

BUDGET REVIEW COMMITTEE

APRIL 28, 2005

A meeting of the Budget Review Committee was held Thursday, April 28, 2005, at 7:03 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
Alderman David D. Lozeau
Alderman Lori Cardin
Alderman Robert G. Shaw, Jr.
Alderman-at-Large Paula I. Johnson

Members not in Attendance:

Also in attendance: Alderman-at-Large Brian S. McCarthy
Alderman-at-Large James R. Tollner
Alderman-at-Large David Rootovich
Alderman Richard LaRose
Scott Cote, Board of Education
Dr. John Connolly, Hazard, Young, Attea & Associates, Ltd.
Christine Hagan, Dir. Human Resources, School District
Katherine E. Hersh, Div. Dir., Community Devel. Div.
Jane Joyce, Human Resource Manager
Chief Roger Hatfield, Nashua Fire Rescue
Carol Anderson, Chief Financial Officer/Comptroller
Richard Seymour, Div. Dir., Dept. of Public Works
Mark Piekarski, Fire Commissioner
Paul Garant, Fire Commissioner
Scott Cote, Board of Education
Richard Dowd, Board of Education
Edwina Kwan, Board of Education
John Kelley, Board of Education

COMMUNICATIONS - None

WRAP-UP SESSION

Chairman Bolton

I know there are people here who are here for particular items of legislation that is further on the agenda. I leave it to the committee as to whether we ought to try to deal with the legislation first or not.

Alderman Deane

I had something prior to that, but whatever the committee wants to do to satisfy those who are here for different legislation is fine by me. I just wanted to give the citizenry an update on this morning's Board of Public Works meeting. There was a meeting this morning at 11:00 a.m. in the Chamber and a motion was made to transfer \$3,075,651.00 from the Waste Water Retained Earning Account to the Solid Waste Department to fund the tipping fees associated with the Anniversary Park asbestos abatement costs.

I had asked Dory Clarke some pertinent questions about drilling into this a little deeper other than the opinion that was brought forth by Corporation Counsel. Unfortunately the Mayor tagged me with having an agenda. My agenda is to make sure that the users and ratepayers of the wastewater system are properly represented and that their funds are not just scattered throughout the city to deal with budgetary issues that we are currently facing.

Although I know that the asbestos was brought into the landfill I think that it is up to this administration to drill in a little deeper to see what sort of action we can bring forth to try to recoup some of these funds and not tap into the reserve account to fund the tipping fees in excess of \$3 million at our landfill. I am going to bring a piece of legislation forward that will not allow this transfer to take place until such time as the Legal Department has put somebody on board or done it themselves and gone to every end possible to make sure that we have covered any and all areas in which we may have an opportunity to recover some of these funds.

I just think that this is precedent setting. I do realize we have budget issues, but to tap into the reserve accounts to satisfy some of the budget problems we have today I think is absolutely inappropriate and we shouldn't be doing that although the Board of Public Works Commissioners approved it – the three Commissioners; Gagnon, Lavoie, and Hall, and the Mayor, I heard no nay vote, all approved transferring \$3 million+ from the reserve account to Solid Waste. I believe the Mayor would have to bring in a Resolution to do that. Thank you.

Chairman Bolton

Thank you Alderman Deane. Does anybody have an opinion as to whether we ought to go on to the legislation or deal with the general budget wrap-up matter?

Alderman Shaw

I think it would be appropriate to go through the legislation first.

Chairman Bolton

Does anyone disagree with that? Okay very good. We will skip down to new business Resolutions.

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

R-05-193

Endorser: Alderman-at-Large Brian S. McCarthy

AMENDING COMPENSATION FOR THE BOARD OF ALDERMAN FOR FISCAL YEAR 2006

MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman McCarthy

I want to say that I introduced this legislation in response to the request from the administration that every department cut by 1%, and this does it and a little more for us, which is actually fairly easy, and I think this is where it should come from, but I have to say that I didn't like the approach that was taken of doing peanut buttered 1% cuts. I don't think that is the way to go at the budget. I sent you all a memo over the weekend suggesting I think we need to get to a bottom line first and work back to that by looking at what things we can cut and what affect they will have to lay out a number of options before ourselves that actually come to more than we need to remove so that the members of the Board can look at things and prioritize what they want.

I also believe that if we get back to the kind of tax rates that people have talked about we are going to make significant impacts on our services and on some of our employees. Frankly I can't in good conscience supporting putting even close to \$75,000 of the taxpayer's money in the pockets of this Board in a year when we are doing that to our employees so at some point I will ask us pending the outcome of the budget to amend this Resolution and delete the stipends for the Board of Aldermen in their entirety if in fact we are going to lay off employees as part of reaching our budget numbers.

Chairman Bolton

The motion is to recommend final passage. Is there any further discussion?

Alderman Deane

I think we should hold this then.

**MOTION BY ALDERMAN DEANE TO HOLD IN COMMITTEE
MOTION CARRIED**

R-05-195

Endorser: Alderman-at-Large Steven A. Bolton

**APPROVING AN ADJUSTMENT TO THE UPPER ENDS OF SALARY RANGES FOR
NON-AFFILIATED PERSONNEL OF THE NASHUA SCHOOL DISTRICT**

Chairman Bolton

I know we have – I count three members of the Board of Education here, and an individual I believe is from the consultant firm that is doing the Superintendent search. It may be appropriate to hear from them if the committee wishes.

Scott Cote

With us this evening is Dr. Dr. John Connolly from Hazard, Young, Attea & Associates, Ltd. who is representing the district in its search for a Superintendent. The Board of Education actually had a comprehensive overview of how we came to the salary recommendation for the Superintendent's position, and if it would be appropriate with you and the committee we would like to have Dr. Connolly go through that analysis with you. It shouldn't take too long, but it will at least bring some sense of order as to why we are making that recommendation to you all.

Dr. John Connolly

May I hand some materials out (copies attached hereto and made a part hereof)?

Chairman Bolton

Please.

Dr. John Connolly

Ladies and gentleman of the committee and other members of the Board of Aldermen I very much appreciate the opportunity to be with you tonight. As Scott mentioned my name is Dr. John Connolly. I am a representative of Hazard, Young, Attea & Associates, Ltd. Just a minute of background relative to the search firm itself, it is a search firm that has been in business just under 20 years. We are a national search firm. We have done more than 450 searches nationally. If you were to list the name of a state the odds are we have done more than one search in every state across the country. Those searches would include city searches, suburban searches, rural searches, large school districts, medium sized school districts, and small districts.

When the Board of Education of the Nashua Schools hired us to do the search one very, very important topic of discussion was the compensation level for the new Superintendent. They asked us to take a look at Superintendent salaries not only within our State of New Hampshire, but in contiguous states across the country. This is what we did. We undertook a rather comprehensive review of salary data on Superintendents and we submitted these materials to the Board of Education a number of weeks ago.

What I have before you tonight is an exact copy of everything that I gave the School Board because as you deliberate I think it is appropriate that you see the same materials that were the basis for the decision by the Board of Education. The first piece of material that I gave to you was an article that appeared in the Boston Globe. It is an article that is relative to the Lexington School District in Massachusetts, but that is not the total theme of the article. The core of the article is the level of competition and essentially the limited pool of Superintendents nationally have created a greater and greater demand for quality people, and met more and more difficult in securing a quality pool for school districts whether it be Lexington or whether it be other parts of the country. This article talks about a number of things, but it talks about for example in the State of Massachusetts where right now there are 40 vacancies where typically this time of year there are about 20 vacancies. It is double. What I found interesting about the article in the Globe the trend in Massachusetts is no different than the trend nationally. There is a larger turnover in the Superintendents for a number of reasons; one is what this article calls the graying workforce, an avalanche of early retirements, and essentially a dwindling pool of people.

As one of the Executive Directors of one of the Superintendent groups mentions in this article

that typically in the 1980s it would not be surprising to get as many as 100 or 125 candidates for a position in Superintendent of Schools where now some of those positions are drawing 10-15 people for that position. The quality and I am finding in the search process the quality is becoming diminished which creates more and more pressure on local school boards to be more aggressive with their search process to find the quality person that they are looking for. You can read this article at your leisure, but they talk about, and this is Massachusetts, they talk about the national average of \$125,000 for Superintendents, and in Massachusetts it is \$120,000. I recently finished a search in Somerville, which borders the City of Boston, and in that search the compensation for the Superintendent was raised to approximately \$30,000. Because of that I believe we were able to attract a pool of people. Of the six finalists that we gave to that Board they were all sitting Superintendents. What I found interesting at the time as I looked at some of the surrounding school districts that were doing searches, many of those searches the size of Somerville were drawing Assistant Superintendents, were drawing people who had never had experience as a Superintendent. The compensation is one of the critical pieces that draw people to a position.

I think it is important that you realize too in terms of the search process one of the beliefs, and I call it a myth, is that you advertise widely. You receive the applicants, you draw from the best of the applicants, and you pick the best of that pool. My feeling is the effective search process is just the opposite – two of us spent two days a piece, 4 days, in developing a profile and listening to people in the community, teachers, administrators, community members, Board of Education, members of the Chamber of Commerce, and the like to get their input in terms of what you are looking for in your new Superintendent in Nashua. Then the task of the successful search is to bill one at a time. I believe when you ask the question how many candidates or applicants for the position that isn't the real question – what is the quality of the people?

The key thing is to build the five and the intent of our firm is to submit five people to the Board of high quality. That I think is the absolute critical piece. I often differentiate between the words applicant and the word candidate. Applicants are people that apply formally and they are in the hunt from the first day. The candidate is the one that may not even know there is a vacancy in Nashua, but we have linked the profile of that person with the profile of what you are looking for in a Superintendent, and our task is to really help bridge that person so that he can take a look at what I call the challenge and opportunity of Nashua. That is the challenge of the search firm. We aggressively do that and because we have so many people nationally I use the fingers on

my hand to create the network nationally. Once we have that profile you send that profile across the country and you find the very best people that you can find and we can submit to the Nashua School Board.

That is an article that you are welcome to read at your leisure. The second piece of information is a listing of the New Hampshire Superintendent salaries. Unfortunately the only way that I was able to get them was by the name of the Superintendent. I was not able to get them by the name of the school district or the size of the district. That is the raw data from all of the Superintendents and what their salaries are. To make it a little easier to understand what I did

then was I listed; I guess there were about 15, of the top paying school districts in New Hampshire and take a look at what their salaries are. What is very interesting is and I am learning and you know this by history, how few school districts there are in New Hampshire over 10,000 students, and rest assured that the ability to run a 2,000 pupil school district is very different than running a 13,000 pupil district. If you look at the range of salaries the salary of the Nashua Superintendent is 4th and interestingly the highest salary in the state, and my understanding there is a new Superintendent in Hollis and my understanding is that has gone to just under \$135,000 for only 2,000 youngsters so there is no relationship, and it is not only in New Hampshire but elsewhere, between the size of the school district and the compensation they pay for a Superintendent.

One of the pieces of material that I was able to access was the Massachusetts Superintendent salaries, and this was part of the Globe article. The writer put that on her web site and we were able to access it. The one point that I would make on Superintendent's salaries in Massachusetts they rank from high to low. This is '03/'04. For example right now the Boston Superintendent salary is \$195,000. It goes down from there. You can see the different for example between New Hampshire and Massachusetts. I gave you a listing of the top Superintendent's salaries in New Hampshire and there were about 15 of them. If I drew a line of the top 15 in Massachusetts the line would fall somewhere around \$140,000. It is a different even in neighboring states.

The next piece of material is to try to give you a flavor of the selective school districts in Massachusetts, and this is not arbitrary, but what I try to do is list most of the larger districts in Massachusetts, which might be comparable in size to Nashua. Also what we try to list some of the neighboring school districts and get an idea of where your competition would be in those district with what they would be paying right now if they were looking for a Superintendent. Look at Acton/Boxboro a district of about 40% the size of Nashua pays \$156,100. You look at Arlington at just under \$140,000 and I think they just hired a Superintendent for a little less than that. A district like Brocton, which is about 3,000 youngsters larger than Nashua \$146,000. Cambridge it is 6,700 students, \$180,000. One of your neighbors in Massachusetts, Chelmsford, 5,700 students with a salary of \$149,000. Another fairly large city, Fall River, which is close in size to Nashua having 11,500 students and a salary of just over \$143,000. Framingham one of the larger district in Massachusetts 8,200 the salary of \$164,800. A district not too far from you Groton/Dunstable a school district less than 25% the size of Nashua with 3,000 youngsters has a salary just under \$135,000. Lawrence a city of 12,000 just about the same size of Nashua a salary of \$164,500. One of the ones that is interesting is Lowell which is a district of 15,000 and shows a salary of \$128,000 and that outstanding Superintendent in

Lowell she was recruited for another position, and my understand was the choice for not pursuing that position was that number is going to be competitive with the higher salaries within the year. Lynn with 14,000 students \$142,000.

You see what is interesting is there is so little relationship between size and school districts. A district like Masconabit Regional School District with only 2,200 students has a salary of

\$140,000. One of the more wealthy suburbs in Massachusetts, Newton, 11,000 the salary of \$188,229. Just above it New Bedford a district just a little bit larger than Nashua a salary of \$140,000. Then I won't go into any others, but dropping down to the last one again another neighbor in Westford with 5,100 students and a salary of just under \$141,000.

The next piece that we looked at is some really impressive work has been done in Nashua by School Match, and one of the things that they do in looking at a school district is they take a look at comparable school districts across America that will be the basis of comparison when looking at Nashua. The school districts that are listed on the next sheet is the comparison of school Superintendent salaries with those of Nashua mentioning of course the salary in Nashua of \$115,000 and Lawrence Township in Indianapolis, IN a salary of \$165,000, Walled Lake Schools in MI a salary of \$234,571, Rochester, MN \$200,000, Lee's Summit in MO and this is last year's salary of \$154,000. Greece, which is a suburban school district outside of Rochester the same size as Nashua \$177,000, the salary of the Superintendent in that district next year will be \$190,000. The school district union in OK \$125,000, North Clackamas in OR \$121,375, the District in Drexel Hill, PA last year \$141,000, Bellevue, WA \$169,000 and Appleton Area in Appleton, WI the '03/'04 salary of \$128,428 and the salaries for this year they just wouldn't make then available to us even though that is public information, but we were not successful in getting them.

Finally one of the magazines, and educators know this well, is Education Week. As is named by the title it comes out every week. In the back of this magazine newspaper more than any other publication are notice of vacancies especially that of the Superintendent. You can see the sign Carle Place School District on Long Island, but this is typically the ads. We went through Education Week over the last months and months and you can see attached to the last summary is an example of the ads that appeared, and those ads are anywhere across the United States. Obviously they are at that point in time interestingly there were no vacancies in New Hampshire. I believe last week there was one vacancy announced, but there were no vacancies that were comparable in New Hampshire so they are not listed, but you can see the summary that I included on the last page, Somerville Public Schools they raised the starting salary from the low \$130s to \$160,000. Massachusetts Silver Lake Regional \$\$130,000 to \$145,000. Interesting in different parts of the State – in Hattiesburg, MI a district of 4,800 students a range of \$155,000 and we don't know what the status of the selection process is so we don't know exactly what the Superintendent was actually hired at, but it gives you a flavor. Westerly, RI, 3,700 students range of \$115,000 to \$130,000. Lakeland Central the school district in New York State 6,200 about half the size of Nashua minimum of \$190,000. Lexington advertised at \$158,000 to \$168,000 they began with a starting salary of \$175,000 with some additional sizable compensation perks.

District in IL \$138,000. Deerfield in IL \$168,000, Old Park in IL \$190,000 to \$210,000. Arlington in Massachusetts they did a range of \$130,000 to \$150,000. I believe they recently employed the Superintendent at something under \$140,000. Oswego a City in New York \$140,000 to \$150,000, West Aurora, IL \$180,000, Rich Township in IL \$170,000. What I found interesting in Education Week there seems to be more sizable turnover in IL because there are more

vacancies in that state. I find that rather interesting. Roosevelt Union, which is a small district on Long Island in New York a salary range of \$175,000 to \$190,000. The City of Albany, which is the State Capital of New York and a district just a little bit smaller than Nashua 10,000 students a base salary of \$150,000. A small district in Iowa, 3,100 students, Indianola \$140,000. Nyack, New York a minimum of \$200,000 that is a school district of just under 3,000 students. Penn-Harris in IN 10,000 students \$130,000 - \$150,000, Glen Ellyn in IL 2,300 students \$190,000 to \$230,000, Shenendehowa, which is a district in upstate New York, 9,500 students \$160,000 to \$175,000. Northbridge a small district in \$110,000 to \$130,000. Garrison a tiny district in New York with 410 students a minimum of \$135,000. The only one that is not a Superintendent in here, but I thought it was important because the competition is not only limited to the position of Superintendent, but the Framingham High School was advertising for a High School Principal. For a high school of 2,000 and their salary range for that position was \$120,000 to \$130,000. I won't go through any of the others, but you can see the ranges are significantly different from those found in New Hampshire.

Because of the data that I submitted to the Board of Education the recommendation of our firm is that the Board consider a salary range of \$150,000 to \$175,000. Our thinking is that when you look at the size of Nashua there is a value to the position itself and a reality of the position is a public enterprise in excess of \$100,000,000 and if you look at it in the business industry for the private sector that compensation would be many times that. Whoever you hire for that position what we believe is the competitive value for that job – what is the number that we can affectively draw a high quality of candidates for this position. Then the purpose of the range if in fact the top person you draw has the extensive experience in a school district, has a salary in excess of say \$150,000 or \$155,000 then you have the play to provide adequate compensation to draw that what the Board of Education hopefully believes is the best person for this position to the City of Nashua.

Alderman Johnson

I have some questions here if I might be able to ask them at this point in time.

Chairman Bolton

Please.

Alderman Johnson

First of how many other school districts that you are talking about how many assistant

Superintendents do they have? Do you happen to know?

Dr. John Connolly

I don't.

Alderman Johnson

I would like to know how many Assistant Superintendents they might have compared to their Superintendent and the salary range. Is there any way we can find out?

Dr. John Connolly

My feeling we could give you selected numbers, but in itself it is an insurmountable task. You are talking about literally hundreds of districts to look at the organizational chart to determine the number and compensation that is a huge task.

