

BUDGET REVIEW COMMITTEE

JUNE 8, 2005

A meeting of the Budget Review Committee was held Monday, June 8, 2005, at 7:00 p.m. in the Aldermanic Chamber.

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

Members of Committee present: Alderman-at-Large David W. Deane, Vice-Chair
Alderman David MacLaughlin
Alderman David D. Lozeau
Alderman-at-Large Paula I. Johnson
Alderman Lori Cardin
Alderman Robert G. Shaw, Jr.

Members not in Attendance:

Also in attendance: Alderman-at-Large Brian S. McCarthy (arriving at 7:45 p.
m.)

Alderman-at-Large James R. Tollner
Alderman Richard LaRose
Alderman Kathryn D. Vitale (arriving at 7:15 p.m.)
Maureen Lemieux, Div. Dir., Administrative Services
David Fredette, Treasurer/Tax Collector
Jane Joyce, Manager, Human Resources
Susan Jeffery, Risk Manager
Janice Tremblay, Purchasing Manager
Angelo Marino, Chief Assessor

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Chairman Bolton

Treasurer Fredette is here with some information we asked him for last night. I think it would probably be good if we heard from him first unless anyone has any objection to that.

David Fredette

Thank you Mr. Chairman. As I had said before the meeting started, I did find out from Legal today that the \$5 fee could be restricted for one purpose only – for street paving. The process would be that you would have to amend the Ordinance that you have in committee, and hold another public hearing. That would of course take a little time to do, but they would be glad to write up the wording for the amendment if the committee was interested in that. I also found out that antique cars and antique motorcycles have to be over 25 years old. That is what is considered to be an antique. It has to be used for specific purposes like parade use – there is a list of different things. I am not sure how you would really know how people use their vehicles, but anyway that is what the law says.

Chairman Bolton

Are there any questions for Treasurer Fredette? Thank you.

- COMMUNICATIONS - None

DEPARTMENTAL REVIEWS

Administrative Services:

- Hunt Building (520)
- CTAB-Technical Services (505)
- Administrative Services (511)
- City Clerk's Office (513)
- Human Resources (515)
- Purchasing Dept. (516)
- Building Maint-City Admin (517)
- IT/Computers-Citywide (522, 524)
- Telecommunications (506)
- Insurance-Administration/Insurance-Policy Costs (518,508)
- Assessors (519)
- GIS (523)

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

WRAP-UP SESSION

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 503-99999 BY \$2,725

ON THE QUESTION

Alderman Shaw

I guess I would either ask Alderman McCarthy or Alderman Deane if there are any ideas for what that bottom line cut would actually come out of.

Alderman Deane

That will be up to the Board President to look into. There are a number of merit reductions that I am going to place in the lap of the department heads and division directors, and allow them to comb through their budget for these funds.

Alderman McCarthy

To Alderman Deane through the Chair if I might – do you know what percentage that represents?

Alderman Deane

I have no idea. It is part of that 1%.

Alderman McCarthy

Can I ask where the amount comes from because and the reason I ask is when we looked at the 1 and 3% reductions somewhere my recollection is that it is somewhere in between those. We have never made the 1% reduction to our budget.

Alderman Deane

This is the number that I got from the Mayor.

Maureen Lemieux

I can certainly address what it is. That is the merit reduction line item on the list that the Mayor sent so that would be the total dollar value of the salary increases in the 503 budget.

Alderman Shaw

The proposed budget is \$167,860 so \$1,679 would be the 1% cut and so basically I guess a \$5,000 total cut would be 3% and then \$8,400 or something like that would be a 5% cut so \$2,700 I guess would be somewhere around a percent and a half.

Chairman Bolton

It would be 1.6% or something like that. Is there any further discussion?

MOTION CARRIED

Maureen Lemieux

I just wanted to let you know what the talk has been here – just you are all aware there is a tornado watch for Southern New Hampshire.

Chairman Bolton

–
Let us know when you want us to vacate the building. Meanwhile we will press forward despite the adverse circumstances undaunted by the threat to our safety.

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 512-99999 BY \$23,799

ON THE QUESTION

Alderman Shaw

If I could through the Chair to Alderman Deane – I see that the \$18,799 was the merit reduction. Is your \$23,799 based on the payroll adjustments and the merit reductions?

Alderman Deane

Thinking back I am wondering ... we have already ...

AMENDED MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 512-99999 BY \$18,799
MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 511-99999 BY \$3,833
MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 513-99999 BY \$5,009
MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 515-99999 BY \$6,105

ON THE QUESTION

Chairman Bolton

I am going to say that I am generally opposed to this, and I realize the circumstance we are in

this year, but this is the kind of thing that leads to that compression factor, and it leads to these what can I call them – leads to these manipulations that tend – what I am referring to is like the stipend situation that sort of gives people additional compensation and maybe that is merited, but sort of outside the central focus of coming in from the side and then when it is later discovered there is consternation that it is being somehow to be done in a less than up front way. The other thing that it causes and as Alderman Lozeau said is additional pressure of these people to unionize. One of the things that governmental employees/public sector employees in this state can do differently from the private sector is supervisors can form unions. That is not true in the private sector, but is true in the public sector.

