

A Public Hearing was conducted by the Budget Review Committee on Thursday, May 5, 2005 at 7:00 p.m. in the Keefe Auditorium at the Elm Street Middle School.

Alderman-at-Large Steven A. Bolton, Chairman of the Budget Review Committee, presided; City Clerk Paul R. Bergeron recorded.

The roll call was taken with 11 members of the Board of Aldermen present; Alderman LaRose, Alderman Cardin, and Alderman Gage were recorded absent.

His Honor Mayor Bernard A. Streeter, Administrative Services Director Maureen Lemieux, and Financial Services Director Carol Anderson was also in attendance.

Chairman Bolton

At the front of the room on the right there are some additional copies of the budget compilation that was originally presented to the Board of Aldermen at that table but also in the back as you entered the hall there were copies of some other documents, most particularly the memorandum dated April 29, 2005 which represents the Mayor's latest suggestions to the Board of Aldermen for amendments to that budget. There was some other explanatory material as well.

Tonight I'm going to ask first for the Mayor, assisted by Mrs. Lemieux and Mrs. Anderson if he wishes, to give a short summary of where things stand with his proposed budget now and with his suggestions for further changes. Once that has been concluded, we'll open the public hearing section of the evening. What we are going to do is just allow people to come forward to the microphones at either aisle and make whatever comments or ask whatever questions they have as to any area of the budget. So, we'll ask people to speak one at a time. Once having finished, to allow everyone else to speak once before attempting to speak again.

The proposed public or the public hearing is on the proposed budget, and the suggested amendments, certainly if anyone else has further suggestions we'd be glad to hear them, but we are not here to engage in adnominal attacks or general undeclarous conduct. So if we can try and limit the remarks to the budget and to suggestions to improve it as well as related questions concerning its impact on the tax rate this coming year as well as future years, I think we'll all be better off. With that, I'll ask the Mayor to make whatever presentation he wishes.

PUBLIC HEARING ON FISCAL YEAR 2006 PROPOSED BUDGET AND PROPOSED AMENDMENTS

R-05-184

RELATIVE TO THE ADOPTION OF FISCAL YEAR 2006 PROPOSED BUDGET FOR THE CITY OF NASHUA GENERAL AND ENTERPRISE FUNDS

Mayor Streeter

– Thank you. Members of the Board of Aldermen, members of the public that are here this evening, and viewers of TV 16.

At the request of the Budget Committee chair, I am here this evening to discuss my FY-06 Proposed Budget; changes in our financial forecasts since February 22; and most importantly my suggestions for further amendments to my proposed budget.

You will recall that back on Feb. 22nd of this year I formally presented to the Board of Aldermen my '06 Budget. That was the earliest submission of a budget to the Board of Aldermen in the city's history ... a full 2 months before the normal Mayoral submission in late April.

And although this decision was made with good intentions with the thought of having the budget approved by early April, in hindsight, it probably should not have happened.

The early submission was in response to the Board's concern that the FY-06 budget might include budget reductions in the school dept that perhaps would have resulted in school officials "pink slipping" personnel.

This concern has also resulted in a proposed charter change that has yet to be acted upon, mandating an earlier budget submission in spite of the fact that school "pink slipping" hasn't occurred in the past 10 years!

To submit a budget to you in February required us to begin the budgetary process in late November and complete the process in January.

The City of Nashua is a \$225 million dollar corporation. We provide many varied services to our 89,000 residents and our 13,000 school children. Preparing the City Budget has become an extremely complicated process while forecasting the tax rate has become even more challenging.

We face many variables when we begin the budget process. And quite frankly, we were naïve to think that we could accurately predict these variables back in December and January when this budget was being formulated.

This was a lesson well learned. If any good has come from this frustrating experience, it is the knowledge that we tried this experiment prior to enacting a charter change.

What I would like to do now, is take a few moments to discuss those variables that we have been dealing with over the past month, and which I might add, will continue to challenge us for

the foreseeable future.

I presented to the Board of Aldermen a proposed budget that was based on less information than was customary in previous years.

For example, in the area of the cost of our self-insured employee health insurance plan we did not have the luxury of adequate FY-05 health claims. In previous years we had a health care cost history for a minimum of 8 months rather than the 6-month history we had to work with this year.

On this point I wish to digress from my remarks.

I not only refute but am outraged what has been alleged publicly in the media by certain members of the Board of Aldermen, some members, and in a letter to the editor this past Sunday by a former alderman who didn't know what in the world he was talking about other than maligning a dedicated city official.

There was no attempt whatsoever by anyone in my administration to "fudge" or purposely under inflate projected '06 health insurance costs. For anyone to say or even allege this is acting in a highly irresponsible manner.

Back on track ...as you know we have a much-publicized escalating insurance cost situation that we brought to the Aldermen's attention the minute we became aware of it.

While we now realize we should have budgeted anywhere between \$1 to \$1.5 million dollars more in FY-05 than we did, the challenge we face today, is our FY-06 insurance costs are estimated to increase by approximately \$5 million over and above what we will be spending this year. The escalating insurance costs will be responsible for approximately a 3.5% increase in property taxes.

The skyrocketing cost of the American health care system is a national problem. Here in City Hall we are no different than any other organization grappling with this problem. But, our valued and dedicated City employees are not the villains and are not to blame for this situation.

Although many of our employees do enjoy favorable cost sharing benefits, a full 30% of the total cost of insurance is borne by the employees, retirees, and grant funded positions.

Having said this, there were other pressing budget items that were beyond our control back in December and January.

For example the school funding issue was just being discussed in January. Our newly elected Governor told me and others that he would do all in his power to see to it that our city did not receive any less than what we received in FY '05. So initially we budgeted \$28 million from the state.

However, during the past 4 months the House of Representatives did not share both the Governor's and our Nashua delegation's concern and instead passed an Education Funding Package that went to the Senate that if approved by the Senate will result in our city receiving something less than \$25 million.

While this translates into a reduction of a minimum of \$3 million dollars, I want to publicly thank the Nashua delegation to the general court for their continuing and very strong efforts on our behalf of our City.

Additionally, the City is now recognizing the increased costs for the expansion of the lined cells at the Four Hills Landfill as well as the closure of the fully utilized section. This increased cost of debt combined with a reduction in tipping fees to be more competitive with the private sector, has generated our "Solid Waste Deficit".

This does not come as a surprise to anyone of us who have been involved in city government. The Board of Aldermen has known about this for at least 10 years that this day was ultimately coming.

If we accept contract trash of up to \$2 million dollars as I have proposed over the next 5 years, and if NH DES approves all permitting options, we estimate the landfill would have a useful life expectancy of approximately 43 years as of March 2005 at current fill rates. I firmly believe this is a reasonable tradeoff. However, the Board of Aldermen has refused to consider that proposal, a move that will add an additional 1.2% to the proposed tax rate increase associated with the budget I presented in February.

Just to reiterate, the extremely early submission of the FY-06 budget as dictated by this board, that I agreed to, had: insufficient health care cost figures, less state education funding that we had anticipated, additional land fill costs that frankly were not addressed years and years ago when they should have been, and a higher than expected increase in state pension costs that we had no control over whatsoever.

These were the significant factors that resulted in us having to amend my original FY-06 budget submission to reflect these rising costs.

Having said that, my revised budget submission does not affect the overall quality of services we provide to the citizens of our city, and it does not call for a reduction in personnel who provide these necessary services to our citizens in a dedicated and exemplary manner.

It does reflect a very modest increase in each of the city divisions' operating budgets. And it reflects my commitment to honor union contracts that were approved by the Board of Aldermen.

It reflects my commitment to continue to provide necessary services including public protection, education, public works, public health, community and economic development and a top quality library.

You will hear this evening from some that my proposed FY-06 budget is too fat and it does not cut deep enough.

You will also hear from others that it is too lean and does not provide adequate funding to keep our city on the cutting edge of providing quality or even necessary services to our citizens.

However, what you will hear from me and members of my administration if asked, is that my revised budget does provide adequate funding to operate our city during the next fiscal year. It is a lean budget.

Based on the fixed costs that I have already mentioned plus the revenue measures that I will propose: including transferring \$3 million dollars from the waste water fund to the solid waste fund to pay for costs associated with a CSO project that uncovered asbestos on city-owned property, and several others that I'll mention, I feel we have a budget that meets the needs of our citizens.

However, let me be more specific:

My recommended reductions to appropriations include the following:

1. A 1% reduction in my original proposed budget of the departmental operating budgets.
2. Elimination of the FY-06 Salary Increase for all Merit employees.
3. A \$217,000 reduction in the Capital Equipment Reserve Fund Appropriation.
4. Elimination of the funding to support the FY-06 salary increases for all contracts that were not settled as of the date of the submission of my proposed amendments.
5. Elimination of the following capital projects or portions thereof:

DPW Sidewalks reduced by \$150,000

School Dept Deferred Maintenance reduced by \$200,000

DPW Allds Street/Salmon Brook Guardrail reduction of \$145,000

And the City Match for Rotary Common, which that match is no longer needed at \$50,000.

In addition I propose additional appropriations as follows:

Fire Department Deferred Maintenance at \$100,000 that was inadvertently omitted from my original submission.

Enhancing our Water Supply Acquisition efforts with additional funding of \$300,000.

My recommendations for Revenue Increases are:

Solid Waste Enterprise Fund Reimbursement, as I mentioned from the combined sewer overflow project, for "Majestic Heights" totaling approximately \$3 million.

Elimination of Solid Waste Tipping Fee Residential Credits for Apartment buildings of 30 units or more that will total \$350,000.

Establishment of an additional \$5 motor vehicle registration fee authorized by the state that would be dedicated to road improvements amounting to \$450,000

If all of my suggestions are accepted as presented, it is our expectation that the tax rate increase would approximate 6.2 %.

In conclusion, when contemplating the options available to me I set the following priorities:

I would do everything in my power to make recommendations that would maintain the quality of services that we currently provide our citizens.

I would not make recommendations that would intentionally affect our valued employees by causing a reduction in force.

Following this evening's public hearing it is my fervent hope that this budget wrap-up process will begin to move forward and that we have the FY-06 budget in place no later than August 1st or hopefully July 1st.

Thank you.

Chairman Bolton

Thank you, Mr. Mayor. While I'm sure that there are people that will agree or disagree with much of what you said, I feel like I must correct one thing. The Board of Aldermen did not refuse to consider your plan to bring in rubbish from outside to our landfill. The Board of Aldermen considered in detail and then rejected that plan.

We'll now proceed with the public hearing. I'll ask those who wish to speak to come forward and approach the microphone at the head of either aisle. Before beginning your remarks, give your

name and address. Anyone wishing to speak on any portion of the budget please come forward.

Public Comment was Offered by the Following Individuals

Fred Teeboom – 24 Cheyenne Drive

My name is Fred Teeboom. I reside at 24 Cheyenne Drive. I have a brief statement to make, since apparently we're not going to go to every item in the budget. So this being a second budget hearing, I think we're supposed to make general comments. The current budget fiasco – a very large and unacceptable tax rate increases is a result of years of uncontrolled spending. With the administration and Board of Aldermen taking the easy road of agreeing to every City union demand no matter how outrageous. Funding every request for additional positions. Pushing salary ranges ever higher. Increasing cycles of more spending are followed by more bonding, are followed by more spending, are followed by more bonding. The blind dependents that the free Claremont money – millions - will just keep on coming and coming in ever larger numbers. The reluctance to outsource services which can be performed for much lower costs without the need for City employees and their expensive overhead and union contracts. The result of all of this regard, of this neglect, of this inattention of fiscal responsibility has resulted in less and less discretionary spending having much of the budget now tied up into labor contracts and other fixed commitments.

One example, insurance costs, which appear to now exceed \$10,000 average for employee in health insurance alone. With golden Cadillac policies like Blue Cross/Blue Shield POS being even much higher that's \$10,000 average. Through accounting of the insurance costs cannot be found in the budget book since specifics are simply not reported. And we wonder why we have a problem with the insurance.

Another example, explosive personnel growth far outstripping the rating of increase in the population of Nashua. Consider that 10 years ago there was no Claremont gift money; no separate quarterly fees for sewerage disposal. While the Board then complied year after year with the spending cap without the need to override routinely. The difference between these earlier boards and the current board is simply put fiscal management have fiscal responsibility and the lack thereof. The near term solution to the current mess is really very simple. Consider that every one percent decrease in the tax rate represents \$1.44 million reduction in the budget. Or stated another way, every million-dollar reduction in the budget lowers the tax rate by 7/10 of a percent. I'm going by Maureen's own spreadsheets.

