levels. The budget process this year has gone in fits and starts. While many of you have spent long hours trying to find hidden money and unnecessary employees, you all know it isn't really that simple, but then are we really serious about reducing government expenses or just the appearance that we are? This Board has spent some 4 months and 12 meetings discussing, voting, vetoing, and grandstanding on whether to increase the Superintendent's salary by \$15,000. While all of that was going on we lost tens of thousands of dollars by paying active duty policemen overtime to man phones at the police station because a new operator won't be hired until the Police Chief knows what his budget is. I fault both sides on this issue; conservatives for not focusing on strategic long term restructuring and liberals for ignoring the need to control spending.

Our city now stands on the edge of a shutdown nearly two months into the fiscal year. Will the world end if the city must shut down – no. Efforts will be made to keep emergency services in place. My neighbor won't be able to register his new car and I won't be able to bring that load of yard waste to the landfill, but we will all survive the few days or weeks should shutdown occur. Someone will finally give in and the budget will be reduced this year from 5.8% increase to 3% - perhaps a little more or less, and city services will resume, but will the city be better off financially when that is all done? Will this cause sensible restructuring of city services? Will school maintenance activity be consolidated with Public Works functions? Will the city be outlaying less for healthcare expenses? Will schools be run more efficiently? Will this help balance the tax discrepancy between commercial and residential properties in this city? I think not.

Instead it is another one time fix. Department managers will defer maintenance. The School Department will cut school projects without having cheaper alternatives to fill necessary functions. The Police Department will decide not to hire that phone operator. Political brinksmanship will inevitably yield a political winner, but the real life loser will be the overall interest of the City of Nashua. We deserve better ladies and gentlemen. We deserve a Board of Aldermen, A Mayor, and a Board of Education that is willing to work together to provide the best city services at a reasonable cost. I urge you all to consider compromise this evening – a further 1% reduction in the tax rate perhaps or some legal consideration as to whether the assessment increases should be phased in over two years.

The important thing is how we proceed after we pass this budget so that we don't find ourselves in the same predicament next year. Thank you.

Mark Piekarski, 71 Middle Dunstable Road

I am the Chairman of the Nashua Fire Commission. I would like to pick up where President Soucy of the Nashua Fire Fighter's Union left off, and basically on the impact of I will say this

impasse on passing the budget. As most of you know we were meeting on Monday with the Mayor and I think then we really realized the gravity of this situation. On our cursory look on the budget and if this budget isn't passed is that not passing a budget will mean us laying off the most recent hires at the Fire Department under union contract of which I might add 92% of our budget is labor, and I think there is only actually a few office staff that are administration that wouldn't come under this, but we would be forced to lay off line fire fighters and ultimately reality is closing stations in the City of Nashua. As for your advice tonight I advise you to pass the budget.

President McCarthy

Is there anyone else who wishes to address the Board?

Karen Taylor, 317 Pine Street

I come to you in my capacity in many ways I am a true Nashua native. Both of my parents were born in Nashua and educated in Nashua schools. My children were educated in Nashua schools as my grandchild. I am a teacher. I am a member of our teacher's union, but most importantly I am also a taxpayer in the City of Nashua. To not fund this budget, to not pass this budget – every department in the City of Nashua has done what Mayor Streeter has asked them to do. They have cut their budget. My taxes will go up. That is life. Taxes will go up. The cost of everything is going up in the City of Nashua, and I find it very, very difficult to believe that the Board of Aldermen is willing to put this city at risk, to risk our bond rating, to risk self-insurances – we will end up having to pay more for that too, and that is a conscious decision that you make to risk that for the city. We are no longer listed in Money Magazine as one of the greatest places to live in the United States.

Also let's talk about our dropout rate. If you look at the last 4 years at the averages Nashua has done a very good job of maintaining or depleting that dropout rate. The dropout rate in Manchester, which has had their budget cut has increased to 40%. Are we all willing to go down that path? Nobody – I have an elderly mother – nobody wants their taxes to go up, but our future is with this city, our future is with this budget, and we cannot risk what is happening here today. The cuts have been taken. You need to pass the budget. Thank you.

President McCarthy

Is there anyone else who wishes to address the Board?

Bob Amber, 14 Wakefield Drive

I would like to offer you guys a suggestion – if you haven't passed the budget yet and I think in November we are going to have an election and there will be about a dozen seats that come up. What I would suggest is that you pass a Continuing Resolution that gets us through February. I

know there will be some pontificating if that is not a good idea and I know there will be some other discussion, but you have already passed a continuing resolution. That would be my suggestion; pass a continuing resolution that cuts the budget – I will pick a number, 5% - let the next Board of Aldermen figure it out. That will give you time to get back to the serious business of deciding whether or not we need a couple of new traffic circles or anything like that, and it will get us past the problem that we have at hand. Thank you.

Pat Carter, 3 Yorkway Drive

I am a 35-year City of Nashua employee. I just retired this year. I am also a taxpayer. In the City of Nashua there is no non-essential personnel. Everybody in the City of Nashua earns and works for their money. I think other areas need to be looked at to cut the budget, and I think it has been long enough. You can go on and on and on and nickel and dime it to death and you will never come up with a resolution of where to cut the budget. It is either you cut it or you pass the budget. It is enough. Thank you.

Jim Mulvey, President of Local 365

I just wanted to say that we have done a lot of work in this city. We do the work everyday. We plow the roads, we pick up your trash, and you're holding the wrong people accountable for this budget mess. We don't want to lose our jobs. You people are the ones that created the budget mess. You will be holding us accountable, and I don't think it is fair. Thank you.

Richard Walker, 28 Burnside Street

To the distinguished Aldermen you try to do your jobs you are just not doing a good job at it. I think Bernie you are a weakness as a leader and the rest of you egotistically fighting back and forth are not getting this done. You have got to get this budget passed so we can get back to work and we can get our things done. You cannot cut schools, you cannot cut fire department, police department – every citizen in this city uses those. How can you close the city down for that? You cannot do that. City Bus – half the people in the city go to work on that. We need that. You cannot cut funding for any of these things. Put the property tax through at 6%, 7% - we'll pay it, but we have to fund these things. We cannot just go the other way and say well go close the place. Please pass this budget you have on the table.

President McCarthy

Is there anyone else who wishes to address the Board? I will call the public comment period closed.