Some years ago in reaction to what was perceived as a budget crisis then, then Mayor Donchess basically said that there is nothing that we can do about the union contracts and people who were in unions and have increases in those contracts will get them, but everyone else will not – there will be no cost of living adjustment and no salary increase. I am sure he felt that was the right thing to do at the time, but in the entire city at that point in time when he did that there were 6 bargaining units. A year after he made that pronouncement there were 11 bargaining units. I think one can see it is crystal clear the cause and affect that happens there. I have been a member of the union. I am generally favorably disposed to the rights of employees to get together for their common good, but I think appropriate management policies would make it unnecessary for workers to get together and have to fight for what would otherwise be the right thing.

To single out a relatively small group of people and effectively punish them, and that is how it will be perceived as punishing them for something that they had nothing to do with, is not an appropriate management technique, and will ultimately do the city harm and not good.

Alderman Johnson

I understand what you are saying, and nobody is trying to punish anybody. Unfortunately here we go again we are left with this hole that we have to fix. I think we should probably just do a bottom line reduction throughout the city and let the division heads figure out where they want to reduce within their department rather than doing line by line. I think it is really a shame that it is the merit employees – unfortunately we have a contract with the unions and we can't go back in there and open up the contracts and say no one can get raises this year because we are in a financial dilemma. We are sitting here trying to figure out what we are going to do and how we are going to fix this. I didn't make the mess. I wasn't the one that didn't allow all of the amount of money to go for the self-insure fund. I didn't do this. It was brought to us and we were all in shock when it was told to us. Now we are trying to fix this hole and unfortunately it is not a small little fix it is a huge fix. I feel bad for the city employees and I think they all do a good job and I don't want to hurt any of them. I guess the question then becomes do we try to reduce salaries or is the next thing maybe going to be layoffs?

I know several of the employees from City Hall although the Mayor thinks that I am hated throughout City Hall they have spoken to me many of them and they said to me that they would

take furloughs during the summer to save their jobs, they would be willing to give back and pay more on health insurance, but again we have contracts and unless they go to the Union Stewart and talk to them it is a mute point. ... **tape flipped** ... increases or are we going to get to the point that we have to start laying people off. That is not what I was elected to do to lay people off. I was elected to oversee a budget, do policies in the city, and we are stuck here. I guess where do we go from here or where don't we go from here or we give the taxpayers in the city a nice Christmas president basically a nice hefty tax bill and with a brand new assessment on top of that. I can't see doing that especially to our population of elderly and our young population that want to move into the city. We can have the best schools in the world, but you know what happens if your tax rate is too high who wants to come here – they can't afford to come here. When you are young people starting out they are not in the million dollar homes or the \$600,000 homes they are going for the middle of the range homes – the \$300,000 homes, which used to be the started homes. That is where they are beginning and they want to bring their families here and they are not going to be able to afford it. It is going to be shame on us that we don't want to bring those people to the city to enjoy our schools and the beautiful city that we have. Thank you.

Alderman Lozeau

Are we to assume that merit employees are going to take a pay cut or are we assuming when we are talking about merit reductions are we assuming merit employees will not get a 3% increase in their pay?

Chairman Bolton

I think it is the second.

Alderman Lozeau

Okay. I just want to point out Alderman Deane's motions are line items, bottom line, and they ...

Alderman Deane

Absolutely.

Alderman Lozeau

However they are directed to the same dollar figure as the merit reduction. I would like to point out if savings as we saw in I.T. due to efficiencies in management are realized then that does not necessarily mean that employees will not get a raise. Thank you.

Chairman Bolton

But that is what the Mayor said he will do if we make these cuts. The Mayor is on record as that

is what he wants to have happen.

Alderman Deane

Well the Mayor can – whatever the Mayor said he said, but by using the 99999 it is a bottom line reduction in the department. If the motions were to be made cutting out of the 1100 account then that is where the money is removed from. It gives the department and division directors an opportunity to look around to deal with this. It is unfortunate that these are the reductions that have to be made, but something has to be done and we have to move forward on this. Thank you.

Alderman McCarthy

I guess I am concerned about that. While I don't like the idea of not giving the merit employees raises while we are giving raises to our collective bargaining units, I guess I feel even worse if what we do is to not make a policy decision on that as a Board. If we implement that as bottom line cuts so that the likelihood of a merit employee getting a raise depends on the cleverness of the Division Director or how much there is in the budget that we haven't removed that we probably ought to I think we set a terrible precedent.

Alderman MacLaughlin

My response to that observation would be that yes our division heads are clever and that is why they are division heads. They are managers. They are going to manage their bottom line. We all recognize that they are from preliminary discussions with several of them that they are prepared to make these lines – these are based on 1% reductions and they should be very attainable somewhere within these budgets. Thank you.

Chairman Bolton

I don't believe that is correct. It is 1% plus elimination of all merit increases. The merit increases are not part of that 1%.

Alderman McCarthy

Whether it is in there or not I still think it is terrible policy from a personnel perspective to leave whether a class of employees gets raises or not to the division directors. That clearly is something that if we are going to not give that class of employees raises we should give none of them raises and that should be a mandate from this Board. If there is money to be saved that could be put towards those raises then instead it should be put towards lowering the tax rate. If they are not going to give a raise to one of them we should not give the raise to any of them.