Alderman Johnson

What did you think that some of these districts might not have two Superintendents like Nashua does at this point in time it might make a difference in the job description and the amount of work and why they might pay a higher salary?

Dr. John Connolly

That is a fair question and one that I would be comfortable answering – I have been a Superintendent for 32 years and I will tell you my experience in those 32 years the typical organizational structure of the school district and not necessarily just the size of Nashua is to have two assistant Superintendents. That is fairly common. I would say if I were to look at the most common organizational structure in my 32 years it would be two Assistant Superintendents and a Superintendent.

Alderman Johnson

Why?

Dr. John Connolly

My feeling is because of common practice that is the expectation of how to most effectively run a school district.

Alderman Johnson

Could you run it with one Assistant Superintendent and one Superintendent and run it as effectively if you have a very strong Superintendent?

Dr. John Connolly

I will answer the question as a Superintendent. The decision to do that is the responsibility for the School Board, but my belief is that the role of the Superintendent – I often believe that the most skilled people are skilled generally and what they have to do is their responsibility isn't only below the organizational structure working right through the structure down to kids, it is also effectively working with the community, a Chamber of Commerce, business and industry. Do I think it can as effectively run in a 13,000-pupil school district absolutely not.

Alderman Johnson

You talked about the other school districts having perks. What type of perks would they have for the Superintendent to attract them?

Dr. John Connolly

They vary. Some of the perks that – life insurance would be one. Some would have a tax shelter annuity. Another could be travel allowances whether it is the availability of a car or a monthly allowance. Cell phone would be another perk that would be obviously very common

and critical for a Superintendent. I will say at the same time that it is very difficult to get all of these data because the part that is typically public is the base salary and sometimes the perks that are beyond that base salary are not the easiest things to find.

Alderman Johnson

I am sure you can find it with us. We give the Superintendent a car, I know that we – I believe he probably has a cell phone. I could be wrong. I think mostly everything that you are talking about, the perks; I think ours has right now.

Dr. John Connolly

Well then...

Alderman Johnson

I could be wrong, but I did sit on the School Board for two years.

Dr. John Connolly

Other than those, there is nothing really beyond those basic perks that really would be – health insurance of course would be another one that you would expect all employers to have. Another would be moving expenses, which is a one time perk, but that is something that is really common practice to pay for the expense of your Superintendent moving to the district.

Alderman Johnson

Thank you.

Chairman Bolton

Does anyone else have questions for Dr. Connolly?

Alderman Tollner

Thank you for your information. Would you recommend to a school district like Nashua – you said there weren't many openings in New Hampshire – given the fact that there are not many openings in New Hampshire to target a community where things are going well in the school district and go after an individual who is here in the state and familiar with what is going on in the state?

Dr. John Connolly

The answer is yes. Our approach would be you target everywhere and you find the best superintendents right here and you target the best. Typically the people that we will recruit may not even know – the people in New Hampshire the odds are they know there is a vacancy, but some may not. Some may be so successful and busy – I remember a time when I called a Superintendent and he said leave me alone I have a busy board meeting tonight and I am not interested. I said I will call you back tomorrow. The board meeting was over and there was a little more time for dialogue. Those are the kinds of people as we see through our own eyes and the eyes of others that they match the profile those are the kind you contact. If the best person is in New Hampshire I think there is more flexibility in terms of what that salary can and will be. At the same time, a term that I use with the Board of Education is the debate is how far you want to cast the net, and if the net goes well beyond the State of New Hampshire there are going to be people that are going to fit your profile and conceivably could be some of the strongest candidates you couldn't get that wouldn't even consider applying given the current salary. One of the debates is how broadly do you want to cast the net for the Superintendent search.

Alderman Tollner

Have you or has the Board of Education targeted any candidates specifically in New Hampshire?

Scott Cote

To answer your question we have not done that because we have engaged our consulting firm to start us through the process. We don't feel confident enough to start having a dialogue with anybody until we know what that salary range is going to be. What we have asked them to

provide for is the best possible plate of candidates that they can find regardless of where they come from.

Dr. John Connolly

I have already had conversations with some of the organizations in New Hampshire and we have some names that we absolutely will make contact with once the salary issue is resolved.

Alderman Tollner

First of all I do agree that we should raise the salary of the Superintendent if we want to attract the best candidates. How are you compensated – are you compensated in any way shape or form based upon the total compensation of an individual that we bring in?

Dr. John Connolly

No. The current practice if we were a private firm would be 30% of the first year's salary. We work for a base of about 1/3 of that to possibly a little less.

Alderman Tollner

It will still be a straight fee?

Dr. John Connolly

Correct.

Alderman Tollner

Thank you.

Alderman MacLaughlin

Thank you for your information. I see obviously that all of those numbers tend to support your argument that Nashua might need to consider paying a Superintendent more, but as an Alderman I would like to see a way to pay the taxpayers of this city more. \$112,000 may not seem like a competitive salary to some, but to me it is not shabby. There are many people in this city who are going to be asked to probably pay more in taxes this year because our city is faced with a \$9.5 million budget problem. My question would be in terms of all of these salaries and positions represented how many are positions that are located in communities that have just completed a \$140,000 investment in total reconstruction of their high schools?

Dr. John Connolly

I would say it varies. If you look demographically I am sure there are more in there than not that have had sizable construction projects. My belief in the term of the whole philosophy and I respect having been a Superintendent for 32 years I was cognizant to the taxpayers all 32 years of that experience. At the same time when you look at what you are looking for you are investing in a Superintendent. My belief is that if you get the right person they are going to help the taxpayer 10 fold. I give an example of foundations and generating private money to support public schools. To come up with new and creative ways to do more with less. I use the word when you look at the finite number my experience for many and most school districts \$112,000 is a sizable dollar amount, but nowhere in American will you see that level of compensation of very few places to run an organization in excess of \$100 million. The challenge I think – my feeling is that I don't know Nashua like you do, but the salary will draw a pool of people that will be more responsive to the taxpayers and more responsive to the instructional needs of Nashua. What you will get – we could do a search at \$112,000, but I will guarantee you the level of the pool that you will get will be at a fraction of what you will get at a higher rate. I think that is not my choice to make as a consultant that is a choice that you as the Board of Aldermen and the Board of Education. My experience as a search consultant and the experience of our firm and having done 450 searches – you are not going to draw the kind of pool that I believe that you need to bring Nashua to the next level at that sum.

Alderman MacLaughlin

I appreciate your point of view and your background in this area, but my experience in the world that I work in certainly is not education it is retail, is that when a senior member of management retires or moves on for whatever reason you then have an opportunity to bring in new talent

perhaps talent that might be able to manage utilizing new experiences, newer technologies all of those things and not have to pay them as much as the senior person who has just departed.

Although I understand the argument that we could do more with less as you just stated – by focusing as we are on administrative salaries here – in this case the Superintendent’s position – I look at it as we are going to be trying to do more with more. There has to be a point at which we can go to the taxpayers of this community and say if we were in fact to invest more heavily in education in this city that the money would directly go to the students and the teachers in the classrooms. The members of the Board of Education have just done a yeoman’s effort at cutting their budget beyond the original proposed amount that they had submitted to the Mayor because they realized we are in a real fiscal problem here. At this point I don’t see how we can be coming up with extra dollars when we are trying so hard to focus on trying to bring that \$9.5 budget hole under control. That is the reason I am ...

Dr. John Connolly

If I may one of the things that appeared in the Boston Globe article I think in 1980 I would have been more comfortable with your belief that you could possibly hire somebody at a lesser number because you had the pool. What we are finding today as quoted by one of the key administrators of one of the Superintendent’s Group typical in the ‘80s would be 120 candidates and now there might be 15. The pool just isn’t there and I think that is one of the biggest challenges we have.

Chairman Bolton

That does raise an issue Dr. Connolly – it does seem as Alderman MacLaughlin said that the experience most people have be it in the private sector or wherever is where someone has been on a job for a number of years say 10 years – they have grown in that job it would seem counter intuitive to say that they should leave at one salary and their replacement should come in and in year one be making more. You have pointed out what may be part of the reason is the shrinking pool of Superintendents and people who desire to be Superintendents that are applying for jobs. Is that why it seems, because it doesn’t seem to be just here – some of the statistics from other districts seem to indicate a similar thing was happening – they would be paying one number and then when they did a search they would have to increase the salary.

Dr. John Connolly

I haven’t done this because again it would be a task, but my belief is probably 80-90% of those salaries are more than would be incumbent Superintendent. Even though it sounds counter intuitive the people that stay the longest in business or public education don’t stay up to it so the longer you are there and there is the less change the odds are they are below what the market

level should be, which is ironic and it does sound counter intuitive, but in fact that is the way it is. My own experience and I believe I was a successful Superintendent – my successor earned more than me in every one of those positions.

Chairman Bolton

So it is common in the world of Superintendents that this happen?

Dr. John Connolly

Yes.

Scott Cote

We actually have some history here in the City of Nashua with that and that was when Dr. Massey retired over 10 years ago he was at a salary that was lower and we ultimately ended up putting Mr. Giuliano into that position it ended up resulting in a higher salary level and a higher salary range at that point. I also think that there are a couple of other critical things to point out. One of the things that the Board has expressed a solid interest in to our consultant is that we are looking for a candidate that likely has a doctorate to head up this effort, which is something that is different than we currently have now with Mr. Giuliano. From my own personal point of view having served on the Board of Education a couple of times now, it – the school district is positioned to make some significant changes and improvements. We have made some really great investments in our infrastructure and this is certainly no shot against the current administration or Mr. Giuliano at all, but we are ready to take that next step, and part of that next step involves taking a very fresh way of looking at how education in the City of Nashua is delivered and if in fact we can impact some of those very things that Alderman MacLaughlin had suggested that we needed to impact. We recognize that.

The suggestion to come here before you to suggest the salary range that is here now is not a decision that was made lightly by the board. It is one that was made after significant consideration of what we think was thoughtful discussion in the process of where we believe we want Nashua to go. We know that there are a number of people in this city that make far less than what the current Superintendent is making, which by the way is \$115,000 not \$112,000. We realize that there are a lot of people in that category, but it is equally important to recognize that there is only going to be one Superintendent in the City of Nashua. We want that candidate to be the best candidate that we can. Based on the advice we are getting from our consultant

and our council is that we are going to have to compete heavily and strongly in order to make that happen. Our competition is not Manchester, NH our competition is Massachusetts. Massachusetts I believe Dr. Connelly has 53 Superintendent vacancies. We had that discussion that they are recruiting for now down in that state

Dr. John Connolly

There was 40 when the article was written, but I don't know what it is now.

Alderman McCarthy

I guess I thoroughly agree having sat through the last Superintendent search process that we are going to – if we want to get some new thinking we are going to have to raise that high end of the range and hope that we get someone who is willing to come here and do that. I thought the last time that we went out that at least one of the candidates showed some real promise along the lines that Alderman MacLaughlin asked about in being able to figure out ways to make the district more efficient. I was disappointed at the time that didn't happen. I guess my question pertains to the legislation actually seeks to move the entire range and not just the top end of the range is that correct?

Chairman Bolton

I think that is right. I think the title is somewhat off the subject as regards to Superintendent. As regards the other positions it is just the top of the range.

Alderman McCarthy

I guess my concern is more with how much we move the bottom. The problem in discussing this is there are two things you can look at; one is the value of the position and the sort of absolute value of the skills that people bring to it. The other is the fact that this is also driven by the laws of supply and demand. What I would hate to do is wind up in a position where we wind up with an individual we already have whose qualifications might well reach higher into that range, but in fact under the laws of supply and demand we can probably get them for less than the market rate. I guess what I am suggesting is perhaps we want to make the range broader so that we have more flexibility at the bottom end than if we simply move the entire salary range up.

Chairman Bolton

Are there any thoughts on that Mr. Cote?

Scott Cote

Actually that question has been asked and there was – I asked it a couple of times as to whether or not we should have a broader range. Certainly Dr. Connolly can answer for himself, but the concern that was mentioned by both of the consultants, both of the individuals that work for the consulting firm and spoke with us, is that if you start to broaden that range too much that there is the very likely possibility that there are some very qualified candidates that are on the higher end of that range that will walk away for the same reason that we ran into ten years ago when we did the initial Superintendent search. We had a salary range, but we didn't have the intention of paying anywhere near the higher end of that salary range for the qualified candidates that came before us. There is a concern that you may dilute that pool of individuals that you would want because people being who they are will recognize that potentially they are going to come in and be hired at the lower range.

Chairman Bolton

I would suggest there is even a worse problem. If you advertise a range and you have no intention of actually paying at the high end you can go through this whole process, get down to five candidates, and they are all good candidates and when push comes to shove and you say even though we have a range that the top end is \$175,000 we are not offering anyone more than \$150,000 all five turn you down and it has been an enormous waste of effort. I think whatever we set the range at we ought to be clear that when push comes to shove we may have to pay that top end so let's go in not trying to fool ourselves that yes we can set the range but then not pay it. Maybe we can end up there, but don't depend on it.

Alderman McCarthy

I would agree with that, but we certainly need to be prepared to pay what it takes to get the candidate we want. I just want to leave open the option that – that number may be less than we think in some cases.

Dr. John Connolly

I think it is well said that you have to take a look at what the value of the position is, and whether it is a brand new – you are expecting a level of skill that will do this and do it well therefore the value of the position is X. One alternative of doing what you are suggesting and to protect that possibility is to quote a salary up to. I think if in fact the best person comes from New Hampshire given current salary levels in New Hampshire I think there is more negotiability with that person. At the same time I learned very quickly that you have to be cognizant of what the value of that position is. In my past experience I hired a high school principal and I learned 6 months after I hired him that he was totally happy for the first 6 months until he started sampling what like districts across the other area or the state or the region made. You have to determine what that value is, but a way of protecting is rather than give the range talk about up to, which gives you more flexibility.

Alderman Johnson

What guarantee do we have when we hire a Superintendent that what he or she says they can produce they are actually going to do it?

Scott Cote

It is no different than anybody that is running for political office. What guarantee are you going to get - promises that are made by anybody that runs for political office that they are going to do what they say? You are in the process of interviewing a candidate and making sure that you have the best individual hired it is the responsibility that the Board of Education will undertake. I think the answer to that question is self-evident.

Alderman Johnson

May I respond to that please? The difference is \$155,000 to \$178,000 running a district where our kids are involved and maybe \$4,000 - \$5,000 on a stipend that we can be voted out, and chances are usually people never get fired from the position of Superintendent. I haven't seen it yet in this district.

Dr. John Connolly

It does happen. May I answer your question? Even though I would be less than truthful if I were to say there is 102% guarantee, but I find that the salary will dictate the level of experience that the pool of candidates has when they come before you. I often say the best guarantee of whether a person can do the job is have they done the job. There is always a danger – there is not a certainty that an Assistant Superintendent can aspire and have the skill set even though he or she may articulate that because they have never been in the position. Whether it is the interpersonal skills, the organizational skills, the curriculum skills – the best measure is have they done it before. That we exhaustively check in terms of the experience and background of each of the candidates.

Alderman Johnson

Can you do a contract that kind of dictates a certain amount that if they are hired let's say under a three year contract after one year or six months if you don't like their performance that they don't get the full amount of pay?

Dr. John Connolly

That could be negotiated, but I think what happens typically is that and some boards don't do this and I advise that they do do it that each year there be annual expectations of that Superintendent and there be mechanisms to ensure that they are very systematic and meaningful evaluation of that Superintendent occurs. That is the best measure. At that point in time, many times it will take 1 or 2 years to determine that. If in fact that Superintendent is not successful typically in a three-year contract typically he has only 1 year left and the message is given to that Superintendent that the contract will not be renewed. I think if there is a systematic planning and goal setting problem process and that is something that I talked to with the Board of Education about is we would be happy to be part of that and working with the new Superintendent to develop a formal evaluation process to set up goals both for the school district and the Superintendent and the components by which those performance levels are measured.

Alderman Johnson

Thank you.

Scott Cote

I just want Alderman Johnson to understand how sincerely that the Board of Education takes that question or concern that we have somebody in that role that will actually fulfill the obligations that we have. We will know likely in a very short period of time whether or not that is going to work out. The way out contract agreement is structured with this consultant is if in fact that does not work out in a very short period of time these folks come back and start that process all over again at their expense.

Dr. John Connolly

I am back to being too repetitious on this, but the quality of the pool, and that guarantee is directly related to the compensation package paid for to the Superintendent because if in fact that track record does exist a larger compensation package will be necessary to draw that individual, but also increasing with it the guarantee that person has been and hopefully will be successful here in Nashua.

John Kelley

I just spent a week ago I spent about 5 days out in San Diego at the National School Board Convention, and one of the themes that was constantly in the sessions that I attended was the idea that Dr. Connolly just brought up that the idea of having the board and the Superintendent sit down together and discuss these goals not necessarily on just an annual basis, but on a periodic basis to ensure that this is what is going to happen, and that be written into the contract. These boards have gone through the experience of as Dr. Connolly said have been very successful. Others have had the experience that Mr. Cote mentioned where at the end of the year they decided that they needed a new Superintendent that it did not work even though that was a beautiful candidate at the time. It depends on how much effort the board is willing to make and the Superintendent that is hired makes to sit down and make this work.

Dr. John Connolly

I think what Mr. Cote mentioned too is that part of our commitment is in fact if that person doesn't work within the year we will start it over and we will do it for no additional costs. If you look at the 450 searches that we have done 80% of those searches the people come and they stay because – I view Nashua as not a steppingstone. I view Nashua should be a school district

that somebody comes to and plans to stay. Eighty percent of the people that we have placed they stay and retire from those school districts. I think there are two districts that it didn't work and one of those districts it was a transfer of a female Superintendent – her husband resigned his job and assumed he would get a new job in a new site and he did not. A year later she left and we did the search again. There was one other instance where there was not a good fit. I think our track record is the people we are able to recruit for districts they come, they stay, and they are successful.

Alderman Tollner

I was going to ask a similar question that was asked earlier as far as performance incentives. What percentage of the contracts do you see where Superintendents have performing incentives?

Dr. John Connolly

Very small percentage. One of the difficulties I think is the demographics of school districts. That is not something that has really caught on in public education.

Alderman Tollner

You mentioned a number of different salaries. Do you have a formula as far as Nashua there is no State Income Tax – I guess do you have a formula that will arrive at the bottom line compensation of these candidates whether it be no State Income Tax, whether they get a car or traveling expenses – that type of ...