MOTION BY ALDERMAN DEANE THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW TO GO OUT OF THE REGULAR ORDER OF BUSINESS TO CONSIDER NEW BUSINESS RESOLUTIONS
MOTION CARRIED

NEW BUSINESS – RESOLUTIONS

R-05-274

Endorsers: Alderman-at-Large David W. Deane
Alderman-at-Large Paula I. Johnson
Alderman-at-Large James R. Tollner

REDUCING FY06 APPROVED ESCROWS BY \$660,000

Given its first reading;

MOTION BY ALDERMAN DEANE THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE SECOND READING OF R-05-274

MOTION CARRIED

Resolution R-05-274 given its second reading;

MOTION BY ALDERMAN DEANE FOR FINAL PASSAGE OF R-05-274

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

Yea: Alderman Vitale, Alderman LaRose, Alderman Gage, Alderman Cardin,
Alderman MacLaughlin, Alderman Deane, Alderman Plamondon, Alderman Shaw,
Alderman Lozeau, Alderman Dion, Alderman Rootovich, Alderman Johnson,
Alderman Bolton, Alderman McCarthy

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Nay:

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MOTION CARRIED

Resolution R-05-274 declared duly adopted.

R-05-275

Endorsers: Alderman-at-Large David W. Deane
Alderman-at-Large Paula I. Johnson
Alderman-at-Large James R. Tollner

RESCINDING RESOLUTION 05-185 AND ESTABLISHING THE USE OF UNDESIGNATED FUND BALANCE FOR TAX RATE

Given its first reading;

MOTION BY ALDERMAN DEANE THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE SECOND READING OF R-05-275

MOTION CARRIED

Resolution R-05-275 given its second reading;

Alderman Deane

We had some discussion last night at the Finance Committee pertaining to prior year escrows, and the undesignated fund balance for the tax rate. When we went through the numbers we had come up with an increase of about 4.7. That number is not correct. Current status would be with those funds taken out of the 600 series of capital we have an increase of about 5%. I have spoken with a number of you when you came in – when we had spoken with Mrs. Anderson there is in the 700 account, and maybe Cindy could help me if I go out of whack here, but there is approximately \$1,016,577.80 that is available through two different projects that are basically complete – the parking facility renovations in the southwest park recreation area, which basically is in a design phase and with using the cash from the police HVAC, which was the \$660,000 – I spoke with Alderman Lozeau about it – we look to replenish a portion of that along with the \$300,000 that we have out of this 700 series account where we could get some money to do that, which will involve some legislation.

I wanted to go back into the 600 to the escrows. If we go to page 254 of your budget book the initial – account number 68109, capital improvements school – deferred maintenance/ improvements, the initial amount that was placed in there was \$600,000. We set up with ordinance 05-77 we set up establishing a new school building construction and renovation capital reserve fund. What I am proposing to do in the motion with a \$200,000 reduction that we currently have in that account I am proposing to reduce that 68109 by \$400,000 and then at a later date replenish that amount from O-05-77 to set that account up, which currently has I believe \$8 million.

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 681-09 BY \$400,000

ON THE QUESTION

President McCarthy

Alderman Deane is that a motion to reduce the budget?

Alderman Deane

That is right.

President McCarthy

What is before us, however, is O-05-275. If you want we could lay that on the table and take the budget off and amend it and put the budget back on the table to resume debate on this.

MOTION BY ALDERMAN DEANE TO LAY R-05-275 ON THE TABLE
MOTION CARRIED

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

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 fourteenth reading;

**MOTION BY ALDERMAN DEANE TO AMEND R-05-184 BY REDUCING LINE ITEM 681-09
BY \$400,000**

ON THE QUESTION

Alderman Bolton

Given that the desire is to reduce the budget to the level that would change somebody's vote in order to pass a budget, the nature of compromise being what it is, I wonder if anyone can tell me will this be enough if it passes to change any of the votes of people who have thus far steadfastly voted against the budget.

Alderman Deane

I have had some people with a little interest. I haven't gotten any definitive answers from anyone. I have another motion with an additional \$200,000, which would bring it – currently we are sitting at 5% so if I could ask Cindy or Treasurer Fredette if we took another \$600,000 out of the budget where would that put us at that point?

Alderman Bolton

It would be about 4/10 of a percent further reduction.

David Fredette

Exactly what Alderman Bolton said.

Alderman Deane

That would put us at 4.6% is that what you are saying Dave?

David Fredette

Yes.

Alderman Lozeau

If I could direct a question to Alderman Deane – Alderman Deane last night at the Finance Committee we directed approximately \$601,000, where is that in line for a reduction as you are speaking on 05-184. I thought that was going to be addressed by 05-275. Was 05-275 to redirect the HVAC \$660,000?

President McCarthy

If I could the motions last night took money out of what it was escrowed forward and put it into the general fund where we can apply it to the tax rate with R-05-275. I think Alderman Deane's combined plan is to make changes in the escrows, the offset of the tax rate and the budget for FY '06 to reach the tax rate that he is talking about. There is no action necessary on R-05-184 to deal with that \$601,000.

Alderman Lozeau

Would that total \$1.2 million or thereabouts at this point?

Alderman Deane

One million two hundred thirty nine thousand eight hundred and sixty dollars.

Alderman Lozeau

- Thank you.

MOTION CARRIED

Alderman Deane

In the 600 account again part of the escrows that we discussed last evening ...

President McCarthy

Are we done with changes to the budget?

MOTION BY ALDERMAN DEANE TO PLACE R-05-184 ON THE TABLE

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REMOVE FROM THE TABLE R-05-275

MOTION CARRIED

R-05-275

Endorsers: Alderman-at-Large David W. Deane
Alderman-at-Large Paula I. Johnson
Alderman-at-Large James R. Tollner

**RESCINDING RESOLUTION 05-185 AND ESTABLISHING THE USE OF
UNDESIGNATED FUND BALANCE FOR TAX RATE**

Alderman Deane

Account number 632-05, fire department deferred maintenance '05

President McCarthy

Attorney Connell can we do that here?

David Connell

To R-05-275?

President McCarthy

Yes

Stephen Bennett

No. that is the setting figure for the fund balance. Whatever is in the fund balance can be addressed by the resolution, but you cannot move funds into fund balance under this resolution.