Alderman Tollner

I would absolutely agree with everything Alderman McCarthy has said. We cannot have some divisional directors who are adept at finding some money in their budget present an opportunity for merit increases for their particular employees and other divisions not having maybe the same flexibility of doing that. I think what we need to do is decide as we go through this budget process are we in a position to provide a salary increase to the merit employees in this case, and at the same time also try and convey to the unions who are either entering those union members that are either entering negotiations or in the middle of a contract that when that time comes up the expectation – we need to be consistent. I think that was one of the things that came up with the library and the principals' contract. I thought the library contract was a good one. We need to be consistent. At this point in time I think the Mayor's communication was that there will be no merit increase. For those people that voted for those contracts I don't know how you can say to one group yes I am approving – you are going to get a raise where at this particular point in time, and it is not permanent, we are of the position that the merit employees are not going to get one. We need to be consistent and probably more importantly from a merit employee's perspective we absolutely need to be consistent across the different departments.

Alderman Shaw

I did want to ask Director Lemieux if on behalf of the Mayor do you know whether or not it would be his intention if we were to make these bottom line cuts that they would be implemented as the merit reductions or would he allow the various division directors and department heads to go about modifying their budgets without that restriction?

Maureen Lemieux

I would expect that he would not allow the division directors to make those decisions. We have some departments, Human Resources is one in my division where all of the employees are merit employees and there is very little other money appropriated in that budget. Those people would have no opportunity to get the increase because there really isn't any other money there. The Community Services Division is entirely merit employees and then there are certainly some divisions that have a significant amount of other discretionary funds whether it is in Public Works, and there is huge paving accounts and maybe only a few merit employees. I do think the Mayor I would anticipate that he would make a decision and either state that all employees would be getting their raise and department heads would need to find the money elsewhere or that none would.

Alderman Shaw

I would like to add my commentary. What I would like to see us do and while I appreciate the intent and the desire to try to create maybe a different approach in terms of finding the dollars to make it up with the bottom line cut and not necessarily having to do it through the merit reductions, I really want to see it done as a policy across the board something that all merit employees are treated the same. The other part of I thought the motivation for us requesting these various additional scenarios regarding a 3%, 5% reductions was so that we could

understand what the impact of additional cuts were. I would rather see a focus on looking towards what could be cut out based on those and instead either fully adopt the merit reductions across the board or some level of reduction or not impact that at all.

Alderman Vitale

I would agree that I think that we should treat all merit employees equally or the same as indicated by Aldermen McCarthy and Shaw. If we would decide to go ahead and make those cuts to the merit employees I think it would be beneficial to at the same time discuss how we would not be looking at that again next year as happening a second time around. To do it one time might be something. To have it come up again next year and face the same thing I think that we should do it at the same time try to look to solve the problem so we don't have to do it again. Thank you.

Alderman Cardin

Can I get a clarification on the number of merit employees?

Maureen Lemieux

Thank you. There are about 125 merit employees throughout the city I believe. I do know when we calculated these numbers the total came up to I think it was \$229,000.

Alderman Lozeau

I don't think I got a clarification – is this a reduction in the potential future raise or is it a reduction in existing salary when we call it a merit reduction?

Chairman Bolton

It is the reduction in – it would level their salaries for next year at this year's level.

Alderman Shaw

This question might be best posed to H.R. Director Joyce, but perhaps Director Lemieux you might be able to at least respond. Ideally I think there might be some desire or sentiment that we would like to really ultimately see in a performance based merit increases and something that the city would implement in that kind of a thing so that there would be the right motivations throughout the various departments and divisions in terms of the various performance matrix – I know many of my colleagues have spoken about these kinds of things along the way so it is nothing new that I am discussing, but I don't recall if that is something as far as we have considered, might be considering, or has really been a discussion item or is under consideration for the future.

Maureen Lemieux

Alderman Shaw this is actually I believe probably the only group in the city where all salary increases are based on performance. All of the evaluations that are done for merit employees there is a question that the supervisor needs to answer at the end as to whether or not you recommend that the particular employee that you are evaluating should receive their salary increase. There are actually – there have been a number of employees over the five years that I have been with the city in this capacity who have not received their salary increases. These salary increases are not just handed out automatically. Naturally most of our employees are very good employees and most of our employees do receive their increases. This is I believe the only group that is very much performance based.

Alderman Shaw

If I could ask for clarification – when you say this group only do you mean your division?

Maureen Lemieux

Merit.

Alderman Shaw

The 125 merit employees. Okay. Thank you.

Alderman Deane

I just wanted to clarify again this is a bottom line cut. Mrs. Lemieux had stated earlier that if we were going to do something like this that she wanted to do it division wide so that they could deal with it. It is the 99999 okay. That is what it is. If you would like me to take a dollar off to make people feel better I can do that as well, but it is the 99999.

Alderman Vitale

I just wanted to clarify something – when you said that the merit employees it is performance based, is every merit employee included in this then? Does everybody still see a merit increase if we didn't reduce it right now would they all see a merit increase, would they see different levels of an increase? I thought I remember at some other meeting maybe it was for the School Department that the School Department always sees the same amount and it wasn't the city employees? Is that my recollection?