Dr. John Connolly

I think typically a person will not leave a district unless they are going to get, in my experience, a raise of anywhere from 20-30%. My belief, and one of the school board members asked the question of no income tax in New Hampshire. That is the kind of thing that will bring closure with the right candidate, but it will not be something that will initially draw the person to the position. Knowing that if you look at it compared to Massachusetts for every \$100,000 there is a \$5,053 income tax that is saved that is clearly something that brings closure and could bring it more quickly.

Alderman Tollner

I have other questions I will save for later on the rest of this. I think right now we are concentrating the discussion on the Superintendent piece.

Chairman Bolton

Yeah and we can discuss the rest of it when everyone has had a chance to talk to Dr. Connolly.

Alderman Johnson

You talked about moving expenses. Let's say the candidate does not work out in the district, we have to – we lost moving expenses and have to pay for somebody else to come out again?

Dr. John Connolly

That is correct.

Alderman Johnson

Can there be something built into the contract too regarding that?

Dr. John Connolly

There would be, but what I look at with and our experience with the 450 searches my belief is it is going to work. I look at what the Board of Education is involved with now is a courting and eventually a marriage. I think you don't set whether it is a prenuptial or the like with the anticipation that it may not work. My belief is that there is a 99% chance it is going to work, and I think if you set that negative tone I think it is going to be very unattractive to perspective candidates.

Alderman Johnson

In this day and age everybody gets divorced I guess.

Dr. John Connolly

I guess what I am referring to is just the tone is that is there trust. My feeling that if the process works right and I have every reason to believe it will, there should be an excitement about this person coming to Nashua and the ability of this person to bring the Nashua public schools to the next level. Part of that courting process I think should be I want to get this fellow or woman here and I want to get him here tomorrow. Part of that would be the moving expenses.

Alderman Deane

Obviously you reviewed the Board of Education's goals and objectives and things of that nature?

Dr. John Connolly

Yes.

Alderman Deane

And the citizens in this community have made significant contributions as Mr. Cote had stated pertaining to the infrastructure with the construction of two new schools.

Dr. John Connolly

Two gorgeous high schools. I was at both of them during the day of the focus groups.

Alderman Deane

We have also made significant investments probably not enough though in our curriculum as well. My question is with the departure of most of the existing administration what changes do you see in the curriculum area? My concern is that we haven't – we have been having a little debate in the past pertaining to improvement within the district on our testing and they have made some significant changes to the curriculum itself and we have made some sizable investments, and the board has looked at that, but do you foresee any other changes in that area from what currently exists?

Dr. John Connolly

I am not hedging, but I am not sure that is my question to answer. Let me answer in possibly a way that might be acceptable to you. I often encourage school boards when they hire a new Superintendent to seriously entertain the process of strategic planning. A very important component of strategic planning is teaching and learning. The visioning of where Nashua will be going in the next ten years – that strategic process, the processes that I have been involved with in my Superintendencies involve anywhere from 200 to 300 community members, and that is not a decision only of the Superintendent. That is a decision of a community. The debate of those issues such as facilities where do we go from here – curriculum – those are community issues. I used to say that I viewed the Superintendent as the visionary, but as I get older and was in the Superintendency longer I believe it is more appropriately said he is the facilitator of the vision. He has to bring people like yourself and other members of this community together and have dialogue on those major issues. I think an appropriate way to do it is within a very formal strategic planning process.

Alderman Deane

Thank you.

John Kelley

One of the things that the school board has already started, and Alderman MacLaughlin can vouch for this is we have set up a vision screening committee and we have I think positions for two Aldermen on that committee that we had planned to start even before Mr. Giuliano told us that eh was going to retire. We are in the process of setting up the objectives, what we need to do in the future, what we do well, what we haven't done so well – that was our first meeting last month, and we are going on to the next step this coming month. ... **tape flipped** ... one of the things that this committee has set up so far is that we are planning in terms of something by this

coming November to have a plan to bring forward. Hopefully with a Superintendent in place sometime this summer that Superintendent will be in the middle of this process and will be as Mr. Connolly said one of the guiding factors in this. We do have members of the community on this committee. The committee is going to break itself up into sub committees to study individual ideas and this all should be going forward as I say with an outcome hopefully in November.

Scott Cote

It kind of brings the opportunity to talk a little bit about schedule and how we are a little bit against the wall on some of this. Alderman McCarthy's question earlier about this entire list. Initially this list was actually submitted to correspondents and was exclusive of the Superintendent's salary because at that time we hadn't completed the analysis with our consultant to determine what that level should be. Now we are reaching as we do with most things, and I apologize for that, some sort of a critical juncture in terms of schedule for recruitment efforts. It is our hope that our consultant will be bringing forward to us those candidates that we are looking for by the first week of June so that we can actually start that interview and evaluation process, which as you know and you would expect that process is going to take some time – we can hopefully have a new Superintendent in place by the end of the summer where we are right now. Some sort of a decision actually has to be made sooner rather than later because the true recruitment effort by Dr. Connolly and his firm can't begin until we really know what that salary level is going to be. If in fact we clear the hurdle this evening through the Budget Committee our expectation would be that this particular issue be hopefully resolved by the Board of Aldermen by its meeting of May 10th so that effectively that process could start so that we can bring candidates forward for the first week of June.

Alderman Deane

Scott in the budget that was presented the second time I guess with the cuts, correct me if I am wrong, but I thought there was a comment made that the monies were already put in the budget for this item for the Superintendent. Is that correct?

Scott Cote

I don't actually think that is correct. I think that the suggestion was made that we would do what we need to do to make sure that we found it. I think when the budget was originally submitted to the Mayor the first time we didn't have that information in front of us. When we went back and looked at it again the second time and made the amendments we did not make any adjustments to increase that particular line item. I think what Mr. Conrad did was the best he could in terms

of putting together the administrative dollars, but I think if you look at that line item in the budget there isn't a significant change, but I think the commitment we made was to do whatever we needed to do to find the money if in fact we hit some salary level of where we were. If other board members have a different recollection they can certainly say what they want.

Richard Dowd

I recollect exactly that. If we were to get approval for a salary range of \$150,000 - \$175,000 and in fact we paid in that range for a Superintendent we would have to find that out of our budget so by approving this level tonight would not increase the budget as it stands before you right now. The other point I wanted to make was in the screening process the firm that we hired is going to go out and they are going to actually interview all of the candidates prior to us ever seeing them. They will down select to what they feel are the best candidates and bring them in as he mentioned I believe 5, and we will be then looking at them. They know exactly by having done all of the screening and talking to all the people that they have talked to what we are looking for as a city for a Superintendent, and that is what they will be looking for in candidates, and then we will make the final selection.

Alderman MacLaughlin

Let me ask this question then if hard pressed we are hearing that you could find the extra money to meet the salary range my question is this why can't we do the same to put a couple of buses back on the road? Which is more important and which would benefit the students more directly a higher salary at this time or to continue some level of busing that we now have to consider canceling because of the budget problem?

Scott Cote

It is not as simple as adding a couple of buses. It was asked of the Board of Education was to find 1% of our budget to cut. What we had put on the table was not to eliminate busing in its entirety, what we put on the table is to eliminate busing at the high school level for a savings of \$537,175. It is not a matter of being able to say that you can simply add a couple of buses if we decided that we wanted to bus to the 9th grade class at the South school but nobody else. It is not that simple. In addition to that, we have cut a couple of other buses on the lower level where we felt through special education transportation that we could save some money. I don't think you can make the comparison between the two items.

Alderman MacLaughlin

The comparison I am trying to make at least in terms of my understanding is if we're hard pressed to fully fund the school department's budget in light of the budget problem because of the cuts that you have been asked to make, why would we instead of trying to figure a way, if there is money to be moved around to make room for a higher salary, why can't we put the same type of energy back into trying to figure out how the money gets to the classroom? That is where I am going. My feeling is that part of the big expense in the school department is salaries and part of that is administrative salaries. When we are saying on one hand to the parents that they are going to have to become a little more creative at the high school level in getting your students to school and back home again – in some cases it is going to pose a hardship for some parents I think we all would agree to that – and yet it has been determined by the Board of Education that is one area where we have to make the cut to meet this gap in the budget – why then are we at this time considering increasing a salary, which is already pretty impressive? That is my point and that is where I am at.

Chairman Bolton

I actually think you mischaracterized the position of the Board of Education with regard to the buses. They have not determined that is where they have to cut. I believe they have made it clear that they have determined that if they are required to make a cut that is where it will be, but they have left no doubt of their belief that will harm the educational system in Nashua. They have not decided to do this because they want to do this. Is that a fair statement?

Scott Cote

It is a very good statement. I do think you are actually misrepresenting what I said. The Board of Education at the time when it presented its budget to the Mayor did not understand what the salary range would be proposed for the Superintendent's position. We would welcome you or any other member of this Board to make an amendment to the budget to adjust the Superintendent's salary accordingly. We would have absolutely no problem whatsoever. Because we did not have that information when the budget was presented to you all we recognize the importance of where this position is and where the salary level is, and we will make the difficult decisions to find the money where we need to depending upon where we land. That is very, very different again in comparison to trying to misdirect or take away funds from children because that is not what we are here for. We don't believe that we are doing that, and I don't appreciate that suggestion either.

Chairman Bolton

Is there anything further?

Richard Dowd

The only difference is that by bringing in the best qualified candidate with perhaps a PHD is going to be able to be a visionary and leader – as John has already said this person may be able to bring back a ten fold increase in whatever the increase in salary is that we are paying him by just being able to show the leadership in the district in whether it is grants or doing other things with the city or going through the school system and doing economies that can make savings. I think that is a very important consideration. It is not an equal dollar for dollar switch.

Chairman Bolton

Are there any further questions for Dr. Connolly and the Superintendent's salary issue? This legislation as we all have been told or has been made mention, also concerns increasing to somewhat lesser extent the upper end of the salaries for the other non-affiliated, non-union employees in the School District. Chris Hagen is here who is the Human Resource Director for the School District. If there are questions of her she is probably the best person to answer the questions with regard to those other positions if anyone has any.

Alderman Deane

I have one of Chris. How many of these positions are currently vacant?

Christine Hagan

That I know of that will be vacant or currently are vacant?

Alderman Deane

How many are or will be vacant?

Christine Hagan

Well the Superintendent, one of the Assistant Superintendents, the Director of Special Education and Transportation, the Director of Guidance position – I believe that was cut. One of the

Alderman Deane

That was cut?

Christine Hagan

Yes that person has been notified. That is one of the ICS cuts. In addition, one of the – the other ICS cut would fall under the Inter-disciplinary curriculum specialists – just going down the list two Headmaster positions will not be filled, and that I believe – our pre-school program coordinator who is in a job share situation just left. That is a ½ position. That was a job share. I believe that does it.

Alderman Deane

How many of these positions are funded through grants – monies outside of the ...

Christine Hagan

I understand the question. Unfortunately I don't know the funding of all of these. I would just taking a rough guess I would think that if I look down probably something like the Assistant Director of Special Education..

Chairman Bolton

People are shaking their heads.

Scott Cote

Not many at all.

Edwina Kwan

Most of the positions that we are talking about are operating budget positions and not funded through grants. I don't have the list in front of me, but I thought there were only possibly 1 or 2, and I thought it was food service and somebody on the Title 5 Grant, which is the Partners in Education – that may not be on this list because she is under the threshold.

Alderman Deane

The Director of Food Service is paid out of Special Revenue Funds.

Christine Hagan

Right and probably the food service coordinators maybe at the bottom.

Alderman Deane

Is that a change the food service coordinators?

Christine Hagan

The higher end yes – as shown the upper end would change, but they have always been on this.

Alderman Deane

Have they taken people out of the food service department that were funded out of general fund and now are they funding their payroll out of the revenue that is brought in through the sale of school lunches and whatnot?

Chairman Bolton

There is a proposal to do that with the lunch monitors, but people on this list have been paid out of that food revenue account all along I believe.

Alderman Deane

So there is a proposal to pay the lunch monitors out of the SRF account?

Scott Cote

There was actually a motion that was made at the full Board level that we haven't responded to yet that suggested that we could transfer \$302,000 of those lunch monitor expenses over to essentially the revenue that is generated through the cost of collecting monies for meals. We received an opinion from Concord out of the Department of Education, the individual who is actually in charge of such food service programs, that actually only half the time of those individuals is directly attributed to what is called lunch monitoring. The balance of that time is actually spent either managing the children outside during recess periods and so forth so we have been advised at this point that number is likely going to be half so the \$302,000 we are looking at is likely going to be \$150,000. We are still waiting for more information on that so we haven't responded to it yet.

Chairman Bolton

Before us is Resolution 05-195.

Alderman Tollner

I would concur I think with Mr. Cote who said time is of the essence for us to approve a salary range for the Superintendent. I myself I am not a voting member of the Budget Committee, but I will have a difficult time passing legislation with all of these salary positions looking to get increased in the legislation the way it stands. I would ask maybe if someone is interested on the Budget Committee to amend the legislation to deal with specifically the Superintendent that way we can vote on it at our next Board of Aldermen meeting and move forward with it. I am not comfortable voting on this with all of these positions tied to the Superintendent's position. Scott is correct, and they need an answer sometime in the next two weeks to enable them to conduct the search.

Scott Cote

I appreciate the discretion that you are allowing us Mr. Chairman. I realize that you have a number of other items to work on this evening. That is certainly a possibility, and if in effect it was an opportunity to allow to move the Superintendent's salary forward this evening and hopefully on the 10th that is fine. I did want to suggest something about where we are on the balance of these other positions and kind of where we have come from where we are. We have some individuals that are on this list who received a 3% increase last July and some of the

individuals on this list weren't able to get all or any of that 3% increase because they are on essentially the top end of that scale because many of these individuals have been with us for a long time. That is essentially how you move through the scale. In the sense of trying to be a little efficient, what we tried to do is increase that upper end of the salary level to a higher level so that we wouldn't have to keep coming back to you all the time to adjust those ranges. Perhaps that was a mistake. If it is simpler in terms of trying to do something with this piece of legislation that would include in fact everybody on this list and it makes sense only at this time to adjust the upper end of those levels by that 3% that would be fine too and then we can come back and deal with everything else after the fact. There is another option for you if you think you would be more comfortable with that. One way or the other I think certainly trying to move the Superintendent's issue forward today is of most concern to us.

Chairman Bolton

Thank you.

Richard Dowd

Just by increasing these ranges to the level that you see here doesn't mean that we are going to put everybody on that scale to that upper level. It is not our intent. The only thing that we are looking for in short term is what Mr. Cote just talked about is some of the people weren't allowed the full percentage of their raise increase last July – to give us the flexibility to get to that number. The reason they are all increased to the levels you see is just as he explained so we wouldn't have to be coming back all the time to ask for increases, but it is not our intent to wholesale the increase any of those levels to that top number. Even the people that are getting increases won't be reaching that top level.

Alderman Johnson

Thank you. First of all if I am correct I believe that the Mayor has asked all of the Directors at City Hall not to take the 3% increase and the merit employees. Can someone shake their head in the back – yes. If we're going to be doing that at City Hall within the city budget and the school district, which is antonymous outside unless we approve these increases how do we justify saying yes to the school district and no to everybody else? That is not right? I understand people didn't get increases last year, but that is last year. This year's budget we are looking ahead where we are having issues at this point now. If you are giving it to one then I have to say to the people that work for the city at this end the school district we approved 3% for their non-union and merit employees then it is only right to do it at this end. I guess my other

question is that this isn't put into the budget. Is this increase anywhere in the budget or are you going to have to find this money too within the budget? Can somebody answer that for me?

Scott Cote

I think there were two questions in there. I will respond to the first one. You have answered part of it. The non-affiliated personnel within City Hall received increases last year. What we are suggesting in this is that those individuals who weren't able to get to their 3% level increase from last July have the opportunity to get their increase. We are not suggesting that within this level here that those same increases will be forthcoming this coming July. We are not suggesting that at all. They clearly are two different things.

Chairman Bolton

Now the question of does doing this mean we should be putting more money in the budget or is it built into the budget or does anyone know?

Scott Cote

What we are dealing with right now is the issue of 3% from last July. Is that money within our contingency negotiations account to cover that expense in the current fiscal year – yes. Is the money in the contingency negotiation account going forward we don't know. You probably will know before we do.

Chairman Bolton

I got ya.

Alderman Johnson

So basically the 3% that the employees did not get last year, which is this year's budget is going to be retroactive to last July is that basically what you are saying?

Scott Cote

Correct, however, some of the individuals on that list received because they may have bumped into that salary level after getting a 1.5% increase would likely only get the other 1.5%. You can correct me if I am wrong, but I think the impact on this is somewhere around \$18,000 or \$19,000.

Christine Hagan

It is actually \$16,545.

Scott Cote

There is the difference that is within our contingency negotiations dating back to last July.

Alderman Johnson

This year in 2006 there is nothing in there to reflect an increase?

Scott Cote

In the proposed budget that is before you now we actually have money allocated within contingency negotiations for such an increase.

Alderman Johnson

For this year?

Scott Cote

For this year – for the new year coming – well it is supposed to start July. Whether or not that remains is going to be up to you all because it is one of those items that has been suggested by the Mayor to be eliminated, which would not allow any salary increases whatsoever for FY '06.

Alderman Johnson

Then I guess my statement stands – if we are asking people throughout the city to not take their increases then how do you give one department and not give anybody else again? I just – I see Mrs. Kwan sitting there shaking her head, but I don't think it is right. We are asking everybody else to forego their increases for '06. I am not talking '05 I am talking '06 now. Even though it is in contingency negotiation, which that money might be there and might not be there depending – I think we have to really take a look at this budget where we are going. We have issues in this city. Asking to raise the amount for this Superintendent so we can bring them up to a higher amount to get qualified individual and yet we are asking people not to take their increases this

year because we are having such financial difficulties although I haven't voted on the budget in three years and I don't intend to vote on a budget that will give my constituents a high increase. While I was away I had numerous phone calls on my answering machine regarding this. Thank you.

Chairman Bolton

At this point, we don't even have a motion on the floor. This is informational at this point. We are asking questions of the Board of Education members and school administration employees or consultants. I think what we ought to do is save the general comments about each of our positions until we are actually debating a motion. Right now we ought to ask the questions and try and get through this phase, and then if at some point someone wants to make a motion we can have general debate is my suggestion.