To reduce the tax rate from 12 percent – now 12 percent was reported by Maureen to the Board of Aldermen following the public hearing when she represented about \$9.5 million of additional spending over and above the budget that you see on the table. That decrease was a 12 percent tax increase. Now if you bring that down to a reasonable number, now what's a reasonable number? A reasonable number is not 6.2 percent that the Mayor just mentioned or I quickly calculated it myself to be 6.8 percent using the figures and the rule of thumb I just used. The reasonable number is 4 percent. Four percent is still above the rate of inflation. Four percent is

still above the spending cap limits; and four percent is certainly above the 3 ½ percent that the City of Manchester sees in their budget increase. Now what's the City of Manchester doing that the City of Nashua cannot do? The answer, of course, is what I already renumerated. Lack of responsibility in the fiscal management of this City.

Now let's take a look at this. Twelve percent is a current number, not counting the Mayor's, the current budget sitting before the Aldermen on that table with the additional spending projected by the City represents a 12 percent increase. If you bring it down to 4 percent, which I think is a reasonable number we can live with, you have an 8 percent additional reduction. You've got to reduce the budget by 8 percent. That represents \$11.5 million. \$11.5 million this budget needs to be reduced by to bring it within a reasonable status. The 11.5 percent represents a 5 percent reduction across the board in a combined annual budget, which happens to be \$224.8 million, or a 5 ½ percent reduction for the operating budget, which is \$210.8 million. So the answer is reduce the budget that you see today in that book before the Aldermen by \$11.5 million, or by 5 percent across the board, or 5 ½ percent across the board depending on which of the budgets you use. The Board of Aldermen can direct the cut in each department to achieve a total of \$11.5 million. They can direct it across the departments to say that's the cut we need to see. It's up to departments to manage those cuts. They can direct it evenly across the board, and they can tell the Mayor cut \$11.5 million.

It is up to the Mayor and all the managers to manage it. The Mayor is a manager not the Aldermen. The Aldermen set policy. But the manager is the Mayor and his staff. It seems that these roles seem to get confused here. Some aldermen want to continue to micromanage this budget voicing lofty sounding but fuzzy policies of strategic objections. This is like (inaudible) on a sinking titanic about tonight's seating arrangements for dinner. The time for these fineries have past. First, this ship needs to be stabilized. Even if you look at all the cuts recommended by the Mayor plus the \$3+ million that we find suddenly in having polluted asbestos filled waste somewhere in the site gets dumped to the landfill and now he's taking money out of the wastewater treatment plant money and putting that money into the solid waste money. This is shuffling money. It's really not saving anything. What it is doing is filling the landfill faster. What is the cost of that landfill? It's enormous. Once that landfill is filled, there ain't no other landfill unless you line another landfill, which you know is very expensive. I don't understand that \$3 million savings at all. It seems to me that the contractor – the contractor that did the job, that took that fill and sold it to the Majestic or whatever its called, private (inaudible) is fill, and the fill was sold as polluted fill. That's not the City's problem. It's the contractor's problem. He bought into this thing. Don't understand it. It's just part of the mismanagement, part of the fiscal lack of responsibility.

Now, I personally have little illusion given the past history of this Board that they will do the right thing. That they build a simple (inaudible) but necessary solution I suggest. Namely cutting across the board \$11.5 million. There is no Winston Churchill to lead this Board. There is no George Washington to preside over this administration. There is no Thomas Jefferson to instill the needed wisdom of persuasion. So I announce tonight the creation of a restore the cap organization, which I have funded several thousands of dollars to see capital, which I hope to

grow into a sizeable sum of money exceeding well over \$10,000 to start with. Maybe more. With the objective to push a citizen's petition...

Chairman Bolton

Hold on please Mr. Teeboom. Stop please.

Fred Teeboom

...and get the spending cap restored...

Chairman Bolton

Mr. Teeboom. Mr. Teeboom. Stop please. Your point of order Alderman McCarthy?

-
Alderman McCarthy

-
(inaudible).

Chairman Bolton

Mr. Teeboom.

-
Fred Teeboom

This is a public hearing, Sir, and my comments are public. You are not going to tell me what my public comments should be especially the Chairman of the Board of Aldermen who got us in partially guilty of getting us into this mess.

Chairman Bolton

Mr. Teeboom.

Fred Teeboom

Now I'll finish my remarks. I'm almost done.

Chairman Bolton

We will have order here. We will not have people shouting things out. If you will let me finish, I was going to tell Mr. Teeboom, and I will tell him now, that he can finish his remarks because I think they are germane to the budget. But I would appreciate it if you would try and wrap it up with some dispatch because there are other people who want to speak as well. Thank you sir.

Fred Teeboom

I'm almost done, Mr. Chairman. So I announce tonight the creation of the Restore the Cap Organization, which I have funded with the seed capital to be grown into a sizeable war chest with the objective to push a citizen's petition and get the spending cap restored without the loopholes through its sleazy bureaucrats have sought to constantly undermine Nashua spending cap and the citizens that voted for that spending cap which has directly, DIRECELTY lead to the current budget chaos. Thank you very much.

Chairman Bolton

Whoever wishes to speak, you should come forward. I meant to make mention earlier on that Alderman Gage arrive while the Mayor was speaking.

Debra Rapsis

My name is Debra Rapsis. I reside at Blanchard Street here in Nashua. I was born in Nashua, and I continue to reside actually in the house I grew up in.

First of all I must say Mr. Mayor I heard your comment and as you nobly defended your city employee and your outrage out the attack that was done. However, I think the only people who have a right to be outraged are the taxpayers in this City who look to you as a leader whether we voted for you or not, you are the leader of this City and you have failed miserably. To point fingers between the Aldermen and back and forth, that's rederick. It does not get us out of the situation.

My tax bill when you started as Mayor was roughly \$4,200. As I say I live off Lake Street. I don't think it is a particularly exquisite neighborhood. I don't think anybody would challenge me that I live in such a plush area that the quality of my life deserves my tax bill to be nearly \$7,000 today. I have not had a remodeled kitchen or bathrooms. My windows need to be replaced. Talk about leasehold improvements, and yet none of those things have been able to be done and my tax dollar continues to get stretched. I further resent that even though health insurance costs, as you stated are an epidemic in this country and they were being raised, your response immediately was that would raise the taxes 3.5 percent right there. That's not responsible. That is not responsible because there's an increase you think there is an unlimited reserve of capital from the taxpayers of this City to be forthcoming with that money. You must be creative and if it means cutting back, then I would hope that you would do so.

My final comment is merit raises or not, the administration – all of your managers have failed. And as such because they have not done their job, it's not even a question that they should get a raise. I am not – I am not, and I really want to be emphatic about this – I believe our workers in this City do work hard. I believe that our firefighters, our teachers, our policemen are dedicated to their task and that they enjoy what they do and they do so for the betterment of this community. But as such, it does not mean that we have unlimited funding to just put out

whatever the demand is. To think that everyone in this City can cough up the sizeable increases simply because you know no other way to cut back is not acceptable. Thank you.

Lisa Pelovitz

Hi, good evening. My name is Lisa Pelovitz and I reside on Scott Ave. here in Nashua. My purpose for being here tonight is really very simple. I'm here to express concern about the proposed school budget cuts. In particular, the loss of busing to the high school. So I have a few questions that I'm hoping can be answered during tonight's discussion. What is the logic behind the elimination of the busing? What is plan b if busing does get cut what are parents to do in terms of getting their children to and from the school? Have the cost associated with eliminating the busing been truly assessed in terms of impacted traffic, I'm sure you'll need additional police to direct the traffic, truancy officers – I'm hoping you can just shed some light on this topic.

Chairman Bolton

Is there anyone from the School Department that can address those questions? The microphone on this aisle would be available.

Scott Cote

Mr. Chairman, my name is Scott Cote and the Chair of the Board of Education Budget Committee. The question, as I understand it, directly related to why we decided to recommend the elimination of busing at the high school level.

Chairman Bolton

The logic behind it, and are any sort of remedial measures going to be introduced to help cope with the situation.

Scott Cote

As you know, we were requested to reduce our budget an additional 1 percent beyond the reductions that had already been made by the department. With that, we face the task of trying to find roughly \$860,000 as well as a fair amount of money associated with contingency negotiations. We directed the administration to provide us a list of items that were no longer required or not required by law to be provided by the School Department. On that list the only sizeable item that was before us was either the entire elimination of athletics, which represented roughly \$900,000, the elimination of busing at the high school level, which represented \$537,000, and a few other items associated with that. We also recognized the fact that those cuts that were already before us and the additional cuts that were now before us, we were told directly by the Administrative Services Director in a meeting that any of those funds that were cut

would never be restored. We have approximately \$700,000 for curriculum development. We have 5 schools within the City that are now categorized of being in need of improvement based on the No Child Left Behind Law. We had terrible concerns about making cuts in our advancements for curriculum development as a result of the fact that those schools are falling behind. We have reduced roughly 47 positions throughout the district that include paraprofessionals, teachers, headmasters, and a number of other positions. We have started to drive the student/teacher ratio levels at the high school well above 30, and those at the elementary school above a level that has becoming concerning to us. Particularly in those schools that are not meeting the No Child Left Behind Act. We feel as though as a board we are faced with no other choice. We need to start to ensure that we continue to provide the curriculum advancements that need to happen to ensure the children get the education. We understand fully that the elimination of busing at the high school level will cause countless problems for people. It is not something that we want to happen. We truly do not. But faced with all of the choices that are before us, we truly believe right now that we have no other choice. I hope that answers the question.

Chairman Bolton

Thank you, Mr. Cote.

Lisa Pelovitz

If I might have a follow-up questions. It just begs the question as to what group in the City is it just left up to the parents to come up with a plan b. Is there some assistance here? Because I know leaving work at 2 o'clock in the afternoon to pick a child up from the high school is most likely not an option for most people.

Chairman Bolton

I don't know if there is an answer to your question.

Lisa Pelovitz

Thank you. My concern has been expressed.

Chairman Bolton

We understand your concern. I think many of us share that concern.

Kathryn Lewis

My name is Kathryn Lewis. I live at 9 Olympia Circle. I am here also to express concern about the elimination of the busing to the high school as well as the sports proposal. It's not clear what exactly is being proposed in terms of payment for belonging to a sports association, but I am

here to say that as a parent of high students as well as elementary school student, I object to the elimination of busing to the high school.

Chairman Bolton

Thank you.

Tiffany Lethbridge

My name is Tiffany Lethbridge. I live at 4 Buker Street. I've been sitting in some of the recent budget review committee meetings. Some things have peaked my interest and I have some questions. First of all, one of the departments that has been looked at is the Legal Department. What funds specifically will be cut from there? How will this impact the City of Nashua? The Legal Department is very important, and if we cut certain funds from that department, it could harm the City. That's just something that I think should be looked at when evaluating what will be cut and what will be left.

Also, another department is welfare. There are many people who need welfare. There are many people who live on welfare because they don't have any other options. There was – just give me a second to find this – 6.76 percent of the welfare budget will be missing with some of the things that have proposed. I personally think that we do need to get out of this deficit, but we need to look at certain ways that this could impact this City. Losing 6.76 percent of the budget from welfare could definitely impact the City in bad ways.

Also, with the buses, on one of the sheets that was handed out - \$95,000 of revenue comes from these buses. If we are trying to get out of debt, we should be looking at ways, or I think, that we should be looking at ways to reduce how much money we spend without cutting sources of revenue. Thank you.

Chairman Bolton

Thank you.

Jean Bennett

Good evening. My name is Jean Bennett. I live at 15 Rene Drive. I'm also here to address the issue regarding the bus transportation for our high school students. I'm also a guidance counselor at Nashua High North, and I have two children in Nashua schools. I have a 7th grader at Elm Street and a 10th grader at Nashua High South. Some of these things that I'm going to talk about have been addressed, but I'm going to kind of read through what my concerns were. I know that Mayor Streeter you had said in your discussion at the beginning of the evening that something to the affect that the budget cuts do not reflect a diminished quality of service to our community. I guess as far as being a parent and also a school personnel, I would disagree with that regarding the task that the Board of Education had regarding a 1 percent cut in their

budget. I think it does indicate that there is a diminished quality for our young people, and we really need to have a voice for our young people. So, many people have come up here with that concern as far as our youth in the City.

First and foremost, we need to look at the effect of eliminating transportation will have on our youth. We have many students who have struggled in our schools and are considered "at risk". The elementary and middle school educators in Nashua have worked very hard all the years for elementary and middle school to help all of these children and all these families in order to deal with our school system, in order to deal with the challenges and stressors that these children have. Then these children move on. The families move on. They graduate middle school. They go on to high school. We as a community are basically saying with the budget cuts that had been mandated to the Board of Education, basically saying we're not caring as much about some of our students. Really the students at risk, the families that have financial difficulties, those are the families that are going to be much more affected by not having the transportation and the bus transportation for our high school students. So I'm very, very concerned about what is going to happen with these students. These students that have struggled throughout the years who now do not have transportation, their families may not have the money or the means or the time to get those students to school. They have to find their own ways in order to get themselves to school through parents that possibly drive, car pools. The city bus, which certainly – and I looked at the city bus routes – city bus certainly is not an option for a lot of our students. At the Nashua High North School, the city bus does not come to the North school. The closest bus stop is at the Nashua Mall. So, when you look at getting dropped off at the Nashua Mall at 7:05, you can't get from a mile and a half from Nashua Mall to Nashua High North by the time school starts. So that is a huge issue for our disadvantaged families.