Chairman Bolton

I think what happens, the school is probably separate and the police and fire may well be separate, but the things that are principally in this building for departments as I understand the process it is sort of an all or nothing on what is essentially meant to be a cost of living increase – you either get it or you don't. If your performance is sub par you may not or it may be withheld and you may get it later on during the year or something like that. I think you are correct when we asked a similar question of the H.R. Director at the School Department the answer there was there was no performance component, the cost of living increase essentially was given out if you remained employed.

Alderman Vitale

So my understanding would be performance based that you start out with a 3% pot of money and you divide that accordingly depending on performance?

Chairman Bolton

No.

Alderman Vitale

What ...

Chairman Bolton

Whatever it is for a given year 3% or 2.5% an individual will get that or not get it, no one will get more than that unless there is something else that has happened and their job has changed or they have been promoted or the whole grade and step has been determined to be at a different place with the PDF review. It is not like a department has a pot of money to dole out among the 60 employees and 1 may get 8% and 1 may get 1%. If 3% is what has been determined that is the max that someone will get.

Alderman Vitale

So it is somewhat modified.

Maureen Lemieux

Alderman Bolton I even have actually a visual aid for you. The merit system is on a grid so it is not even a determination of everyone gets 2.5% this year or everybody gets 3%. As long as you receive a favorable evaluation you move from whatever box you are on in this grid on your grade level you move to the next box. They are not all exactly even, but they approximate 3%. We do not say if money is tight we don't say well we will give the merit people 1.5% this year. They either move or they do not.

Alderman Tollner

I have a question for Maureen Lemieux. On these merits they are performance merit increases. Now we use the word performance. Are there some people who have not performed well in their position that don't get any raise as a result of poor performance?

Chairman Bolton

That was answered when you were out. The answer is yes that happens although it is fairly rare.

Alderman Tollner

Thank you.

Chairman Bolton

Is there any further discussion? The motion is in Department 515 line 99999 to reduce that by \$6,105.

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 516-99999 BY \$2,169

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 517-99999 BY \$1,174

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 518-99999 BY \$6,767

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 519-99999 BY \$10,508

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 522-99999 BY \$9,879

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 532-99999 BY \$20,664

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 541-99999 BY \$8,374

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 542-99999 BY \$8,569

MOTION CARRIED

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 543-99999 BY \$8,024
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 544-99999 BY \$10,633
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 551-99999 BY \$8,847
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 552-99999 BY \$8,022
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 553-99999 BY \$5,664
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 555-99999 BY \$7,219
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 557-99999 BY \$1,307
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 561-99999 BY \$4,472
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 563-99999 BY \$1,768
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 571-99999 BY \$3,836
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 572-99999 BY \$2,364
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 573-99999 BY \$2,364
MOTION FAILED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 576-99999 BY \$1,876
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 577-99999 BY \$2,308
MOTION CARRIED**

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 575-99999 BY \$7,623

ON THE QUESTION

Alderman Shaw

I believe – if everybody is not aware, we had already – Alderman Lozeau had originally believe made the motion to essentially pass all of the reductions that were specified in the 575 line item so I think we actually reduced 11994 directly.

Alderman Deane

So we have reduced merit increases at the library?

Alderman Shaw

That was the very first I think action we took maybe.

Maureen Lemieux

Alderman Shaw is correct, but there is one issue – if you are going through and making these motions – I haven't actually listened to the tape, but I know when it was transcribed the minutes reflect \$7,223. You know if you want to make an adjustment to that, but Alderman Shaw is correct we definitely have it on record as having been reduced from the 11999 so whatever you want to do here just to let you know what the tape reflects.

Alderman Deane

I have a motion on the floor correct? I would like to withdrawn that motion,

MOTION WITHDRAWN

MOTION BY ALDERMAN DEANE TO INCREASE LINE ITEM 575-11994 BY \$7,223

Division Taken

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 575-99999 BY \$7,623

MOTION CARRIED

Alderman Deane

I wanted to discuss a piece of legislation unless someone else has some motions.

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 511-11234 BY \$45,000

ON THE QUESTION

Alderman Johnson

Thank you. I know the Director originally gave her letter of resignation and then she came back, and I had asked the Mayor was anything going to change with the hours, and he said no. Then there was an editorial in the Telegraph. Given the fact that I understand we put a lot of time in with the budget, but then there are times that we are not full time. I think at this point in time there needs to be a reduction in the salary. If anybody would like me to I can read the little paragraph from the Telegraph Editorial. I just think that we are at the point now where we are reducing everybody else and we need to make some hard choices. It is a full time position, it is not being worked full time all year long, and we need to make adjustments.

Chairman Bolton

Is there any further discussion?

Alderman MacLaughlin

Through the Chair to Director Lemieux, if you could estimate how much of the time in question percentage wise throughout the year is not considered full time work if that is possible.

Maureen Lemieux

Thank you. The position is budgeted at 35 hours a week. It is about 260 hours less than the typical 2,080 hours that you would budget for anyone else. It is on average 5 hours less per week.

Alderman LaRose

I guess my question is is it fair to say that she actually works more than 35 hours a week most of the weeks?

Chairman Bolton

Can you respond to that Director Lemieux?