Alderman Shaw

I think that Alderman Johnson might have misunderstood what I thought Mr. Cote said is that he is going on the '05 – the current budget year we are in the intent is to make up the \$16,000 for those employees to bring them up to 3% and there is no knowledge yet whether or not there will be any increases for the unaffiliated school district employees just the same as the city hall employees, and that is all dependent on what we do regarding those contingency negotiations, which are the lump sum for the entire city at this point. I actually think it looks more like if there is no increase in city hall there will be no increases throughout any of the school district as well because those funds aren't going to be there.

Alderman Lozeau

If I may ask a question to the Dr. – how comfortable would you be if the salary range on the Superintendent – the lower end of that salary range was lower to let's say \$115,000 and the upper end of the salary range was lowered to let's say \$150,000?

Dr. John Connolly

I guess my answer would be that as the Board of Aldermen and the Board of Education the term I uses and I will repeat it again the scope of how far you want to cast the net. My belief is that in my own experience as a Superintendent, the value of the position clearly exceeds the low number that you are quoting. The upper range in terms of the people we are talking to now, many of them, the \$150,000 may well not attract that group. The worry that I have right now is the timing. Typically a search it is a 60-day process. We are down to 30 now, and I think your range will dictate where we go with that search. I think many of the people that we have talked to so far I don't think that range would bring them into the net.

Alderman Lozeau

Thank you.

Alderman Tollner

I would like to get back to the other positions for a second. Of these positions that are on this sheet how many people did we lose in these positions that left because they got a higher salary somewhere else?

Christine Hagan

I don't know the intention of the Director of Special Education. The Director of Guidance it obviously was out of her control. The ICS position the same. The Director of Transportation is retiring. The Headmaster positions again we are not filling. I guess the only one that I am aware of is probably the Assistant Superintendent.

Alderman Tollner

For the most part the district doesn't have a serious problem of people leaving because of the salary that they are getting compensated at the present time. Is that a fair statement?

Christine Hagan

Well I think that would be a fair statement right now. I don't know like I said especially on what I consider to be the higher level jobs – the Director of Special Education, the Director of Transportation, I know they are leaving the district. I don't know what they are going to do beyond that.

Richard Dowd

I was just going to add that one of the Headmasters just left to do a similar job in Manchester and got a \$26,000 a year raise.

John Connolly

I think as an alternative to what you are suggesting is and what we had talked about before – possibly consider the notion of up to. That way at least the pool is there and it increases the possibility of negotiability. If you stay with even your top number you are going to draw a more sizable pool. Then it is the choice of the Board of Education as to what the competence level of those individuals are and how far they want to go to attract that person.

Chairman Bolton

If I understand you we could establish a range for our internal purposes of \$115,000 to \$175,000, but when you go out you would sort of put that forward as willing to pay up to \$175,000.

John Connolly

Yes.

Chairman Bolton

But we could establish that range for our purposes and then you can sort of showcase it in the most favorable light.

John Connolly

That way I think that we could draw people at different levels and then the choice of the Board would be what is that level of competence and how far do we want to go.

Alderman Tollner

For these positions – I am done with the Superintendent discussion for the time being and I understand exactly what you are saying. Have we done comparison of all of these positions here, the salary range that you have right now with the other school districts in the state?

Christine Hagan

We have in the past done comparisons. Because we are the second largest district in the State a lot of the school districts don't have these positions.

Alderman Tollner

We don't have one presently that would compare our salary range to other school districts in the State right now?

Christine Hagan

I don't have one with me tonight.

Alderman Tollner

Does the school district have one not that you have it here tonight? Have we done one?

Christine Hagan

I would have to look back. It probably wasn't done in probably about a year.

Alderman Tollner

Again I urge the Budget Committee to separate the discussion on the Superintendent from the rest of the salary positions if we do want to meet the deadline that has been stated here tonight. Thank you.

Chairman Bolton

Does anyone else have questions for any of the School District personnel who are here? Thank you all for answering all of our questions and participating in the discussion. We have before us R-05-195. What is the committee's pleasure?

Alderman Deane

I want to make a motion to approve the adjustment to the upper end of the salary range for the school Superintendent for the City of Nashua School District to \$150,000 to \$175,000.

**MOTION BY ALDERMAN DEANE TO AMEND R-05-195 IN THE TITLE TO READ
"APPROVING AN ADJUSTMENT TO THE SALARY RANGE FOR THE SUPERINTENDENT
OF THE NASHUA SCHOOL DISTRICT" AND IN THE BODY TO READ "SCHOOL DISTRICT
SUPERINTENDENT \$150,000 TO \$175,000**

ON THE QUESTION

Alderman Shaw

This is more of a procedural thing. Is this an appropriate point to revise this Resolution so that we preserve the one portion that deals with all of the other positions and make the other resolution to be just for the Superintendent or by doing this we would essentially force, if we went forward, to have to come back with a new piece of legislation to deal with those?

Chairman Bolton

Assuming the motion to amend were to pass and then the resolution would be disposed of one way or another without further amendment to revise these other positions yes then new legislation would have to be introduced if those positions were going to be dealt with. It is possible, and it has been done in the past to divide the question, but that is not what the pending motion does.

Alderman Cardin

I have a concern about the employees that are on the upper end of the current range that didn't

get a full 3% increase where everyone else did. I have a problem not passing something that would at least allow the 12 employees in this \$16,000 – I think Chris said \$16,545 – approving that for at least the positions that are not currently vacant. We have employees there who some of them got 1% some of them got none. I guess if we talk about fairness to our employees. We are not rewarding them for their longevity. We certainly don't want people to leave – to stop getting salary increases where everyone else in the city is getting 3% - I am talking about the current fiscal year that we are in.

Chairman Bolton

Whatever we do with that I think we want to make it clear that we are not to give retroactive increases to people who have already left our employ and maybe not even to those who have already expressed their intention to leave our employ.

The motion before us is to amend R-05-195 as stated. Does anyone want the amendment repeated? Further discussion?

MOTION FAILED

Chairman Bolton

Does anyone want to do anything else to R-05-195?

MOTION BY ALDERMAN LOZEAU TO AMEND R-05-195 TO CHANGE THE SUPERINTENDENT'S SALARY ON THE LOWER LEVEL FROM \$150,000 TO \$115,000 AND AT THE UPPER LEVEL FROM \$175,000 TO \$150,000

ON THE QUESTION

Chairman Bolton

And leaving all the others as it presently reads?

Alderman Lozeau

Yes sir.

Chairman Bolton

Does everyone understand that proposed amendment? Is there any discussion?

MOTION FAILED

MOTION BY ALDERMAN SHAW TO AMEND R-05-195 TO ADJUST THE SUPERINTENDENT'S SALARY AT THE LOW END TO \$115,000

ON THE QUESTION

Chairman Bolton

Is there any discussion on the motion?

Alderman Deane

What is the upper end then?

Chairman Bolton

The same as is stated currently.

Alderman Shaw

Remaining at \$175,000.

Chairman Bolton

Is there any further discussion? The motion is to amend. The only change would be to reduce the lower end of the listed salary range for the Superintendent to \$115,000. Does everyone understand the amendment?

MOTION FAILED

MOTION BY ALDERMAN CARDIN TO AMEND R-05-195 BY ADDING THE WORDS “UP TO” BEFORE THE \$175,000 IN THE SUPERINTENDENT’S SALARY AND BY ADDING 3% TO THE CURRENT UPPER SALARY RANGES FOR ALL OF THE OTHER POSITIONS LISTED

ON THE QUESTION

Chairman Bolton

Does everyone understand that amendment? Is there any discussion?

MOTION FAILED

Alderman Deane

I know everybody has different issues with different things here, and I know the problems we have. I do realize this is only \$16,545 or whatever Chris said it was to make up the difference for '05 and then if the contingency isn't put into place then the proposed changes in range won't have any funding anyway so that may not happen. I just want to get back to the Superintendent issue. Although the other positions are important and everybody needs a raise, but we did hear some news that one of the employees did leave and they ended up picking up another \$26,000

a year and I wish them well. There are other opportunities out there.

The Superintendent issue I think we really need to resolve that. I know we have budget problems. We have to look at different areas. I for one am not into spending a lot of money, but when I look at this position and I look at the millions of dollars we have just invested in our school system it just seems to make sense to me to get somebody at the helm of the School Department as a Superintendent and pay them appropriately to make sure the investment that the citizens have just made into the school system works for the children that are attending the schools. I do realize the salary is high, and we have been taken to school by the good Doctor over there when he brought all of this stuff in. Unfortunately the ribbing that Mr. Giuliano has taken that he stayed around and we paid him less than probably what he could have made elsewhere with the years of experience that he has. I know this is a bad time to be talking about significant upward adjustments in salary. I think it is something important that we should really be looking into doing. I know we have different ideas of what the ranges should be. I wouldn't want to go through this process again. It would be nice to hook somebody in and bring them in and have them here and get some longevity out of them because every time we go through this process these numbers are going to increase significantly. Although there were comparisons made to smaller towns in Massachusetts I don't know in the vacancy rate that we have – we are also looking at a time I believe to try to capture somebody to fill this position. We really have to think long and hard about this. Myself I would like to move forward. Although I am not into spending the money I think it is an important position and we should really have a settlement on this this evening so that we can move forward with this.

The rest of the items I think we can deal with at another time, but I really think that the Board of Education and the consultants that are being paid for this process should be able to leave here tonight knowing that – we have to settle this so they can move on. Thank you.

Alderman Rootovich

I was one that was skeptical looking at the salary range when this was given to the Board of Aldermen, but based on Mr. Connolly's presentation I wholeheartedly support the increase in salary to get the quality person. Not being a member of the Budget Review Committee I would encourage my colleagues on the Budget Review Committee to take the Superintendent's salary separately, vote on it this evening, and pass it. However, with the rest of the salaries I would ask that the committee hold it until we decide what we are going to do with the budget. This Board right now has no direction with respect to where we are going to go.

I have been one that has proposed severe personnel cuts. There are other members of this Board that are asking for level funding. As Alderman McCarthy said I don't know what that means, but I think we need to all decide at least the majority of this Board decide what we are looking at in terms of an overall budget – a dollar amount and how that affects the tax rate, and then work our way back to determine whether we can afford to pay these salaries or anything else. We can't even decide now – we have had 3 or 4 motions and we can't decide on this. I think it is critical that we as a Board work something out maybe this evening before we go on

where we want to go. I couldn't agree with Alderman McCarthy more. I think we need to decide what that bottom line should be, what is a fair tax increase to the taxpayers, and then work back from there. It may involve giving these individuals a 3% or more increase in pay, but making a decision tonight without knowing what direction we are going I think is foolish. I would encourage the committee to approve the Superintendent's salary, move that forward so they can continue with their search, and then we have to decide as a Board what direction we want to take. Thank you.

MOTION BY ALDERMAN SHAW TO AMEND R-05-195 TO STATE "APPROVING AN ADJUSTMENT TO THE UPPER END OF THE SALARY RANGE FOR THE SCHOOL SUPERINTENDENT ONLY AND HAVE THAT RANGE REFLECTED AS \$115,000 TO \$175,000

ON THE QUESTION

Chairman Bolton

Does everyone understand the amendment as proposed by that motion? Is there any discussion as to that?

Alderman Deane

I had a question on the lower end. We are being told that the \$115,000 – if we're casting the net as the doctor stated the \$115,000 seems rather low. Unfortunately that is what was in place. I guess it doesn't matter, but it is not a number that ...

Chairman Bolton

I think Dr. Connolly indicated he will probably be in a position to refer to that as up to \$175,000 and not necessarily highlight the low end, but in the appropriate circumstance if there is some very qualified candidate willing to accept that we haven't shut the door I suppose.

Alderman Larose

I think that we should not sell our education system short by trying to penny pinch what we will pay our Superintendent. I realize that salary range of \$150,000 to \$175,000 is not cheap, but that seems to be where we need to go to get the type of person that we want to run our schools for a number of years.

Alderman McCarthy

In much the same vein, I would encourage us to at least take care of the Superintendent's position. Having been here through the last search, we clearly put ourselves in the position where we did not hire the individual we wanted primarily due to the salary constraints we had put

in place. The community wholeheartedly supported the building of our two new high schools. This year alone the debt service will cost us over \$14 million on those two schools. To not capitalize on that investment by getting leadership we need to put the right kind of programs in those schools is in my opinion penny wise and pound foolish. It is a case where a relatively small investment, and the \$25,000 we have been arguing about on the salary range between \$150,000 and \$175,000 represents 2/10 of a percent of what the bonded debt will cost us. It is short money to get back the kind of value we need out of those investments that we have already made. I would encourage us to put that out there.

If we can't get somebody who is worth \$175,000 let's not pay them that, but we need to have the tools when we find somebody to be able to pay them what it takes to get them to come here. Particularly in the case where we have the depth of problems that we have to deal with now we are going to need somebody who is very creative and very clever and demonstrates fantastic leadership to be able to help us get through this crisis.

Alderman Johnson

Could you indulge me that I could ask Mr. Cote a question again? Thank you. Since you are the Chair of the Budget Committee, did Mr. Conrad did you any idea where you would find the money to pay – which line item it might come out to pay for the Superintendent?

Scott Cote

No. We are not there yet.

Alderman Johnson

Okay so it could come out of curriculum – it could come out of any line item whatsoever?

Scott Cote

I am one member of the Board of Education. As you know there are 9 members that vote on that. Whether or not we will reach consensus as to where that money will come from right away is difficult to say. I will tell you that the efforts of the board so far based on the sacrifices that we are proposing to put on the table has done nothing but preserve the curriculum money because we realize that is so important and critical to what we are doing. I am not certain that will be the case. There are potential opportunities that may surface as a result of not filling some positions that will allow us to do something. We may sacrifice a position someplace to be able to do this, but that will I think require the entire Board of Education to come to some sort of consensus on that, and I am not in a position to say where that is going to be right now. We are looking at anywhere between \$35,000 and \$70,000 – I believe somewhere in that range that out of the I would hope an \$89 million budget that we would be willing to find that someplace because it is that important to us.

Alderman Johnson

One of the reasons why I have been not voting on this is because of my concern where will this money be found in the budget. If it is going to directly impact services directly that will affect the students in the classroom then there is going to be an issue and then parents would have a right to start screaming at all of us for taking some type of service directly away from the student, but I know the budget committee has to come up with Mr. Conrad's help as to where this money will be found in the budget and the rest of the board will have to vote on it. This is part of my sticking point is where this money is actually going to be coming from to pay for the Superintendent's salary in the budget. That is why I asked the question again if you had any idea where it might be coming from in the budget.

Chairman Bolton

I think he answered the question.

Alderman Johnson

I understand that Alderman Bolton. We are all set.

Alderman Lozeau

I am going to support the motion that is on the floor. I pray to a higher power that we get somebody that is worth the money. Thank you.

Chairman Bolton

Does everyone remember the amendment? The amendment would be to make the amendments to R-05-195 in the title and body so it only covers the Superintendent, and provides for a range of \$115,000 - \$175,000. Is there any further discussion to that amendment?

MOTION CARRIED

MOTION BY ALDERMAN SHAW TO RECOMMEND FINAL PASSAGE OF R-05-195 AS AMENDED

MOTION CARRIED

R-05-199

Endorsers: Mayor Bernard A. Streeter
Alderman Lori Cardin

RELATIVE TO THE TRANSFER OF \$16,875 FROM ACCOUNT #505-81008 "FUNDING FOR THE ARTS" INTO VARIOUS ARTS ORGANIZATION ACCOUNTS

MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Lozeau

Whose privy is it to decide on the various art organizations or has that already been determined?

Chairman Bolton

I think it is listed in the body isn't it?

Alderman Cardin

Yes. These proposals go to the Review & Comment Commission. Actually the two Chairs of that Commission sit down with these organizations and interview them and decide how to divvy up that money. That is how that process works. It pretty much works like the regular Review & Comment except it is not the whole big committee that gets together and decides it is a much smaller portion of the process.

Alderman Lozeau

Thank you.

MOTION CARRIED

R-05-201

Endorsers: Mayor Bernard A. Streeter
Acting Mayor Brian S. McCarthy
Alderman David D. Lozeau
Alderman Marc W. Plamondon
Alderman Richard LaRose
Alderman Kevin E. Gage

**RELATIVE TO THE TRANSFER OF \$27,388 FROM EXPENDABLE TRUST FUND
ACCOUNT #996-5330 "CITY RETIREMENT", INTO ACCOUNT #532-11900**

“FIRE DEPARTMENT – FULL- TIME PAYROLL”

**MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE
MOTION CARRIED**

R-05-202

Endorsers: Mayor Bernard A. Streeter
Acting Mayor Brian S. McCarthy
Alderman David D. Lozeau
Alderman Marc W. Plamondon
Alderman Richard LaRose
Alderman Kevin E. Gage

**RELATIVE TO THE TRANSFER OF \$13,059 FROM ACCOUNT #596-86531
“CONTINGENCY, RETIREMENTS – POLICE” AND \$54,485 FROM EXPENDABLE
TRUST FUND ACCOUNT 996-5330 “CITY RETIREMENT” INTO ACCOUNT #531-11900
“POLICE – FULL-TIME PAYROLL”**

**MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE
MOTION CARRIED**

R-05-203

Endorsers: Mayor Bernard A. Streeter
Acting Mayor Brian S. McCarthy
Alderman David D. Lozeau
Alderman Marc W. Plamondon
Alderman Richard LaRose
Alderman Kevin E. Gage

**RELATIVE TO THE TRANSFER OF \$12,364 FROM EXPENDABLE TRUST FUND
ACCOUNT #996-5330 “CITY RETIREMENT” INTO ACCOUNT #544-11900 “WELFARE
DEPARTMENT – FULL-TIME PAYROLL”**

**MOTION BY ALDERMAN SHAW TO RECOMMEND FINAL PASSAGE
MOTION CARRIED**

R-05-206

Endorsers: Alderman Rob Shaw
Alderman-at-Large David Rootovich

**RELATIVE TO AUTHORIZING THE DIVISION OF PUBLIC WORKS TO EXPEND THE
SUM OF \$38,383 FROM THE EXPENDABLE TRUST FUND, SIDEWALK
CONTRIBUTIONS – SOUTHWEST QUADRANT, FOR THE CONSTRUCTION OF
SIDEWALKS ON LAMB ROAD**

**MOTION BY ALDERMAN SHAW TO RECOMMEND FINAL PASSAGE
MOTION CARRIED**

NEW BUSINESS – ORDINANCES

O-05-85

Endorser: Acting Mayor Brian S. McCarthy

ELIMINATING CONSERVATION COMMISSION COMPENSATION

MOTION BY ALDERMAN SHAW TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Deane

I won't be supporting this. I think the small compensation and the amount of time that these people put in I think the Community Development Division can look elsewhere to find some money to cut. Thank you.