President McCarthy

What would the mechanism be to lapse that money back into the fund balance?

David Connell

Well there are two sources of escrow money; one is the resolution that the Board passed already, which is proposed to be rescinded, the other is items that were at the Finance Committee last night, which were there under the Financial Services Division policy to present items which the division has authority to escrow or not. The practice is to abide by the Finance Committee's preference on that and they expressed that preference last night so that has been done. That is in the hands of the division itself. I guess if the division wants to speak up and say that it will not seek to escrow some of those funds then you can take advantage of that and use that towards undesignated fund balance. That doesn't require legislation or any further action by the Finance Committee.

President McCarthy

Alderman Deane my understanding is that all we need to do with this resolution is to set the offset of the tax rate to the desired value, and if we then fail to put that money back by removing it from what is escrowed our fund balance would wind up \$200,000 less than it ought to be.

Alderman Deane

What Corporation Counsel just stated was we would have to ask the administration now? And the funds fall under the authority of whom the Fire Commission or the Fire Chief or the Mayor?

David Connell

The ordinance on escrows, which is 2-798G – “municipal agencies in accordance with policies and procedures that may be established by the Financial Services Division, may escrow unexpended appropriations only to provide for payment of charges which will come due....” That ordinance expresses a delegation to the agency in accordance with the Financial Services Division policies & procedures. The division’s policies & procedures are to put that decision to the Finance Committee, but the division could decide to take the decision itself if that is what its policies & procedures said.

President McCarthy

If that is the case it could in fact make that decision on any of the recommendations that were approved last night by the Finance Committee as well correct?

David Connell

What is missing is what their policies & procedures are other than to put it to the Finance Committee.

President McCarthy

Does the Finance Committee have the right to reconsider its approval of that communication at its next meeting?

David Connell

Sure. I will finish up on escrows if I may Mr. President. Under sub-section II of that sub-section G is the power of the Board by resolution to escrow any and all of an unexpended appropriation for purposes in the resolution. That is what R-05-274 proposes to address by rescinding and then modifying the decision you already took on that in July. That is where you are proposing now under this resolution to drop \$650,000 from that escrow.

Alderman Deane

I could amend R-05-274 by adding \$200,000 to it reading this account number?

David Connell

You have to find that in the resolution that is rescinding. You have two sources of money for these escrows.

Alderman Deane

252-B right?

David Connell

Yes.

Alderman Deane

There is \$200,000 in here.

Alderman Lozeau

How is what we did in the Capital Improvements – School 681-09 any different?

President McCarthy

There is a different mechanism for transferring the money forward in those accounts.

Alderman Deane

Since 274 has been passed I would have to make a motion to reconsider 274 to amend it?

President McCarthy

Yes.

**MOTION BY ALDERMAN DEANE TO LAY ON THE TABLE R-05-275
MOTION CARRIED**

MOTION BY ALDERMAN DEANE TO RECONSIDER R-05-274

R-05-274

Endorsers: Alderman-at-Large David W. Deane
Alderman-at-Large Paula I. Johnson
Alderman-at-Large James R. Tollner

REDUCING FY06 APPROVED ESCROWS BY \$660,000

Given its third reading;

**MOTION BY ALDERMAN DEANE TO AMEND R-05-274 BY ADDING IN DEPARTMENT 532
\$200,000**

MOTION CARRIED

**MOTION BY ALDERMAN DEANE FOR FINAL PASSAGE OF R-05-274 AS AMENDED
MOTION CARRIED**

Resolution R-05-274 declared duly adopted as amended

**MOTION BY ALDERMAN DEANE TO TAKE R-05-275 FROM THE TABLE
MOTION CARRIED**

R-05-275

Endorsers: Alderman-at-Large David W. Deane
Alderman-at-Large Paula I. Johnson
Alderman-at-Large James R. Tollner

**RESCINDING RESOLUTION 05-185 AND ESTABLISHING THE USE OF
UNDESIGNATED FUND BALANCE FOR TAX RATE**

Alderman Deane

Now that \$18,804,860 that has to be amended upward?

President McCarthy

I believe that is the case.

Alderman Deane

Does Cindy have this number? We would add the \$860,000+...

President McCarthy

I think the amendment has to be for the difference between \$1,261,449 and \$1,239,860, which was what we wound up with as a difference last night.

David Fredette

You don't have to change this. This is done with that. That changed from last night in this number.

Alderman Bolton

I believe the change is just to put in the \$200,000 that we just dealt with. We increased that to \$19,004,860 would be the correct number.

MOTION BY ALDERMAN DEANE TO CHANGE \$18,804,860 TO \$19,004,860
MOTION CARRIED

MOTION BY ALDERMAN DEANE FOR FINAL PASSAGE OF R-05-275 AS AMENDED

David Connell

Ten votes required Mr. President.

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

Yea: Alderman Vitale, Alderman LaRose, Alderman Gage, Alderman Cardin,
Alderman MacLaughlin, Alderman Deane, Alderman Plamondon, Alderman Shaw,
Alderman Lozeau, Alderman Dion, Alderman Rootovich, Alderman Johnson,
Alderman Bolton, Alderman McCarthy
14

Nay: 0

MOTION CARRIED

Resolution R-05-275 declared duly adopted as amended.

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

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**

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

ON THE QUESTION

David Fredette

Since you reduced 681-09 to \$400,000 you would have to remove it from this resolution. It is included in the \$210,417,601 for appropriations.

President McCarthy

What numbers do we need to change?

David Fredette

On the back you will see the \$400,000 for school capital, which was reduced earlier. That has to be changed to zero and ..

Alderman Lozeau

Could I have an update on what the estimated tax increase is from our Treasurer is please? I am calculating 4.25%, but I am not sure if that is correct.

David Fredette

I think it is closer to 4.6%. As I was saying Mr. President the appropriation number needs to be changed to \$210,017,601.