Second, without transportation, some students may not basically have access to the public education because of that.

Third, as it's been spoken about this evening, families that are not affected by financial constraints will, of course, also be affected. Parents would need to find ways of getting their child to and from school causing disruption, and work schedules, and problems supervising younger siblings that they need to be home with, and also even if more students are able to own a vehicle and drive to school, the high school parking areas are not large enough to give each student a parking space.

Lastly, as it was addressed earlier, what about congestion in Nashua? What will the streets be like in Nashua during the school day when hundreds more vehicles need to go to and from our two high schools in order to take the children to school? That is a major concern. Broad Street is difficult enough as it is for people that know that travel that route during the congestion times during school hours. It is difficult enough, and just look at how it would be magnified tremendously.

In conclusion, I urge you to rethink about the impact of the one percent cut in the education budget. I do think that this comes to the forefront here, Mayor Streeter, because you are the one

– my understanding is that said we need this one percent cut. I understand there is a huge budget issues through other departments, obviously, and there is other concerns certainly beside the school budget. However, we are looking at our youth. We are looking at our future. We need to give these children, these youths what they need in our City. I am very, very concerned about that. Thank you for your time.

Chairman Bolton

Thank you.

Melanie Levesque

Good evening Mr. Mayor and the Board of Aldermen and folks of Nashua. My name is Melanie Levesque. I am the first vice president of the Greater Nashua NAACP. I was told recently about the issues with the school budget cuts. The pay for play, the elimination of busing, and the cutbacks of lunches, and I was compelled to come this evening. I grew up in the Nashua schools. I went to Nashua High School. I played sports for Nashua High School and so did my sister. Cindy Perkins was on the basketball team with Tom Fagula when the Nashua High Girls Basketball were champions. The team were champions. She went on to WPI and she became inducted into the Hall of Fame at WPI for her sports abilities. We grew up in a single parent household, six children, and probably could not afford to pay for play. But we were fortunate enough to have sports in our lives. I think that is very key for the young people today. Sports is a way of integrating people of different nationalities, cultures, economics, and social groups. It also gives children a sense of pride, accomplishment, and belonging which is very important to them. In addition, it keeps them off of our streets. So another way to look at it is if we don't make the investment in our children, help them stay in school, they could be hanging out on the streets. The drop out rate could increase. Drug abuse increases, teen pregnancy, unemployment, and crime. I know I am painting a very bleak picture, but the bottom line is if we don't have something for them to do, if we don't have a way to get them to school and keep them engaged, it could lead to be very detrimental for them and for us in the long run. We need to promote strategies to keep our children in school. We need to promote education for all because we are not just competing for jobs in our country, but we are competing in other countries. If we don't have a good job pool, we will be part of another country.

I understand that we need to cut the budget, but the investment on our children is the best investment that we can make. I urge you to think about that as you look at cutting back on these items. Thank you.

Dennis Ryder

Good evening. My name is Dennis Ryder, 17 Charles Street, Nashua. Been listening to increases here proposed as 6.2 to 6.8 percent. A great many of your taxpayers here are senior citizens on fixed incomes. How on earth do you expect us to pay for those kinds of increases? Our only recourse if going to be to sell the house and get out of Nashua. You've got to find

some way to stop this out-of-control spending. I understand you had a budget crisis. You went up to 15 percent and 12 percent, but 6.8 percent is not acceptable. It is way too high. You've got to do something to ease the burden on the older people in your City. We don't share in the high school. We don't share in a great many of the sports activities that you are doing in the City, but we are bearing the cost of those things. If you want to spend money on all these things, find some way to isolate our income bracket and age bracket from these excessive spending habits. If you want spend the money, spend your money and not money. That's all I have to say this evening.

Chairman Bolton

Anyone else with comments on the budget and proposed amendments thereto.

Robert Hallowell

Robert Hallowell, 6 Chaucer Road. Rest assured to everyone here I respect Mr. Cote, but the cutting of busing and the telling you that we are going to have to pay for kids to do extra curriculum activity was designed to do exactly what it did tonight was to bring people out, to have them say that that can't possibly happen. But to address the woman's question about whether – what is the cost of doing that? Well if you do a back of the envelope calculation, if there is 2,000 students that have to find a way to school by having their parents drive them. Two thousand round trips – let's say the average person lives about 5 miles away; they've got to go to, from, and back. That's about 20 miles. Twenty miles is one gallon of gas. That's \$2 to go to school and back twice a day. Two thousand kids that \$4,000 a day. That's \$720,000 a year that you are taxing people in this State. I don't think the aldermen said cut 1 percent of the budget so that people could pay 2 percent more in taxes. That wasn't the intention. I'm not saying that we don't need to address those things, but the proper way to do it is to take the fee that the people had to pay, which is \$50, and increase it. If you look at even the parking fee that they pay, which is the same fee that pay for driving the bus - \$50, that is much lower than other schools. If you look in Massachusetts – Westford for instance, it costs \$300 for somebody to have a parking pass. That is a lot of money, but it is a privilege. It is not a right. There's a bus for them to run. My son is 16 and he just got his license. He's not watching, thank God, because he wouldn't be happy. But the point is that the right way to do it is to change that fee, not to stir everybody up and say there will be no busing because we know that is not going to happen. Other places in Massachusetts have done this. It lasts about a month, and the parents go nuts, and somebody finds a way to pay for it. So that is issue number one.

Mr. Mayor I'm sorry I came in late, but in your discussion of how we got to that 6.2 percent is the assumption still that we are getting \$25 million in school funding from the State?

Mayor Streeter

\$24.7 is the latest figure. However, the Senate hasn't acted. So we are still shooting for the \$24.7 million, which is a reduction from the \$28 million that we received last year.

Robert Hallowell

Okay. Fine, I thought it might still be 25 and the last I had heard it was 23.4, but we don't know what the Senate is going to be doing.

Mayor Streeter

Right.

Robert Hallowell

Now the other thing, and this has been something that it's not broken out in the budget, so if somebody could give me a number. How much money have we spent trying to take over Pennichuck Water Works? Ballpark.

Mayor Streeter

About \$700,000 so far.

Robert Hallowell

Do you have an estimate as to how much more it is going to cost us...

Mayor Streeter

As I mentioned in my remarks, we are putting in \$300,000 in the budget.

Robert Hallowell

Do we really seriously think it is only going to be \$300,000?

Mayor Streeter

That's our best estimate at this point from our consultants – both sets of consultants.

Robert Hallowell

I think the initial estimate was somewhere in the range of \$300,000. So since we've already spent \$700,000...

Mayor Streeter

I don't think that is a correct figure. The initial appropriation by the – the combined

appropriations to date by the Board of Aldermen are well over 7...about \$800,000.

Robert Hallowell

Right. I understand that. But I think initially when in the glory days when we thought this was going to be easy to take over Pennichuck Water Works I think the estimate was much lower.

Mayor Streeter

In...

Chairman Bolton

Mr. Mayor, I'd ask you to let the gentleman conclude his remarks rather than bicker over what the original estimate was. Thank you. Please go ahead, Sir.

Robert Hallowell

Here is an area where I think this is not something we need to do. This is something that we could decide not to spend our money on. If we start to look at that money, I could have buses for Mr. Cote to spend kids to school. I'm not saying that water isn't an important thing, but maybe there are other ways we can address it. Maybe there's other ways that we can make it so that Pennichuck can't sell our water to outside locations. That is a possibility that I don't think anybody really looked seriously.

Finally, I've been very disappointed in everybody in government. I've been to a few aldermen meetings, budget review meetings. I've seen the Mayor speak; I've seen the aldermen speak. I'd like somebody to step up and be a leader. Basically I've heard the aldermen complain that the Mayor was on vacation, which I go on vacation so I don't begrudge the Mayor on vacation. It didn't cause the budget problem. I hear the Mayor saying that the aldermen didn't do this; the aldermen didn't that. I don't want to hear who did what to whom. I want somebody to step up and say we are going to go through this budget and we are going to find places to cut. Now the other thing about the school department is I'm pretty sure someone told me that if we didn't hand out pink slips, and I don't want to get rid of anybody, but if we didn't hand them out by April 15th that we can't get rid of anybody next year. Now I think the prudent thing for the school department to have done is to have sent out those pink slips so that if we needed to we could have. They didn't do that. Instead they chose to cut busing and cut extra curricula activity designed to get people here complaining so that we can pay more money in our taxes. Thank you.

Tom Vaughan

My name is Tom Vaughan. I live at 6 Kevin Road. Just a couple of things. I think it is very easy for us as taxpayers to think about conspiracies and to think about how the school department

just cut transportation to get us all out so we'd complain so this budget wouldn't get cut. I happened to be at the school committee meeting, and I don't think that was the case. A bunch of serious people trying to make some very tough choices. I think we should probably stay away from that. I think in my estimation there is a couple of things that are driving our problems.

One is that the cost of health care is going up. As much as I'd like to blame that on Mayor Streeter, I don't think I can do that because it is going up nationwide. It is going up very quickly. The other thing that I think is driving a lot of our problems is that we are not getting enough money back from the State for our education. I don't believe I can blame the Mayor or the aldermen for that either. But we can do is ask them as serious people to try and make serious choices to help us manage these problems that are here and to note that these problems are not going to go away next year. They are probably not going to go away the next year after that. If we throw away the baby with the bathwater this year, then I don't know what we are going to do next year. I hope that people will think, and I hate to use this word, strategically or at least think about next year as well as this year. I'd like to illustrate that a little by going back to the School Board.

I think that the School Board cut, and I think that the transportation is a symptom of the fact that we are not longer cutting the fat. We are cutting muscle, we are cutting bone. I'd like to suggest that we had a bunch of turnover at high levels in the school department. I think that is a symptom that we are again not cutting fat, we are cutting muscle. We are doing that and I'm afraid we're going to keep doing that to the school department. I suggest that the schools are not just for my kids who had a good experience, but for employers who are going to locate to this City the first thing they are going to look at is, is there a good school system. IF there isn't they are not going to get people to come here. So think about that aspect as well.

My final point is that I see the aldermen and I see them seriously looking at things and inquiring and trying to make cuts. My one suggestion to them is that cutting a little here, a little there, a little over and over again is going to have the same demoralizing affect on the employees, and we are going to start having a lot of high level employees turn over. You need to make strategic cuts to cut decisively where you can and move on. Thank you very much.

Debbie Rosenberg

Hi. My name is Debbie Rosenberg. I live at 16 High Pine Avenue in Nashua. I have two children at the high school and one at the middle school. I am here to say that I do not agree with the Mayor's budget to cut an additional one percent on the City budget and to eliminate high school busing would affect us all. If this happens, how many children will be left behind. Extra curriculum activities help promote a well-rounded individual and after all, most of us had these opportunities when we were growing up. In conclusion, I'd like to say we should strive to continue with the best educational plan to help our children succeed; after all, they are our future.

John Panny

My name is John Panny, One Aberdeen Lane here in Nashua. First off I'd like to say to all our government officials here in town, I don't envy your position, but then again most of you have put yourselves into this position. To get by, we need to start thinking outside the box. We've used scare tactics in the past. Last year it was a matter which school do we close down? What do we do? This year my feeling is, yes, it is busing and it's cutting sports. If you do cut the busing, as people have said here, what are we going to do about the traffic? What are you going to do about other things? It is a scare tactics. There are other places you can look.

First off, we're looking at a new superintendent. Do we really need to pay \$175,000 for a new superintendent? I gladly volunteer tonight to take that job for \$70,000 plus incentives. Secondly, what says that a superintendent has to be a superintendent to take the superintendent's job? He has to be able to eventually get under a superintendents guidelines my understanding is. But from what I understand, we are looking specifically as a current superintendent to fulfill a superintendent's position. My request is that we cut the position of superintendent for one year – suspend it, and see what happens. To look at \$175,000 plus benefits, we are starting to get back into a significant figure for what could be getting money back for busing. Again, thinking outside the box. Thinking outside the box, what the Mayor ran into earlier this year when he provided his information in regard to the budget is it possible to change the City fiscal year so we don't run into that problem. What about using residual funding left over from the high school project? My understanding is from good sources that there is \$7 million left over from the \$143,000. What about Pennichuck high school? There was a \$3 million settlement. That's \$10 million, which is sitting around possibly in City coffers; I don't know what it is being used for. Is that available? What about sharing services? You've got maintenance services at the high school; you've got maintenance services in the DPW. What about people sharing these services? It's not a fun thing to have to cut people. I've been in situations. I've been in jobs where people have had to be cut. It is not fun. It's not happy. It's reality though. Jobs do need to be cut every once in a while. Is it cutting into the muscle? I don't think at this point the City is even close to getting to the muscle. We're very heavy handed on the management side in this City.

