

BUDGET REVIEW COMMITTEE

March 29, 2005

A meeting of the Budget Review Committee was held Tuesday, March 29, 2005, at 7:00 p.m. in the Aldermanic Chamber.

Alderman-at-Large Steven A. Bolton, Chair, presided.

Members of Committee present: Alderman-at-Large David W. Deane, Vice-Chair
 Alderman David MacLaughlin (arrived at 7:05 p.m.)
 Alderman David D. Lozeau
 Alderman Lori Cardin (arrived at 7:03 p.m.)
 Alderman Robert G. Shaw, Jr.

Members not in Attendance: Alderman-at-Large Paula I. Johnson

Also in attendance: Alderman-at-Large Brian S. McCarthy
 Alderman Marc W. Plamondon
 Alderman Kathryn D. Vitale
 Corporation Counsel, David Connell
 Chief Roger Hatfield, Nashua Fire Rescue
 Fire Commissioner Paul Garant
 Fire Commissioner Ed Madigan
 Carol Anderson, Chief Financial Officer/Comptroller
 Michael Mansfield, Assistant Fire Chief of Administration

Chairman Bolton

I received the sad news this afternoon that Alderman Johnson's Mother passed away today. Our thoughts are with her. That explains why she is not able to be here with us this evening. In her absence, Alderman Shaw will act as Clerk tonight.

COMMUNICATIONS - None

- DEPARTMENTAL REVIEWS

- **Board of Aldermen (503)**

Legal (502)

Fire Department (532)

Emergency Management (535)

- Presentation by Department Representative
- Questions by Committee Members
- General Comments

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UNFINISHED BUSINESS - None

NEW BUSINESS – None

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HELD IN COMMITTEE

Resolutions

R-04-163

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large David W. Deane

AGREEING TO WAIVE COLLECTION OF THE SUM OF \$56,705.50 FOR LABOR AND MATERIALS PROVIDED BY THE DIVISION OF PUBLIC WORKS TO THE CONWAY ARENA PROJECT IN EXCHANGE FOR THE CONSTRUCTION OF A NEW LOCKER ROOM AT CONWAY ARENA VALUED AT \$62,825 FOR THE USE OF THE NASHUA NORTH HIGH SCHOOL HOCKEY TEAM

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

R-05-185

Endorser: Mayor Bernard A. Streeter

ESTABLISHING THE USE OF UNDESIGNATED FUND BALANCE FOR TAX RATE

Ordinances

O-04-45

Endorser: Alderman Marc W. Plamondon

REQUIRING THE PARKS AND RECREATION DEPARTMENT TO CHARGE A

FEE TO NON-RESIDENTS FOR RESERVATION OF CITY-OWNED PARKS AND

SPORT FIELDS

O-05-76

Endorser: Mayor Bernard A. Streeter

**RELATIVE TO DISCONTINUING THE SCHOOL BUILDING AND CONSTRUCTION
CAPITAL RESERVE FUND**

O-05-77

Endorser: Mayor Bernard A. Streeter

**ESTABLISHING A NEW "SCHOOL BUILDING, CONSTRUCTION, ADDITIONS AND
RENOVATIONS CAPITAL RESERVE FUND"**

DISCUSSION

Alderman MacLaughlin

I want to echo the concerns of Alderman Deane. As he brings up his points about this document having been handed to us with a bottom line number on it with a bottom line increase, which initially was just under 6% and it is now in the double-digit range. You know the people in my Ward are expressing to me when they see me some frustration that this is not generally how a budget works. You generally get your hands around the big picture of proposed expenses and proposed priorities, and then you put a number to it and hand it over to the Board of Aldermen for consideration and we work off of that number. As Alderman Deane has pointed out the number is compounding and multiplying and we haven't done anything other than look at the thing. The more we look the more it grows. This revelation tonight that we have inadvertently not included \$250,000, which we are going to have to consider in the bottom line of this one department is frightening. I am expressing real legitimate concern that the budgeting process is breaking down. It doesn't appear that there is a clear idea what the final number is. Maybe that is being unrealistic and maybe it is being naive, but I expect when I go through a document like this to know what the proposal is. At this point in time, all I know is it is bigger than what I see in

front of me.

Those are not the things that are very healthy for the dialogue that we are going to have within committee. If we start making adjustments that we are scheduled to do tomorrow evening and again on Thursday and beyond, how do our adjustments affect the bottom line. I honestly don't know what that will do. It is very disturbing to me as a member of the Budget Committee and as a member of the Board of Aldermen not to know what the concrete proposal is coming out of the administration. I just wonder if any of my other colleagues share the same concerns. Thank you.

Chairman Bolton

I think we all share those concerns. Next month when the Mayor is back in town perhaps we will have an opportunity to speak to him directly on the way he goes about things.

Alderman Vitale

Is it possible that we can get an updated list of where those funds have been added so far in the line items and adjust the totals as they go through?