MOTION BY ALDERMAN DEANE TO AMEND R-05-184 BY CHANGING THE AMOUNT OF \$210,417,601 TO \$210,017,601 AND ON THE SECOND PAGE OF THE RESOLUTION TO REMOVE THE SCHOOL CAPITAL DEFERRED MAINTENANCE ITEM FOR \$400,000

ON THE QUESTION

Alderman Bolton

I believe that then changes the total capital improvements line to \$5,900,000 down from \$6,300,000

**AMENDED MOTION BY ALDERMAN DEANE TO AMEND R-05-184 BY CHANGING THE AMOUNT OF \$210,417,601 TO \$210,017,601, ON THE SECOND PAGE OF THE RESOLUTION TO REMOVE THE SCHOOL CAPITAL DEFERRED MAINTENANCE ITEM FOR \$400,000, AND TO CHANGE \$6,300,000 TO \$5,900,000 AT THE BOTTOM OF PAGE 2
MOTION CARRIED**

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

ON THE QUESTION

Alderman Shaw

I wanted clarification for one number. Looking at my last marked up copy, and maybe this was either identified as a correction or maybe I have missed something along the way, but in estimated enterprise funds revenue – the last number I thought we were working with was \$16,292,450. There is a different number here. Was there a change that someone is aware of that identified that. Unfortunately the last thing I had was we continued to have marked up copies. This was from a couple of weeks ago.

President McCarthy

I thought Mrs. Anderson had brought us a change one night...

Alderman Deane

She did. I think Treasurer Fredette is working off of that – the latest copy that was provided.

Alderman Shaw

We are confident in the number that is in this current version?

David Fredette

This is the resolution Mrs. Anderson gave me on Friday. She told me it was the latest. I have checked numbers – you see the check marks on here that compare to the appropriation and the revenue changes that have been made since February – Maureen Lemieux gave me that before she left. As far as I know this is the correct number.

Alderman Shaw

Thank you.

President McCarthy

Is there any further discussion?

Alderman Lozeau

I do have some reduction motions I would like the opportunity to make before we go to the budget.

President McCarthy

That would be in order at this time.

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 581-99999 BY \$208,000

ON THE QUESTION

Alderman Lozeau

I would recommend the cut to be made in the systems administrators and headmasters.

Alderman Bolton

To the extent these people are already on staff they cannot be eliminated now. They would have had to have been notified back in April that their positions would be eliminated. It just can't be done. The fact is the Board of Education has labored and will continue to labor to find ways to reduce the budget to the level it is already been set at by this Board. Another \$200,000 will inevitably have consequences that we cannot right here anticipate and some of those consequences will hurt people. It is just incomprehensible to me that any of us want to hurt our children in order to make up for the mismanagement that has gotten us to where we are now. That is the unavoidable consequence of hacking out another \$200,000 on top of what has already been hacked out when we don't know what it will do.

Alderman Johnson

I find that very hard to believe in some respects. Let's see we just paid a Superintendent who just retired \$117,000. I have the new Superintendent's contract, which I was really surprised that nobody in Legal even looked it over. We are giving the new Superintendent 3 times the life insurance and that is for \$375,000, and I asked Risk Management if we were paying for this and from what I understand if I am correct they think we are paying her this. They are going to have to find \$375,000. It is amazing they will find that. We are giving her temporary housing for 6 months and I figure the low price is \$1,200 a month at another \$7,200, car allowance of \$6,000 a year, moving expenses I figure about \$20,000 a year – they are going to have to find this in their budget someplace. Will this hurt the kids when they go to look for this well if we are going to use that scenario then this is going to hurt.

Personal days, health insurance we are giving a POS rate and I had gotten the numbers today on the POS rate and I think I calculated it pretty good; the single rate is \$594.55, which is \$7,129 – we are giving this to the new Superintendent and we are talking about \$208,000 – how much more money is being taken away from the kids and now the Board of Education is talking about taking buses away. What we are paying the Superintendent is hurting our kids more than this \$208,000 right now. Let's see what else are we giving her – dental and the list goes on and one

and we paid our old Superintendent \$117,000 – come on. If we really cared about the kids we would have came up with a better contract for the Superintendent. What I am told we are paying her she is the highest in her field when she was just an Associate Superintendent in Texas and it was one of the lowest ones on the scale and I looked it up on the Internet. Here is the contract and maybe everybody in the city should take a look at it. We also paid for her to come to Nashua - \$745.00 for the Sheraton Tara and \$379.23 for car rental. I am sure the Board of Education found that in their budget, and I haven't even gotten the remainder of the expenses on flights and anything else. It is funny when they need to find the money they do find the money. Enough is enough. We are going to hurt our kids – we are not going to hurt out kids – we hurt our kids when we give all of this money to a new Superintendent and I don't even know what the bonus is going to be because there is a bonus clause in the contract – what is the criteria that was set up to pay this woman a bonus? Thank you.

Alderman Lozeau

Just for the record \$208,000 represents two system administrators, two headmasters or 4 system administrators or 4 headmasters. I would never do anything to jeopardize the education of our children or my children. Thank you.

Alderman Bolton

The fact is what is being paid for a Superintendent, what has already been paid for the past Superintendent, that doesn't impact what we do tonight as far as the motion before us. That money for practical purposes is already spent and those who don't like the way the members of the Board of Education who were elected by the voters of this city are discharging their office are free to vote against them, are free to run against them. The fact is for us to just hack out money from the School Department's budget without knowing what impact it will have, at this late stage, is not effective, is not proper, and the fact is I know the maker of this motion does not want to hurt the education of Nashua's school children. It is inevitable that it will. That is the problem – it will. There is no free lunch here. If we are going to provide proper services they have to be paid for.

I came here tonight with an open mind, prepared to vote for a budget this evening in spite of the reservations I have had over the hacking away blindly that has gone on in the budget deliberations to this point. Were this to pass I cannot support it. I just cannot support a budget that just looks to the school children of Nashua to shoulder the load for mistakes that are none of their doing. I can't do that. Please to attack the school department budget in this way – there have been many, many, many blindly made cuts already and if there is low hanging fruit by an over abundance of system administrators that is part of the cuts that have already been proposed. Those things will be eliminated in the cuts that have already been made. The fact is the headmasters cannot now be eliminated because they are certified personnel. Basically the strides we have made in reducing the drop out rate, in making our two high schools user friendly to the students are part and parcel of the effective discipline, the feeling that people care about them, that is part of what the headmasters' responsibilities are. We have already had a

reduction in that area. Even if we could eliminate further I would be against doing so. We don't want to be in the situation that Manchester is in with their schools. I know there was a regrettable incident up there just recently where there was wholesale vandalism in one of the high schools in Manchester. They are probably the reason why we haven't suffered that, and eliminating the positions that have contact with the students in this way and kneed out the discipline and let the well prepared student know that they are cared about and discipline the students that would otherwise be disruptive it is an important, it is an essential element of what we do in our schools.