What about outsourcing service? Very unpopular. Possibly something which needs to be done to save a lot of money. Unpopular as it may be, outsourcing janitorial services in the future. A lot of janitors, a lot of custodians in the high school. It is a source of a lot potential resources. There are a lot of janitorial companies who would be more than willing to bid on a job at the two high schools.

One of the things that I don't appreciate is a simple answer to this current situation. I believe one of the things under discussion at another meeting tonight is selling off a parcel of land over on Gilson Road for \$100,000. My understanding is the land is probably worth more than that. I don't want to see the City going to the wholesale market off property of my own.

There's mention reducing busing is not an answer. Pay to play. What happens with parents who have a child go out for a sport and the child doesn't make the sport. Will the parent be reimbursed? Will the parents have a choice of who the coach is? If we are paying directly for it,

do we have more say in the activity?

As bad as this year is, future years look to get worse. You're going to be looking next year at I believe is the teachers' contract coming forward. The first contract at State level starts to being negotiated where give backs on the benefit plans that the unions have to have plan givebacks. On the benefit plan, your salary side would have to go up. I would anticipate...**end of Tape 1, Side A**...in the future years you will be looking at 6 percent increases for teachers' salaries and for other salaries across the board. This is a very steep increase, as they will be picking up their benefit plans, and the benefit plans will be built into that salary increase. These are not easy answers. There is no easy answer. You need to start making hard and difficult decisions. That is what our future is built on. The future is after all now; the decisions need to be made now. Thank you.

Joan Emile

My name is Joan Emile and I live at 71 Blossom Street. What I have to say, I'm sure, is going to be very unpopular. The first phase is busing should be increased in ticket prices. My son graduated from Nashua High in 1983 and we paid \$50 then for a ticket. The prices have not gone up and you shouldn't stop busing.

Second, I want to talk about the stipends you people give out. Nobody wants to take blame for it. I listen to you people on the TV. stations and all you hear is boom, boom. Nobody can say who has taken blame. Also, I think the insurance should be brought up for health insurance. We pay big prices for our insurances. The teachers and the whole public system that your employees get, some pay 5 percent, some pay zero. We pay \$6,400 a year for health insurance, and we are both retired.

Another thing is I'm not crazy about your landfill situation. I was at the DPW meeting and we were against it. I think it's just a quick fix for you people. What else do I have to say that's kind of unpopular? I wanted to say so much. I can't think of any more to say. Thank you.

Charles Dewitt

Charles Dewitt, 6 Beverlee Drive. I think it's ironic today that we sit here and talk about the school busing situation and the pay for sports situation, which is actually why I came here. Where the real is the huge increase in insurance costs and the insurance policies. That's where the money is. I just would like to know why isn't there more discussion tonight about how to resolve that situation? Making a one percent reduction in the education budget trivial and unnecessary. Could we have a discussion about that?

Chairman Bolton

We will listen to whatever anyone has to say. That's the purpose of the format. You can talk about anything you wish regarding the budget.

Charles Dewitt

So what kinds of activities are you people taking to reduce the health care costs, the health care insurance that is represented by a \$7 million increase in the budget? What sorts of things are you doing? When this happens in the private sector, the employees are expected to pick up a large share of that tab. That's happened at my employer. I'm sure that's happened at most of the employers of the people here. Why is that not the case here in Nashua?

Chairman Bolton

It is the subject of collective bargaining at every negotiation. So it is being addressed. It's not being addressed as fast as anyone would like.

Charles Dewitt

It is a contract and I understand that, but you also have a social contract with the citizens of Nashua. Doing things like saying you're going to cut the busing situation is a clear violation of that contract, which as many people have said, will never stand the test of time. So, that's really all I have to say.

Chairman Bolton

Thank you.

Sue Kearner

Hi. My name is Sue Kearner. I'm from 22 Walden Pond Drive, and also the Director of the Employee Assistance Program. I'd like to just speak tonight about a few considerations, and hopefully you might reconsider your stance on this. The EAP not only assists employees, but assists employers as well. It does provide and contribute to the bottom line. Consider the following information and think of this as an investment and the return that you get on that investment. The approximate number of employees on the City payroll and the school payroll are about 2,700. Alcoholism and drug addictions will affect a minimum of about 12 percent of those employees and their families. An additional 10 percent will have marital, family, emotional, legal, or financial problems affecting their behavior. Twenty percent of the total number of employees for both the school and the City is about 540. A conservative estimate of the loss of their productivity for their salaries is about 25 percent. If you consider an average annual salary of \$25,000, that's \$6,250 for each of those employees which equals \$3,375,000. If the conservative estimate of half of these troubled employees utilizing the services of EAP will have a potential to return these employees to full productivity. For personal problems of your employees and families, this may be valued at \$1,687,000 plus. Recovery from loss is harder to measure. Many of our corporations that we serve have found that early intervention and

utilization of EAP consultation and coaching have presented the loss of a key employee or contributed to the reduction of risk, or wrongful discharge, or EEOC complaint.

The approximate annual cost for EAP for these employees is \$20,000 annually for the City and \$48,000 annually for the Nashua School District. Southern NH EAP assistance to your organization has met or exceeded the above industry standards and has thereby saved a conservative estimate of \$1,687,000 in loss productivity alone. In addition to this, we've saved your organization costs normally associated with turn over in risk management. In fact, that's even if we have that. Put that in half, that's a return on your investment of 12 to 1. One hundred percent of the surveyed employers that we have served from your organization there's supervisors as well have felt our services were timely, private, helpful with concerns, and would return or refer a co-worker to EAP. We do not escalate health care costs. In fact, we do gate keep those. Most of the people that we see do not go on to receive further services through their insurance benefit. If they do, they are matched carefully. So where will your organization turn in the absence of EAP? Any business owner or organization needing to find help for a troubled employee with an urgent problem today would need to contact a mental health provider and arrange an evaluation or consultation. That would have to be on a fee for service basis. It is not uncommon in this area that access to such assessment might have a significant waiting period of perhaps up to a few weeks. In addition to a cost range of \$200 to \$450, each employee plus any medication, evaluation, and management costs.

What about the workplace? Does this employee's situation provide any risk to your business? To your co-workers? Or to the public? Does their absence affect productivity or add cost? How does their attitude and behavior affect the moral of their co-workers and the public? Does their problem present a safety concern? Will the mental health provider have knowledge of your organization, employee relations, and risk issues? Will they be available for supervisor and workplace consultation? EAP is a work site based service. Our counselors are familiar with employment law, labor relations, EEOC, ADA, OSHA, and the fiscal reality that you face. We specialize in the specific needs of your organization. We are able to balance and serve the needs of both the employee and the employer. Southern NH EAP is your partner in the productivity and health of your employees. Your most valuable asset. Is it your decision to eliminate their most cost effective benefit? Is this really the message you want to send to them and to their families? It's not only about drinking, depression, and mental health issues. What about the employees struggling with parenting, marital issues, divorce, domestic violence, housing, and chronic illness. Child and elder care issues. Financial issues. How about stress, reorganization, sexual harassment, and work place conflict. I can say we have that here. Is it your wisest decision to increase your risk and liability from your workforce or the public they serve? Is the message you want to send to the community and to your constituents? I urge you not to be penny wise and dollar foolish. Ask your human resource directors from the school and from the City, and ask your risk manager. You and your employees need EAP more than ever. I thank you for your consideration.

Chairman Bolton

Anyone else desiring to speak on the proposed fiscal year 2006 budget? I see Alderman Tollner has arrived.

Bob Burgess

Bob Burgess, 32 Bates Drive. I was listening to the Mayor's statement kind of disturbs me. One of the statements he said when the aldermen were notified of the problem we had with our health insurance. I remember watching that budget meeting that night. Mr. Mayor you were there and I think Maureen and Carol, you seem to get up and leave and then the bomb fell. I think it would have been appropriate for you to stay present unless you had preoccupied business to attend to. I think it was a real crisis that night. A good many of the aldermen were stunned. The timing I was kind of stunned because the week before we went out for bonding for the new fire station. I'm sure maybe the new fire station wouldn't have went through at that time. It's just strange how things happen.

This Majestic Height thing – I think we've got to look into this a little more thorough here. I think it's in the ordinance what we can use this sewer users fee money, and if this stuff was transported out of the City CSO thing, I'm kind of wondering why the material wasn't checked prior to it being trucked into another site for solid waste. I think whoever is responsible for that I think ought to pay the tab, not the sewer users fee. I think when the sewer users fee was put in at one time this used to be part of our tax bill. Then is escalated, and we are all well aware of this fund has been robbed before for different things like picnic tables and things, which I thought was inappropriate according to the ordinance too.

We talk about the \$5 fee you're proposing. It's coming up before the aldermen to tap on to the registration for road improvement. Well Mr. Mayor if we look at this thing coming out of Concord, this isn't road improvement. You can use this for the Tinker Road bypass, which is a sore spot with me. That the taxpayers should be funding a bypass road when the developer should have put it in not the taxpayer. It can be used for a parking lot. It can be used for a good many other things. We're taking money out of the budget for sidewalks and street repair, but yet we're tapping another \$5 on to the taxpayer.

I noticed the cable fee. We see that going up. A little to my surprise I happened to go to the cable company today. I was looking where the franchise fee is. This is a tax back to the City at 3 percent. Where you see a sizeable increase, I don't know if this contract is coming up with the cable company this year, I was wondering if somebody could tell me if it's coming up this year. Are we looking for a higher fee there?

I wish we could get the school department, Mr. Conrad I have a few questions here. I'd appreciate it if he could come up. Once again, it seems like the School Board is - I call it holding the aldermen hostage – to bring this crowd out tonight we hit the busing. I hope Mr. Conrad, is he around? Is Mr. Giuliano around?

Chairman Bolton

Mr. Burgess. Why don't you ask your questions and then I'll try and see if they can respond to them.

Bob Burgess

Okay. Let's get on to the class size. I want to know the class size. If we take all the class size and bring it up according to State standards, which are allowed I think it's with 25 youngster in the grade school, 30 in the high school. We see a good many of these class sizes way, way down. Could we have possibly closed a grade school and back then before we couldn't cut the pink slips, how many positions could have been cut if we brought all the grade schools, the junior high, the high school up to the State standards. The vice principles if we brought that up to State standards – one for every 500, how many positions could we eliminate?

Chairman Bolton

Mr. Giuliano, Mr. Conrad, do you know the answer to that question? If not, I think you could provide the information later. I know that is something that would take calculation. If you have it, it'd be fine. If you don't have it, you don't have it.

Joseph Giuliano

Joe Giuliano, Superintendent of schools. Relative to the enrollments, at the middle and the high school we are over capacity. That each of those middle schools and the high school, the 3 middle schools are over capacity at the present time, and the high schools are at capacity. We project that because of the two new high schools and the reconfiguration of the programs, you are going to begin to see more youngsters at the secondary level moving in. You do make a valid point at the elementary level. The class sizes are probably the best they have been in the last 10 or 12 years. The Board of Education over the last few years has been reducing classrooms at the elementary level. For example, we have reduced a total of 48 positions in the existing budget that is being proposed. Six of those are elementary teachers. You could pick up some additional teachers at the elementary level if you wanted to increase the class sizes to the maximum as you have just indicated up to 30. But to do that, you would have to redistrict the whole City, and redistricting the whole City becomes a very important item that requires a great deal of dialog with the community because it becomes very emotional when you are looking at neighborhood schools. The Board of Education currently has a city-wide committee called their "Vision Committee" that is looking at the demographics and the possibility of reducing a school in the near future.

Bob Burgess

You know, it is very strange. The figures I was provided in the middle school, the high school of core subjects are way, way down below the maximum. They are way down. Some of the grade schools we're talking about probably 18 or 20 kids to a class. Up in the high, I think some of

them in the core subjects are around 23. We can go up to what is it 30? The headmasters, there's no doubt we've gone through this time and time again, 1 for every 500. We could weed out some of these people on the top. Like I say, we got a budget crisis here and we've got to look at...I think you should provide this information to the aldermen. But now it is too late. April 15th ahs come and gone. This was the main reason we had this man present this budget ahead of time cause we could get control of the schools because the schools said – hey you're after the 15th you can't do nothing. Now we're sitting here tonight and we can't even provide the accurate figures on the enrollment figures. This is really an area that we really have to look at. Nobody likes to cuts class size. I'd like to give everybody in here everything they can get, but we just can't afford it.