Maureen Lemieux

Yes I think that is very fair to say.

Alderman LaRose

Thank you.

Alderman Tollner

This is a topic that we have discussed – we have discussed this to death. The fact that the ...

Alderman Deane

I am still alive.

Alderman Tollner

...the Director has stated that in that position she works 35 hours a week – I know for a fact there are times like any other director's position in this city they work more than the designated hours. I don't support the motion. I am not a member of the committee to vote on it tonight, but if it goes this way to the full Board I wouldn't support it.

Alderman Johnson

I know that every year this comes up. Last year I remember Alderman Rootovich talked about a timecard just so everybody knew exactly how many hours. We are down to a crucial point here. The regular work hours per the city for full time is 40 hours a week, summer times it says in the paper will be on a modified scheduled, but after budget if I remember correctly there was a modified schedule after budget hours. If I may ask the Director through the Chair please what the hours are because I remember the summer time I believe is 10 hours a week or 20 hours a week.

Maureen Lemieux

What the person does in the position is change the hours that are accrued for vacation and sick to a 25 hour a week level, but works various hours each week depending on need.

Alderman Tollner

We're talking about a Director's position in the city, a professional management position. Those people should never have to punch a timecard. They are management in the city. They are here at night, they are here in the morning, they take some of the work home with them. I don't want to separate this discussion from any other Director position in the city – they all have the same responsibility, but for anybody to think that we should ask any Divisional Director to come into the city and punch a time clock is absolutely ridiculous. I understand there was an editorial in the Telegraph. The Telegraph doesn't make the decisions as far as how this city is run. That rests between the Board of Aldermen and the Mayor's Office. When you get into a management position the punching the time clock, how many hours you work go out the window. The bottom line is the responsibilities that you have – are you performing those responsibilities that are written in the job description to the level that is expected by the Mayor or in this case the Board

of Aldermen.

Alderman Johnson

Thank you. I need to respond to that. Director positions in this city is 40 hours plus. It was brought up last year by Alderman Rootovich because there was a discussion on how many hours for how many weeks and what is the timeframe. That is what I am bringing back from last year. Alderman Rootovich if I remember correctly had asked do we keep any records because of the fluctuation of time. That is what I am bringing up from last year. The issue is all full time in the city according to the handbook is 40 hours. Anything below 40 hours then becomes part time. If we are working 35 hours a week then that becomes part time. If we are working 40 hours then it is full time. Anything that falls below 40 hours becomes part time. For \$87,330 a year on a part time schedule, and I understand that it does get modified the amount, but we also have a full time amount of money sitting in the budget, which should be more on a part time amount if the hours go down during the summer and after budget.

Actually even the numbers that we have in the budget aren't true budgeting because if we are not paying the person that amount of money then we should only be reflecting exactly how much the pay is going to be given out during the course of the year. This is where my issue becomes every year. It is not the person it is the amount of money that we are reflecting in the budget. The fact that we are paying \$45,000 to \$50,000 a year for the amount of time that the person is actually in city hall that is what that number should be reflecting not \$87,000 or \$85,000. That is what I am trying to get a handle on every year is what is the true amount that is being paid out, and that is the true amount that should be reflected in the budget. Thank you.

Chairman Bolton

Director Lemieux is the amount estimated to be paid the amount that is shown in the budget?

Maureen Lemieux

Yes it is.

Chairman Bolton

That is what I thought. Is there any further discussion?

Alderman Tollner

If I could through the Chair to Mrs. Lemieux – You have an agreement that you have a set salary and the – for the most part those 35 hours a week are based off of that set annual salary correct?

Maureen Lemieux

On an hourly basis.

Alderman Tollner

So if you were to work a 40-hour workweek that dollar amount that is in the budget here would be higher correct?

Maureen Lemieux

Yes 52 weeks a year 40 hours a week that dollar amount would be higher.

Alderman Tollner

So the estimate of 35 hours a week is projected correctly in this budget?

Maureen Lemieux

Yes.

Alderman Tollner

Thank you.

Alderman Lozeau

Mrs. Lemieux I am sorry for the uncomfortable situation that you are sitting in. It has got to be uncomfortable because it just has to be. Do you receive health care benefits through the city?

Maureen Lemieux

No I do not.

Alderman Lozeau

Thank you.

Chairman Bolton

Is there any further discussion? The motion is in department 511 line 11234 to reduce that by \$45,000.

MOTION FAILED

Alderman Johnson

I would like to make a bottom line reduction to the entire budget. How do I do that?

Chairman Bolton

Are there any suggestions Director Lemieux?

Maureen Lemieux

I would guess perhaps once you come up with the dollar amount that you would want to reduce that we determine what percentage of the budget that is and then apply that to every department – I am not quite sure how you would want to do it. If the intent is for it to be spread across everywhere equally or what – I don't...

Chairman Bolton

I think the problem with trying to do something like that is you are almost going to be required to allocate it in specific amounts at least to the various agencies that have a semi-anonymous governing board, and the most prominent obviously is the School Department, but the library would be in that category, certainly the police department would be in that category to a lesser extent perhaps fire and public works would be in that category. There has to be some way – I suppose you could say it is going to be dropped in the Mayor's lap, but there has to be some way to let these agencies know what amount of that change affects their operation.