Alderman McCarthy

I would like to request through the Chair that Director Hersh be allowed to address why she suggested cutting the Conservation Commission's stipend.

Katherine Hersh

As I have mentioned to the Board in the past, I did call numerous communities throughout the State of New Hampshire looking for communities that paid stipends to their Planning Board members, their Zoning Board members, the Conservation Commission Members, the Historic District Commission members, and I couldn't find – the only one I could find is that Manchester pays only their Zoning Board members. When I asked about why that was he said it was a historic thing that nobody had any clue why that happened and nobody changed it. That is the only one. I must have called 10 or 12 communities at least and couldn't find any stipends.

Alderman Lozeau

Could you refresh me on what is the compensation?

Katherine Hersh

The compensation I think is \$30 per meeting.

Alderman Lozeau

Thank you.

Alderman Johnson

Didn't you try to eliminate this last year Mrs. Hersh?

Katherine Hersh

I submitted that request to the Mayor I think two years ago, and it did not end up coming before you, and then when I spoke to the Budget Committee I mentioned that yes.

Alderman Johnson

I think these people – all the boards and commissions put a lot of time in. We all do. I agree with Alderman Deane. This is 1% that I think can be found elsewhere in your budget.

Katherine Hersh

I guess I believe that if the city is in a situation where they are considering asking employees to take a zero percent increase in their salaries I think that the stipends are something that should be considering considering that no other communities pay stipends to their volunteer boards and commissions.

Alderman Johnson

What happens if these volunteers don't come back? It might not be about the money, but what happens if they just decide not to come back? The pay is maybe for the gas and the few things that they have to do. We're in a crunch yes we are, but you know what I just don't think we do that. Everybody – the amount of money that they are getting compared to salaries that employees are getting – there is a real difference of 3%. If I go through the book and I start going through Directors' salaries your 3% is different than \$30 a meeting. There is a real difference here. I am sorry. I think these people like this Board and the Board of Education no matter where our differences are we put a lot of time in on the boards. I don't squawk about it I enjoy being here. I enjoy representing the people of this city, but I just don't think this is right. I went through he budget even on the plane, and Sue Lovering can tell you how many phone calls I made to her while I was away in Florida going through this budget and trying to figure out where can I make reductions so this budget can be a budget that we could pass onto the citizens of this city without a higher increase.

I came up with about \$6.5 million if I did percentages off the bottom of departments. Some ranged from 1% maybe 2% all together up to 5%. There are things that are right and things that are wrong. These people come in and put a lot of time – the Planning Board is up there until 1:00 a.m. or 2:00 a.m. I just don't think it is right. I think there are other places that we can find to take eliminations of money out of the budget. I would be more than happy to sit down with anybody who would like me to help them. Thank you.

Alderman LaRose

I would suggest that you table it until we go through the whole budget.

Alderman Lozeau

I was going to suggest a motion to hold.

**MOTION BY ALDERMAN LOZEAU TO HOLD O-05-85 IN COMMITTEE
MOTION CARRIED**

O-05-86

Endorsers: Mayor Bernard A. Streeter
Acting Mayor Brian S. McCarthy

**ESTABLISHING AN ADDITIONAL MOTOR VEHICLE REGISTRATION FEE OF FIVE
DOLLARS PER VEHICLE AND ESTABLISHING A SPECIAL MUNICIPAL
TRANSPORTATION FUND FOR SUCH FEES UNDER RSA 261:153 VI**

**MOTION BY ALDERMAN DEANE TO HOLD O-05-86 IN COMMITTEE PENDING THE
PUBLIC HEARING SCHEDULED FOR MAY 19, 2005 AT 7:00 PM IN THE ALDERMANIC
CHAMBER
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE R-04-163
MOTION CARRIED**

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**

MOTION BY ALDERMAN DEANE TO RECOMMEND INDEFINITE POSTPONEMENT

ON THE QUESTION

Alderman Deane

Due to some of the conversation I have had with most of my colleagues we don't have the support for this resolution.

Alderman Lozeau

I would like to commend Alderman Deane for his motion. I know how much this meant to him. I commend Alderman Deane for that motion, and I will support it.

MOTION CARRIED

Chairman Bolton

We can do discussion, we can do wrap-up, we can do whatever the board wishes to do.

Alderman Deane

Are our guests still here?

Chairman Bolton

Many guests are still here. Some guests have left.

Alderman Deane

I would like Mrs. Joyce to come up if the committee would allow it. First off I would like to thank Carol for her active employee levels. I guess it is a more professional way to call a headcount. Did everybody receive a copy of that from Mrs. Anderson tonight?

Chairman Bolton

I think they were being passed out just before the meeting began.

Alderman Deane

A while back I had asked Mrs. Anderson to bring forth the miscellaneous stipend document that – it was a very nice job done by Doreen Beaulieu of her department and I thank her for that. It was very neatly done, very well put together, easy to read, but awful difficult to understand. Although some members of this Board have been here for quite some time and some of this they may be familiar with, a lot of it quite frankly I don't understand why it is being done, why it is being allowed to continue to be done although certain employer boards have items/policies in place such as Policy 40 from the Fire Department – Policy #40 Uniform Merit Employee Benefit Structure. We have a Human Resources Department in the city and we have a system in place that I believe is called a HAYS System with different grades, levels, classifications, and job titles and things of that nature. This practice here in my opinion anyway seems to circumvent the HAYS System and it allows others such as employer boards to add not necessarily employer boards either, in some cases employer boards, add additional funds to salaries that are already being received through the operating budget. That is one thing I want to discuss.

The PDF process is another one that – it appears to me as though there are loopholes in that process, which when there is a reorganization or reclassification of a division, department or position it appears to me after looking through my budget book and seeing these little timelines in there that if it is done at a certain time there is no way it can be removed. It was done in the Legal Department and the way that was done and the way it was put into the budget and approved by the Mayor's Office and it is over with. I wanted to have some discussion about that, but I want to drill into all of these stipends. I want to start at the top. Do you have a copy of this Jane? Let's start with the Mayor's office, Dept. 501. I don't think it is necessary to read the employee's name, but the Legislative Business Liaison receives a stipend of \$416.67 a month out of account number 535-81023, Emergency Preparedness. Is this contractual – No. That is \$5,000.04 extra a year added to that employee's pay. Why is that being done?

Jane Joyce

I think the most appropriate person to address that to would be Chief Hatfield.

Roger Hatfield

Basically the Mayor of the City has the capability of appointing Emergency Management Directors. Back for many years it was Dick McCann that was appointed by many Mayor's to be the Emergency Preparedness Director. After Dick McCann it was Chief Mike Buxton. During Mayor Davidson's term he actually appointed myself and Michael Jones as Co-Emergency Management Director – that was the first time we actually went to a co management team.

Basically at that point, Mayor Streeter supported that and continued with that process. The Police Department had asked to change their person that represents the Police Department to Ed Lecius and at the same time the Mayor had made some changes also and Mark Sousa was brought on to do the liaison work up in Concord. At the same time Mark Sousa was being put into that position Homeland Security funds were increasing in the State of New Hampshire quite rapidly to be honest with you. For the longest time I was doing a lot of lobbying up in Concord to try to get as much of the funding that the City of Nashua could use for emergency preparedness, but I was not able to keep up with it. After discussing it with the Mayor and getting to know a little bit more about Mark Sousa because he was our liaison from the Mayor's Office on the local Emergency Planning Committee, it was suggested to the Mayor by me to look at making a Deputy Director, and that has been done in other communities. I would take a reduction in the stipend that I was receiving for emergency preparedness to help with that putting of that position in.

As I see it we have been already getting some support from the legislation committees up there in Concord to get more Homeland Security funding. It is additional work that Mark has had to take on sitting in a few other meetings that he normally wouldn't be on. He also now has taken on some other additional roles, administration roles – like we put on a SERA workshop that allows us to work with industry that use hazardous materials. We have been doing that program for 11 years. Mark has taken that over also as part of his job as the Deputy Director. It was a recommendation that we made to the Mayor, he supported that, and it has given us additional resources.

Again I need to also put out that we get approximately \$20,000 to \$22,000 a year in federal aid called the Emergency Management Systems Grant to assist us with our emergency management operations.

Alderman Deane

You know it is nice that it is called federal aid, but federal aid comes from federal tax dollars that we all pay. Mrs. Joyce was there a – what was the percentage of change in the legislative/business liaison's PDF when this task was added as something else that he was being asked to do?

Jane Joyce

There was no change in his current PDF.

Alderman Deane

Why is that?

Jane Joyce

Because this is a temporary assignment to him. As Chief Hatfield referenced this emergency response function can move from Mayor's Office back to the Fire Department – it is not a permanent function of that particular title. That is why it is being paid with a stipend.

Chairman Bolton

We are all temporary right?

Alderman Deane

Not a permanent function. How long has this been ...

Alderman Johnson

Do you mind Alderman Deane if I just jump in there?

Alderman Deane

Feel free.

Alderman Johnson

Is this part of his regular day job?

Roger Hatfield

My answer to that is no it is a separate position similar to if you look at my role as Emergency Management it is a separate position than the Fire Chief's role. Again, as each Mayor is elected it is their right to put in that position anybody they feel is suitable for it.

Alderman Johnson

I maybe asked the question wrong. Is this between the 8:30 a.m. to 5:00 p.m. position time that this is taking place?

Roger Hatfield

It counts on whenever we need to go and do the appropriate politicking and lobbying for those funds. We also do a lot of meetings at night and on the weekends.

Alderman Johnson

So if he is in Concord let's say for education funding and something comes up for emergency preparedness anything in that position – he is already there so if he would be in Concord lobbying for one and he can go lobby for the other issue right?

Roger Hatfield

I would hope so.

Alderman Johnson

Thank you.

Alderman Deane

I am done with that. I want to move on to the Acting IT Manager. This is a stipend of \$750 a week. How was that \$750 a week derived and by whom and who approved it?

Jane Joyce

That number, that salary amount was determined by the Administrative Services Director, Maureen Lemieux, and was discussed between Mrs. Lemieux and the Mayor's Office.

Chairman Bolton

Does the Mayor himself personally sign off on these?

Jane Joyce

Not sign off. Discussions take place, but he does not sign anything.

Alderman Deane

What part did you play in this? That is a considerable amount of money that somebody is being given. The next line is another position, part of his position, but these two stipends one for the

GIS Coordinator and one for the Acting IT Manager total almost \$30,000 – this is going to end on July 1st, but what portion of the regular position that the individual holds was reduced because of the – there is 8 hours in a day. One person can do so much. What portion of their job aren't they doing in their other department that they are still being paid for?

Jane Joyce

To answer your first question the H.R. Department, in particular myself, I am not involved in the decision making at all. Once the decision is made we process what that decision is. With regard to the Assessing Manager's primary job, he is still assuming 100% of his primary job. With regard to being additional hours that he is putting in I cannot comment on that. You need to address that with either the Assessing Manager or with Mrs. Lemieux.

Alderman Deane

This is part of the problem nobody seems to – I wish Mrs. Lemieux was here. I am just wondering what adverse affects is the Assessing Department dealing with now due to the fact that this person who is being pushed off into another position – they are being compensated for more than what any person I guess would be able to do because they are jobbed out at 100% under that Assessing Manager position and \$750 a week to manage how many people are up there 6 people?

Jane Joyce

I believe there is a total of 9.

Alderman Deane

That was approved by Mrs. Lemieux and the Mayor and you had nothing to do with it?

Jane Joyce

Correct.

Chairman Bolton

This is a good breaking point Alderman Rootovich ...

Alderman Rootovich

I guess from my perspective one of the most shocking things – I guess when we look back and we put the budgets together we have an Assessing Manager that we all agree that the salary is \$74,500 is to do a particular job, which is to be the Chief Assessor. We all assume that particular job takes between 40-50 hours a week on any given week because of the things that are involved in doing the job. I may be wrong, and if I am I am the first to admit that I am wrong, but I don't think Mr. Marino is putting in an extra 20-30 hours a week to manage these departments when there is nobody here. Alderman Deane has a great point. If you are given an 8-hour day – if he is not doing the job the Chief Assessor should be doing as he has to spend time in other departments it is still an 8-hour day. To pay a gentleman \$104,000 a year to do two other tasks of this magnitude just shocks me. Absolutely shocks me among many others on here, but if I am wrong, and I wish somebody would tell me, but if this particular gentleman is not here putting extra time to go through what has to be gone through in those two different departments here at night, but he is still putting in an 8 hour day and he is taking time away – it begs the question do we need a Chief Assessor full time then.

I don't know how anybody based on testimony from Mrs. Lemieux, the Mayor in the past, and other individuals that I have heard sitting on this Board that is a full time job and manage the IT Department is a full time job – we need an IT Manager, but to pay this kind of money – this makes this individual the highest paid individual in the city – I have a hard time understanding it and accepting it to be honest with you. It disturbs me.

Alderman Johnson

I just want to get back to the approval. You have nothing to do with it, Mrs. Lemieux and the Mayor discuss it – who actually has the right to say go ahead and pay him if the Mayor doesn't sign off? Does Mrs. Lemieux have the right to go ahead and pay him the additional money? Who has the authority then?

Jane Joyce

I would refer that to the Legal Department. Certainly Mrs. Lemieux made a recommendation to the Mayor and it was decided that this would be the compensation for assuming that function.

Alderman Johnson

So you are not at liberty to say so I have to ask Legal who has the right to authorize the pay?

Chairman Bolton

Maybe you ought to say who did authorize it? Is there a piece of paper with someone's signature on it?

Jane Joyce

Yes Maureen Lemieux's.

Alderman Johnson

Okay so she is the one who has the right to increase the pay in that department once the Mayor agrees to it. Well I understand that is not true, but obviously we are not going to get a straight answer here. I think there is something really wrong with this system. I think we really need to find out who was the authorizing person because I guess this comes back to a lot of my questions every year if there is a hiring freeze but the Mayor signs off on people then there is really no hiring freeze. Who is the legal one who has the right to authorize a pay increase, the bottom line? If it is Mrs. Lemieux I find that very hard to believe at this point in time. I guess maybe this is maybe Sue can send a message up to Legal to find out who legally has the right to sign off on pay increases – is it Mrs. Lemieux or does it have to be the Mayor in this instance. If you don't mind I will leave that message for Sue or Dawn to please send a memo. Thank you.

Chairman Bolton

I think someone said something about this adds up to an extra \$30,000 a year. By my

calculation it adds up to over \$50,000 a year. It does seem a little shocking that in the past discussion we were talking about what we should pay a Superintendent, but now we – have a very capable and knowledgeable and talented individual – I don't think any of us realized we were paying him \$125,000 a year.

Anything further on this?

Alderman McCarthy

I guess I just want to weigh in along the same lines. It is obviously a difficult discussion for some of us to have because we all know the individuals who are involved and in fact think they are quite worthy, but I guess just from a policy perspective – I tend to agree with Alderman Rootovich that we pay somebody basically for the normal full time occupation that they have with the city and we might be tempted to pay them – if they have several positions that they are currently filling we might be tempted to pay them for the most skilled of those because that would seem to make sense – it is we have decided to have him do something else part time, but the whole idea of additional stipends for additional responsibilities that are carried out in the the normal course of business just strikes me as strange.

I could understand it if we said okay we have somebody who works their normal hours and for a period of 6 months we need them to attend a task force that meets all day Saturday and we said that makes sense to give a stipend to – where there is something additional to it, but simply to say because they have additional responsibilities that are basically they are doing instead of something else they would have been doing at the time for us, that just doesn't make sense to me. I am actually worried about the answer to the question about the authorizations. We have a payroll system and presumably that requires some sort of audit be in place to say okay we can change something that is in that system that changes the checks that come out the other end, and to find that is not related to our normal salary setting process causes me some amount of disturbance also. It seems that just from a financial audit standpoint that doesn't seem to make sense that we could have with virtually no review a single person authorizing salary changes that went through the system unnoticed essentially until somebody on this Board catches up with them a year later.

Chairman Bolton

Do these separate stipends come out in one check or separate checks or ...

Jane Joyce

I believe they are part of his weekly compensation – one check.

Chairman Bolton

Even if someone was required to go to an extra meeting on Saturdays – over \$1,000 a week is – the average person in this city doesn't make – I am sounding like some of my colleagues here, but it seems very cavalier to say well we will give you a little extra responsibility try and fit it in where you can and we are going to give you an extra \$1,000 a week. Is there anything further?

Alderman Deane

I have plenty. I am just getting warmed up. That was Mrs. Lemieux. The next one is the System Specialist After Hours Programming Support – contractual – no. Can you explain what that is?

Jane Joyce

The Systems Specialist is being compensated for being on call 24 hours a day 7 days a week. That person is not eligible for overtime under the overtime provisions.

Alderman Deane

Is that position contractual?

Jane Joyce

No it is not.

Alderman Deane

Does that person have a laptop computer that is afforded to them from the city do you know offhand?

Jane Joyce

I believe that person does have that.

Alderman Deane

Who tracks the activity?

Jane Joyce

That activity is tracked through the IT Manager.

Alderman Deane

Who is that?

Chairman Bolton

Look at the line above.

Alderman Deane

Well that could be temporary too you know. Can you get me the amount of times that 24-hour 7-day a week service has been performed in the last 3 or 4 months?

Jane Joyce

I will make the request to IT.

Alderman Deane

I want to go into the – I want to understand this one too. This is a great document. Doreen did such a good job on this. Carol what a great staff member she is. This is beautiful.

Carol Anderson

When you were talking about the payroll there is a form it is not just like somebody calls and says to put in this certain stipend for that. There is a process that comes through. I am not sure if that is a peract change or...

Jane Joyce

Yes it is a peract.