Joe Giuliano

May I respond?

Bob Burgess

Very well.

Joe Giuliano

We have reduced 4 administrative positions in this proposed budget. Two of those positions are headmaster positions. Relative to class size, it's not as easy as you make it out to be, Mr. Burgess. We have certain courses that are purposes low, such as your advanced placement courses. But when you look at the total population divided by the number of staff people you have, you come out with a fairly large class size.

Chairman Bolton

Thank you.

Bob Burgess

While you are here, Mr. Giuliano, can you explain the dental plan? I'd like to know as a taxpayer, the taxpayers are paying 100 percent of this dental plan for the school system. This dental plan what does this cover? Does this cover braces? Does it cover the full works or what?

Joe Giuliano

The dental program, and that's really Mr. Conrad's expertise, but as I understand it there is a provision in the teachers dental program for braces, orthodontist. I just don't know the extent of that. What the percentage reimbursement is.

Bob Burgess

Thank you.

Chairman Bolton

All of this information Mr. Burgess is available. If you put in a request you can get it. But it's just hard for people to have every detail in their head when they are asked in such and such as this. If you put in a request, you can get all this information.

Bob Burgess

Don't worry. I've tried to get many requests all over this City. Some departments are like a stonewall. You just can't through to them.

The landfill, the Mayor said well if we go along with this brings in the solid waste we've got 40 years here. All the figures I hear of that landfill has got a 21 life span. I'm not for putting one bit of outside in here.

I'd like to ask a couple of questions to the police department please.

Chairman Bolton

Could you tell the questions, and maybe they'll know who the appropriate to answer them might be.

Bob Burgess

First of all, it's good to see you tonight Chief. I'd like to know how many officers we have that were shot and how many do you plan on that we're going to be retiring this year?

Chief Timothy Hefferan

How many officers we've had shot?

Bob Burgess

No, not shot. You know what I mean. Your full compliment of officers?

Chief Timothy Hefferan

We are authorized by the Commission 179 officers. We have budgeted 177. We currently have 172 officers. We have had an unprecedented number of retirements since last May. As of June 1st, it will be 16 retirements and we are currently down 5 positions.

Bob Burgess

How many do you hope to refill this year?

Chief Timothy Hefferan

Well we're down 5 positions right now. As of June 1st, we'll be down an addition I would look to hire 6 officers. It is so difficult to find them and to get good ones. I don't like to interrupt that process because it is a time consuming process just to recruit, hire, train, send them to the Academy.

Bob Burgess

So in other words this could be quite a drop in the budget this year if you haven't got that many that are budgeted in that thing, maybe we'd be paying out in the overtime. Is that what it is?

Chief Timothy Hefferan

Well there certainly is a correlation. When you are down officers, these are all essential positions. If someone calls in sick or takes a vacation, which they are entitled to, I can't just say Mr. Burgess we won't have an officer in your area tonight. There has to be somebody hired one way or another to fill that particular location. IF we don't have the personnel, we have to have a certain minimum amount of officers out there, and we do rely upon overtime in order to accomplish that.

Bob Burgess

I'd like to refer it to the officers when they are outside detail. I don't believe these are normally under the City jurisdiction. We don't see this money anywhere in the budget. I know we keep hearing well is this a separate account up there somewhere. It's probably in the range of \$2 or 300,000 a year. What I was curious now, this money these officers are making, which I believe is time and a half, I really hope that it isn't going into the retirement system where the taxpayers are paying for outside work or outside detail where this is bringing up their pension at the expense of the taxpayers if they are making money elsewhere. Could you address that please.

Chief Timothy Hefferan

I can. Time and a half for officers is when they are working department related overtime. That's if we hire an officer to work 8 hours to work a particular shift. The outside details that you are referring to I equate to when you see an officer working for Verizon, or working a construction detail paving. That is not time and a half. That is a flat rate that is set and it's a negotiation, part of the contract. Unfortunately I will burst your bubble that is part of their ability to retire. That's something that the retirement system has been allowing them to do across the State for years.

It has been discussed for years with respect to changing that because it does substantially inflate the retirement stipend that an officer leaves with. But the money that comes out of outside details is paid by the contractor, which one could certainly argue ultimately comes back to the taxpayer because they bid on these jobs through the City and they build in the cost of hiring officers. So it ultimately is paid by the construction, but honestly it does come out of the taxpayer who ultimately pays for that construction.

Bob Burgess

In this budget here, the average salary increase is 3.85. I see something like a cost of living wage in there. Is it more than that the percents going up this year? And the cost of living, how does that reflect on that?

Chief Timothy Hefferan

There should be no cost of living increase more than 3 percent. The patrolmen's contract, the supervisors' contract they end as of June 30th. So as of July 1st, there are no expected contract raises, cost of living raises expected at this time. Negotiations will begin shortly. There is one clerical unit, the Teamsters contract, that has approximately 22 people in it. They have one more year in their contract. I think the total dollar figure for their raises is about \$35,000 collectively for that entire union.

Bob Burgess

Thank you very much Chief. I wasn't trying to dodge you at the last meeting, but I was going a proper procedure.

Now for a few cuts. Every building in the City I think immediately once the temperature reaches 80 the air condition should be shut off. The library should be after 5 o'clock at night shut it down. We've got to make some cuts. Every vehicle that is in this budget coming up for new should be cut. I think it is important. I know we sit here and we talk about the bus – a good many can't afford to go, but as we look around I'm thinking of that senior out there. The one that is on social security. Just social security. Their Medicare supplement is \$2,500 a piece. If it's a husband and wife, it's \$5-6,000 a year. With this bus I believe if the parents had to pay this, I think it would be roughly \$250 a year. I think it is a drop in the basket when you look at some of these seniors. A good many of them had to go back to work to pay for their health insurance. It's either pay their health insurance and try to survive paying their taxes, or they are going to lose everything.

These health insurances, now let's get into a few of these. One of the local hospitals, I think, just came out recently and said that they are going to a private room. I don't know if we can get Mrs. Jeffery out here. These health insurance policies – do these pay for a semi-private room or can they get what they want as long as don't meet the fee, what is the story on that?

-

Chairman Bolton

Maureen, do you...

Maureen Lemieux

I believe it covers a semi-private room.

Bob Burgess

So if I worked for the City and went to a private room I'd have to pay the difference?

Maureen Lemieux

I do believe that is true. I don't know if Mrs. Jeffery is out there.

Chairman Bolton

She is.

Sue Jeffery

Sue Jeffery, Risk Manager. Yes, the policies pay for a semi-private room. If someone wanted a private room, they would have to pay the difference.

Bob Burgess

Thank you Susan. You are very generous getting information to the taxpayers. I've got to commend you once in a while I can say something good.

Let's look at the low end of the health insurance this year. I think this would be a good thing, I think The Telegraph ought to print this in the local paper to see what the taxpayers are paying for this health insurance. Now this is the cheapest plan out there. It's the new one, the Harvard 95/5 family plan. \$1,097 a month the taxpayers pay. The employee pays \$57.74. If you are single, the taxpayers pay \$406; the employee pays \$21.38. I think these figures are staggering. Going along with this, Mayor I know I believe you met with the unions Monday. Could you disclose if any of this came up. Like I say, I was a firm believer. I think the thing probably to do to go after the union and the employees was freeze the wages for a year, increase their share of the health insurance by 5 percent. Like I said before, I worked for an employer on the outside. It was either do this or you didn't have a job. Could you disclose if any of this was the topic you came up Monday, Mr. Mayor?

Mayor Streeter

No, I will not.

Bob Burgess

Very good. But I think as chief executive of this City, I urge you whoever is negotiating this contract, I mean we've been saying well we've been negotiating health insurances for years and years, well it's all deaf ears but the taxpayers are picking up more, and more, and more and we just can't afford it anymore Mayor. I don't know what you can tell the seniors. You say I feel your hurt. The feeling don't feel it when they are on verge of either losing their house or not having health insurance. I think we got to really take some hits here. Nobody likes to cut. I'd like to give everybody everything and the moon here, but we just can't afford it. It's time that we paid the piper. Something's got to be done here. I think the honeymoon is over. I hope the aldermen really down deep, I mean everybody says we'll see how election comes November, but that ain't the way. I think we've got a good group. I think all the aldermen collectively should all be together on these budget hearings. I think it is important. Don't nickel and dime. You can't nickel and dime it anymore. Those days are gone. There's going to have to be drastic cuts here. Really, Mr. Mayor, I think you've got to take the helm here and try to get through to some of these organizations.

Last of all, these stipends. Anything that ain't under contract ought to be done away with. I think somebody owes the taxpayers a good many answers on these. Maybe we've got to look at the job descriptions and structure again to give some of these raises. When I hear somebody is getting \$700 a week, that's enough to choke you. Thank you very much.

Karen Boivin

Good evening. My name is Karen Boivin. I live at 6 Lacy Lane. You'd think I'd be smart enough to know not to follow Mr. Burgess, but somebody's got to do it.

First of all, I want to thank Mr. Bolton, the aldermen, the Mayor, all of you for being here tonight providing another opportunity for the public to come out and speak. I was a little surprised a couple of weeks ago my husband came home from the dump with the paperwork for this year. It only cost \$5 for a dump sticker. So all of us can go and dump as much trash as we want for a whole year for only \$5, and yet we are complaining that the landfill costs too much. Maybe there's a place we could raise a little bit and find some money.

There's a lot of people here tonight because of the busing issue with the school. They think that is a scare tactic. I have to agree with Mr. Vaughan who spoke earlier. I was at those meetings. This is not a publicity stunt. This is all that's left. The Board agonized for many hours over this. As one person said that night, its this or kindergarten, and that's what it comes down to. We're out of things to cut when it comes to our schools. It's easy to say that the State standard is this many children per classroom. That's the State minimum standard. I don't know about you, when I go to the hospital I don't want a doctor who passed with a C average. I don't want my kids in a school with the State minimum standard.

Increasing the bus passes, for those of you who think that would help, doesn't raise nearly the 1 percent that the Mayor is asking to cut. You couldn't even imagine how much you'd have to pay to ride the bus to raise \$1 million. I know that there is a lot of people in the administration a lot of aldermen whom I respect who think that the Pennichuck acquisition is a wise decision. I think if we can afford it, it might be. I don't know enough about it to say yes or no. If we can't afford what we have, we can't afford to take on any more. Until we get what we've got under control, we can't acquire something else that we have to pay for. It's very frustrating to be here, again, to think that we'll be here again next year. It's time to make some tough choices, to set some tough priorities, to look at what we have, and what we can do without, and what we can't do without. I think it's time that we stop asking our children to pay for the mistakes by our administrators by asking the school to cut more and more money. I hope that the Mayor and the aldermen can get together on this, put aside their differences, and come to some conclusions that are going to make Nashua a place people want to live instead of a place people want to move out of. Thank you.

Mark Cloutier

Mark Cloutier, I live at 5 Butternut Drive here in Nashua. The thing that concerns me, and I've heard a lot of talk about management, and that is the biggest concern to me. I've been to probably on the order of a dozen meetings in the past 5 years all about the construction of our new schools. Every meeting I've gone to, the overriding justification for expending the amount of money that we did was to reduce the dropout rate. To bring in programs that would keep students at school and to encourage them to be at school. The only two things that we've talked that had seemed to be on the table for cutting are 2 things that have the biggest impact against that. We have signed up we were funding \$20 million of our debt on the schools because 5 years ago that was considered a good investment. Now we're taking about \$1 million and cutting out of this budget that will have a significant impact on that investment. Somebody used the word "unacceptable". The unacceptable is saying that those are the only things left to cut. I'm sorry even looking at \$90,000 a month or a year for office supplies; we can do with less in areas. You just have to take some things and use less. If that means increase the fee of the busing from \$50, to \$100, to \$200, that's something we have to do. But you can't take the busing away to bring students there, and you've got to look – you can't just – in today's age, we can't say 6 percent increase is there. In the last 4 years, I think there's a lot of people in this room, myself included although I'm very fortunate to have the job I have, we haven't gotten raises. I've gone 3 years without a raise and then got a 3 percent and was pretty grateful. We've got to get a hold of these problems. We have got to cut things that are not needed. We can't waste the huge investment that we have made in these schools. There's lots of things that I've argued with Mr. Corbin that maybe I didn't think we should have had them, but we've spent huge amounts of money that we're going to paying for decades. If we cut busing and sports, that is going to have more of an impact on kids not coming to that school than we've ever would have gained with the money that we have invested in those 2 high schools.

Chairman Bolton

Anyone else wishing to make comment on the proposed fiscal year 2006 budget?

Jim Miller

Good evening. My name is Jim Miller – James E. Miller, I live at 5 Columbine Drive, Nashua, New Hampshire. After hearing all these weighty matters, I have a very trivial matter.