Alderman Johnson

I guess this is probably a question for Mrs. Anderson that is not here and would probably know what to do.

Chairman Bolton

I am not even sure, but her suggestions are always welcome.

Alderman Johnson

They are usually always right.

Chairman Bolton

As I say I don't think that gets us over the problem of there has to be some method or formula to allocate it to the separate city agencies so that they become aware of how much of the operation applies to what they have control over or else – essentially the definition of the budget in our Ordinances and to some extent carried over in the Charter, but in our Ordinances anticipates that there be line item appropriations and the sum of all of those appropriations taken together

becomes the city budget. To some extent I think you can take it department by department and say that is the appropriation for that department and the individual line items are details particularly since we authorize shifting within the departments, but I don't think there is any way without more direction as to how you allocate to just take a bottom line reduction to the entire budget. If there is a formula that is proposed to go with it so that can be determined I think that would be okay.

Alderman Johnson

Well I can give you the percentage I came up with with the dollar amount and then see if it passes and then we could figure it out after. I don't know what to tell you, but I am not – to go line by line here already we are never going to get any place with the budget. We are just kind of like nickel and dimming line by lines and I just want to make a big reduction on the budget. I don't care I can wait until Mrs. Anderson comes back and maybe she will have a better clue on what to do.

Chairman Bolton

You may want to check with the Legal Department as well.

Alderman Johnson

That is fine I will check with Legal because I think this reduction if it got passed would help us immensely.

Alderman Lozeau

I am wondering if we could request information prior to our next Budget meeting for a like a recap of where we are. Is that a reasonable request?

Chairman Bolton

Our next meeting I believe is Monday correct? Normally we would expect to have something by then.

Maureen Lemieux

Certainly in your packets on Friday we have been putting together – I was just probably 45 minutes away from having it available for tonight so we will certainly have it in your packets. We have put together and will be able to update it with what we have done tonight – we have a spreadsheet that we have been preparing that has what the original proposed '06 budget was, every motion as it has been made by department, and what the new total is by department so I think that will be more valuable to you as you are moving forward than the ones that we typically

do by date. That will be in your packets on Friday.

Chairman Bolton

Thank you.

Alderman Lozeau

Would it be possible to put in the format such as is on page 33 and 34?

Maureen Lemieux

I would tend to doubt it because it is just about finished, but I can show you I do have one here and I can tell you what it is – what we have actually done is input the '05 budget by department for all of the people who are talking about the potential of level funding you will see that number right on these sheets. The original proposed '06 all adjustments increases or decreases by line by department, a new '06 adjusted budget.

Alderman Lozeau

That is great. Thank you very much.

Chairman Bolton

Is there any one else at this time with any business?

UNFINISHED BUSINESS - None

NEW BUSINESS - None

**MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE R-05-219
MOTION CARRIED**

R-05-219

Endorser: Mayor Bernard A. Streeter

RELATIVE TO THE APPROPRIATION OF \$3,075,000, WITH THE FUNDING SOURCE BEING RETAINED EARNINGS OF THE SEWERAGE DISPOSAL FUND, ACCOUNT #802-299, INTO ACCOUNT #802-59101 "WASTEWATER FUND – ASBESTOS CONTAMINATED SOIL DISPOSAL" AND THE TRANSFER OF THE SUM INTO ACCOUNT #801-899 "SOLID WASTE DISPOSAL FUND–ASBESTOS CONTAMINATED SOIL DISPOSAL REVENUE"

MOTION BY ALDERMAN DEANE TO AMEND R-05-219 IN TITLE AND BODY TO REPLACE THE AMOUNT OF THREE MILLION SEVENTY FIVE THOUSAND DOLLARS (\$3,075,000) WITH THE AMOUNT OF EIGHT HUNDRED THIRTY SEVEN THOUSAND FOUR HUNDRED DOLLARS (\$837,400)

ON THE QUESTION

Alderman Deane

I have been looking into this whole multi-year situation that we had, and the figures that were brought to us were associated with 12,657 cubic yards – that was the total once the detention pond work was done, and then dragged up unexpectedly to the housing development and dropped and mixed in with other products. I had sent Amy Gill an e-mail and asked her what the total amount of material was that was taken out of the two detention pond areas and what portion was contaminated. What I received was seeing that the original site was basically flat to start with, it is fair to say that the amount of contaminated materials hauled off site was 49% of the total haul or approximately 4,187 yards of the 8,545 cubic yards determined by CDM.

Basically prior to digging the holes or when the holes were dug there was 8,545 cubic yards of material removed. Of that 8,545 cubic yards it is determined by the evaluation that CDM had done that of that 4,187 cubic yards was actually contaminated where the upper pond was not, but the lower pond was. At \$200 a cubic yard I multiplied the \$4,187 and came up with \$837,400. I think we are in the process of looking into this further. My feeling has been and it always will be that I don't think the wastewater retained earnings should be absorbing the total cost of this issue. If in fact we had started digging and the problem was found, and yes there is money set-aside in wastewater to deal with that and if it had been captured at an earlier time the amount of cubic yardage that would have been brought into the Four Hills Landfill would have been 4,187 instead of 12,657 cubic yards. I think it is fair to say that as a CSO project they ran into that issue and the retained earnings should pay the \$837,400. Thank you.