At this late stage without any consultation with administration or members of the Board of Education, it is just wrong to hack further away at that budget.

President McCarthy

The motion before us is to reduce line item 581-99999 by \$208,000.

Alderman Gage

I am going to support the motion from Alderman Lozeau. We have talked a little bit about the school and Alderman Johnson said some good points and Alderman Bolton said some good points. I still have some reservations where we sat through the budget with the Board of Education last year and they said this is as tight as we can get. The Superintendent was hired and they find \$36,000 from somewhere for a search committee. When they sit down with the union for the school they don't just pull it out of anywhere well don't worry about it we will get you this because we will pull it out of here and here. They pull out when they need to and when they want to. There is an issue of we can only recommend to the Board of Education what they are going to do with the money anyway and I think Alderman Lozeau is right to say this is where I am looking at it from. Alderman Bolton is correct with certified personnel we can't do anything after April 15th, but at least they know where he stood and why he is doing what he is doing. The administration of the school system that is their decision to make. Any other cuts that we recommend in other places I would like to see us – we talked about professionals, we have professionals running all of these departments; we have managers and professionals. We need to listen to the professionals whether it is on your side of the issue or my side of the issue. We have all said we're going to do some cuts and we are going to do it throughout the department or a budget or anything let the professionals make the decision that is non-political – they are going to look at what they have. They know what their services are. Let them make those decisions as to where things need to go. Thank you.

Alderman Rootovich

I would just like to add to put things in perspective I like to break down numbers and we are talking about \$208,000 and how it will affect the school department. You divide that by the number of schools that we have in our city including the home office and it comes out to about \$11,500 a year per facility. Divide that by 52 weeks and that is less than \$200 a week. To put

things in perspective if you are telling me that our professionals, most with masters degrees, cannot find \$200 a week in their budget I question that. I am going to support the motion.

Alderman Vitale

Correct me if I am wrong, but I believe what I heard happened with last year's budget on the school department that it was cut – the budget was so close that out of \$184 million that they came approximately within \$10,000 with money left over at the end of the year. I appreciate Alderman Lozeau's motion. I know that he has been looking for cuts and I recognize that. I haven't heard where all of the cuts are coming from that have already been made from the school department budget. I have seen the list of the cost of different programs within the school department. I think that the list that I saw will affect some segment of our school population if they are made at this point. It is not a cut at this time that nobody will recognize. Some groups of students will recognize it. It might not be my child, it might not be your child, but somebody's child will be affected at this point by any additional cuts. That is how I see it. That is how it has been explained to me. That is how I understand it. I cannot in good conscience, even though it might not affect my child, I cannot in good conscience let it affect somebody else's child. Thank you.

Alderman Lozeau

Just for the record last year's school budget was approximately \$81,545,000 and this year's school budget is just shy of \$84 million. Thank you.

Alderman Plamondon

As much as I would love to support this cut because I do believe the school department is top heavy and I do believe that the money is not funneling down to projects, to the students, to the teachers – case in point we have two beautiful state of the art high schools that were built like colleges with huge endowments. There are no endowments. The funding of the education of our students is on the shoulders of the taxpayers. Back before April we clearly gave notice that slips needed to go out giving notice of potential layoffs and the decision was made not to do so and that also puts us in this situation. I have no doubt that money is being squirreled away within that division. I think in the spirit of compromise and in my firm belief that we must pass the budget tonight; I won't support this even though I would love to. I just don't think now is the hour. Thank you.

President McCarthy

Is there any further discussion? The motion is to reduce line item 581-99999 by \$208,000.

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

Yea: Alderman Gage, Alderman MacLaughlin, Alderman Lozeau, Alderman Dion,
Alderman Rootovich, Alderman Johnson

6

Nay: Alderman Vitale, Alderman LaRose, Alderman Cardin, Alderman Deane,
Alderman Plamondon, Alderman Shaw, Alderman Bolton, Alderman McCarthy

8

MOTION FAILED

President McCarthy

Motion is for final passage of R-05-184 as amended by roll call.

Alderman Johnson

If I may ask a question, through you, to the Mayor. I am kind of concerned here because today I read in the paper about what was going to happen here in the city and if by some chance you had to lay off people are you going to take down all of your open positions for jobs?

Mayor Streeter

We are required, Alderman Johnson, as we indicated to notify the unions if we don't have a budget. If the budget is passed tonight then the jobs are secure.

Alderman Johnson

I want to make it clear that those positions that are posted on the board – if the budget does not pass tonight are those positions going to come down?

Mayor Streeter

As I have every open position in government since I have been Mayor, I review each position, each hire, and I will make that determination individually. I am not going to make a blanket decision tonight Alderman Johnson.

Alderman Johnson

Thank you.

President McCarthy

Is there any further discussion?

Alderman Plamondon

Thank you Mr. President. I have a couple of small cuts I would like to make more as a matter as precedent has been set and it is a matter of principal – albeit small cuts, but I am hoping that down the road this sends a message out to the other elected boards of the city and the non-elected boards.

MOTION BY ALDERMAN PLAMONDON TO REDUCE LINE ITEM 531-18051 BY \$10, LINE ITEM 532-18039 BY \$226, LINE ITEM 531-18008 BY \$1,080, LINE ITEM 551-18015 BY \$240, LINE ITEM 519-18006 BY \$240, AND LINE ITEMS 513-18018, 18021, 18024 BY \$50 FOR A TOTAL REDUCTION OF \$1,846

ON THE QUESTION

Alderman Plamondon

This Board took a 3% cut. We are leading the way. This doesn't sound like much, but we all put in a lot of hours every single board puts in a lot of hours and the decisions are made at these various boards. Hopefully this sets the table for next year's budget that whenever they get their stipends it will be a reminder that next year we have to be a lot leaner.

Alderman Deane

I am just wondering how many of those stipends for the boards and commissions are set by ordinance.

David Connell

I found that the Board of Education is; 2-701. I suspect all of them are set by ordinance.