It is hard to get information about. I have seen in the last years quite a number of programs whose success is questionable. If you go back to purchasing 14 Court Street for the Nashua Center for the Arts, then the American Stage Festival, and the Pride contract. We seem to have a lot of programs, always new programs, and they don't turn out the way they are proposed. What I would like to know right now is about the tax increment-financing district. I hope the City will never ever form another one. But I would like to know about the success of the current one.

The TIF was established by R-03-197 on September 23, 2003. How much incremental income have we received in our taxes so far?

Chairman Bolton

Mr. Mayor, can you respond?

Mayor Streeter

The project hasn't been completed yet Mr. Miller. You've attended all those meetings. It hasn't accrued any revenue. The project hasn't really started. The condos haven't been built. The restaurant hasn't opened yet. There hasn't been any taxes accrued at this point.

Jim Miller

I was under the impression that you started each year the incremental difference from the base that was established when it would be used to – that would be the increment. We've had no increment.

Mayor Streeter

When the project is completed, it will produce the taxes that will be a major part of that TIF program.

Jim Miller

Okay. On July 13, 2004, a bond not to exceed \$1,135,000 was authorized for the Riverwalk. That was R-04-56. Has any money been spent to date from that?

Mayor Streeter

I'd like Mrs. Hersh to answer that. We've had consultants have been working on the Riverwalk. I don't think construction has started. Is Mrs. Hersh here?

-
Kathy Hersh

Kathy Hersh, Community Development Director. No money has been spent to date. The request for proposals has gone out for construction of the Riverwalk, but no money has been spent to date.

Jim Miller

Jim Miller again. This is what is so confusing to me. On February 15, 2005, the Finance Committee approved a development agreement, which obligates the City to pay Tareen Realty, LLC, an amount not to exceed \$178,814. The account number was 773-01317-3726. Where's the money coming from if it's not coming from the bond, and no money has been spent, I think we taxpayers are footing the bill. Where else could it come from?

Chairman Bolton

I think Mr. Minkarah can respond to that Mr. Miller

-
Jay Minkarah

Not to contradict Director Hersh, but we have expended some of the funds under that contract. I don't know what the exact total is. I want to say it's in the area of about \$75,000 at this point. I don't have those figures with me. But we have expended some for compensation to Tareen Realty for a portion of the Riverwalk, which was related to the reconstruction of the kitchen addition.

Chairman Bolton

That was Jay Minkarah of the Economic Development Director.

Jim Miller

Maybe you're beginning to understand my confusion. If you go to the gonashua website and look at the assessor's database, it seems to change magically underneath – right under your eyes. The 48 Main Street, which is now the Peddler's Daughter, which I think is the TIF district, on January 25, 2005 showed an assessed value of \$522,400. When you push that button that says show the difference between 2003 and 2004, the difference shows up as a negative \$528.62. So the project cost us money if you believe that. Then again, if you go back on April 27, 2005, it shows the total assessment of \$605,000. It shows the 2003/2004 difference to be

an increase of \$1,110.99. I don't know how you explain that.

Mayor Streeter

May I respond Mr. Chairman?

Chairman Bolton

Please Mr. Mayor.

Mayor Streeter

Mr. Miller if you would care to visit the Assessing Department, I'm sure that Mr. Marino will have the answers to your questions. We don't at this point. At least I don't up here at this table.

Jim Miller

It's been very difficult to get answers. I've attended the TIF Advisory Board meeting; I wrote you a letter about that. In any case, I hope the City never gets into this mess again, especially for the railroad station. I know there's grandiose plans. I know it is all being negotiated in secret. That's no the way to go. Let's just pay for what we need. Thank you.

Mayor Streeter

May I also respond Mr. Chairman?

Chairman Bolton

Please.

Mayor Streeter

Mr. Miller, you indicated that things were being conducted in secret. That's not true. All discussions relative to the proposed warehouse site are held in public.

Jim Miller

Try viewing the tape that was broadcast last night about what's going on for the transit oriented development business. It was on the tape. It's being negotiated by Ms. Hersh, I believe. There's developers being selected out of the public eye. It's not being put out as far as I can tell on public bids or anything else.

Mayor Streeter

This is public property Mr....

Jim Miller

This is a mess.

Mayor Streeter

We don't own that property Mr. Miller. What the company is doing with it we don't know at this point. We know there are people that are interested in purchasing it. We would like to locate a railroad station on that site. But we don't own the property.

Jim Miller

So your administration denies the fact that any negotiations are going on was for development of that property?

Mayor Streeter

I'm sure there are, but that's not...

Jim Miller

With the City?

Mayor Streeter

No, absolutely not. We don't even know who is in the running to buy it.

Jim Miller

Well that's sort of at odds with what was said at the ...

Mayor Streeter

We'd like to know. As soon as we find out who the developers are, I'm sure they will want to come in and talk to us.

Jim Miller

Thank you.

Mayor Streeter

Thank you.

Chairman Bolton

Anyone with further comments on the fiscal year 2006 budget?

Mary Gorman

Good evening. I'm Mary Gorman. I live at 44 ½ Amherst Street, and I'm also a member of the House of Representatives and I represent Ward 4 in Concord. I have some good news. The investment in public health is quite healthy. For every dollar spent on public health, the return is \$20. I think that would make any Wall Street investor quite happy. I am asking the Board of Aldermen to please consider filling the vacancy and keeping the money for the vacancy for the public health nurse too. Jessie Greenblat who is the State epidemiologist and MD he is leaving. We had a conversation a few weeks ago, and we were talking about public health. He said to me the future of public health, Mary, is with public health nursing. He said that that is the wave of the future and what is very difficult for people to understand is that the story in public health is that there is no story. That prevention, prevention, prevention keeps people healthy and therefore there is no data from this standpoint of epidemics, pandemics, etc. So I am asking the Board of Aldermen to please keep the \$40,000 for the public health nurse II intact.

Also, I'm asking the Board of Aldermen to please review this document entitled, "The City of Nashua Division of Public Health and Community Services the organizational review and final report of June 2004." This was done by the Community Health Institute in Concord. On page 9 it takes about the hierarchy of the division. It requests that people look at flattening the hierarchy so that there possibly could be a more effective and efficient delivery of the services. I thank you for your time.

Chairman Bolton

Thank you.

Bob Burgess

Bob Burgess...

Chairman Bolton

Can you hold on a second Mr. Burgess. Is there anyone who has not already spoken who wishes to speak? Okay Mr. Burgess, please go ahead.

Bob Burgess

Bob Burgess, 32 Bates Drive. First of all I hope a speedy recovery for Bob Sullivan. One of the

good taxpayers in the City. I miss him here tonight. There's one person that was probably more stronger in the meeting was the late Bill Janeiro, which a good many attended over the years. Really a concern of the taxpayers. I was kind of disturbed last night when I heard I thought we were going to get when the assessment updates are going to be the first of April. Now I understand it's going to be after August. When is the aldermen going to get this information so the taxpayers are really now what the brunt of this upcoming tax bill is going to be? Do you have any idea what month this could possibly could be?

Maureen Lemieux

Thank you. Mr. Burgess, our goal is to have that information to the Board and to the public for August 1st.

Bob Burgess

Thank you very much.

Chairman Bolton

Anyone wishing to speak with regard to the fiscal year 2006 budget?

Robert Hallowell

Robert Hallowell, 6 Chaucer Road. To the woman who talked about it was an astronomical amount of money we were going to have to increase the busing fee in order to pay for the whole 1 percent increase I think she said. Right now its \$50. If we increased it between \$230 and \$250, that pays for all the buses. Not that I recommend this, but if you wanted to pay for the entire 1 percent, you could raise that fee to \$410.

Now one other comment which is a lot of people got up here and supported the school. I have 2 kids in school. I support the school. To get up here and say we can't anything from the school budget and then finish your statement by saying you need to cut in other places, Alderman Bolton, can you tell me what the percent of the budget is that is the school department? I don't know it off the top of my head and maybe you do.

Chairman Bolton

Call it 70 percent.

Robert Hallowell

Seventy percent? You can't tell the City to cut police and fire more than you are going to cut the school department if the school department is 70 percent of the budget. So we have to keep that in mind. If we want to cut the budget, everything has to be on the table. Thank you.

Mark Cloutier

Mark Cloutier, 5 Butternut. I must be reading the numbers wrong because I don't understand 70 percent – I'm reading line item 581 – school department is 86 – well depending on whether we go with Mayor's adjusted or department requested, on the order of \$86 million. The total budget is on the order of \$227 million. To me school budget is about 30 to 40 percent. Am I reading these numbers wrong? This is my first time. Now you've looked at it a lot more than I have.

Chairman Bolton

You're not reading things wrong, and it's why I hesitated when I was going to put a percentage on it. It depends how you calculate something that is difficult to calculate. For example in the section of the book that talks about the school department, that doesn't contain benefits for health insurance, or pensions, or those sorts of things. There are some other things as well – contingency negotiations, the bonded debt associated with school projects are in other areas of the budget. Figure it out in different ways and allocate it. It's more than is just reflected if you look at the bottom line of that one department.

Mark Cloutier

Okay. Thank you.

Fred Teeboom

Fred Teeboom, 24 Cheyenne Drive. I have a couple of quick questions. I think all of these can be answered by Ms. Lemieux I believe. The first question is a lot of discussion about transportation for the school department. I'm looking at this handout and I don't see where the transportation is being cut. Could you identify exactly where that is being cut?

Maureen Lemieux

Mr. Teeboom, I believe that the numbers that we have included on this sheet reflect a 1 percent reduction, which is the \$859,000. The Board of Education actually has full authority over determining where that reduction would be. So it was through deliberations of the Board of Education that they determined that part of that reduction would be high school busing.

Fred Teeboom

I'm a little confused then. The transportation is listed, I believe, on page 226 of the budget. It says \$4.4 million, which is all the bus transportation. The Mayoral adjustment is like 890 close to this number that you have here, which is on page 236. The mayoral adjustment comes out of a different part of the budget. I never quite understood what the mayoral adjustment means in the main budget. Maybe you can explain this better. Is the mayoral adjustment that you are talking about is on page 23. The transportation is on page 226. They are totally different and

disconnected items.

Chairman Bolton

Mr. Teeboom, the Mayor is requesting after the preparation of the budget and over and above everything that is in that book. The Mayor is requesting of the school department that they cut 1 percent, which is \$859,478. An additional between 8 and 900,000. The Board of Education has said if we have to do that, we know it will hurt, we don't really want to do it, but if we have to do it, one of the things that gets eliminated is high school busing.

Fred Teeboom

Which is about \$500,000 I understand from the school. Okay, I understand that better then. I must say though it doesn't hurt some of these high school kids to walk to school. Maybe they will lose some weight.

The second thing I wanted to mention. I don't see the stipends being cut. There's been a lot of discussion that Alderman Deane brought up very correctly a lot of these stipends. Where are the stipends being cut.

Chairman Bolton

The Mayor has not suggested cuts in any of those.

Fred Teeboom

No cuts, Mayor Streeter? No cuts have been recommended in these stipends?

Mayor Streeter

That's correct.

Fred Teeboom

I find that incredible to understand Sir. Anyway, that's my comment. I just don't understand your philosophy at all. Could you maybe explain why you are not cutting the stipends?

Mayor Streeter

I beg your pardon

Fred Teeboom

Could you explain perhaps why you decided not to cut the stipends when you cut all these

other...

Mayor Streeter

Most of the stipends are either negotiated or approved by the various boards in our City. As justification for every single stipend, I believe this was a topic of lengthy conversation that, perhaps I think it was at the last Budget Committee, I'd be very happy to explain in more detail to you Fred and have, for instance, the Fire Chief or someone from the Fire Commission why the rationale behind the stipends. Stipends have been in effect in our community for 20, 30 years. It's nothing new. They've always been in the budget. They are to recognize work over and above the call. They recognize the expertise, the certification for instance of some of our professionals. They recognize that in one instance the Director of Streets works 24, 48 hours straight during snowstorms and so forth. There's a stipend in there to compensate him for that extra duty. There's a rationale behind every single stipend. I'd be happy if you want to raise the questions as to which ones and the rationale behind them. I'd be very happy to explain it.

Fred Teeboom

I'm sure you could explain it Mr. Streeter, but let me just say that when I was a consultant and I had to write a proposal, and I had to work weekends and nights. Okay.

Mayor Streeter

Right.

Fred Teeboom

The answer was Mr. Teeboom you're getting a salary. You're getting a damn good salary. You're not getting a penny more. That ought to be your responsibility. You start coming up with these cuts, the first place you ought to start cutting is these stipends. As an example, I understand Mr. Marino, who is head of the Assessing Department, is getting close to \$800 extra a month, if I remember right. No more than that. So a sizable amount of money. I think it came out to \$12,000 a year because he's also part-time head of the Information Technology Department. Well that's Mr. Marino. He's a manager. You ask a manager to take over part of another manager's job, that's standard. He's a manager. That ought to be accepted of our managers. We shouldn't ask the taxpayers to bear these stipends. You can justify this to the cows come how. But I just don't understand that justification, Sir.