Chairman Bolton

I am sure that is possible. Obviously the big things that dwarf all else is the insurance costs, chiefly health insurance. We are told that we are going to be asked to add something like \$2 million for the '06 budget, but even that has not been nailed down to whether \$2 million will be enough or it will in fact be more. We have heard \$250,000 tonight. Those are the biggest things that I recall unless other people have other things. What they do in Concord will obviously have a tremendous affect on our revenue side. We are not going to have a definitive answer on that for some months. In fairness to administration they have no way to know what that is going to be either. If there is anything that I have left out perhaps Mrs. Anderson and Mrs. Lemieux can at the appropriate time let us know that. I think those are the major areas where the uncertainty lays; on the revenue side for the State Education Grant, how much we are going to be asked to add into the insurance costs, and this \$250,000 that we have heard tonight was omitted.

Alderman Lozeau

I think there is \$1 million related to Solid Waste also as far as revenue projection.

Alderman Deane

It is \$2 million.

Alderman Lozeau

That was the BFI.

Chairman Bolton

And then the Mayor's original plan called for contracting out the space in the landfill so that affects the revenue projections he was giving us earlier on.

Alderman Deane

I believe tomorrow night is going to be the thriller evening. I think there will be some revelations made tomorrow night about what is going to have to be added to this budget that I think are going to be far greater than what we have already been told, but that is just my opinion.

The State Education Adequacy Grant that Alderman Bolton had brought up – the Mayor has recommended \$28,300,000. With the way this budget has been going this year and this is the number I believe the Governor told him to feel comfortable with – with the way things have been going I would suspect it would run well short of this number as well.

I agree with Alderman MacLaughlin. I am concerned. It has seemed this year – this is my second year on the Budget Committee although my first two years on this Board I did attend most all of the budget meetings, I have never ever seen in my 4 years seen a budget unravel like this one has this year. The series of events that went on over the last couple of years and what they are trying to do – things just aren't working out. Unfortunately there was a lot of work put into this from the administration, but I think a little more time should have been put into it. Like I said the other evening perhaps maybe we asked for it too early before they had a chance – maybe we can shoulder the blame for what is going on with this, but some of it is in the form of resolutions and ordinances as well. That was the comprehensive strategy that was put forth. I am sure if the Mayor didn't feel prepared to give the budget to the Board of Aldermen he

wouldn't have done it. I kind of wish he hadn't. Like I said tomorrow evening will be the big night. I am looking forward to tomorrow night. Thank you.

Chairman Bolton

I think it is fair to say we are in a crisis situation right now with this health insurance number for which we are self-funded apparently spiraling out of control. Later this week the New Hampshire House of Representatives are voting or will be voting on the funding bill that will change the law to provide education grants for all communities in the state. The Mayor's of other communities are spending time up in Concord talking to the Representatives, working with them to try and do something for their community. Our Mayor has taken off out of the country on vacation for four weeks while he leaves us in this mess. If anyone thinks that is a responsible thing to do I have to say I disagree.

Alderman Deane

I had a request. I want to make sure that Maureen Lemieux brings that actuary with her tomorrow. If she doesn't bring it or if somebody has trouble getting it I want to make sure I know about that before noon time tomorrow so that either we can get the janitor to get the keys to have the Risk Management people if this document does exist so that we can have it for review tomorrow night.

Chairman Bolton

You are talking about a report – when you say actuary I think you mean the individual – you are talking about an actuarial report?

Alderman Deane

Right – that is done on the health insurance by the consultants. I would have loved to have had that document. I requested it last Wednesday or Thursday and Maureen responded last night that she would do the best to answer my questions tomorrow evening. I for the life of me don't understand why we can't get things when we request them. This is where there is a big problem. We have to sit down and discuss this and figure it out, but when we have request documents nobody brings them.

Chairman Bolton

This is not Mrs. Anderson's area of responsibility.

Alderman Deane

I understand that. I am frustrated with the fact that when you request things like that you don't get them. I would really hope that there is not an excuse tomorrow evening why that document isn't here because there shouldn't be any excuse. The document, if it exists, and I am told it does, we should have a copy of it. I would have loved to have had the time to review it, but for some reason unbeknown to me or anyone else it wasn't made available.

Alderman MacLaughlin

If what you say is true that the Chief Executive of this City who has proposed this budget is taking a vacation I believe you said for four weeks...

Chairman Bolton

That is what I am told.

Alderman MacLaughlin

If he is taking a vacation during budgetary submission and discussion for that length a period that is equivalent to my taking time off from my employer from Thanksgiving until Christmas. That is at the peak times where all hands must be on deck to do the business in my case for my employer and in the Mayor's case for the people. This is an incredible revelation. I am shocked.

Alderman Plamondon

For clarification I have tried to speak with mark Sousa. He is the Mayor's representative in Concord. He has been in Concord lobbying for the City. I don't want to leave it that there is no representation in Concord from Nashua. There is representation. Mark is known for his work. I just want to bring that point forward.

Chairman Bolton

But when Mayor Baines is up there from Manchester and Mayor Sirrell is there from Portsmouth and Mark Sousa is there from Nashua what do you think that says to people? Is there any further discussion?

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ADJOURNMENT

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MOTION BY ALDERMAN DEANE TO ADJOURN
MOTION CARRIED

The meeting was declared closed at 8:00 p.m.

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Alderman Robert G. Shaw, Jr.
Committee Clerk, Pro Tem
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