MOTION WITHDRAWN

President McCarthy

We then return to the motion being final passage of R-05-184 as amended by roll call. Is there any further discussion?

Alderman Dion

I appreciate the motion that Alderman Lozeau made, and I know he had other motions to make, but after having his motion defeated, which I can't believe they didn't support, I don't blame him for not making the other motions. I did the same thing the other evening. What is it? What is it with this Board that they cannot cut the school budget? What is the matter with you people?

President McCarthy

Alderman Dion ...

Alderman Dion

Sorry I get carried away a little bit Mr. Chairman, but why can't we cut that school budget? It seems to be an untouchable. I am very disappointed we wouldn't cut \$200,000 off a budget that is \$84 million. That is unbelievable. Thank you Mr. Chairman.

Alderman Bolton

\$2.9 million has already been cut from the proposed school budget.

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

Yea: Alderman Vitale, Alderman LaRose, Alderman Cardin, Alderman Deane, Alderman Plamondon, Alderman Shaw, Alderman Lozeau, Alderman Bolton, Alderman McCarthy

9

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

5

MOTION FAILED

**MOTION BY ALDERMAN LAROSE TO HOLD R-05-184 AT THE FULL BOARD LEVEL
MOTION FAILED**

**MOTION BY ALDERMAN DEANE THAT THE BOARD RECESS FOR 20 MINUTES
MOTION CARRIED**

The Board recessed for 20 minutes.

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 581-99999 BY \$104,000

ON THE QUESTION

Alderman Lozeau

Recommended cuts in Systems Administration, I.T. Division.

Alderman Plamondon

Point of clarification – this is the same line item, but half the amount. Has there been a

compromise there?

Alderman Lozeau

In the spirit of compromise yes sir.

Alderman Plamondon

Thank you.

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

Yea: Alderman Vitale, Alderman LaRose, Alderman Gage, Alderman MacLaughlin,
Alderman Deane, Alderman Plamondon, Alderman Shaw, Alderman Lozeau,
Alderman Dion, Alderman Rootovich, Alderman Johnson, Alderman McCarthy

12

Nay: Alderman Cardin, Alderman Bolton

2

MOTION CARRIED

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 531-99999 BY \$75,000

ON THE QUESTION

Alderman Lozeau

In the original proposal, when we requested the 1, 3, and 5% budget reductions, the police department's 1% reduction came in at .47%. I will make that cut on the recommendation of the police department on the 99999, but those cuts are already documented in the presentation given to us.

Alderman Plamondon

Question through you Mr. President to the maker of the motion – what is the percentile of that?

Alderman Lozeau

Point 47 percent.

Alderman Plamondon

Thank you.

President McCarthy

Is there any further discussion?

MOTION CARRIED

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 532-99999 BY \$67,000

ON THE QUESTION

Alderman Lozeau

Direct the cut to overtime and emergency management. This represents a .48 percent cut.

MOTION CARRIED

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 801-99999 BY \$33,000

ON THE QUESTION

Alderman Lozeau

The line item recommended is overtime – a .49% cut.

MOTION CARRIED

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 555-99999 BY \$3,400

ON THE QUESTION

Alderman Lozeau

Again directed at overtime – a cut of .49%.

MOTION CARRIED

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 553-99999 BY \$26,000

ON THE QUESTION

Alderman Lozeau

Directed at overtime – a cut of .49%.

MOTION CARRIED

MOTION BY ALDERMAN LOZEAU TO REDUCE LINE ITEM 552-99999 BY \$13,000

ON THE QUESTION

Alderman Lozeau

Directed at overtime – a cut of .49%.

MOTION CARRIED

President McCarthy

I think we need an adjusted number. Treasurer Fredette are you ...

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 699-07 BY \$200,000

ON THE QUESTION

Alderman Johnson

The water supply acquisition.

MOTION FAILED

Alderman Rootovich

What does that bring the percent of the increase down to now?

David Fredette

Somewhere between .25 and .30.

Alderman Lozeau

That brings it down to 4.25 or 4.3%?

David Fredette

Thereabout. Mr. President are you going to ask for another break because of his reduction is in enterprise funds, which is handled differently on this resolution than operating budget. I would have to make sure the numbers are correct before I give them out.

MOTION BY ALDERMAN DEANE FOR A FIVE-MINUTE RECESS

MOTION CARRIED

The Board took a five-minute recess.

MOTION BY ALDERMAN LOZEAU TO INCREASE LINE ITEM 532-99999 BY \$30,000 AND TO REDUCE LINE ITEM 535-99999 BY \$30,000

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO AMEND R-05-184 BY CHANGING THE APPROPRIATION AMOUNT TO \$210,017,601 TO \$209,729,201 AND BY CHANGING THE ENTERPRISE FUND APPROPRIATION AMOUNT FROM \$18,416,523 TO \$18,383,523

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

Yea: Alderman Vitale, Alderman LaRose, Alderman Cardin, Alderman MacLaughlin, Alderman Deane, Alderman Plamondon, Alderman Shaw, Alderman Lozeau, Alderman Dion, Alderman Johnson, Alderman Bolton, Alderman McCarthy

12

Nay: Alderman Gage, Alderman Rootovich

2

MOTION CARRIED

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

ON THE QUESTION

Alderman Dion

Where do we stand, if I may to Mr. Fredette, pertaining to what the projected tax increase is as we speak after this motion was made?

President McCarthy

I believe that he told us a few minutes ago it was between 4.25% and 4.3%.

Alderman Dion

Thank you.

President McCarthy

If there is no further discussion, would the Clerk please call the roll.

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

Yea: Alderman Vitale, Alderman LaRose, Alderman Gage, Alderman Cardin, Alderman MacLaughlin, Alderman Deane, Alderman Plamondon, Alderman Shaw, Alderman Lozeau, Alderman Bolton, Alderman McCarthy

11

Nay: Alderman Dion, Alderman Rootovich, Alderman Johnson

3

MOTION CARRIED

Resolution R-05-184 declared duly adopted as amended.