Alderman Vitale

I just have one question for you. Once it was taken to Majestic Heights then the amount that was actually taken to the landfill was over 12,000 yards because it becomes mixed...

Alderman Deane

It was 12,657.

Alderman Vitale

You are not taking that part into account you are just taking if it went straight down?

Alderman Deane

My theory is if they dug the two holes and out of those two holes they dug 49% was contaminated and should have been brought to the landfill at that point in time, and it was discovered while it was being done, that 12,657 cubic yard number would never have existed nor would the other expenses associated with cleaning up two different sites. Being a CSO project if they do in fact start digging such as Ledge Street they put in a contingency of issues because they know of the problems over on Ledge Street area they know that is there – this 4,187 cubic yards was there, and if it had been discovered as half or 49% of what was removed and would have been paid for out of waste water retained earnings. I am sure that if they had known that the project would have never have been built because it would have been cost prohibitive for the CSO project. I think they would look for another alternative at that point.

Alderman Shaw

A question through you to Alderman Deane – I am sorry if I missed the explanation, but what drives the 49% figure?

Alderman Deane

That is the original site was basically flat to start with and it is fair to say that the amount of contaminated material hauled off site was 49% of the total haul or approximately 4,187 of the 8,545 cubic yards determined by CDM who is the on-site engineer. They are the ones that came up with the determination when they did the grids and they put the elevations in the ponds – the existing elevations that were there to the finished elevations when they were completed and they figured out what the cubic yardage was that needed to be removed to form the two detention ponds.

Alderman Shaw

I guess what I am confused on is if it is of that 8,000 something total yards – that was the total removed – what is the basis for the 49% of it being contaminated – is that based on some sample rates or that only one section of it was equivalent to 49% - that is the part I am not understanding.

Alderman Deane

Only one section, the upper part of the detention pond did not have the contamination it was the lower section that did.

Alderman Shaw

Okay so based on that, that is where the 49% figure comes from. Okay. Thank you.

Chairman Bolton

Is there any further discussion?

Alderman Lozeau

If I may through the Chair to Alderman Deane – thanks for the amount of time you put in this. I know how much time you put in this. I started following you around and I absolutely couldn't keep up with you. It is also if you can go on to explain just a little bit more – some expenses have already been incurred and the CSO fund has already ... if the number – I think the number was something like \$246,000 have already been paid out for the truck and things like that, and the only thing left is the actual impact of air space to the dump. Is that a correct assumption?

Alderman Deane

Yes it is.

Alderman Lozeau

So we are talking \$837,400 not in costs incurred but actual impact of air space? Is that not correct?

Alderman Deane

Well you could look at impact of air space and what the value of the air space is. This would be taking in kind that you are going to be charged the landfill when they process this material they charge \$200 per cubic yard to process it. Is the air space worth \$200 a cubic yard I think that might be a little high, but that is the going rate. They had their handling charges. You are correct the other items, the trucking, the air monitoring, and the equipment work to clean up both sites had already been paid close to 2.5 or 3 years ago. That was paid at that time. When you look at it the even if you took the total amount of yards at 12,657 you only come up with \$2.535 million. I don't know how they came up with the \$3,075,000 to transfer out. I believe wastewater had already paid or the CSO project had paid for the trucking and the clean up and the air monitoring already. The \$3 million even at \$200 a yard – maybe my math is wrong, but I don't know where the other \$500,000 comes from or \$465,000 rather.

Maureen Lemieux

I believe there is a factor that is multiplied against the cubic yardage when they are converting it to tons. I want to say it is like 1.3. I think it does multiply out because I know I myself had the same problems when I looked at it initially.

Chairman Bolton

It is \$200 a ton not cubic yard.

Maureen Lemieux

Yes.

Chairman Bolton

Is there any further discussion?

Alderman Shaw

That would seem to actually change what this \$837,000 figure should be that – if we are properly trying to identify the contaminated material it would seem that we need to actually have that correction factored in there.

Alderman Deane

So you are going to take the 4,187 and multiply it by 1.3 Maureen?

Maureen Lemieux

Actually I think – I don't think it is probably exactly 1.3 I think it is some approximation of it. What you could do is take the 4,187 calculate what percentage it is of the 12,657, which is 33.08% and apply 33.08% to the \$3,075,000. That would get you \$1,017,225. That may be as good a way to calculate it as any.