Mayor Streeter

I'd be happy to explain it to you before the cows come home Mr. Teeboom.

Fred Teeboom

Let me get to another point. Under the insurance, and on this I'm now looking at the list inside government shortly before the meeting started. For instance it talks about \$598,000 to cut Blue Cross Blue Shield in the plan City. What does this really mean? Does this mean that these are not contractual items and you can cut \$598,000? I'm just talking of the first item on the long list of insurance recommended cuts.

Maureen Lemieux

If I may Mr. Chairman. Mr. Teeboom we actually spent quite a bit of time the other night at the Budget Committee going through this also the evening. Because it appears somewhat confusing on this list, what we did provide I believe out back was a list of what the 508 budget or the insurance budget would look like at this point in time. What we have done is adjust the numbers that were in the...**end of Tape 1, Side B...** original budget presentation to what we are forecasting today. And so these are either increases or decreases to what were in the original budget. But we have provided a list of what that list looks like today.

Fred Teeboom

I see the accounts, yes. So you are saying you overestimated these numbers?

Maureen Lemieux

Yes. When the budget was put together, once we received the consultant's report for next year and figured in a migration that would happen between plans, at least the anticipated migration, we went back and reforecast all of the numbers.

Fred Teeboom

Okay. Another question. I can't judge whether you overestimated or underestimated. I'm just looking for an answer. Negotiations. The last time we had a public hearing I said it seemed like a dumb idea to flag to the unions what your negotiation contingencies are. Now I took them out. However, does this mean that if you get to a negotiation you try to stay away from what unions call "unfair labor practices" that you pull this money out elsewhere? I'm talking about item 597 on page 5. The bottom of page 5 of your handout. The two items you have negotiations 551,000 and school 297,000. And it adds up to 848,000, which you are reducing. Where is that money if that means you are going to negotiate nothing, or that money gets hidden some place else?

Chairman Bolton

Mr. Mayor, do you care to respond, or Mrs. Lemieux?

Maureen Lemieux

Thank you. Mr. Teeboom if the Board of Aldermen were to accept all of the Mayor's recommendation, and those being two of them, then the budget would not include specific allocations within the negotiations account for any contracts that have not yet been settled.

Fred Teeboom

So there will be no money there for those negotiations?

Maureen Lemieux

Not in that specific account.

Fred Teeboom

They will both be someplace else, like the contingency account. If you need some money for negotiations and you agree to a settlement in the contract and you need \$100,000, are you going to pull it out of a contingency account?

Maureen Lemieux

No. There would be no money in contingency. If that were to happen and if the Board were to approve contracts, it would be our expectation that the departments would have to find that money.

Fred Teeboom

Oh. That's quite a bit – 859,000 here. Well anyway. I can understand what you are trying to do then. By the way, I must congratulate on that point, because that is exactly the way you ought to do it.

On page 2 you have an item under 508 standing by subs a \$2 million item called "replenish unallocated reserve". That's a cost not a savings to add to this other \$4.5 million added insurance costs. That makes \$6.5 million additional – that's a staggering number we are talking about. \$6.5 million added to the \$19+million already in that budget. What's the \$2 million? What does that mean?

Maureen Lemieux

If I may. Once again, that is a replenishment of our reserves. As I believe you are aware, we are self-insured. We have currently \$5.6 million in two different reserve accounts. \$3.8 million set aside for health insurance costs that have been incurred but that we have not received the bills for; and \$1.8 million for any property and liability claims that we have incurred but have not

either made payment on or have settled. Then what we also need to do is really carry an unallocated reserve so that if we are settling some of these claims in say this year, but they are claims for prior years, we would be tapping into those reserves. Our intent is with this \$2 million is where we initially proposed abolishing the school capital reserve fund and re-establishing it at a \$10 million figure, we would now propose abolishing the school capital reserve fund, re-establishing it at an \$8 million figure, and utilizing the other \$2 million to put it into a replenishment for the insurance reserve account.

Fred Teeboom

Excellent! If you follow my suggestions further, last time at the public hearing, I said take the other \$8 million, remember there was \$10 million then, and if you could follow the bouncing ball, there's \$20 million. \$10 million is reduced to offset, then I said take the other \$10 million. So you've got another \$8 million. The schools are constructed. We have spent enough money for these schools for quite a while to come. Take the other \$8 million and offset against the tax rate. Get that tax rate down. So \$2 million is a good start against the insurance funds, fine. Take the other \$8 million and offset it against the tax rate. That will bring you down to that 4 percent that I was talking about earlier.

Final point, well it is a point because you have it under page 6. It says capital reserve fund, school construction. Is that the \$2 million you were talking about? The \$2 million came out of page 6 and that wound up on the \$2 million on page 4. So that's the shuffling that you've done.

Maureen Lemieux

Yes.

Fred Teeboom

All right. Final point. On the insurance funds, and I mentioned this earlier when I gave my summary statement, I hope the Mayor didn't say when he said somebody was an ex-aldermen was making libelous remarks. I hope you didn't mean me Sir. Okay. Let me say something about the insurance funds.

Mayor Streeter

The answer is no, Fred.

Fred Teeboom

Thank you very much. I appreciate that Sir. I wonder who you were talking about.

Now the thing, and we've talk about this Maureen, but let me make this public. In the insurance

accounts, there is no accounting shown for the revenue that people pay. After all even though it is a small amount, percentage wise, it still adds up to a few million dollars. Why is that not shown as a revenue, and why isn't the true cost of the insurance shown? Because you have arbitrarily reduced the insurance costs by those which are called hidden revenues or off budget revenues. If I pay my 5 percent as a policy holder, and employee of the City, that 5 percent is not shown in the revenues. You have reduced the cost of the insurance by the 5 percent, and that is what's reflected. I consider that to be not truthful budgeting. Could you explain that please?

Maureen Lemieux

Thank you Mr. Teeboom. I will start and then if Carol needs to jump in she certainly may. As I was trying to explain when we were having our conversation earlier today, any money that we withhold from our employees paychecks really becomes a liability for the City as opposed to a revenue. A revenue account and what is reflected in our budget book are the 400 series numbers. Those are our revenues. These are actually 200 series, which are liability accounts for us. If we withhold anything from our employees paychecks, that's not a revenue to us. So what we do is charge off some of the insurance to these liability accounts. These would clearly be any money that is reflected in those accounts on June 30th, which there typically is money sitting there because it is what we've withheld from our employees in the month of June that they would then be paying that we would utilize for our July health insurance payments. That money is typically sitting there on June 30th. If you were to look at our audited balance sheets, and Carol can certainly correct me if I'm wrong, I believe that you would find reference to any liability accounts that we have on that date. So that's why we don't reflect this as a revenue. It is not a revenue. It is actually a liability from the City's perspective. Much as any taxes that we withhold would be, or pensions, or anything else.

Fred Teeboom

But is there a reason why you couldn't report it. I mean liability is liability. Why couldn't it be done truthfully? One of Alderman Bolton's pet peeves in the past. The one thing I think I have ever had agreed with him on is the shell game of this budgeting. I call it a shell game; he called it something else. The point of it is, is there a legal reason why these kind of figures are hidden from this budget? Two hundred accounts are not shown. There are many accounts that are not shown in this book, but this in particular has been hidden.

Carol Anderson

If I could Mr. Chairman I could respond. It's not a shell game. In fact, Mr. Bolton I'm sure would agree that this is the way we have to report it. If we did not report it as a liability, we would be stating our financial statements incorrectly because it is not our money. It's an offset to the insurance costs, but it is not revenue to us. It is truly a liability. That money belonged to the employees and we are merely transferring it to the insurance company. That is what we are doing.

What also has occurred, and this was an audit requirement, is we needed to change the way the insurance fund was reported. It needs to be in an internal service fund because it takes care of an activity that is related to the employees. So it is in an internal service fund. In that fund, any monies that we take in that are revenues, then that would be reported as a revenue. For the most part, all of the monies we are taking in are actually liabilities.

Fred Teeboom

Okay. I'll let the aldermen pick this up. How are people ever supposed to know what employees really pay into these things? How is the average citizen supposed to know what the true cost of these insurance amounts are? And I'll let the aldermen pick this up (inaudible) debate in public. But that is the question you ask. Truth in budgeting. You could report it as a separate item called liabilities in this budget. That's my point. Thank you very much Mr. Chairman.

Chairman Bolton

I think the truth is, Mr. Teeboom, it could be reported. It has not been included in the past but that service fund could be a supplemental page that discussed all the ins and outs of that. That may be something that gets provided in the future now that there is more attention being devoted to this.

Scott Cote

Mr. Chairman. Scott Cote, Chairman of the Board of Education Budget Committee. For the benefit of the public that's here and those that may be watching on Channel 16, I'd like to take a step back and have people understand where we've been and where we are today because I think there might be some confusion as to what's occurred with the Board of Education through their entire budget deliberation process. I think would be helpful. The Board of Education was submitted a budget by the Superintendent to review and approve. I think it is important for everyone to understand that that budget that was presented to us by the Superintendent, the Board of Education reduced that by \$2.7 million. That request that was submitted by the Superintendent included a number of new positions which totally roughly \$678,000. The elimination of 23 paraprofessional positions that were originally funded through a grant and the request by the Superintendent was to move them, because the grant was expiring, move them from the grant to the school department operating budget. We eliminated that. That was \$317,000. We eliminated essentially 6 new librarian positions by funding them with the elimination of 6 elementary school positions. We eliminated 2 interdisciplinary curriculum specialists. We eliminated 4 custodial positions. We eliminated 1 high school headmaster. We eliminated 1 middle school teacher. Then we reduced the allowance for custodial overtime. Those personnel expenses alone just on that first round total \$1.6 million.

In addition to that beyond personnel expenses, we reduced the school allocations, which are those monies to by those supplies that we talked about or was mentioned earlier, by \$165,000.

We reduced the computer allowance by \$144,000, which now puts us on a replacement schedule for computers for 1 replacement every 20 years. We eliminated the increase in Clearway budget allowance with the hope that we would be able to work with an existing resources at the Alternative Middle School. We reduced major building repairs by \$113,000. We eliminated 3 existing special education buses. We eliminated the operating budget for the credit recovery program with the hope that we could seek grants to fund that for \$90,000. We eliminated all motor vehicle replacements. We eliminated new special education software. We made \$50,000 worth of miscellaneous reductions, which I will spare you from. We did reduce our stipends account by \$50,000. We eliminated a proposed portable at Pennichuck Junior High School. We eliminated new transportation software. We eliminated the increase for photocopies and furnitures. And we eliminated a new middle school intramural program for \$9,000. That was phase I. That was the budget that we passed on to the Mayor, which totaled, again, \$2,753,000 worth of reductions.

The additional 1 percent request that was presented to us was phase II. What that did was that came to us for a reduction in funding for the athletics and co-curricula activities at \$200,000. Transferring lunch monitors from the operating budget to the Food Service budget, which raises meal prices for \$302,000. We eliminated the secondary transportation for \$527,000. We eliminated an additional high school headmaster. We eliminated a central office secretary. We eliminated another librarian position at the elementary school. And we eliminated custodial overtime support for Bidy Basketball for \$45,000, which gives you the 1.18 million. So the total reductions that are on the table right now are contingent upon what you all do is nearly \$4 million from the original request that was there. My concern is that based on what I've heard from some people say tonight is that there may be some confusion that all we are looking at is the reduction in busing and the reduction in extra-curricula activities and athletics. That is not the case. There has been significant reductions and cuts across the board. There was a suggestion earlier that what's next. Is it all of athletics? Is it all of kindergarten? Is it those other programs that we believe are important to continue to move the school forward? This is not a gimmick. The Board of Education is at the point where it is making very critical decisions that it believes it needs to do to maintain the integrity of the programs and what we believe also will economically impact the City of Nashua if we begin to move in the other direction. So I wanted to provide that clarification, and I thank you for the opportunity to do that.

Chairman Bolton

Anyone else desiring to speak?

Jane McAlman

Jane McAlman, 176 Lake Street. I'm here to represent the older folks. As I look around in this audience there aren't too many of us. I personally feel a family that has a mother and father working that have all these problems could pay a little bit more. If you have two incomes coming in and you have a child that is being bused, couldn't you pay \$5 more a week to the school instead of making the seniors pay in their taxes. Or if you have a child that is in a sport, have

them pay a certain fee. But have them pay a little more for the poorer folks that can't afford it to play. Because some folks cannot afford to pay for these sports.