Carol Anderson

That generates the change. H.R. is notified then H.R. notifies Payroll that it is okay to put this change in so it is not like a telephone call saying someone said it is okay. There is an audit trail on that Alderman McCarthy.

Chairman Bolton

That makes it all that much better.

Alderman McCarthy

I am not questioning that. I guess I am questioning from whence the authority to sign that form

derives. Ultimately somebody had to make a decision that this was the thing we needed to do and do it outside of the salaries that have been set through either bargaining or the merit system. I would expect that would take the Mayor's signature basically at some point. If H.R. is verifying that it is okay to do it how do they know that it was authorized? It doesn't seem to me like an authorization that should not rise to the top under these circumstances.

Carol Anderson

I think one of the things that we could do is exactly what we do for any reclasses – there are levels that you – there is a form that is filled out that says what has occurred and then it is signed off by everybody, and nothing is done until – in fact the final signature is the Mayor. Once that form is returned to us then the action takes place.

Alderman Deane

Who is everybody?

Carol Anderson

It is signed off by the Division Director then it is signed off by me that there is funding available and then it is signed off by the Mayor saying to move forward that he approves the position.

Chairman Bolton

I bet we haven't had any reclass that resulted in \$52,000 a year. If you can get the Mayor to sign something that makes a difference for \$2,000 or \$3,000 a year maybe \$52,000 ought to rise to his level.

Alderman Deane

I wanted to go into the Chief and Deputy Chiefs of Department 531 for holding a Bachelor's Degree. Is there any policy in place associated with what is being offered here? There are three different levels of educational degrees; bachelor, masters, bachelors for the Captains,

Chief, and Deputy Chiefs. Where did this come from? There is a number of up to 7 employees. How was this developed and who approves this?

Jane Joyce

It is my understanding that was developed and approved by the – we are talking about the Police Department?

Alderman Deane

Police.

Jane Joyce

By the Police Commissioners.

Alderman Deane

What authority do you have over the employer board of the Police Commissioners?

Jane Joyce

I have none.

Alderman Deane

But we have authority over them correct?

Chairman Bolton

It is complicated, but yeah.

Alderman Deane

I am just looking at reducing these line items to zero if the majority of the Board so chooses to do so.

Chairman Bolton

I am going to suggest we have Aldermanic compensation for doctorate degrees.

Alderman Deane

Where is Roger?

Alderman McCarthy

Back on the after hours support, is that a person who does that in addition to their normal duties or if they get called in to solve a problem at night do they take comp time or different hours the next day?

Jane Joyce

That is in addition to their normal workday.

Alderman Deane

Jane are you familiar with Policy #40?

Jane Joyce

Yes.

Alderman Deane

What is your opinion of it? I have heard a Commissioner's opinion and obviously we know it means money to others so we know what their opinion is. I am just having trouble with this because basically what Policy 40 does is it gives the uniformed merit employees the same benefit structure that the local 789 gets. The reasons I have heard that why this is done is why would anybody want to be a Captain or a Deputy Chief or whatever or a Chief if they didn't get the same benefits as the local does. Quite frankly when you look at these additional stipends that are added on in some cases it is 10% of the salary that these employees get, which I think is significant. When you go through this stipend agreement with the employer boards especially this one here. I think this really has to be looked at. I don't know how cozy of a relationship or what the Fire Commissioners feel, the Chief and the Deputy Chiefs and the Assistant Chiefs should be getting or ... there is a point in time when you are in the rank and file and there is a point in time when you are not and you either stay in the rank and file in the local or you move up into the uniform merit employee status. The reason I heard well if they don't get this why would they ever want to leave the local. Well that is a decision that people have to make. People come and go, but I think continually adding stipends on – I have been told this is going to open up a bees nest or whatever, but... Mrs. Joyce you have reviewed Policy #40?

Jane Joyce

Yes I have read it.

Alderman Deane

When was the last time it was updated?

Jane Joyce

I am going to defer to the Chief.

Roger Hatfield

Actually Commissioner Mark Piekarski has the copy in front of him. It was written originally in 1998/1999 and I think it was updated...

Paul Garant

It was amended November 12, 2003.

Mark Piekarski

Can I speak a minute on – the whole basis and origin of Policy 40 and we go back with this department to 1999 or even prior – originated really out of a compression issue from frankly union contract and benefits not keeping up with what the merit system in the city could pay. In 1999 was actually designed and addressed in detail by this Board, by the Chief at the time, recommended by us to the Mayor, Mayor Davidson, advised we implement it. I believe Legal reviewed it and approved it to get something in place in the city to keep people advancing through the system within the Fire Department. That is the basic premise of the policy. Frankly I have had some discussion with Alderman Deane on it and there is a situation I think in other departments in the city as well that the merit system doesn't address keeping people motivated stepping up through the system and it is a problem with the city citywide.

Alderman Deane

Could you comment on that? Is there something broken that we don't know about?

Jane Joyce

There is certainly compression occurring throughout the entire merit system as bargaining units contracts are approved they are approved often at a rate that is somewhat higher than what merit system provides for. That is a problem that we are feeling throughout the whole city.

Alderman Deane

Is the system broken?

Jane Joyce

The system at some point needs to be adjusted.

Alderman Deane

Is the system broken currently? If you had to put a percentage on it what part of this merit system is not working adequately at this time to reflect the differences or deficiencies that these employee boards brought to life back in 1999?

Jane Joyce

There are two things that were occurring I think for the Fire Department; one is that the union staff as with some of the merit staff at City Hall are eligible for overtime and often what is occurring is that the subordinate employee as in many departments are earning more money than the superiors are or their supervisors or managers. The other piece is that as the bargaining unit employees max out on their current salary grid there is ability to compensate them beyond that through the bargaining process. Right now there is not a process in place for merit employees.

Alderman Deane

I am kind of confused by the overtime pay. You work hours over 40 you are compensated time and a half.

Jane Joyce

If you are eligible.

Alderman Deane

That was part of your bargaining chip though I believe that was brought down from 56 to 52 or whatever it is during that last contract.

My next question is what are we going to do to fix this portion of the system so that the stipends can go away? This is a considerable amount of money that people are being paid for these tasks that are listed as – well this one here it just says Policy 40 – the other one is HAZMAT Team one time hourly rate – contractual – no – awareness, opts, decon certification – that is \$22.71 a week, emergency preparedness is \$291.87 a month – when you go through all of these things even though it had been spoken about earlier that these are – I don't know if the Mayor has put the Fire Department in these HAZMAT positions or whether he is part of this as he was with the Emergency Preparedness – that was the reasoning for making the Legislation/Business Liaison \$416.67 a month richer, but why would the Fire Department's job descriptions not be looked at and updated to encompass these duties?

Jane Joyce

Their job descriptions have been looked at, and I think within the last – correct me if I am wrong Chief Hatfield – I think in the last 3-4 years there has been some reclassification of some of those titles. This policy is above and beyond the position description.

Alderman Deane

What was the percentage of change in duties and responsibilities when the reclassification or whatever you want to refer to it as was done? What did those end up being?

Jane Joyce

I would have to get back to you on that because it happened several years back.

Alderman Deane

Well what was the final outcome of the reclassification or review?

Jane Joyce

The result was it was a reclassification – I believe a Deputy at that point was a job grade 15 and went to a job grade 16 or 17. It was either a 1 or 2 grade increase.

Alderman Johnson

I am just basically – I am adding up some of these numbers here. It is shocking. Usually when you are a salary employee versus I have to say hourly employee – there is a different between management and non-management let's put it that way. A management can work up to 90 hours a week, but their salary is based on the time that they are putting in versus a non-management position. It has always been that way. Whether it is this Chief or another Chief the stipend that I figured out here came to \$10,004.82. It is over \$10,000. Then the Assistant Fire Chief on the stipend came to \$12,348.96 and the Deputy Fire Chief was over \$16,000 as I am adding up these stipend numbers. Again your salary versus non-salary. You are management versus non-management so there are more hours that are expected of you.

You can ask anybody who is in management. That is why a lot of people don't want to go into management because they want to be paid for the time they are actually on the job and if overtime arises they are entitled to get that overtime pay. When you are in management I guess I can look at your Ms. Joyce and Mrs. Anderson and Mrs. Hersh and Mr. Seymour – I haven't found your stipends yet so you could be in this stipend list too – everybody is shaking their head no we don't want to be part of it – the issue is you are here from the early mornings and you come back, but you are only being compensated for what your salary is, and that is the difference. That is how most people envision management.

Paul Garant

Relative to Policy 40 if I might. There are 6 items in Policy 40. Only one of those deals with a specific stipend and that is the stipend paid to the 7 Chiefs – the Deputies, Assistants, and the Chief of the Department. The other five items relate to vacation allowance, bereavement allowance, clothing allowance, holiday pay and longevity pay to ensure that those remain consistent with those benefits given to the rank and file. If I might to the stipends. To the stipends paid for the Chiefs there was the stipend to adjust for salary compression that was established in 1999 and hasn't been altered in amount since that time. The only other two stipends except for the stipend that the Chief gets are for the HAZMAT team and HAZMAT awareness and operation. Not every firefighter receives a stipend for HAZMAT team or HAZMAT operation. Only those members that have been selected to be on the team and have been trained for that team receive those stipends. Those stipends are also offered to those chief officers who have maintained that HAZMAT qualification for the HAZMAT team or HAZMAT operations because they must also be involved in HAZMAT operation.

The HAZMAT stipends for the team, for the chief officers for the budget year is approximately \$8,200. The HAZMAT operations awareness is about \$7,000 for the year. Those are the two stipends other than the compression stipend that was contained in Policy 40. There are HAZMAT Team and HAZMAT Awareness Operations stipends for firefighters who are on the team. Putting that stipend money into the salary structure means that individuals who are not on the team, who are not trained, who are not part of the HAZMAT program would be receiving compensation for things they are not trained in. That is why those stipends exist.

Roger Hatfield

I think the only thing else I would like to add to what the Commissioners have already brought up is that as Jane has already stated we do have a compression issue with the City of Nashua Fire Department in regards to Local 789's contract and the merit employees that actually have come up through the ranks and have gone through the process. For example, if you were to look at a Superintendent that is covered under Local 789, his base pay is \$72,000+ - if you look at a Deputy Chief that is a merit employee that oversees and manages these folks his base pay is \$74,000. As you can see it is very close. If you take away the stipend program you are actually now reducing what the differences are between these two because the Superintendents and others of Local 789 get those stipends as part of their labor agreement. Here we have the same people that manage and oversee them during the crisis and during the emergency that should be compensated for that higher education, that higher level of responsibility. The other thing that I guess I look at is that if we don't look at these situations and look at these people for the training and education that they have then there is really no reason for them to keep that certification up, and that will weaken the administration aspect of the department.

Alderman McCarthy

That begs the question why aren't those things done just by adjusting the merit salaries of those employees.

Roger Hatfield

It comes up to an hourly rate. We have to remember one thing – the Chief Officers are usually the last step before retirement, and as we look at the hourly rates if you add those stipends into their hourly rate now you are adding to their buyout package. To try to keep the hourly rate at a manageable level that is one way you can add stipends into play it doesn't add to their hourly rate. When you look at their buyout packages you are adding their sick time, their vacation time at the hourly rate that they are getting. If we were to add all of these stipends into the whole salary line you are going to increase their hourly rate.

Alderman McCarthy

That may be, but that also says that you can put a lesser amount in what you are paying this

year for that because the long term benefit derived by the employee by having it in the salary is greater. The cynical part of me says the difference is the stipends you can do without having to go through the process of getting the salary changes approved. It just – simplicity demands that we do these things by keeping salaries laid out straight and not by essentially fudging the books afterwards with stipends. Additionally HAZMAT stipends are we paying those only to merit employees?

Roger Hatfield

Local 789 and merit. Any uniformed member of the department that holds that certification.

Alderman McCarthy

Is that a negotiated feature of the contract?

Roger Hatfield

Yes.

Paul Garant

There was one other comment relative to the overtime aspect of the positions in the fire service. The Deputy Chiefs do work overtime, but it is not like they stay an hour or two to get bookwork done or paperwork done. They work either a 10 or 14-hour shift as overtime. There are blocks of 10 or 14 to cover for vacation or sick time or other times when the Deputy Chief on duty is out. We maintain that position 24/7. The overtime is slightly different than a manager who is required to put in a 50-hour week because a project is due. It is because they are working someone else's shift.

Chairman Bolton

If I had to put in a 50-hour week it would be like a vacation.

Roger Hatfield

I don't think that anybody has hid anything from anybody. I have been with Nashua Fire Rescue for quite a long time working on this budget. We have always been up front with everybody, the past administration, the past Chiefs, in regards to that. We have always done what we had to do to work with the city and work with Human Resources and the Mayor's of the past so that we continue to work forward. These things were always in our line items, they have always been in our budget, and we have never hid anything from anybody.

Mark Piekarski

Lastly I think I will throw in a bit of a discussion I had with Alderman Deane was – and also on Alderman McCarthy's note on addressing the overall salary rather than just pay the salary plus a stipend – I personally feel yes the merit system or pay system within the city needs to be addressed to address these things then departments like the Fire Department from years ago wouldn't be taking actions to try and cover and assist their employees in taking steps up the ladder so to speak. Then you also would have a clearer picture of what obviously your total salary package is.

Along with that I don't think the answer in reviewing these stipends in general is to remove them in the city as far as a budget action goes. I think that is a band aide approach. As I stated to Alderman Deane I know our department we have worked hard at looking at a three-phase reduction if needed to work with the city in this budget crisis. I would ask this Board as a whole to please work with us. We realize I think the stipend issue pay thing needs to be addressed in the city on a whole. Let's address it there. If you need to cut the budget give us a number and we will work with it.

Roger Hatfield

There was only one other point that now I feel a little odd because it doesn't deal with the Fire Department it deals with Emergency Management – that is a whole different animal – I really shouldn't be the one saying it because I feel it is a conflict of interest, but in regards to the stipend that the Chief of this department being me – don't give me the title of Chief – give me the title of Co-Emergency Management Director when discussing that stipend – I have worked very hard for this city for 6 years as the Emergency Management Director. Our team has brought in over \$900,000 of Homeland Security and Federal funds into this city, and I think we

have done a pretty good job. That is a different stipend. I get really kind of worked up I guess when they tie that to the Fire Department. It is a separate job function that I was assigned and asked if I would take that task on by Mayor Davidson and also by Mayor Streeter.

Unidentified Speaker

If I may that title I think started with Dick McCann who was non fire department years ago.

Chairman Bolton

It existed even before that. Dave Campbell had it for a while. The pay was a little less back then and there were others that had it even before that.

Alderman Deane

Jane when are we going to deal with this compression issue?

Jane Joyce

It is something that I have been discussing with Carol Anderson and with Maureen Lemieux. I think based on the budget for FY '06 it would not be the appropriate year to bring that through, but it would be our intention at the next budget cycle to make some recommendations to the Board of Aldermen.

Alderman Deane

I wanted to go down to some of these contractual items.

Chairman Bolton

Do you think you are finished with these folks Alderman Deane?

Alderman Deane

No this is the Fire Department too.

Chairman Bolton

Sorry.

Alderman Bolton

What does the contract state for – not trying to negotiate it I just want to understand what something says – the eligible members of local 789 the dive team tender operator – are you on the dive team Roger?

Roger Hatfield

Right now the merit employees are not getting any stipends for the dive team tender or the EMS that starts on July 1, 2005. This is one area that the commission has identified and has had many discussions about it. They feel the merit employees should be getting those for the fact that they oversee and perform those duties on a daily basis just like the other members of Local 789 and the rest of the Nashua Fire Department. This is one area that we haven't been able to address because we are still discussing the compression issues with Jane Joyce and the Mayor as we speak. Right now anybody that has certification and dive tender and boat operation is eligible for that stipend under Local 789's agreement with the City of Nashua.

Alderman Deane

Are you certified?

Roger Hatfield

Yes I am a dive master.

Alderman Deane

You are a dive master?

Roger Hatfield

Yes I am.

Alderman Deane

So you can use the boat?

Roger Hatfield

Yes I can.

Alderman Deane

My question to you now is why were..

Chairman Bolton

His picture was in the paper using the boat.

Alderman Deane

That is my question, and I have heard some remarks – why were you and one of the Deputy Chiefs or whomever out in that boat? Why wasn't the rank and file out there?

Roger Hatfield

That would be a discussion I would like to have in a non-public session.

Alderman Deane

You just told me that Mrs. Joyce and the Mayor that you have been working diligently on this merit system for how long?

Roger Hatfield

Since I have been Fire Chief.

Alderman Deane

And how long has that been?

Roger Hatfield

Approximately 1 year.

Alderman Deane

What sort of progress have we made? Where are we to date Mrs. Joyce with the progress on this or do we have any?

Jane Joyce

I think that there has been some progress in so far as as of now and correct me if I am wrong that if merit raises were to be granted this year everyone would be assuming eligible would

receive one. The real problem again will come in next year when they have maxed out at their salary range and there would be nowhere for them to go.

Chairman Bolton

Well we are going to solve that problem. That will further the compression problem right.

Jane Joyce

Correct.

Alderman Deane

The cost of correcting this situation what is it estimated to be?

Jane Joyce

I haven't even worked the numbers up where the budget is right now, but it is approximately at least a 3% increase on the maximum salary for each merit grade.

Alderman Deane

If we were going to drill into this merit system and adjust the issues that we have with it now don't we have more than just adding money to the budget? Aren't there other items that have to be looked at? Aren't there upgrades that have to be done to it things of that nature?

Jane Joyce

It is not necessarily upgrades as you know it as a reclassification. What needs to be looked at is based on where your senior managers are and your entry-level merit positions are there may be a need for a class reclassification of all of those grades, but that is not something that I am

prepared to discuss tonight.

Alderman Deane

Is that going to be done in house or are we going to hire somebody to do that or do you have the ability to be able to do that?

Jane Joyce

We would have the ability in house to do that.

Alderman Deane

How long do you think that would take to do?

Jane Joyce

I don't think it would take all that long. The discussions would be whether or not the city could afford to do it.

Alderman Deane

In the meantime we are funneling monies through the stipend program that has been set up.

Paul Garant

There is one other minor pile of dust under the rug – that has to do with relative to promotions within a department that are made outside of the time period allowed by the merit system such that when we promoted Chief Hatfield we promoted him at the salary of the Fire Chief but because the promotion took place, and you can help me with the dates, he was not given the merit increase that year for that position. That has occurred since I have been on the board with

three promotions at Chief's level. Perhaps Mrs. Joyce can help me with that one.