**AMENDED MOTION BY ALDERMAN DEANE TO AMEND R-05-219 IN TITLE AND BODY TO REPLACE THE AMOUNT OF THREE MILLION SEVENTY FIVE THOUSAND DOLLARS (\$3,075,000) WITH THE AMOUNT OF ONE MILLION SEVENTEEN THOUSAND TWO HUNDRED TWENTY FIVE DOLLARS (\$1,017,225)
MOTION CARRIED**

**MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE OF R-05-219 AS AMENDED
MOTION CARRIED**

HELD IN COMMITTEE

Resolutions

R-05-184

Endorser: Mayor Bernard A. Streeter

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

R-05-185

Endorser: Mayor Bernard A. Streeter

ESTABLISHING THE USE OF UNDESIGNATED FUND BALANCE FOR TAX RATE

R-05-193

Endorser: Alderman-at-Large Brian S. McCarthy

AMENDING COMPENSATION FOR THE BOARD OF ALDERMAN FOR FISCAL YEAR 2006

R-05-211

Endorser: Alderman-at-Large David W. Deane

DECLARING THAT NO APPROPRIATION OR TRANSFER WILL BE FUNDED FROM ACCOUNT 802-299 "SEWERAGE DISPOSAL SYSTEM – RETAINED EARNINGS" FOR TIPPING FEES AT THE FOUR HILLS LANDFILL RELATED TO THE SARGENTS AVENUE AREA SEWERAGE WORKS IMPROVEMENTS CONTRACT

R-05-228

Endorser: Alderman-at-Large Steven A. Bolton

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

Ordinances

O-04-45

Endorser: Alderman Marc W. Plamondon

REQUIRING THE PARKS AND RECREATION DEPARTMENT TO CHARGE A

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

SPORT FIELDS

O-05-76

Endorser: Mayor Bernard A. Streeter

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

O-05-77

Endorser: Mayor Bernard A. Streeter

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

O-05-85

Endorser: Acting Mayor Brian S. McCarthy

ELIMINATING CONSERVATION COMMISSION COMPENSATION

O-05-86

Endorsers: Mayor Bernard A. Streeter

Acting Mayor Brian S. McCarthy

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

DISCUSSION

Alderman Deane

I had asked the Division Director to take the multi-site cost allocations and the collection expenses and do a summary. I don't know if tonight would be a good night to discuss this, but I wanted to take that account and pull it apart because I think it is time that we did that. Although you won't see any direct cost savings it would allow us to better understand what the real issues are down there with the revenue and things of that nature. I spent some time talking with Rich Reine last week. We had gone through the numbers just for the pick up, the curbside collection of Solid Waste and recyclables along with all of the other services that they offer, the soft yard waste and bulk goods, and things of that nature ... **tape ended** ... that the citizens have and what I asked him to do was to take the – he gave me a collection expense summary and his number came up to \$2,097,169. That included the – he had a number of sheets, but that

included the cover, the payroll full and part time, longevity, phone, postage right through the whole thing, and capital reserve funding. I asked him the number of stops that we had in the city and it was around 22,000 so by the time we figured out what we needed and what the cost was with the deficit it was a little under a million dollars or a cost to the taxpayers of about \$.98 a week to have your trash picked up curbside along with your recyclables, soft yard waste, and being able to utilize the dump for another \$5 sticker. I was kind of surprised when he came up with that number. I asked him to take the multi-site costs, which is a total of \$495,509, and that includes the Shady Lane, Lincoln Park, the old Nashua Landfill, Roussell Gardner, and I asked him to take out some of the admin portions in which they play a part in that has nothing to do with Four Hills. He did this. What I want to do, probably not this evening, but probably a night next week I am going to send copies to all of the members of the Board and have them look at this because it is rather interesting.

I have said it before I think when we look at this park system that was built in the Shady Lane, Lincoln Park, Roussell Gardner, and Atherton Ave. those facilities the general public all has a right to use. It is something similar to our street lighting and our fire hydrants – the expenses here have absolutely nothing to do with the operation and collections of solid waste. These are issues that were cleaned up that Four Hills has nothing to do with, but yet in turn we expect the revenue to cover these costs. This just isn't going to happen. Our founding fathers did a lot of this and unfortunately what they did and the way they did it was an acceptable practice and years ago felt to be a good idea to put athletic fields on top of old landfills and low and behold we end up with more controversial unhealthy issues than we ever should have. I just feel that these things should be taken out of the Four Hills and we should not expect the commercial tipping fees to fund the multi-site allocations as well as the operation and maintenance of that. Perhaps next week Alderman Bolton we can sit down – I will ask Mrs. Lemieux to get everybody a copy of this in their packet this week so that we can go through it. I was kind of amazed by the time we pulled the things out that had nothing to do with Four Hills that it was costing me less than \$1 a week to have that service offered to me. For \$.98 a week I thought that was a pretty good deal. Thank you.

Alderman Johnson

If I may ask Alderman Deane a question through the Chair please – did you get the reasoning why they did it out of that amount of money – I believe it is a State Revolving Loan Fund that they used.

Alderman Deane

It might have been a funding source. I know there was some plans to merge the waste water and solid waste departments and turn it into one large entity so that the \$42+ million in reserves could be used to offset some of the issues down there at the Solid Waste Department that were perceived, but why they used that funding source – it was available to them and that is what they used because they are old landfills.

Alderman Johnson

I would like to try to get some background – maybe Mrs. Lemieux can find out – maybe somebody from Legal can let us know why that money was used. I believe it was because the former Director Mr. Crombie had this brilliant idea about this also. He was out there re-doing all of these parks.

Maureen Lemieux

Actually I believe it was approximately a \$5 million bond issue that was approved by this Board.

Chairman Bolton

It is borrowing in another form and usable for this purpose. Is there any further business?

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ADJOURNMENT

-
**MOTION BY ALDERMAN JOHNSON TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 9:04 p.m.

Alderman David MacLaughlin
Committee Clerk