UNFINISHED BUSINESS – RESOLUTIONS

R-05-271

Endorser: Mayor Bernard A. Streeter

APPROVING A PROPOSED CABLE TELEVISION FRANCHISE AGREEMENT RENEWAL BETWEEN THE CITY OF NASHUA AND COMCAST

Given its second reading;

MOTION BY ALDERMAN SHAW TO HOLD R-05-271 AT THE FULL BOARD LEVEL AND SCHEDULE A SPECIAL BOARD OF ALDERMEN MEETING FOR MONDAY, AUGUST 29, 2005, AT 7:00 PM IN THE ALDERMANIC CHAMBER TO CONDUCT A PUBLIC HEARING AND ALLOW FOR THE THIRD READING OF R-05-271

ON THE QUESTION

Alderman Plamondon

I would like the record to show that I will be recusing myself from all votes regarding the contract as an employee of Comcast.

MOTION CARRIED

Alderman Plamondon Abstained

Resolution R-05-271 held at the full Board level.

REMARKS BY THE MEMBERS OF THE BOARD OF ALDERMEN

Alderman Vitale

I am very thankful we passed this budget tonight. I think we have a long road ahead of us next year. We made some cuts this evening that can only be considered one time cuts. They will not be available to us next year. I think we need a list of those cuts and we need a list of how we are going to think about where that money is and how we are going to be looking at the budget next year. It is amazing that we have spent this much time on it. I don't think we should plan to spend this much time next year. I think that we really have to think about the numbers and how we think about the budget in general and what the tax rate and the appraisal really means to the city and how we go about discussing it. I am not sure exactly what that is. I must be sitting on

the board for the two hardest years the budget has been done, but I can't imagine there is not an easier way. Thank you.

Alderman LaRose

Thank you Mr. President. This was a very, very often agonizing budget season, but the spirit of compromise finally came through this evening. I know that many of us voted for this budget or didn't vote for the budget. There are things in there that we would like to see, there are things in there that we would not like to see, but in the spirit of compromise I think we came together and came out with a fair and equitable budget for the taxpayers. I know that some people feel that it should be lower and lower and lower, but the fact of the matter is the lower you go there is a consequence in the following budget season. I think we tried to avert that scenario and to fund a budget that will not drastically hurt the citizens of the City of Nashua, the school children, and the employees of the city, and I think it will finally give some moral uplift to the employees in the City of Nashua. I think that they were pretty low. Moral I think was pretty low. I think this will help alleviate some of that problem. Thank you.

Alderman Cardin

I think the hardest part of this process for me was considering merit pay cuts for 127 employees when we have thousands of city employees who weren't going to feel that cut. To me that is the most unfair thing that happened in this budget process. I am certainly glad we passed the budget. I didn't agree with everything in the budget but I supported it. Hopefully we get a better handle on this next year and especially through the union contracts – I think we sent quite a message to the employees of this city that we are not going to pass contracts without some shared cost in the health insurance. Obviously that was one of the biggest problems we had in facing this budget. I think the message is loud and clear that they are going to have to start paying more and the city paying a little less with the health insurance. Thank you.

Alderman MacLaughlin

As I have gone around Ward 8, for the most part people are appreciative of the fact that we have been very deliberate and very cautious in working on this budget. There began to be a sense out there that perhaps we were moving a little too slowly in terms of trying to find some common ground. This Board is divided, and that is what these repeated votes have shown. Everybody understands that at some point we have to come to a place where we find common ground and pass the budget. My reason for voting for it this evening was that I had been hopeful for 4% and no more. It is something that I was really hoping could be obtained. It is clear to me through our deliberations and our many meetings that we have come to a point where at this point perhaps the Board is willing to go no further. Rather than risk the ratings by Wall Street, rather than risk the possibility of a Judge deciding our future especially in light of the fact that we just heard from one Judge who says it is illegal to arrest illegals, I find that we are at that place. I think it is as good as we are going to have. I would recommend that we begin work on the FY '07 budget almost immediately. Thank you.

Alderman Deane

I would like to thank everybody for their work associated with this process. It was long and drawn out. I agree with Alderman MacLaughlin the sooner we start on next year's budget the better off I think we will be. I would also like to thank the Chairman of the Budget Committee for the job that he did. Thank you.

Alderman Plamondon

I too want to share my appreciation to my colleagues and the Chair of the Budget Committee, and echo the sentiments of the speakers before me particularly Alderman Cardin. I think that we have sent a very clear message to the unions that the insurance has been the sticking point, and things have got to change. We have no choice. This has been a long process. It started in November – it has been 9 months. I think if I may say with tongue and cheek as the mothering and nurturing body of this city and we just gave birth to the '06 budget, and it was long, it was arduous, but we can now look forward, and we have to look forward to next year and hopefully we can bring that budget cycle down into a matter of a few months instead of drawing it out this long. Thank you.

Alderman Shaw

I am certainly thankful and relieved that we were finally able to find a sufficient compromise. I feel pretty certain that none of the 11 that voted for this budget probably did it all that willingly or in all that great a support. I think people are coming at it from different sides and for some perhaps it was too much and for others it wasn't enough. That final compromise ground was pretty narrow. I am again thankful and relieved that we have done that. I would also echo the sentiments regarding FY '07, but I think it remains to be approached that it can't be just a line item cut approach, it has to be systematic, programmatic actions that we need to really look at – this goes back to what services we are delivering, what things the city is prioritizing, and ultimately potentially what we have for staffing at different levels. There is no doubt that FY '07 is not going to bring any relief in the process especially as we strive to do so many different things to cut back escrow accounts to take from general fund balance, etc. It is clear that it is not going to be any easier in FY '07. If we don't approach it as something that is more than just how we reduce each line item but with programs and priorities – that way we won't be any better off. I encourage us to be starting that discussion now because as Alderman Plamondon just alluded to and everybody knows we have been at this an awfully long time and there really isn't that much time to wait on considering what FY '07 implications are. Thank you.

Alderman Lozeau

I realize especially tonight that a lot of people swallowed the fur ball on their pet projects and agreed to cuts in divisions or departments that they didn't want to, but that was all done in the spirit of compromise, and I think that was the right thing to do. Thanks for all swallowing that fur

ball. Thank you.

Alderman Dion

I respect the votes of my colleagues. They voted in accordance with their conscience. I would like to see another \$1.25 million cut from the budget. I would have preferred to see a 3-3.5% increase in the budget. Actually it would have been better off if there were no increase in the budget, but I would have been able to go along with 3-3.5%. That is why I voted against the budget. I am sure we will be getting a lot of phone calls come next November when the tax bills are sent out. All I can say is I voted no, and that is all there is to it. I respect the votes of my colleagues.