Somebody said something about preventative medicine. That's a joke. We get social security. If our social security goes up 4 percent, our Medicare goes up 2.5 percent, and doctor's do not give any examinations of any kind to save your health or to keep you well. You have to be sick to go to the doctors. Right there that does not make sense, and that's where a lot of our money goes. So it's very obvious here tonight that most of this audience they work for the City. They probably make good money. That have good pays coming in. You really cannot compare them to elderly. For an example, when I had my family I did not work. When my family was young at Christmas they were happy to get dolls and trucks. I have grandchildren now. Once they reach first grade, they want a computer. Now stop and think. Compare the price for computer for a doll or a truck. It all depends if you are young or old and it really makes a difference on our taxes. Thank you very much.

Sue Sergeant

My name is Sue Sergeant. I live at 4 Sweet Meadow Drive in Nashua. I am a mother of 2 students at Charlotte Avenue. I haven't gone over the budget line by line. I can't say what I would change over what the school department has had to already. I must say that 5 years ago when I moved to this town with a Kindergarten student and a baby, I was told by everyone that I spoke to what a good education system there was. How I would benefit my children by moving here. My husband and I chose to live in Nashua over a lot of other places that we could have selected because of the services that were offered. I have an older child who requires special services from the school that are not mandated by the State and are always under consideration for being cut every time these meetings come about. I just want you to know that I put in a lot of time in our school. I do a lot of volunteering. Everyone that I know at our school does that to try to help. We do what we can. We send in supplies. The PTO does lots and lots of extra work in the system to try to make it possible for the school to have things for our children that wouldn't be available by the budget. I just want you to know that there are people who are working outside of the system to make sure that the schools succeed, but if every year we have more and more cuts about the things that make this a great school system, you will lose good people from the community. I cannot raise my children in a place where the school system is not adequate. The more I come to these meetings, the more I hear that it's becoming that way. That's just not possible for me. I'm going to continue to work with my friends to make sure that we have a good school. Something's got to give somewhere I totally agree. I think the school department has worked as hard as they can for cuts. I hope that it can stop at this point. Thank you.

Robert Hallowell

Robert Hallowell, 6 Chaucer Road. I'm only getting up because Mr. Cote got up. I want to be clear about something. We are not talking about cutting anyone's budget. The school department, even if we go by the Mayor's budget, gets an increase of 4.3 percent. I understand

that the school board did a lot of work once they got the initial budget, but with all due respect, it's \$85 million now. What you are saying is if the school department had originally come up with a budget of \$170,000 and you cut it down to 85, then you would have been savings us 50 percent. That's not what went on here. Don't panic. We're not talking about destroying the infrastructure of Nashua. We're talking about a reasonable rate increase. That's all.

Dennis Ryder

Dennis Ryder, 17 Charles Street. My comment literally reflect what that gentleman was saying. I've been hearing cuts, reductions, these are all cuts and reductions in the proposed budget, I believe. Was there any City department at all that is actually spending less money this year in the new budget as opposed to last year? If so, could you tell us what it is?

Chairman Bolton

Mr. Mayor, do you know of any?

Mayor Streeter

Do you want to repeat your question again?

Dennis Ryder

Yes Sir. I'd like to make sure if there is any City department in the government which is spending less money in this proposed budget than they actually had last year?

Mayor Streeter

Yes. Would you refer to the handout entitled "fiscal year 2006 operating budget". Any 800 appropriations you'll see numerous, there's more – just in general government there's 4 that are receiving less. In Administrative Services Division, that entire division 5 line items. I'll just be happy – Dennis, why don't you go over this because it's citywide communications. Health and Community Services. It's pretty well universal.

Dennis Ryder

You mean all the departments are spending less money this year than last year?

Mayor Streeter

Yes. On our proposed budget, there are a number of divisions that will be spending less.

Dennis Ryder

Those, of course, are reductions in the budget.

Mayor Streeter

Pardon?

Dennis Ryder

Those are really reductions.

Mayor Streeter

Dennis, do you have this sheet?

Dennis Ryder

I have it, Sir. I got it this evening for the first time. I really haven't had time to study it.

Mayor Streeter

That pretty well spells out what we hope the fiscal year budget 2006 will look like.

Dennis Ryder

But like this gentleman said before me, I don't think the major budget areas have actually reduced – the police, the fire, school system. They are all spending more this year than they did last year. Are they not?

Mayor Streeter

The answer to that is yes.

Dennis Ryder

Thank you Sir. That's all I asked. It just so everybody could understand that all these reductions, and cuts, and changes aren't necessarily to the existing infrastructure. Thank you.

Mayor Streeter

Thank you.

Kevin Kelly

Kevin Kelly from Coburn Woods. This is the first of these meetings that I've attended. I've watched some of the television program, but never in person. I've been sitting here wondering what the appropriate model would be for reducing our spending and looking at in two different ways. One being of a longer term or strategic nature. I think a number of speakers earlier have stated the City has been on a spending spree for a number of years. It's time we put a halt to those kinds of expenditures. It's not going to help us with the current budget problem that we are facing in this coming year. I was thinking about a model that we might be able to employ for addressing the short-term expenditure issue that we are against in the tax increase. While it is not a perfect model, I was thinking in terms of how a corporation would deal with a fiscal problem like this. The things that immediately occur in corporations when they are faced with a fiscal problem is there are certain items that are immediately frozen. No further spending is approved. These are the things like travel, and training, hiring. Another, and I don't know how much of that is in the City budget, the handout we got tonight is at a very summary level.

The other major thing that would happen in a corporation would be that consulting engagements would be frozen. Those that could be would be terminated. Those that couldn't wouldn't be allowed to reach the contracted end point, and then they would terminated. I'm wondering how many consultants the City has in the current budget, and what are paying for these consultants? That's a question I would like to see answered.

Finally, the Mayor was talking earlier about an expenditure of \$300,000 for the acquisition of Pennichuck. That's an expenditure that if it were eliminated from the budget, it wouldn't cost one iota of service. I believe that it should be eliminated. Thank you.

Chairman Bolton

My Mayor, are you in a position to answer the question with regard to consultants?

Mayor Streeter

I will start by saying of the total budget, by 89 percent – 90 percent, is personnel costs. So if you are going to be making appreciable cuts you have to cut people. We've looked at supplies, copiers. I can't give you an exact amount of consultants, but all one would have to do would be to review the Finance Committee reports over the last year. Any guess on that Carol? I couldn't guess. Believe me it's not much. Some of the consultants, of course, that we engage are paid for by either State or Federal funds and not by taxpayer funds. How quickly can we get that information?

Carol Anderson

Each division could provide some information on that. We could certainly get that information from each division. We've had that conversation when this was being developed. One of the

things that you have is in some situations, and most of the ones that I know, when you have a consultant you have the person in, they perform that specific function. There is no overhead with them because you're not taking somebody on with payroll benefits, with insurance benefits. They come in, they perform the function, then they are gone. If you take on employees sometimes to do some of that work, it is there for the long term. There are not many consultants. I think it's more probably in the DPW area and possible a few in the Community Development. They are not significant numbers. Like I say, they have a specific function. They complete it and then they leave.

Chairman Bolton

Thank you. Anyone else wishing to comment on the proposed fiscal year 2006 budget?

Bob Burgess

Bob Burgess at 32 bates Drive. I'd like to get back to these classroom size. I was told I was a little all wet here. As we look at the Pennichuck Junior High here. The middle of school. You've got 3 classes – 21.7; 3 – 21.3; 3, 21; 3 – 20; 5 – 20; 5 – 20; 2 – 22; 5 – 20; 5 – 20; 2 @ 22. You can have the classroom size up to 30 youngsters. It don't tell me the classrooms are full. Let's take the grade school. The average class size 18. Bicentennial – 23; Birch Hill – 24; Broad Street – 19; Charlotte Avenue – 22; Dr. Crisp – 21; Fairgrounds – 20; Ledge Street – 20; Mt. Pleasant – 19; New Searles – 20; Sunset Heights – 22. Let's go to the high school now. You've got 2 classes – 9 youngsters; 2 classes – 10; these are in the core subjects; 4 @ 11; 2 @ 12; 5 @ 13; 5 @ 14; 5 @ 15; 12 @ 16; 7 @ 17; 13 @ 18; 19 @ 19; 22 @ 20; 29 @ 21; 32 @ 22; 33 @ 23; 55 @ 24; 57 @ 25; 63 @ 26; 27 @ 27 31 @ 28; 43 @ 29; 40 @ 30; 41 @ 31; 2 @ 32. The high school and the middle school were allowed the 30 youngster in the high school and this is telling me, and this isn't include special ed, that the teachers got small class size. I think something can be done. It tickles me with these low figures at the Pennichuck Junior High. They were coming in for a trailer for an art teacher when you got a good many of the classes with only 20 youngsters in the school. That was cut out. Some of these classroom sizes – these ain't included special education. These are the basic classrooms. We've got some small classrooms in the City. I really think we could have made some further cuts. Thank you.

Linda Guidi

Linda Guidi, 46 Ramsgate Ridge, Nashua. I'm a 6th grade teacher at Pennichuck Middle School. I'd like to just briefly comment on a couple of things that Mr. Burgess just said. First of all, at the high school level there is a State standard that we require to maintain for science lab classes. We are not allowed to have more than 24 students in a class. So that would address some of the class sizes at the high school. That is a State requirement.

Secondly, in Nashua schools we have a leveling system. We have honors, extensions, and foundations groups. Our intention in instituting this system was that some of our students that

were struggling learners could be in smaller class sizes. So it also explains some of the lower numbers, particularly at the high school where we have foundations level students that we hope are in classes of 19, 20, 21 learners, which is still a lot of kids when you have kids that are learning at below grade level. There's also, I believe, a State standard for first grade? K – 2, which is 20. So that is something we couldn't do anything about. That's a State standard as well.

Lastly, we are subject to no child left behind requirements at this point. We have people coming in, and looking, and asking what are we doing to keep our schools from becoming failing schools. So class sizes, again, is something that they look at seriously if you have a community that is basically a middle class community like Nashua is. We are held to a standard in terms of what we are doing to keep our schools from becoming failing schools.

Chairman Bolton

Thank you. Further comments on the fiscal year 2006 budget?

John Panny

I'm John Panny, 1 Aberdeen Lane, Nashua. Just going back to the cause it by having it goes outside the box. Going through some numbers, the admin. building for the school admin. Building is less than 3 percent the size of either the high schools. Could any consider be given to possibly emptying the admin building and moving those people into the high school? Probably get those people to understand the situations up at the high school as well. Also, 110 secretaries in the school system? I know my business we've done away with secretaries. I do my own administrative work. I think a lot of other business do. I think that is a place. I know you don't want to make cuts. Some of the best people are secretaries, but hard times call for hard decisions. Thank you.

Debra Rapsis

Debra Rapsis, 29 Blanchard Street. One of the things that Mr. Teeboom called attention to are the stipends. I think this illustrates part of our dilemma here. Mr. Mayor, your response was we've been doing that for 20 or 30 years. It is precisely that mentality that has us in this current positions. It is simply to continue something whether it needs it or not because we have been doing for 20 or 30 years does not – it doesn't make any sense. It is not reasonable, and it's not sensible. It's certainly not good business. I would ask you all as your duty and responsibility to look at these line items much more closely and sometimes you just have to say no. Thank you.

Chairman Bolton

Anyone further?

Dennis Ryder

Dennis Ryder, 17 Charles Street. I'd just like to make one suggestion. In previous years the Board of Aldermen have rolled over any unexpended monies in City department accounts into their operating budget for the next year rather than reduce the tax rate. In view of this crisis, I would suggest...

Chairman Bolton

I don't believe that is true Sir. Most often those funds have lapsed and have gone to reduce the tax rate. There were exceptions, but most often unexpended funds go to reduce the next year's monies needed to be raised by taxes.

Dennis Ryder

I am suggesting that that be done in most cases this year and not in just a few cases. Secondly, I'd like to say that this meeting is very much better than your first meeting. You have a lot of information for us, and you are conducting it in a very much more parliamentary manner. I've enjoyed the meeting. Thank you.

Chairman Bolton

I think there is some misunderstanding about the information that was provided at the first public meeting on the budget. There were full copies of the budgets provided for anyone who wanted one at that hearing. Much has been said to the contrary. That isn't the case.

Dennis Ryder

Referring to this kind of information...

Chairman Bolton

The administration was able this time to provide what their proposed alterations to the original document was. Thank you. Anyone else? Anyone else wishing to comment on fiscal year 2006 proposed budget? Seeing none, I'll declare the public hearing closed.

**MOTION BY ALDERMAN DEANE TO ADJOURN
MOTION CARRIED**

The public hearing was declared closed at 10:42 p.m.

Attest:

Paul R. Bergeron, City Clerk