Jane Joyce

Under the merit pay system if you are promoted between July 1st and December 30th you would be eligible for the merit increase in the following July. The promotions that the Commissioner is referring to the promotions occurred in June and the merit raise took place in July. Under our merit pay program that is not allowed.

Alderman Deane

Is that one of the components that is broken in the merit system? Why isn't it allowed? Who doesn't allow it?

Jane Joyce

Our position is that if someone is getting a promotion from anywhere from \$3,000 or more dollars in 30 days it would not necessitate another 3% raise on the promotional raise they just received.

Alderman Deane

In the case of the Legal Department's PDF that was reviewed that is not ... **tape flipped** ...

Alderman McCarthy

So they don't get either the merit increase they would have had from the previous position or the next position, which basically means both of those positions then fall a year behind essentially from a compression standpoint.

Jane Joyce

What occurs at the time of promotion is the hiring source has the discretion to place them within that range. We do not dictate within the range where that promotional person would land. In fact, if they wanted to in essence give them a \$10,000 raise it would mean that they would not be eligible for another 3% on top of that in 30 days.

Alderman McCarthy

If that is the case what is the purpose of the rule. If the rule doesn't actually prevent anything from happening it seems to be a stupid rule. Wouldn't we be better off to do the promotion and let the raise take place than to ...

Chairman Bolton

And you act so surprised... we just had the \$53,000 a year stipend.

Paul Garant

I think it is also important to understand that this take place with just 7 individuals within the department and rather than have the range of salaries for Deputy Chiefs we would rather have equal pay for equal work so that all Deputy Chiefs would have the same base salary. This prevents that from occurring.

Alderman Deane

We could take the stipends away.

Paul Garant

With an adjustment to take care of that compression that has been a problem since before 1999.

Alderman Deane

I would like to thank the Fire Department. Now I want to go..

Chairman Bolton

Alderman Rootovich is still ..

Alderman Deane

I am sorry...

Alderman Rootovich

I have a question of the Fire Department if I may. What is the sick incentive both for the Chiefs and the Local 789?

Roger Hatfield

-
That is a mathematical calculation that is used in the Local 789 agreement to reduce them using sick leave – abuse the sick leave program. What they did is if they use less than 60% of the accumulated sick leave of Nashua Fire Rescue they get an incentive. If they use more than 60% they don't get any incentive. Again this was part of that compression – another negotiated item that was put into place. I want to tell you that has been around for approximately over 15 years where they put that in the labor agreement to kind of prevent them from abusing sick leave. As that became a benefit for Local 789 it falls under Policy 40.

Alderman Rootovich

Has the majority gone over 60% or under 60%?

Roger Hatfield

I would have to look at that number, but I could get that for you.

Chairman Bolton

Sick leave in the Fire Department is worse than sick leave other places for a variety of reasons. It may be somewhat similar to police, but even they are in a better position to adjust. In the Fire Department you have to fill those spots person for person and at a minimum you are filling them

at the same rate so you are paying two people for one job because you are paying the sick time and you are paying a replacement, but that replacement may depending on how many hours in, be getting time and a half whereas like for school teachers you hire a substitute and actually the per diem for the sub is much less. It is still a problem, but the magnitude of the problem is much greater on the Fire Department and you have no opportunity to leave the job unfilled for the day like you might if you had a secretary in one of the offices of City Hall.

Roger Hatfield

That is correct.

Alderman Rootovich

Is the accumulated sick time that both the fire and police accumulate is that checked – they get that last year accumulative amount added to the yearly salary?

Jane Joyce

Yes I believe it is.

Alderman Rootovich

So the pensions are based on the last three years' average?

Jane Joyce

Correct.

Alderman Deane

Who sits there and negotiates the contract for 789?

Roger Hatfield

Basically it is made up of two representatives of the commission, the Fire Chief or his designee, a representative of the Mayor's Office and a representative from Legal or basically a labor negotiator.

Alderman Deane

I just look at the fact that if under policy 40 if you are getting the same benefits that the local is getting, not necessarily you, but anybody in your position, why would they bother spending an inordinate amount of time trying to bargain away some of these very benefits that they end up

receiving? What would give them the incentive to do that?

Roger Hatfield

Good question.

Alderman Deane

It is a situation that should not exist. You as Fire Commissioners support doing this. You are the recipient of the benefit of the contract, and you people are all negotiating it. Why would you negotiate this away when you approved the policy to begin with?

Chairman Bolton

Commissioners go before the voters and are answerable for what they do. It presents a small conflict I suppose for the Chief himself or his designee if the designee is one of the Assistant Chiefs, but in the overall scheme of things it is kind of a small thing. It is only one person. The rest of the team wouldn't have that kind of conflict.

Roger Hatfield

I think that the biggest issue Alderman Deane is that the compression issue is our key component that I focus on with the Board of Fire Commissioners and we have been working for the full year that I have been Fire Chief with the city to try to come to some type of resolution. This is something that has not just creped up on us. This has been going on for quite some time. Again the plan that you see in front of you that we are discussing today was put in place in 1999 to deal with issues that were happening before 1999. I understand what you are saying. I would love to see you put it all as part of the salary package for the merit employees, but I can't see and I would hope that you would not support a 10% reduction in the merit employees of this fire department because that would just destroy the moral, I will never have the support that I need to manage this department appropriately and to protect this community appropriately if my upper management team is making less than the folks that they manage.

Alderman Deane

Whatever happens happens Roger number one. That is just the way it is. When we have a lot of tough decisions to make. As the Commissioner said they have part of the 3 steps that they were going to bring forward. Alderman Tollner said he had that done. I look forward to that. That is about all I have for the Fire Department. I would like to move on to Public Works.

Chairman Bolton

Does anyone else have anything for the representatives of the Fire Department? Thank you for

being here.

Alderman Deane

Jane a year or so ago when the AFSCME Local being dominated by someone with a high hand, we had severe issues with people coming into work to plow snow. Because of that we had to add a sidebar agreement to the labor contract for the AFSCME employees, up to 80 employees, it is a 20 week stipend where they get 1 ½ times their rate times 4 hours weekly for carrying a pager and showing up for work. I believe if Rick is here we spent somewhere around \$180,000 this year alone just to ensure that people would come to work when they were called in. That is just another piece of the issues associated with the previous division director. I know Rick has had somewhat of a better time with them, but that is discouraging to say the least. That was contractual. That was brought forth through resolution and approved by this Board.

When you go down to the next one and there are UAW Foremen who receive the same stipend for the same period of time, 1 ½ times their rate times 7 hours weekly, and this is not contractual. My question to you Jane is since these UAW contracts are negotiated why are we giving away items such as this and not bargaining? It is not that they may not deserve this or however the department feels is best run, but why do we give this away? Who approved giving this money away?

Jane Joyce

I believe, and again I would probably defer to the Director, but I believe that was a sidebar agreement, and that was approved by the Board of Public Works.

Alderman Deane

No it wasn't. Contractual – No. This is non-contractual.

Rick Seymour

Are we talking about the snow stipends for the AFSCME employees?

Alderman Deane

UAW. It is non-contractual Rick.

Chairman Bolton

The foremen Rick.

Rick Seymour

I believe it is contractual isn't it?

Alderman Deane

No it is not. If you look under the contractual line and Doreen went through all of this stuff. My question is although they are there – we go to negotiate these contracts it is a lot of give and take and then we look outside of the contract area where these folks they operate by the book, but on the other hand here we are giving out additional money that is non-contractual. I don't understand why we would do this. If they wanted to come back and bargain it where we would get something other than the services provided that they are being paid for I think that is the way it should be done. I think just throwing this out there – who approved this was this the previous administration?

Rick Seymour

I would defer to Jane on that one. I wasn't involved in that.

Jane Joyce

I believe that it certainly may have been the previous administration, but it was brought to the Board of Public Works because that would be the authorization to pay.

Alderman Deane

It is non-contractual. The AFSCME was contractual. What is the difference other than the sidebar that was passed by this Board through resolution? Why did they even bother with the AFSCME one then?

Chairman Bolton

Can you enlighten us Mrs. Anderson?

Carol Anderson

I think I can. I think the difference is the Board of Public Works approved it, but that is not the same. This is a cost item. That did not come back to the Finance Committee to be approved as a regular contract so – in that instance it is not contractual, but the commissioners could agree to pay it, but that doesn't make it contractual.

Alderman Deane

Yeah but it is a cost item.

Carol Anderson

Right and I am not saying that it –

Alderman Deane

Why wouldn't it come back?

Carol Anderson

I don't know why it didn't come back, but I would say that – in my estimation I believe that should have come back to the Finance Committee, and been approved as a contract item.

-
Alderman Deane

Through the form of a resolution.

Carol Anderson

Yes.

Chairman Bolton

You don't mean the Finance Committee you mean the Board of Aldermen.

Carol Anderson

The Board of Aldermen yes.

Chairman Bolton

The Board of Aldermen has to approve the cost items in collective bargaining agreements.

Alderman Deane

So who authorized the payments to continue if they were being done illegally or inappropriately?

Carol Anderson

I don't believe that they would be considered illegal if ...

Alderman Deane

I corrected myself. I feel inappropriately.

Carol Anderson

I think it is that the Commissioners at some point approved it – they said to pay it. It would be similar to somebody saying as a Division Director saying pay this stipend and it would be paid accordingly. I believe that is what would have happened.

Alderman Deane

So they are paid overtime plus this amount. Can we get the history on how this happened, why this happened – if we are going to have to negotiate these contracts why are we giving things away and getting the service in return, but when we want to get some language or longevity or whatever out of the existing contract ...

Chairman Bolton

Frankly I don't even think you are allowed. I think the violation of State Law to give a bargaining unit benefits that are not made part of the collective bargaining agreement. I do think it is a violation of the law. If there is a bargaining representative certified you have to bargain over everything you give the employee in that unit you have to bargain with that bargaining unit representative, and when an agreement is reached on it that agreement the cost items have to be brought to the Legislative body. I do think if that was not done it is illegal. You are not allowed to pay anybody without going through that negotiation process and when you do the process has to be approved.

Alderman Johnson

I am so glad you mentioned that Alderman Bolton. Now like Alderman Deane said here is a cost item that was never put in the contract now you try to take this away on somebody that you have already given this that shouldn't have been given, and it should have come to the Board of Aldermen. It seems to me that there have been processes that are being sidestepped all the time. I hate to say it has been coming, a lot of it, from the Board of Public Works in the past with the former director. This is one item that if it is taken right out of here we have every right to eliminate from this place forward because it wasn't even in the bargaining agreement. I want to say thank you to Alderman Bolton and Alderman Deane for bringing this to our attention, but I also questioned it when I saw no under contractual areas. I think that as we probably go through this and I quickly skimmed through it, there are probably other areas that are going to have a lot of questions. Maybe we should get a legal opinion to the Board of Public Works on what their authority really is and how far they can take their authority to. Thank you.

Carol Anderson

What I would like to do is check and make sure that this wasn't stated incorrectly on this form. It may be contractual. Let me confirm that first, and if it still remains not contractual then we will go

to Rick Seymour and try to ...

Alderman Deane

It is not contractual – absolutely not.

Alderman Rootovich

Thank you again. They carry beepers and you call them during a snowstorm. What happens if they refuse and say I don't want to come in?

Rick Seymour

That has happened several times and what happens is they forfeit their stipend. For the week that they are on their beepers they are required to come in – when they get beeped and they are required to come to work. Basically they have to make sure that they are able to come to work so they have to make sure that they are physically able to go to work, also that they are physically within the local of the area they need to get to the barn in time to plow. They can't be up in Portland, ME, they certainly can't be at parties – they have to be available. There are no excuses – in the past if someone had an excuse like they had to coach a basketball team that didn't count either. They have to be available when the beeper went off.

Alderman Rootovich

So they would lose their stipend for that week though.

Rick Seymour

Exactly. It is a voluntary situation where there is a sign up sheet on a weekly basis where employees are allowed to sign up for all four of the beepers and then they are assigned the beepers so they can go on and off one week or another. If they know they are going on vacation or they know they have a week where they won't be available because of some activity then they obviously wouldn't sign up for the beeper to begin with.

Alderman Rootovich

I have heard – I don't know if it is true or not – it also goes by seniority.

Rick Seymour

Yes.

Alderman Rootovich

So if you call the third guy on the list and you don't call the second guy on the list you have to pay him anyway.

Rick Seymour

Are we talking about for the beeper stipend?

Alderman Rootovich

Yes.

Rick Seymour

It depends on the storm. Scott and Bill Trombley will figure out what they need for a storm so if they need 30 vehicles let's say then they will call in the top 30 on the list. If they need a full compliment, which has happened a lot this year, they would call the full 76 that are on the beepers and they would continue beyond that list to people that aren't carrying beepers that would be available on a voluntary basis – they would go through all the different departments.

Chairman Bolton

If what you said counts for the foremen as well as the rank and file?

Rick Seymour

Exactly. It is the same system.

Alderman Lozeau

If they get called in and they are paid overtime does the stipend disappear and the overtime ...

Rick Seymour

The stipend remains.

Alderman Lozeau

So they get the stipend plus the overtime pay?

Rick Seymour

Exactly, but they could be called in say twice or three times during the week for a snowstorm. They still collect the stipend and then they also collect overtime pay and if they have a beeper ...

Alderman Lozeau

They get a stipend.

Alderman Deane

Or they could be called not at all.

Rick Seymour

Exactly. There are times during the year where obviously there is no snow at all.

Alderman Shaw

I guess the thing I don't see in this is – I understand the penalty of if you don't respond losing the stipend for that week, but at the same time it almost seems like there is not that much incentive not to sign up in the first place because the worst case is if you didn't sign up you wouldn't have got anything, you signed up and refused you still don't get anything. I guess it sounds like one of those things that – the penalty doesn't seem to be much of a penalty.

Chairman Bolton

I will sign up and then decide.

Alderman Deane

That will be looked into? Were you aware of this?

Jane Joyce

On the stipends?

Alderman Deane

On the UAW?

Jane Joyce

Yes. I was of the understanding it was a sidebar agreement. I will look into it.

Alderman Deane

The next one is the snow bonus – snow season bonus that is given to the Superintendent of the Street Department as well as the Operations Manager. That was I believe implemented by Mr. Crombie as well correct?

Rick Seymour

I believe that was quite a while back. I am thinking 7 or 8 years ago – before Director Crombie was in office.

Chairman Bolton

If there is a year with no snow is the bonus still paid?

Rick Seymour

No. They are typically working every storm. I have never seen Scott or Bill not available all through the night and usually before and after the storm.

Chairman Bolton

I don't mean to be facetious, but – why isn't it just part of the regular annual salary because in New Hampshire we get snow every year right or most. This is like saying to give the Park Superintendent a grass bonus. It is just part of the normal job right? Put it in the salary and be done with it.

Alderman Deane

Does this have to do with the merit system again?

Jane Joyce

No this was to compensate – my understanding is this was to compensate the Operations Manager and the Superintendent of Streets for all of the extra hours that they spent throughout the winter for which they receive no additional compensation as did the bargaining unit employees.

Alderman Deane

He should spend his winters inside as the Acting IT Manager. He could make \$750 a week.

Chairman Bolton

That is the job. It is one thing to say if you do extra you get paid extra, but the job of the Street Superintendent is to manage the plowing and the snow in the winter. I suppose if you were in

Virginia and you only got a snowstorm once every ten years then maybe that year their Street Superintendent should get a bonus because he had to go and borrow plows from Buffalo or something, but in New Hampshire this is part of the regular job. I am not saying they shouldn't get it, but put it in the salary so everyone can see what the salary is.

Alderman Deane

I will say that the amount of time and effort that are put in by those two individuals during those snowstorms is considerable, and Scott – I don't know why he does it, he should facilitate some of that to the rest of his staff, and you see him sometimes during the bad weather – I don't know Bill as much as I know Scott, but it comes to the point where it is creating health problems, and it is not a good situation. You should talk to him about that. That is your job.

Chairman Bolton

Send him to the employee assistance program while we still have one.

Alderman Deane

That was cut too wasn't it by the Mayor? He should have been using that today after he got done with me. I am a little nervous to go into this next one, but this is the cemetery. This is a \$1,592 a quarter stipend. What is this for?

Chairman Bolton

I know what this is for. He actually does two jobs. He does the Edgewood Cemetery – that is his regular job. Suburban Cemetery has a whole different Board of Trustees and they hire him on a part time basis to manage the Suburban Cemetery and they actually borrow the laborers and so forth from Edgewood and so this is the extra – this is even different from the IT Manager's situation. This is really extra stuff that he otherwise wouldn't be doing. He is managing a separate program.

Alderman Deane

If I remember correctly they bought a backhoe a couple of years ago in conjunction with one another.

Chairman Bolton

I think they share some things and it works out for them that way. These are all those small cemeteries; Evergreen and Hill Side and Old South and Gilson Road... that is what that is for. Just because his name is snow this is different from the other snow balers.

Alderman Deane

I wanted to go to page 3. It says the following groups are entitled not longevity stipends paid annually. Carol and myself had a little disagreement where she didn't feel as though longevity payments were a stipend correct Carol?

Carol Anderson

Right.

Alderman Deane

Unfortunately I feel they are. If you look over Jane where it says police staff and you go out it is the 5th item down now my question is why aren't these either bargained or removed? Why do we continue to fund these? There is almost \$12,000 in those two lines right there and then you come down to the next one, fire uniform merit – 7 positions – that is \$16,000 right there correct? Can you explain all of these where it says contractual and it says no.

Jane Joyce

The police staff – the Police Commission has approved the payment of longevity to all of the police staff or anything related to police that is non-union.

Alderman Deane

That is another employer board – have you had discussions with them about that?

Jane Joyce

I have had discussions with them regarding longevity in general.

Alderman Deane

Is this a union this police staff?

Jane Joyce

No it is not contractual.

Alderman Deane

Somebody could have a contract but this would not be part of the contract like when you look at the ones that say yes I take it that those are in the contract already.

Jane Joyce

Correct.

Alderman Deane

And they have been bargained for. The ones that are no...

Jane Joyce

They have been approved by the Police Commissioners.

Alderman Deane

But are these people in a union?

Jane Joyce

No they are not.