Alderman Rootovich

Thank you Mr. President. I just want to explain to my colleagues and the citizens of Nashua why I voted against the budget. I have been around for a long time. I have had my ear to the ground with respect to the pulse of the taxpayers out there. I talked to various city employees – everywhere from entry-level individuals to department heads and division directors. I talked to employees that are on board now. I talked to former employees who have left over the last dozen years. Knowing the city the way I do I still feel very strongly that there are additional monies in all of those departments that can be cut. If you take away in the last year if you take away the calls, e-mails, conversations I have had with the average taxpayer – taking away the city employees – and make no mistake if I were in their moccasins I would probably react the same way because it is their livelihood and I respect and understand that, but I can tell you if I haven't said anything to this Board in 12 years I can tell you right now the pulse out there for the normal taxpayer is enough is enough. Enough is enough! It is not – we talk about the elderly. The elderly are affected there is no question about it, but it is everybody. It is the blue collar worker who has a son in college, two kids in college, his hours have been cut back, he has to pay more for his house insurance, he has no increase in pay in 2 years, and his taxes are increasing. His energy costs are going up, his tuition costs have gone up, food has gone up, gas has gone up, and enough is enough.

That was the reason for my vote. I appreciate my colleagues making the effort to compromise. I am astounded some of the individuals here would compromise, but again based on what I hear out there I have to go with what I hear and I am going to say it again – if there is anything I have said in 12 years, the overwhelming taxpayer out there bar none, the number one issue is taxes and they have told me, and it is everybody from the elderly individuals to the couples that are starting off, city employees – many city employees some that have sat here tonight I have had conversations with and told me sitting here Dave stick by your guns and don't increase the taxes because I am going to get a 3% increase in pay, but if I get a 3% increase in pay I am going to send 5% to my taxes and it doesn't make sense so stick with your guns – people that were sitting in this audience. I just want to justify why I voted against the budget.

I hope as many have said this evening that we start working on the budget immediately to try to

get some resolve so that we don't go into the same mess next year. It is only going to get worse. Thank you and I hope for the best.

Alderman Johnson

Thank you Mr. President. Alderman Rootovich took the words right out of my mouth. He has probably been sitting with the same city employees that I have that have told me stick to my guns. Even before I came here tonight I had a phone call – please I can't afford any more taxes. I want to tell the people why I did not vote for the budget. First of all I don't even know what the new assessments are going to be. Mr. Marino was supposed to come before us again and hasn't done it. I don't know exactly what that new assessment is going to be on the properties. The other reason is because I don't believe in taking bond money and making a payment on a bond. It is like borrowing money and taking the borrowed money to make the payment. You are just rolling it over and rolling it over for 20 years.

I have talked many times about insurances and I have talked to the city employees today and I hope that they are going to go back to their unions and talk about a sliding scale for insurance – the lower end wages might pay less so it goes up to the higher end employees. You start at 0-25 and maybe pay 15%, 26-50,000 you pay 30% and so on. It gives people an option. I hope people are taking notes in the audience too of what my proposal is. I have talked about this many times. We have to do something. The person on the lower end of the pay scale needs a little bit of a break too while the person on the higher end of the pay scale could be able to pick up the tab more.

In FY '07 we have to be working on it right now because we need to see where we will be leading the city next year because of the fact that it will be worse next year and the year after and the year after that. I hope people are taking notes in the audience on what I am saying because of the fact that I am going to stick to my guns because it is the taxpayers that have elected me and for what I stood for when I ran for the Board of Education and when I ran for Alderman. I feel bad when I walk through the city and I am stopped between the hospitals and the shopping centers and they tell me to stick to your guns. Thank you.

Alderman Bolton

Thank you Mr. President. I too am happy that this process has come to an end this evening with the passage of the budget. I must say that I think this piece of legislation I have never voted for something I liked less. By all indications thing will be worse next year. We will have to try and do things to better balance what the needs for services are as compared to the cost that we ask the tax paying citizens to bear. As to the job done by the Chairman of the Budget Committee I wish it had been a better job. Thank you.

President McCarthy

I want to thank the Board for their patience in going through this interminable process. I have

been on this Board for 12 years and this is by far the worst. In fact, this year's budget may have had as much deliberation as the other 11 put together. I am not sure. I particularly want to thank Alderman Bolton for his leadership on the Budget Committee and Alderman Deane for the work that he has done throughout the Budget Committee process and as the budget came back to the Board. I guess I would echo many of the same comments. I am not at all happy with the result other than the fact that we have a budget and work can go on in the city. I made no secret of the fact that I don't like bottom line cuts. I think it is the responsibility of this Board to figure out what impact we are having. I don't even think we can do that next year and not have disastrous results. In previous years, the Board has been able to pick the low hanging fruit by reducing capital projects, removing expenses from departments where we could get along with something cheaper, etc. This year we went right past the low hanging fruit, got the ladder, got all of the medium height fruit, and got everything we could shoot off the tree, and then we were just out of it.

The bottom line changes that we approved, which I supported basically because from what I heard from the Division Directors we could in fact not disturb services greatly by doing them, are mostly one time cuts; they are deferred purchases, deferred maintenance – we cannot do that year after year. There are only, in my estimation, two things that will save us from disaster. One is if we reach some miraculous arrangement whereby our labor and benefits costs are lower in the future or two if we eliminate programs and reduce the headcount that the city has. I do agree that we absolutely need to start looking at next year's budget not now and not tomorrow, but very soon – certainly within the coming months before the end of the year so that we can start looking at some of those divisions. I think we need to take an entirely new approach as several of you have stated as to how we are going to do that because I don't think we can get through another budget season with line item cuts the way we have been doing it.

I will be soliciting input from you as to what process we ought to use to do that. I have some ideas of my own that I will forward to the Board. We certainly need to get that underway in the very near future. Again thank you all for your diligence and patience in this process.

ADJOURNMENT

MOTION BY ALDERMAN DEANE THAT THE AUGUST 16, 2005 SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED
MOTION CARRIED

The meeting was declared adjourned at 10:05 p.m.

Attest:

Patricia E. Lucier, Deputy City Clerk