Alderman Deane

They are not so once again this is like policy 40 over at the fire department – it has not made its way over to the police department.

Jane Joyce

Yes.

Alderman Deane

Why is this allowed to go on? This is like helter skelter. Can you figure this our Carol?

Carol Anderson

I just know that they have the authority.

Alderman Deane

It is like a whole separate H.R. Department here with people doing whatever they want to do.

Carol Anderson

With some of the boards that is exactly what happens. Your hands are tied as administration in

some of those areas.

Alderman Deane

Come see us. We can help you. That is why we are here. So this merit – let me work my way down here – how about the school clerical unit is that a union? I believe it is.

Jane Joyce

Yes.

Alderman Deane

Unaffiliated – nope I guess not ha? Can you explain that one the \$2,145?

Jane Joyce

I really can't. I would defer to Christine Hagan on that.

Chairman Bolton

There are a few secretarial positions that cannot be in any bargaining unit because they would have a confidential – they would have access to confidential management information. Like the Superintendent's secretary and the Human Resources secretary. People in those positions are excluded from bargaining units. Probably what the school department has done is they give them the same kind of things that are in the union's contract for similar people so if longevity is in there they probably give that to these non-union positions as well.

Alderman Deane

So when we get down to the school administrator, school superintendent, and assistant superintendent they are all given the same longevity – would you know offhand Alderman

Bolton whether that is contractual with them? Are they under contract? The School Superintendent is.

Chairman Bolton

The Superintendent is. I don't know if any of the other positions have actual individual contracts. They may. It may be included in there. A lot of these longevity things go back a long time and never got changed. It was the way things were done at one time, and it was sort of a reward for being around for a long time.

Jane Joyce

If I may we have been successful in getting longevity out of a couple of the contracts and we eliminated longevity for the rest of merit.

Chairman Bolton

It is gone from the library contract.

Jane Joyce

Correct. UAW and also I think the teamsters over in the police department.

Alderman Deane

How close are we to getting rid of most of all of that?

Carol Anderson

We actually aren't I believe because some of them, some of the contracts that have come out recently I noticed that the longevity actually increased. I made mention about that that we are going in the opposite direction of what we originally said we were because at first it was merit gave it up and then the UAW did and they said that was the way it was going to be – other unions would follow suit. That did not happen except for the library.

Chairman Bolton

I will tell you what happens in some of these. People who are caught on the top step end up not getting raises year to year because they are up against the ceiling. Sometimes they get whatever is in the contract; a 2% bonus – well that is an increase the first year you get it, but the second year it is the same thing you got the year before and the third year it is the same year you got the year before that. These people that are up at the top steps they got there because they have been around for the long time. They are the same people who get the longevity bonus. When you go in to negotiate a contract you are saying we want you to do away with the longevity bonuses and the people on the top step don't get any increase at all. That adds up to a decrease for those people and no one will ever agree to take less. That is why some of this has a big sticking point because you are hitting the same people from both directions. If you want to get rid of it – in the library contract it was easy to get rid of when they got rid of it because there was a general adjustment to come into the 20th century in terms of what they got paid. The increases pretty much dwarfed what these longevity payments were anyway so they were able to agree to that. Unless you are willing to do that kind of thing there is a certain group of people that will want to hold onto their extra couple hundred dollars a year or whatever it adds up to.

Alderman Deane

I wanted to go to the fixed travel stipends – last page. The engineer inspectors are contractual right?

Jane Joyce

Correct.

Alderman Deane

The Public Work Commissioners are not. The Superintendent of Cemeteries – that is \$100 monthly I guess. Code Enforcement they use their own vehicles.

Jane Joyce

And that is contractual.

Alderman Deane

Urban Programs Department is contractual?

Jane Joyce

Yes.

Alderman Deane

What union are they in?

Jane Joyce

UAW Professionals.

Alderman Deane

Director of Public Works I was aware of that – instead of a vehicle. Okay. Now it is time to get into the headcount part of the program. Did everybody get these?

Chairman Bolton

I think everyone got them.

Alderman Deane

I had requested this headcount or as Carol has referred to it as Active Employee Levels, which is appropriate. This goes back from June 2000 to April 26, 2005. Carol were there any significant changes from the April 26th to April 25th?

Carol Anderson

No.

Alderman Deane

I didn't know if you picked up that extra day to make a reduction in one number somewhere.

Carol Anderson

No.

Alderman Deane

Can you go over this with us Carol?

Carol Anderson

The one with the active employee levels – what that is is by division and then it breaks it down by department, and it will show what the actual headcount is in each department, and then if you see an FTE – there had been a request by one person to convert any part time people so that you knew what that FT equivalent was and that is what that is the two numbers on each one. If you go down to – I will use Financial Services as an example – when you go across the bold line would show like if you take June 30, 2000 we had 33 people as a headcount, 30.89 because we have part time people as the full time equivalent. On the next line below you see the 33 on the white line and the 26.99 being the full time equivalent, and then right below that is the beige line and that is for the portion of our total staff – full time equivalent that are funded through either grants or like the traffic violations or to the enterprise funds. In the tax office we had them working with wastewater and solid waste. That is what those lines are.

This sheet does not reflect any of the vacancies. What this actually is pulled from is on June 30th of every year we run a count as to who is in the actual payroll count. It is done twice; at the end of December and then the end of June so we thought the end of June was probably the best one to do because it is of the fiscal year change. That is what this report is. Jane had provided us, to make it more complete, the next sheet of paper that is all white is just by division, and that actually shows the active employees, total active employees from this list, and then on one line below it, it will say active recruitment. IN the case of like Financial Services in most years we have been maintaining the 34 so you can see where we have had like 33 being the active employees – that was our count at that time, but we had one that we would be recruiting for. Most likely that was in the motor vehicle area each time.

That is how these two reports are comprised.

Jane Joyce

Again this is only that date in time. These are the active recruitment that was going on on that particular date. It doesn't reflect all of the vacancies. Some of the vacancies as you know sometimes are put on hold, but can be then transferred to an active recruitment. This is only for that date and time.

Alderman Deane

I look at the police department and when you go across it starts at 2.25, 2.27, 2.40, 2.47, 2.46, 2.59, but when you go down to the active recruitment in '04 there was 239 and 7 active recruitments – you go over to '05 there is 241 active employees with 18 active recruitments.

Carol Anderson

Actually they have a lot of openings right now. They are expecting to have a substantial amount remaining in their budget at the end of this year. I also know too, and Jane you can speak to this better than I can, it is usually the last quarter when they go through their hiring process I believe. Is that correct?

Jane Joyce

Correct. It isn't a process that takes place every month. They have also had a larger number of retirements this year.

Alderman Deane

They have had a sign down there for a period of time recruiting. They are going to have a significant balance in their ...

Carol Anderson

In their account this year.

Alderman Deane

I wonder if they – maybe they could help with the solid waste deficit. I think the administration should be fair to every department. If they are going to ask wastewater for \$3 million I think they ought to ask everybody. My next question Jane is how are you doing with calling all of the unions together and asking them for them to forego any proposed increases this year? The Mayor stated that he was going to sit down with all 16 unions and ask them if they would forego the increases that have been approved contractually.

Chairman Bolton

What is the score so far?

Jane Joyce

The Mayor has scheduled a meeting with all of the union presidents and representatives on Monday.

Alderman Deane

Is that open to the public or is it a closed?

Jane Joyce

I really don't know the answer to that question.

Alderman Deane

I will call him in the morning and ask him.

Chairman Bolton

Nobody signed on yet?

Alderman Deane

Has he invited the people? Is this actually going to happen?

Jane Joyce

Yes it is scheduled I believe..

Alderman Deane

That is Monday morning?

Jane Joyce

Monday morning at 9:00 a.m. and I believe the meeting will be at the library.

Alderman Deane

Which one?

Jane Joyce

The main library.

Alderman Deane

Where are we with the reorganization/reclassification process now – pretty much citywide? For a percentage of the updating that has been done to this process what percentage do you think we are at?

Jane Joyce

I wouldn't know. You are talking about citywide reclassifications.

Alderman Deane

I am not talking about the schools, but within this building?

Jane Joyce

On the building, we are pretty much at 100%. I can get you exact numbers.

Alderman Deane

So you are done?

Jane Joyce

I will give you an exact number. We are pretty much done if not done.

Alderman Deane

Is there a hiring freeze currently?

Jane Joyce

I believe there is.

Chairman Bolton

How does that affect the list of active recruitments that we have here?

Jane Joyce

As you know recruitment is different than actual hiring and bringing onto the payroll.

Chairman Bolton

Well I hope we are not spending a lot of money on recruiting people that we are not going to hire.

Alderman Deane

How long has that hiring freeze been in place do you know Jane offhand?

Jane Joyce

I believe since the budget issues have been raised everything has been put on hold.

Alderman Deane

When we were told of the terrible mistakes with the level funding of the health insurance lines – so that was about 3 weeks ago.

Jane Joyce

Yes.

Alderman Deane

We had Mr. Reine in here last night I believe and we were talking about the summer help that gets put on down at the landfill for soft yard waste because a lot of us had been receiving a lot of phone calls that task hadn't been performed. Do you know offhand where we are percentage wise with the folks that we have hired down there to help with the increase in material that is being put at curbside?

Jane Joyce

I believe they are at 100% on their summer hire, which would be I believe it is 10 positions.

Alderman Johnson

I know I sent Mr. Reine an e-mail because before I left to go away on vacation I had gotten a phone call, and it was mentioned to the constituent that because of budget constraints it is going to take longer to pick up your soft yard waste. Have you heard anything about that?

Jane Joyce

Initially summer help was on hold. Then as they were able to go in and assess the operational needs a decision was made to allow them to go to their ten positions of summer help.

Alderman Johnson

Any information that Alderman Deane or anybody else receives can you please make sure that we all get a copy of it?

Carol Anderson

Yes I have been doing that.

Jane Joyce

Yes.

Alderman Johnson

Thank you.

Alderman Deane

I don't know how deeply we can drill into this, but the bargaining gathering that we had up here – remember that Jane when we had all the tables turned around and chairs and everybody sitting around every which way?

Jane Joyce

In the non-meeting?

Alderman Deane

Yes.

Jane Joyce

Yes.

Alderman Deane

I want to know what parameters were set and given to Attorney McNamee at the conclusion of

that meeting. I would like to...

Chairman Bolton

We're in public session.

Alderman Deane

I understand that. I am not asking for it right now. I want her to get that information for me.

Chairman Bolton

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Okay.

Jane Joyce

I will double check.

Alderman Deane

I would like to get that forwarded along because I don't remember what it was. If there is anything else Jane I am sure if invited you will come back right?

Jane Joyce

Absolutely.

Alderman Deane

That is nice. Thank you. Alderman McCarthy the other evening or other day you had asked questions pertaining to the comfort level of budget increase. If you don't mind I would like to go into discussion for a minute with Alderman McCarthy Mr. Chairman.

Chairman Bolton

Ask away. You have the floor.

Alderman Deane

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Thank you. I think it would be a good thing for us to do is to sit down while we are here and figure a number that we have a comfort level with of increase this year over last. I don't know how many people you talked to after you talked to me, but that way we can kind of get a range on where we are going and what we are doing. Alderman McCarthy had also mentioned some sort of process that he wanted to try to work with the Board with and I would like him to explain it

to everyone if he hasn't already.

Alderman McCarthy

I haven't actually had much in the way of other discussions. I had talked with Alderman Lozeau at one point, and asked him about a number he would be comfortable with. It seemed like it was a good thing to bring up at these meetings. Basically what I had asked in the memo is I think normally I would say we need to do something more akin to zero based budgeting and figure out what it is we want to do and figure out what it costs. At this point, I think we sort of need to work backwards because of the complexity of the problem that we have. What I had suggested is the first step would be to figure out – and to do this we need to spend some time with the multi-year projections, figure out what we think we want to look at for a tax rate increase this year, and make sure that we take into account downstream affects. From there we can get to a number that we think the bottom line of the budget has to be at. I think what we would have to do from that point is I would like to see us collect up a set of ideas that exceeds that amount. We can do that in a number of ways; there are the traditional line item cuts that we look at – I think there are some of those that are legitimate. I don't think in total they come to a huge percentage of the problem at this point.

Alderman Deane

But it is so much fun.

Alderman McCarthy

For sufficiently large definitions of fun yes it is. We can go back to the Division Directors and say if we asked you to take this much out of your budget what would you get rid of and what I think is unfair is to just simply say how would you sweep that under the rug because I don't think we are talking about numbers where you can say I will just absorb that and make the cuts. Things like the 1% cut the Mayor had asked for some divisions can easily move things around and other even have trouble with that. I think we have to acknowledge that when we ask for substantial cuts something that is visible will go away as a result of that, and I would like to understand what that is.

I also would like if we have things we think are low priorities for the Board let's investigate what those things save us if we get rid of them. At the end I would like to have a set of options on the table that we can in some cases reluctantly, but perhaps agree to say here is the service we will stop offering to our constituents and here is what it will save them in their tax bills and move back to that number that we looked at. Maybe also when we get down to that point we decide we weren't quite on with the number we agreed on to begin with and we may adjust that. I would like to get to a point where we can start talking about from a programmatic standpoint what we are doing.

I think the worst thing we can possibly do is to just take a deep cut and peanut butter it across

the budget and say we're just going to cut a percentage out of each of these things because what you wind up doing is doing a lot of things really poorly when you do that. We would be better off to take some of the things that we do that we feel are important and continue to do those well and take some of the things we think are of less value or of impact to less constituents – if we are going to get rid of things we ought to get rid of the things we can no longer do effectively or efficiently and recognize the savings from those program cuts.

I think we can do that in an abbreviated form this year by some of the things that I have asked. I think it will take us a couple of meetings to do that. We probably want to have some discussion of the tax rate and what that yields in a budget number – that would probably take some amount of time. I think from there we will want to ask about some of those suggestions for reductions from the Division Directors. In some of the discussions I had with the Division Directors, they are not opposed to coming up with changes. What they don't like is when we go to them and say take away the resources, but don't take away the work. If you go back to them and say what can you get rid of to save us money and what will happen if we don't do it I think we will get very good answers to that from some of our Division Directors about options that we can put on the table that we, as a policy setting board, can then say we don't want to do that any more because it is too expensive. We need to cut that out of the budget. I would like to get an array of those basically that exceeds the amount of money we are looking to reduce so that in that process we will get a lot of things that will be of varying importance to various members of the Board and hopefully we can reach some agreement on the ones that the Board feels are of the lowest priority in its eyes to the constituents that we represent.

Alderman Deane

I think it is a good idea. I don't know how the rest of the committee feels. The only one other are that I had requested is to have Ms. Jeffries come in and discuss that 508 account. The Actuarial report is in – 18.8% increase. What did we budget it at?

Carol Anderson

Originally it was 12%. ... **tape inaudible – speaker away from microphone** ...

Alderman McCarthy

Can I just ask what that is in a number?

Alderman Deane

Four million dollars.

Carol Anderson

Yes it is. A little in excess of the \$4 million. The plan would be to put some monies aside to replenish that self-insured fund. We have some ideas on how to do that, but the gross plan I think came in at about \$28 million for all health insurance costs, and then we have grants that we have to offset and employee contributions. That is what we are looking at.

Alderman McCarthy

We are looking at approximately a \$4 million shortfall in where we are now.

Carol Anderson

About \$4.5 million.

Alderman McCarthy

Which is better than we thought it was at one point a few weeks ago as I recall.

Carol Anderson

There is half a million because I mean – we still need to replenish that self-insured fund. We need to put something in that unallocated portion so even with the \$4.5 million we need to have that buffer there for anything else that might be coming in.

Alderman McCarthy

I think at one point we thought that might be as high as \$6 million.

Carol Anderson

When you look at the report initially that is what it looks like and then you take out the grants so then you are around \$5 million, but that is very close. It came in about ...

Chairman Bolton

What this committee has been told and we have been told a lot of things, but the highest number we have heard before tonight is \$4 million. The most recent number we heard was \$3 million so if it is \$4.5 million that represents a 50% increase over the most recent estimate.

Alderman Deane

Along with the '05 issues.

Carol Anderson

The '05 issues – oh to pay for '05 in '05 we need to take care of that, but then what I am saying is ...

Alderman Deane

The '05 and the '06 is about \$8.6 million combined correct?

Carol Anderson

No it was less than that. Are you talking about where the costs are coming in now?

Alderman Deane

Yes. When are we going to get that information? Is that done?

Carol Anderson

A little over \$7 million between the two.

Alderman Deane

You still have some quarters coming back in, but ...

Chairman Bolton

It is actually more than that though because we are going to be short like \$3.5 million in '05 and then we have to make up that whole \$3.5 million in '06 before we even start on the 18% increase.

Carol Anderson

Right, but the ...

Chairman Bolton

By the time you add it all up it is like \$11 million.

Carol Anderson

What we are hoping for is that in the next couple of months that those costs are not going to be – we had one month where it seems like the costs now have stabilized. Then April looks like it has too. I had some other bills given to me today. It is very difficult because just when you think things – you expected them to continue to rise and it looked like they started to come down, but

we have some other bills that have come in. Someone told me some of those bills are back to March so now I have to put those in and see how those come out.

Alderman Deane

Yeah, but Carol that is all wishful thinking after the mistake was made. That is like rolling the dice – these numbers have to come down/oh please come down. If you go back to the projection that was done by the consultant those numbers are ...

Chairman Bolton

You are going to have a substantial portion of another meeting devoted just to this subject.

Alderman Deane

I would appreciate that. I would also ask that – we were told that the data to help with Step 2 of the assessing updating would be pretty much trickling in by April 1st. Today is the 28th. Where do we stand? Carol can you find out where Maureen is with that?

Carol Anderson

Yes.

Alderman Deane

I think that is another important thing that we have to look at. I had numbers that were given to us that are different from what they are publicly stating at 85% now. That is not what they told us. I want to make sure that the numbers that they are telling us are correct.

Carol Anderson

She is out the rest of this week, but she will be in on Monday. I will check with her then.

Alderman Deane

Thank you very much Carol.

Chairman Bolton

Anyone else? Does anyone have a motion?

HELD IN COMMITTEE

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**

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

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ADJOURNMENT

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**MOTION BY ALDERMAN CARDIN TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 11:05 p.m.

Alderman Paula I. Johnson
Committee Clerk